



CFA SOCIETY OF CLEVELAND

After the Bell The Newsletter of Cleveland Finance



May 2012, Issue 2, Vol. 9

This will be the last newsletter for the 2011-12 fiscal year. Look for our next issue in September.

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WANT TO ADVERTISE WITH THE CFASC?

Contact:

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Public Awareness Chair
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Dear Fellow Members:

James Bailey, CFA (Programming Chair), Craig Cimatori, CFA (Membership Chair) and I attended this year’s Strategic Leadership Retreat (SLR) in Chicago from May 4-6.

Speaking in SLR’s opening plenary session, John Rogers, CFA, President and CEO of the CFA Institute, called upon members to help promote trust and ethical behavior to restore confidence that has been badly shaken by numerous instances of unethical practices and financial crises. You can find the **“CFA Institute Integrity List: 50 Ways to Restore Trust in the Investment Industry”** on CFAI’s website.

The CFA Institute’s new logo and brand positioning were presented at the SLR, too. According to the Institute’s website: “The new logo symbolizes the collective identity of our global community of investment professionals centered around a core of ethical best practice. We are updating our brand to better highlight our identity as a dynamic and growing global organization committed to actively building fair and effective financial markets.”



Thanks to Craig Cimatori and his team of volunteers, we had a great Annual Dinner on May 16 at Quicken Loans Arena, featuring Henry “Chip” Dickson, CFA, co-founder of DISCERN and Charles “Chip” Deale, Head of Society Relations at CFA Institute. The program consisted of a social hour, a tour of the Q, and speakers’ presentations. Many thanks to our members and guests for making it a highly successful event!

Join us at the After-Exam Party on Saturday, June 2, from 4:30-6:30 p.m. at the Sheraton Cleveland Airport Hotel to help the test-takers unwind. It will be a great opportunity to relax with food and drinks courtesy of the CFASC and mingle with peers, candidates, and future Charterholders.

You recently received an email with the Nominating Committee’s recommendations on the slate of office bearers for next year. (Information is also available on page 7.) Please review the nominations and take part in the voting process.

As the outgoing president, I’d like to thank you for giving me the opportunity to serve in that capacity. I am humbled by the honor and grateful for your trust in me. I’ve had a wonderful team of committee chairs, Board members, and volunteers. We could not have achieved so much success without everyone’s commitment and enthusiastic support. I applaud them all!

Chenchu Bathala, Ph.D., CFA
President

ACHIEVEMENT: THRIVES LOCALLY

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We're committed to helping the community and everyone who lives here achieve more than ever. That's why we're proud to support CFA Society of Cleveland.

*William Caster, Managing Director,
PNC Wealth Management, Cleveland
(216) 222-8270*

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for the ACHIEVER in youSM

CALENDAR OF EVENTS & LUNCHEON MEETINGS SPRING 2012

May 30

Fareed Khan, CFO and
Cody Phipps, CEO of
United Stationers Inc.

June 2

After Exam Party,
Sheraton Cleveland
Airport Hotel

To register for events, visit
cfacleveland.eventbrite.com



United Stationers Inc.'s CFO Fareed Khan & CEO Cody Phipps

United Stationers Inc.'s CFO Fareed Khan and CEO Cody Phipps will present their company's financial position and outlook on May 30. United Stationers, through its subsidiary, United Stationers Supply Co., engages in the wholesale distribution of business products in North America. The company distributes technology products, which include computer supply and peripheral products, such as imaging supplies, data storage, digital cameras, computer accessories, and computer hardware items. It also offers traditional office products consisting of brand-name and private-label office supply products, including filing and record storage products, business machines, presentation products, writing instruments, paper products, shipping and mailing supplies, calendars, and general office accessories; and office furniture products comprising desks, filing and storage solutions, and seating and systems furniture. In addition, the company distributes janitorial and breakroom supply items, foodservice consumables, safety and security items, and paper and packaging supplies. It serves independent office products dealers, contract stationers, office products superstores, computer products resellers, office furniture dealers, mass merchandisers, mail order companies, drug and grocery store chains, healthcare distributors, e-commerce merchants, and other independent distributors through its network of 65 distribution centers and 37 re-distribution points. United Stationers Inc. was founded in 1922 and is headquartered in Deerfield, Illinois.

