

COVER PAGE FOR CHANGES TO ACADEMIC ORGANIZATION OR STRUCTURE OF AN EDUCATIONAL UNIT

The Senate’s Academic Organization and Structure Committee (SAOSC) is tasked by the University Senate with the review of proposals to change academic organization or structure. The information needed by the SAOSC for the review of such proposals is set forth in *Senate Rules 3.4.2.A.5*¹.

The SAOSC has developed a set of guidelines (from the *Senate Rules*) that are intended to ease the task of proposal submission (available at <http://www.uky.edu/Faculty/Senate/forms.htm>). As proposal omissions usually cause a delay in the review process, the individual(s) responsible for the proposal is (are) urged to familiarize themselves with these guidelines before submitting their proposals for review. In particular, the individual responsible for the proposal must fill out Sections I, II and III of this form, as well as include statements and documentation that provide a full accounting of the items a - i, below.

- a. Disposition of faculty, staff and resources (financial and physical);
- b. Willingness of the donating units to release faculty lines for transfer to a different educational unit;
- c. Consultation with the faculty of the unit to which the faculty lines are proposed to be transferred;
- d. Consultation with the faculty of educational unit that will be significantly reduced;
- e. Summary of votes and viewpoints (including dissents) of unit faculty and department/college committees;
- f. Ballots, votes expressing support for or against the proposal by unit faculty and staff and committees;
- g. Letters of support or opposition from appropriate faculty and/or administrators; and
- h. Letters of support from outside the University.

Section I – General Information about Proposal

One- to two-sentence description of change:	The Department of Finance and Quantitative Methods seeks change its name to, the "John Stewart Department of Finance and Quantitative Methods". Mr. Stewart has agreed to a \$10 million gift for professorships, scholarships, and to permanently endow the Wall Stree Scholars program in the department.				
Contact person name:	Chris Clifford	Phone:	859-257-3850	Email:	chris.clifford@uky.edu
Administrative position (dean, chair, director, etc.):	Chair				

Section II – Educational Unit(s) Potentially Impacted by Proposal

Check all that apply and name the specific unit(s).		
<input checked="" type="checkbox"/>	Department of:	Finance and Quantitative Methods
<input type="checkbox"/>	School of:	
<input type="checkbox"/>	College of:	
<input type="checkbox"/>	Graduate Center for:	
<input type="checkbox"/>	Interdisciplinary Instructional Program:	
<input type="checkbox"/>	Multidisciplinary Research Center/Institute:	

Section III – Type of Proposal

¹ Items a-i are derived from *Senate Rules 3.4.2.A.5*. The Senate Rules in their entirety are available at http://www.uky.edu/Faculty/Senate/rules_regulations/index.htm.)

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Check all that apply.	
A. Changes	
<input checked="" type="checkbox"/>	Change to the name of an educational unit.
<input type="checkbox"/>	Change to the type of educational unit (e.g., from department to school).
B. Other types of proposals	
<input type="checkbox"/>	Creation of a new educational unit.
<input type="checkbox"/>	Consolidation of multiple educational units.
<input type="checkbox"/>	Transfer of an academic program to a different educational unit.
<input type="checkbox"/>	Transfer of an educational unit to a different reporting unit.
<input type="checkbox"/>	Significant reduction of an educational unit.
<input type="checkbox"/>	Discontinuation, suspension or closure of an educational unit.
<input type="checkbox"/>	Other (Give a one- or two-sentence description below; a complete description will be in the proposal).

Section IV is for internal use/guidance.

Section IV – Guidance for SAOSC, Senate Council and University Senate

SAOSC Review of Type A Proposals (Changes to Type of, or to Name of, an Educational Unit)

- ✓ SAOSC review of proposal.
- ✓ SAOSC recommendation for an additional or joint review by other Senate committee(s) (e.g. Senate's Academic Programs Committee).

SAOSC Review of Type B Proposals (All Other Changes)

- ✓ SAOSC review of proposal.
- ✓ SAOSC recommendation for an additional or joint review by other Senate committee(s) (e.g. Senate's Academic Programs Committee).
- ✓ SAOSC review of proposals for creation, consolidation, transfer, closure, discontinuation, or significant reduction and educational unit, or transfer of an academic program to a different educational unit (attach documentation).
- ✓ Program review in past three years (attach documentation).
- ✓ Request to Provost for new program review (attach documentation).
- ✓ Open hearing (attach documentation).
 - SAOSC information must be shared with unit 10 days prior to hearing.
 - Open hearing procedures disseminated.

Voting by SAOSC, Senate Council and University Senate

- ✓ Endorse (or do not endorse) the academic organization, reporting, infrastructure, etc.
 - This vote is taken by the SAOSC, SC and Senate for every SAOSC proposal.
- ✓ Approve (or do not approve) the academic status or content of academic program.

COVER PAGE FOR CHANGES TO ACADEMIC ORGANIZATION OR STRUCTURE OF AN EDUCATIONAL UNIT

- This vote is taken by the SAOSC, SC and Senate only when the review involves an MDRC.

1. What is the impetus of the proposed change?

Mr. John Stewart, a member of the Finance Advisory Board, is in the final stages of completing a Gift Agreement with the University of Kentucky to contribute \$10 million to advance the quality and prominence of the Department of Finance and Quantitative Methods. The gift includes funds for professorships, student scholarships, and endowing the Wall Street Scholars program. The gift will enhance the Department and University's educational and research mission. In recognition of the gift, Dean Simon Sheather and the faculty of the Department of Finance and Quantitative Methods agree that the department should be re-named the "*John Stewart Department of Finance and Quantitative Methods.*"

2. What are the benefits and weaknesses of the proposed unit with specific emphasis on the academic merits for the proposed change?

