

# **Legg Mason Investment Counsel Intellectual Capital Conference 2010**

**February 2-4, 2010**



**Legg Mason Global Headquarters  
4<sup>th</sup> Floor Conference Center  
100 International Drive  
Baltimore, Maryland 21202 USA**

## Conference Information

Legg Mason Global Headquarters, 100 International Drive, Baltimore Maryland  
4th Floor Conference Center

**Location:** **Legg Mason Global Headquarters**  
4<sup>th</sup> Floor Conference Center – Atlantic and Mediterranean  
100 International Drive  
Baltimore, Maryland 21202  
410-454-3400

**Attire:** **Business Casual**

**Conference  
Coordinator  
Logistics:** **Joyce Schott**  
410-454-3196

**Conference  
Coordinator  
Concierge:** **Liz Willet**  
410-454-2171

**Hotel:** **Marriott Waterfront Baltimore (one block from office)**  
700 Aliceanna Street  
Baltimore, Maryland 21202  
410-385-3000

**Catering:** **Restaurant Associates**  
410-454-2665

**Weather  
Forecast:** **Tuesday** - A few snow showers. Highs in the low 40s and  
lows in the low 30s.

**Wednesday** - Mainly sunny. Highs in the low 40s and lows in  
the low 30s

**Thursday** - Mostly cloudy. Highs in the mid 40s and lows in  
the mid 30s

## Directions

Legg Mason Global Headquarters, 100 International Drive, Baltimore Maryland  
4th Floor Conference Center

### **FROM I-83 (from the west)**

Take I-83 towards Baltimore until the expressway ends and becomes President Street. Continue straight on President Street until you reach the circle (large monument at the center with "Katyn 1940" on the base). The main entrance to the Legg Mason Tower is located on International Drive, the second road on the right.

For the garage, follow 1/2 around the circle and turn right at the third road on the right. The LEGG MASON HARBOR EAST garage entrance to the Legg Mason Tower will be the first right turn and opposite the sign for "Spinnaker Bay."

### **FROM I-495(from DC, Northern VA, the south)**

Take I-495 to I-95 North. Follow to I-95 North to I-395 towards downtown Baltimore. Take the downtown exit to Pratt Street and take a right. Proceed on Pratt Street and take a right on President Street. Continue straight on President Street until you reach the circle (large monument at the center with "Katyn 1940" on the base). The main entrance to the Legg Mason Tower is located on International Drive, the second road on the right.

For the garage, follow 1/2 around the circle and turn right at the third road on the right. The LEGG MASON HARBOR EAST garage entrance to the Legg Mason Tower will be the first right turn and opposite the sign for "Spinnaker Bay."

### **FROM I-695**

Take I-695 to I-95 to Baltimore to I-395 towards downtown Baltimore. Take the downtown exit to Pratt Street and take a right. Proceed on Pratt Street and take a right on President Street. Continue straight on President Street until you reach the circle (large monument at the center with "Katyn 1940" on the base). The main entrance to the Legg Mason Tower is located on International Drive, the second road on the right.

For the garage, follow 1/2 around the circle and turn right at the third road on the right. The LEGG MASON HARBOR EAST garage entrance to the Legg Mason Tower will be the first right turn and opposite the sign for "Spinnaker Bay."

### **FROM I-95, North or South**

Take I-95 towards Baltimore to I-395 towards downtown Baltimore. Take the downtown exit to Pratt Street and take a right. Proceed on Pratt Street and take a right on President Street. Continue straight on President Street until you reach the circle (large monument at the center with "Katyn 1940" on the base). The main entrance to the Legg Mason Tower is located on International Drive, the second road on the right.

For the garage, follow 1/2 around the circle and turn right at the third road on the right. The LEGG MASON HARBOR EAST garage entrance to the Legg Mason Tower will be the first right turn and opposite the sign for "Spinnaker Bay."

