



NOVEMBER 2008

IN THIS ISSUE

(Click on any link to go right to the article)

- [Letter from the Chairman](#)
- [2008 Leadership Awards](#)
- [Members Day 2008](#)
- [Letter to the SEC](#)
- [www.Investorside.org](#)
- [New Members](#)

Letter from the Chairman

Dear Investorside Member,

Our industry, much like the rest of the financial services sector, is facing an incredibly challenging period characterized by market volatility, future uncertainty and major changes at our clients. While these times are incredibly uncomfortable and unsettling for all of us, I firmly believe that times like these create a unique opportunity for our industry to demonstrate value and showcase our differentiated capabilities both to our clients and to the regulatory community.

Our strategy at Investorside is built around 4 core themes-- all of which are relevant in the current market-- raising our visibility in the regulatory community, building stronger bridges to the buy-side, recruiting new members to our organization and building an information-sharing community among our members. These themes were all on display during our annual Member's Day conference in New York in mid October. We will be sending around a feedback survey so that we can continuously improve this event.

As we look ahead, there are two items we are working on. First, given the dramatic changes likely to occur in Washington, we are working on a Washington, DC trip to visit with the regulatory bodies (SEC, Treasury, and Congress) that will shape the future of our industry. We are hoping these meetings will provide background on Investorside and its membership, showcase our vast expertise and offer our viewpoint. We will keep you updated as we make progress. Second, on December 9, we will be hosting our quarterly members' luncheon series. This new initiative is designed to allow our members to network informally as well as to share perspectives on the market. This quarter's lunch will be held at the office of Sanford Bernstein and will cover current industry topics. We hope that you will attend.

Finally, in closing, I wish to thank Pat Shea and Maria Mesina, as well as all the speakers and panel participants for their help in planning and running our Member's Day conference.

I hope you have a nice Thanksgiving.

All the best,

Richard Leggett
Chief Executive Officer
Business Intelligence Advisors, Inc.
Chairman, Investorside

Investorside Announces 2008 Leadership Awards

**Member Firms and Individuals Recognized for
Outstanding Achievements**

At the 2008 Annual Members' Day Conference held in New York City on October 21, 2008, Investorside recognized two former chairmen for their outstanding service to the organization as well as ten member firms for Research Excellence by Performance and Research Excellence in Case Studies.

John M. Eade, President of Argus Research Corporation and Director of Research at Argus Research Company was awarded the title Chairman Emeritus for his work as founder of Investorside and his subsequent service as Chairman. Mr. Eade started Investorside with his co-founder Scott Cleland of Precursor in February, 2002. He was instrumental in growing the association from 2 to 76 members. During his years of service at Investorside, Mr. Eade's many accomplishments include two terms of service as Chairman and repeatedly representing Investorside in Washington, D.C. where in nine separate visits over the years he has met with all the SEC commissioners, the SEC staff, the House Financial Services Committee staff and Senators Schumer and Hatch.

In recognition of his service as Chairman in 2006 and 2007 Stanton Green, President and CEO of OTR Global, was presented an award for leadership by current Chair Richard Leggett. "Stanton's contributions to Investorside have been invaluable; he spearheaded the largest membership growth in recent years, implemented several innovative outreach programs such as Members Day and organized the highly successful 2008 annual Independents Day Conference, which reached a new milestone in attendance. In addition, Stanton oversaw the 2007 legislative initiative in Washington, D.C., created educational programs to keep pace with the rapidly changing investment landscape and supervised the transition of a new executive director" commented Mr. Leggett.

Awards for Research Excellence by Performance were presented to Trading Central, Standpoint--Ronnie Moas and Greenwich Consultants, LLC --Michael Judd. Sanford Bernstein was awarded the title of Overall Best Research Firm by Investorside.

Awards for Research Excellence in Case Studies were presented to: Ben Rose of Battle Road Research, Jeff Middleswart of Behind the Numbers, Christian Strake of CreditSights, John Gavin of Disclosure Insight, Tim Hayes of Ned Davis Research, Inc. and Zach Gast of Risk Metrics Group.

Members' Day 2008

2008 Members Day Conference ([link to program agenda](#))

The theme of the 2008 Annual Members Day Conference held in New York City on October 21, 2008 was change; changes in the marketplace in the midst of the current financial crisis, changes in strategy for meeting the buy-side's independent research needs, changes that independent research providers can make to leverage and promote their businesses and looking ahead to regulatory changes facing the financial markets.

"Independent research has never been more important than the present given the tremendous dislocation of the traditional sellside and the uncertain market conditions. Investorside members represent the nation's leading independent research providers across every segment of the market and every competency. We look forward to

providing our expertise to our buy-side clientele and the regulatory bodies to help them navigate the current market and deploy sustainable solutions" said Richard Leggett, Investorside Chairman.

