

C F A S o c i e t y o f L o s A n g e l e s , I n c .



A N N U A L R E P O R T

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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

2007-2008 Officers

President

Berkeley G. Harrison, CFA
Wachovia Wealth Management

Vice President

Asha Joshi, CFA
Payden & Rygel

Treasurer

George Dennis
Countrywide Securities

Secretary

Ken Yee, CFA
Ridgecrest Capital

Board of Governors

– Past President –

Don Straszheim, Ph.D.
Roth Capital Partners

Dave Cary, CFA, Ph.D.
*CSU Northridge –
Professor Emeritus*

Roger Gewecke, Jr., CFA
Clifford Swan Investment Counsel

James Lewis, CFA
Trust Company of the West

Kerry Gawne, CFA
Payden & Rygel

A. Mark Harbour
Smith Barney

Larry Harris, Ph.D.
University of Southern California

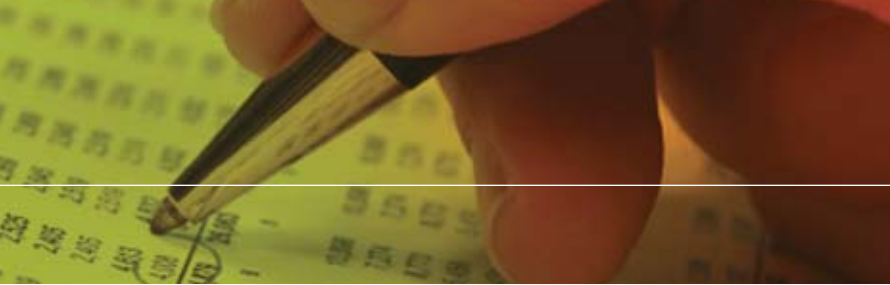


Table of Contents

CFA Society of Los Angeles, Inc. • 350 South Grand Avenue, Suite 1680 • Los Angeles, CA 90071 • P/F: 213.341.1164 • e: info@CFALA.org • web: www.CFALA.org

Message from the President	2
Past Presidents	3
Society Award Recipients and Life Members	4
USC/CFALA CFA Review Program • Associated Groups	6
CFALA's Committees	7
Non-Committee Volunteer Opportunities	11
Financial Statements for Year Ended August 31, 2007	12



August 31, 2008

My Fellow Society Members,

I am pleased to have the opportunity to serve as President of the CFA Society of Los Angeles for this year. We have a great team of experienced officers and a Board of Governors who are very focused on serving the ever changing needs of our local Society.

Now that our Society has over 2,000 members, we felt it was time to make some changes. As many of you have probably already noticed, we have made some enhancements to the Society's website in recent weeks and plan to continue doing so in the coming months; we ask for your patience, as well as your feedback as changes are implemented.

In addition, please welcome the latest addition to our administrative support team, Susan Jagiello, who is focused on Member Services. Susan will join Linda Cahill and Laura Carney in the society's new offices at California Plaza Two at the beginning of the year. This new office space will allow all of our administrators to work more closely together, as well as allow the society to use a meeting room for smaller events that is located in the same building (details to follow).

Earlier this month over 100 persons attended the 2007 Charter Recognition Luncheon to honor those who have successfully passed all three levels of the CFA exam and those who have fulfilled the requirements to receive the CFA Charter. Bob Johnson, the director of the CFA examination program and recently named Deputy CEO of CFA Institute, presented the new charters. Congratulations, and good luck to those sitting for the Level I examination this Saturday.

2

A few weeks ago several members participated in a planning meeting related to our Society's programming. Four new interest groups emerged from this meeting: Private Wealth Management, Alternative Investments, Portfolio Management and Distinguished Speakers. We plan to have inaugural meetings of these groups at the beginning of the year, which should allow more of our members to participate and assist in an expansion of our Society's programming offerings (details to follow).

