

**Association for Investment Management and Research**

**BOARD OF GOVERNORS**

**MEETING MINUTES**

**9 April 2003**

**Via Conference Call**

Notice: 24 February 2003

Governors Present: Robert E. Angelica, CFA  
Theodore R. Aronson, CFA  
Thomas A. Bowman, CFA  
Dwight D. Churchill, CFA  
Jeffrey J. Diermeier, CFA  
Vincent Duhamel, CFA  
Denise M. Farkas, CFA  
Emilio Gonzalez, CFA  
Monique E.M. Gravel, CFA  
Amaury Jordan, CFA  
Yoshiharu Okazaki, CFA  
George W. Noyes, CFA  
John C. Stannard, CFA  
Malcolm M. Trevillian, CFA  
Donald W. Trotter, CFA

Governors Absent: Frank C. Dohn, CFA  
Khalid Ghayur, CFA  
Cheryl-Ann E. Lister, CFA  
Janet T. Miller, CFA  
Philippe A. Sarasin, CFA

Also Present: Raymond J. DeAngelo, Senior Vice President, Stakeholder  
Services and Global Relations, AIMR  
Joseph P. Lange, Corporate Secretary, Office of General Counsel,  
AIMR  
William P. McKeithan, Senior Vice President and General  
Counsel, AIMR  
Timothy G. McLaughlin, Senior Vice President and Chief  
Financial Officer, AIMR  
Patricia D. Walters, CFA, Senior Vice President, Professional  
Standards and Advocacy, AIMR

Materials

Distributed

Prior to Meeting: Notice of Meeting  
7-8 February 2003 Board Meeting Minutes  
New Language for Hansberger Award  
CFA Examination Committee Members  
Requests for Proposals Policy  
Disciplinary Statistics  
50-Mile Policy and Transparency  
Candidate Count & Financial Results Implications Memo

Attachment: Requirement to Apply for Society Membership Transparency

Chair: Dwight D. Churchill, CFA

Meeting Secretary: Joseph P. Lange

### **Meeting Minutes**

The meeting minutes of 7 and 8 February 2003 were unanimously approved by the Board.

### **New Language for Hansberger Award**

ERVIC developed and approved clarifying language to the title and description of the Hansberger award to better articulate the spirit of the award. The following resolution was passed unanimously.

RESOLVED, that the AIMR Board of Governors accept and approve the new language for the Hansberger Award substantially in the form as presented below.

The Thomas L. Hansberger Award for Leadership in the Global Investment Profession is presented periodically to an individual who has made an outstanding contribution to AIMR or to the profession globally through one or more of the following activities: enhancing education to expand the Body of Knowledge; furthering the dissemination of investment knowledge and experiences on a global basis; harmonizing worldwide regulatory or professional conduct standards; fostering cooperation among worldwide professional investment organizations and their members; and promoting the integration and openness of capital markets worldwide.

### **CFA Examination Committee Members**

The Board discussed the development and noted that the purpose of the CFA Examination Committee was to have an independent third-party to analyze exam data. The Board had already approved Frank K. Reilly, CFA, to serve as the Committee's chair. To serve on the Committee, an individual had to be familiar with the Council of Examiners or the Candidate Curriculum Committee. The Board emphasized that it was important to maintain continuity with regards to Committee members. The following resolution was passed unanimously.

RESOLVED, that the AIMR Board of Governors accept and approve the following members to serve on the CFA Examination Committee:

Alida Carcano, CFA;  
Catherine Clark, CFA;  
Michael L. McCowin, CFA, and

I. Rossa O'Reilly, CFA.

### **Requests for Proposals Policy**

Background on the RFP Policy was provided to the Board. The purpose for the policy was to adhere to best practice on the subject matter by establishing formal guidelines with regards to RFPs on major vendor relationships. This policy would apply to all AIMR contracts of \$100,000 and above. AIMR management explained that a policy had already been in place and followed for some time and that the workload on staff would not be increased substantially. The following resolution was passed unanimously.

RESOLVED, that the AIMR Board of Governors accept and approve the RFP Policy substantially in the form as presented at this meeting.

### **Disciplinary Review Committee Enforcement Statistics**

The Board was provided an overview of DRC statistics. A discussion followed with regards to AIMR staff and DRC resources. It was stated that the DRC approved of the greater transparency of its activities. The Board was requested to provide feedback on the form and content of the statistics presented.

### **Requirement to Apply for Society Membership/50-Mile Rule**

The current proposal to institute a language change with regards to the requirement to apply for society membership was presented to the Board. (See attachment) It was noted that the President Council Representatives had approved of the language change. To be awarded the CFA charter an individual would be required to apply for society membership regardless of their location. Due to the fact that societies are not homogeneous across the board, individuals could choose any society of their choice to apply too. It was emphasized that the AIMR bylaws do not require individuals seeking the charter to join a society. In addition, it was stated that the Board should be mindful of society involvement in membership issues so as not to inadvertently cause inconsistency in applying the criteria from society to society.

RESOLVED, that the AIMR Board of Governors accept and approve language clarifications to the requirement to apply for society membership as a condition for award of the CFA charter substantially in the form as presented at this meeting.

### **Update Candidate Count/Financial Impact Report**

The Board was informed that the decline in new candidate registrations would have an impact on the projected budget. AIMR management had pulled discretionary spending and was currently reviewing all ongoing projects. A detailed report on the budget implications would be presented to the Performance Oversight and Audit Committee at the May meeting.

AIMR Board Meeting Minutes

9 April 2003

Page 4

A discussion ensued regarding the reason for the decline in new candidate registrations. Possible explanations were that AIMR had recently changed its registration structure from a five tier to a three tier pricing format and the possible candidate cannibalization to the December exam, as well as the struggling economy.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Joseph P. Lange  
Corporate Secretary

BOG Meeting Minutes 9 4 03.doc

**Requirement to Apply for Society Membership Transparency**

While the exact language to be used in clarifying the joining requirement maybe modified somewhat when finally printed, the intent is to introduce in the membership application form a lead-in paragraph along the following lines:

To be awarded the CFA charter you must join AIMR. Your active membership in AIMR Societies/Chapter is an important part of continuing advancement in your profession. To be awarded your CFA charter, you also must apply for membership in an AIMR Society/Chapter of your choice.

In addition, the language describing the requirement to apply for society membership would be modified along the following lines wherever it appears:

Upon passing the Level III examination, candidates who wish to earn the CFA charter must first join AIMR by applying for membership and having AIMR accept the membership application. Your active membership in AIMR Societies/Chapter is an important part of continuing advancement in your profession. To be awarded your CFA charter you also must apply for membership in an AIMR Society/Chapter of your choice. When enrolling for Level III, AIMR strongly urges you to apply for membership in AIMR and an AIMR Member Society or Chapter so that your charter will not be delayed after you pass the Level III examination. You will find more information on AIMR membership on the AIMR website at [www.aimr.org](http://www.aimr.org).