

## Special Report

### Just Where were Gunther's BBER and Clark's CFS? An Investigative Series on the use of the CoB's Budget

As expected, the Dow Jones slide of Tuesday 27-Feb-07 made headlines in newspapers the following day. The following front page article appeared in the 28-Feb-07 edition of our own *The Hattiesburg American*:

Partly sunny today with a high of 77 and a low tonight of 60. Heavy rain Thursday with a high of 77. Details, 4B

**AMERICAN**

Wednesday, February 28, 2007

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### Advisors: Dow drop a natural correction

By Emma James  
American Staff Writer  
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Though the Dow plunged more than 500 points Tuesday in reaction to a drop in global markets, Hattiesburg financial planners say that there is no real cause for concern.

The Dow dropped 546.02, or 4.3 percent, to 12,086.06 in the early afternoon before closing at 416.02, or 3.29 percent, at 12,216.24 yesterday, reacting to a 9 percent decrease in Chinese stocks. While it was the worst day of trading since Sept. 11, 2001, most Hattiesburg financial experts view the drop as a **STORYCHAT** natural correction on this story online of the market.

"We believe that the market was ripe for a correction," Dan Jones, financial planner with BancorpSouth Investment Services, said. "A natural correction is 10 percent or less. Whether the market goes up or the market goes down, I would not call what happened

Howell Taylor, a certified financial planner with A.G. Edwards and Sons Inc., said that the drop was to be expected in reaction to the global market.

"The market is going to react to events that occur outside of the United States," Taylor said. "At this point, it's difficult to say whether the market is going to follow through or rebound."

Hattiesburg investment companies reported that there were no concerned calls from investors, and even some buying taking place throughout the day.

"Investors have not been worried," Jones said. "The market has not gone down enough."

■ See DOW, 10A

### Dow's descents

The Dow's loss of 416 points was its seventh worst daily point loss. It represented a 3.29 percent loss.

| Greatest daily point losses | Date              |
|-----------------------------|-------------------|
| 504.81                      | 1. Sept. 17, 2001 |
| 517.76                      | 2. April 14, 2000 |
| 524.02                      | 3. Oct. 27, 1997  |
| 522.01                      | 4. Aug. 31, 1998  |
| 526.04                      | 5. Oct. 19, 1997  |
| -36.37                      | 6. March 12, 2001 |
| -416.02                     | 7. Feb. 27, 2007  |
| -390.23                     | 8. July 19, 2002  |
| -382.92                     | 9. Sept. 20, 2001 |
| -379.21                     | 10. Oct. 12, 2000 |

SOURCE: Dow Jones AP

### From Page One

### Dow

■ FROM page 1A

Investor worry, Taylor said, will primarily depend on what happens this week.

"Investors can handle a day," Taylor said. "If the market rebounds or even settles, there isn't anything to worry about. If we take a double dip, then they'll probably be more unsettled."

The biggest thing to remember about the stock market, said Dr. Harold Doty, dean of the University of Southern Mississippi's College of Business, is that it requires a long-term perspective.

"It's not about what has happened this week, but what has happened for the past 12 months," Doty said. "This year, we've seen good returns out of the market, so we should expect some correction."

When the market goes up with very little loss, Taylor said, there has to be a correction somewhere to carve off the excess.

"We had a 19 percent increase last year," Taylor said. "We just gave back 3 percent today. If you look at it from the long term, the loss wasn't severe."

Investors should also remember, Doty said, that the stock market is a risk, but the current trend is still up.

"Markets go up and markets go down," Doty said. "If I had to guess where the market will be in six months, I'd say it'll be higher than it is today."

Doty

As the scan above shows, Emma James, *American* Staff Writer, penned an article on the 416.02 stock market skid of 27-Nov-07 entitled "Advisors: Dow drop a natural correction." In addition to speaking with Dan Jones, a financial planner with BancorpSouth Investment Services, and Howell Taylor, a certified financial planner with A.G. Edwards & Sons, Inc., James had occasion to pick up a few sound bytes from CoB Dean D. Harold Doty, also a professor of **management** at USM -- and one who, according to usmpride.com sources, hasn't taught a course in management in at least four years.

### Markets Go Up and Markets Go Down

It's no secret, then, that Doty is not a financial services/planning expert. What do you get when you ask someone of Doty's caliber what the recent stock market decline is about?

**Doty:** "Markets go up and markets go down."

With insights such as these, it's difficult not to wonder how USM was lucky enough to attract such a person. What's next? Will Doty call a press conference and proclaim to *HA* readers that "a stitch in time saves nine"? We'll see.

### **Where were Gunther and Clark?**

The real question readers likely have with this episode is: Just where were Bill Gunther's Bureau of Business and Economic Research and/or John Clark's Center for Financial Services? These two gentlemen are awarded a one-course reduction in an already-reduced (by 1 course) teaching load -- for a total of two courses reduced -- so that their time will be unencumbered and they are able to, say for instance, field questions from financial reporters on behalf of "important Bureaus/Centers" at USM. Where were these Directors when James came seeking *real* economics and finance expertise? Why did they put the CoB in the position of having to push Doty out front and center?

*Commentary from Duane Cobb*

One possibility is that they were off counting their money with their free time. These two Directors earn a collective salary of \$223,600, with fringe benefits on top of that, one of which is the aforementioned course release (for each). Previous reports at [usmpride.com](http://usmpride.com) have pointed out that Gunther is the only member of the EFIB who could not pass the CoB's "Academically Qualified?" test for AACSB accreditation. It's time these Centers, Gunther's in particular, were held accountable to taxpayers for their lack of activity.