In an effort to reach more of our members across the Los Angeles basin, we have begun testing online presentations. The Society made its first Webex live presentation on November 15th, with 34 members participating. We plan to expand this program in the coming year so as to reach more of our members.

Next week is the Equity Research and Valuation Techniques Conference in Century City on December 4th and 5th, which CFALA is co-hosting with CFA Institute. This should be a conference that proves useful to many Society members.

We hope to see more of you at our upcoming events. In addition, we are always looking for volunteers to help assist the Society. There are number of additional ways that members can get involved in Society activities, from one day events to classes, review programs and standing committees. For example, we are looking for additional mentors for the CFA exam review program, as we are expecting more than 100 candidates to enroll in our highly successful mentorship program in the spring. If you are interested in soliciting speakers, mentoring students, coordinating classes or the CFA review program, or just have some good ideas, please call or email the CFA Society of Los Angeles administrative office at info@cfala.org. Get involved today!

Respectfully Submitted,

Berkeley G. Harrison



Past Presidents

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

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.

None	2008
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

4

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.

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

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.

Rama Malladi, CFA 2008	James H. Fletcher, CFA 2002
Daniel Wong 2007	Berkeley G. Harrison, CFA 2001
James Altenbach, CFA 2006	Eric T. Smith, CFA 1999
Dave Cary, Ph.D., CFA 2005	Margaret Mudd 1998
Larry Brody 2004	Anita A. Brown, CFA 1997
George Dennis 2003	Roxanne Cheng, CFA 1997
Norman Kulla, CFA 2003	Peter B. Swank, Ph.D. 1997
Steve Remboski, CFA 2003	Michael D. O'Brien, CFA 1996
James M. Lyon, CFA, CIC 2002	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.



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

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
University of Southern California 2001	

USC/CFALA CFA Review Program Associated Groups



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

6

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: Mark Harbour, CFA e-mail: Amh11@ntrs.com

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: Asha Joshi, CFA e-mail: Ajoshi@payden-rygel.com

Vice-Chair: George Dennis e-mail: george_dennis@countrywide.com

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

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.

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.



7

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: **Stephen Remboski, 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.

Members: Phillip Newmarch, CFA; Van Beer, CFA; Russell Hoffman, CFA; George Montague, CFA; Raymond Rath, CFA; John Weisickle, CFA

Career Development

Chair: **Roxanne Cheng, CFA**

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

CFALA's Committees

on the date of the Career Expo. On-site participation at the Annual Career Expo may be required. The primary months of planning for the Expo occur from January 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: **Jay Richardson, 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, charterholder 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; Leah Romero, CFA; Jean Li-Smith, CFA; Mark Dombrowski, CFA; and Holmes Osborne III, CFA

Level II Coordinators: David Ward, CFA; Kristen O'Connor, CFA, CPA; Colum Chan, CFA

Level III Coordinators: Roger Gewecke, Jr., CFA; Sam Butler, CFA; William Bird, CFA; Andrew Shuleschenko, 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

Chair: **George Dennis**

Coordinator: **Ashish Vaidya, Ph.D.**

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 sponsoring student participation in the Society's



CFALA's Committees

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).

Members: Phillip Newmarch, CFA; John Lacey, Ph.D., CPA; Steven Kiser, CFA; Jason Totedo, CFA

Finance

Chair: **Ken Yee, CFA, CPA**

Vice-Chair: **George Dennis**

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 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.

Members: Cynthia Harrington, CFA

Membership Involvement/Volunteer Management

Chair: **Asha Joshi, CFA**

Vice-Chair: **George Dennis**

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. The Membership Involvement Committee is chaired by the Vice-President and vice-chaired by the Secretary of the Society. 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: **David Ward, 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



CFALA's Committees

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.

Nominating

Chair: **Don Straszheim, Ph.D.**

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: **Don Straszheim, Ph.D.**

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.

