

FEI San Diego Chapter

Newsletter

President's Corner

Carolynn Winship, SDFEI President

As the 2017-18 President, I am honored to have the opportunity to build on the great foundation we have in SDFEI. Our sincere thanks are extended to Mark Fisher for his leadership of our Chapter as President this past year.



In planning for the year ahead, we reached out to Strategic Partners and Members to gain their insights into how to meet our Goals for increasing member engagement and Chapter growth. You spoke and we listened. Two of the suggestions we heard were to find a new meeting venue and move the SEC Meeting to September. Our new meeting location is the Fairbanks Ranch Country Club. We look forward to seeing you at FRCC for our upcoming meetings, including the SEC Meeting September 21st, 2017.

Looking back over the last few months we have had a very active calendar. Our dinner meeting in April began with a Professional Development Session on "Lease Accounting Standard Changes" presented by Deloitte. This was followed by our dinner speaker Mark Divine, a former Navy Seal. In addition, the night concluded with the presentation of our Student Awards and Scholarships.

Then in May, we presented our SDFEI Salute to Success to SDSU's Football Program. Our keynote speaker was SDSU's Football Head Coach Rocky Long. Great to hear Coach Long share how he's built a successful program. Nice to have a successful Football Team in town.

Thank you to Colleen Harvey, VP of Special Events, for planning and hosting a beer tasting at Karl Strauss Tasting Room and Beer Garden in June. Great venue for networking and learning about beer. A good time was had by all.

Our annual Padres Game was in held in July where the Padres hosted the Mets at Petco Park. Nice to see everyone out at the game. Networking and food were a good distraction while as our Padres came up short. There's always next year.

In August SDFEI held a new Special Event, a Hornblower Cruise and Happy Hour. We thank Globalview Advisors, one of our Strategic Partners, for hosting the event. We may have started a new annual SDFEI Special event.

Once again, I'm looking forward to a dynamic and fun year ahead. Read the rest of this newsletter to see our upcoming events!

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SAVE THESE DATES!

The following meetings will be held at the Fairbanks Ranch Country Club located in Rancho Santa Fe. The Club was founded in 1984 and sits on 274 acres, offering 27 holes of golf. Formerly a private club, it is now part of the Bay Club Properties. More detail to come!

SEPTEMBER 21, 2017
DINNER WITH THE SEC
5:00 – 8:00 pm

OCTOBER 19, 2017
DINNER PROGRAM
5:00 - 8:00 pm

NOVEMBER 16, 2017
DINNER PROGRAM
5:00 – 8:00 pm

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Upcoming Professional Development and Educational Events

Dinner with the SEC September 21, 2017



Mr. Sagar Teotia,
SEC Deputy Chief Accountant

**The much anticipated SDFEI Dinner with SEC will take place on
September 21, 2017!**

We are pleased to welcome the U.S. Securities & Exchange Commission Deputy Chief Accountant, Mr. Sagar Teotia as our featured speaker.

In his current role, Mr. Teotia leads the activities of the office's accounting group which includes consulting with public companies and divisions and offices within the SEC on the application of accounting standards and financial disclosure requirements. Mr. Teotia also serves as an advisor to the Commission on accounting matters while also working closely with private sector bodies such as the Financial Accounting Standards Board (FASB).

Prior to Mr. Teotia joining as Deputy Chief Accountant of the SEC, Mr. Teotia was a Partner at Deloitte in the National Office Accounting Consultation group (Accounting Consultation) in Chicago. In his role in Accounting Consultation, he frequently consulted on accounting and reporting issues related to financial instruments, business combinations, and compensation (stock based and pension).

Make sure to register NOW at FEISDChapter@gmail.com or by calling 619-871-4335. You may also register online at sd.financialexecutives.org



Expanded Valuation Requirements for Financial Reporting

Raymond Rath, ASA, CEIV, CFA
Globalview Advisors LLC

Financial executives and others involved in preparing and reviewing fair value estimates will be impacted by expanded valuation requirements. Valuation challenges leading to the changes include estimating future cash flows, discount rates and other valuation estimates which requires significant judgment; and fair value estimates are typically complex. Beginning in 1998, the SEC raised concerns about fair value estimates prepared for financial reporting (in this case for “in-process” technology valuations). Concerns about the quality of fair value estimates continue.

To improve valuations for financial reporting, a new valuation credential, Certified in Entity and Intangible Valuations (“CEIV”) was released in mid- 2017. Appraisers that meet experience, testing and other requirements are now obtaining the CEIV designation. Released in January 2017, the Mandatory Performance Framework (“MPF”) documents expand the scope of work required. This expansion will impact both appraisers and management of firms that require fair value estimates.

