No. 13-959

IN THE
Supreme Court of the United States

LAURENCE STONE,
Petitioner,
v.

BEAR, STEARNS & CO., INC.; J.P. MORGAN SECURITIES LLC; BEAR, STEARNS SECURITIES CORP.; AND BEAR STEARNS ASSET MANAGEMENT INC.,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Third Circuit

REPLY BRIEF FOR PETITIONER

EDWARD PEKAREK
216 East Dyke Street
Wellsville, NY 14895
(585) 596-1107

DAVID C. FREDERICK
BRENDAN J. CRIMMINS
Counsel of Record
KELLOGG, HUBER, HANSEN, TODD, EVANS & FIGEL, P.L.L.C.
1615 M Street, N.W.
Suite 400
Washington, D.C. 20036
(202) 326-7900
(bcrimmins@khhte.com)

April 29, 2014

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Page

CASES

STATUTES

OTHER MATERIALS

Respondents offer no good reason for continuing to tolerate persistent conflicts and confusion in the lower courts regarding the interpretation and application of § 10(a)(2) of the Federal Arbitration Act ("FAA") and this Court's decision in *Commonwealth Coatings Corp. v. Continental Casualty Co.*, 393 U.S. 145 (1968). The courts of appeals are divided over both (i) the standard for determining when an arbitrator's undisclosed conflict of interest shows "evident partiality," within the meaning of FAA § 10, and (ii) the standard for determining when a party who lacked knowledge of, and thus did not object during the arbitration to, an arbitrator's undisclosed conflict has waived his evident-partiality challenge. Those issues are recurring, and they are significant, particularly in light of the substantial and growing role that arbitration plays as a means of resolving civil disputes in this country. *See* Investor Rights Clinic Br.; Prof. Alice L. Stewart et al. Br.

On the first question presented, respondents admit that courts of appeals have announced different formulations of the governing legal standard, but they argue that the courts' approaches are similar enough to produce consistent results. But the cases themselves, including the decision below, disprove that argument. Moreover, even if courts do sometimes manage to reach similar outcomes, that does not justify forcing lower courts to continue wrestling with conflicting case law that has bedeviled them for decades.

On the second question presented, respondents quibble with petitioner's characterization of the law in a few circuits, but fail to undermine our showing of a circuit conflict. Respondents also attempt, unsuccessfully, to reconcile the waiver standard adopted by the courts below with *Commonwealth Coatings*.

ARGUMENT

I. THIS COURT'S REVIEW IS WARRANTED TO DETERMINE THE PROPER STANDARD FOR VACATING AN ARBITRATION AWARD BASED ON "EVIDENT PARTIALITY" UNDER THE FAA

The courts of appeals are divided over the proper legal standard for determining when undisclosed arbitrator conflicts of interest constitute "evident partiality" under the FAA. Pet. 15-21. Courts and commentators, including the district court in this case, have acknowledged the conflicts and confusion in the lower federal courts. Pet. 12-14, 22-23. Even respondents acknowledge that the circuits have adopted different "formulations" of the governing test. *E.g.*, Opp. 18 ("courts of appeals use a variety of formulations to articulate the 'evident partiality' standard"). None of respondents' arguments justifies permitting the lower courts to persist in using those varying standards to resolve similar cases.

First, in an effort to obscure the conflicts and confusion in the courts of appeals, respondents pluck (at 14-19) quotations from opinions showing that courts on both sides of the split recite certain similar boilerplate phrases (e.g., "nondisclosure alone does not require vacatur"). But it is often the case that opinions from different sides of a split have *some* common features in their analyses. Two courts of appeals may agree that statutory interpretation should begin with the text, but may reach different conclusions about the legal standard that text requires. When that happens, this Court frequently grants review, regardless of whether the lower courts used similar language in other parts of their opinions.

