

LETTER FROM THE PRESIDENT

Happy New Year!

I hope this note finds you surrounded by great holiday memories and ready to take charge of successes in 2012! FEI certainly gave a proper salute to 2011 with our December dinner meeting. The speaker (Steph Sonnabend—page 5), the select giveaways, and the company (photo gallery—page 4) certainly contributed to a festive, memorable evening! We have many more programs in store for this remaining FEI season. Take a peek at the “Save The Date” section on the right of this page. And just a reminder to update your FEI profile. We want to make sure you have every opportunity to network with your fellow FEI members. Contact us at chapadmin@feiboston.org if you need help.

Make it a New Year’s Resolution to take full advantage of all your FEI benefits. I hope to see you at one of our events this month.

Happy, Healthy & Prosperous 2012!

Sharon Merrill
President, FEI Boston



ABOUT OUR SPEAKER

Mr. Galligan is Executive Chairman of the Board of Directors of Papa Gino's Holdings Corp. (PGHC). PGHC operates 350 restaurants under the Papa Gino's Pizzeria and D'Angelo Grilled Sandwiches brands and has over 5,000 employees. These two leading brands serve over 25 million guests per year throughout New England. Mr. Galligan served as Chairman, President and Chief Executive Officer of Papa Gino's Holdings Corp. from February 1997 until October 2008 and Chairman and Chief Executive Officer until March 2009 when he was appointed Executive Chairman. Prior to joining PGHC in March 1995 as Executive Vice President, Mr. Galligan was President and Chief Operating Officer and, previously, Executive Vice President at Morse Shoe, Inc. Mr. Galligan



(Continued on page 3)

this issue

| | |
|---------------------------|-----|
| Letter from the President | P.1 |
| About Our Speaker | P.1 |
| Partners Corner | P.2 |
| Officers & Directors | P.2 |
| Spotlight on Members | P.3 |
| Chapter Partners | P.4 |
| What You Missed | P.5 |
| Helpful Links | P.5 |
| Upcoming Meeting & Events | P.6 |
| Committee News | P.6 |

SAVE THE DATES

January 18, 2012

PD—Annual Accounting Update

Dinner Mtg —Tom Galligan,
President & CEO, Papa Gino's

February 8, 2012

PD—Revenue Recognition

Dinner Mtg —Leo Meehan,
President & CEO, W.B. Mason

March 13, 2012

Career Services
Interviewing Techniques

March 21, 2012

PD -Establish Int'l Ops, FCPA Issues

Dinner Mtg—Carole Charnow
President & CEO
Boston Children's Museum

March 30, 2012

PD B'fast —Latest Trends
In Executive Compensation

PARTNERS CORNER

Accounting Boards' Proposals on Revenue Recognition to Affect When Entities Can Recognize Revenue

Submitted By
FEI Partner—Ernst & Young

In November, The International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB) released revised proposals that will bring significant changes to when companies record their revenue, particularly for those that provide multiple goods or services in a single contract.

Ernst & Young's Global IFRS Services Leader, Ruth Picker says: "We welcome the Boards' objective to create a single revenue model under both IFRS and US GAAP as this will promote consistent accounting for revenue recognition and increase comparability and transparency for stakeholders. Finalizing the revenue recognition standard has been one of the key focuses of convergence on accounting standards for the Boards in recent months."

In June 2010, the Boards issued the first proposal for a single revenue model for both IFRS and US GAAP. Some constituents raised concerns about the timing of revenue recognition and the practicality of some of the requirements in that proposal. Industries that would have been significantly impacted include entities in the telecommunications industry, real estate sales and construction industry (including construction of real property, infrastructure, and other specialized and customized plants and equipment).

