



# THE LOS ANGELES LEDGER

## RMA's Los Angeles Chapter - Nationally Awarded

It was quite appropriate that this year's RMA Risk Management Conference, during the 100<sup>th</sup> Anniversary celebration of RMA's founding, was held in our Nation's Capital between October 26<sup>th</sup> and 28<sup>th</sup>. Our Los Angeles Chapter received two very prestigious honors. Stephanie Tseng (Chapter V.P.) was honored for bringing 15 new members into the Chapter. Additionally, (con't pg 2)

## RMA: Networking Feedback

"All work and no play..." we've heard it all before. The LA-RMA Chapter wants to hear feedback from you on the type of events you're interested in attending. We put together a lot of programs that focus on risks in lending, but we realize there is more to life.

Please let us know how we can let our hair down, or loosen our ties and have fun. What type of events would you want to attend? Golf Tournaments, wine tastings, or should we just stick with business?

Please email your thoughts and ideas to Lee Comer: [lee.comer@acereenv.com](mailto:lee.comer@acereenv.com) by Jan 15, 2015.

## RMA's Los Angeles Chapter—Board Member Spotlight: Stephanie Tseng

Stephanie Tseng has been a Board Member of the Los Angeles Chapter of RMA since 2011, and is currently the LA Chapter's First Vice President. Stephanie has been instrumental in helping the Chapter by generating 15 new associate memberships in the last year (con't pg 3).

## RMA Los Angeles on Social Media

Have you connected with us on Social Media to stay up-to-date? Find us on:

- \* Linked In
- \* Facebook
- \* Twitter

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### Special points of interest

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## LA Chapter: Board

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### Treasurer

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## RMA's Los Angeles Chapter - Nationally Awarded - cont'

our Chapter received the "Platinum" award, the highest honor bestowed on a Chapter for meeting numerous benchmarks throughout the year, including holding meetings, and increasing membership. Chapter President, Karen Drew, accepted the honor on behalf of the Chapter.



Pictured (L-R): Bill Githens, CEO of RMA, Karen Drew, Los Angeles Chapter President and Nancy Foster, Chair of RMA.

At the conference, there were four keynote addresses, in addition to numerous "break-out" sessions which discussed a myriad of topics dealing with the four areas of Risk Management: Credit, Operations, Marketing, and Enterprise. There was also a regulatory panel with participants from the OCC, FDIC, and FRB.

Keynoter Spyro Karetzos, Director of Enterprise Risk at Vanguard Group, talked about Operational Risk Management, utilizing the defensive alignment of a football team as an example of the first (Business), second (Corporate Risk Partners), and third (Audit) lines of defense in strengthening a bank's position with respect to risk.

FDIC Chairman Martin Gruenberg indicated that there were three areas of supervisory focus for his regulatory body this year: Interest Rate Risk (sensitivity to heightened market risk); Credit Risk (sound underwriting principals and awareness of loan concentrations); and Cyber Security (Business Continuity now means watching not only for natural threats, but also cyber threats).

Dr. Charles Krauthammer, a political commentator for FOX, provided his view not only of the November 4<sup>th</sup> election, but also how those results will translate two years down the road at the next Presidential election.

Wells Fargo's Chief Economist, John Silvia, cautioned that while the economy seemed to be on the rebound at the present time, his view was that there could be another recession within the next two or three years. He based his theories on metrics that we are experiencing right now, including zero wage growth, and the poor labor participation rate, in conjunction with a "heated-up" real estate market.

The Regulators Panel talked about a wide range of areas that they are focusing on including operational risks and strategic risks. While they indicated that credit risk was a lesser concern, it still should be a strong focus for all banks. This panel also discussed cyber security, pointing out that it is everybody's job to focus on preventing threats. The FFIEC has established a working group coordinating with banks and law-enforcement, to prepare a risk-assessment that will be disseminated to the industry within the next couple of months.

Next year's Risk Management Conference will be held November 1<sup>st</sup> through 3<sup>rd</sup> in Boston, MA. We'd love to see many more Associates from the Los Angeles Chapter in attendance. Not only is it a great source of industry information, it is also a tremendous networking opportunity.

