

***Eric Falkenstein***

[www.efalken.com](http://www.efalken.com)

Eden Prairie, Minnesota

efalken@gmail.com

612-799-1168

***Experience***

**2006 - present**

- Created corporate credit model that integrates financial statements, market information, and agency ratings, to create a model of default risk, data available at [www.defprob.com](http://www.defprob.com). Creating quantitative models for investment models in bonds, equities, for institutional implementation.

**2004-2006 Telluride Asset Management, Minneapolis, Minnesota, USA**

- Developed and managed a long/short equity strategy applied worldwide. Particulars restricted due to confidentiality agreement.

**2001-2003 Deephaven Capital Management, Minneapolis**

- Developed and managed long/short equity strategy
- Convertible bond analyst. Created debt model for portfolio manager, calibrating debt scores to ratings, spreads.

**1999-2001 Moody's Risk Management Services New York**

- Developed RiskCalc™, a scoring tool for evaluating private firm default risk. The model was calibrated to produce default probabilities, mappings into Moody's ratings, and complimentary 'risk driver' information. Used by leading banks worldwide, as well as by regulators and Moody's own CDO group. Australian, Canadian, and US models all separately estimated and calibrated.

**1996-2002 Falken Fund**

- Developed an investment company, the Falken Fund, and incorporated as an investment adviser, Falkenstein Capital Management. From inception at 12/96 through 9/02, annualized pretax return of the fund is 16.1% vs. 3.8% for the S&P500.

**1994-1999 KeyCorp Cleveland, OH**

- Responsible for all aspects of the equity allocations used in KeyCorp's internal profitability reporting and pricing models. Basic product coverage included: consumer installment debt, consumer term debt, consumer home equity loans, small business loans, public and private commercial loans, leases, trading desks, and balance sheet interest rate risk.
- Developed Key's Value-at-Risk system; configured Algorithmic's RiskWatch application for our FX, swaps, bond option, and dealer bank desks; set up curves; designed daily VaR reports.
- Created commercial loan rating system that distinguishes between middle market, small business, media, health care, nonprofit, banks, and other distinctions. Also created facility grading schedule.

***Education***

- Ph.D., Economics, Northwestern University, 1994
- Dissertation, *Mutual Funds, Idiosyncratic Variance and Asset Returns*, part of which published in March '96 *Journal of Finance*
- B.A. Economics, Washington University in St. Louis, 1987

***Personal***

Wife: Lynn Falkenstein, Children: Maximilian (8), Alexander (7), Isabel (1)