Dear Members and Readers:

Regardless of who you vote for on Nov. 6, once the presidential election is behind us, there are a couple of things we can agree on. First, we won't have to see or hear any more polarizing, politically-charged commercials. Second, the investment industry will still be viewed unfavorably by the general public. There is a lot of work we need to do to restore trust in the investment profession. Many of our members are working on it. Please take a few minutes to read Past President Andy Schuler’s quote in this month’s Member Spotlight as proof.

Additionally, CFASC has stepped up its advocacy efforts to inform the public about what sets CFA Charterholders apart. We were recently interviewed by CBC Magazine and discussed our efforts to restore public trust. Watch for the November/December issue. Our programming contributes to advocacy and outreach through the exposure we get from big names like Art Laffer. There were 250 people at the event on Oct. 8, 135 of whom were non-members and gained a new appreciation for the Society. We may benefit further if PBS/Ideastream picks up the program for television or radio.

We’re also spreading our message to the next generation of investment professionals through college outreach, such as the CFA Institute Research Challenge—an opportunity for finance students to work with CFA Charterholders. We are still in search of graders and judges for the competition. Please contact Greg Halter at ghalter@greatlakesreview.com if you have an interest in volunteering.

On Nov. 14, we welcome a new class of Charterholders at our annual Charter Awards Dinner. Please attend, not only for the speaker—Brian Brennan, former NFL Player & current Head of KeyBanc Capital Markets’ Fixed Income Department—but also to congratulate the new Charterholders.

Regarding attendance at our events, please see the "No Show" article on page 3, which provides details about the problems we are experiencing. We would like to get your opinion on how to best remedy the issue and would appreciate it if you would send us your thoughts and comments.

Sincerely,
James M. Bailey, CFA
President, CFA Society Cleveland
CIA has been the leading worldwide provider of Blast Voice Mail to the Financial Industry since 1997, with a long standing presence in the Toronto financial district.

We Provide...

- The most competitive rates with no dollar commitments for:
  - Operator Assisted/Event Calls
  - Automated/Reservationless Calls
  - Web Conferencing
- Custom web applications at no charge
- Global Presence: U.S., UK & Hong Kong (Canada forthcoming)
- Network infrastructure & redundancy as robust as any LD carrier

What differentiates CIA Event Call Services from the competition?

Instant Participant Entry - We created a hybrid of the entry system used in Automated/Reservationless conference calling and applied it to event call technology. Hundreds of people can dial into an Operator Assists call, enter within 20-seconds of connecting and be identified by name & company on the bridge without ever having to speak to an Operator.

CIA Event Call Technology Prevents:

- Long hold times for participants before they can enter a call.
- Inability to get into a call because of heavy demand.
- Last minute callers delaying start time of the call.

Contact Information

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WHAT SHOULD WE DO ABOUT NO-SHOWS?
MESSAGE FROM THE BOARD

NO-SHOWS
Were you one of the unlucky people we had to turn away because the Art Laffer luncheon was sold out? Then you should be upset to know that there were several empty seats reserved by people who never showed up.

Our Society has a problem with "no-shows." Roughly 10% of the members who RSVP for an event do not attend, whether due to pressing business problems, last-minute family issues or simple forgetfulness. Even though most of our events are free to members, no-shows are costly to our Society in several ways:

• For many events, we pay for food and service based on the number of reservations, so for each no-show, our Society incurs a cost that adds zero value to membership.
• Some events are oversubscribed, so we've had to turn people away who could've attended if the no-shows had cancelled their reservations.
• Often, we have tables that are sparsely occupied, which is mildly embarrassing to the speaker. That makes it harder to bring back the presenters we want.
• Some members reserve seats, but send a guest in their place at the member rate, without actually attending themselves. This is unfair to paying members who bear the cost of the lunch.

What should we do?
• How many times is it reasonable for a member not to show up for a reserved event?
• Should no-shows pay a penalty?
• Should repeat no-shows be blocked from our reservation system?
• Do we need to make it easier to cancel reservations on our computerized system?

Your Board is considering remedies. If you have a suggestion, please email Program Chair Craig Cimoroni at ccimoroni@key.com.

