



CFA Society  
Los Angeles

# e-Newsletter

## October 2020



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Original Content

# CFA EXAM NEWS: CANCELLATIONS AND COMPUTER-BASED TESTING

By Tom Derse, CFA

The global pandemic has put sand in the gears of any event where large groups gathered. The NBA championship wasn't decided until October. The political conventions looked nothing like what we remember. Restaurant patios popped up everywhere. Movie theatres are financially stressed to the breaking point. In our industry, there is another event that has been greatly affected by COVID-19: the CFA exam.

CFA Institute has determined that it will not administer the December exam – which had already been cancelled in May – in multiple locations, including Los Angeles. Candidates are not allowed to switch testing sites, which means if you signed up for a December test in Los Angeles, your next available testing date will be in 2021. Additionally, starting in 2021, all tests will be computer based and administered over several dates. As if studying for the exam was not bad enough, two cancellations plus a format change might make one wonder what it is going to take for Los Angeles candidates to finally obtain the charter.

Not so long ago, the schedule for the CFA exam was quite simple and candidates had to remember just a few dates. Level I was offered the first weekend in December and the first weekend of June. Levels II and III were offered just once a year on the first weekend of June. CFA candidates knew that Memorial Day weekend was for books, not barbeques. The paper-based exam seemed heavy on the security, but after the first time you got used to the routine.

Now, the last paper-based test will be offered in December 2020. Starting in 2021, computer-based testing begins for all levels. In 2022, the Level I exam will be offered each quarter. Level II and Level III exams will alternate each quarter.

But it is not necessarily that simple. Candidates will not be able to register for adjacent windows. For example, a Level I candidate who takes the February 2021 administration and does not pass may not sit again until the August administration. Or, a Level II candidate who passes the exam during the August administration will not be able to sit for Level III until the May 2022 administration.

Considering the cancellations, new test dates and occurrences of the exam, one might think you need a table to map your options. So that is what the CFA Institute did on their [Exam Cycle Options](#) webpage. Level I candidates can take the exam in February, May, August or November. Level II candidates can choose May or August. (February or August in 2022.) Level III candidates can choose May or November. Got all that?

If you didn't empathize with candidates before, this new schedule has to make you feel for those working toward the charter. Work hard preparing for the June 2020 exam, then get that pulled out from underneath you. Reload for the new schedule and the December exam, and that is cancelled also. The frustration level of the candidates can be gathered from comments on social media. Level I candidates want to get started. Level III candidates can see the top of the mountain, but have to wait to reach the summit.

The majority of the readers of this newsletter have already gone through the process and can mostly ignore the new scheduling maze that candidates have to navigate in order to obtain the charter. But if you know someone who is in pursuit of the charter and has to deal with the frustrating cancellations and restarts, give them a word of encouragement. Remind them that you cannot always control what happens to you, but you can control how you respond. The amount of dedication to become a charterholder has not changed. COVID-19 has done enough damage to 2020. Remind candidates to not let it deny them the long-term benefits of adding the letters CFA to their name.

## Original Content

# REMEMBERING BEN HODGES, CFA

By CFA Society Los Angeles Staff

It is with a heavy heart that we must announce that Ben Hodges, CFA passed away on September 8th, 2020. Ben joined CFA Society Los Angeles in 2002 and had been a devoted volunteer for the USC/CFALA CFA® Review Program over the last 12 years. He proudly and successfully taught Corporate Finance to Level I candidates and Equity Valuation to Level II candidates, always receiving outstanding ratings and remarks from his students.

Ben was a model of professionalism, kindness, and dedication. He will be dearly missed by a countless number of fellow CFA charterholders and candidates in our community. The stories and memories we could share for Ben are incalculable, so here are a few from CFA Society Los Angeles members who knew him well:

“Ben and I studied together for the CFA exams in 2001, 2002, and 2003. It just so happened we were on the same cycle and, boy, was I lucky he was on my side. We took the Review Program at USC and motivated each other. Ben had a way of lifting others around him. Anytime I might have been discouraged by the workload or couldn't grasp a concept, he showed unwavering support and said we will get through it together. That sort of attitude in showing empathy and compassion is what defines character. He will be missed and never forgotten.” – Anil Kapoor, CFA

