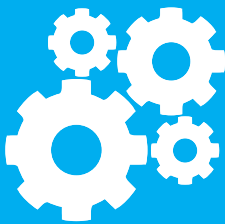




CFA Society
Los Angeles

e-Newsletter

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Original Content

AFTER DECADES OF PREPARING CFA CANDIDATES, USC/CFALA CFA® REVIEW PROGRAM ENDS

By Tom Derse, CFA

After almost 40 years of providing exam instruction for local candidates and candidates from other CFA Societies, CFA Society Los Angeles (CFALA) and USC have made the decision to end the USC/CFALA CFA® Review Program. The difficult decision was made only after much thought, but multiple factors combined, which caused a decline in enrollment and thus affected the viability of the program.

The pandemic's disruption extended to people's pursuit of the CFA Charter, and, consequently the demand for review courses. Enrollment in the CFA program has declined in North America, and worldwide enrollment is still below pre-pandemic levels. Another factor is the switch to computer-based testing and the move away from limited test dates. Level II and III exams used to be offered only once a year. Scheduling and attending a review course is difficult with the current four-exam window, as opposed to all tests being offered each year on the first Saturday of June.

The review program has been an integral part of CFALA and its mission for longer than most current members have had their charter. The genesis of the CFALA/USC CFA® Review Program started in 1984 with USC Marshall Professor Guilford "Guil" Babcock, PhD, Robert Hardaway, CFA, and Stanley Ryals, CFA. Hardaway and Ryals were both former presidents of CFALA. Frank Dohn, CFA was another review course pioneer and past president.

According to Dohn, "It was through Babcock, Ryal and Hardaway's efforts that our society became one of the first societies within the former Association for Investment Management and Research (AIMR), now CFA Institute, to encourage and mentor upcoming candidates and to promote a serious continuing education curriculum. From its inception, this prep program enlisted both academics and practitioners with specialty credentials to teach various parts of the CFA Exam curriculum."

Dohn joined the CFALA board in the late 1980s and later became its President in the early 1990s. "I was invited by Bob to become directly involved with the program and assist him on many of the administrative duties required for success. I worked with my counterparts at USC in many areas including appropriate teacher hirings, teaching times, USC classroom availability, compensation, and other related activities. It was during this time that I realized through our internal contacts with USC staffing that the university was starting to develop an offsite visual delivery platform. Bob Hardaway and I drove down to USC's Orange County teaching site to learn firsthand how the university was already delivering an offsite live teaching program to their students. They were also taping their classes for viewing later by students and faculty."

Although live streaming and Zoom meetings are common today, it took some forward thinking in the early 1990s to realize that the exam review program could be "exported" to other societies. Dohn and his colleagues began efforts to promote the program with AIMR's approval.

Dohn said, "For many years this taped review program became the only remote teaching course within the AIMR system for all societies to accomplish what they couldn't do, either due to their limited membership size and finances, or due to their inability or [lack of] desire to create a similar program combining academics and practitioners. For many years, our program became a major income producer for CFALA."

The taped classes did not occur without the occasional glitch. Ken Yee, CFA, shared a story. "We had USC student videographers filming the lecture from a separate room with one-way glass windows. Most lecturers stood in one place so filming was easy. Other instructors such as John Lacey roamed from one side of the stage to the other throughout [their] presentation. On a number of occasions the student videographers would doze off while filming. Consequently, their video camera would be fixed at one spot on the stage such that the roaming instructor would not be filmed for a brief period of time and then reappear a few minutes later, all while fully capturing their voice throughout the lecture."

After establishing a successful program, Dohn was succeeded by Jim Lyon, CFA, who continued to oversee it. "We really packed them in," said Lyon. The baton was subsequently passed to Wade Winter, CFA, Dave Cary, PhD, CFA, Bill Krantz, CFA, and James Lewis, CFA, who took over as the final co-director of the program with Larry Harris, PhD, CFA, from the USC side. Dr. Dennis Draper, a current professor at Loyola Marymount University was also a long-time co-director when he was at USC. Terry Lichvar was the administrator for the program at USC for close to 30 years. All of their contributions brought a high level of success and credibility to a program that remained the gold standard for many years.

Original Content

AFTER DECADES OF PREPARING CFA CANDIDATES, USC/CFALA CFA® REVIEW PROGRAM ENDS (Cont.)

By Tom Derse, CFA

The program has had a significant impact on the many students that took the course on their way to achieving the charter. Kate Freeman, CFA, shared her experience with the program. "I know a lot of people who are either charterholders or have attempted to complete the program, so I knew when I started Level I, I would need all the help I could get. The CFA program involves a lot of self-study, and I wanted some buddies to be doing the program with me. The friendships made through the program last over many years because you're doing a challenging task together. You get to celebrate when you pass and share the pain when you fail." The course included practice exams, which is key to any self-study course. Freeman added, "The teachers in the review course helped you develop a 5-month study plan and taught test-taking skills. Also, being able to take live practice exams helped prepare you for the actual exam."