ATTENDANCE POLICY
Attendance at CFA Society events has increased significantly this year, in large part due to exciting programming, and the continued low cost of attending.

Your Board has extensively analyzed the membership fee structure to maximize the value delivered through programming and other aspects of membership. The following membership levels are currently available:

• Regular & Affiliate Members, $125
• Non-CFA Members $150
• CFA Candidates $125
• Students $100

Members are allowed to bring one guest to an event at a cost of $25. Non-members can attend for $40 per event.

CFA Society Cleveland is recognized as one of the most active CFA societies in the world, with more than 30 weekly lunches, an Annual Dinner, a Charter Awards Dinner, a Golf Outing, mock exams, candidate preparation programs, mentor programs, networking opportunities, as well as professional advocacy efforts, employment services, this newsletter, and (coming in 2013) a national investment conference.
Q: You commented at a recent iShares conference about two types of investment managers. What are the two types?

A: There are two types of investment managers. Both want to generate good returns. One group of professionals wants to generate good returns because it is a reflection on them and their abilities. The other group does it because it is in the best interest of their clients. The former group gets us into trouble and creates an unfavorable impression of our industry. The latter group includes those who become trusted advisors for their clients for life.

Q: You served as CFA Society Cleveland President from 2003-2004. Can you speak to how and why you became involved, and also touch on your general thoughts on the society?

A: I became involved in the Society through my candidacy in the CFA program and started attending meetings. It was a great opportunity to meet folks. I was awarded the Charter in 2000. Immediately, I got involved in Candidate Preparations. The reason I did that is that so many people had helped me along the way. As the saying goes, “You can’t pay back, you can only pay forward.” I then started helping with Society review sessions and became Education Chair. Later, I moved on to Programming Chair. This gave me an opportunity to meet additional people who helped out. Then I stepped into the role of President of the Society.

Q: What is one aspect of CFA Society Cleveland today that you particularly like?

A: I love the tradition. The long-standing tradition of weekly meetings creates a bond with the members. It is something unique to our size and a testament to our members.

Q: What is the most rewarding aspect of your job as Regional Investment Director of PNC?

A: The most rewarding aspect is recognizing the impact we have on people’s lives. If we are effective in doing our role, we can have a profoundly positive impact on our clients’ lives. I view the role of all of us in this industry as stewards of other people’s money.

Q: Could you weigh in on the debate over which direction to pursue, an MBA or a CFA Charter?

A: They aren’t mutually exclusive. It really depends on your career aspirations. If you are in the investment industry, then you should choose the CFA Charter. For a broader management position, the MBA will probably serve you better.

Q: Some large banks have speculated moving toward a more automated approach to portfolio management where investments are made in models. Given the complexities of investment management, do you think an automated approach is feasible?

A: There are opportunities to better leverage technology to improve the efficiency and consistency of the investment management experience for our clients. But ultimately, each client brings to us a unique set of needs and circumstances and the ability to provide a customized solution is essential.
The first couple months of the 2012-13 programming season have been terrific owing to member involvement and speaker interest in our Society. We’re well on our way to breaking attendance records, and I want to thank our membership for your continued interest and support. Close to 80 people attended our kick-off happy hour at Bar Louie on Sept. 5—a record by any measure for recent networking events. Furthermore, this year’s average attendance is just less than 90 members versus 44 last year. Our non-member ticket sales are up, too, as are our attendance breadth rates—in the neighborhood of a triple—and sponsorships are also on pace to triple this year.

In terms of sponsorships, we have hosted several distinguished speakers, which wouldn’t have been possible without the partnership with our sponsors. I would like to again recognize CIA Voice Dialing, Teri Chmielewski – Keller Williams, Carnegie Investment Counsel, PNC Wealth Management, Fifth Third Bank, and CSU for their support thus far in the programming season.