Ruth Picker comments: "The Boards have tried to address concerns raised by respondents regarding the timing of revenue recognition for goods or services satisfied over time, for example, off-plan real estate sales. In this revised proposal, the Boards have developed additional guidance to assist companies in determining when goods or services are transferred over time. Some construction companies in certain jurisdictions may be able to recognize revenue over the construction period which would be consistent with current practice. However, when and how much revenue is reported may still be significantly impacted for many entities. For example, companies in the telecommunications industry that provide free or subsidized handsets together with air time contracts may need to recognize more revenue upfront."

Despite the revisions made by the Boards to address respondents' concerns, the revised proposals may still challenge existing practice. The proposals would require the use of greater judgment and estimates compared to current practice, for example, when identifying performance obligations in a contract and estimating stand-alone selling prices of goods or services when they are not typically sold separately. As originally proposed, entities would need to provide significantly more disclosures, for example, disaggregated revenue, than is currently required. Key metrics may also change, for example, the presentation of bad debts as a contra revenue line instead of part of operating expenses as it is currently presented would result in a lower gross margin amount.

Ruth Picker says: "The reissue of the proposals will provide constituents an opportunity to re-evaluate the revised model – sufficient feedback is an essential process to develop a standard that is durable and serves all stakeholders. Given the expected impact of the changes it is important that all entities assess how they will be affected and provide comments to the IASB and FASB."

About Ernst & Young

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For more information about our Ernst & Young, please visit www.ey.com.

LEARN MORE!

SAVE THE DATE

FEI and Ernst & Young
to sponsor

Revenue Recognition Seminar

February 8, 2012

3:30pm-5:00pm

Program will feature key provisions of the new proposals & other trends in Revenue Recognition.

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NEW PARTNER—FEI WELCOMES MERCER!

FEI Boston is very proud to welcome our newest Partner this year— Mercer! Mercer is the global leader for trusted HR and related financial advice, products and services. In their work with clients, they make a positive impact on the world every day. They do this by enhancing the financial and retirement security, health, productivity and employment relationships of the global workforce. Mercer has more than 19,000 employees serving clients in over 180 cities and 40 countries and territories worldwide. As a wholly owned subsidiary of Marsh & McLennan Companies, Inc., they can also provide access to the complementary services of their sibling companies, Marsh, Guy Carpenter and Oliver Wyman. We certainly look forward to a mutually beneficial relationship. Welcome Aboard Mercer!

NEW FEI MEMBERS!

FEI Boston would like to extend a warm welcome to our new members who joined us since November 2011:

RICHARD FEDOROWICH

JILL HOPKINS

Controller

Illinois Tool Works, Inc.

WILLIAM SCHULZE

Controller

PC Connections, Inc.

*For more information, contact
Bernie Walsh, Senior Partner*

617.747.9383

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Spotlight on FEI Members

BILL SCHAFFRATH



Bill Schaffrath joined FEI in late 2010 as a reward for landing his current job as **Director of Internal Controls** at **Vertex Pharmaceuticals, Inc.** in Cambridge, MA. He was first introduced to FEI a number of years ago during a job transition and has taken full advantage of Career Services ever since. Bill has learned that building a business network is critical to success and credits FEI for helping aid him with this. Bill's business network still includes his original Career Services contacts.

Bill joined Vertex as it prepared to launch its first commercial drug to treat hepatitis C. The transformation of a research and development organization to a commercial company has been very exciting and rewarding. The drug was successfully launched in May 2011.

Bill and his wife, Diane, live in Dover, MA. His two children (Morgan and Jon) also live in the Boston area. He enjoys telling the story that his son knew Gorham Brigham (from The Country Club and HBS) first which allowed Bill to introduce himself to Gorham as "Jon's Dad." Bill enjoys traveling, history and more recently genealogy. Most mornings, he's at the Boston Sports Club in Wellesley trying to keep in shape and can always use additional inspiration.