The conference included 119 attendees representing 71 different organizations. Speakers represented a variety of investment management, independent research providers and professional organizations including Argus Research, Business Intelligence Advisors, Sanford C. Bernstein & Co, CreditSights, ValuEngine, FirstRain, FactSet Research Systems, OTR Global, Vista Research Inc., Integrity Research Associates, and BNY Jaywalk.

The Members Day Conference provides an opportunity for the independent research community to come together and discuss the issues specifically affecting this industry today. "While the current market conditions are, of course, a hot topic, this conference provided members insights and practical ideas on how to adapt to changes in the marketplace and how to continue to grow their businesses" commented Patrick Shea, Executive Director of the Investorside Research Association. Panel discussions by successful independent market research providers included practical steps they've taken to achieve success, the discussion of new marketing channels and other significant changes in content distribution as well as how to become more effective with less by leveraging external resources.

Letter to the SEC

Comments on SEC Proposed Guidance Regarding the Duties and Responsibilities of Investment Company Boards of Directors with Respect to Investment Advisor Portfolio Trading Practices

In Richard Leggett's letter to the SEC responding to its Proposed Guidance Regarding the Duties and Responsibilities of Investment Company Boards of Directors with Respect to Investment Advisor Portfolio Trading Practices, he outlines Investorside's concerns on behalf of our members and the effect the Proposed Guidance could have on the independent research community.

In his letter, Mr. Leggett notes that while Investorside agrees with the SEC's goal of providing additional guidance regarding trading practices and soft-dollar arrangements, Investorside is concerned that the Proposed Guidance fails to address the lack of transparency that exists in many proprietary research arrangements and which puts independent research firms at a distinct competitive disadvantage.

A second concern is that the tone of the Proposed Guidance suggests a bias against the use of brokerage commissions to purchase research. He asks that the Commission "clarify in any final release that the use of commissions to fund the purchase of research under the Section 28(e) safe harbor is a legitimate and beneficial use of such commissions." Mr. Leggett underscores that based on recent market events, the need for independent, third party research has never been greater and every effort should be made to level the playing field for all research providers.

On behalf of Investorside, he also suggests to the SEC that it reformulate its Guidance based on the principles of governance, accountability, transparency and competitive fairness providing general guidance to fund board members regarding their obligations to funds and fund shareholders. Noting that the Commission's goal

of providing guidance regarding trading and soft-dollar practices is a good one, Investormside is concerned that the tone is too negative with respect to the use of fund commissions to purchase research services which could ultimately have a negative impact on the independent research industry and investors.

Mr. Leggett states clearly that "given recent events in the global market place, which have fundamentally and permanently altered the traditional sell-side research industry, we believe the need for a healthy, competitive and vibrant independent investment research industry is more critical than ever."

To read Mr. Leggett's letter in its entirety please visit the new Investormside website at www.investormside.org.

www.investormside.org

The Investormside Research Association is pleased to announce our newly designed website for the membership as well as others interested in the organization, our mission and ongoing efforts. The website currently offers an updated design and interactivity for existing content, and brings a newly engineered structure allowing us to add additional information and features in the future.

The Association is extremely thankful for the talented resources made available to us by ValueEngine; specifically Paul Henneman for his thoughtful ideas and James Chen for his programming expertise. We also recognize and are grateful to Michael Chupeco for his tireless graphics design work.

We will continue to advise the membership regarding enhancements to the site as they are made available. Please let us know if you have any suggestions for additional information or features you would like to see incorporated, as well as any general comments regarding the new site.

Best Regards,
David Hill
Investormside Research Association

www.investormside.org

New Members

Investorside is proud to welcome three new members.

New Members

- • **Trim Tabs Investment Research** - TrimTabs Investment Research is the only independent research service that publishes detailed daily coverage of U.S. stock market liquidity, including mutual funds and Exchange Traded Funds, as well as weekly withheld income and employment tax collections.

Conrad Gann

President, Chief Operating Officer

www.trimtabs.com

- • **The 451 Group** - The 451 Group is an independent technology-industry analyst company that was founded in 2000, and has offices in the US and Europe. The 451 Group's research makes sense of swiftly moving trends in the industry creating information technologies (IT) used by large and midsized organizations.

Tim Miller

VP & General Manager, Financial Markets

www.the451group.com

- • **Recognia Inc.** - Recognia has developed proprietary technology for chart pattern recognition and price forecasting. The pattern recognition technology is capable of recognizing patterns in the price charts of any publicly traded financial instrument including stocks, bonds, funds, commodities, currencies and indexes. These chart patterns are known to indicate trading opportunities.

Rick Escher

President

www.recognia.com

INVESTORSIDE RESEARCH ASSOCIATION

C/O ARGUS RESEARCH
61 BROADWAY – SUITE 1700
NEW YORK, NY 10006
PHONE – 877.834.4777

WWW.INVESTORSIDE.ORG