

THE LOS ANGELES SOCIETY OF FINANCIAL ANALYSTS

A BRIEF HISTORY

1931-1981

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(1981)

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LOS ANGELES ENERGY ANALYSTS GROUP

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PAST PRESIDENTS

*F. J. Thieme, Jr.	1931
O. B. Lighthill	1932
J. L. Erickson	1933
*L. Hartley Smith, C.F.A.	1934
Rockwell Hereford	1935
Paul M. Wagenseller	1936
Charles H. Widmayer	1937
George W. Kassler	1938
K. Arnold Liljegren	1939
Jack Silvester	1940
*George L. Parr	1941
*Harvey Evans	1942
Kenneth D. Sanson	1943
Roger Pile	1944
*Walter S. Weeks	1945
*Theron Walker	1946
Jack R. Laznick	1947
Walter Fruehling	1948-49
Richard M. Link	1950
*Walter Podolak	1951-52
Alfred Post	1953-54
*Stanley J. Thompson	1955-56
*L. Hartley Smith, C.F.A.	1956
*W. Murray Hawkins	1957-58
C. K. Corcoran	1958-59
Dwight C. Baum, C.F.A.	1959-60
Douglas B. Fletcher, C.F.A.	1960-61
Marjorie Fisher, C.F.A.	1961-62
Allen D. Harper, C.F.A.	1962-63
James B. Lester, C.F.A.	1963-64
*James R. Comeskey, C.F.A.	1964-65
Marvin W. Drew, C.F.A.	1965-66
James H. Wallace, C.F.A.	1966-67
Kenneth E. Gerhardt, C.F.A.	1967-68
Frank Foellmer, C.F.A.	1968-69
*Sheldon M. Collins, C.F.A.	1969-70
David C. Pearson, C.F.A.	1970-71
Roger L. Gewecke, C.F.A.	1971-72
Donald L. Keene, C.F.A.	1972-73
A. B. Ehlert, C.F.A.	1973-74
Stanley D. Ryals, C.F.A.	1974-75
Dennis R. Bouwer, C.F.A.	1975-76
Francis X. Cloran, II, C.F.A.	1976-77
David F. Allen, C.F.A.	1977-78
James C. Reed, C.F.A.	1978-79
Theodore G. Congdon, C.F.A.	1979-80

*Deceased

FOREWORD

In planning the writing of a history of the first fifty years of the Los Angeles Society of Financial Analysts, problems quickly were discovered. Fifty years ago, who would have thought about looking ahead a half century to a time when original records would be eagerly sought? And how many founders of the group continued to be active and available after this long span of years? Lack of storage space precluded the accumulation of documents and other references that could have proved invaluable for the project. And World War II saw the Society shrink drastically in numbers, resulting in an unfortunate continuity gap.

From the recollections of available founders, and those of members who served the Society in subsequent years, plus reference to extant copies of Society annual reports and Financial Analyst Federation Journals, a sketch of our Society's progress from 1931 to 1981 has been made. From these sources, references and quotations have been put together shamelessly, usually without specific notations, credits or footnotes. There is a hope that these plagiarisms will be tolerated, if not gracefully accepted.

INTO THE GREAT DEPRESSION

At the outset of this project, one could wonder as to the wisdom--or the rashness--or the courage--required to create such a society in the early 1930's. Consider: Throughout the early decades of the twentieth century, investment analysis was mainly directed to bond analysis, and based on a paucity of reliable statistical materials. In the late 1920's, however, a surge of interest in common stocks (very likely induced by Edgar Lawrence Smith's book, "Common Stocks as Long Term Investments" led to heights of speculative folly characterized by enormously over-inflated prices of common shares--particularly those of the so-called trading companies, public utility holding companies, and various investment trusts. But the crash of October 1929 brought an end to this. In 1930, the Dow-Jones Industrial Average was heading

down from a 1929 peak of 381 to an ultimate 1932 low of 41.

As would be imagined, the entire brokerage community was devastated, and the so-called investment statistician suffered terribly in the debacle. A survivor struggled for existence in a personal domain that usually was a remote corner of a bank or brokerage office, and his sceptre was a slide rule (correct only to three significant figures!). In early 1931 the economic depression was intensifying to a point where the previous severe depression, in 1921, was obviously going to be exceeded, despite the relatively massive countermeasures of the Hoover administration.

