

Twin Cities Society of Security Analysts
Board of Directors Meeting
Slocum & Associates Offices
October 25, 2003
Minneapolis, Minnesota

MINUTES

The presiding Officer was Jason B. Matz, CFA. Those in attendance were:

Jason R. Ballsrud, CFA (by phone)	Randal W. Harrison, CFA	Jason B. Matz, CFA
Patrick M. Coleman, CFA (by phone)	John F. Holewa, CFA (by phone)	Barbara Boden, Executive Director
Karen Dunifon, CFA (by phone)	Marilyn R Kemme, CFA	(by phone)
Curtis G. Fee, CFA (by phone)	Christine I. Koppel, CFA	Dori Valenta, Associate Director
John N. Griebenow, CFA (by phone)	Jeffrey R. LeMunyon, CFA	(by phone)

President Matz welcomed everyone and thanked them for participating.

APPROVAL – SEPTEMBER MINUTES

- After discussion, and upon motion duly made and seconded, the Minutes for the September 25, 2003 Board meeting was approved as submitted.

TREASURER'S REPORT

Treasurer Harrison reported there was approximately \$86,000 in the Scudder Money Market Fund, about \$2000 in the Wells Fargo checking account, and \$8000 in the LaSalle merchant services checking account. Ms. Boden periodically sweeps the LaSalle account and transfers most of the funds to the Scudder account. He then discussed the highlights of the full Financial Report. Mr. Fee requested a modification the Program section to reflect the general Program and the Forecast Dinner separately.

There was a discussion about reducing A/V costs by either buying or leasing an LCD projector. Mr. Fee said he would discuss the matter with Mr. Harrison and/or Mr. Matz and report at the next Board meeting.

There was an in-depth discussion about the large subsidy of luncheon meal costs. It was suggested that the fee be increased to \$25 for members, to cover the cost, and \$35 for non-members. The spread would be a member benefit. It was suggested to have a \$15 fee for students with identification.

- After further discussion, and upon motion duly made and seconded, the Board voted to keep the member luncheon fee at \$20 and increase the non-member fee to \$30.
- After further discussion, and upon motion duly made and seconded, the Board voted to receive the Financial Report as submitted..

The accounts receivable issue with Freddy Herrera was discussed. It was the consensus that if that if going through his HR department does not work, the Society would write a letter to AIMR about the code of ethics violation. Ms. Dunifon asked to be updated on this issue.

COMMITTEE REPORTS

Advocacy

Chair Dunifon stated she was out of town last week and not up to date; she mentioned a publication from AIMR on how to set up Advocacy events.

Education

President Matz stated that since a substantial amount of money was lost on the CFA® Review Course Program last year, there should be some procedures implemented to prevent that from happening again. An Oversight Committee should be formed to work with Chair Koppel and oversee the Program. He suggested the Committee be composed of Mr. Harrison, Ms. Kemme, and himself. This step would provide appropriate controls, address the issue of a potential conflict of interest by having a Board member who is the provider, and allow the Committee to respond to any problems that arise. Ms. Koppel concurred with the concept and suggested the Committee also could provide support and guidance as needed. Mr. Matz recommended the Oversight Committee be authorized to complete the contract negotiations to ensure proper finalization.

Ms. Koppel explained that since she was not on the Board last year, she did not know what was being reported at Board meetings. She then discussed the Program from her perspective and what she had documented. She also stated that she gave a projection report to Mr. Dietman in March and that her figures were close to the recap report provided by staff. She could not determine why there was a difference between the two reports. It was suggested that the difference might be attributed to candidates who were sitting in on the free demo sessions and did not actually sign up for the Program. In further discussion, it was noted that the projections depended on a higher volume of participants, and that it could take two to three years to get the Program running in the black. Mr. Matz asked Ms. Koppel to e-mail the report to the Board.

Ms. Koppel outlined the changes for this year's program, such as dropping sale of the discounted materials, the study groups, and the Mock Exam (because of mixed reviews). She also recommended increasing the fee from \$795 to \$895 for the weekly program. In discussion, she reviewed the materials being offered, stated the Society's cost of the discounted materials from Schweser would be \$220 per candidate. (the materials were included in the \$895 price) It was the consensus to market the Program as soon as possible to maximize registrations.

Ms. Koppel stated she has identified and is negotiating with a venue for Level I and Level II, and has developed the class schedule, which could be distributed as soon as instructors are confirmed. She has also started redesigning the brochure to make it simple and smaller. It was suggested that some information should be posted on the Web site announcing the Program and having the brochures at the first luncheon in November. Ms. Koppel mentioned that it came to her attention that 50% of the candidates elect to opt out of the candidate contact list, which meant the Society would only be able to reach 50% of the candidates. She suggested sending brochures to the investment departments to distribute to the candidates in their firm. She stated that Schweser would send either the president or another person to speak at a luncheon about the Program and preparing for the exam.

Ms. Valenta stated she sent e-mails to the candidate list, which is the same group who would receive the brochure. It was suggested that consideration might be given to distributing everything through the Society office because of the AIMR third party mailing rules. Ms. Koppel mentioned that Schweser would ship the materials directly to the candidates as they registered for the Program. In addition, they are offering a complimentary deluxe package deal (\$1247) for CFA Level I as a scholarship for the Society to award. She then discussed the proposed budget for the Program and would begin contacting instructors upon its approval. She stated that 53 candidates are needed in order to break even.

- After further discussion, and upon motion duly made and seconded, the Board approved Ms. Koppel as the provider for the CFA® Review Course Program for the spring 2004 session, authorized the proposed Oversight Committee, and empowered the Committee to negotiate the contract with Ms. Koppel.

