





CFA Society of Los Angeles, Inc.

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## Vision

The CFA Society of Los Angeles envisions a future in which:

- the services, skills and perspective of the investment professional are highly regarded as adding significant value to the investment decision-making process
- trust and personal interaction are the cornerstones of the investor/investment professional relationship
- the prestige of the CFA designation is widely accepted within and outside of the investment community
- technology is utilized to the fullest as a vehicle to deliver information and education, not as a substitute for personal interaction
- the Society is the premier choice for access to professional information, personal interaction, and practical experience and expertise

## CFALA Mission Statement & Goals

Established in 1931, the CFA Society of Los Angeles is a network of investment management professionals in the greater Los Angeles area.

The mission of the Society is to provide access to information, expertise and personal interaction to further members' professional development and to promote the value of the profession and the CFA designation.

The Society strives to fulfill this purpose as:

- a local Forum bringing together people, knowledge and practical experience
- a respected Partner with other organizations for the purpose of serving mutual interests and the meaningful exchange of ideas
- a Premier Source for professional resources and development
- a powerful Voice representing ethical standards of practice and the interests and value of the profession

## 2009-2010 Officers

### President

**Ken Yee, CFA**  
Ridgecrest Capital

### Vice President

**George Dennis**  
Countrywide Securities

### Treasurer

**James Lewis, CFA**  
Trust Company of the West

### Secretary

**Roger Gewecke, Jr., CFA**  
Clifford Swan Investment  
Counsel

## Board of Governors

— Past President —

**Asha Joshi, CFA**  
Payden & Rygel

**Kerry Gawne, CFA**  
Payden & Rygel

**A. Mark Harbour, CFA**  
Citi Smith Barney

**Larry Harris, Ph.D.**  
University of Southern  
California

**Rama Malladi, CFA**  
Kubera Investments LLC

**Adrienne Regrutto**  
Northern Trust

**Stephen A. Stewart, CFA**  
K.P.M.G.

August 31, 2010

My Fellow Society Members,

In my speech at last year's Annual Meeting, I had outlined 4 specific goals: (1) Providing more value to Members and improving the overall Member experience, (2) Expanding local membership to diversify the CFALA membership base, (3) Strengthening internal controls and increasing operational efficiency, and (4) Focusing on volunteer and leadership development, including a reward system for volunteers.

I am pleased to report to you that we made great progress during the year in each of those areas. With respect to improving the overall Member experience, we made a concerted effort to help those Members who are seeking opportunities, employment or new business. In addition to our traditional Annual Career Development Expo, we participated in the World MBA Tour in October 2009 and sponsored a Social and Networking Event at the Music Center in December 2009.

The second goal, expanding local membership, the Board of Governors approved a new Membership category, the Associate Member, which will allow non-CFA professionals such as lawyers, accountants and other finance professionals who have little or no interest in completing the CFA Program to join the Society, attend events, and interact with existing Members. We felt that this cross-pollination will enrich the Member experience as a whole as well as provide potential opportunities for networking and business development.

In the sphere of strengthening internal controls and increasing operational efficiency, we hired an accounting firm to evaluate our entire organization and to recommend practical changes to our existing structure to mitigate or eliminate our internal control weaknesses. Moreover, the Society's financial health has improved after every line item on both our revenue and expense ledger was scrutinized. We have and will continue to look for ways to find new sources of revenues, cut costs, operate more efficiently, and increase our reserves.

Finally, on the volunteer and leadership front, we instituted a volunteer reward system to recognize outstanding performance and commitment of certain individuals. The "Volunteer of the Month" was established in October 2009 and during the year we recognized 8 outstanding Members. If you have volunteered for the Society, we thank you for your contribution and commitment. If you have not, please consider getting involved – you will find it rewarding both personally and professionally.

There is much to accomplish in the years ahead and I am confident that with your unwavering support, the Society will continue to prosper.