The idea of forming a Los Angeles association of statisticians started some time in 1930. A small group--probably no more than six--sensed the advantage of forming a continuing group to meet more or less regularly and exchange ideas. No doubt the fact that such groups had already been formed in Chicago and in San Francisco provided encouragement to the Los Angeles group. Early in 1931, the interested statisticians in Los Angeles had grown to ten or twelve, and on April 21, 1931, The Investment Statistician's Association of Los Angeles was formally created. The names of all of these ten or twelve have been lost to us, but we do know that the founders included F. J. Thieme, Jr., Olaf B. Lighthill, J. L. Erickson, L. Hartley Smith, Rockwell Hereford, William V. Shannon, Jack Sylvester, and Robert Hopkins. A senior in the group, Fritz Thieme was elected to be the first president. The second president, Olaf Lighthill, had arrived from England in July of 1929--adding an international flavor to the new Association. Consequently he was well prepared to discuss England's abandonment of the gold standard, and his address to the Association on this subject was repeated before the Bond Club, the Cashiers' Association, and a panel at the University of California at Los Angeles.

Programs in the early 1930's probably were what would be called "free style"--general discussions on relevant subjects that anyone wanted to bring up. The dues structure was informal: Due to the depression, firms were not inclined to pay for

anything, so the Statisticians paid their own way for any expense involved.

The impression should not be given that the Los Angeles brokerage and investment banking business was completely dormant in the 1930's, for there were well-run firms that achieved a measure of prosperity even in the poor conditions of those times. And the members of the Statistician's Association played a definite part in helping to direct investment funds to opportune economic purposes, and to screen investment banking potentials. Some of the names of local issues underwritten in those days would be recognized today, a half a century later: Van de Kamps; and Sampson Tire and Rubber (later taken over as U. S. Rubber), who built a fabulous, Babylonian-architected plant.

In 1937, the Investment Statistician's Association of Los Angeles and the Financial Statisticians of San Francisco exchanged membership lists as a means of aiding the interchange of information. Although over 400 miles separated the two societies, members of either society were welcome to attend meetings of the other group, or to obtain information about companies in the areas of the respective societies. At that particular time, the Los Angeles Statisticians numbered 61, compared to 36 in the San Francisco group.

One event in the early years of the Association was a field trip to the Lockheed Aircraft plant. The president, Robert Gross, invited the Statisticians, and personally conducted them on a tour of the plant, and showed them the aeroplane being built for Amelia Earhart's proposed round-the-world flight. Robert Gross expressed himself as a firm believer in the future of aviation, and had invested \$40,000 of his own money in the enterprise. The recollection is that Lockheed stock was selling for about \$1.50 a share at the time—but there is no evidence that the Statisticians plunged heavily in the stock at that price.

Despite the economic vicissitudes of the 1930's, the Investment Statistician's Association of Los Angeles gave ground slowly, in the face of lagging investment

activity and the demands of the growing defense economy for manpower. A 1940 roster showed 33 firms with regular memberships, and 6 with associate memberships. Memberships were held in the names of firms; in turn, the firms designated a person as "Usual Representative". Note can be made that this early roster listed one woman, Mrs. May Leake, of Hill, Richards & Co.

Meetings of the Association were customarily held monthly in 1940, at the Los Angeles Stock Exchange Club. A broad scope of subject matter was treated at these meetings, as the following topics on the 1939 calendar of the Association indicates:

- European Affairs
- Natural Gas & Southern California
- Japanese Invasion of China
- The Metropolitan Water District
- Air Transportation and the DC4
- Trend of Government Finance
- Modern Economic Trends
- Los Angeles Transportation Problems
- Gathering Financial News for the Wall Street Journal.

As a sidelight on what inflation wrought in future years--annual dues were \$15, and this included membership, monthly luncheons and the annual party.

WORLD WAR II YEARS

Early in 1939, William Stix Wasserman, a mutual investment fund economist, addressed the Association on the topic of "European Affairs". He had just returned from a European economic conference, and predicted that war would break out in Europe in 1939. And in September of that year, Germany invaded Poland--and World War II began. As the clouds of war darkened and gathered, the Dow-Jones Industrial Average drifted downward from a 1937 high of 194, and did not bottom out until 92 was reached in 1942.

The average age of the Statisticians at that time was such that various war industries claimed more of the Los Angeles group than did the armed services. However, the recollection is that many members served in the various Armed Services, particularly in technical capacities, and were given commissions. Albert P. Drasdo, for instance, served in the Navy, and attained the rank of commander.