Here, when it comes to the language that matters – the articulation of the governing standard for evaluating evident partiality – the circuits are *not* in agreement. In the Ninth and Eleventh Circuits, "the legal standard for evident partiality is whether there are 'facts showing a "reasonable *impression* of partiality."'" *New Regency Prods., Inc. v. Nippon Herald Films, Inc.*, 501 F.3d 1101, 1106 (9th Cir. 2007) (quoting *Schmitz v. Zilveti*, 20 F.3d 1043, 1048 (9th Cir. 1994)) (emphasis added); *see* Pet. 20-21. But, in the Second, Third, Fourth, Fifth, and Sixth Circuits, an arbitration award must stand despite an arbitrator's failure to disclose facts creating a reasonable impression of partiality, unless "a reasonable person would *have* to conclude that an arbitrator was partial to one party to the arbitration." *Morelite Constr. Corp. v. New York City Dist. Council Carpenters Benefit Funds*, 748 F.2d 79, 84 (2d Cir. 1984) (emphasis added); *see* Pet. 15-20. Respondents never directly confront, let alone attempt to reconcile, those conflicting approaches.

The divergent standards stem directly from the circuits' different readings of *Commonwealth Coatings*. The courts of appeals requiring proof that an arbitrator was partial to one party base that standard on Justice White's concurring opinion, which they consider to be *Commonwealth Coatings*' "holding." *E.g.*, *Morelite*, 748 F.2d at 83 n.3. Those courts dismiss Justice Black's opinion for the Court as "dicta." *E.g.*, *id.* at 83.

The courts of appeals applying the reasonable-impression-of-bias standard, by contrast, recognize that the majority approach results from a misunderstanding of *Commonwealth Coatings*. As the Ninth Circuit explained, "*Commonwealth Coatings* is not a plurality opinion," and, "[g]iven Justice White's

express adherence to the majority opinion," "'[r]easonable impression of partiality' . . . is the best expression of the *Commonwealth Coatings* court's holding." *Schmitz*, 20 F.3d at 1045, 1047. Although respondents admit (at 13) that lower courts "have debated whether Justice Black's opinion" in *Commonwealth Coatings* "actually reflects the opinion of the Court, or whether Justice White's opinion sets forth a narrower rule that controls," they fail to appreciate that the courts of appeals' differing interpretations of *Commonwealth Coatings* have produced different standards for evident partiality.

Second, respondents suggest (at 13, 20-21) that the lower courts have reached consistent outcomes, despite applying inconsistent legal standards. But the results produced by the different circuits' approaches cannot be so easily harmonized. The Sixth Circuit has upheld an award under the actual-bias standard even though one of the arbitrators had been law partners with an attorney who had represented one of the parties, observing that the facts did not amount to "outright chicanery." *Apperson v. Fleet Carrier Corp.*, 879 F.2d 1344, 1360-61 (6th Cir. 1989) (internal quotations omitted). By contrast, the Ninth Circuit vacated an award under the "reasonable impression of partiality" standard because the arbitrator failed to disclose his law firm's former representation of a party's parent company. *See Schmitz*, 20 F.3d at 1048-49. In the circuits that apply the reasonable-impression standard, significant commercial ties to a party can show evident partiality, but, under the majority approach, evidence of such ties does not support vacatur unless the moving party also somehow proves that the arbitrator was actually partial to one side.

Contrary to respondents' assertion (at 20-21), Mr. Stone's own case illustrates the real-world effects of the circuits' differing standards. The district court here analyzed various approaches to the evident-partiality issue at length, ultimately concluding that Third Circuit precedent required the actual-partiality standard. App. 17a-25a. The court nowhere stated that it would or could have reached the result that it did had it instead applied the reasonable-impression standard. *See* App. 25a ("Stone has failed to show circumstances *so powerfully suggestive of bias* that a reasonable person would *have* to believe that Marston was partial to Respondents."), 28a ("Stone has not met his heavy burden of proving that a reasonable person would have to believe that Marston was partial to Respondents."). Although the Third Circuit suggested that the concept of "evident partiality" could be "further explored" by that court, App. 3a, the panel that heard this appeal was bound by the Third Circuit's recent decision reaffirming the actual-bias standard in *Freeman v. Pittsburgh Glass Works, LLC*, 709 F.3d 240 (3d Cir. 2013). Thus, the Third Circuit's statement that this case was not "close" (App. 3a) must be understood to mean not close *under the actual-bias standard*.