*Alternate:* From I-95, North or South Take exit 59 to Eastern Avenue/State Highway 150. Keep right at fork and follow signs to Highlandtown. Turn right at Eastern Avenue, MD 150. Turn left at South Eden Street. Turn right at Aliceanna Street. Follow 1/2 around the circle and proceed right onto International Drive. Legg Mason Tower will be on your left, at the corner of Aliceanna and International Drive.

For the garage, follow 1/2 around the President Street circle and turn right at the third road on the right. The LEGG MASON HARBOR EAST garage entrance to the Legg Mason Tower will be the first right turn and opposite the sign for "Spinnaker Bay."

## Day 1 Agenda: Tuesday February 2

Legg Mason Global Headquarters, 100 International Drive, Baltimore Maryland  
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<b>Noon</b>	– <b>12:15pm</b>	<b>Welcome – Harry O’Mealia</b>
<b>12:15</b>	– <b>2:00pm</b>	<p><b>Dino Kos – Fed Exit Strategy (Working Lunch)</b> <i>Managing Director, Portales Partners.</i></p> <p>Prior to joining Portales, which is an independent research provider specializing in financial stocks, Mr. Kos was based in Hong Kong with Morgan Stanley Investment Management in the capacity of Managing Director and Head of Central Banks and Sovereign Wealth Funds. Previously, he was with the Federal Reserve Bank of New York, where he advanced to Executive Vice President of the Markets Group, with responsibility for all the trading activity of the Federal Reserve including repo, government securities, foreign exchange and foreign reserves management.</p> <p>Mr. Kos earned a B.A. degree in economics from the State University of New York in Albany and holds a M.B.A. in corporate finance from New York University.</p>
<b>2:00pm</b>	– <b>2:15pm</b>	<b>Break</b>
<b>2:15pm</b>	– <b>3:15pm</b>	<p><b>Nell Minow – Corporate Governance</b> <i>Editor and Co-Founder of The Corporate Library.</i></p> <p>She was previously a principal in shareholder activist firm Lens, and President of ISS. Nell began her career in government as an attorney with EPA, OMB, and DOJ. She has authored over 200 articles and co-authored 3 books on governance with Robert Monks, including the 4th edition of an MBA textbook entitled <u>Corporate Governance</u>.</p>
<b>3:15pm</b>	– <b>4:15pm</b>	<p><b>Pat Green, Brian Gallagher – Advent APX Overview and Conversion</b> LMIC will be converting to Advent APX from Portia by the end of 2010. We will also assume responsibility for our custodian reconciliation, performance calculations and composite construction and maintenance.</p>
<b>4:15pm</b>	– <b>4:30pm</b>	<b>Break</b>
<b>4:30pm</b>	– <b>6:30pm</b>	<p><b>LMIC Equity Research Presentations</b></p> <p><b>Joseph F. Healy, CFA,</b> <b>Amanda E. Agati, CFA, Michael D. Bailey, CFA,</b> <b>Shaya Berzon, CPA, Xuying Chang, CFA, Christopher R. Harvey, CFA</b> <b>Todd C. Jones, CFA, Thomas W. Krygowski, Ph.D., CFA, Mathi Vaheesan, CFA</b></p>
<b>6:30pm</b>	– <b>7:30pm</b>	<b>Cocktail Hour</b>
	<b>7:30pm</b>	<b>Dinner at Legg Mason Cafe</b>

## Day 2 Agenda: Wednesday February 3

Legg Mason Global Headquarters, 100 International Drive, Baltimore Maryland  
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**7:15am – 8:00am Breakfast (optional)**

**8:00am – 9:30am Richard F. Hokenson – Investment Implications of Global Demographic Changes**

*Founder Hokenson & Company*

1973 to 1976 Senior Economist at Data Resources, Inc  
1976 to 1977 Senior Economist at Merrill Lynch Economics  
1978 to 1995 Senior Economist at Donaldson, Lufkin & Jenrette (DLJ)  
1995 to 2000 Chief Economist at Donaldson, Lufkin & Jenrette (DLJ)  
2000 to 2002 Director of demographic Research at Credit Suisse First Boston (after the merger with DLJ)  
2002 till now Independent consultant

Richard Hokenson holds an undergraduate degree in economics with honors from the University of California at Berkeley and an M.A. in Economics from the University of Michigan. Mr. Hokenson did his Ph.D. research at New York University.