Respectfully Submitted,



Kenneth Yee / CFA



## Past Presidents

F.J. Thieme, Jr. . . . .	1931	Donald L. Keene, CFA . . . . .	1972-73
O.B. Lighthill . . . . .	1932	A.B. Ehlert, CFA . . . . .	1973-74
J.L. Erickson . . . . .	1933	Stanley D. Ryals, CFA . . . . .	1974-75
L. Hartley Smith, CFA . . . . .	1934	Dennis R. Bouwer, CFA . . . . .	1975-76
Rockwell Hereford . . . . .	1935	Francis X. Cloran, II, CFA . . . . .	1976-77
Paul Wagenseller . . . . .	1936	David F. Allen, CFA . . . . .	1977-78
Charles H. Widmayer . . . . .	1937	James C. Reed, CFA . . . . .	1978-79
George W. Kassler . . . . .	1938	Theodore Congdon, CFA . . . . .	1979-80
K. Arnold Liljegren . . . . .	1939	John C. Sherman, CFA . . . . .	1980-81
Jack Silvester . . . . .	1940	James K. Dunton, CFA . . . . .	1981-82
George L. Parr . . . . .	1941	Dorothea Zimmeroff, CFA . . . . .	1982-83
Harvey Evans . . . . .	1942	Albert W. Sanborn, CFA . . . . .	1983-84
Kenneth D. Sanson . . . . .	1943	Robert B. Hardaway, Jr., CFA . . . . .	1984-85
Roger Pile . . . . .	1944	William L. Krantz, CFA . . . . .	1985-86
Walter S. Weeks . . . . .	1945	Shelley N. Grudin, CFA . . . . .	1986-87
Theron Walker . . . . .	1946	Danford E. Hand, CFA . . . . .	1987-88
Jack R. Laznick . . . . .	1947	Phyllis G. Thomas, CFA . . . . .	1988-89
Walter Fruehling . . . . .	1948-49	Jean V. Keatley, CFA . . . . .	1989-90
Richard M. Link . . . . .	1950	Frank C. Dohn, CFA . . . . .	1990-91
Walter Podolak . . . . .	1951-52	Glen A. Holden, Jr., CFA . . . . .	1991-92
Alfred Post . . . . .	1953-54	Victor S. Sidhu, CFA . . . . .	1992-93
Stanley J. Thompson . . . . .	1955-56	Michael F. Schaible, Jr., CFA . . . . .	1993-94
L. Hartley Smith, CFA . . . . .	1956	James H. Fletcher, CFA . . . . .	1994-95
W. Murray Hawkins . . . . .	1957-58	Karen McCue, CFA . . . . .	1995-96
C.K. Corcoran . . . . .	1958-59	Maureen F. Gallogly, CFA . . . . .	1996-97
Dwight Baum, CFA . . . . .	1959-60	Marla L. Harkness, CFA . . . . .	1997-98
Douglas Fletcher, CFA . . . . .	1960-61	Richard Barnett, CFA . . . . .	1998-99
Marjorie Fisher, CFA . . . . .	1961-62	David Dahl, CFA . . . . .	1999-00
Allen D. Harper, CFA . . . . .	1962-63	James Sarni, CFA, CIC . . . . .	2000-01
James B. Lester, CFA . . . . .	1963-64	Michael O'Brien, CFA . . . . .	2001-02
James Comeskey, CFA . . . . .	1964-65	James M. Lyon, CFA, CIC . . . . .	2002-03
Marvin W. Drew, CFA . . . . .	1965-66	David M. Ward, CFA . . . . .	2003-04
James H. Wallace, CFA . . . . .	1966-67	Jeffrey Anderson, CFA . . . . .	2004-05
Kenneth Gerhardt, CFA . . . . .	1967-68	Doug Achtemeier, CFA . . . . .	2005-06
Frank Foellmer, CFA . . . . .	1968-69	Donald Straszheim, Ph.D. . . . .	2006-07
Sheldon Collins, CFA . . . . .	1969-70	Berkeley G. Harrison, CFA . . . . .	2007-08
David C. Pearson, CFA . . . . .	1970-71	Asha Joshi, CFA . . . . .	2008-09
Roger L. Gewecke, CFA . . . . .	1971-72	<b>Ken Yee, CFA . . . . .</b>	<b>2009-10</b>



# Society Award Recipients & Life Members

**Governor’s Award for Outstanding Lifetime Contributions**

Awarded periodically as merited by the CFALA Board of Governors to individuals whose contributions to the Society have been so substantial and so exemplary that they are deemed to be members for life in the CFA Society of Los Angeles.

<b>None</b> .....	<b>2010</b>
James M. Lyon, CFA, CIC .....	2007
William L. Krantz, CFA .....	2005
James H. Fletcher, CFA .....	2004
Marla Harkness, CFA .....	2003
Frank C. Dohn, CFA .....	1999
Robert B. Hardaway, Jr., CFA .....	1991
Lucille Thompson (Hon.) .....	1991
Marjorie Fisher, CFA .....	1986
David C. Pearson, CFA .....	1979
Shelley N. Grudin, CFA ( <i>awarded as the Governor’s Award</i> ) .....	1976

**Outstanding Society Member Award**

Awarded periodically as merited by the CFALA Board of Governors to Society members who have remained active in the organization after the expiration of their tenure on the Board and/or whose contribution and involvement continues to substantially benefit CFALA programs, activities and initiatives, or whose leadership and contributions to the profession merit special recognition.