The only change requested is to the name of the Department of Finance and Quantitative Methods. There are many benefits of the proposed name change and no apparent weaknesses. The gift provided by Mr. Stewart will help to attract, retain, and support high-quality faculty and students by providing financial support for professorships and scholarships, respectively. The Wall Street Scholars program at the University of Kentucky offers a signature experience to a small cohort that includes advanced academic curriculum and high-impact learning, complemented by co-curriculum education and development in soft skills. The mission is to assist students in the program to enter and be successful in investment banking, asset management, private wealth management, consulting, corporate finance leadership programs, and other highly rewarding positions. Permanently endowing the Wall Street Scholars program will ensure our brightest students have an opportunity to thrive.

3. Describe the organization of the current structure and how the proposed structure will be different and better. Current and proposed organizational charts are often helpful in illustrating reporting lines.

The proposed name change to the department will not change the current organizational structure of the Department of Finance and Quantitative Methods.

4. How does the change fit with the department, college, and/or university objectives and priorities?

This gift directly impacts three (3) of the five (5) pillars of the University's Strategic Plan: (1) Putting Students First; (2) Inspiring Ingenuity; and (3) Bringing Together Many People; One Community. The gift will provide direct support for our students in the form of scholarships to recruit and retain through graduation the future business professionals who will contribute to the Commonwealth, the nation, and the world through their careers and service. \$1 MM of the gift will endow a department-wide scholarship fund for undergraduate and graduate students. \$4 MM will endow the Wall Street Scholars Program. Of this amount, \$1 MM will endow support for the director of this program, and \$3 MM endowed for ongoing scholarships. When fully funded, the gift will

provide approximately \$160,000 annually for direct student scholarships and approximately \$40,000 to support the director position.

Second, \$1 MM of this gift will endow two (2) professorships for our talented faculty that drive ingenuity through their scholarly activity and classroom instruction. The Dean of College and Department Chair have flexibility to award each of the \$500,000 professorships to outstanding faculty within the Department without further narrowed restriction concerning the focus of their activities. We anticipate approximately \$40,000 annually being available to support these two (2) professorship holders.

Finally, this gift recognizes the need and empowers the College and Department leadership to search for ways to provide resources for underrepresented members of student populations with the Department in keeping with University policy. \$4 MM of the gift will be left non-endowed for immediate impact, with a preference for a portion of this sum for undergraduate and graduate scholarships that align with the University's diversity, equity and inclusion initiatives. Also, portions of this \$4 MM may be used for mentorships, career counseling, leadership development, speakers / lecturers, events and other programs to recruit, support and retain the best and brightest finance students.

The Department of Finance and Quantitative Methods is enthusiastic that this gift will help the University of Kentucky fulfill its mission of "improving people's lives through excellence in education, research and creative work, service, and health care."

5. How does this change better position the proposers relative to state and national peers, as well as University benchmark institutions? How does the change help UK meet the goals of its strategic plan?

Universities have been moving towards naming opportunities to provide a special way for alumni to show their profound appreciation by leaving a legacy. Many of the University of Kentucky benchmark institutions already have colleges (and increasingly departments) that bear the name of alumni and/or donors. An example of a benchmark institution is Texas A&M, that recently approved a donor naming of the finance department. Naming gifts allow departments to remain competitive in attracting and retaining top students. The success of our students allows the department to remain relevant in the national rankings. The naming will elevate the national stature of the Department of Finance and Quantitative Methods among its peers and will increase its ability to attract top faculty and graduate students. Please see above regarding the University's strategic plan.

6. Who are the key personnel associated with the proposed unit? Provide qualifications of these personnel in a brief form. A complete curriculum vitae for each person is not needed, although pertinent information in tabular format is helpful.

The CV of the current chair of the Department of Finance and Quantitative Methods, Chris Clifford, is attached.

7. Discuss leadership and selection process for appointment a chair, a director, or interim leader and search proves, etc.

The proposed name change does not require leadership selection currently. When a new department chair is selected, the normal college and university procedures will be followed.

8. What is the function of the faculty/staff associated with the proposed change and how is that relationship defined? Discuss DOE, adjunct, full-time, voting rights, etc.

The proposed name change does not affect how the current faculty and staff function. Moving forward those individuals will be housed in the John Stewart Department of Finance and Quantitative Methods.

9. Will the proposed change involve multiple schools or colleges?

The proposed name change to the Department of Finance and Quantitative Methods does not involve any other schools or colleges.

10. If the proposed change will involve transferring personnel from one unit to another, provide evidence that the donor unit is willing and able to release the personnel.

The proposed name change to the Department of Finance and Quantitative Methods does not involve transferring personnel from one unit to another.

11. What is the arrangement of faculty associated with the proposed change and how is that relationship defined? Discuss faculty DOE and status as adjunct, tenure track, or tenured. Describe the level of faculty input in the policy-making process including voting rights and advisory.

Those proposed name change to the Department of Finance and Quantitative Methods will not alter the arrangement of faculty associated with the department.

