

Eric Falkenstein

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Experience

2006 – present

- Created corporate default model that integrates financial statements, market information, and agency ratings, to create a model of corporate default risk, data available at www.defprob.com. Consulted on various financial projects. Wrote book *Finding Alpha* published in June 2009.

2004-2006 Telluride Asset Management, Minneapolis, Portfolio Manager

- Developed and managed a long/short equity strategy applied worldwide. Particulars restricted due to confidentiality agreement. Legal settlement in June 2008 gives me license to use anything created or derived from my work at Telluride.

2001-2003 Deephaven Capital Management, Minneapolis, Portfolio Manager

- 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, New York, Director of RiskCalc™ Development

- 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.

1996-2002 Falken Fund, CEO

- 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, SVP Capital Allocations and Quantitative Analysis

- Responsible for all aspects of the equity allocations used in KeyCorp's internal profitability reporting and pricing models. Capital allocations were based on risk, as determined by empirical models of facility and obligor, for 26 lines of business. Modeled commercial, consumer, and market risk.
- Created commercial loan rating system that distinguishes between middle market, small business, media, health care, nonprofit, banks, and other distinctions.

Education

- Ph.D., Economics, Northwestern University, 1994
- B.A. Economics, Washington University in St. Louis, 1987

Personal

Wife: Lynn Falkenstein, Children: Max (10), Xander (8), and Izzie (2)