<b>Kerry Gawne, CFA</b> .....	<b>2010</b>	William L. Krantz, CFA .....	1996
Laurence Brody .....	2009	Frank C. Dohn, CFA .....	1995
Paula Bacher, CFA .....	2008	Phyllis G. Thomas, CFA .....	1989
Dave Cary, CFA, Ph.D. ....	2007	Stanley D. Ryals, CFA .....	1988
Victor Hawley, CFA .....	2006	Robert B. Hardaway, Jr., CFA .....	1987
Mark Duvall, CFA .....	2005	Dr. Guilford C. Babcock .....	1986
Wade T. Winter, CFA .....	2004	James K. Dunton, CFA .....	1984
Rob Arnott .....	2003	Shelley N. Grudin, CFA .....	1981
Dennis E. Gilkerson .....	2002	Roger L. Gewecke, CFA .....	1980
Roxanne Cheng, CFA .....	2001	Dennis R. Bouwer, CFA .....	1978
James M. Lyon, CFA, CIC .....	2000	David C. Pearson, CFA .....	1977
James H. Fletcher, CFA .....	1998	Donald L. Keene, CFA .....	1976
Glen A. Holden, CFA .....	1997		

### Outstanding Committee Member

Awarded annually by the CFALA Board of Governors to the individual or individuals who have made substantial contributions to the Society while either heading or acting as a member of a CFALA committee during the previous year.

<b>A. Mark Harbour, CFA</b> . . . . .	<b>2010</b>	James M. Lyon, CFA, CIC . . . . .	2002
Ryan J. Ross . . . . .	2009	James H. Fletcher, CFA . . . . .	2002
Rama Malladi, CFA . . . . .	2008	Berkeley G. Harrison, CFA . . . . .	2001
Daniel Wong . . . . .	2007	Eric T. Smith, CFA . . . . .	1999
James Altenbach, CFA . . . . .	2006	Margaret Mudd . . . . .	1998
Dave Cary, Ph.D., CFA . . . . .	2005	Anita A. Brown, CFA . . . . .	1997
Larry Brody . . . . .	2004	Roxanne Cheng, CFA . . . . .	1997
George Dennis . . . . .	2003	Peter B. Swank, Ph.D. . . . .	1997
Norman Kulla, CFA . . . . .	2003	Michael D. O'Brien, CFA . . . . .	1996
Steve Remboski, CFA . . . . .	2003	Edward M. Boulter, CPA . . . . .	1995

### James H. Fletcher, CFA, Emerging Leader Award

Awarded annually by the CFALA Board of Governors to the individual or individuals who have demonstrated outstanding leadership characteristics in the course of work on a CFALA program, activity or initiative during the previous year. The award is named in honor of James H. Fletcher, CFA, a past President of CFALA in 1994-1995. Jim was a Senior Vice President – Investments for Smith Barney. As President of CFALA, Jim was an innovative, effective and energetic leader. A strong believer in the value of education, Jim taught the popular “Foundations of Investment” course for several years, as well as expanded the Society’s educational offerings substantially during his tenure. He is also credited with creating CFALA’s annual CFA Charter Recognition event. In the years after his presidency, Jim continued his involvement in CFALA and provided wise counsel to many future CFALA leaders. The Emerging Leader Award, an innovation created by Jim during his presidency, was renamed in his honor.

<b>Vera Lin, CFA</b> . . . . .	<b>2010</b>	Charles J. Thuss, CFA . . . . .	2003
Alejandro Ortega, CFA . . . . .	2009	Asha B. Joshi, CFA . . . . .	2002
Anthony Diaz, CFA . . . . .	2008	Marie A. Beerens, CFA . . . . .	2001
Adrienne Regrutto . . . . .	2008	David M. Ward, CFA . . . . .	2000
Jordan Floriani, CFA . . . . .	2007	Leslie Richardson . . . . .	1999
Kerry Gawne, CFA . . . . .	2006	Saeid Hamedanchi, CFA . . . . .	1998
James Lewis, CFA . . . . .	2005	Dennis E. Gilkerson . . . . .	1997
Berkeley G. Harrison, CFA . . . . .	2004	James M. Lyon, CFA, CIC . . . . .	1996
Mark T. Duvall, CFA . . . . .	2003	Karen L. Combs, CFA . . . . .	1995
Richard McDonald, CFA . . . . .	2003	Maye Hackworth, CFA . . . . .	1995

### Corporate Award

Awarded periodically by the CFALA Board of Governors to the organization which has demonstrated outstanding support to the Society’s programs, activities and initiatives in a substantial and continual way over the past year.

<b>Payden &amp; Rygel</b> . . . . .	<b>2010</b>	University of Southern California . . . . .	2001
Etech Securities . . . . .	2008	Payden & Rygel . . . . .	1999
Lehman Brothers . . . . .	2007	Smith Barney Company . . . . .	1998
Trust Company of the West . . . . .	2004	Smith Barney Company . . . . .	1997
Payden & Rygel . . . . .	2003	Jefferies & Company . . . . .	1996
Wells Fargo . . . . .	2002	Smith Barney Company . . . . .	1995



## USC/CFALA CFA® Review Program

Since 1984, CFA Society of Los Angeles, Inc. (CFALA), in partnership with the University of Southern California, Marshall School of Business (USC), has offered Chartered Financial Analyst® (CFA®) Review Programs for each level of the CFA Study and Examination Program. In the spring, we offer both Weekday and Saturday Review Courses for Level I and Level II candidates and a Weekday Review Course for Level III candidates. CFALA also offers a Saturday Review Course for candidates preparing to take the December Level I examination. While live instruction is the cornerstone of our program, candidates are provided with supplemental study tools including a full-length practice examination, access to recorded classroom lectures, Schweser Notes and the SchweserPro Online Question Bank.