12. Discuss any implications of the proposal for accreditation by SACS and/or other organizations.

The proposed name change to the Department of Finance and Quantitative Methods will have no effect on our accreditation with SACS, except to the extent enhanced endowed resources for students, faculty and programs improves the Department's standing

13. What is the timeline for key events in the proposed change? Student enrollments, graduates, moved programs, closed courses, new faculty and staff hires, etc.

The College operating committee discussed the proposal on March 23, 2022. Dean Simon Sheather and Chris Clifford, Chair of the Department of Finance and Quantitative Methods, and Nicole

Cartier, Interim Senior Director of Philanthropy and Alumni Relations outlined the proposal and responded to questions.

The operating committee voted 17:0 in favor of the proposed name change.

The proposal was discussed at a regular faculty meeting on March 25, 2022. Dean Simon Sheather and Chris Clifford, Chair of the Department of Finance and Quantitative Methods, outlined the proposal and responded to questions.

The faculty voted 83:1 in favor of the proposed name change.

The College and Department respectfully request expedited review of this proposal so that the gift commitment may be accepted by the University's Board of Trustees at its meeting in September and resources initiated from the Donor to begin the underlying purposes of the gift.

14. If the proposal involves degree changes, describe how the proposed structure will enhance students' education and make them more competitive. Discuss the impact on current and future students. State assumptions underlying student enrollment growth and describe the plans for student recruitment.

The proposed name change to the Department of Finance and Quantitative Methods will not involve any degree changes. The Department will continue to award the same degrees that it currently awards.

Include evidence that adequate financial resources exist for the proposed unit to be viable. A general description of the new costs and funding should be provided. A letter from the Provost, Dean, or other relevant administrators may affirm commitment to provide financial resources as appropriate. An exhaustive budget is not expected.

The gift from Mr. Stewart will increase the financial resources for the Department of Finance and Quantitative Methods. No changes in allocation of funds will be taken away from the Department, but instead, this donation will add financial resources to existing programs and allow current resources to be used for other new or existing opportunities in the Department. A letter from Dean Sheather is attached that affirms the College's commitment to maintaining these resources from the College to the Department. In addition to the letter, we've included a one-page outline on Mr. Stewart's background, involvement with the Gatton College and the breakdown of his \$10 M donation.

15. The proposal should document any faculty votes and departmental or school committee votes as appropriate leading up to this point in the process. The SAOSC recommends that faculty votes be by secret ballot. Include in your documentation of each vote taken the total number of eligible voters and the number that actually voted along with the break-down of the vote into numbers for, against and abstaining. A Chair or Dean may appropriately summarize supporting

and opposing viewpoints expressed during faculty discussions.

The proposal includes a letter from Dr. Chris Clifford, Department Chair for Finance and Quantitative Methods, indicating that the department faculty voted on April 14, 2022.

16. The committee will want to see evidence of academic merit and support from key parties. Letters of support (or opposition) are encouraged from the relevant senior faculty and administrators. Relevant faculty and administrators include those in units directly involved in the proposed change (including existing units from which a new unit may be formed.)

A letter from Dr. Kristine Hankins, the William E. Seale Professor of Finance and Dr. David Blackwell, former Dean of the Gatton College and University Provost are attached.

17. Indicate how the new structure will be evaluated as to whether it is meeting the objectives for its formation. Timing of key events is helpful.

The Gift Agreement stipulates that “the Gatton College agrees to provide annual stewardship reports to the Donor, or the Donor’s designee(s), regarding the specific uses of the Gift. The reports shall include, at a minimum, narrative descriptions detailing the specific uses of the Donor’s Gift made available for immediate expenditure and the performance of the endowed funds created herein, including current balances, contributed values, investment appreciation or depreciation and spending distributions.” Mr. Stewart will remain on the Department of Finance and Quantitative Method’s advisory board for as long as the charter’s membership is outlined and can be invited as an emeritus member once his term has ended. The Finance Advisory Board meets once a semester and members of the advisory board as well as faculty members can evaluate the progress of the Wall Street Scholars program, scholarships and attracting and retaining faculty. The method of evaluating the impact of the endowments created by this gift are not specified, though both statistical and anecdotal data will be used.

18. Letters of support from outside the University maybe helpful in understanding why this change helps people beyond the University.

We have not sought outside letters.



Gatton College of
Business and Economics
Office of the Dean

April 13, 2022

Dear Senate Council,

I am pleased to express the College's strongest support of the proposal to change the name of the Department of Finance and Quantitative Methods to the John Stewart Department of Finance and Quantitative Methods. Mr. John Stewart, Founding Partner of MiddleGround Capital and current Finance Advisory Board member, and his wife Leslie are in the final stages of finalizing a signed agreement with the University of Kentucky to contribute \$10 million to advance the quality and prominence of the Department of Finance and Quantitative Methods.

The gift provided by Mr. Stewart will help to attract, retain, and support high-quality students by providing financial scholarship support. Mr. Stewart is also investing in faculty growth by allocating funds for two professorships. In addition to support student scholarship, faculty professorships and departmental program, Mr. Stewart's gift will endow the Wall Street Scholars program--a signature experience for finance students to assist in entering and being successful in investment banking, asset management, private wealth management, consulting, corporate finance leadership programs. This endowment will provide a perpetual, dependable funding source to help the chair meet departmental priorities and take advantage of opportunities.