Our upcoming events are topical and feature credible speakers. We will host Stephen Schork, Founder of The Schork Report, on Nov. 7. The Schork Report was founded in 2005 and is geared toward those interested in the global energy markets. Mr. Schork is widely followed and is a regular guest on CNBC and Bloomberg TV. This should be an excellent presentation given the increased level of geopolitical risk impacting the sector and the importance of energy markets to Ohio’s economy. I would also like to highlight a presentation by Anthony Alexander, CEO of First Energy, a $19 billion market capitalization company. Mr. Alexander will focus on the state of the nuclear industry and provide an update on First Energy on Nov. 21. Fred Cummings, CEO of Elizabeth Park Capital Management, will provide an update on the banking industry and highlight some interesting stocks on Nov. 28. Mr. Cummings is a fantastic stock picker and has annualized a 16.4% return in his fund since its inception in February 2008.

Finally, we have two special events. The first is our Charter Awards Dinner on Nov. 14 with special guest speaker Brian Brennan. Currently, Mr. Brennan runs KeyBanc Capital Markets’ Fixed Income department, and I’m sure many Clevelanders recognize him from his days in the NFL when he played for the Browns in the 80s. He has always been a top and consistent performer, both professionally and personally. This promises to be a fun, entertaining and insightful event that will be both interesting and useful. On Dec. 5, we will host an exciting healthcare panel focusing on technology commercialization with three prominent participants: Jim Weisman of BioEnterprise, Tom Thornton from Clinic Innovations and Steve Behm from the University Hospitals Commercialization Office.

Your suggestions have made a difference—please keep them coming. We look forward to seeing you at an upcoming event.

Sincerely,
Craig Cimoroni, CFA
Program Chair, CFA Society Cleveland
Nov.7: "The Role Domestic Energy Resources Play in the American Economic Recovery," presented by Stephen Schork, Founder & Editor of The Schork Report

Stephen Schork is the Founder and Editor of The Schork Report, a daily subscription research note providing comprehensive technical and fundamental daily views of the energy cash and financial markets.

Published since 2005, The Schork Report is geared toward professionals in the global energy arena looking to improve economic performance while managing risk. Mr. Schork guides research and analysis activities and oversees the development of proprietary mathematical models designed to identify pricing inefficiencies. He is also active on a consultative level with subscribers, offering unparalleled direct access and personalized counsel.

Prior to founding The Schork Group, Inc., Mr. Schork was a floor trader (Local) in the New York Mercantile Exchange's energy complex and has more than 20 years' experience in physical commodity and derivatives trading, risk systems modeling, structured commodity finance, trading-room operations and research.

A recognized expert in the energy sector, Mr. Schork is a regular guest on CNBC and Bloomberg Television. Mr. Schork is also frequently quoted in The Wall Street Journal, Business Week, Reuters, the Associated Press, Platts, The Street.com and CNNMoney.com.

Nov.14: Charter Awards Dinner

Brian Brennan is the Managing Director and Division Head for Fixed Income at Keybanc Capital Markets (KBCM). He also manages the Corporate Investment Services group, which provides expertise in short term investments for all of Key Corp’s clients.

Brian joined Key Bank in 1995 from Donaldson Lufkin and Jenrette Securities. Prior to that, he played nine years in the NFL for the Cleveland Browns, Cincinnati Bengals and San Diego Chargers. Brian is also Chair on the internal Credit Committee for KBCM fixed income, and sits on the FINRA Fixed Income Committee. He recently joined the Board of Directors of Notre Dame College of Ohio and is a Board of Director Emeritus for Boys Hope Girls Hope of Northeast Ohio. His charity golf tournament, The Brian Brennan Boys Hope Open, has raised more than $4.5 million. Hosted by Brian, the Boys Hope Open is considered the largest event of its kind incorporating more than 40 corporate sponsors and 350 players. Also, Brian was active as a local radio host on WTAM from 1999-2005, and television personality by broadcasting the pre-season Cleveland Browns games for CBS in 2005-2006.

Brian holds a Bachelor’s Degree in Finance from Boston College, and has series 7, 9, 10, 24, 53 and 63 securities licenses.
**PROGRAMMING**

**Nov. 21:** "Trends in the Utility Industry with a Focus on Nuclear Power and Fundamentals of the Company," presented by Anthony Alexander, President & CEO of FirstEnergy Corp.

Anthony J. Alexander is president and chief executive officer of FirstEnergy Corp. He also is a member of the Company's Board of Directors.