After-Exam Party

The CFA Society of Cleveland is hosting an After-Exam Party to provide an opportunity for test-takers to unwind and meet some Charterholders who genuinely appreciate what they just endured.

- Relax with food and drinks courtesy of the CFASC
- Learn more about the benefits the CFASC has to offer
- Meet CFASC Board Members and investment industry practitioners
- Mingle with peers and other candidates

What: An after-exam party with complimentary food and beverages

When: Approximately 4:30-6:30 p.m. on Saturday, June 2, 2012

Where: Sheraton Cleveland Airport Hotel
5300 Riverside Drive
Cleveland, OH 44135
216-267-1500

Getting America to Trust Wall Street Again

By: John D. Rogers

I have been around long enough to remember when my alma mater banned the U.S. military from recruiting on campus, in protest against the Vietnam War.

Public reaction like this eventually led to an agonizing but ultimately re-energizing transformation for our armed forces: we are now united by concern for the members of our armed forces, military service is held in high-esteem, and ROTC programs have returned to college campuses. Fast forward a generation, and the protest has shifted to the financial industry.

Wall Street firms, once treated as a guaranteed ticket to success, are beginning to face the same level of animus at several elite college campuses.

After 27 years in the investment profession, of course I'm concerned by this change in public perception.

However, when my college-aged children talk to me about a career in finance, I'm still going to give them a "thumbs up." I can sum up the basis for my blessing in two words: stewardship and community. While these may sound like values espoused by members of the Occupy Wall Street movement, these concepts have everything to do with the practice of finance.

I believe that the next generation of leaders in finance will be defined not by the amount of money they can amass, but by the stewardship they exercise as fiduciaries and the responsibility they demonstrate to their communities.

We are overdue for this change.

Why?

The current generation has ridden a fortunate 30-year tailwind that carried financial capitalism to unsustainable levels. **The industry has overwhelmed the profession and finance has become an end, rather than a facilitator, of economic activity.** There is no question that Wall Street has always attracted people motivated too much by greed and egotism, and in recent years we've seen the worst of them. I'm glad that the bright sunlight Supreme Court Justice Louis Brandeis once described as the best

disinfectant is now being trained on the finance industry's blemishes. Yet, I am dismayed to see many of today's leaders in finance stuck in a state of outright denial. A 30-year tailwind makes "waiting it out" a tempting strategy, but it's unworkable and unrealistic.

Hiring legions of lobbyists to hold back the tide, issuing bland assurances of the status quo, and circling the wagons with fellow titans of industry are tactics that have outlived their usefulness. A new generation of ethical leaders and stewards of investors' interests will need to follow a different playbook. Investors and those who make capital markets work need to reconnect returns with a larger purpose: that capital is meant to be supportive, not an exercise in take or be taken. Asset owners and voters won't put up with detached and extractive responses from those entrusted with extraordinary power and our wealth – nor should they.

Young people entering the world of finance have an incredible opportunity to discover the satisfactions of being trusted, not reviled – and of stewardship instead of opportunism. Firms that tap into this youthful energy will find they have struck gold. We are just beginning to see signs that financial leaders are on the cusp of recognizing this truth. In his recent book, *Stewardship: Lessons Learned from the Lost Culture of Wall Street*, John Taft, CEO of RBC Wealth Management, argues for the importance of establishing service to others to create a more stable and compassionate financial system. Progressive organizations have revived the notion of servant leadership, which was once ridiculed by the control-oriented mindset that ran Wall Street and now provides an alternative and refreshing vision.

Here's what I want my children to know about finance: you have the opportunity to build your community, whether you define that as your neighborhood or the whole world, or anything in between. You get to match people who have funds to invest with others who have good uses for those funds. There are professional standards of ethical behavior to apply, technical expertise to develop, and lessons learned only from experience to apply to complex problems that will challenge and serve you well your entire career. And finally, there is no better feeling than knowing you have helped your clients realize their dreams.