The gift will reinforce the quality and distinctiveness of the undergraduate program in the Department of Finance and Quantitative Methods while enhancing the Department's and the University's educational and research mission. The Gatton College is committed to maintaining current financial support of the Department and recognizes that this gift will not take away current resources, but only enhance resources. In recognition of this gift, the Department of Finance and Quantitative Methods has agreed that the department should be re-named the John Stewart Department of Statistics.

The Gatton College of Business and Economics fully supports the proposed change to the name of the Department of Finance and Quantitative Methods to the John Stewart Department of Finance and Quantitative Methods.

Sincerely,

A handwritten signature in cursive script that reads 'Simon J. Sheather'.

Dr. Simon J. Sheather
Dean

April 15, 2022

Dear Senate Council,

The Gatton College Operating Committee discussed the naming of the Department of Finance and Quantitative Methods for Mr. John Stewart of MiddleGround Capital in our meeting held on March 23, 2022. The naming of the department was fully supported by this group. The naming opportunity was then presented to the entire Gatton College faculty in a college faculty meeting held on March 25, 2022. After this meeting, an electronic vote was held regarding the naming issue. The results of this vote were 83 faculty approving the naming opportunity, and 1 faculty member not approving.

Sincerely,



Scott W. Kelley
Associate Dean for Faculty Affairs
Professor of Marketing

April 12, 2022

Professor Chris Clifford, Chair
Department of Finance and Quantitative Methods
Gatton College of Business and Economics
University of Kentucky

RE: Naming of the department

Dear Professor Clifford:

I wholeheartedly support naming our department for Mr. John Stewart of MiddleGround Capital.

I understand that Mr. Stewart is of outstanding character and given he is the founder and the leader of the largest private equity firm in Kentucky, his gift is particularly appropriate. He has been very supportive of our undergraduate program by hiring our students to work in the firm. I also understand that he wants to give back in a way that builds the industry that has supported his success. We should be proud to have his name associated with our department and its mission.

Based on the documents provided, his \$10 million gift will support faculty development, scholarships, and programming. It is thoughtful that Mr. Stewart will support all elements of our department's success. Great faculty and programs build outstanding graduates and future industry leaders. The scholarships will help ensure that the opportunity is accessible to those who most need the help.

Congratulations to the Dean, the development team, and to you for closing this transformational gift.

Sincerely,



David W. Blackwell
Professor of Finance



Gatton
COLLEGE OF BUSINESS & ECONOMICS
UNIVERSITY OF KENTUCKY

UK
UNIVERSITY OF KENTUCKY

April 13, 2021

Dr. Chris Clifford
Department of Finance and Quantitative Methods
Gatton College of Business and Economics
University of Kentucky

Dear Dr. Clifford,

I am writing to express my support for naming the department in recognition of Mr. John Stewart of MiddleGround Capital. Mr. Stewart is making a \$10 million gift which will enhance the department's academic programming dramatically and greatly expand scholarships. Both will have a meaningful impact on our students' lives now and in the future.

I have no reservations in naming the department after Mr. Stewart. In addition to his business success and generosity to the University of Kentucky, I am impressed with his commitment to women in business. MiddleGround Capital's leadership – partners, executive team, and investment committee – are all 50% female. That is a rare in finance and should be an inspiration to all of our students and alumni.

Congratulations to all who were involved with bringing in this noteworthy gift.

Sincerely,

A handwritten signature in blue ink that reads 'Kristine W. Hankins'.

Kristine W. Hankins

William E. Seale Professor of Finance



University of Kentucky

Gatton College of
Business and Economics

Department of Finance and Quantitative Methods

MEMORANDUM

To: University Senate Academic Organization and Structure Committee
Prof. Gregory Hall, Chair

From: Christopher Clifford, Professor and Chair
Department of Finance and Quantitative Methods

Date: April 15, 2022

RE: Faculty views on Proposed Name Change of the Department of Finance and Quantitative Methods

This memorandum explains the timing, process, and vote of the Department of Finance and Quantitative Methods (FAQM) faculty regarding the proposed name change of the Department of FAQM to the John Stewart Department of Finance and Quantitative Methods.

On March 23, at a regularly scheduled Dean's Operating Committee, UK Gatton College of Business and Economics Dean Simon Sheather and Interim Senior Director of Philanthropy Nicole Cartier announced to the faculty the intention of John Stewart, a Lexington private equity firm founding member, to make a significant gift to the department.

Dean Sheather explained the details and structure of the gift of approximately \$10 million in cash and endowment to support the following; fully endow the current Wall Street Scholars program in the Department; two endowed professorships; and an endowed scholarship fund that will award students based on merit, unmet need, and/or include a diversity preference. The gift includes non-endowed funds for immediate use by the Department while the donor establishes over a period of 10 years an endowment to provide support in perpetuity.

Dean Sheather and Professor Clifford related their conversations with Mr. Stewart about the gift and the donor's motivation to enhance and support the department and in-turn enhancing the Lexington and Kentucky communities as whole. They shared Mr. Stewart's background and story with the group, which leads to Mr. Stewart's motivation to enhance the Department by not only recruiting, supporting, and placing students in a wide range of financial fields, but by helping to build up the Department along with the University of Kentucky, so that it will create a stronger Commonwealth. Dean Sheather stated that because of the magnitude of the gift and its potential impact, the College and University supports naming the Department of Finance and Quantitative Methods for John Stewart. The faculty generally expressed enthusiasm and gratitude for Mr. Stewart's gift and the idea of renaming the department for him.