Under the reasonable-impression standard, the facts of this case require vacatur. One of the supposedly neutral "public" arbitrators presiding over Mr. Stone's case had extensive financial and professional ties to the securities industry through her spouse, who serves as a paid consultant, adviser, and speaker for numerous securities firms, including respondent J.P. Morgan. Pet. 9-10. Those facts plainly create a "reasonable impression" of partiality.

Indeed, in May 2009, during the pendency of this arbitration, Ms. Marston's spouse was paid $12,000

to serve as a keynote speaker for J.P. Morgan Chase Asset Management, an affiliate of respondents. Pet. 9, 13 n.4. Respondents incorrectly assert (at 6) that J.P. Morgan "was only one of a 'list of firms' sponsoring the talk." The deposition testimony they cite describes *a different speech*, delivered on a different date, in a different city (New York, rather than Chicago), for which Dr. Marston received compensation from a different financial-services firm. *Compare* C.A. App. 556a-557a *and* Add. 4a-5a[1] *with* C.A. App. 571a. Although the May 2009 J.P. Morgan speech was "arranged through a speaking agency," App. 12a, the contract for that speech clearly identifies J.P. Morgan as the client, C.A. App. 571a.[2]

Respondents also assert that "[n]one of Dr. Marston's connections with the securities industry suggests that Arbitrator Marston 'had any financial or personal interest in the outcome of the arbitration.'" Opp. 20 (quoting *Lagstein v. Certain Underwriters at Lloyd's, London*, 607 F.3d 634, 646 (9th Cir. 2010)) (internal quotations omitted). But Dr. Marston and Ms. Marston are married, meaning she certainly benefits financially from the substantial household income he derives from securities-industry clients. Ms. Marston therefore had a financial disincentive to render arbitration decisions that would displease the industry that compensates Dr. Marston. That is why FINRA's rules require arbitrators to disclose not only

---

[1] The cited deposition testimony discusses an exhibit that was not filed with the district court. Because that exhibit helps to clarify certain references in the testimony, it is reproduced in an addendum to this brief.

[2] That contract also required Dr. Marston to submit his expenses directly to the client – that is, J.P. Morgan – for reimbursement. C.A. App. 570a (¶ 7).

their own ties to the securities industry but also those of their family members. Pet. 6-7. *Lagstein*, which respondents cite (at 20), is not to the contrary; the asserted conflict there did not concern a spouse's financial interests. *See* 607 F.3d at 645-46 (asserted conflict was two arbitrators' prior involvement in an ethics controversy together).

Third, respondents argue (at 23) that this case is a poor vehicle to resolve the first question presented because Ms. Marston supposedly tried to disclose her conflicts of interest but was allegedly thwarted by FINRA. But respondents' rhetoric cannot be squared with the district court's finding that, "[d]espite the fact that FINRA imposes an ongoing duty to disclose on its arbitrators, Marston did not clarify or supplement her ADR disclosures at any point throughout Stone's arbitration, even though she was given the opportunity to do so at the beginning of each hearing." App. 12a. Ms. Marston also attested on her *post hoc* oath of arbitrator form and conflict checklist for this case that she had no potential conflicts to disclose. Pet. 7-8. Ms. Marston knew (or certainly should have known) that her arbitrator disclosure report failed to reflect her household's close ties to securities firms and continually remained silent despite numerous opportunities to reveal the potential conflicts she owed a duty to disclose.

Moreover, respondents' claim (at 23) that Ms. Marston "did in fact disclose the challenged relationship[s]" ignores a critical qualification in her supposed disclosure: in her 1996 arbitrator application, Ms. Marston stated that her spouse was a professor at the Wharton School and that *"[i]n that capacity"* – i.e., as a faculty member – "he has spoken to brokers, traders, and financial consultants from various investment banks and brokerage houses, and

Industry Groups." App. 11a. Ms. Marston failed to disclose that it was *in his personal capacity as an independent consultant*, not in his capacity as a university employee, that Dr. Marston has for years received substantial income from a host of financial-services firms, including J.P. Morgan, for speaking, consulting, and advisory activities.

