

Publisher's Letter



WELCOME to our third annual Los Angeles Business Journal CFO Awards special supplement, in which we celebrate the efforts and achievements of those too often unsung heroes of the corporate space.

Every successful company in Los Angeles owes a tremendous debt of gratitude to the Chief Financial Officers of their respective businesses, each of whom plays a key role, not only in the success of their companies, but in the success of the Los Angeles financial community as a whole. So to all the great CFOs profiled in this volume we say thank you!

This issue sheds some additional light on the nominees and honorees we celebrated at our CFO Awards luncheon on Tuesday, September 8th at the Millennium Biltmore downtown.

The list of prestige nominees — each an example of excellence in the field of financial business stewardship — grew this year, largely as a result of our successful event last year, which is great — but made it even more difficult to arrive at the honorees. Six hon-

orees are announced in this section in six categories — Large Public Company CFO, Large Private Company CFO, Non-Profit CFO, Small Public Company CFO, Small Private Company CFO and the prestigious President's Award. We applaud each of the nominees and honorees — all of whom are described in these pages.

We hope you enjoy this special section, which contains some insights on what exactly it means to be a CFO in today's business climate, as well as profiles of each of our esteemed CFO Award nominees and honorees.

And again, congratulations to all the great CFOs in Los Angeles who tirelessly contribute to the bottom line of your businesses, and ultimately, our business community as a whole.

Best regards,

Matthew A. Toledo
Publisher & CEO

Los Angeles Business Journal's Third Annual CFO of the Year Honorees

CFO OF THE YEAR: PRESIDENT'S AWARD

THOMAS TIPPL, ACTIVISION BLIZZARD



Thomas Tippl joined Activision as its CFO in October 2005, after 14 years of financial management experience at The Procter and Gamble Company. At that time, Activision was the number two ranked company in the video gaming industry, finished the fiscal year with \$1.5 billion in net revenues and \$18 million in operating income, and had a market capitalization of about \$4 billion. Just 3½ years later, Activision is recognized as #1 in the industry, finished the most recent fiscal year with \$5.0 billion in comparable basis net revenues and \$1.2 billion in comparable basis operating income, and has a market capitalization of about \$16 billion.

Through Tippl's leadership and operational discipline and execution, Activision, its employees, and its shareholders have enjoyed tremendous success. Strategically, Activision has greatly expanded its portfolio, including entering the music genre (with Guitar Hero), the racing genre, and the massively popular multi-player online gaming world through a merger with Blizzard Entertainment and its franchise of World of Warcraft. In addition, the company has expanded its international operations and capability. Under Tippl's leadership, the company successfully restructured and integrated the historical Activision and Vivendi Games businesses (which included Blizzard Entertainment), in less than a year, and is now positioned for strong future growth opportunities.

Organizationally, through Tippl's guidance and coaching, the Finance and Accounting organization at Activision has scaled in capability to meet increasing business challenges. As a result, the company's board further expanded Tippl's role to Chief Corporate Officer, in March of this year, in addition to CFO, with responsibility for Human Resources and Legal Affairs in addition to Finance and IT.

CFO OF THE YEAR: LARGE PRIVATE COMPANY

NICK GREENKO, TANGRAM INTERIORS



Nick Greenko is the CFO of Tangram, the largest privately-owned dealership for Steelcase, Inc. in the Western half of the United States. Like most CFOs in corporate America, Greenko assumes all the financial responsibilities that come with his title. But beyond that, Greenko is an integral member of Tangram's executive team. He is the provider of key financial and economic insight that influences company leadership's daily strategic decisions that form Tangram's financial policy.

When Greenko arrived at Tangram seven years ago, he successfully demonstrated the keen ability to transform a company with a dismal balance sheet into a healthy, growing and profitable built-to-last business. Years ago, he possessed the foresight to lead proactive measures to not only prepare Tangram to survive today's recession.

Greenko is also known as a master communicator. His speaking style and listening skills have a natural tendency to enhance interpersonal relationships — from serious and sensitive discussions to partaking in humorous dialogues with funny adlibs and metaphors.

Not only does he impress the people he works with, but he's a person that helps win business when introduced to potential clients. Greenko is also a coach and mentor to many at the company. Those who work closely with him appreciate his subtle and obvious efforts to make them better business people. He values trust, intention, effort and respect and instills these values in others. Greenko welcomes expression of opinions and is always ready to offer perspective. He knows when to challenge and knows when to offer guidance and assistance to help one reach their professional and personal goals. He's also probably one of few CFOs to have sung a financial report to music at an industry event!

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CFO OF THE YEAR: NON-PROFIT

DAN DELEON, THE CALIFORNIA ENDOWMENT



Dan DeLeon is vice president and CFO for The California Endowment, which expands access to affordable, quality health care for underserved individuals and communities and promotes fundamental improvements in the health status of all Californians.

In his capacity, DeLeon is responsible for overseeing all aspects of The Endowment's financial and administrative functions, including finance, planning and analysis, audit, investments, information technology, legal, purchasing, facilities and grants administration.