**9:30am – 10:00am Break**

**10:00am – 11:00am Sheldon Satsky - 2010 Tax Changes/Repeals and Their Effect on Potential Estate and Tax Planning**

*Partner Saul Ewing*

Sheldon Satsky is a Partner in the Baltimore office and Co-chair of Saul Ewing's Personal Wealth, Estates and Trust Department. He concentrates his practice in sophisticated estate planning, wills and trusts, probate and trust administration, post-mortem tax planning, charitable giving, family succession planning and tax issues relating to these matters. Memberships and Affiliations include: Fellow, American College of Trust & Estate Counsel; President, Baltimore Estate Planning Counsel; Member, Estates and Trusts Section, Taxation Section and Estate and Gift Tax Study Group, Maryland State Bar Association.

**11:00am – Noon Michael Thurow and Todd Payne - Managing Portfolio Risk & Option Markets**

*Sr. Derivative Strategist - Susquehanna Financial Group*

*Institutional Trader - Susquehanna Financial Group*

Michael performs option education and derivative analysis for institutional investors, in addition to developing equity derivative based strategies. In addition to his experience on the Market Intelligence (Derivative Research) desk, Michael worked for SIG on regional trading floors, Index Desk, and on the Equity Options Desk, assisting in the execution institutional equity derivative orders. Michael has appeared as a regular guest on CNBC and Fox Business News and his work has appeared regularly in financial publications including the Wall Street Journal, Barron's, and Bloomberg. Michael holds a BS in Business Administration from Drexel University, graduating MagnaCum Laude, a MS in Finance from Saint Joseph's University, and is based in SFG's Bala Cynwyd office.

## Day 2 Agenda: Wednesday February 3

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<b>Noon</b>	<b>– 12:15pm</b>	<b>Break</b>
<b>12:15pm</b>	<b>– 2:00pm</b>	<p><b>Dr. Robert J. Barbera – Genesis of the Crisis and the Prospects for Free Market Capitalism (Working Lunch)</b> <i>Executive Vice President and Chief Economist at ITG, Investment Technology Group.</i></p> <p>He is responsible for ITG's global economic and financial market forecasts. In 2009, Dr. Barbera authored <u>The Cost of Capitalism: Understanding Market Mayhem and Stabilizing Our Economic Future</u>. Dr. Barbera currently is a Fellow in the Economics Department of The Johns Hopkins University. Early in his career, Dr. Barbera served as a staff economist for U.S. Senator Paul Tsongas and as an economist for the Congressional Budget Office. Dr. Barbera also lectured at M.I.T. From mid-1994 through mid-1996, he was Co-Chairman of Capital Investment International, a New York based research boutique. Dr. Barbera earned both his B.A. and Ph.D. from The Johns Hopkins University.</p>
<b>2:00pm</b>	<b>– 2:15pm</b>	<b>Break</b>
<b>2:15pm</b>	<b>– 3:15pm</b>	<p><b>Blair Johnson – Shifts in Marketing Strategy</b> <i>Lecturer – Johns Hopkins Carey Business School</i></p> <p>Blair is a Lecturer with expertise in the areas of entrepreneurship, strategic marketing and mergers and acquisitions. Honors and Distinctions include: GE President's Award; 4-time GE Award of Excellence recipient; GE Six Sigma Certification – Master Black Belt; Baltimore Reads – Board; Center for Urban Families - Board.</p>
<b>3:15pm</b>	<b>– 3:30pm</b>	<b>Break</b>
<b>3:30pm</b>	<b>– 5:00pm</b>	<p><b>Peter Perkins (by Video) – Global Economics and Portfolio Strategy</b> <i>Bank Credit Analyst – Managing Editor and Global Strategist</i></p> <p>Peter Perkins joined BCA Research in 2002 after several years in the brokerage industry as an equity strategist and director of equity research in Hong Kong, New York and Mexico. Previous to becoming Global Strategist, he was Managing Editor of <i>Daily Insights</i> and the <i>International Bank Credit Analyst</i>. Prior to working in the brokerage industry, Mr. Perkins was a managing economist for a leading U.S. econometric forecasting firm. He holds a M.A. in Economics from Pennsylvania State University.</p>
<b>5:00pm</b>	<b>– 6:00pm</b>	<p><b>LMIC Project Team Scenario Presentations and Discussion</b></p> <p><b>U.S.A. Relative Decline Team</b> <b>China Surprise Team</b> <b>Inflation Team</b> <b>No Growth / Deflation Team</b></p>
<b>6:00pm</b>	<b>– 6:30pm</b>	<b>Break</b>