Respondents also endorse (at 23 n.11) Ms. Marston's self-serving claims that she was unaware of some of her conflicts of interest. But that would not permit upholding the arbitration award in the Ninth Circuit, which recognizes an arbitrator's "duty to investigate potential conflicts." *New Regency*, 501 F.3d at 1109; *see also* Pet. 6-7 (discussing FINRA rules requiring arbitrators to investigate potential conflicts).

Fourth, respondents emphasize (at 10, 13) that this Court has denied at least 11 petitions for certiorari in the last 15 years on the standard for determining "evident partiality" under the FAA. But that proves our point: the first question presented recurs with frequency, and the conflict has not resolved itself without this Court's intervention, but instead has only grown deeper. Moreover, the conflict concerns a standard that Congress intended to be nationally uniform, and the current disuniformity encourages parties to engage in forum-shopping. The time is ripe for this Court to grant review.

II. THE STANDARD FOR WAIVER OF AN "EVIDENT PARTIALITY" CHALLENGE WARRANTS THIS COURT'S REVIEW

A. The courts of appeals are likewise divided over whether a party waives the right to seek vacatur based on undisclosed arbitrator conflicts unless that party personally and fully investigates, discovers, and raises those conflicts during the arbitration. Pet. 28-31. Respondents say (at 29) only that the decision below comports with "the weight of authority," implicitly acknowledging the existence of contrary decisions.

Respondents argue (at 26) that we have mischaracterized the law of the Second and Fourth Circuits. But neither case they cite resolved a claim of waiver of an evident-partiality challenge. *See Lucent Techs. Inc. v. Tatung Co.*, 379 F.3d 24, 28-32 (2d Cir. 2004) (no waiver argument made or decided); *Remmey v. PaineWebber, Inc.*, 32 F.3d 143, 148 (4th Cir. 1994) (discussing party's failure to raise an issue relating to "undue means" under FAA § 10(a)(1), not "evident partiality" under FAA § 10(a)(2)). Thus, the Second Circuit's pre- and post-*Lucent* holdings in *Morelite* and *Applied Industrial Materials Corp. v. Ovalar Makine Ticaret Ve Sanayi, A.S.*, 492 F.3d 132 (2d Cir. 2007), establish that circuit's law on waiver. It applies "only where the party has actual knowledge of the facts that form the basis of the objection." *Morelite*, 748 F.2d at 84 n.5; *see Applied Indus. Materials*, 492 F.3d at 139 n.2. And the Fourth Circuit's post-*Remmey* decision in *ANR Coal Co. v. Cogentrix of North Carolina, Inc.*, 173 F.3d 493 (4th Cir. 1999), controls in that circuit. Under *ANR*, a party "certainly has not waived its rights to object" when it first learns of information "*after* the award." *Id.* at 501 n.5.

Respondents also assert (at 26-27) that the Eleventh Circuit might have found waiver in this case. But that court held in *Middlesex Mutual Insurance Co. v. Levine*, 675 F.2d 1197 (11th Cir. 1982) (per curiam), that "[w]aiver applies only where a party has acted with full knowledge of the facts." *Id.* at 1204. The Eleventh Circuit rejected the approach taken by the lower courts in this case, explaining that imposing on arbitrating parties a "duty to inquire into the background of the arbitrator" would improperly "shift to the parties to the arbitration the burden of determining and disclosing bias or the reasonable appearance thereof." *Id.* Although respondents observe (at 27) that *Middlesex* is "more than three decades old," they cite no decision overruling it and ignore the Eleventh Circuit's 2002 decision reaffirming that waiver "applies only where a party has acted with full knowledge of the facts." *University Commons-Urbana, Ltd. v. Universal Constructors Inc.*, 304 F.3d 1331, 1340 (11th Cir. 2002) (internal quotations omitted).