## RMA's Los Angeles Chapter - Board Member Spotlight: Stephanie Tseng - cont'

During the past 2 years, she was instrumental in creating a RMA affinity group known as the Young Professionals Group, which promotes synergy in the early stages of a professional career in Finance and Banking. Additionally, she helped create another affinity group called Women in Business, which focuses on the challenges that women face in today's professional world.

Currently, Stephanie is employed at Grandpoint Bank as a SVP/Credit Administration Manager and has been there since the bank's inception in June 2010. Her responsibilities include managing a staff whose efforts are to provide overall credit admin loan support. This includes assistance to underwriters and loan administrators, the overall appraisal and review process, loan pool purchase support, data integrity, pipeline reports, vendor management for credit related products, and monthly board reports, to name a few. Stephanie is also responsible for the Allowance for Loan and Lease Losses, stress testing of the loan portfolio, and any bank integration projects related to the credit side of the bank. Prior to her current role at Grandpoint Bank, she held a variety of underwriting positions in Leveraged Finance, Corporate Banking, as well as Commercial Real Estate Banking at Sumitomo Mitsui Banking Corporation, Preferred Bank, and Far East National Bank.

Stephanie has been in banking since she earned her BA in Economics with a minor in Management at the University of California, Irvine. She also received her Masters of Business Administration from the University of Southern California, Marshall School of Business. Her future career path in banking is headed towards Credit Risk and Data Management as well as maintaining the status of Platinum Level for the Los Angeles Chapter of RMA.

### RMA LA Chapter using PayPal



Recently the RMA LA Chapter added the option to pay for events via PayPal. We chose to start using PayPal because it's safe and secure. Unlike the recent credit card hacks at Target and Home Depot, PayPal has not reported any credit card information being lost or stolen.

We understand not everyone is familiar or comfortable with PayPal. We received feedback that it was confusing and people weren't sure if they needed a PayPal account or could they pay without one.

We want to help ease your mind and make it easier for you to sign up for our events.

The biggest misconception about using PayPal is that you have to have a PayPal account; this is not true. You can pay with a credit card using PayPal even without an account.

We have a guide on our [website](#) showing how to use PayPal.

If you have questions, please contact either:  
Terry Nathan at [RMALosAngeles@gmail.com](mailto:RMALosAngeles@gmail.com) / 310.546.6644 or  
Lee Comer at [lee.comer@acerev.com](mailto:lee.comer@acerev.com) / 818.839.2237

### Calendar of Events

**Jan 27, 2015: 11:45am**

Luncheon: Chief Economist: Joe Brusuelas of McGladrey, LLC

Location:  
Palm Restaurant  
1100 S. Flowers Street  
Los Angeles, CA 90015

### Ways to Get Involved!

#### **Young Professionals Group**

Young Professionals (YP) is a group of young (mostly!) professionals who are relatively new to the financial services industry and/or to the Los Angeles area. Those who choose to get involved have the opportunity to build relationships with people who can help with their career, learn marketable skills, build valuable knowledge, achieve personal and professional growth, and be part of a dynamic and unique group. Contact Cassandra Jones for more information.

#### **Women in Business**

Discuss the challenges that women face in today's professional world. From panel discussions to happy hours, don't miss this opportunity to hear tips & tools to propel you to the next level in your career and network with your peers. Contact Christina Sham Acevedo for more information.

Our chapter website is going through an upgrade. The new website will have an updated look and include responsive design which will allow for better viewing on tablets and other mobile devices.

Please note that our chapter website will be down from **Dec. 15-17** while we make the upgrades. Please accept our apologies for this inconvenience while we build a better site.