Mr. Alexander began his career in 1972 in the Tax Department of Ohio Edison — which merged in 1997 with Centerior Energy to form FirstEnergy. Since then, he's held several other positions within the company and was elected to his current one as President and CEO in 2004.

Mr. Alexander received his Bachelor of science in accounting and law degrees from The University of Akron. He completed the Program for Management Development at the Harvard Graduate School of Business; and the Reactor Technology Course for Utility Executives at the Massachusetts Institute of Technology. He also is a recipient of the Dr. Frank L. Simonetti Distinguished Business Alumni Award from The University of Akron.

**Nov. 28:** Fred Cummings, President of Elizabeth Park Capital Management

The banking industry has undergone sweeping transformations and continues to work through the ripple effects of financial crisis and subsequent industry change. This timely lunch will feature Fred Cummings, president of Elizabeth Park Capital Management, Ltd., a $66 million asset management firm focused on investing in small and mid-cap bank, thrift and consumer finance stocks. In February 2008, Mr. Cummings launched Elizabeth Park Capital Management, L.P., which is a long/short hedge fund.

Prior to founding Elizabeth Park, Mr. Cummings worked as a senior analyst for FSI Group, a $150 million financial services hedge fund. He was primarily responsible for making long and short recommendations for bank, thrift and consumer finance stocks across a broad range of market-caps.

Mr. Cummings spent the majority of his career, from 1989 to 2006, at McDonald Investments/KeyBanc Capital Markets, where he led the financial institutions research group and was responsible for covering more than 20 banks and thrifts, including all the large banks in Indiana, Michigan, and Ohio. Mr. Cummings also published several widely followed reports on the region's banks and thrifts and was widely quoted. Mr. Cummings has been recognized as one of The Wall Street Journal's 1998 All-Star Analysts, ranking first in stock-picking and second in estimate accuracy. Mr. Cummings earned the trust and respect of several bank executives over the years, evidenced by being asked to address the boards and senior management teams of FirstMerit, Fulton Financial, KeyCorp, National City, Old National Bancorp, Pinnacle Financial and Sky Financial Group.

Mr. Cummings received a B.A. with honors in Economics from Oberlin College in 1989. He’s a member of the President’s Advisory Council at Oberlin College.
EDUCATION

MOCK EXAM:
CFA Society Cleveland is thrilled to announce two strategic partnerships with CFA test-prep providers, making it less expensive for you to prepare for the upcoming December CFA exam.

OPTION #1: Boston Securities Analysts Society (BSAS)
BSAS has been offering a successful practice exam to CFA Candidates at all three levels for the past 17 years. The BSAS practice exam is widely considered the best proxy for the regular exam and is a great way to judge your level of preparedness.

Cost: $149 enables you to download a PDF of the mock exam and work at your own pace. To purchase, visit www.bsas.org/pe and click on the "Purchase PDF" tab. USE COUPON CODE CLEVE.

OPTION #2: Kaplan Schweser
Schweser offers a number of different packages and options to choose from.

Over the past 20 years, Kaplan Schweser has helped hundreds of thousands of candidates prepare for the CFA exam. Connect with the prep provider more candidates turn to for a concise review of the curriculum, expert instruction by CFA charterholders, and online tools that allow you to study anytime, anywhere. Kaplan Schweser—the essential complement to the CFA curriculum.

Go to portal.schweser.com
Use Discount Code: ClevelandCFA and receive 15% off the retail price!

CFA INSTITUTE RESEARCH CHALLENGE:
MENTORS, GRADERS & JUDGES NEEDED
The nine Northeast Ohio university teams participating in this year’s CFA Research Challenge (up from four last year) are busy advancing toward their goal of completing both a written report and an oral presentation in early 2013. The written reports are slated to be completed on Feb. 1, 2013, with the oral presentations to be held Saturday, Feb. 16, 2013, (or Saturday, Feb. 23, in the event of adverse weather on Feb. 16). CFA Society Cleveland still has a few openings for Team Mentors, Report Graders and Presentation Judges. Please contact Greg Halter at ghalter@greatlakesreview.com or 216-767-1340 to volunteer.