SUE GORMAN



Congrats to Sue Gorman! Sue was recently named **Interim President** at the **New England School of Acupuncture (NESA)**

after having served as its Executive Dean & Chief Operating Officer for 2 1/2 years. NESA is a graduate school located in Newton, MA and is one of the founding schools of acupuncture and Oriental medicine in the US. NESA also houses an acupuncture clinic which performs thousands of painless acupuncture treatments each year.

A big proponent of acupuncture herself, Sue highly recommends acupuncture for stress relief, pain relief, and over all well-being! In her spare time, Sue has returned to the FEI Boston Board as this year's Secretary. She is also an active Board Member for Girls Incorporated of Lynn and for Bentley University's, Bentley Executive Club (BEC).

ABOUT OUR SPEAKER

(Continued from page 1)

was associated with PepsiCo, Inc. for 8 years as Chief Financial Officer of its PepsiCo International and Pepsi Cola Bottling Group divisions.

Mr. Galligan is Chairman of the Board of Directors at Town Sports International and a Director of Bay State Milling Company, Dental Services of Massachusetts, H&E Equipment Services, Inc., MooBella, Inc., the Massachusetts Restaurant Association (former Chairman) and the Boston College Carroll School of Management Advisory Board. Mr. Galligan has been actively involved with Easter Seals of Massachusetts and The Genesis Fund for the National Birth Defects Center for over a decade. Mr. Galligan served in the U.S. Army from 1966 to 1969 in the U.S., Germany and Vietnam where he was awarded the Bronze Star and Purple Heart. Mr. Galligan holds a BS Degree from Boston College and an MBA from Harvard University's Graduate School of Business.

Mr. Galligan has 30 years of experience building businesses, initiating strategic acquisitions, managing turnarounds, and implementing financial and operational reengineering, with a focus on brand positioning and long range planning. Mr. Galligan's career has been in the consumer products and retail environment operating geographically dispersed multi-unit locations. He also has been actively involved with corporate transactions for public and private companies. As a director of other public and private companies, Mr. Galligan has chaired and served on audit, compensation, strategic planning, and corporate governance committees.

Mr. Galligan is married to Dr. Ann Galligan, a child psychotherapist, and they have four grown children.

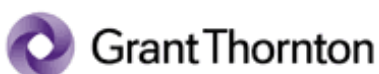
DECEMBER SNAPSHOTS! *Members, Partners & Guests at the FEI Boston Dinner Meeting—Dec 14th.*



WHO'S WHO
 (Top L-R) Perry Morton, Steph Sonnabend, John Auth, Kim Gazzola, Ed Levine, Sharon Merrill, Mike Papile, Ed Maguire, Ed Wallack
 (Middle L-R) Tim Myllykangas, Mark Livuzzo, Mitch Jacoby, Kellie Jacques, Will Andronico, Jay Adams
 (Bottom L-R) Jim Andersen, Sue Gorman, Jeanette Blalock, Alan Cody, Janine Salyards, Mark Livuzzo, Joe Rossi



FEI Boston thanks our Chapter Partners for their generous support!



WHAT YOU MISSED...

DECEMBER KEYNOTE SPEAKER—STEPHANIE SONNABEND

At our December Dinner meeting we were privileged to have our guest speaker Stephanie Sonnabend, CEO of Sonesta International Hotel Corporation educate us about the construct of the Company. Surprisingly, we were all stunned by the number of Hotels the company has in the US and the strongest concentration of Sonesta market share existed in Egypt.

Stephanie then turned the focus of the discussion of how the company expanded it's market presence and is now being led by 3 generations of Sonnabends. Two major factors that helped accelerate the business was passion for the business and large business experience gained outside the Sonesta. Anyone that has worked in a family business was able to relate to Stephanie's points on the stress of managing a business, while meeting the expectations of the family shareholders.