In December of 1941, with the entrance of the United States in World War II, there began a very marked contraction in the Association. Wartime demands were enormous: There were 15-million men and women in the armed forces, and the working force increased to 53-million. Banks and brokerage houses were drained of manpower by these demands, and research departments were not exempted. As could be imagined, the Association found speakers difficult to obtain--particularly in view of the drop in the number of members. At the end of 1941 there were 24 active memberships and 2 associated; at the end of 1942 there were 18 actives and 1 associate--and there was more shrinkage as the war effort intensified. During 1942, there were only six meetings of the Association, held at the Los Angeles Stock Exchange Club. Estimates are that 80% of the Association's membership was drawn off by the effects of the war. Apparently more than 20% of that number failed to return to the Los Angeles security scene immediately after the war. So the Association diminished to a mere handful as military and war industry activity moved toward a peak. Meetings became very irregular, and the little group met in various cafes--sometimes in the old Rosslyn Hotel. One important service of Association members during WW II should not be overlooked, and that is their continued participation in promoting the sale of war bonds essential to the success of the war effort.

So special mention and credit must be given to the Association presidents who held office in those critical years: K. Arnold Liljegren, 1939; Jack Silvester, 1940; George Parr, 1941; Harvey Evans, 1942; Kenneth D. Sanson, 1943; Roger Pile, 1944; Walter S. Weeks, 1945; Theron Walker, 1946. We can be grateful to them for maintaining the continuity of the Association through times as difficult as those years. Noted is the fact that at least one major society of statisticians seriously considered abolishing their organization in the face of these great difficulties.

THE POST-WAR RECOVERY

The massive war bond issues dominated the financial scene during the war years, and most brokerage business focussed on listed and unlisted securities already outstanding. The Dow-Jones Industrial Average rose from 92 in early 1942 to 212 in

1946. As investment underwriting revived after the war, so did the demands for analysts. The Investment Statistician's Association of Los Angeles changed its name to the Los Angeles Society of Security Analysts, and grew steadily in numbers.

In June of 1947, the National Federation of Financial Analysts Societies was formed, with the societies in New York, Chicago, Philadelphia and Boston as charter members. The Los Angeles Society was admitted in August 1947, in time to participate in the first Federation Convention, held in New York in March 1948.

THE LONG BOOM

The Los Angeles Society of Financial Analysts continued to add to its membership in the 1950's. Officers of the Society were carefully selected--then as now-- and invariably demonstrated an enthusiastic dedication to the advancement of their profession, and this helped to attract the increase in membership. As the 1950's progressed, air transportation became more convenient and comfortable, and corporation officers throughout the country found it easier to journey to Los Angeles for appearances before the Society.

As long as the Los Angeles Society of Financial Analysts membership amounted to three dozen or so, the luncheon meeting facilities of the Los Angeles Stock Exchange Club were adequate. But by 1950, attendance at meetings was running at more than 50--sometimes as much as 75--straining the capabilities of the Stock Exchange Club. A new location was imperative, so a move was made to the old University Club, at Hope and Wilshire Streets, where meetings were held in the commodious, high-ceilinged main dining room. This comfortable relationship lasted for many years. Also by 1950, a format for meetings of the Society had been well established. Usually there were two meetings a week, with a one- or two-month adjournment during the warmest summer months.

The 1952 Convention of the Federation of Financial Analysts Societies was held in

San Francisco. Our Los Angeles Society embraced a first chance to participate with the national group. Pierre R. Bretey, President of the Federation, announced to members of the Federation invited to attend the San Francisco Convention, "Members wanting to visit Los Angeles will find that Society has completed preparations for seeing the great hydroelectric plants and movie studios of Southern California and the many citrus farms". From the viewpoint of 1981, this invitation may seem somewhat indefinite, perhaps even naive. At any rate, the Los Angeles Society, with customary spirit, acted en masse to accommodate the visitors who came to Los Angeles after the San Francisco Convention.

Los Angeles registration began early Friday morning, May 9, 1952, at the Ambassador Hotel. That day, field trips had been arranged with Douglas Aircraft, Lockheed Aircraft, North American Aviation, Southern California Edison, Richfield Oil, Universal Pictures, and others. Richard M. Link was in charge of these field trips, one of which involved a charter flight from San Francisco to Los Angeles, stopping en route at a Richfield Oil field in the western part of the San Joaquin Valley. After the field trips, the Los Angeles Stock Exchange hosted a cocktail party at the Ambassador Hotel, preceding the closing dinner.

Another sidelight on pre-inflation days can be inserted here: Richard W. Lambourne, General Chairman of the 1952 San Francisco Convention, noted that the registration fee for the Convention was \$25, and that "The field trips and closing dinner in Los Angeles will be offered to visiting analysts without charge--with the Los Angeles Society as our genial host".