“I remember Ben being a dedicated instructor who enjoyed teaching and interacting with the candidates. I enjoyed seeing Ben on the days that he would teach and at the Annual Instructor Dinner. We would always catch-up on his latest project at work, USC, and friends that we had in common.” – James Lewis, CFA

“One of the things I'd like to note about Ben was his dedication to the Review Program. When he started, he quickly established himself as one of the best instructors the program has ever had. Ben was, by far, the best instructor at incorporating sample problems into his classes. For candidates that have studied for the charter over the last few years, they know how important that is. He was an outstanding instructor and emphasized the needs of the candidates and making sure they got the most out of his sessions.” – Dave Ward, CFA

Ben was the Chief Financial Officer of Edison Energy and also held the Financial Risk Manager (FRM) designation. In addition to being an instrumental volunteer for CFA Society Los Angeles, Ben served as the Treasurer on the non-profit board of Long Beach Organic (LBO), a non-profit organization operating organic community gardens in the city limits of Long Beach. Long Beach Organic (LBO) has set up a [Ben Hodges Memoriam](#) page where you may donate in Ben's memory. Ben is survived by his wife, Tami, and two sons, Michael and Tyler.





Curated Content

Curators: Stuart Fujiyama, CFA  
Sona Shahinian

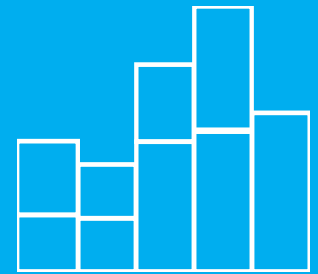


## COVID-19 School Closures Could Cost U.S. Economy \$14 Trillion

According to an OECD 2020 study summarized by U.S. News and World Report Senior Education Writer Lauren Camera, the economic ramifications of school closure-related losses in learning on students and their nations will be felt for the remainder of the century. Unless schools prepare to restart quickly and perform at better than 2019 levels, the economic damage could be permanent, disproportionately affecting disadvantaged students. [Read More...](#)  
[And More...](#)

## Two Investment Trends to Watch for in a Post-COVID-19 World

In an article featured in The Globe and Mail, Vancouver-based Genus Capital Management Founding Partner Leslie Cliff, CFA and Genus Partner and Director of Sustainable Investments Mike Thiessen, CFA discuss two investment trends that are emerging amidst the current pandemic: 1) investment in digital transformation technologies and in companies that are upskilling to leverage those technologies, and 2) investment in ESG strategies. Cliff and Thiessen explain how both trends will have positive societal benefits in the long run. [Read More...](#)



## Sounding Good or Doing Good: A Skeptical Look at ESG

Partly in response to multiple news stories about the performance of "good" companies and money flows into ESG funds, Aswath Damodaran, professor of finance at the Stern School of Business at New York University, critiques the ESG concept by asking three big questions. [Read More...](#)



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Curators: Stuart Fujiyama, CFA  
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## Radical Uncertainty in Finance: The Origins of Probability Theory

In this CFA Institute Enterprising Investor blog post, Flossbach von Storch Research Institute Founding Director Thomas Mayer, CFA, PhD reviews Radical Uncertainty, a "new and remarkable book" that examines phenomena that defy probabilistic reasoning. [Read More...](#) [And More...](#)

## The Real Story of 2016

Speaking of the challenges of applying probability theory and forecasting methods to certain phenomena, author and FiveThirtyEight Founder and Editor in Chief Nate Silver provides his perspective on what reporters -- including many data journalists -- got wrong about the presidential election of 2016. Silver wrote his post in January 2017, the day before the presidential inauguration. [Read More...](#) [And More...](#)



## 8 Tips to Stay Sane in the Final 15 Days of the Campaign

Nearly four years later and with less than fifteen days to go in the 2020 presidential race, Silver provides his advice on "how to process news and polls over the final two weeks." [Read More...](#) [And More...](#)



# e-Newsletter

## October 2020



The CFA Society Los Angeles (CFALA) e-Newsletter is a periodic publication with stories about noteworthy events and programs sponsored or hosted by the society, guest articles by members, book reviews, and other items of interest to CFALA members. If you'd like to contribute a story suggestion or write an article, we'd love to hear from you. Please email Chief Executive Officer Laura Carney at [laura@cfala.org](mailto:laura@cfala.org).

\*Please note that the content of this e-Newsletter should not be construed as investment advice, nor do the opinions expressed necessarily reflect the views of CFA Society Los Angeles.\*