

1990



*The Rochester
Society of Security Analysts, Inc.
Rochester, New York*

ANNUAL REPORT TO MEMBERS

July 1, 1989 - June 30, 1990

Founded - 1955

Affiliated F.A.F. - 1955

Affiliated A.I.M.R. - 1990

Incorporated - 1970

ANNUAL REPORT OF THE
ROCHESTER SOCIETY OF SECURITY ANALYSTS, INC.
FOR THE YEAR JULY 1, 1989 - JUNE 30, 1990

On behalf of the Board of Directors, I am pleased to submit to members the 1990 Annual Report for the Rochester Society of Security Analysts, Inc. (RSSA).

STATEMENT OF MISSION

The Rochester Society of Security Analysts, Inc. charter is to represent those area professionals involved in any aspect of investment management or investment research through our status as an affiliated Society with the Financial Analysts Federation (FAF), a subsidiary of the Association for Investment Management and Research (AIMR). These responsibilities include insuring our representation in investment matters of national importance, including securities industry regulation at both the State and National level. Further, the RSSA provides its members with quality programs designed to further enhance the knowledge and investment skills of our membership. In the area of education, the RSSA provides coordination and assistance to those individuals seeking to earn the professional designation of Chartered Financial Analyst (CFA) from the Institute of Chartered Financial Analysts (ICFA), the other major subsidiary of AIMR.

PROGRAMS

The past year of RSSA programs continued our long tradition of providing members with presentations designed to enhance our investment knowledge base. The programs are organized based on both input from the full Board of Directors and members seeking increased exposure to specific corporate or industry presentations.

The Society sponsored 18 programs, comprised of 15 Corporate presentations, 2 industry analysts programs, and the FAF video conference on the topic of performance measurement. In addition, the members of the RSSA were invited to attend a Rochester Rotary Club presentation by Martha Seger, member of the Board of Governors of the Federal Reserve.

The most demanding position on our Board is that of Program Chairman. The effort required to set up a presentation includes: communication with the presenting organization, booking the restaurant facility, communicating with members and insuring the availability of the necessary audio/video equipment. This year we were very grateful for the services of Robert Shaw as Program Chairman and Jack McGowan as Assistant Program Chair and we thank both of them for their outstanding contributions.

I would like to note that the 3 non-corporate presentations each count as 1 hour toward the CFA accreditation program. The "footnotes" to this report include a full list of the programs for your reference (see Appendix A).

PROFESSIONAL MEMBERSHIP

Membership totals for the past three years have been as follows:

<u>Membership Type*</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>
Regular	68	65	61
Affiliate	34	27	37
Retired	5	8	9
Non-Primary	<u>0</u>	<u>1</u>	<u>1</u>
	107	101	108

*Excludes "Luncheon Members"

The Society encourages all investment professionals to join and take an active role in the organization. Each member should make an effort to inform new employees of the RSSA and encourage them to join and participate.

FINANCES

The Society continued its trend of improved operating results during the fiscal year. The year end cash balance was \$11,217.15, an increase of \$1,966.92. As a result of our strong financial condition, there will be no increase in dues or luncheon cost during the upcoming fiscal year. The Treasurers' financial report for the 1990 fiscal year is included as Appendix "B".

NATIONAL MATTERS

The merger of the ICFA and FAF into a holding company structure was approved by a vote of both memberships and resulted in the formation of the Association for Investment Management and Research (AIMR) as of January 1, 1990. Extensive debate by numerous societies, including Rochester, resulted in a corporate governance structure that insures adequate representation at the individual society level. AIMR has formed six Regional Presidents' Councils that meet twice each year with officials of AIMR in an effort to insure direct, two-way communication of important issues with our national representatives. Further, each Region was authorized by AIMR to elect a member each year to the FAF Board. This individual is thus charged with acting as the official liaison between AIMR/FAF and the member Societies in their respective regions. Rochester is a member of the Eastern Region, which includes Baltimore, Boston, Hartford, Philadelphia, Pittsburgh, Providence and Wilmington.

Rochester is especially proud to have had two members, Terrence C. Finegan, CFA and Robert Shaw, CFA, who were selected by the nominating committee formed by the Eastern Region Presidents, as final candidates to fill this important FAF Board seat. Although neither was selected as the individual that will represent our Region, the fact that Rochester had two of the ten candidates in contention is a significant accomplishment. Further, it speaks for the distinguished professional and academic careers of both candidates, and the Board of the RSSA thanks and congratulates each of them.