Dohn also shared the feedback he received from program students. "For many years after departing from the program, I would encounter CFA society members who would talk about how our program encouraged and guided them through this difficult curriculum. I have stayed connected with many of them over the years as they have become successful in their own careers."

Considering the history of the program, its importance to many current CFA charterholders, and its success for decades, many are sad to see it going away. CFALA CEO Laura Carney said, "We are hosting a reception in January for past co-directors, instructors, coordinators and mentors, and it's amazing the number of people who are coming to help us sunset this program. They have great affection for it."

Freeman added, "I'm bummed because the CFA program can be lonely. I liked making friends along the way."

Dohn added some comments about the end of the program, "While I am sad to learn of this tough decision, I fully understand that the changing dynamics along with the existence of many other programs produced competition that our economic model couldn't support. Everyone must remember that our original success was due to our ability to be a sole provider in a format that at that time didn't exist anywhere else."

Although closing the program is disappointing, CFALA will continue to support candidates. CFALA leadership is hopeful that current contributors to the program will continue to participate in new efforts. CFALA is already offering free workshops and subsidized boot camps to 2022 and 2023 candidates. These programs will be periodically placed throughout the year to maximize support to candidates for all the exam windows. CFALA is also looking for other ways to support candidates. Go to the CFALA website for resources to help current candidates.

The legacy of the program continues through many current members, even though it is no longer being offered. Dohn summed it up this way, "Everyone at CFALA should be proud that we were the thought leaders who produced successful CFA society members through our education programs. Much of our society's success is credited to the role this curriculum played over the decades, with many of our great society leaders taking their first steps through this incredible program."

Curated Content

Curators: Stuart Fujiyama, CFA
Sona Shahinian

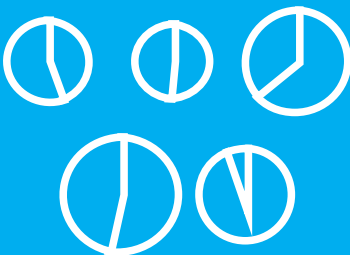


FTX: Crypto Is The Cure, Not The Cause

In this *Enterprising Investor* post, CFALA member Rob Price, CFA, founder and CIO at Santa Monica-based Sound Money Capital, argues that the FTX debacle has more to do with fractional reserve banking than it does with crypto. According to Price, rather than being a cause of the FTX fiasco, crypto is a potential means to achieve a sounder financial system. [Read More... And More....](#)

When Volcanoes Erupt: FTX, Railways & Bank Runs

In this *Investor Amnesia* article, financial historian and O'Shaughnessy Asset Management Client Portfolio Associate, Jamie Catherwood discusses parallels between FTX' Chapter 11 filing and the failure of the Ohio Life Insurance and Trust Company during the railroad stock-driven panic of 1857. [Read More... And More....](#)



FTX Collapse Exposes Power Imbalance Between Founders And Investors

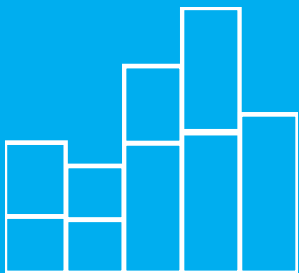
In this *Pitchbook* article, London-based Financial Writer Leah Hodgson asks the question that's on the minds of many of us following the FTX implosion: How could such a massive fraud pass right under the noses of some of the world's most sophisticated venture capitalists? Hodgson suggests three things that VCs and other investors can do to avoid these fiascos in the future. [Read More... And More....](#)

Curated Content

Curators: Stuart Fujiyama, CFA
Sona Shahinian

Morgan Housel : 'Little Rules About Big Things'

In this Morningstar The Long View podcast interview, The Collaborative Fund Partner and author Morgan Housel shares his insights on our complicated relationship with money: "(E)veryone is a walking contradiction, and money is such a window into how people think about risk and reward and greed and fear, these really big topics that impact a lot of areas in life." [Read More... And More...](#)



What An Economist Might Say To A Goalkeeper

In a zero-sum game like a penalty shootout, the goalie needs to decide how they are going to respond before knowing what they are going to respond to. What a (prisoner's) dilemma! In this article, Econlife Founder and Kent Place School AP Economics Teacher Elaine Schwartz looks at the tie-breaking method through an economic lens. [Read More... And More...](#)

He Logged Trending Twitter Topics For A Year. Here's What He Learned.

In this NPR article, Social Media and Digital Writer Rachel Treisman introduces us to Brian Feldman, an "internet culture writer-turned-software engineer," and his effort to organize and publicly share all 457 of the trending topics that he logged on Twitter from early January of this year until the layoff of its curation team in early November. Despite its frequent citation in popular culture, Feldman insists that "fewer people use Twitter than you think." [Read More... And More...](#)





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E-Newsletter December 2022



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 Executive Director Laura Carney at laura@cfala.org.

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