The Weekday Review Course and the Saturday Review Course provide candidates with a structured, classroom-based approach to preparing for the CFA examination. Our programs are designed to assist candidates in mastering the Candidate Body of Knowledge. All of the disciplines on the CFA examination are covered in the CFA Review Courses.

Co-Directors:

William L. Krantz, CFA & Larry Harris, Ph.D. (USC) .....e-mail: [cfareview@CFALA.org](mailto:cfareview@CFALA.org)

## Associated Groups

### Applied Behavioral Finance Group

The Applied Behavioral Finance Group was formed to communicate with the general membership of CFALA about the emerging concepts of Behavioral Finance. It was felt that the ability to “apply” these concepts and information could enhance our understanding of portfolio management, human error and dealing with clients.

The Applied Behavioral Finance Group features presentations, meetings, seminars, study groups and may propose research initiatives in the field of behavioral finance.

President: **John Weisickle, CFA**

### CFA Society of Los Angeles Charitable Foundation

CFA Society of Los Angeles Charitable Foundation (CFALA Charitable Foundation) is a nonprofit public benefit corporation. The primary mission of the Foundation will be to promote financial literacy in the larger community. The Foundation will support education projects conducted by CFALA members and may partner with other organizations that have similar goals. The Foundation may also make grants to other organizations with the objective of promoting better understanding of financial and investment issues among children and adults.

Chair: **Berkeley Harrison, CFA** ..... e-mail: [berkeleyharrison@sbcglobal.net](mailto:berkeleyharrison@sbcglobal.net)

Vice-Chair: **George Dennis** ..... e-mail: [george\\_dennis@cfala.org](mailto:george_dennis@cfala.org)

## Previous Chapters of CFALA

CFA Hawaii .....Founded June 8, 2002

CFA Society of San Diego .....Founded in 1962

CFA Society of Orange County .....Founded in 1997





## CFALA's Committees

### **Advocacy**

Chair: **Open**

The Advocacy Committee considers current issues that are of importance to the profession on which CFALA may choose to take a position such as regulatory issues, legal issues, new ethics requirements, accounting issues, and/or positions on CFA Institute initiatives. The Chair reports significant issues affecting the investment industry to the CFALA Board or may be called upon by the Board to compose a position paper. Participation in this committee is determined by the number of advocacy issues in consideration.

### **Annual Meeting**

Chair: **Daniel Wong**

The Annual Meeting Committee researches venue locations to hold the Annual CFALA Meeting of the Members. The Chair presents to the Board the location findings for consideration and presents a proposed budget for the event. Once a location is approved, the committee then works within the budget to arrange dinner details which may include, but are not limited to, menu selection, entertainment, floral arrangements and dinner favors. Participation in this committee begins approximately January of each year and ends at the close of the Annual meeting.

### **Audit & Accounting**

Chair: **Mark Morski, CFA**

The Audit and Accounting Committee acts as a liaison with the accounting profession and conducts periodic searches for accounting firms to conduct the Society's annual audit. Members of the committee submit and review Requests for Proposal for auditing services and make recommendations for future audit firms to the Board of Governors. The committee assists in the transition of auditing firms, which takes place every three years, and participates in the annual review of the financial reports. Members of the audit committee may be asked to attend one board meeting a year.

### **Career Development**

Chairs: **Roxanne Cheng, CFA**  
**Frank Spindler**

The Career Development Committee manages the job opportunities listings that are posted on the CFALA website and coordinates the Annual Career Development Expo each spring. The committee may chair topical meetings on career programs throughout the year. Participation in the Career Development Committee begins in January and ends on the date of the Career Expo. On-site participation at the Annual Career Expo may be

*The Society's Mission is fulfilled by its many dedicated volunteers and, as programs continue to expand and membership continues to grow, there are an increasing number of volunteer opportunities available. Whether you have a few hours a week or only a few hours a year, your contribution will make a difference. CFALA has a strong history of leadership and volunteerism within the Society, and you can start your leadership path today by volunteering as part of a committee or for one of the mentor programs. Contact the Membership Involvement Chair today and build leadership skills in a social and supportive environment.*



to mid-April. Members of the committee may elect to remain active on the committee by participating in the job-listings process. Committee members serve for one-year renewable terms.

**CFA Charter Recognition Event**

Chair: **Monica Erickson, CFA**

The CFA Charter Recognition Committee researches venue locations for the Annual CFALA Charter Recognition Luncheon. The Chair works with the administrative staff with the findings for consideration and submits the luncheon budget to the Board. Once a location is reserved, the committee then works within the budget to arrange the luncheon details which may include, but are not limited to, letters of invitation, menu selection, floral arrangements, charter holder gifts, media announcements, and the receipt, wrapping and presentation of the charters. Participation in this committee begins in approximately August of each year and ends at the close of the Charter Luncheon, which takes place between October 15 and December 15.