B. In defending the lower courts' waiver standard on the merits, respondents rely (at 27) largely on a "policy of the FAA to treat arbitration awards as final and binding." But they ignore our point that an "appeal to the virtues of finality" is given "little weight" in interpreting a provision such as FAA § 10, the "whole purpose" of which is "to make an exception to [the] finality" of arbitration awards. *Gonzalez v. Crosby*, 545 U.S. 524, 529 (2005). Respondents express concern (at 28) that evident-partiality challenges "may require extended proceedings, including discovery, to resolve." But they ignore the most obvious and efficient solution to that problem: enforcing the arbitrators' duty of disclosure. Arbitrators are the "least-cost avoider" of the problem of arbitration

awards tainted by undisclosed bias. *Holtz v. J.J.B. Hilliard W.L. Lyons, Inc.*, 185 F.3d 732, 743 (7th Cir. 1999).[3]

Respondents also argue (at 28) that petitioner is "wrong" to say that imposing a duty of investigation on arbitrating parties conflicts with *Commonwealth Coatings*. But the brief in this Court of the party defending the arbitration award in *Commonwealth Coatings* was replete with assertions that the award should be upheld because the challenging party failed to inquire about potential conflicts of interest. *See*, *e.g.*, Resps. Br. 35, *Commonwealth Coatings*, *supra* (U.S. filed June 13, 1968) (No. 14) ("[I]t is incumbent upon an objecting party to make reasonable and prudent inquiry if the party is to be entitled to raise objections as to business relationships, and no such inquiry was ever made by Petitioner[.]"). In holding that vacatur was required, this Court focused on the requirement "that *arbitrators* disclose to the parties any dealings that might create an impression of possible bias," without suggesting that an arbitrator's failure to disclose a non-trivial conflict of interest could be excused based on a party's lack of inves-

---

[3] Respondents assert (at 26) that petitioner could have discovered Ms. Marston's conflicts "with a few hours' research on the Internet," but they elsewhere acknowledge (at 4) that petitioner's investigation of his three-member panel consumed approximately 20 hours. A comparable investigation of the 24 potential arbitrators FINRA originally proposed would have taken *eight times as long*. Moreover, it is far from clear that a "simple Google search" conducted at the time of arbitrator selection would have quickly revealed "the connection between Arbitrator Marston and Dr. Marston." A Google search of the terms "Marston and Penn" restricted to results before September 30, 2008 (the day after FINRA appointed the panel, C.A. App. 464a) returns Dr. Marston as the first result, but none of the first 40 results relates to Ms. Marston. *See* http://goo.gl/2kQTYU.

tigation. 393 U.S. at 149 (emphasis added). If the standard articulated by the courts below were the law, *Commonwealth Coatings* would have come out the other way.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

EDWARD PEKAREK
216 East Dyke Street
Wellsville, NY 14895
(585) 596-1107

DAVID C. FREDERICK
BRENDAN J. CRIMMINS
Counsel of Record
KELLOGG, HUBER, HANSEN, TODD, EVANS & FIGEL, P.L.L.C.
1615 M Street, N.W.
Suite 400
Washington, D.C. 20036
(202) 326-7900
(bcrimmins@khhte.com)

April 29, 2014

ADDENDUM

Capitalize on our extensive meetings calendar.

FSC understands the importance of keeping current with changes in the industry and the value of having access to focused events where you can hone new skills, share ideas, and network with your peers. To help you recognize some of these intangible value-added benefits, we maintain a busy calendar of events throughout the year in different locations around the country. We also recognize our top producers with an invitation to attend the President's Club Retreat.

President's Club Retreat

Our annual President's Club Retreat for top advisors and branch managers presents the opportunity to socialize and network with top executives and your successful peers from across the country, in a relaxed environment. Past events have taken place at Montage- Laguna Beach and the Cayman Islands.