Thanks to the united efforts of the Los Angeles Society members, the Federation Convention visitors were emphatically impressed. A Federation publication noted the work of Walter Podolak, Richard Link, Alfred Post, Hartley Smith, Jack Laznick, Olaf Lighthill, and others, in planning "a program as amazing as is their town". This great effort put the Los Angeles Society "on the map", so to speak, with the Federation, and there has been a continuing close and stimulating relationship

between our Society and the Federation ever since. Our records indicate that Alfred B. Post, S. J. Thompson, and David C. Pearson were early selections as Los Angeles representatives at the Federation, and in 1955, Al Post was elected a vice president of the Federation.

By 1955, The Los Angeles Society members numbered 96. With confidence in the growing strength of the group, Society President, "Jock" Thompson stated in that year that "an official invitation will be extended to the National Federation of Financial Analysts Societies to hold the 1958 Annual Convention in Los Angeles". To some, this was regarded as a very bold move, since the Annual Conventions of that period were undertaken almost entirely by the local society, with relatively little help from the Federation. In the case of a society of the size of the Los Angeles group, almost the entire membership had to take part in the Convention--its planning, arranging, and operation. In the Society's 1956 Annual Report, President L. Hartley Smith noted that the Society had 116 members--and that the 1958 Convention invitation had been definitely accepted by the Federation.

In October 1956 an event occurred that perhaps is best interpreted as a coming of age for the Los Angeles Society--a realization that the group had grown to a point of national significance. From inception in 1931, the Society had maintained without question or challenge that it was a private, professional group entitled to make and enforce its own rules and procedures. Representatives of the press were regularly invited to attend meetings, as friends of the Society, but were cautioned that any speaker's off-the-record remarks (very rarely made, by the way) should be regarded as such.

This custom prevailed for a quarter of a century. But in October of 1956, a national financial publication suddenly, without giving prior notice, broke this tradition in reporting on a Society meeting. With what seemed like arrogance to some, and certainly a surprise to all, the newspaper refused to make the matter a subject of amiable discussion or negotiation. Instead, a national campaign in the press was

mounted to a height that seemed almost absurd to some members--and a little frightening to others who felt that the power of the press could also be an oppressive power. There were published inferences that the newspaper representatives had been threatened with violence (untrue!), and that Society members possibly had been enriching themselves with the benefit of secret, off-the-record information (also untrue!). A local Los Angeles tabloid (the paper eventually was a financial failure, and ceased publication) also joined the hue and cry against our Society.

Despite the Society's wishes to maintain its traditions in this respect, steady and sometimes devious pressure by the press forced the Society to abdicate its position. As a sort of consolation, there was some rationalizing as to the definite probability that governmental laws and rulings would eventually encompass clear precepts as to the release of corporate information--and that what happened to the Society in the October instance would have occurred ultimately in an evolutionary development. But there was lingering resentment over the arbitrary and crude action visited on our Society.

A signal honor and recognition occurred in 1958, when L. Hartley Smith was elected to the presidency of the National Federation of Financial Analysts Societies. And Richard M. Link was selected as Convention Chairman of the 11th Annual Convention of the Federation, to be held in Los Angeles in 1958. The Convention was carefully planned to accommodate a large attendance, and considerable emphasis was placed on field trips in view of the interest of our 1952 visitors in the business and economy of our area. Under Dick Link's direction, the following field trips were offered to Convention attendees:

<u>Chairman</u>	<u>Field Trips</u>
John Lovelace, Jr.	- Western Airlines; Stauffer Chemical; Titanium Metals; American Potash & Chemicals; U. S. Borax
Will Richeson	- Douglas Aircraft; Beckman Instruments
Wilton M. Adams	- Fibreboard Paper Products; Ford Motor Co.
W. Jay Maguire	- Rheem Manufacturing; Hoffman Electronics
Augustus Slater, Jr.	- California Institute of Technology; Kaiser Steel

John M. Bush	- Lockheed Aircraft; General Controls Co.
Harl Phelps	- Riverside Cement Co.
Harri Rossi	- Consolidated Electrodynamics; Burroughs Corporation
William F. Phillips	- General Dynamics Corporation
Sheldon M. Collins	- Litton Industries; Servomechanisms
James R. Comeskey	- Columbia Broadcasting; Metro-Goldwyn-Mayer Twentieth Century Fox
Robert C. Crary	- National Broadcasting Co.; Paramount Pictures; Warner Bros.
Ernest V. Stowell	- North American Aviation

For those who did not choose to go on field trips, Dick Link arranged the following conferences, each under the chairmanship of a member of the Los Angeles Society:

Wesley F. Jones	- Electronics--Systems and Instruments
Dwight C. Baum	- Missiles and Space Travel
Bruce Graham	- Air Transportation
James N. Lamb	- Forest Products Industry
Marvin W. Drew	- Electronic Components
Carl G. Gebhart	- Banking and Credit
Robert W. Houston	- Electronic Computers
Donald Merris	- Gas and Electric Utilities
Robert W. Anderson	- Electronics Industry
Coleman W. Morton	- Oil Industry

In addition, many other tasks had to be filled by Los Angeles Society members-- hotel arrangements, registration, hospitality, women's activities, luncheon and dinner planning and execution, and transportation. In sum, nearly everyone in our Society had some active role in making this Convention a nationally-recognized success.