**CFA Review Program**

Co-Directors: **William L. Krantz, CFA**  
**Larry Harris, Ph.D.**

The CFA Review Program Committee administers, in partnership with the University of Southern California, Marshall School of Business (USC), a CFA® Review Course for each level of the CFA Study and Examination Program. Co-Directors review financials for the program, update the CFALA Board, negotiate agreements, hire instructors, conduct approximately 4 orientations for new candidates, represent the program at the CFALA Career Expo, liaise with CFA Institute and approve all collateral material. Committee members serve as coordinators at each level and administer the mentor program. Lead Coordinators at each level set the class schedule, confirming an instructor and a coordinator for each class. Coordinators represent the program at each class, at orientations, and at the Mentor Meet and Greet. The review programs run from January through May for the June CFA exam, and from August through November for the December CFA exam. Participation is heaviest when the review course is in session, but planning and preparation are year-round.

**Level I Coordinators:** James Lewis, CFA; Jean Li-Smith, CFA; Anthony Diaz, CFA; Andy Chong, CFA; Vincent Anzalone, CFA; Tatev Stepanyan

**Level II Coordinators:** David Ward, CFA; Colum Chan, CFA; Kevin Chang, CFA; Marvin Tong, CFA

**Level III Coordinators:** Roger Gewecke, Jr., CFA; William Bird, CFA; Andrew Shuleschenko, CFA; Ankush Gupta, CFA

**Economic and Investments Forecast Dinner**

Chair: **George Dennis**

The Economic and Investments Forecast Dinner Committee organizes and schedules the annual Economic and Investments Forecast Dinner. Committee duties include soliciting speakers, procuring sponsors and proofing the program. Participation in this committee begins in August and normally ends in January after the Forecast Dinner.

Members: Laurence Brody, Kerry Gawne, CFA; Cynthia Harrington, CFA

**Education**

Co-Chairs: **George Dennis**  
**Rama Malladi, CFA**

The Education Committee develops continuing education programs, including seminars, Basic Accounting, Foundations of Investment courses, a Fixed Income series and other educational investment courses of interest to CFALA members. It serves as a liaison with local colleges and universities in



courses of interest to CFALA members. It serves as a liaison with local colleges and universities in sponsoring student participation in the Society's programs. Participation in the Education Committee is ongoing and may require members to be on-site at some classes to welcome students and introduce instructors. Education Chair approves all CFALA events for CFA Institute's Professional Development Program (PD credits).

#### **Finance**

Chair: **James Lewis, CFA**

Vice-Chair: **Roger Gewecke, Jr., CFA**

The Finance Committee assists the Treasurer in advising the Board of Governors in the management of investment actions and considers other financial matters as necessary. The powers and duties of the committee are separate and distinct from those that are already delegated to the Audit and Accounting Committee. The oversight of the investment policy statement is the responsibility of the Finance Committee. The Finance Committee is a standing committee of the Society; the positions of Chair and Vice-Chair are held by the current Treasurer and Secretary, respectively. Members of the committee are appointed and approved by the President. Participation in the Finance Committee is for renewable terms of one year beginning September 1 and ending August 31. The committee provides periodic reviews of the Society's investments to ensure compliance with the investment policy. Recommended changes of allocations from the committee are presented to the Board by the Chair.

Member: Mark Morski, CFA

#### **Member and Public Awareness**

Chair: **Adrienne Regrutto**

The Member and Public Awareness Committee is responsible for the continued communication of Society happenings and events to the members and the general public. The committee chair is responsible for monitoring and/or submitting Society press releases. Participation in the Public Awareness Committee is year-round. Members of the committee may be asked to be available and commit more time to promote the Society's larger events which occur quarterly, such as the Economic Forecast Dinner, CFA Charter Recognition Luncheon, the Annual Meeting of the Members and CFALA/CCEE Capital Markets Contest. Committee participation is for renewable terms of one year. Excellent writing skills are necessary, media experience is a plus.

#### **Membership Involvement/Volunteer Management**

Chair: **Kerry Gawne, CFA**

The Membership Involvement/Volunteer Management Committee oversees the placement of member volunteers in committees or projects that match the skill set of the individual. The committee is responsible for the volunteer recruiting and arranging of society events including orientations, skill development and volunteer recognition. Committee members are selected by the Chair and Vice-Chair. Participation in the Membership Involvement Committee may require on-site participation at volunteer events. Committee participation is for renewable terms of one year.

#### **Membership**

Chair: **Brian Brady, CFA**

The Membership Committee performs a monthly review of membership applications and provides a report to the Board of Governors of the new member applicants and changes in the status of current members. Committee members should be available to speak with applicants who may require special consideration prior to submitting their applications to CFA Institute and answer general questions regarding membership in the Society. The Membership Committee may also propose membership recruiting



and retention programs and monitor membership trends. Participation on the Membership Committee requires monthly review of pending applications; most applications are submitted during the months of August - December. The responsibilities of this committee are ongoing and service is for one-year renewable terms.