This year’s participating universities include: Case Western Reserve University, Cleveland State University, the University of Findlay, Hiram College, John Carroll University, Kent State University, University of Mount Union, Walsh University and Youngstown State University.

Continued on page 9
CFA INSTITUTE RESEARCH CHALLENGE: MENTORS, GRADERS & JUDGES NEEDED, CONTINUED

ABOuT THE RESEARC侯 CHALLENGE:

The CFA Institute Research Challenge is a global competition that provides university students with hands-on mentoring and intensive training in financial analysis and professional ethics. Each student participant will be tested on his or her analytic, valuation, report writing and presentation skills and gain real-world experience as he or she assumes the role of a research analyst. Last year, more than 3,000 students from 650 universities in 55 countries participated and learned best practices in equity research from leading industry experts.

Local CFA societies host and launch local competitions involving teams of three-to-five business and finance students from participating universities who work directly with a local company, Faculty Advisor and Mentor in researching and preparing a company analysis – a Sell-Side Research Report. This year, CFA Society Cleveland is working with Lincoln Electric Holdings, Inc. (NYSE: LECD), the leading welding equipment and consumable company in the world. The Company’s 2012 sales were in excess of $2.69 billion, with more than 50% outside of the United States. Net income surged 68% year-over-year to more than $217 million, with high returns – 11.6% ROA, 18.6% ROE and 31.5% ROIC.

Analysis of a Public Company: Teams research a publicly traded company, and company management presents to the teams and participates in a Q&A session.

Mentoring by a Professional Research Analyst: Each team works with a CFA charterholder who mentors the team during the research process and reviews and critiques its report.

Writing a Research Report: Each team produces an Initiation of Coverage report on the chosen company. The report is reviewed and scored by a group of judges.

Presentation of Research to a Panel of Experts: The teams’ final presentations are locally evaluated by high-profile panels of experts from top financial institutions: Heads of research, portfolio managers, and chief investment officers. The team with the highest combined report and presentation score is declared the winner of the Local competition.

The Research Challenge is composed of three levels of competition. Local (Cleveland), Regional (Ontario, Canada – March 2013) and Global Final (London – April 2013).

For more information, visit: www.cfainstitute.org/cfaprogram/challenge/Pages/index.aspx.
LIBOR REFORM OFF TO PROMISING START FOR INVESTORS

Since Barclays settled with U.K. and U.S. regulators in June over its involvement in the manipulation of LIBOR, investment professionals and other interested stakeholders have waited for the next episode of this scandal to unravel. In the intervening period, it seems that regulators have focused more on the future than the present, with various initiatives underway to fix this broken benchmark. For now, the lurid headlines have given way to more sober pronouncements from policymakers, of which the publication of the U.K.’s Wheatley Review of LIBOR has taken center stage.

The Wheatley Review, published on Sept. 28, calls for:

- LIBOR rates explicitly supported by actual transaction data
- A new code of conduct
- Limiting the production of LIBOR to liquid currencies and tenors
- Encouraging more banks to participate in the LIBOR process
- Establishing a LIBOR regulator

These recommendations are all positive. In a recent survey, CFA Institute members called for using actual transaction rates as the basis for determining LIBOR, along with stronger regulatory oversight allied with criminal sanctioning powers.

So where does this leave us? The Wheatley Review is not the end of the chapter. The European Parliament has been updating its market abuse legislation. Meanwhile, the European Commission has launched a public consultation to examine the production and use of indices serving as benchmarks in financial contracts. This could lead to the creation of a holistic legislative framework for all financial benchmarks and indices. And the International Organization of Securities Commissions (IOSCO) is also in the process of establishing global principles and best practices for the production and use of benchmarks. The IOSCO initiative is welcomed — 89% of CFA Institute members surveyed agreed that a global framework of key principles or best practices should be developed for internationally used benchmarks.

It has taken a long time since allegations of LIBOR manipulation first surfaced more than four years ago, but global regulators finally seem to be giving this issue the attention it deserves. Let’s hope these initiatives keep the lurid headlines at bay.
Zelman & Associates: Equity Sales Associate

Zelman & Associates is seeking an Equity Sales Associate for placement in its Cleveland office, working directly with senior executives of one of the leading independent research firms on Wall Street. One to three years of sales experience is preferred. Knowledge of the equity market and previous sales experience is preferred.