## Day 2 Agenda: Wednesday February 3

Legg Mason Global Headquarters, 100 International Drive, Baltimore Maryland  
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6:30pm – 7:30pm

### Cocktails and Presentation by Author Lynne Olson

#### Citizens of London: The Americans Who Stood with Britain in Its Darkest, Finest Hour

Lynne Olson has been a reporter and writer since shortly after her graduation from the University of Arizona. In 1971, she went to work for the Associated Press in Salt Lake City, and in 1972, transferred to the AP's San Francisco bureau, where she specialized in feature writing. Later that same year, Olson was named to AP's top feature writing team in New York, which focused on developing and writing stories about the country's rapidly changing social mores. In 1973, she was asked by the AP to become the wire service's first woman correspondent in Moscow, and she moved to the AP's foreign desk to prepare for the assignment. She was based in Moscow from 1974 to 1976, once again concentrating on feature stories but also covering such news events as the Apollo-Soyuz space mission and President Nixon's visit to the Soviet Union. In 1976, Olson was reassigned to Washington, where she was chosen to cover Jimmy Carter's presidential campaign.

After Carter became president, Olson joined the Washington bureau of the *Baltimore Sun*, where she covered national politics and eventually the White House. In 1981, she quit the *Sun* to become a freelance writer. She has written for such publications as the *Washington Post*, *American Heritage*, *Smithsonian*, *Working Woman*, *Los Angeles Times Magazine*, *Ms.*, *Elle*, *Glamour*, *Washington Journalism Review* and *Baltimore Magazine*. She also taught journalism for five years as an assistant professor at American University in Washington.

7:45 pm

### Dinner at Della Notte Ristorante

801 Eastern Avenue  
Baltimore, MD 21202  
(410) 837-5500

## Day 3 Agenda: Thursday February 4

Legg Mason Global Headquarters, 100 International Drive, Baltimore Maryland  
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**7:15am – 8:00am Breakfast (optional)**

**8:00am – 9:30am Dean Yash P. Gupta – Globalization**  
*Dean - Johns Hopkins Carey Business School*

Before arriving at Johns Hopkins, he was dean and professor of the Marshall School of Business at the University of Southern California. He also held the Robert R. Dockson Dean's Chair of Business Administration at the Marshall School. Under his leadership as dean, the school raised more than \$55 million and improved its rankings in the *Wall Street Journal* from 26th on the regional schools' list to 10th on the national list.

Dr. Gupta has lived and worked on three continents, in many countries with diverse cultures. He earned a Ph.D. in Management Sciences from the University of Bradford, England, in 1976. He also holds an M.Tech, Production Management, from Brunel University of West London, England; a B.Sc.Eng., Production Engineering, from Panjab University, India; a P.Eng., Association of Professional Engineers, from the Province of Manitoba, Canada; and he completed the College Management Program in the Heinz School of Public Affairs at Carnegie Mellon University.