Member Spotlight: Past President Brings Summer Back to Ohio



Few people have had as much influence on the Northeast Ohio investment community as Joe Harrison, CFA. Joe served as President of our society in 1973-74 – not a good year for the stock market. As President, Joe was interviewed for an article entitled “What Is A Security Analyst?” for an in-house publication of Sohio Corporation. If asked, most readers of the article would have expected Sohio, TRW and Republic Steel to remain among Cleveland’s major corporations until long after the last security analyst had retired.

In a career spanning nearly 47 years, Joe worked with, mentored or at least knew nearly every investment professional in town. After graduating from John Carroll University and completing basic training in the National Guard, Joe began working in the investment department of Union Commerce Bank on July 11 (lucky 7-11!), 1960 – another one of the many not-so-good stock market years. The market tumbled again during the Cuban Missile Crisis in 1962, when Joe was serving as a “weekend warrior” National Guardsman at the Nike missile battery in Parma (now the site of a Tri-C campus), thinking he might actually have to fire Nike rockets at Russian bombers attacking Cleveland.

Joe earned his CFA designation in 1968, in one of the earliest cohorts to earn a Charter by taking exams for all three levels. (Some earlier cohorts were grandfathered out of taking one or two exams.) He would have received his Charter sooner, but there was an age restriction at the time (later eliminated) that made him to wait until after he turned 30.

Joe worked for Union Commerce until 1976, when he joined Roulston & Company, a firm that combined sell-side research with buy-side investment management. He retired from Roulston at the end of 1999. From 2000 until the beginning of 2007, Joe worked part-time as a half-partner of Midwest Investment Management. During those years, he discovered the joys of wintering in the Tucson area. In 2010, he took advantage of the depressed real estate market to buy a winter home in Tucson, from which he returns in late April, bringing the summer back to Cleveland with him. Our photo shows Joe, a gifted pianist, dressed in what passes for formal wear in Arizona.



**RENEW YOUR CFA INSTITUTE
AND SOCIETY MEMBERSHIP
BY 15 JULY 2012**

- 1** Log on to your account at www.cfainstitute.org/renew
- 2** File your Professional Conduct Statement
- 3** Pay your CFA Institute and society dues for 2012-2013

We value your continued commitment to upholding the highest standards in the investment profession.

Career Corner: Developing Your Two Minute Commercial

At some point in your job search, you will be asked to tell something about yourself.

Focus on what you have to offer. This is like a television commercial about you. A commercial sells products. Therefore, you should emphasize those strengths and qualifications most suited to the position you are pursuing.

Watch your language and presentation style. Use the formula: language + motivation = outcome. In other words, positive language + positive body language and behaviors = a positive and favorable outcome. This means there is absolutely no room for negativity.

When you see advertisements, you will notice that they emphasize the positive outcome you will gain from the product, not the downside.

A sample two minute commercial may include information such as: personal qualifications, technical skills, relevant education, training, certifications and achievements. Look at this sample two minute commercial from a corporate accountant:

“I am a CPA with over nine years of corporate accounting and financial reporting experience. In my most recent position, I was selected to spearhead and lead several special projects which included strategic planning, forecasting and corporate treasury functions.

I was recognized last year as Manager of the Year for my ability to develop my accounting staff and provide training in many facets of customer service, auditing, time management, problem solving and other key functions. I have an MBA and am active in both the National Management Association and the Space Coast Chapter of the Florida CPA's Association.”

Developing a fluid, confident and natural sounding commercial takes time and practice.

Susan Barens, owner of Career Matrix Group Ltd., specializes in career development, coaching, and resume and social media profile writing. A contributor to major book publications and media articles, she is a Certified Professional Résumé Writer (CPRW), Master Federal Career Coach and Trainer (MFCCT), Global Career Development Facilitator (GCDF), and International Job and Career Transition Coach (IJCTC).

