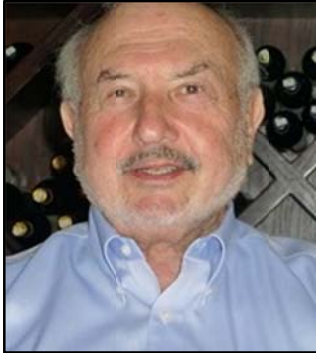




CFALA Names Larry Brody September Volunteer of the Month



The Applied Behavioral Finance Group is one of CFALA's most active communities of interest, bringing in respected speakers for lunch presentations and sponsoring other events. Larry Brody, one of the ABFG's six founders and board members, is our volunteer of the month for September.

Brody, who is celebrating the 20th anniversary of his membership in CFALA this year, is also an active member of the Advocacy Committee, which strives to promote ethics, trust and professional standards; to support fair and transparent financial markets and practices; and to protect the interests of investors and financial analysts.

"I never thought of what I was doing as volunteering," says Brody, "I always thought of it as an opportunity to get an education and meet people who knew more than I did, which is what happened. Both the behavioral finance and the advocacy work have been a great source of satisfaction for me and a way for me to give back to the society and to the members who are coming up behind me."

The field of behavioral finance was in its infancy in 2002, when Brody, who was volunteering on the Programming Committee, suggested to the CFALA board that a group be formed to bring behavioral finance material to the membership.

"I had heard a presentation by Arnold Wood, CFA, who was a national expert on behavioral finance, and I went to the board with the idea of forming an auxiliary organization called the Applied Behavioral Finance Group," Brody recalled. "They were kind of neutral about it, but one of the directors, Jim Lyon, said, 'Try it, and if there is interest, we'll support you.'"

Brody and the five other co-founders began arranging programs, which were very well received. At about that time, Daniel Kahneman, a psychologist, won the 2002 Nobel Prize in Economics, and Behavioral Finance was off and running.

"The field has exploded since we started the group," Brody notes. "Behavioral Finance has become part of CFAI's basic information and part of the CFA exams. When I entered the field of investing, everything was quantitative analysis. The psychological

and subjective issues weren't considered. That was a real gap, because subjective influences, intuition, past experiences and other elements all have a profound effect on the financial and investment decisions we make. That's particularly important in this age of information and misinformation, when the subjective aspects need to be considered."

On the advocacy side, Brody notes that there is a real need to "overcome the negative impressions many people have of the financial industry by making sure that everyone in our field truly understands the importance of ethics, trustworthiness and professional standards."

Brody, who was a Registered Investment Advisor, has been retired since 2001.

"I have an advantage in that I can now do this as a pastime," he says. "I've always felt that I've gotten so much from CFALA and from what people call volunteering, but which has always been education to me."

Those interested in behavioral finance may want to attend the annual international conference of the Academy of Behavioral Finance & Economics (ABF&E), which features more than 100 presentations by academics, industry professionals, policymakers and regulators, and other professionals. The conference is taking place Sept. 16-19 in Burbank. (For more information, see <http://aobf.org>)

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