Finally Stephanie discussed her latest passion, 2020 Women on Boards. The goal of this foundation is to increase the percentage of women on U.S. company boards to 20% by the year 2020. Stephanie pointed out that it's not hard to find qualified women to serve on corporate boards, but sometimes you have to be committed to looking beyond the traditional board criteria: C title, white and male. Also interestingly enough, Massachusetts Fortune 1000 companies had a better percentage of women on board (16%) than that of the national average of 11%. Advancing women to positions of leadership is smart business as it provides:

- Diversity of Thought
- Stakeholder Representation
- Competitive Advantage
- Availability of Essential Skills

To learn more about this foundation go to www.2020wob.com/learn.

JANUARY PROFESSIONAL DEVELOPMENT ANNUAL ACCOUNTING & AUDIT UPDATE JANUARY 18TH, 3:30PM-5:30PM

Hosted By

Grant Thornton's Panel of Experts



William D. Hilderbrand, CPA
Nat'l Prof Standards Group
Managing Director



David Lewandoski, CPA
Audit Partner



Douglas Reynolds, CPA
Nat'l Prof Standards Group
Partner

Significant changes continue to affect accounting and auditing in the USA. The seminar will highlight FASB's projects including guidance on impairment testing and other topics. FASB has been very busy working with the IASB on convergence of accounting standards. Exposure drafts have been issued on accounting for leases and revenue recognition and there is ongoing work on insurance contracts and financial instruments. The SEC is expected to announce in early 2012 its view on IFRS and how it is implemented in the USA for public companies. We will comment on recent trends in SEC Comment letters. For private companies, we will update you on the ongoing debate over which organization will issue private company GAAP.

The seminar will update activities at the PCAOB. They have been busy too and have proposals outstanding or in the pipeline that will impact audits of public companies. How will European efforts to regularly rotate auditors impact the PCAOB?

Lastly we will update attendees on AICPA and other international projects. And, of course, plenty of time for participant questions! Register now at boston.financialexecutives.org.

Other Helpful Links:

[FEI National FERF](#)

[FEI Boston Career Center](#)

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[Meetings and Events](#)

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FEI BOSTON EVENTS AT-A-GLANCE

SUNDAY MONDAY TUESDAY WEDNESDAY THURSDAY FRIDAY SATURDAY

JANUARY 2012

| | | | | | | |
|----|----|---|----|--|----|----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 CAREER SERVICES MEET THE CEO 5:30-8:00PM | | 14 |
| 15 | 16 | 18 PD—ANNUAL ACCTG & AUDIT 3:30-5:00PM | | 20 | 21 | |
| 22 | 23 | 25 DINNER- TOM GALLIGAN PAPA GINO'S 5:30-8:00PM | | 26 | 27 | 28 |
| 29 | 30 | | | | | |

FEBRUARY 2012

| | | | | | | |
|----|---|----|---|---|----|--|
| | | | 1 | 2 | 3 | 4 |
| 5 | 7 CAREER SERVICES CFO'S ROLE 6:00-8:00PM | | 8 PD—REVENUE RECOGNITION 3:30-5:00PM | | 10 | 11 |
| 12 | | | | | 17 | 18 DINNER- LEO MEEHAN W.B. MASON 5:30-8:00PM |
| 19 | | | | | 24 | 25 |
| 26 | 27 | 28 | 29 | | | |

COMMITTEE NEWS

ACADEMIC RELATIONS

The Academic Relations Committee is poised to issue in January requests for nominations for its annual scholarship program benefiting college students studying accounting or finance. The committee expects to receive up to 36 nominations from 18 schools from which it is estimated to grant at least 8 scholarships that can be used to offset tuition in their senior year. Those recipients will be recognized at our April 2012 meeting.

COMMUNICATIONS

The Communications Committee is proud to welcome Bill Schaffrath (Director of Internal Controls at Vertex) to the Communications team. We are still looking for help in order to meet the goals of the Chapter. Please contact Joe Rossi, Communications Chair, if you are interested in joining our team at jrossi@plworldwide.com.

Also—Stay tuned for FEI Boston's new and improved LinkedIn account!



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