National Education & Business Conference (NEBC)

This event is open to all advisors and is a one-stop source to fulfill continuing-education requirements, develop your business, and network with other successful independent financial advisors through workshops, events, and compelling keynote speakers. In fact, we have a full suite of education programs planned throughout the year that includes in-person, telephone, and online education courses.

Women's Conference

This special event brings together women throughout our network, to share industry knowledge and best practices for practical, actionable ideas for maintaining and growing a successful business. Our most recent event's keynote speakers included respected economist Terry Savage, motivational speaker Karen McCollough, and American General CEO Mary Jane Fortin.

Advisor Business Academies (ABA)

New to our meeting schedule, our ABA meetings are designed specifically to help you add value to your business. These meetings deliver in-depth information on building and growing a successful practice, and also provide an opportunity for you to earn CE credit and fulfill your Annual Compliance Meeting requirement. Speakers include the best and brightest industry experts each location has to offer.

Regional Business Meetings with ACM

Offered in key cities around the country, these half-day sessions can help you grow your business and fulfill your 2010 Annual Compliance Meeting requirement, while networking with peers, management, and key sponsor representatives.

Quick Facts

Conferences & Recognition

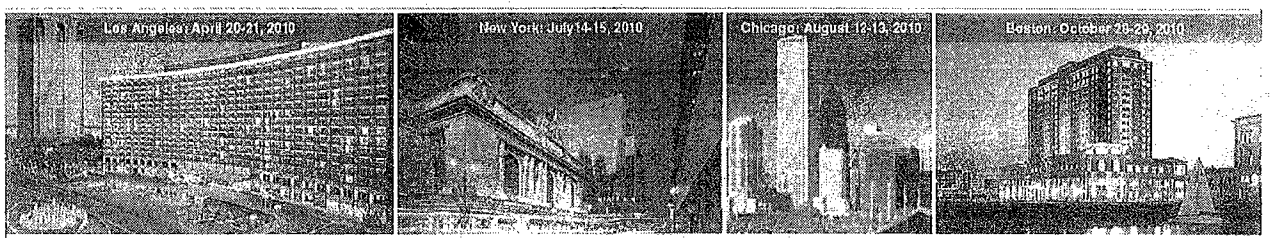
Top performers can receive:

- Enhanced payouts
- Invitations to exclusive destination events
- Access to our Top Producer Customer Service Desk

EXHIBIT
Plaintiffs -2
Kristy L. Liedtka
Date: 2/13/12

2010 ADVISOR BUSINESS ACADEMY

Welcome to Advisor Group's *Advisor Business Academy* (ABA) website. New to our meeting roster this year, the ABAs will provide practice management essentials and keep you up-to-date on key Advisor Group initiatives. Offered in four cities, you will hear from the best and brightest industry experts each location has to offer. Each meeting will feature keynote speakers on topics relevant to the economy and your practice—and the opportunity to exchange ideas with fellow advisors and select product partners. The ABAs will also provide an opportunity for you to earn CE and fulfill your annual compliance meeting requirement. Registration is free, and Advisor Group will pay for one night accommodations. So take advantage of this educational opportunity and register today!



This event is being hosted exclusively for the financial advisors of: FSC Securities Corporation, Royal Alliance, SagePoint Financial

SPEAKER & SESSION OUTLINE

Day 1: Wednesday, July 14

General Session
Empire State Ballroom II & III

1:00 p.m. – 2:30 p.m.
Welcome and Advisor Group Update

Advisor Group remains focused on improving the services and solutions we deliver to you. Here, Larry Roth, president and CEO, Randy Epright, EVP and COO, and Bruce Levitus, head of product sales, SVP of Investment Advisory Services, provide an in-depth look at Advisor Group's accelerated investment in technology and fee-based platforms.

2:30 p.m. - 3:30 p.m.
Practice Management Keynote: Kevin Cullen

Tools to Grow Confidence by Leveraging Entrepreneurialism

Sponsor by: SunLife Financial

This session will give five quick, powerful and concrete tools extraordinary advisors can use tomorrow to amplify their confidence and leverage entrepreneurial success. This pragmatic presentation offers tools, examples, stories and analogies.