At the National Federation of Financial Analyst Societies meeting held in Montreal in 1959, creation of the Institute of Chartered Financial Analysts was officially approved. L. Hartley Smith and the Los Angeles Society actively supported this new concept, but the ICFA program was not implemented until 1963.

The President of the Los Angeles Society in 1961-62 was Marjorie Fisher, the first woman president of any society of the National Federation. Marjorie's record has been one of extraordinary service to our Society and the National Federation, and included many arduous years of work in elective and appointive offices at the local and national levels. During her term of office as our president, membership in the Los Angeles Society of Financial Analysts grew to 204 members. Also, during her term of office, the name of the Society was changed to the new name, from the old title, The Los Angeles Society of Security Analysts, so that the Society could paralle

adoption of the name of Financial Analysts Federation by our national organization.

In June of 1963, the Institute of Chartered Financial Analysts held the first examinations in the program of chartering financial analysts. The following eleven members of the Los Angeles Society--who satisfied the "grandfather" age and professional qualifications of the ICFA--took and passed the initial examination, and were awarded C.F.A. charters:

Ernest Ach	-	Sutro & Co.
John Cecil Bessell	-	Capital Research Co.
James R. Comeskey	-	Union Bank
George Fernandez	-	First California Company
Allen D. Harper	-	Pacific Mutual Life Insurance Co.
Robert W. Houston	-	" " " " "
David C. Pearson	-	Eastman Dillon, Union Securities & Co.
Foster B. Rhodes	-	Bailey & Rhodes
Harlan B. Robinson	-	Bank of America NT & SA
L. Hartley Smith	-	Dean Witter & Co.
R. W. Treimer	-	Treimer Investment Company

The 1964-65 fiscal year was characterized as perhaps the most active year of the Society since its founding in 1931. Activities included 77 well-attended luncheon meetings; a field trip by Los Angeles Airways that included a helicopter tour of the Los Angeles area; an Air Force Association all-day seminar; and a tour conducted by Southern California Edison Company of its Big Creek installation in the High Sierras. The Society also partially underwrote classes held to aid Society members in their preparation for the C.F.A. examinations.

By 1966, a growing number of nationally-known companies of varying sizes realized the economic growth of California, and the increasing number of Californians who were common stockholders. Consequently, many companies wanted to be better known in California, and therefore wanted to appear before the Los Angeles Society of Financial Analysts. As noted in the 1965-66 annual report of the Society, these requests "have put a great strain on the program chairman to continue a diversified program and still provide a certain amount of time for the local California-based companies".

A major undertaking at this time--not dramatic, but vastly important--was a complete

revision of the Society's Constitution. This substantial task was done by Lue D. Cramblit, who headed a special committee formed for this specific purpose. The revised Constitution was adopted on April 29, 1966.

In 1967-68, the Society made an important administrative change. Up to that time, the total administrative work of the Society was done principally by the President, aided by various other officers and committee members. The Board of Governors approved a plan whereby part-time professional secretarial help would be used. This important step was made to widen the field of candidates for elective offices-- previously, many members could not volunteer their services because they were employed by firms that were not in a position to subsidize the clerical help needed. A year later, a basic policy change occurred when the main responsibility for program selection and development was assigned to the Society's vice-president--a function previously performed by the president.

As the Society continued to gain in stature and significance, a study of the need to protect Society officers and members from the risk of potential liability suits concluded that incorporation was desirable. Accordingly, on July 1, 1969, The Los Angeles Society of Financial Analysts became The Los Angeles Society of Financial Analysts, Inc.

A particularly memorable event of the 1969-70 fiscal year was the action by the Society's Board of Governors in voting L. Hartley Smith, C.F.A., a Life Member of the Society--honoring him in his retirement for his many years of service and accomplishment for our Society and the National Federation. He was the eleventh president of the National Federation of Financial Analysts Societies, and the fourth president of the Los Angeles Society, later serving a second term as president of our Society. During his presidency of the National Federation, the landmark C.F.A. program was approved. And during his term of office there he visited more than half of the 22 affiliated societies, speaking to many of their 6,000 members. By his presentation of facts, he did much to overcome any objections to the proposed CFA accredita-

tion program. The Federation delegates vote--46 to 13--evidenced the success of Hartley and others who had worked so hard to bring this concept to fruition.

