

TWIN CITIES SOCIETY OF SECURITY ANALYSTS
Board of Directors Meeting
May 20, 2004
Peregrine Offices
Minneapolis, MN

MINUTES

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

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

President Matz welcomed the Board and thanked them for participating.

APPROVAL – APRIL MINUTES

- There being no corrections, and upon motion duly made and seconded, the Board approved the Minutes of the April 15, 2004 Board meeting.

TREASURER'S REPORT

Reporting for Treasurer Harrison, Ms. Boden stated the tax-exempt status for the Society had been approved, but shortly thereafter, the IRS sent a letter indicating it intends to collect penalties for filing the 2002 report late. McGladrey was notified and would contact the IRS and attempt to get this cancelled. Nothing has been heard on the 2001 report. The \$5,000 expense reimbursement from CFAI for the radio ads was received. There were questions about the \$500 speaker fee for Mr. Straszheim. No check has been received, but CFAI may have paid them directly. Mr. Fee indicated he would investigate the matter. The Scudder statement has not been received; as soon as it was, the Cash Flow report would be prepared and sent to Mr. Harrison.

- After a brief discussion, and upon motion duly made and seconded, the Board received the Treasurer's Report as submitted.

COMMITTEE REPORTS

Advocacy

Chair Dunifon reported a number of comments were made on the CFAI Web site about issues that were being addressed by various committees. Some changes in the Code of Ethics also are being discussed.

Education

Chair Koppel reported all of the invoices but the last one from the University of St. Thomas were received and paid. It appears that the Society would clear \$9,500-10,000 on the Review Course. Not all the surveys have been completed; participants would be encouraged again to complete them. At the CFAI Annual Conference, serious concerns were expressed about the lower pass rates on the exam and the long term effect that could have on the industry. Contributing factors may be unrealistic or naïve expectations on the part of the candidate on the effort required to pass the exam, today's culture of short test/minimum effort for maximum benefit, and sophisticated marketing by commercial review course providers that promise exam success with minimum effort and publicize biased pass rate figures. It was noted that there are many course providers, some with poor materials. CFAI is working on best practices for course and materials providers, with certain standards required to get approval. The TCSSA already conforms to the standards discussed. It was further noted that an increasing number of people whose employer pays for the candidate program do not have a commitment to passing the exam. The discussion of the low pass rate led to a discussion of CFAI's revenue stream and a lower awareness of the international designation. It was pointed out that there were a number of other professional organizations and designations for financial professionals.

The large societies had a meeting at the Annual Conference in which they decided form a consortium to produce materials and blended multi-media to be sold to smaller societies. The Boston and Los Angeles Societies were the leaders in this movement. The issue of how the revenue would be shared was not discussed. This would present one more options for TCSSA. The survey results and the final numbers would be distributed to the Board before the next

meeting. Ms. Koppel stated her goal was to get the new committee organized and get all the materials together over the summer so marketing of the 2005 Review Course could begin promptly.

A question about a name change for the Society in light of the AIMR change was briefly discussed and deferred to the next Board meeting.

Employment

Chair Griebenow reported the employment site has been very busy and many positive comments have been received.

Membership

Chair Ballsrud presented applications for three new members, and stated there were no unusual circumstances.

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

New member welcome packets would be sent out; a sample would be sent to Board members who requested one

Program

Chair Fee thanked Board members for their support of the year's programs. Planning is going forward for next year, including obtaining credit for events as an approved provider, which would be explored and implemented so a professional continuing education diary could be established as a member benefit.

Mr. Fee thanked Committee members Kate Pexa and Adele Newman, who provided significant assistance with the programs during the year.

The announcement for the CFA post-exam party would be distributed shortly, indicating hors d'oeuvres and one drink would be provided. E-mail addresses for 470 candidates taking the exam in the Twin Cities were received from CFAI; these represent about 50% of the candidates.

There was a brief discussion about liability, and it was noted that the facility providing the drinks bears the liability.

Public Awareness Review

President Matz commended Ms. Kemme for the excellent newsletter. The last page would be devoted to a thank you to the Annual Dinner sponsors.

Special Events

Chair Coleman reported everything was set up for the golf outing. The Board was asked to participate and to help in recruiting participants for the outing. Those who did not want to play golf could still join the group for dinner and the Annual Meeting. The importance of getting more than 100 participants to avoid losing money was stressed. E-mails have been sent out urging members to participate and calls would be made to any who might be interested. Members also were being encouraged to bring clients. It would be promoted at the CFA post-exam party and at the social hour. President Matz thanked Mr. Coleman for his extraordinary efforts in putting this event together.

Staff Report

Ms. Boden and Ms. Valenta reported things were going well despite worms and viruses. The system was kept undamaged and secure. It was suggested that a tagline should be added to the bottom of e-mails indicating that they have been scanned for viruses. A concern was expressed about too much e-mail going out to members. Also, some announcements have been dumped as spam and the number has been increasing. These issues would be worked out over the summer.

OTHER BUSINESS

Research Foundation

President Matz noted that Fred Speece had made an excellent presentation and had asked the Board to support the Research Foundation in appreciation for his presentation.

- After a brief discussion, and upon motion duly made and seconded, the Board agreed to make a donation of \$200 to the Research Foundation to support its work.

Nominations

President Matz reported David Spangler had agreed to serve as the Second Vice President/Program Chair; Mr. Fee would move into the First Vice President position. Mr. Coleman would continue to work on Special Events. Kate Pexa would be approached about serving as a Director. The remainder of the Committee Chairs would be firmed up shortly so the ballot could be prepared for the Annual Meeting.

Bylaws

President Matz stated an Ad Hoc Committee was reviewing the Bylaws for needed changes.

CFAI Annual Meeting

President Matz briefly reviewed issues that had not been discussed, indicating there was nothing of significance.

The last Board meeting of the year would be a more social event held on June 17 to initiate planning for the fall.

There being no further business, upon motion duly made and seconded, the meeting was adjourned to an Executive Session to consider renewing the management contract.

Respectfully submitted,

Barbara Boden
Executive Director