Ms. Koppel was asked to e-mail the Program budget and reports to those who were participating in the Board meeting by phone. Concern was expressed about establishing parameters for cancellation if there were insufficient registrations to make the program economically feasible. It was noted that there was a 30- to 45-day period before fees are charged because of the late cancellation. The decision to cancel would have to be carefully considered or the Program itself could be perceived as an unreliable for the candidates. Mr. Matz assured the Board that the Oversight Committee would cancel a course if there were not enough participants. It was suggested that at the next Board meeting, the Oversight Committee provide a drop dead date for cancellation.

Employment

Ms. Valenta reported that two e-mails with job postings were distributed. It was noted that some e-mails were "doubles" because of technical problems with the Exchange server; the network consultant was working on the problem. Ms. Kemme requested the announcement include an apology for the inconvenience.

Membership

Chair Ballsrud reported there were no unusual circumstances in the current batch of applications for membership, and recommended approval.

- After a brief discussion, and upon motion duly made and seconded, the applications for membership were approved as submitted.

Program

Chair Fee reported there was a good turnout for the Raphael Resendes luncheon with about 30 attendees. The surprise turnout was over 50 attendees for the Thomas Welch luncheon on the CFA® Exam. Future luncheon meetings include the Bond Panel on November 6 and Derivatives Futures and Swaps on November 24. There is one additional event in the works on electronic trading systems. The next Program Committee meeting would be held on November 10; filling out the Program schedule would be tackled at this meeting.

Mr. Fee also discussed possible links on the Web site featuring other Industry events. He stated there had been requests from members for listings or links to events in addition to TCSSA events on the Web site. In discussion, Ms. Valenta said

she could add a sub-heading in the Links page and house the other organization links there. Additionally, an extra line can be added to future event announcements to direct visitors to check the Links page for other industry news. Ms. Boden commented the webmaster was very reasonable and would probably do another page or extra buttons for around \$400. It was suggested that a disclaimer should be added that the Society would not provide names, e-mail addresses or other forms of information. It also was suggested that the links should be reciprocal and the other organizations should put TCSSA events on their Web sites as well.

Mr. Fee suggested having the sub-heading on the Events page instead of the Links page. Ms. Valenta stated the cost to create the sub-heading on the Events page would be about \$100; she could talk to the webmaster about having it done. President Matz indicated she should proceed.

Mr. Matz suggested having a social / networking event in early December and inviting those interested in the mentoring program. In discussion, it was noted that starting the mentoring program does not necessarily have to go hand in hand with a social event, but that a networking event could be held just to get the mentoring program going. It was suggested to use alternate locations to give everyone a chance to participate, to hold other types of events as well, that perhaps there could be monthly social hours for mentoring and networking purposes, or announcing the event as a networking opportunity with mentoring as an underlying theme. Ms. Boden suggested holding the monthly events on the same day of the week, at the same time, to build a "franchise". Mr. LeMunyon agreed to help with the set-ups

Forecast Dinner

Chair Holewa reported confirmed speakers to date for the Forecast Dinner were Jim Paulsen, David Joy, and Don Strazheim. Two of them could be "forecasters" and the other could be a third forecaster or moderator. He was still working on confirming additional speakers. The venue for the dinner would be the Institute of Arts because of location, friendliness, upscale environment, and spouses could be included. There are two options on how to run the dinner. One is holding the event in the Villa Rosa room, which seats about 200 hundred and has some date flexibility. The other option is holding it outside the auditorium, which provides more seating but less flexibility. There also is a big difference in cost between the two possibilities. The room rental fee for the Villa Rosa room is all-inclusive (about \$750) and keeps everything in one room. The rental fee for the outside lobby use involves room rental for the auditorium and rental for use of the outside lobby (around \$3000). In discussion, it was the consensus that Mr. Holewa should negotiate a contract for the Villa Rosa room to be held on an evening in January. It was suggested that having a moderator such as Cathy Wurtzer, from NPR Radio, would be a good draw. It was noted that she might request a fee or honorarium to host the event. It was suggested that speakers who mentioned honorariums should be asked if they would like to donate their fee to a charity or if there is a profit, to donate some of those funds to a charity. Another suggestion was to have it stated on the ticket or in the announcements that a portion of the registration fee would be donated to a charity. Ms. Dunifon indicated she would set up a meeting with Messers Coleman, Holewa, and Matz to finalize the details.

Staff Report

Ms. Boden stated that Credit Card International would provide both batched credit card payments and online through the Web site; the application forms were submitted and the webmaster would switch from PayPal as soon as possible.

President Matz commented on the Electronic Information Agreement and would contact AIMR on the requirement to obtain authorization from members to fax or phone. He stated that although the Agreement does not include e-mail, he would question AIMR on this as well. Ms. Boden indicated she was working with the AIMR legal counsel and would send Mr. Matz the revised Agreement as soon as it was available.

OTHER BUSINESS

President Matz discussed the TCSSA breakout of the AIMR member survey, particularly the member services area. The Board wants to try to track issues because out of 82 returns, 48% said they were satisfied, 30% said they had no opinion either way, and 23% were unsatisfied. The question in the survey about a second language was discussed, but it was the consensus that it was misunderstood because of the low number of responses.

No date or location was set for the next Board meeting. [Ed Note: the meeting was later set for November 20 at the Slocum offices.]

There being no further business, and upon motion duly made and seconded, the meeting was adjourned.

Respectfully submitted,

Karen Dunifon, CFA
Secretary