The CEIV credential relates to valuation of businesses, securities interests, intangible assets and certain other items (deferred revenue and inventory) for financial reporting purposes under US GAAP for both public and private companies. The credential requirements reflect the specialized knowledge needed for financial reporting valuations. The CEIV body of knowledge includes accounting guidance, audit standards and technical releases pertaining to fair value estimates. This knowledge is above and beyond the “basic” business valuation body of knowledge. The CEIV also includes CPE and minimum work requirements for recertification and periodic quality Inspections.

The CEIV includes specific performance and documentation requirements. Adherence with these requirements is expected to be a key element for the selection of appraisers and the auditor’s review of the fair value estimate.

The MPF provides specific minimum requirements for “how much” work is necessary to develop supportable and auditable fair value measurements for financial reporting. The MPF is intended to ensure adequate valuation procedures are performed and documented in the work paper file. One area of interest is expanded requirements for assessing prospective financial information. Adherence to the MPF is mandatory for individuals holding the CEIV designation. Adherence to the MPF is considered a best practice for valuations prepared by individuals that do not hold the CEIV designation. Prior to the release of the CEIV and the MPF, the valuation profession has made meaningful advances. Despite these technical advancements, deficiencies observed by regulatory parties suggested that further enhancements are required. The CEIV and MPF significantly “raise the bar” for those performing certain valuations for financial reporting purposes.

For additional information, please contact Ray Rath at (323) 229-9447, rrath@globalviewadvisors.com, or Michael Haghghat at (949) 475-2801, mhaghghat@globalviewadvisors.com.



ABOUT THE AUTHOR

Raymond Rath, ASA, CEIV, CFA, is a Managing Director with Globalview Advisors LLC. Globalview is an independent valuation advisory firm with offices in Irvine, Los Angeles, Boston and London. Ray is a member of the AICPA Investment Companies Task Force that is working on a guide on valuations of portfolio company investments.

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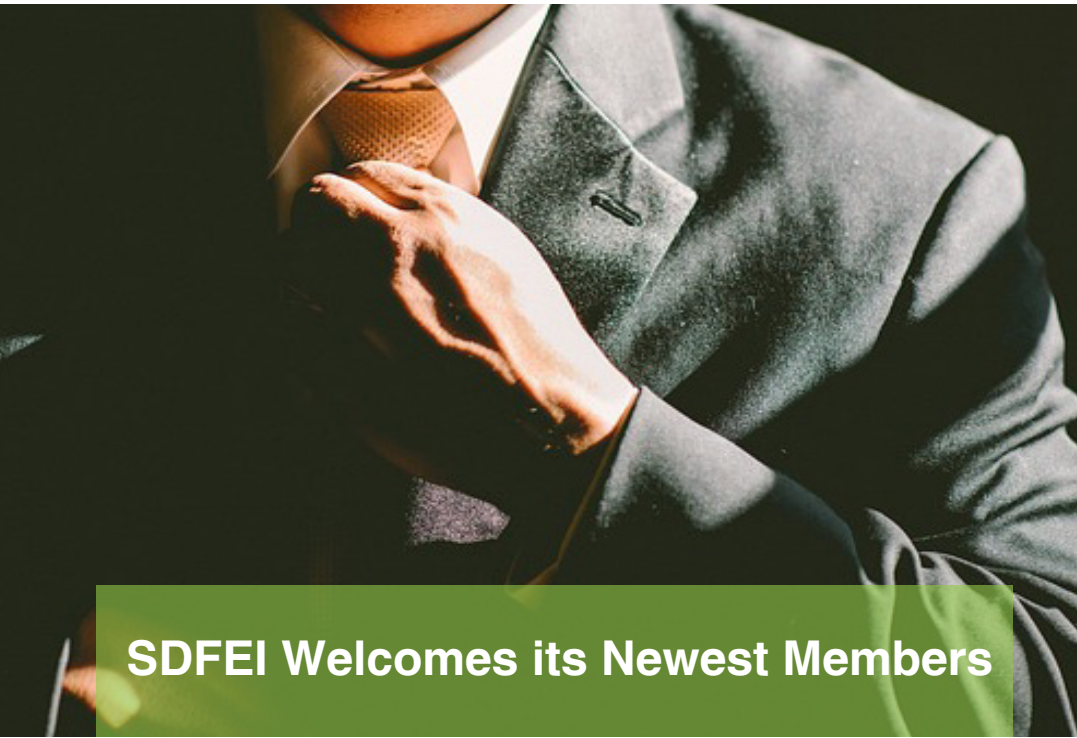
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SDFEI Welcomes its Newest Members



George Donlou
CPA (inactive),
CGMA, is an
accounting and
finance executive
with over 30
years of
experience with

private, equity-backed, and publicly-held companies. Serving as Vice President and Controller of various companies in the energy, clean tech, biotech and services industries George focuses on delivering shareholder value through innovation and rigorous P&L management. Through functional career changes that include 21 years in accounting and finance, 7 years in operations/asset management and 2 years in information technology, George has developed expertise in establishing both financial and administrative infrastructures in high growth environments. He is a hands-on manager with experience in financial reporting, accounting, acquisition integration, employee benefits, business processes improvement, budgeting and cost containment, contract negotiations, staff development, facilities and IT management.



