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Minutes of FER Annual Meeting Skamania Lodge, Columbia River Gorge, Washington July 18-20, 2009

The 17th annual meeting of the Financial Economists Roundtable was held at the Skamania Lodge above the Columbia River Gorge, Washington with a reception and dinner beginning on July 18 and the meeting extending from Sunday morning through Monday noon.

The general meeting was preceded by a meeting of the Steering Committee. Five persons had been invited to join FER this year. Jennifer Conrad (UNC), Jan Krahn (Goethe University), Jean-Charles Rochet (Toulouse), and Peter Tufano (Harvard) accepted. Unfortunately, Ray Ball (Chicago) declined because of a recurring July commitment that would make it impossible for him to attend the annual meeting.

Kaufman reviewed the finances which are little changed at \$13,500. This is the accumulated amount of the one-time dues paid by members over the years and has been used to pay minor incidental expenses at the annual meeting. (Administrative costs, which had been absorbed by Loyola University, will now be absorbed by the Wharton Financial Institutions Center.) While this total has been relatively steady, it was determined that it would not be an adequate buffer in the event there was a shortfall in the guaranteed attendance of a size similar in magnitude to that experienced during 2009. Most hotels demand that we guarantee a certain number of rooms long before we know how many members will actually attend. This year we were able to finesse the problem because the travel agent was able to monitor the available inventory and declined to sign the contract until the week before the meeting, when we knew that we would have fewer than the normal 25-30 members in attendance. But in a tighter market, we would not have been able to protect the fund in that way. Consequently, the Executive Committee recommended and the participants at the meeting agreed to raise the initial one-time dues to \$200 and to impose the \$200 fee on readmitted members in order to increase the size of the buffer.

Herring reported on his investigation of the costs and benefits of applying for 501(3) (c) status. The informal advice he received from a number of lawyers and tax advisers was that unless the group was likely to receive a substantial donation or bequest, the transactions costs of obtaining and maintaining 501 (3) (c) status could not be justified by the benefits. Moreover, in the event that a donation or bequest seemed likely, 501 (3) (c) status could be achieved relatively quickly.

The members expressed their gratitude to Lemma Senbett and Franklin Edwards for their service on the Executive and Steering Committees and elected Chester Spatt and Hans Stoll to the Steering Committee and Charles Goodhart to the Executive Committee.

The committee also voted to adopt a new logo which can be seen in the top left corner of this report. Following the longstanding tradition of alternating annual meetings between the east and west coasts, the steering committee recommended that Herring investigate both Quebec and Newport, Rhode Island. The dates for the 2010 meeting will be late Saturday afternoon to early Monday afternoon, July 17-19.

In recognition of George Kaufman's remarkable leadership in founding and guiding FER for 16 years, he was presented with a bound volume titled, *The Financial Economists Roundtable, 1993-2005, The Kaufman Years*, which contains all the statements, minutes of meetings, the by-laws, a list of all FER members and George's vita. Kaufman received a standing ovation from the attendees for his invaluable contributions to FER. Members may download a copy of the volume from <http://fic.wharton.upenn.edu/fic/Policy%20page/FER.htm>.

Herring, Edwards and Scott briefly updated participants on the last three policy statements adopted. Spatt (chair), Duffie and Kyle led a discussion on the 2009 topic, "Policy Issues Concerning OTC Derivatives." The Discussion Leaders are also serving as the Drafting Committee for a policy statement based on the discussion during the meeting. According to FER procedures, the Drafting Committee will circulate a draft to all attendees for comments. The Drafting Committee will then revise the statement in light of comments from the attendees. The revised statement will then be submitted to attendees for approval. If a majority of the attendees agree to sign the statement, it will become an official FER statement and will be sent to those who were unable to attend, who may also wish to sign. The approved statement will then be released publicly along with the names of the FER members who have endorsed it.