Prior to the 1971-72 fiscal year, Society memberships were nominally held in the names of firms designating individual analysts as their representatives. In the 1971-72 fiscal year, however, memberships were placed in the names of the individual analysts. This was done to conform to the membership norms set up by the Financial Analysts Federation, to bring our profession more in line with other professional groups.

In the same year, a new article was added to the Society by-laws, officially recognizing and encouraging groups within the Society that had their own special interests. The Board of Governors felt that this move would serve to prevent some of the problems other societies in the Federation had encountered with so-called "splinter" groups. The first affiliated group to be recognized by the Society was The Technological Analysts Group of Los Angeles. This group, in the first year of affiliation, held ten meetings on special interests to the group. They were also instrumental in making preliminary arrangements for a few of the Society's general luncheon meetings.

In the 1972=73 fiscal year, membership in the Los Angeles Society of Financial Analysts had grown to 335, with 114 holding C.F.A. charters--this was 34% of the membership, and much higher than the national ratio of roughly 25%. In the same year, a new and reorganized administrative office for the Society was set up, to be under the direction of Lucille Thompson.

The Annual Conference of the Financial Analysts Federation was held at the Century Plaza Hotel in early May of 1974. Unlike previous Conference efforts of our Society, a very substantial amount of Conference planning and work was done by the Federation, under the direction of Russell K. Mason, the Federation's Education and Program Director. As could be expected, however, much effort was required

from our Society, because of the ambitious nature of the Convention program. As in the past, a big percentage of our membership was called on to help in the work. Unfortunately, we have no records that name all of our Society's participants, but the principal committee chairmen were the following:

Sheldon M. Collins	- Transportation
Marjorie Fisher	- Program
Frank Foellmer	- Finance
Kenneth E. Gerhardt	- Post-Conference Trips
Shelley N. Grudin	- Field Trips
Rex J. L. Heymann	- Foreign Analysts
Donald L. Keene	- Entertainment
Mrs. Dorothy LaMaie	- Spouses Program
Mitchell A. Light	- Arrangements
Donald B. McLellan	- Hotel Arrangements and Registration
David C. Pearson	- General Chairman
Richard L. Vanderveld	- Publicity.

Also extremely helpful in the planning and operation of the Conference was our special Conference Advisory Board, whose members provided a great deal of timely aid as to the planning and execution of the Conference. This group consisted of Ernest Ach, Albert P. Drasdo, Roger L. Gewecke, and L. Hartley Smith.

The Financial Analysts Federation pronounced this Conference as one that offered the most comprehensive program ever given under Federation auspices. More than 120 speakers were scheduled to speak on topics of interest to brokerage and institutional analysts who assembled in Los Angeles--many from foreign countries. From all sides, the Conference was pronounced a great success--one of the best Conferences up to that date. The stock market was not helpful, unfortunately--from a peak slightly over 1,050 in 1973, the Dow-Jones Industrials drifted inexorably downward throughout 1973 to a low of 577 in 1974. Bob Hope, the speaker at the Conference's Annual Dinner, remarked that under these market conditions he expected to find analysts eating McMuffins at McDonald's--instead of roast beef at the Century Plaza Hotel.

At the Society's annual meeting in April 1974, the Associate Membership category was re-adopted. Also adopted was a Junior Membership category, to allow newer analysts participating in the CFA testing program to become associated with our Society and the Financial Analysts Federation.

Contending that the success of the 1974 Conference pointed a way for the Los Angeles Society of Financial Analysts to give valuable educational service to the financial community, Dennis R. Bouwer, of Capital Research Company, proposed that our Society sponsor a series of conferences on topics appropriate to the times. The idea was accepted, and under his direction, the Los Angeles Society of Financial Analysts, the Los Angeles TIMES, and the University of California at Los Angeles Graduate School of Business--plus about fifteen other professional organizations--combined to put on a Conference July 28, 1975, on the topic of "Capital Formation". Robert M. Hanisee was the Chairman, assisted by Dennis Bouwer's associate at Capital Research, Donald Conlan. The United States Secretary of Labor, John T. Dunlop, was one of the principal speakers. Attendance of well over 400 was above expectations, and this success led Dennis to propose that another seminar or conference should be held in the following year.

During the Society's 1974-75 fiscal year, a new Associated Group was formed, and formally recognized by the Society--the Los Angeles Energy Analysts Group.

In May 1976, Donald L. Keene, C.F.A., was honored by the Society as its outstanding member of the year--outstanding in leadership, achievement and service to the Society. It was the first time this distinction was bestowed. Also in 1976, the Society announced it would award \$150 to the member of the Society who wrote the best article for the Financial Analysts Federation Journal, with a runner-up award of \$50.