Those looking for help with their career can contact Susan Barens and Career Matrix Group at www.careermatrixgroup.com, susan@careermatrixgroup.com, or 440-892-3352.



2012-2013 Board Nominations

Nominating Committee's Recommendations: Office Bearers for FY 2012-2013	
James Bailey	President
Craig Cimatori	Programming Chair
Paul Lebo	Membership Chair
Greg Halter	University Relations & Candidate Resources
John Silvis	Treasurer
Ron Petrie	Public Awareness
Art Stupay	Career Services
Wayne Chamberlain	Advocacy
Warren Coleman	Past President
Amit Jain	Past President
Chenchu Bathala	Past President

It is customary to submit for approval, from the membership, a slate of officers for the coming year. The nominations, if approved, will become effective July 1, 2012.

Please submit your approval for this slate of nominees by Friday, June 8th.

An email to Katie at cfa@cleveland.cfasociety.org is acceptable.

Conversation With Dale Norton, CFA

By Ron Petrie, CFA

Dale Norton is a Charterholder who now lives in Cleveland, though he spent most of his career in other cities.

One of the first professional events he attended -- as a near-adult -- was the Annual Conference held in Cleveland in 1971. His father (CFA charter #159), first president of the Omaha society and later president of the Chicago society, brought him along to attend as a student.

His father liked to combine investment meetings with family vacations, so between 1955 and 1963, when Dale was in high school, the entire family went along to conferences in New York, Boston, Washington, Los Angeles, Montreal and Richmond, among others. As Dale got older, he even met conference attendees.

As for Dale's Omaha roots, his father knew the young Warren Buffett rather well. In 1956, Buffett returned from New York to Omaha, and worked out of a small apartment, not far from the house he bought in 1958. The young Mr. Buffett would occasionally use Dale's father's investment library at the Omaha National Bank. In May of 1958, on the Saturday Dale's family left for the Annual Conference in Los Angeles, Dale accompanied his father when he dropped off some paperwork at the home of the bank president, a few doors from Warren Buffett's then-new home. As they drove off, Dale's father pointed to a house as they passed and said: "That's where Warren Buffett lives. One day he'll be famous." That may have been a strange thing to tell a 10-year-old, but Dale remembers it still.

When Dale finished college, he went to work for Duff & Phelps in Chicago as a tire analyst, receiving his CFA designation in 1979. His experience covering the tire and rubber industry, along with sage advice from two mentors, left Dale with an abiding interest in troubled businesses. He worked for LTV Energy Products in Dallas, covered junk bonds for IDS in Minneapolis, then joined a machine tool company, Giddings & Lewis, in Fond du Lac, Wisconsin. Since then, he has worked on a variety of financing and management projects, one of which took him to Cleveland, where he has stayed.

2011-2012 CFA Institute Research Challenge

The Challenge has concluded, with Thammasat University (Thailand) from the Asia Pacific Region named the overall winner. The Final Four came down to Rutgers University from the New York Region; Stockholm School of Economics from the EMEA Region; Thammasat University from the Asia Pacific Region; and Illinois Institute of Technology from the Americas Region. Congratulation to Northeast Ohio's Walsh University, which reached the Quarterfinal round in New York in early April, competing against 45 other universities of the Americas Region.

Please Join Us

Tuesday, June 12, 2012

Artio Global Management LLC

cordially invites you to a

Dinner Presentation

featuring

Brett Gallagher

Deputy Chief Investment Officer, Senior Portfolio Manager
International Equities

and

Tim Devlin

Portfolio Strategist
US Equities

RSVP by June 5

carolyn.buntic@artioglobal.com
212 297 3666

6:00 - 8:00 pm

Mitchell's Fish Market
28601 Chagrin Boulevard
Woodmere, OH

Parking tickets will be validated by your server.



Artio Global Investors

Must be preceded or accompanied by a [prospectus](#).

Mutual fund investing involves risk. Principal loss is possible.

Artio Global Investors Inc. is the indirect holding company for the Artio Global Management LLC, the Adviser for the Artio Global Funds which are distributed by Quasar Distributors, LLC