The Department currently has 20 voting faculty members. Dean Sheather, also a member of the department, is not included in this count of 20 given his role and separate support provided. On April 12th, 2022, I sent an email to the Department faculty in which a motion was made for the renaming and a formal vote was requested. Faculty were asked to respond by the end of the day on April 14th, 2022.

Of the 20 faculty members eligible to vote, 19 did so and the vote to approve carried by a unanimous decision 19:0. Dr. De was the faculty member that did not respond.

This gift from the Mr. Stewart and potential for a matching gift through his firm, MiddleGround Capital, it will provide immediate and long-lasting benefits to our department.

The recruitment of quality students has become a very competitive enterprise. To continue to recruit students, educate and place them at top firms across the nation, we need an advantage. The Stewart gift, focused on scholarships and programmatic support helps provide us that next level of competition. The majority of the gift will be used to attract the best undergraduate students available, and to incentivize those students to make timely progress toward degree.

JOHN STEWART DEPARTMENT OF FINANCE AND QUANTITATIVE METHODS

John Stewart is Founding Partner of MiddleGround Capital, a private equity firm headquartered in Lexington, Kentucky with offices in New York City. They invest in B2B companies in the industrial and specialty distribution sectors in the lower middle market in North America. John started his career as an hourly line worker at Toyota Motor Corporation and held numerous management and executive positions over an 18-year career. John made the move to private equity in 2007. Over the next 10 years, John was progressively promoted throughout the organization and became a Partner in 2016. In 2018 he along with two others founded MiddleGround Capital. They now have a team of over 60 employees and working on an additional office in Amsterdam.

From John Stewart on MiddleGround Capital's Successes in 2021:

"What a productive year we had at MiddleGround Capital....We raised over \$1 billion for our main fund and mobility fund. We invested over \$700 million. We raised ~\$250 of coinvestment, that is made available to our fund investor and no cost! We returned over \$300 million. We hired 20 new people and had numerous promotions. All in the last 12 months. We bring a blue collar work ethic to everything we do at MGC. From administrative assistants to the Managing Partner. Everyone at MiddleGround Capital has to perform. And this year we had an excellent year."

\$10,000,000 GIFT TO RENAME THE DEPARTMENT

- \$4MM Wall Street Scholars Program to permanently endow this program
 - \$3MM endowed: for scholarships to students in the Wall Street Scholars Program
 - \$1MM endowed; support a Director position to help coordinate student programs during the academic year and assist with internship programs during the summer
- \$5MM Department Support
 - \$ 1MM endowed: MiddleGround Scholars - to students enrolled in the department; can include diversity scholarships, general scholarships for merit- and/or needs-based students studying Finance
 - \$4MM non-endowed: MiddleGround Finance Fund - to support undergraduate/graduate scholarships, mentorships, career counseling, leadership development; speaker/lecture series, events and other department support to recruit, support and retain the best and brightest finance students.
- \$1MM MiddleGround Professorships in Finance and Quantitative Methods
 - Two endowed professorships at \$500,000 each



CHARITABLE GIFT AGREEMENT

This Agreement (the "**Agreement**") is made and entered into on _____ (the "**Effective Date**") by and between MiddleGround Capital, 201 East Main Street, Suite 810, Lexington, Kentucky 40509 (the "**Donor**") and the University of Kentucky, William B. Sturgill Philanthropy Building, Lexington, Kentucky 40506-0015 (the "**University**").

1. **Dedication.** MiddleGround Capital is a private equity firm in the industrial and specialty distribution sections in the lower middle market in North America. It is headquartered in Lexington, Kentucky with an additional office in New York City. John Stewart is the founding partner of MiddleGround Capital and is responsible for the overall management of the firm. Mr. Stewart started his career as an hourly line worker at Toyota Motor Corporation and held numerous management and executive positions over an 18-year career. He transitioned to private equity in 2007 and positioned MiddleGround Capital to be a finance industry leader.
2. **Charitable Gift.** The Donor agrees to make a charitable contribution of cash and/or marketable securities to the University of at least \$10,000,000 (the "**Gift**") to support the Gatton College of Business and Economics (the "**Gatton College**"), Department of Finance and Quantitative Method (the "**Department**"). The Donor agrees to fulfill the Gift through annual installments, beginning on or before May 31, 2022, pursuant to the schedule attached hereto as Exhibit A. The Donor may accelerate payment of the Gift at its discretion at any time. The University shall receive and administer the Gift in accordance with the terms of this Agreement, the policies of the University, and all applicable laws.
3. **Charitable Gift Purposes.** Each annual installment will be equitably distributed among the below initiatives, until the allocation total is reached.
 - A. **Department Support.** A total allocation of \$6,000,000 shall be used to support the Department:
 - i. *MiddleGround Scholarship(s).* \$1,000,000 shall be used to establish and support an endowed scholarship fund named the "**MiddleGround Scholarship**" in the Department. Scholarship(s) may be awarded to undergraduate and/or graduate student(s) enrolled in the Department. The Dean of the Gatton College, or their designee(s), shall appoint a committee to determine the recipient(s), amount(s), and any renewal terms. Scholarship recipient(s) shall be known as *MiddleGround Scholars*.
 - ii. *Department Support.* \$4,000,000 shall be used to establish and support a non-endowed fund named the "**MiddleGround Finance Fund**" in the Department. The Chair of the Department, or their designee(s), shall determine the use(s) of this fund based on the needs of the Department and in accordance with the policies, procedures, regulations, and guidelines of the University. Uses may include but are not limited to support for: (i) undergraduate and/or graduate scholarship(s) that align with the