Derrick K. Walsh, a
CPA licensed in
California, serves as
Senior Vice
President, Chief
Accounting Officer
for Bofl Holding Inc.
and its subsidiary,

Bofl Federal Bank, and oversees accounting, payroll, accounts payable, internal controls, budgeting and financial planning. Mr. Walsh's duties also include managing capital raises, financial & regulatory reporting, tax planning and insurance. Before joining Bofl, Mr. Walsh was an Assistant Vice President at LPL Financial ("LPL") from 2011 to 2013 where he gained his Series 7, 27 and 66 licenses and was responsible for SEC and regulatory reporting as well as various aspects of management reporting and investor relations.



NEWEST MEMBERS:

*Jackie Buck, Harper Construction Company
Robert Hibberd, American Hotel Income
Properties REIT LP
Jill Howe, Amplyx Pharmaceuticals, Inc.
Chris Longstreth, Qualcomm Incorporated
Grant Osborne, Qualcomm Incorporated
Pamela Schock, Cymer Inc*

SDFEI Recognizes Outstanding Students

As part of our April 20th meeting held at the Marriott Del Mar Hotel, we were pleased to present our annual scholarships and awards to outstanding college students from local colleges and universities.

Annually, our chapter awards up to five \$1,000 scholarships. Awards are based on applications submitted by students and are rated on overall academic strength, resume professionalism, pervasiveness of the candidates essay, and a recommendation letter submitted on behalf of the applicant.

Scholarships in the amount of \$1,000 were presented to each of the following students:

- Timothy Bode, California State University San Marcos Skyriver IT Scholarship
- Douglas Brooks, National University Globalview Advisors and SDFEI Board of Directors Scholarship
- Matthew Covert, San Diego State University Charles R. Chuck Allen Scholarship

- Jongeun Jeon, University of California, San Diego Franklin | Soto LLP and Thompson Search Scholarship

- Jeremy Rutigliano, University of San Diego Charles R. Chuck Allen Scholarship

In addition, outstanding student award applications submitted by faculty of local universities or colleges were reviewed based on the following criteria: Student was either an accounting or finance major, was graduating by August 2017, and must have received either the highest grade point average in their major or had one of the highest GPA and a significant amount of leadership.

Top Undergraduate - Accounting

- Johnny Aguilar Flores, National University
- Blanca Frausto, San Diego State University
- Shari Nickles, California State University San Marcos
- Keely Palla, University of San Diego Top Undergraduate - Finance
- Austin Jacobs, University of San Diego
- Corey Richard, San Diego State University

Top Graduate - Accounting

- Wa Fong Chan, University of San Diego
- Debbie Park, National University
- Shu Su, San Diego State University

Top Graduate - Finance

- Supamong Choonharas, San Diego State University
- Oleg Rychnev, University of San Diego

Congratulations to all winners!



Reel in More business around the globe with Smart Trade Solutions
By: Pierre-Francoise Choquet, Bank of the West

Businesses today are operating in an increasingly complicated — and competitive — marketplace. To drive growth, more and more U.S.-based companies are expanding their operations, pushing into new markets or amplifying the existing international dimension of their businesses.

When your company operates abroad, understanding the international business landscape and implementing smart financial strategies is essential. Implementing strategic trade solutions, for example, is a good way for your company to increase its competitiveness and agility in every market you're in.

Let's look at a theoretical example:

A California-based seafood company called Capital Catch sells canned tuna in markets around the world. It sources its fish from suppliers in Asia and sells its product to grocery store customers dotted around the globe in the United States, Europe, and the Caribbean.

One of the biggest business challenges Capital Catch faces is having payment interests that conflict with both the interests of its suppliers and buyers:

- As the buyer, Capital Catch wants to **delay paying its tuna suppliers** in Asia as long as possible.
- When selling tuna to grocery stores around the world, Capital Catch wants to **be paid as soon as possible by its customers**, while grocery stores want to delay payment for as long as possible.

Implementing smart trade strategies, such as those depicted in our [infographic](#), helps solve the problem by resolving these conflicts of interest. The infographic details more about the trade solutions Capital Catch uses to keep its suppliers and buyers happy while reeling in more business in the United States, Europe, and the Caribbean.

This article is provided courtesy of **Bank of the West**. To learn more about how Bank of the West and its parent, BNP Paribas, can help your company be more competitive by implementing smart trade strategies across its foodprint, please visit our website.



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Please include SDFEI's Strategic Partners in your business relationships to help assure them that their participation in your professional society is a worthwhile business experience.

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