Responsibilities include:
• Synthesize the research product and communicate investment ideas
• Cultivate new and existing relationships with leading institutional investors
• Identify significant trends; anticipate, analyze, and communicate industry developments
• Communicate with top industry executives and demanding institutional investors

Requirements
Successful candidates require a wide spectrum of skills/attributes, including:
• Superior sales, communication, and interpersonal skills
• Academic excellence; preference for concentration in finance, economics or accounting
• Creativity and entrepreneurial spirit
• Highly competitive; self-starter; ambitious; team-oriented

About Zelman & Associates
Zelman & Associates is broadly recognized as one of the leading independent equity research firms on Wall Street. Founded in 2007 by Ivy Zelman, our firm relies on a rigorous approach that entails in-depth, thematic analyses, proprietary surveys of industry executives and extensive analysis of macro and sector data. Our expertise overlaps the apartment, banking, homebuilding, home improvement, land development, mortgage, non-residential construction and single-family rental industries. Our principals, research analysts and sales professionals have track records of success across Wall Street’s most elite investment banks, and a proven capability to identify, attract, develop, and retain exceptionally talented and motivated individuals.

Compensation: Highly Competitive Salary

Contact: Pete Carroll, Managing Director; pete@zelmanassociates.com

Keller Williams Greater Cleveland: Assistant to Real Estate Executive

Immediate opening for assistant to real estate executive. You should be an organizer, a fast learner, a positive person, and a great communicator. Outstanding marketing, internet and computer skills are a must. You will work in a fast-paced real estate office in Pepper Pike, Ohio. We offer an exciting atmosphere in a people-oriented business.

First step: Send your resume to terichmielewski@gmail.com
Global Cleveland and several financial services professional associations have partnered to attract talent to Cleveland’s financial services positions through an online job fair.

**Partner Organizations:** Greater Cleveland Mortgage Bankers Association

**What:** An opportunity for Cleveland’s employers with available financial positions to showcase their career opportunities to talent from inside and outside the region. This web-based event is free of charge to job seekers, giving employers a wide pool of diverse candidates from which to choose.

**When:** The Cleveland Financial Services Job Fair is scheduled from November 12-23, 2012. During this time period, job seekers can view and apply to open jobs from participating employers.

**Why:** Cleveland is a U.S. hub for financial services. With a Federal Reserve Bank and the headquarters of multi-national banks, financial services are a thriving industry in Northeast Ohio.

**Employers, Target the Talent You Need to Grow**

**Basic Listing - $150**
- Post up to 3 jobs on virtual job fair ($15 for each additional job posting)
- Post unlimited internships on Cleveland Recruiting - A Program of Global Cleveland, a private LinkedIn group of 1,600+ job seekers who are currently perusing or have completed a 4-year degree or equivalent.
- Access to financial services talent from around the country

**Enhanced Listing - $225**
- Post up to 5 jobs on virtual job fair ($15 for each additional job)
- Post unlimited internships on Cleveland Recruiting - A Program of Global Cleveland, a private LinkedIn group of 1,600+ job seekers who are currently perusing or have completed a 4-year degree or equivalent.
- Listing on page featuring Cleveland’s financial industry. Includes 100 words about your company and a logo that links to your company’s website or careers page.
- Post up to 5 jobs (in any professional field) for 90 days on Cleveland Recruiting Company - A program of Global Cleveland

**Background**
Global Cleveland launched an online job fair for Cleveland’s IT industry in August 2012 with over 2800 registered participants in from 12 states and 9 countries including Cleveland.

Global Cleveland and BioEnterprise teamed up in March and June 2012 to offer an online job fair for Cleveland’s biomedical industry.

- 14,288 unique visitors viewed the website during the two fairs
- 2,611 individuals registered to participate
- A total of 4,668 applications were submitted to 439 posted positions from 52 featured employers
- Employers report that the online job fairs drove new, high-quality traffic to their job postings, and several report that they hired applicants through the fairs.

Employers, are you interested in posting open positions? Contact Patrick Manfroni at Patrick@globalcleveland.org.