Member: Jamie Claypool

#### **Nominating**

Chair: **Asha Joshi, CFA**

The Nominating Committee is a standing committee and is chaired by the most current past President of the Society. The committee consists of the officers of the Board of Governors. The committee identifies and nominates to the Board of Governors members of the Society for consideration as officers and Governors of the Society. It also identifies potential nominees to CFA Institute positions and committees and nominates potential annual award recipients.

#### **Operating**

Chair: **James Lewis, CFA**

The Operating Committee oversees the administrative staffing and operations of the Society. The Operating Committee may call for ad hoc search committees when operational services are needed. Operational services include administrative staff, website programmers, accountants and lawyers. The Operating Committee consists of the Officers of the Board of Governors.

#### **Scholarship**

Chair: **Anuradha Batra, CFA**

The Scholarship Committee reviews applications from local CFA candidates for the CFA exam. There are two scholarship periods for which a designated number of scholarships are awarded to applicants meeting specified criteria. Members of the Scholarship Committee may participate in one or both application reviews which occur in July and December of each year. Participation involved in the review process varies and is dependent on the quantity of applications received.

Member: John Peetz, CFA

#### **Social**

Chair: **Danny Blater**

The Social Committee plans periodic social activities for members and their guests. The committee researches venues for events which members may attend in a relaxed and informal environment. The committee is responsible for providing recommendations to the Board and submitting a budget for review. Once a budget is approved, the committee arranges the logistics and publicity for the event. Participation in this committee is for one-year renewable terms and may require several hours planning time per event. On-site participation may be required.

#### **Website and Technology**

Chair: **Rama Malladi, CFA**

The Website and Technology Committee participates in periodic reviews of the website and website functions. The committee makes recommendations to the Board and submits an annual budget proposal for changes and upgrades. Participation in the committee is ongoing and for one-year renewable terms.



## Non-Committee Volunteer Opportunities

### **USC/CFALA CFA Review: Level I Mentor Program**

Volunteer mentors provide Level I candidates enrolled in the USC/CFALA CFA Review program an additional support resource in preparing for the Level I exam. Mentors support candidates by providing guidance in time management and study tactics to prepare for the exam as well as emotional support and encouragement through the exam process. The program offers each candidate a chance to have one-on-one contact with a member who is either a current CFA charter holder or has successfully completed all 3 levels of the exam. Volunteers in the mentor program are asked to commit to contacting their assigned candidates twice a month and also be available to provide additional support closer to the exam date. The mentor program runs in conjunction with the Level I CFA Review Course that is offered twice a year. The spring session begins in January and ends prior to the June exam. The fall program begins in August and ends prior to the Level I December exam. The mentor role is not a tutoring or study partner role, and the mentor may choose to continue mentoring the same candidate through the remaining levels of the exam.

### **CFA Society of Los Angeles Mentor Volunteers for Capital Markets Contest**

CFALA members may serve as mentors and research contacts for teachers and as judges for final presentations in the Capital Markets Contest (CMC), a joint venture of the CFA Society of Los Angeles Charitable Foundation and California Council on Economic Education (CCEE). Mentoring may include on-site classroom visits and student interaction. The CMC begins in February and ends in late May.

### **Additional Information: Important Website Addresses**

CFALA Society of Los Angeles . . . . . [www.cfala.org](http://www.cfala.org)  
CFA Institute . . . . . [www.cfainstitute.org](http://www.cfainstitute.org)  
CFA Program . . . . . [www.cfainstitute.org/cfaprogram/pages/index.aspx](http://www.cfainstitute.org/cfaprogram/pages/index.aspx)  
Code of Ethics and Standards  
of Professional Conduct: . . . . . [www.cfainstitute.org/ethics/pages/index.aspx](http://www.cfainstitute.org/ethics/pages/index.aspx)



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## Independent Accountants' Report

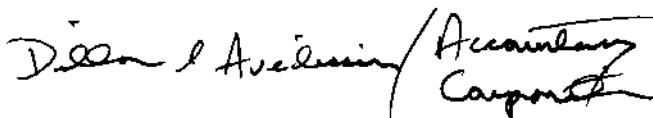
To the Board of Governors,

CFA Society of Los Angeles, Inc.  
Los Angeles, California

We have reviewed the accompanying statement of financial position of CFA Society of Los Angeles, Inc., (the "Society") as of August 31, 2010, and the related statements of activities, functional expenses and cash flows, for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Society.

A review consists principally of inquiries of management and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

A handwritten signature in black ink, reading "Diana L. Aveline" followed by a diagonal slash and "Accountant" above "Corporate".

Pasadena, California  
January 7, 2011

CFA SOCIETY OF LOS ANGELES, INC.