University's diversity, equity and inclusion initiatives; (ii) mentorship(s); (iii) career counseling; (iv) leadership development; (v) speaker(s)/lecturer(s); (vi) Department finance event(s)/program(s); and/or (vii) other Department initiatives to recruit, support, and retain the best and brightest finance students.

iii. *MiddleGround Professorship(s)*. \$1,000,000 shall be used to establish and support an endowed professorship fund to be named the "**MiddleGround Professorship Fund**" in the Department. This fund shall support one or more professorship(s) in the Department, with each recipient to be known as a *MiddleGround Professor*. Professorship(s) shall be awarded to faculty member(s) who: (1) hold the rank of associate or full professor; (2) have research interests clearly linked to the scholarly activities of the Department; (3) is a tenured faculty member; and (4) has made outstanding contributions to research and education in the Department. The Dean of the Gatton College, in consultation with the Chair of the Department, shall appoint the professorship holder(s) in accordance with the University's policies, procedures, regulations and guidelines concerning academic appointment.

B. Wall Street Scholars Program. A total allocation of \$4,000,000 shall be used to support the Gatton College's Wall Street Scholars Program:

i. *Scholarship(s)*. \$3,000,000 shall be used to establish and support an endowed fund named the "**Wall Street Scholars Scholarship Fund**" in the Department. This fund shall provide one or more annual scholarship(s) for undergraduate finance student(s) in the Wall Street Scholars Program. The Director of the Wall Street Scholars Program, or their designee(s), shall determine the scholarship recipient(s), amount(s), and any renewal terms.

ii. *Director Support*. \$1,000,000 shall be used to establish and support an endowed fund named the "**Wall Street Scholars Director Fund**" in the Department to support the salary and initiatives of the director of the Wall Street Scholars Program. The Dean of the Gatton College shall determine the specific uses of the Wall Street Scholars Director Fund in accordance with the normal operations, policies, procedures, regulations and guidelines of the University.

iii. *Contingent Use*. If the Wall Street Scholars Program no longer exists, the Wall Street Scholars Scholarship Fund and the Wall Street Scholars Director Fund shall be terminated, and the balance of the funds transferred to the "MiddleGround Professorship Fund" to be used as described above.

The Donor, other individuals, organizations or business entities may make additional contributions to any fund established herein at any time.

4. **Naming**. In honor of the Donor's Gift, the University proposes the following Donor recognition, subject to applicable University policies, procedures, regulations, guidelines, and approvals.

- A. Naming of the Department. The Gatton College's Department of Finance and Quantitative Method shall be named the "*John Stewart Department of Finance and Quantitative Methods*" (the "**Naming**"). The University shall name and refer to the Department by the Naming in all related University and Gatton College publications, materials, and references (signage, digital, and other formats or medium now or hereafter known) for so long as the Department is in existence, and subject to the terms of this Agreement (including, without limitation, completion of the Gift commitment outlined herein). In the event the Department merges with another academic unit of the same organizational level (i.e., another academic department), or the Department reduces in organizational level (i.e., becomes a center or institute under the current organizational structure), the Naming shall continue to that new unit either as an individual or hyphenated naming (i.e., the John Stewart-Smith Department). The Donor gives the Dean of the Gatton College and other University leadership discretion to make these decisions as they may occur, so long as the Naming continues as discussed herein. Before the Naming is affixed, the Donor shall demonstrate regular and timely Gift payments in accordance with this Agreement.
- B. Signage. The Naming shall be in accordance with applicable University policies, brand standards, guidelines and approvals as currently exist and as may be amended. Appropriate signage referencing the Naming will be affixed to a public interior section of the Department's facility to commemorate the Donor's generosity and philanthropic impact. The signage shall be in a form mutually agreed to by the University and the Donor.
- C. Other Donor Recognition. In order to make additional private philanthropy successful, the Donor acknowledges that the University may allow other donors to create endowed and non-endowed funds within the Department that bear the donor's or another designated party's name. In addition, the University may name spaces within the Department's facility to acknowledge and recognize private gifts to the Department. Any such naming shall not detract from the Naming and any other recognition as may be afforded to the Donor.
5. **Stewardship**. The Gatton College agrees to provide annual stewardship reports to the Donor, or the Donor's designee(s), regarding the specific uses of the Gift. The reports shall include, at a minimum, narrative descriptions detailing the specific uses of the Donor's Gift made available for immediate expenditure and the performance of the endowed funds created herein, including current balances, contributed values, investment appreciation or depreciation and spending distributions.
6. **Endowment Policies**. The University shall invest, manage and administer the endowed funds established pursuant to this Agreement in accordance with the University's endowment investment and spending policies approved annually by the University's Board of Trustees. Any unused spending distribution may be returned to the applicable endowed fund. If, however, by December 31, 2031: (i) the contributed value of the MiddleGround Scholarship fund fails to reach \$100,000; (ii) the contributed value of the MiddleGround Professorship Fund fails to reach \$500,000; (iii) the contributed value of the Wall Street Scholars Scholarship Fund fails to reach \$50,000; and/or (iv) the contributed value of the

Wall Street Scholars Director Fund fails to reach \$25,000, then the applicable fund(s) shall be treated as non-endowed and spent in accordance with the terms hereof until exhausted, at which time the applicable fund(s) shall terminate.