Again with Dennis Bouwer providing the driving force, the Society presented another all-day seminar, on the topic of "Government and Business in a Free Enterprise Economy". Our co-sponsors for this project were the University of California at Los Angeles and the University of Southern California. The seminar, held on January 28, 1977, set a new record in its success--some 750 attended this most successful meeting of its kind ever sponsored by a member society of the Financial Analysts Federation.

Two other events of the 1976-77 fiscal year should be noted: A semi-formal dinner for Los Angeles Society of Financial Analysts past presidents was held--"to honor those who had served before, and to insure that they remain in the mainstream of Society affairs". Also, a Speakers Bureau Committee was organized for the purpose of allowing our members the opportunity to address issues of importance to a wider community.

The great success of the Society's co-sponsored seminars suggested to the Financial Analysts Federation that a High Technology seminar should be held in Los Angeles, making use of members of our Society and the expertise gained in previous seminars. Russell Mason, the Federation's Education and Program Director, combined efforts with Dennis Bower, who undertook to marshal adequate numbers from our Society for the purpose. The seminar, held at the Century Plaza Hotel, March 6-8, 1978, examined the present state of U. S. technology, and trends in this area of our economy. Focussed on were computers, semi-conductors, and aerospace. General sessions were held on new technologies, emerging foreign competition, and techniques for successfully investing in technology and technology-related companies. A very popular innovation of the Conference was a series of breakfast meetings with industry leaders. All in all, the Conference proved to be another huge success, attended by foreign as well as domestic analysts.

Society members were saddened with the passing of L. Hartley Smith in 1978. One of the founders of the Society in 1931, Hartley's many services to our Society and to the Federation, in an active and advisory capacity, are too numerous to be mentioned here. Our Society, the FAF, and the analyst profession lost one of the best friends such groups could have.

On March 21, 1979, another one-day Conference was held, co-sponsored by our Society and the National Association of Business Economists. The Conference, on "Wage, Price and Credit Controls", again was organized and conducted by Dennis Bower, who directed more than forty of our Society members in this project. The Conference proved to be far and away the most successful in the history of the Los Angeles

Society of Financial Analysts, with over 800 registrants, many of them from overseas.

In mid-1979, Dennis Bouwer, as General Conference Chairman, and Robert Hanisee, as General Program Chairman, teamed again with Russell Mason, Conference and Education Director of the Financial Analysts Federation, and began plans for another High Technology Conference to be sponsored by the Los Angeles Society of Financial Analysts, the Financial Analysts Federation, and eight other professional and educational groups. This was a four-day conference held March 3-6 at the Century Plaza Hotel.

The Conference began with a projection of "The Next Fifty Years", presented by John Stearns, of the Stanford Research Institute. Successes in previous conferences suggested that the "breakfast with company executives" be repeated, and some 28 companies put on presentations during the Conference. Conference topics included semiconductors, telecommunications, electronic test and measurement instrumentation, analytical and medical instruments, the impact of high technology on consumer markets, computer main frames, minicomputers and microcomputers, defense electronics, productivity in the office, distributed data processing, and plant and design automation--CAD/CAM.

The Lockheed Aircraft Corporation on March 6th conducted an all-day session, to present in detail the company's concept of technology, and their work being done and projected in fields such as aircraft and missiles, energy, computers and electronics, materials and manufacturing, space, and marine applications.

Once again, the Los Angeles Society of Financial Analysts membership was called on to supply the manpower so essential for the foundation and background of so ambitious an undertaking. Although the Conference was directed mainly to a somewhat limited segment of the financial analyst profession specializing in high technology, approximately 400 attended the Conference--coming from leading financial centers of the United States, Canada, Europe and the Orient. Acclaim was general, and by any test the Conference was a great success.

If we regard fiscal 1979-1980 as the closing year of the Society's half-century, we find that the year was marked with consistent success. There were some 80 well-attended luncheon meetings, seminars, and field trips, in addition to the FAF-LASFA High Technology Conference.

We have seen that with the dogged determination of officers and members, the Society survived the incredibly bad times of depression and war. And the benefits of good times have been shared. In this respect, we can note that, beginning in 1975, the Society has made substantial annual contributions to the Financial Analysts Research Foundation, for the Foundation's work in furthering the profession of financial analysis.

In fifty years, the Society grew in numbers from about a dozen to a total of 442 at the 1980 yearend--363 regular members, 51 associates, 16 juniors, and 12 retired. Of that total, 215 are chartered as C.F.A's--a percentage of 59.2% of the regular membership. An expectation of similar growth in the next half-century seems unrealistic--but the founders of the Society in 1931 very likely could not envision anything like the present size that has been attained.