**9:30am – 10:00am Break**

**10:00am – 11:00am Steve Milunovich – Clean Technology**  
*Cleantech Strategist – Merrill Lynch*

Steven Milunovich is cleantech strategist and analyst at Merrill Lynch. Mr. Milunovich brings to this role extensive analytical experience, an in-depth knowledge of disruptive technologies, and a strong understanding of the needs of investors and venture capitalists. He has spent 23 years on Wall Street, most recently as a managing director at Merrill Lynch. During that time, Steve was widely recognized as a top computer hardware industry analyst and technology strategist. He appeared 20 times on the *Institutional Investor* All-America Research Team, including ranking as the top IT Hardware analyst from 1989-2000.

**11:00am – Noon Martin Reynolds – Top 10 Technology Predictions for 2010**  
*Vice President and Gartner Research Fellow*

Prior to joining Gartner, Mr. Reynolds worked for Memorex in senior engineering and strategic planning roles. Before that, he was involved in the early development of personal computers; designed and developed advanced electronic cash registers; and wrote software as a consultant in the banking industry. His early career started with Price Waterhouse (now PricewaterhouseCoopers) as an auditor, but he was easily tempted back to engineering. Mr. Reynolds has been involved with industry groups, including the Video Electronics Standards Association (VESA), the Micro Channel Developers Association (MCDA), the WinHEC Technical Advisory Council and the Microprocessor Report editorial board.

## Day 3 Agenda: Thursday February 4

Legg Mason Global Headquarters, 100 International Drive, Baltimore Maryland  
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<b>Noon</b>	–	<b>12:15pm</b>	<b>Break</b>
<b>12:15pm</b>	–	<b>2:00pm</b>	<p><b>Glenn L. Reynolds, CFA – Bond Markets – Then, Now and Tomorrow (Working Lunch)</b> <i>Founding Employee / Chief Executive Officer CreditSights Inc.</i></p> <p>Glenn Reynolds, CEO of CreditSights Inc. since its inception in September 2000, was an original investor and a co-founder of CreditSights with Peter Petas. Over a 25+ year career, Glenn has accumulated multiple industry accolades, including being featured in the <i>Institutional Investor</i> All-America Team and capturing the #1 ranking in four distinct sectors (All Industrials, Transportation, Automotive and Industrials/Cyclicals). His industry experience has extended from the buy side to sell side and from high grade to high yield and from "bottom-up" company coverage to "top-down" strategy and risk assessment. Glenn has testified in Congress and before the SEC on numerous issues including the Senate hearings on Enron (2002), the SEC hearings on rating agency reform (2002), and rating agency reform legislation (Senate and House in 2005 and 2006).</p> <p>Prior to founding CreditSights, Glenn was a Managing Director, Head of Global Corporate Bond Research and Senior Credit Strategist at Deutsche Bank, where he had been employed since May 1997. His primary role was the oversight of analytical teams in Frankfurt, London, New York, Singapore, Hong Kong, Tokyo, and Sydney as well as the recruiting and integration of a team of analysts globally and across several business lines. Glenn joined Deutsche from Lehman Brothers, where he was a Managing Director in the Fixed Income Research Department and had held a variety of research and corporate level roles since his arrival at the firm in 1986. He served as the Global Head of Credit Research, Chief Credit Officer, Senior Corporate Strategist, and as a primary sector analyst in a number of different industry groups. From 1984 to 1986 Glenn was a senior analyst in the Capital Markets area of Prudential Insurance where he worked on a range of corporate, high yield and private placement portfolios. From 1980 to 1983, he was a Certified Public Accountant at Deloitte Haskins and Sells. Glenn graduated from Harvard College in 1980 with a Bachelor of Arts in History and Economics and also received a Master of Science in Accounting from New York University in 1981. He became a CFA in 1987.</p>
<b>2:00pm</b>	–	<b>2:15pm</b>	<b>Break</b>
<b>2:15pm</b>	–	<b>4:00pm</b>	<b>LMIC Project Team Scenario Summation &amp; Conference Takeaways</b>