## **SPONSORSHIPS OPPORTUNITIES:**

### **BRONZE:**

\$500 SPONSORSHIP

*Sponsor logo on event flyer, one lunch at no cost.*

### **SILVER:**

\$750 SPONSORSHIP

*Sponsor logo on event flyer, one lunch at no cost, and distribution of materials.*

### **GOLD:**

\$1,000 SPONSORSHIP

*Sponsor logo on event flyer, one lunch at no cost, distribution of materials, five minutes to speak at the event, and sponsor logo will be featured in the RMA LA Chapter quarterly newsletter.  
(con't on page 5)*

## **Current Trends In Enterprise Risk Management including Observations from RMA Luncheon Speaker on November 12, 2014**

### **OCC Guidance**

The OCC draft proposal on Heightened Standards for large national banks was finalized as of November 10, 2014. The phase in of the guidelines (60 days to 18 months) depends on the size of the bank and applies primarily to organizations over \$50 billion in assets. It is important to note that the guidelines may apply to smaller organizations if the OCC determines that a bank's operations are "highly complex or otherwise present a heightened risk". It is also noteworthy that these guidelines can be used to trigger enforcement actions. The OCC issued the draft guidelines for comment in January, 2014. They received 25 comment letters and met with a number of the commenters. The final rule reflects a majority of the draft proposal with some modifications, clarifications and technical amendments. Although many of the elements are things we have heard before and tend to be common-sense, a number of areas are less well-known. For example, the guidance defines "Front Line Units" that need to be part of the scope of the risk management process.

The guidance should be required reading for any size bank and individual components adopted either as prescribed or with some modification. For example, basic elements include, Risk Appetite Statement, Strategic Plan, Concentration Risk Management, Compensation and Performance Management Programs, and Standards for Boards of Directors, including Require an Effective Risk Management Program, Active Oversight of Management, Exercise Independent Judgment, Ongoing Director Training, and Self-Assessments of Board Effectiveness/Compliance. Another worthwhile read from the OCC is "[\*A Common Sense Approach to Community Banking\*](#)".

### **RMA Luncheon Observations**

The following highlights some of the valuable observations from Ed Schreiber, RMA Board of Directors, and Zions Bancorporation, Chief Risk Officer.

Ed described the key features for a risk management program and emphasized the importance of having a data governance plan. He indicated it makes sense for some banks to establish a data governance committee that includes members from audit, compliance, and credit. He spoke about creating a risk management framework that included monitoring thresholds or triggers. There was some discussion during the Q&A session where Ed described that even for his bank of over \$50 billion, there were only a handful of triggers needed. He emphasized keeping the process simple and indicated it was easy to get sucked into setting up overcomplicated processes. Ed focused on the importance of syncing Risk Appetite/Policies, Strategy and Capital Plan. He also emphasized the importance of stress-testing. Ed went on to describe how the risk management program was established at his bank and provided insight about the time and commitment needed not only to set up a comprehensive plan, but to monitor and adjust it on an ongoing basis.

### **Federal Reserve Board Member Comments**

Recently, Federal Reserve Board Member Daniel K. Tarullo gave a speech entitled "Reforming Culture and Behavior in the Financial Services Industry". In his speech Mr. Tarullo provided insights into different types of financial institution cultures. He described one culture, where management of a bank will address Fed deficiencies on a one-off basis and in a "check-the-box" fashion. This compares to other institutions that will evaluate the deficiency and consider other related items that they may have missed. Mr. Tarullo points out which approach results in the most regulatory scrutiny. In addition, he elaborates on the importance of setting up performance management systems that support the desired behavior and culture. He notes that there is still considerable work to be done in the area of compensation arrangements including better targeted risk metrics to specific activities and more consistently applied risk adjustments. He points out that arrangements such as clawbacks and forfeiture provisions should cover risks associated with market conduct and consumer protection as well as credit and market risks.

*Ron Stoffers is a Director with the Financial Services Consulting and Expert Witness firm, Berkeley Research Group in Los Angeles. 213/261-7694.*

## RMA's Los Angeles Chapter - Board Member

### Introduction: Ed Czajka

Ed Czajka, our newly appointed board member of the RMA Los Angeles Chapter will be taking on his new role as Treasurer. Ed has been Executive Vice President and Chief Financial Officer of Preferred Bank (NASDAQ: PFBC) since 2006. Before joining Preferred Bank, Ed was the CFO of Presidio Bank, a San Francisco-based bank that was then in organization. Prior to this, Ed was EVP and CFO of North Valley Bancorp, a publicly-traded multi-bank holding company located in Redding, California. From 1994 through 2000, Ed held the position of Vice President, Corporate Controller for Pacific Capital Bancorp in Santa Barbara, California. Ed received his Bachelor of Science degree in Business Administration from Capella University and is a graduate of the Bank Administration Institute Graduate School of Banking at Vanderbilt University. In addition to the RMA Los Angeles board, he also serves on the Board of Shane's Inspiration, a nonprofit dedicated to ending bias towards disabled children.