POSTSCRIPT

There is a hope that these pages will be regarded as in the nature of a rough draft--something to be polished and refined at some future date by people having more competence, ingenuity, inquisitiveness, and time to do a searching, definitive work. Errors and anachronisms will certainly be discovered in these pages, and their correction will be accepted in good spirit by the present redactors.

Our Society's history is replete with impressive individual accomplishments. But there is a certainty that many things that should have been included unfortunately escaped this recording. But no disservice to any individual is intended. An apology is made here and now for any failures to report, or to emphasize properly many personal efforts that doubtless have been omitted or not correctly emphasized in these pages.

In any event, the outlook for our Society continues to be excellent. If the momentum, ingenuity, adaptability, and capability that marked the first fifty years of our Society's existence continues, one can foresee much further growth. "Success" will continue to be a byword throughout the next fifty years. And the roots of this will continue to lie in a totality of well-selected members animated to serve with diligence and enthusiasm, following the example and leadership of their officers. Perhaps it was best said by Theodore G. Congdon, C.F.A., the Society's President in 1979-80:

"I would urge. . . that we strive never to lose that élan which is a special--perhaps even unique--characteristic of our Society".

OUTSTANDING SOCIETY MEMBER AWARDS:

Donald L. Keene 1976

David C. Pearson 1977

Dennis R. Bower 1978

Roger Heneale 1979-1980

GOVERNORS AWARD:

Shelley N. Grudin 1976

LIFE MEMBERS:

L. Hartley Smith 1970

David C. Pearson 1979

LASFA CONTRIBUTORS TO THE FAF JOURNAL

A review of available copies of the FAF JOURNAL disclosed the following authors:

<u>Author</u>	<u>Title</u>	<u>JOURNAL Issue</u>
Guilford C. Babcock	The Concept of Sustainable Growth	May-June 1970
" " "	The Roots of Risk and Return	Jan.-Feb. 1980
Dwight C. Baum	Buying Water Company Equities	Mar.-Apr. 1967
Dennis R. Bower (with Solon P. Patterson)	Long-Range Planning in the FAF	Jan.-Feb. 1979
James R. Comeskey	Investing by Corporate Trustees	Jan.-Feb. 1966
David K. Eiteman	A Computer Program for Common Stock Valuation	July-Aug. 1968
Allen D. Harper	How a Professional Investor Seeks Investment Opportunities	Nov.-Dec. 1963
" " "	Investing in the Water Utility Industry	Mar.-April 196
M. R. Lefkoe	Government Intervention and Depression-- A Causal Relationship	July-Aug. 1962
A. L. Pakkala	Trust Department Income	July-Aug. 1968
" " "	Accounting of Multinational Companies	Mar.-April 197
" " "	The Market for Amateur Photography	Sept.-Oct. 197
" " "	Fixed Costs Impact Earnings Predictions	Jan.-Feb. 1979
R. Bruce Ricks	Impacts of Tight Money on Investment Management	Jan.-Feb. 1967
John P. Shelton	Influence of the Six-Months Capital Gains Rule on Short-Term Investments	Sept.-Oct. 196
John C. Sherman	A Device to Measure Portfolio Performance	Jan.-Feb. 1966
Ray Treimer	Don't Overlook Corporate Assets	Feb. 1954
Robert D. Tucker	A Discussion of Benjamin Graham's Central Value Concept	May 1957
J. Fred Weston and William Beranek	Programming Investment Portfolio Construction	May 1955
J. Fred Weston and David K. Eiteman	A Not-so-new Era in the Stock Market Economic Trends and Security Values--	Nov.-Dec. 1960
" " " " " " "	A Bleak or Bountiful Future for Investors?	Jan.-Feb. 1965
Louis J. Zitnik	Are California Utilities Growth Companies?	Mar.-April 1960

<u>Author</u>	<u>Title</u>	<u>JOURNAL Issue</u>
Louis J. Zitnik	Research Report Ethics	Jan.-Feb. 1966

Special note is made of the many publications--too many to be included here-- of DR. EDMUND A. MENNIS, C.F.A. Any enumeration of his many articles in the FAF JOURNAL and other periodicals and journals, his books, and his monographs, would prove beyond question that he has been one of the most substantial contributors of instructive materials among writers in the analyst profession.

Note should also be made of Henri DeLa Chapelle, Felix Juda, and Alfred B. Post, whose personal histories would show many years of consistent output of widely distributed investment comment and market analysis helpful to innumerable investors in the Los Angeles region.

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