EDUCATION/CFA PROGRAM

The RSSA is pleased to congratulate and welcome Thomas Bartlett, Edward Lipski, John McGowan, Jr., Edward Shill II and Judith Sweet as new CFA's (1989 Exam). There are approximately 35 individuals in the Rochester region enrolled in the CFA program. Kevin Gavagan, RSSA Director and education coordinator will contact all those sitting for the 1991 CFA exams to inform them of other individuals taking the same exam. This information will allow them to contact others taking the same exam in order to establish study teams or groups.

STUDENT MEMBERSHIP AND SCHOLARSHIP PROGRAM

The Board has approved a new membership category for matriculated business students with interest in a career in investment management or research. Area colleges with accredited business programs will be notified this fall of our new student membership. Students will be allowed to join for reduced annual local dues of \$25.00 and can attend luncheon presentations at a subsidized cost of \$5.00. The benefit to the student from such real business life exposure is obvious. The benefit to the members will accrue as we observe exceptional students that may be candidates for employment opportunities in the local investment community.

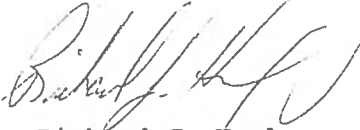
In addition to the student membership, the Board has approved a scholarship program that will be offered in the spring of 1991. The Board will award three \$500 scholarships, one each to a matriculated business student attending RIT, U of R and St. John Fisher College. The winner from each institution will be selected by a scholarship committee from the Board who will evaluate the two students nominated by the faculty of each school. The recipient will also receive a one year student membership and may attend any of our programs at no cost. The scholarship committee will select the winners based upon academic achievement and the proven desire to work in our profession. The cost of the scholarship program is being funded by a nominal assessment that has been instituted against each company presenting to the Society.

SUMMARY

I have appended a list of officers and directors who served the 1989-1990 fiscal year as well as a list of officers and directors for the 1990-1991 year. I would like to thank each of our Board members for their committed service and dedication. On a personal note I would like to thank each of our members for the honor you have done me by asking that I serve as President over the past two years. It has been a valuable experience and I thank you for giving me the opportunity.

It is a pleasure for me to turn the reins over to Bob Shaw who will serve as our President for the 1991 fiscal year. Bob is making his second tour as Board member and now president and I wish him well. On a final note, I would like to remind you that this is your Society. Please contact Bob Shaw, myself, or any Director with any input regarding programs, national affairs or the management of the Society.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Richard J. Huxley".

Richard J. Huxley
President

RJH/jmg

Enclosures

APPENDIX A

RSSA
1989-1990 Program

<u>Date</u>	<u>Company</u>	<u>Speaker</u>
7/12/89	AT & T	Roseanne Antonucci, Financial Vice President
10/04/89	Ameritech	Richard Pelkie, Dir. Investor Relations
10/18/89	Dean Witter	Craig Fanning, Electrical Equip. Analyst
10/25/89	Detection Systems	Karl H. Kostusiak, President
10/25/89	Varicare	Robert H. Hurlbut, President
11/08/89	Salomon Bros.	Robert Uhl, Pharmaceutical Analyst
11/14/89	ACC	Mr. Richard Aab, Chairman/CEO
12/12/89	FAF Video Conference	"Performance Measurement: Setting the Standards, Interpreting the Numbers."
1/17/90	Moscom	Albert J. Montevecchio, Chairman/President/CEO
2/21/90	Morrison	Eugene E. Bishop, Chairman/CEO
3/06/90	Cooper Tire	Ivan Gore, Chairman/CEO Alec Reinhardt, VP/CFO
3/14/90	Fedders Corp.	Barbara VanBlarcum, Dir. Investor Relations
3/30/90	RCSB	Leonard Simon, Chairman/CEO Edward Pettinella, CFO
4/10/90	H.J. Heinz Co.	John Mazur, Dir. Investor Relations
5/01/90	Becton Dickenson	Ron Jasper, Dir. Investor Relations
5/08/90	Park Communications	Roy Park, Chairman
5/30/90	National Fuel Gas	Joseph Pawlowski, Treasurer Donna DeCarolis, Dir. Investor Relations
6/14/90	Bausch & Lomb	Daniel Gill, Chairman/CEO



APPENDIX B

The Rochester
Society of Security Analysts, Inc.
Rochester, New York

Treasurer's Report -- Fiscal Year 7/01/89 to 6/30/90

Balance forward July 1, 1989

\$9,250.23

Receipts:

Membership Dues	\$ 5,186.00
Luncheon	4,046.00
Bank Interest	<u>187.72</u>
Total	\$ 9,419.72

Disbursements:

Dues to AIMR	\$ 915.00
Luncheon	4,149.99
Mailing, Postage, Printing	1,183.75
AIMR Liason/Travel	904.06
Legal Services (by-laws)	<u>300.00</u>
Total	\$ 7,452.80

Balance June 30, 1990

\$11,217.15

Bank Accounts:

Chase Lincoln First Bank (checking)	\$ 6,217.15
Central Trust (C.D.)	<u>5,000.00</u>
Total	\$11,217.15

Respectfully submitted:

Kevin P. Gavagan
Kevin P. Gavagan, CFA
Treasurer

APPENDIX C

Rochester Society of Security Analysts, Inc.

1989 - 1990 BOARD MEMBERS

Mr. Richard J. Huxley
Clover Capital Management, Inc.
11 Tobey Village Office Park
Pittsford, NY 14534

President 385-6090
Fax # 385-9068

Mr. Robert H. Shaw
Chase Lincoln First Bank, N.A.
P.O. Box 1412
Rochester, NY 14603

CFA, Vice President &
Program Chair 258-5124
Fax # (notify first) 258-7525

Mr. John B. McGowan, Jr.
Norstar Investment Advisory Svcs.
45 East Avenue
Rochester, NY 14604

Vice President &
Program Chair 423-1900
Fax # 423-9555

Mr. Kevin Gavagan
QC Investments
46 Prince Street
Rochester, NY 14607

Treasurer/
Education Director 461-9130
Fax 461-2659

Mr. Samuel R. King
Howe & Rusling, Inc.
120 East Avenue
Rochester, NY 14604

Secretary

325-4140
Fax # 325-7361

Ms. Jacqueline Alten
Norstar Investment Advisory Svcs.
45 East Avenue
Rochester, NY 14604

Director 546-9284
Fax # 423-9555
Membership

Mr. Jack Anderson
Howe & Rusling, Inc.
120 East Avenue
Rochester, NY 14604

CFA, Director 325-4140
Fax # 325-7361

Mr. Fred Armbruster
Armbruster Investment Mgmt.
1172 Sibley Tower Building
Rochester, NY 14604

Director 423-5990

Mr. A. Duff Lewis
Eastman Kodak Company
343 State Street
Rochester, NY 14650

Director 724-1099
Fax # 724-9088

APPENDIX D

Rochester Society of Security Analysts, Inc.

1990 - 1991 BOARD MEMBERS

Officers:

Mr. Robert H. Shaw
Chase Lincoln First Bank, N.A.
P.O. Box 1412
Rochester, NY 14603

CFA, President &
AIMR/CFA Liaison 258-5124
Fax # (notify first) 258-7525

Mr. John B. McGowan, Jr.
Clover Capital Management, Inc.
11 Tobey Village Office Park
Pittsford, NY 14534

CFA, Vice President &
Program Chair 385-6090
Fax # 385-9068

Mr. Kevin P. Gavagan
QC Investments
46 Prince Street
Rochester, NY 14607

CFA, Treasurer &
Education Chair 461-9130
Fax # 461-2659

Mr. Samuel R. King
Howe & Rusling, Inc.
120 East Avenue
Rochester, NY 14604

Secretary 325-4140
Fax # 325-7361

Other Board Members:

Mr. Jack L. Anderson
Howe & Rusling, Inc.
120 East Avenue
Rochester, NY 14604

Director 325-4140
Fax # 325-7361

Mr. Richard J. Huxley
Clover Capital Management, Inc.
11 Tobey Village Office Park
Pittsford, NY 14534

Director &
Scholarship Chair 385-6090
Fax # 385-9068

Mr. Glenn C. Jordan
Trust Investment
Central Trust Co.
44 Exchange Street
Rochester, NY 14692

Director 546-4500 Ext. 3235
Fax # 546-7208

Mr. David F. Khalil
Chase Lincoln First Capital Advis.
One Lincoln First Square, Tower 6
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CFA, Director 258-4486
Fax # 258-7526

Mr. Edward H. Shill, II
Norstar Investment Advisory Svcs.
45 East Avenue
Rochester, NY 14604

CFA, Director &
Membership Chair 423-1900
Fax # 423-9555