Kevin Cullen is a recovering attorney, with 12 years at NYC Wall Street law firms and in his own practice as a trial lawyer, and a former senior manager for Fidelity Investments. He was the number one wholesaler at four companies over 24 years (Balcor, Fidelity, Boston Capital and AIG Sun America). Kevin's success came from pioneering a non-commodity, non-product focused approach to wholesaling and identifying a previously undefined advisor market.

Kevin's approach resonated so well with advisors who embraced continuous self-growth, that in 2000 he named his niche market of coachable reps, "The Extraordinary Advisors."

Other Participating Sponsors: *Lincoln Financial, Eaton Vance, ING Funds, KBS Capital Markets , Behringer Harvard, RS Funds, JP Morgan, Oppenheimer, SunAmerica Retirement Markets, SunAmerica Mutual Funds*

3:30 p.m. – 3:45 p.m.
Break

3:45 p.m. – 5:00 p.m.
Portfolio Manager Panel

Sponsored by: *SunAmerica Mutual Funds, Oppenheimer, J.P. Morgan, RS Fund*

Panel Speakers:
Stephen Burke, *SunAmerica Alternative Strategies*
Stephen Burke, subadviser to the SunAmerica Alternative Strategies Fund, is a cofounder and managing partner of Pelagos Capital Management, LLC and is the firm's chief executive officer and chief investment officer. Prior to founding Pelagos, Stephen worked at State Street Global Advisors (SSgA) for ten years during which time he was the senior global strategist, head of global strategic asset allocation, and head of taxable fixed income. Stephen has over twenty-five years of capital market knowledge highlighted by extensive experience managing asset allocation and fixed income portfolios for institutions and individual investors. Since 2000, Stephen has worked

closely with John C. Pickart, both at SSgA and Pelagos Capital Management, LLC. Stephen earned a B.S. from the Carroll School of Management at Boston College.

Robert Dunphy, CFA, *Oppenheimer International Growth Fund*
Robert joined OppenheimerFunds in 2004. Previously, he worked as a lead analyst at Nextel Communications for two years. Prior to that, he worked as an analyst at Seneca Financial. Robert holds a B.S.F.S. in International Economics from Georgetown University, and also holds the Chartered Financial Analyst designation.

Steven Lear, *J.P. Morgan Real Return Fund*
Steven Lear is the deputy chief investment officer for the New York and London Fixed Income Investment Teams. In this role, he is responsible for overseeing the U.S. broad market strategies, including core, core plus, long duration and stable value. Prior to joining the firm in 2008, Steve was at Schroder Investment Management for 10 years, serving as the head of U.S. Fixed Income for the last seven years. Previously, Steve was a partner at Weiss Peck and Greer and a portfolio manager at CS First Boston Asset Management. Before that, he was at Fidelity for five years, where he served as the first mortgage securities analyst. Steve began his career in 1980 at Mercer Consulting. He holds a B.A. in business administration from the University of Western Ontario and an M.B.A from the University of California, Berkeley. He is also a CFA charterholder.

Scott Hartman, *RS Value Fund*
Scott Hartman is a client portfolio manager and an analyst on the RS Value Team. Prior to joining the firm in 2007, Scott was a Partner at Blum Capital Partners, where he spent over six years managing the firm's capital markets activities. Previously, he held CFO positions both at EGORA Holding Group in Munich, Germany, and Security Capital U.S. Realty in London, England. Scott holds an A.B. in political science from Stanford University and completed a joint J.D./M.B.A. program at the University of California Berkeley's Haas School of Business and Hastings College of the Law.

