

TWIN CITIES SOCIETY OF SECURITY ANALYSTS
Board of Directors Meeting
September 16, 2004
Peregrine Offices
Minneapolis, MN

MINUTES

The presiding officer was President John F. Holewa, CFA. Those in attendance were:

Jason R. Ballsrud, CFA (phone)	Randal W. Harrison, CFA (phone)	David R. Spangler, CFA
Andrew D. Christensen, CFA	John F. Holewa, CFA	Bill Warnke, CFA, Guest
Patrick M. Coleman, CFA	Christine I. Koppel, CFA	Barbara Boden, Executive Director (phone)
Karen Dunifon, CFA	Jason B. Matz, CFA	Dori Valenta, Associate Director (phone)
Curtis G. Fee, CFA	Kate Pexa, CFA	

President Holewa welcomed everyone and thanked them for participating.

He then introduced Bill Warnke, the Midwest Presidents Council Representative, who discussed the operations of the Council. He stated 15 societies comprise the Midwest Region. The Council acts as liaison between the societies and the Board of Governors. Key actions in the past two years have changed the way Governors are nominated and elected, opening the process to more input from societies. The Gravel Report was available on the CFAI Web site and deals with the major issues affecting societies. An additional issue not in the report was concerns about the low pass rate on the CFA examination and on prep courses. In discussion, he was asked what issues should be brought to him as the PCR. Concerns about prep courses were mentioned as an example. Communication about issues the Society believes are important was essential to provide an understanding of these issues among the CFAI Board of Governors. There were visible signs of improved relations and collaboration between the societies and the CFAI. Mr. Warnke encouraged the Society to communicate with him about any concerns. He also discussed the nomination process for the new Midwest PCR next year.

Mr. Warnke applauded the TCSSA Board's energy and enthusiasm and discussed ways to channel this into new directions for the Society. With over 900 members, the Society had much strength, a cadre of experienced leaders, and relatively few problems. Several important areas for the coming year include programs enhancing the body of knowledge, job search skills, a client referral system, professional advocacy, research directed at having an influence on legislation, enhancing brand identify for CFAI, and development of the Center for Financial Integrity. CFAI has provided a Speaker Program and would be assisting with speaker costs. The addition of an advanced designation and education for private wealth management was being discussed. The CFAI was moving into other certification areas such as GIFT, with additional examinations and education. This would be geared toward non-charterholders.

The total value of support is about \$25,000 per year per society, including leadership meetings, public awareness, and speakers. The balance of the funding can be shifted as needed by individual societies, to fit their own needs and their strategic planning.

The problem of access to certain member data by societies was mentioned. This was a concern of many of the societies. As a point of clarification, Ms. Boden stated Principal Elements was indeed bonded and has been since its inception. This was brought up during one of the meetings. The question of Directors and Officers liability insurance for the Twin Cities Society also was mentioned. Mr. Warnke indicated that it takes three to five years for a major issue to be handled at the CFAI level.

One continuing question was how the organization could transition new charterholders into the profession. The challenge was to get volunteers engaged and excited about the organization and to channel this energy into new programs. Becoming a preferred provider for continuing education was another possibility for societies.

Regarding a name change for the Society, funding was available from CFAI to assist in making the change. Many of the societies were doing this in conjunction with the CFAI name change. There were four different options suggested for consistency. A membership survey was suggested as a way to gauge local sentiment on a change of name.

Information on golf outings from other societies was collected at the conference, including the Society in Ireland that had a very successful outing this year. It was noted that TCSSA has run successful golf outings for many years.

Other program ideas were garnered from the meeting. Making the Forecast Dinner an annual event was mentioned, perhaps with full-Board responsibilities. A Bylaws review was being conducted. New member development and expansion would be emphasized this year. A new Board position was suggested, with responsibilities for public

awareness and market integrity, and evaluation of the Society's promotional messages. Resources from other societies were mentioned.

Background on the new CFAI Center for Financial Integrity was provided. It would focus on industry reform in three areas: on standards of practice and investment performance presentation standards, in the capital market policy area, and in the creation of an advisory council composed of recognized leaders of the industry. Their objective was to establish a presence and serve as advocates.

Mr. Warnke discussed several programs conducted by other societies, including the New York Society's student competition in the area of equity analysis, and several career fairs, which could provide opportunities for cooperation between colleges and area businesses.

APPROVAL – JUNE MINUTES

Approval of the Minutes from the June Board meeting and the Annual Meeting was deferred to the next meeting.

TREASURER'S REPORT

The review of the June 30, 2004 Year-end Financial Report and the proposed 2004-2005 Annual Operating Budget was deferred until the next Board meeting.

COMMITTEE REPORTS

Program

Chair Fee provided a brief update on programs for the month. Schedules of upcoming events would be available on the Web site, at the fall kick-off event, and at other activities. Suggestions were made for future speakers.

Special Events

President Holewa encouraged Board members to attend the fall kickoff social event and to promote the activity among colleagues. Members, non-members, and CFA candidates were invited. The availability of e-mail addresses for members was discussed; not all members have provided e-mail addresses. The non-member list has been growing. Media e-mails would be added. Board members were invited to join the Committee for a brainstorming session to plan future events. Ideas from the Leadership Conference were shared. There may be a way to get partial funding for membership recruitment events such as this from CFAI.

Because of time constraints, the remaining Committee reports were deferred to the next Board meeting.

OTHER BUSINESS

CFAI and Society Leadership Conference Update

President Holewa and Education Chair Koppel reported about the CFAI Board of Governors and the Presidents Council concerns about the low pass rates on the CFA examination, which were similar in the U.S. and internationally; this issue was a topic of discussion at the Conference. Candidates appear to not be properly prepared to sit for the exam. All societies are holding discussions and searching for solutions. It was suggested that in the interim, an effort should be made to help candidates form a realistic idea of the scope of the exam and the preparation needed..

Senate Bill

President Holewa discussed the Stock Options Bill before congress. After a brief discussion, it was the consensus that information should be distributed to members urging them to send letters to the Minnesota senators about the stock option issue.

The next Board meeting would be held on October 21, 2004, at 7:30 am.

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

Respectfully submitted,

Barbara Boden
Executive Director