Programming

Chair: **Open**

The Programming Committee participants meet and plan the annual speaker calendar and discuss relevant trends in the investment industry and marketplace, then procure speakers to present to the members of the Society. The committee invites speakers and arranges panels to present topics that are relevant to the financial industry and to the local membership. The committee also provides a proposal to the Board to include planned speaker schedule and budget requirements. Participation in this committee is on-going throughout the year. Committee members attend events on-site to greet and introduce featured guests. Committee participation is for one-year renewable terms.

Members: Holmes Osborne III, CFA; Lawrence Brody; James Altenbach, CFA

Scholarship

Chair: **Jay Richardson, 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: **Open**

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



CFALA's Committees

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.

Member: Marc Lepp

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 charterholder 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.



11

CFA Society of Los Angeles Charitable Foundation: Mentor Volunteers

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
CFA Institute www.cfainstitute.org
CFA Program www.cfainstitute.org/cfaprogram/index.html
Code of Ethics and Standards
of Professional Conduct: www.cfainstitute.org/centre/ethics/code/

Financial Statements

August 31, 2008



C O N T E N T S

Independent Auditors' Report 13

FINANCIAL STATEMENTS

Statement of Financial Position 14

Statement of Activities 15

Statement of Functional Expenses 16

Statement of Cash Flows 17

Notes to Financial Statements 18

Independent Auditors' Report

To the Board of Governors
The Chartered Financial Analysts Society of Los Angeles, Inc.
Los Angeles, California

We have audited the accompanying statement of financial position of The Chartered Financial Analysts Society of Los Angeles, Inc. (a nonprofit organization) as of August 31, 2008, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

13

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Chartered Financial Analysts Society of Los Angeles, Inc. as of August 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Hutchinson and Goodgood LLP

January 13, 2009

CFA SOCIETY OF LOS ANGELES, INC.

Statement of Financial Position

August 31, 2008

Assets

Current assets:	
Cash and cash equivalents (Note 4)	\$ 150,591
Receivable	4,000
Prepaid expenses	34,765
Total current assets	<u>189,356</u>
Investments (Note 2)	584,115
Total assets	<u>\$ 773,471</u>

Liabilities and Net Assets

Current liabilities:	
Accounts payable	\$ 19,580
Deferred revenue	89,239
Total current liabilities	<u>108,819</u>
Net assets:	
Unrestricted	
Undesignated	389,652
Board Designated	275,000
Total net assets	<u>664,652</u>
Total liabilities and net assets	<u>\$ 773,471</u>

14

The Notes to Financial Statements are an integral part of this statement.

CFA SOCIETY OF LOS ANGELES, INC.

Statement of Activities

Year Ended August 31, 2008

Revenues:	
Membership dues (Note 5)	\$ 313,760
Review income (Note 6)	386,768
Seminar income	31,517
Economic forecast dinner	85,995
Topicals – member and guest fees	14,020
Annual Events	16,965
Placement listing	9,495
Unrealized gains on investments	(58,992)
Interest and dividends	20,139
	<hr/>
Total revenues	819,667
Expenses:	
Program services	
Review expenses (Note 6)	332,793
Economic forecast dinner	54,374
Topicals	66,094
Seminar expenses	24,049
Other educational and social activities	168,833
	<hr/>
Total program services	646,143
Supporting services	295,015
Total expenses	<hr/> 941,158
Decrease in unrestricted net assets	(121,491)
Unrestricted net assets, beginning of year	786,143
	<hr/>
Unrestricted net assets, end of year	<u><u>\$ 664,652</u></u>

15

The Notes to Financial Statements are an integral part of this statement.

CFA SOCIETY OF LOS ANGELES, INC.