7. **RCTF.** If the state legislature approves an additional allocation of state funds for the Commonwealth of Kentucky Research Challenge Trust Fund (“RCTF”), or any successor donor match program, and in the event the Donor’s charitable Gift meets the RCTF program eligibility requirements, the University agrees to use its best efforts to secure a match for the Donor’s Gift and will add said match to the appropriate endowed fund created herein. In the event such a match occurs, any spending distribution from the appropriate endowed fund shall be subject to the RCTF guidelines. Any RCTF matching contribution shall not reduce the Donor’s commitment herein.
8. **Publicity.** The University may publicize the Gift. Publicity may include, but is not limited to, University communications, which may be accessed by various local, state and national news media.
9. **Board of Trustee Approval.** The parties acknowledge and agree that the University’s acceptance of the Gift and the Naming of the Department, are subject to approval by the University’s Board of Trustees. If, in the unlikely event the Gift and/or the Naming is not approved, this Agreement shall immediately terminate, and all payments made pursuant to the Agreement shall be repaid to the Donor in full within sixty (60) days of receipt of written notice from the Donor.
10. **Change in Circumstances.** The Donor desires that the endowed funds established herein will be administered to benefit the University in perpetuity. However, should the fulfillment of the purpose(s) stated in this Agreement become unlawful, impracticable, impossible to achieve, wasteful, or obsolete, as determined by the Board of Trustees of the University, then the applicable endowed fund(s) shall be expended to the point of exhaustion, or the spending distribution redirected for a purpose most in keeping with the Donor’s intent, upon recommendation of the University’s President after consultation with the Dean of the Gatton College.
11. **Entire Agreement; Severability.** This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and supersedes any prior oral or written agreements or communications between us regarding this purpose. If any provision of this Agreement is made or held to be void or unenforceable by a court decision, statute, regulation or rule, or shall otherwise be rendered invalid, the remaining portions shall not be affected thereby and shall continue in force.
12. **Amendment.** This Agreement may not be changed orally, but only by an amendment in writing signed by the parties hereto.
13. **Counterparts; Electronic Signatures.** This Agreement may be executed in one or more counterparts, including by electronic signature, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same effect as delivery of an original executed copy.

[Signature page follows]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the Effective Date listed above.

DONOR
MIDLEGROUND CAPITAL

By: John Stewart
Title: Founding Partner

UNIVERSITY OF KENTUCKY

Eli I. Capilouto,
President

RECOMMENDED FOR APPROVAL BY:

Examined for Form and Legality
Office of Legal Counsel
University of Kentucky

G. Thomas Barker,
Associate General Counsel

Thomas W. Harris,
Interim Vice President for Philanthropy

Penny Cox,
Treasurer

Simon J. Sheather,
Dean, Gatton College of Business and
Economics

Chris Clifford,
Chair, Department of Finance and Quantitative
Method

Dr. Christopher Clifford

Department of Finance and Quant. Methods
University of Kentucky
344A Gatton Building
Lexington, KY 40506

Office: (859) 257-3850
chris.clifford@uky.edu
Website

ACADEMIC APPOINTMENTS

Department Chair, Gatton College of B&E, University of Kentucky	2019 - Present
Associate Professor of Finance	2016 - Present
Phillip Morris Endowed Professor	2016 - Present
Clark Materials Endowed Fellow	2015 - 2016
Assistant Professor of Finance	2008 - 2016

EDUCATION

Ph.D., Finance, Arizona State University	August 2008
M.B.A., Concentration in Finance, Southern Methodist University	May 2003
B.B.A., Finance, Texas A&M University	May 1999

PUBLICATIONS

- “Property Rights to Client Relationships and Financial Advisor Incentives” with Will Gerken, 2021 *Journal of Finance* 76, 2409-2445.
- “Salience and Mutual Fund Investor Demand for Idiosyncratic Volatility” with Jon Fulkerson, Russel Jame, & Bradford Jordan, 2021 *Management Science* 67, 5234-5254.
- “Funding Liquidity Risk and the Dynamics of Hedge Fund Lockups” with Adam Aiken, Jesse Ellis, & Qiping Huang, 2021 *Journal of Finance and Quantitative Analysis* 56, 1321-1349.
- “Hedge Fund Boards and the Market for Independent Directors” with Jessie Ellis and Will Gerken, 2018 *Journal of Finance and Quantitative Analysis* 53, 2067-2102.
- Best paper award at MARC (2014)
- “Blockholder Heterogeneity, Compensation Monitoring, and Firm Performance” with Laura Lindsey, 2016 *Journal of Finance and Quantitative Analysis* 51, 1491-1520.
- “The Value of Funds of Hedge Funds: Evidence from Their Holdings” with Adam Aiken and Jesse Ellis, 2015 *Management Science* 61, 2415 - 2429.
- “Hedge Funds and Discretionary Liquidity Restrictions” with Adam Aiken and Jesse Ellis, 2015 *Journal of Financial Economics* 116, 197 -218.
- Best paper award at FMA (2013)
- “Average Funds versus Average Dollars: Implications for Mutual Fund Research” with Bradford Jordan and Tim Riley, 2014 *Journal of Empirical Finance* 28, 249-260.
- “What Drives ETF Flow?” with Jon Fulkerson and Bradford Jordan, 2014 *Financial Review* 49, 619-642.
- “Out of the Dark: Hedge Fund Reporting Biases and Commercial Databases” with Adam Aiken and Jesse Ellis, 2013 *Review of Financial Studies* 26, 208-243

–Abstracted in CFA Digest April 2014, Vol. 44, No. 4

“Do Absolute Return Mutual Funds Have Absolute Returns” with Bradford Jordan and Time Riley, 2013
Journal of Investing 22, 23-40.