**Statement of Financial Position**

August 31, 2010

**Assets**

<b>Current Assets:</b>	
Cash and cash equivalents (Note 4)	\$ 406,772
Accounts receivable	2,573
Prepaid expenses	35,325
Total current assets	<u>444,670</u>
<b>Property and equipment:</b>	
Computer and technical equipment	12,511
Furniture and fixtures	8,489
Less accumulated depreciation	<u>—</u>
	21,000
Investments (Note 2)	<u>262,092</u>
Total assets	<u><u>\$ 727,762</u></u>

**Liabilities and Net Assets**

<b>Current Liabilities:</b>	
Accounts payable	\$ 128,337
Deferred revenue	<u>92,140</u>
Total current liabilities	<u>220,477</u>
<b>Net Assets:</b>	
Unrestricted	
Undesignated	232,285
Board designated	<u>275,000</u>
Total net assets	<u>507,285</u>
Total liabilities and net assets	<u><u>\$ 727,762</u></u>

See accountants' review report and accompanying notes to financial statements.



## CFA SOCIETY OF LOS ANGELES, INC.

**Statement of Activities**

Year Ended August 31, 2010

<b>Revenues:</b>	
Membership dues (Note 5)	\$ 290,725
CFA review program income (Note 6)	411,344
CFALA seminar income	43,486
CFA Institute reimbursements	45,333
Economic forecast dinner	74,485
Annual events	250
Placement listing	5,670
Unrealized gains on investments	9,972
Interest and dividends	7,780
	<hr/>
Total revenues	889,045
	<hr/>
<b>Expenses:</b>	
Program services	
CFA review program expenses (Note 6)	360,990
Economic forecast dinner	56,439
Topicals	41,812
Seminar expenses	6,190
Other educational and social activities	108,234
	<hr/>
Total program services	573,665
Supporting services	281,503
Total expenses	855,168
	<hr/>
Increase in unrestricted net assets	33,877
	<hr/>
Unrestricted net assets, beginning of year	473,408
	<hr/>
Unrestricted net assets, end of year	\$ 507,285
	<hr/> <hr/>

See accountants' review report and accompanying notes to financial statements.

## CFA SOCIETY OF LOS ANGELES, INC.

## Statement of Functional Expenses

Year Ended August 31, 2010

	Program Services			Supporting Services	Total
	CFA Review	Topical	CFALA Seminars and other Educational & Social Activities	Management & General	
<b>Administrative Fees:</b>					
Management fees	\$ 69,154	\$ –	\$ –	\$ 132,994	\$ 202,148
University of Southern California	37,104	–	–	–	37,104
Total administrative fees	<u>106,258</u>	<u>–</u>	<u>–</u>	<u>132,994</u>	<u>239,252</u>
Audit & accounting fees	–	–	–	15,749	15,749
Annual events	–	–	50,202	4,187	54,389
Bank fees & finance charges	12,268	–	–	4,895	17,163
Board & membership activities	–	–	10,847	7,653	18,500
Career exposition	–	–	5,541	–	5,541
Communications	1,882	–	–	26,077	27,959
Faculty & instructor fees	120,764	–	6,190	1,215	128,169
Economic forecast dinner	–	56,439	–	3,276	59,715
Location fees & rental	–	41,812	–	69,075	110,887
Other expenses	–	–	–	2,944	2,944
Program pledge refunds	26,829	–	–	–	26,829
Printing, postage & supplies	9,255	–	–	13,438	22,693
Recognition & publicity	–	–	41,644	–	41,644
Study guides & mock exams	83,734	–	–	–	83,734
Total expenses	<u>\$ 360,990</u>	<u>\$ 98,251</u>	<u>\$ 114,424</u>	<u>\$ 281,503</u>	<u>\$ 855,168</u>

See accountants' review report and accompanying notes to financial statements.

CFA SOCIETY OF LOS ANGELES, INC.

**Statement of Cash Flows**

Year Ended August 31, 2010

<b>Cash Flows from Operating Activities:</b>	
Increase in net assets	\$ 33,877
Adjustments to reconcile increase in net assets to net cash used by operating activities:	
Net realized and unrealized gains on investments	(9,972)
Changes in operating assets and liabilities:	
Receivable	651
Prepaid expenses	(6,449)
Accounts payable	33,910
Deferred revenue	16,326
Net cash provided by operating activities	<u>68,343</u>
<b>Investing Activities:</b>	
Purchases of investments	(7,622)
Proceeds from redemption of investments	—
Net cash used by investing activities	<u>(7,622)</u>
Net increase in cash and cash equivalents	60,721
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>346,051</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 406,772</u></u>

**Non-cash investing and financing activities:**

The Organization incurred a liability of \$21,000, included in accounts payable, for the purchase of furniture and equipment.

See accountants' review report and accompanying notes to financial statements.

CFA SOCIETY OF LOS ANGELES, INC.

## Notes to Financial Statements

August 31, 2010

### **Note 1 — Summary of Significant Accounting Policies**

The CFA Society of Los Angeles, Inc. (the "Society"), is a nonprofit organization established in 1931. The Society fosters ethical standards of conduct among its membership and within its segment of the financial community in the Los Angeles metropolitan area and strives to improve the practice of financial analysis and portfolio management through education and the development of professional skills.