Other Participating Sponsors: *Lincoln Financial, Eaton Vance, ING Funds, KBS Capital Markets , Behringer Harvard, SunAmerica Retirement Markets*

5:30 p.m. – 6:30 p.m.
Cocktails with Partners
Manhattan Ballroom

6:30 p.m. – 8:30 p.m.
Plated Dinner with Partners
Manhattan Ballroom

^ TOP

Day 2: Thursday, July 15

7:30 a.m. – 8:30 a.m.
Breakfast with Partners
Empire State Ballroom I

General Session
Empire State Ballroom II & III

8:30 a.m. – 9:25 a.m.
Economist Keynote: Dr. Richard Martson

Keynote Sponsor: Lincoln Financial

American retirees are reeling from the financial crisis. With stocks down 50% from their peak, many retirees have seen their retirement portfolios drop 20% or more. Their homes have also fallen sharply in value. The average home value in the United States is down about 30% off its peak, according to the S&P/Case-Shiller Home Price Indices. Now more than ever, retirees are looking for advice on how to live comfortably without running out of money. Dr. Marston will discuss those challenges and propose some solutions.

Dr. Marston is the James R.F. Guy Professor of Finance at the Wharton School of Business, University of Pennsylvania. He is also the director of the Weiss Center for International Financial Research at the Wharton School. Dr. Marston is a graduate of Yale and Oxford Universities, with a Ph. D. from the Massachusetts Institute of Technology. He is a former Fulbright and Rhodes scholar, and the noted author of several books on international finance, including International Financial Integration, which won the Sanwa Bank Prize in International Finance.

Dr. Marston regularly teaches in the Investment Management Consultants Program as well as in other investment programs at the Wharton School. He is director of the Institute for Private Investors Program at Wharton. He has made investment presentations in over a dozen countries in Asia, Europe, and Latin America. His work has been widely cited in the press, including publications such as Barron's, Financial Times, Newsweek, and The Wall Street Journal; and he has appeared on television programs such as Nightly Business Report and on CNBC.

Other Participating Sponsors: *SunAmerica Mutual Funds, Eaton Vance, ING Funds, KBS Capital Markets, Behringer Harvard, RS Funds, JP Morgan, Oppenheimer, SunAmerica Retirement Markets*

9:30 a.m. – 10:40 a.m.
Business Development Forum: Partner and Advisor Panels

10:40 a.m. – 10:55 a.m.
Break

10:55 a.m. – 11:45 a.m.
Business Development Keynote: David Richman

The Charismatic Advisor

Sponsored by: Eaton Vance

Many advisors aspire to be the "go-to" resource in the lives of their clients. This presentation demonstrates the dialogue that will elevate advisors to become "one from whom clients gather strength" and includes discussions surrounding:
- The Power of Mindsets
- Collaboration: Nurturing a Sense of Ownership in Our Clients
- The Relationship and the Formation of Trust
- Empathy and Empathic Communication
- Understanding a Client's Coping Strategies
- Creating "Motivating Environments"

David Richman is the national director of Eaton Vance Advisor Institute and has over 25 years of experience in the investment industry. Prior to his role as national director of the Eaton Vance Advisor Institute, David was a member of the Wealth Management Solutions Group, supporting the sophisticated wealth management offerings of the Eaton Vance organization.

David has co-authored three books with Alan Parisse titled Questions Great Financial Advisors Ask and Investors Need to Know (2006) and This Is Your Time (2003 and 2009). David's newest book co-authored with Dr. Robert Brooks, The Charismatic Advisor will be released in 2010. David is also a frequent contributor to numerous financial magazines.

David is a member of the Connecticut Bar and has sat on numerous civic boards during his career. He holds a B.A. and Masters Degree in Public Policy Analysis from the University of Rochester and a J.D. from the University of Connecticut..

Other Participating Sponsors: *Lincoln Financial, ING Funds, KBS Capital Markets, Behringer Harvard, RS Funds, JP Morgan, Oppenheimer, SunAmerica Retirement Markets, SunAmerica Mutual Funds*

11:45 a.m. – 12:45 p.m.
Lunch with Partners
Empire State Ballroom I

12:45 p.m. – 2:45 p.m.
Annual Compliance Meeting

Take this opportunity to fulfill your annual compliance requirements. Here, members of the compliance team will also update attendees on the current regulatory environment, general sales practices, and issues facing our industry today

^ TOP