Statement of Functional Expenses

Year Ended August 31, 2008

	Program Services			Supporting Services	Total
	CFA Review	Topical	CFALA Seminars and other Educational & Social Activities	Management & General	
Administrative Fees:					
Management fees	\$ 47,342	\$ -	\$ -	\$ 103,037	\$ 150,379
University of Southern California	39,467	-	-	-	39,467
Total administrative fees	<u>86,809</u>	<u>-</u>	<u>-</u>	<u>103,037</u>	<u>189,846</u>
Audit & accounting fees	-	-	-	14,728	14,728
Annual Events	-	-	62,538	2,030	64,568
Bank fees & finance charges	14,213	-	-	8,250	22,463
Board & membership activities	-	-	32,336	13,487	45,823
Career exposition	-	-	62	-	62
Communications	3,363	-	-	64,520	67,883
Contributions	-	-	16,269	-	16,269
Faculty & instructor fees	124,593	-	24,049	2,708	151,350
Economic forecast dinner	-	54,374	-	7,646	62,020
Location fees & rental	-	56,441	-	52,252	108,693
Other expense	-	-	-	7,465	7,465
Printing, postage & supplies	19,685	9,653	4,137	13,790	47,265
Recognition & publicity	-	-	53,491	5,102	58,593
Study guides & mock exams	84,130	-	-	-	84,130
Total expenses	<u>\$ 332,793</u>	<u>\$ 120,468</u>	<u>\$ 192,882</u>	<u>\$ 295,015</u>	<u>\$ 941,158</u>

The Notes to Financial Statements are an integral part of this statement.

CFA SOCIETY OF LOS ANGELES, INC.

Statement of Cash Flows

Year Ended August 31, 2008

Cash Flows from Operating Activities:	
Change in net assets	\$ (121,491)
Adjustment to reconcile change in net assets to net cash used by operating activities:	
Unrealized loss on investments	58,992
Increase in:	
Receivables	(1,075)
Prepaid expenses	(4,104)
(Decrease) Increase in:	
Accounts payable	(6,290)
Deferred revenue	8,180
Net cash used by operating activities	<u>(65,788)</u>
Cash Flows from Investing Activities:	
Purchases of investments	(226,983)
Proceeds from redemption of investments	<u>181,779</u>
Net cash used by investing activities	<u>(45,204)</u>
Net decrease in cash and cash equivalents	(110,992)
Cash and Cash Equivalents at Beginning of Year	<u>261,583</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 150,591</u></u>

17

The Notes to Financial Statements are an integral part of this statement.

Notes to Financial Statements

August 31, 2008

Note 1 — Summary of Significant Accounting Policies

Nature of Activities

The Chartered Financial Analysts Society of Los Angeles, Inc. (the CFALA), is a nonprofit organization established in 1931. The CFALA 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 have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

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 gains/losses 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 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, 2008.

Statement of Cash Flows

For purposes of the statement of cash flows, the CFALA considers all cash accounts and investments with maturities of 90 days or less to be cash equivalent.

Use of Estimates

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

Receivable

The receivable is stated at the amount management expects to collect from an outstanding balance. Based on historical performance and current status of the individual accounts, management believes that no allowance is necessary at August 31, 2008.



Note 1 — Summary of Significant Accounting Policies (Continued)

Allocation of Functional Expenses

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

Net Assets

Unrestricted Net Assets

The 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 CFALA.

Included in unrestricted net assets at August 31, 2008 are \$275,000 of assets designated for specific purposes by action of the Board of Governors for future seminars and for legal expenses that may arise relative to the CFALA'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 or time. 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, 2008 there were no temporarily restricted net assets.

Permanently Restricted Net Assets

Permanently restricted net assets are utilized to record resources which use by the CFALA is limited by donor-imposed stipulations that neither expire with a passage of time nor can be fulfilled or otherwise removed by actions of the CFALA. At August 31, 2008 there were no permanently restricted net assets.

Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement Financial Accounting Standards (SFAS) No. 157, Fair Value Measurements, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. SFAS No. 157 does not require any new fair value measurements, but applies under other existing accounting pronouncements that require or permit fair value measurements. SFAS No. 157 emphasizes that fair value is a marketbased measurement, not an entity-specific measurement and, therefore, should be determined based on the assumptions that market participants would use in pricing that asset or liability. SFAS No. 157 also establishes a fair value hierarchy that distinguishes between market participant assumptions developed based on market data obtained from independent sources and the Society's own assumptions about market participant assumptions based on the best information available. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years with earlier adoption permitted. The Society does not expect adoption of SFAS No. 157 to have a significant impact on the Society's financial statements and results of operations. In February 2007, the FASB issued its Statement No. 159, The Fair



Note 1 — Summary of Significant Accounting Policies (Continued)

Value Option for Financial Assets and Financial Liabilities-Including an Amendment of FASB Statement No. 115. FASB Statement No. 159 permits entities to elect to report most financial assets and liabilities at their fair value with changes in fair value included in net income. The fair value option may be applied on an instrument-by-instrument or instrument class-by-class basis. The new standard is effective at the beginning of the Society's fiscal year beginning September 1, 2008, and early application may be elected in certain circumstances. The Society is currently evaluating and has not yet determined the impact that the new standard may have on its financial position and results of operations.

Note 2. Investments

Investment securities, which are carried at fair value, consist of the following

Vanguard Short-Term Investment Grade Fund	
Investor Shares	\$ 64,209
S & P Depository Receipts	248,700
iShares Trust Russell 2000 Index Fund	100,494
iShares Trust MSCI EAFE Index Fund	69,963
iShares Trust Lehman US Aggregate BD Fund	100,750
	<u>\$ 584,116</u>
Interest and dividends earned on investments	\$ 16,291
Interest and dividends earned on cash and cash equivalents	<u>3,848</u>
Total	<u>\$ 20,139</u>
Unrealized losses	<u>\$ (58,992)</u>

Note 3. Income Taxes

The CFALA 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 CFALA maintains its cash balances in two checking accounts held at the same financial institution located in California. Cash balances are insured by the Federal Deposit Insurance Corporation up to \$100,000 per financial institution. As of August 31, 2008, the CFALA maintained \$75,076 in its general account and \$135,266 in its review program account, resulting in a total uninsured bank balance of approximately \$110,000. Management believes that it is not exposed to significant credit risk.

Note 5. Membership Dues

The CFALA has contracted with CFA Institute to administer the billing and collection of the membership dues. The membership dues for the year ended August 31, 2008 totaled approximately \$314,000.

Note 6. CFA Review Income and Expenses

In partnership with University of Southern California (USC), the CFALA conducts a CFA review program, which helps CFA candidates prepare for the CFA examination. The program is taught by practitioners from the CFALA who are mainly CFA charter holders and faculty members from surrounding universities. The CFALA pays royalties to USC in an amount decided annually by USC and the Board of Governors of the CFALA.

Note 7. Related Party Transactions

During the year ended August 31, 2008, the CFALA 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 \$14,077 and are reflected as part of faculty and instructor fees on the Statement of Functional Expenses.

Note 8. Commitments

The CFALA has an agreement which is cancelable by mutual agreement or cause with Cahill Association Management, LLC (CAM) for management services plus expenses through August 31, 2010. The agreement requires the CFALA to pay CAM a minimum fee of \$212,040 per year. These management services are reflected as management and general expenses on the Statement of Functional Expenses. Management services provided by CAM to CFALA include provisions for a Downtown Los Angeles headquarters, including furnishings, staff and office technology. Office furnishings including desks, chairs, tables, file and storage cabinets are provided by CAM for use at the CFALA headquarters. CAM supplies CFALA with office technology including telephones, copier, fax, computers, printers, computer peripherals and computer software. CAM provides three full-time individuals for administrative and operations support of CFALA. Administrative services include and are not limited to Board, leadership and volunteer management, membership and candidate services, database management, webcontent management, event planning and execution, marketing support, vendor relations and clerical services.

Note 9. Subsequent Events

Due to recent declines in the equities market, as of January 13, 2009, the investments experienced unrealized losses since August 31, 2008. Further declines in the financial markets in 2009 will possibly adversely affect investment values.



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