#### **Basis of Accounting**

The financial statements of the Society have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

#### **Investments**

Investments are carried at fair value as determined by quoted market prices, or based on quotations of similar securities. Investing activities are reported on a trade-date basis. Realized gains and losses are calculated based upon the underlying costs. Net realized and unrealized gain/loss on investments is based on the fair value of the assets at the beginning of the year or at the time of purchase for assets purchased during the year and the related fair values on the day the investments are sold with respect to realized gains and losses, and on the last day of the year with respect to unrealized gains and losses.

#### **Revenue**

Membership dues are recognized as revenue when received. Chartered Financial Analysts (CFA) review fees are recognized in the period the program takes place. Payments received in advance of programs are deferred at year-end. Deferred revenue represents fees collected for CFA review and education programs to be held after August 31, 2010.

#### **Statement of Cash Flows**

For purposes of the statement of cash flows, the Society considers all cash accounts and investments with maturities of ninety days or less to be cash equivalents for purposes of this statement.

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## **Note 1 — Summary of Significant Accounting Policies (Continued)**

### **Functional Allocation of Expenses**

The costs of providing the various program services have been reported by their functional classification. Accordingly, certain costs have been allocated among program services and support services benefited.

### **Net Assets**

#### **Unrestricted Net Assets**

Unrestricted net assets are utilized to record revenues, investment income, and other forms of unrestricted revenue and expenditures related to the general operations of the Society.

Included in unrestricted net assets at August 31, 2010 are \$275,000 of assets designated for specific purposes by action of the Governing Board for future seminars and for legal expenses that may arise relative to the Society's self-regulation responsibilities.

#### **Temporarily Restricted Net Assets**

Temporarily restricted net assets are utilized to record resources received that are temporarily restricted as to use. When the restricted use has been fulfilled or expired with the passage of time, the net assets of this fund are reclassified to unrestricted net assets.

At August 31, 2010 there were no temporarily restricted net assets.

#### **Permanently Restricted Net Assets**

Permanently restricted net assets are utilized to record resources whose use by the Society is limited by donor-imposed stipulations that neither expires by a passage of time nor can be fulfilled or otherwise removed by actions of the Society.

At August 31, 2010, there were no permanently restricted net assets.

### **Property and Equipment**

Property and equipment are stated at cost. Donated property is recorded at its estimated fair value. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from five to seven years. Expenditures for major renewals and betterments that extend the useful life of property are capitalized. Total depreciation expense for the year ended August 31, 2010 was \$0 as the fixed assets were acquired on the last day of the fiscal year.

### **Management's Review**

Subsequent events were evaluated through January 7, 2011, which is the date the financial statements were available to be issued.

**Note 2. Investments**

The investment securities, which are stated at fair value based on quoted prices in active markets (all Level 1 measurements), consist of the following:

Vanguard Short-Term Investment Grade Fund Investor Shares	\$ 72,509
iShares Trust Barclays Aggregate Bond Fund	117,970
iShares Trust Russell 2000 Index Fund	314
S & P Depository Receipts	71,299
	<u>\$ 262,092</u>
Interest and dividends earned on investments	\$ 7,683
Interest and dividends earned on cash and cash equivalents	97
	<u>\$7,780</u>
The net gains on investments are as follows:	<u></u>
Net unrealized gains	<u>\$9,972</u>

**Note 3. Income Taxes**

The Society is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code. The Society is also exempt from California state income taxes.

**Note 4. Concentration of Credit Risk**

The Society maintains its cash balances in two checking accounts held at the same financial institution located in California. The balances are insured by the Federal Deposit Insurance Corporation to \$250,000. As of August 31, 2010, the combined bank balance for two accounts was \$344,068, resulting in a total uninsured bank balance of approximately \$94,068. Management believes that it is not exposed to significant credit risk.

**Note 5. Membership Dues**

The Society contracted with CFA Institute to administer the billing and collection of membership dues. Membership dues for the year ended August 31, 2010 totaled \$290,725.

**Note 6. CFA Review Income and Expenses**

In partnership with University of Southern California ("USC"), the Society conducts a CFA review program, which helps CFA candidates prepare for the CFA examination. The program is taught by practitioners from the Society who are mainly CFA charter holders and faculty members from surrounding universities. The Society pays a royalty equal to 40% of the surplus earned from the CFA program to USC.

**Note 7. Related Party Transactions**

During the year ended August 31, 2010, the Society hosted topical, educational, and investment seminars as well as the CFA Review Program referred to in Note 6. Payments for instructional services to certain officers and members of the Board of Governors amounted to \$15,874.

**Note 8. Termination of Management Agreement**

Effective August 31, 2010, the Society reached an agreement to terminate its contract with its management company. As part of the agreement, the Society agreed to pay the management company \$30,000 and to purchase its equipment and furniture for \$21,000. Administrative functions are now performed by employees of the Society at the direction of the Board of Governors.



*Founded in 1931. Founding Member of the Financial Analyst  
Federation and a Member Society of CFA Institute.*

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