–Abstracted in CFA Digest February 2013, Vol. 43, No. 1

“Value Creation or Destruction? Hedge Funds as Shareholder Activists”, 2008, *Journal of Corporate Finance* 323-336 (Lead Article).

–Abstracted in CFA Digest May 2009, Vol. 39, No. 2

WORKING PAPERS

“Born to be Bad? Childhood Exposure to Misbehavior and the Culture of Professional Misconduct” with Will Gerken and Jesse Ellis

“Filing Agents and Information Leakage” with Leonce Bargerion and Tian Qiu

“Trust and Race: Evidence from the Market for Financial Advice” with Will Gerken and Tian Qiu

AWARDS & SERVICE

Awards

Gatton Research Excellence Team Support Program (2017, 2018, 2019)

Schnatter Institute Summer Research Grant (2017, 2018, 2019)

Marguerite Pelissier Fellowship for Research Excellence in Finance (2018)

Best Paper Award (2014)

- Mid-Atlantic Research Conference

- “Hedge Fund Boards”

Best Paper Award (Investments) (2013)

- Financial Management Association

- “Hedge funds and Discretionary Liquidity Restrictions”

Beta Gamma Sigma Outstanding Teacher of the Year (2010)

Ad Hoc Referee:

Journal of Finance, Review of Financial Studies, Journal of Financial and Quantitative Analysis, Review of Finance, Management Science, and Journal of Corporate Finance

Faculty Sponsor of:

Financial Management Association (2008-2012)

CFA Global Investment Challenge (2010-2013)

Global Venture Challenge (2010)

PhD Dissertation Committees (Initial Placement)

- Joseph Farizo (Current)

- Marcus Painter, Co-Chair (Saint Louis University) (2019)

- Tyson Van Alfen (Southern Illinois) (2019)

- Qiping Huang, Chair (Boise State University) (2018)

- Xin Hong, Co-Chair (Zhejiang University) (2014)

- Monika Robarison (UT Pan American) (2012)

ACADEMIC PRESENTATIONS

2019: WFA (Long Beach), Boise State, Auburn, Smokey Mountain Finance Conference*

2018: WFA (San Diego), EFA (Warsaw), Mitsui Symposium (Michigan)*, SFS Cavalcade (Yale)*, Professional Asset Management Seminar (Rotterdam), Georgia Tech*, North Carolina State, Elon

2017: Market Counsel Summit (Miami)

2016: University of Melbourne, University of Technology (Sydney), Paris Hedge Fund Conference, The Financial Risks International Forum (Paris, France)*

2015: West Virginia University*, Jim and Jack Conference- University of Kentucky, UNSW

2014: Mid Atlantic Research Conference (Villanova University), Conference of Professional Asset Management (Rotterdam)*, Recent Advances in Mutual Fund and Hedge Fund Research (Berlin), Financial Market Symposium: Hedge Funds and Regulation (SUNY Albany)*, Wilfrid Laurier University*, TCU, Miami University, UNC Charlotte*

2013: University of Florida, ASU Sonoran Winter Finance Conference, Mid Atlantic Research Conference (Villanova University)*, The Financial Risks International Forum (Paris, France), Western Finance Association (Lake Tahoe, NV), University of Oregon Conference on Asset Management, Financial Management Association (Chicago, IL)*, Financial Intermediation Research Society (Quebec City, Quebec), Financial Market Symposium: Hedge Funds and Regulation (SUNY Albany)

2011: European Financial Management Association (Luxembourg City, Luxembourg)*, North Carolina State University*, Financial Management Association (Atlanta, GA)*, Wilfrid Laurier University, University of Alabama*, Quinnipiac University*

2010: University of Cincinnati, Financial Intermediation Research Society (Florence, Italy), Securities and Exchange Commission, (Washington, D.C.), Financial Management Association (New York, NY)*, University of Kentucky, Arizona State University*

2009: Mid Atlantic Research Conference (Villanova University)*, Ohio University, Oklahoma Risk Management Conference, Financial Management Association (Denver, CO), University of Kentucky

2008: University of Kentucky, Financial Management Association (Denver, CO)*

2007: Arizona State University, Canadian Investment Review Alternative Investment Conference*, Hedge Fund Activism and Shareholder Value Summit (Phoenix), Arizona State University, Hedge Fund Activism and Shareholder Value Summit (San Francisco), University of Kentucky, University of Memphis, University of Alabama, North Carolina State University

* - coauthor presentation

TEACHING EXPERIENCE

Corporate Finance (Undergraduate, MBA, MSF)
Financial Institutions

University of Kentucky
Arizona State University

OTHER PUBLICATIONS AND MEDIA MENTIONS

<i>Alpha</i>	August 2013
<i>Financial Times</i>	August 2013
<i>The Economist</i>	January 2012
<i>Financial Times</i>	December 2011
<i>Business Insider</i>	December 2011
<i>USA Today</i>	March 2009
<i>Business Lexington</i> "Are Hedge Funds Evil?"	November 2008