Ed has two daughters, ages 23 and 21. The eldest is a graduate of the University of Liverpool in the U.K. with an undergraduate degree in ancient history and archeology and the youngest is a soprano opera vocalist attending the San Francisco Conservatory of Music. He tries to spend a lot of time at the gym and at the golf course and enjoys hiking, biking, good food and wine.

## RMA Los Angeles—Chapter Sponsorship

### An Urgent Plea!!

Each of the Membership Chapters of the Risk Management Association (RMA) throughout the U.S. is a non-profit entity. Your Los Angeles Chapter is no different. Our ability to host events such as our semi-monthly membership meetings, where we present relevant topics on today's business environment with the best speakers possible, as well as our **Young Professionals** and **Women in Business** events come at a cost that oftentimes exceeds the amount of income that we generate from these events.

We are also becoming more aware that, in order to attract top speakers, there is an additional and sometimes significant cost. RMA – Los Angeles does not have the ability to attract these speakers – at least not without your assistance. Event sponsorship is an important, income-generating tool for non-profit entities such as ours. And your help is needed. There are different levels of sponsorship, and each one carries a benefit to you and/or your organization (*Please see the sidebars on pages 4 and 5 for sponsorship levels*).

Please consider an RMA Sponsorship when you are preparing your 2015 budget. We want to continue to provide the type of programs that the L.A. Chapter is known for, and for which we received our "Platinum" Chapter award for 2013-2014. If you are interested in supporting the L.A. Chapter, please contact:

Karen Drew – President / [karen.drew@owb.com](mailto:karen.drew@owb.com) / (626) 535-1521  
Stephanie Tseng – Vice President / [stseng@grandpointbank.com](mailto:stseng@grandpointbank.com) / (213) 542-2727  
Ed Gottlieb – Program Chair / [ed.gottlieb@cnb.com](mailto:ed.gottlieb@cnb.com) / (213) 673-8148

### Co-Sponsoring Events

Are you a part of another networking/industry group? The LA Chapter of the RMA is open to Co-Sponsoring events.

Contact Karen Drew ([karen.drew@owb.com](mailto:karen.drew@owb.com)) to discuss event details.

## **SPONSORSHIPS OPPORTUNITIES:**

**PLATINUM:**  
\$1,250 SPONSORSHIP

*Sponsor logo on event flyer, one lunch at no cost, distribution of materials, five minutes to speak at the event, and sponsor logo and article will be featured in the RMA LA Chapter quarterly newsletter.*

**PLATINUM W/PROFESSIONAL RMA MEMBERSHIP:**  
\$1,500 SPONSORSHIP

*Sponsor logo on event flyer, one lunch at no cost, distribution of materials, five minutes to speak at the event, sponsor logo will be featured in the RMA LA Chapter quarterly newsletter, and one Professional RMA Membership at no cost.*

Risk Management Association

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Pictured (L-R): Stephanie Tseng (VP), Erin Jester (Western Regional Manger), Karen Drew (President), Ed Gottlieb (Programs Chair)

Risk Management Association

Los Angeles has the privilege of being one of the most diverse cities on the planet. That diversity presents many challenges and opportunities.

From the Beaches to the Valley, from Pasadena to Downtown, come see how the LA Chapter of the RMA is worth your time & investment and can help you navigate through those unique challenges seen throughout the Los Angeles area.

How to Submit an article

If you have an article on a relevant topic you would like to share with the members of the Los Angeles Chapter, please submit it to Lee Comer via email at: [Lee.Comer@acerenv.com](mailto:Lee.Comer@acerenv.com)

The article should be submitted in a Word document and not longer than 500 words. Topics must be relevant to credit risk, lending and related services.

The Chapter Board of Directors has final approval of all content that appears in the newsletter.



For Sponsorship Opportunities contact:

TERRY NATHAN AT 310.546.6644 OR  
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