In the past year, DeLeon has helped the Endowment through a major restructuring as it converted to a place based foundation, now focusing on improving the quality of life in 14 specific communities across the state, turning over 25% of the workforce and implementing new organizational and financial structures.

In the middle of this restructuring, the financial markets began to struggle, causing fiscal challenges for The Endowment, which relies solely on investment return for revenues.

This caused a major change in the Endowment's grant making strategy. As CFO, DeLeon was instrumental in getting the organization focused on reducing its overall level of spending and becoming more strategic in its grant making and more efficient and effective overall. Despite an investment drop of 35%, DeLeon has helped lead The Endowment to a scenario where they are a leaner and more efficient organization, poised to meet its mission for many years to come.

CFO OF THE YEAR: LARGE PUBLIC COMPANY

KARLA LEWIS, RELIANCE STEEL & ALUMINUM COMPANY



Karla R. Lewis became Executive Vice President of Reliance Steel & Aluminum Company in January 2002 and continues as Chief Financial Officer today. She was also appointed an Assistant Secretary in 2007. She has been Senior Vice President and CFO of Reliance since February of 2000. She served as Vice President and CFO of Reliance from 1999 to 2000 and was Vice President and Controller from 1995 to 1999. Lewis served as Corporate Controller from 1992 to 1995. For four years prior to joining Reliance, Lewis, a CPA, was employed by Ernst & Young in various professional staff positions.

Lewis has led Reliance Steel & Aluminum Company through a tremendous period of expansion that has been driven by strong financial leadership and financial growth. The organization's main growth has been through acquisitions, all of which Lewis has been a part of — including various purchase and offering transactions. Through all of this, Lewis has managed to help maintain Reliance's strong financial position and net income growth.

Since Reliance Steel issued its initial public offering in 1994, they have enjoyed phenomenal growth as their annual revenues have grown from approx. \$370M to over \$8B in 2008 primarily through acquisitions of over 40 companies.

With all the growth, Lewis has led the company and her team. She participates actively in strategy and day to day financial management asking nothing of her staff she wouldn't expect of herself. She keeps turnover low and maintains a strong company culture. Her finance department and company culture values individual contribution and has not succumbed to the tendency of large fast growth companies that add too many layers of management & staff.

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Los Angeles Business Journal's Third Annual CFO of the Year Honorees *continued*

CFO OF THE YEAR: SMALL PUBLIC COMPANY

KYLE HUEBNER, STAMPS.COM



Kyle Huebner has been Chief Financial Officer of Stamps.com since January of 2004. He joined the company as the 30th employee during the pre-revenue, start-up phase in January of 1999. He is responsible for the company's finance, human resources, accounting, investor relations, and corporate strategy groups. When the company's Vice President of Finance and Chief Accounting Officer resigned in July 2007, Huebner assumed the duties.

Huebner has a tremendous track record in driving growth for the company. He led the product launch team for NetStamps and the online supplies store. Huebner received a Special Achievement Award from the U.S. Postal Service in April 2003 for recognition of outstanding innovation in the mailing industry. He is named co-inventor on one issued and several pending patents including PhotoStamps.

Stamps.com has held up very well in the economic downturn. As CFO, Huebner quadrupled revenue from \$21 million in 2003 to \$85 million in 2008 and improved earnings from a net loss of \$9.3 million in 2003 to a net profit of \$10 million in 2008.

Thanks to Huebner's stewardship, Stamps.com is in excellent financial condition with 2008 results that included revenues of \$85 million, 73% gross margins, GAAP net income of \$10 million and free cash flow of \$13 million. The company also boasts an extremely strong balance sheet with \$74 million dollars in cash, short-term and long-term investments on our balance sheet and no debt. Plus, Stamps.com has excellent free cash flow generating power having generated \$60 million in free cash flow since 2004.

CFO OF THE YEAR: SMALL PRIVATE COMPANY

JEFF DEAN, ONLINE TESTING EXCHANGE



Jeff Dean is currently CFO of the Online Testing Exchange (OTX). OTX is a leading company in the online research industry. Dean has been in his current role as Chief Financial Officer for 5 years and has helped his company grow from less no revenues in 2004 to \$55 million in revenues for 2008.

In the years leading up to 2008, Dean successfully managed OTX from a start up corporation to a well-capitalized middle market company. When 2009 began he recognized the economy was different and repositioned OTX for change. Quarterly, Dean conducts a meeting in front of all employees, which updates everyone on the financial performance of the company and answers all questions any employee has about OTX.

Dean used these meetings to rally the company through the changes that were to occur in the future months. In a time when many companies wanted to ignore or hide financial performance, Dean took accountability and turned the struggling climate into a rally cry for the company. Because everyone at OTX knew how difficult the market had become OTX showed their resilience and everyone began working together to maintain the company's success performance.

In the first four months of this year, OTX's sales flattened as projected but Dean was able to manage the company's finances at a breakeven level. Many CFO's across the country watched their companies become unprofitable or fail as Dean positioned OTX for success. By May of this year, Dean had led OTX to a profit and more importantly, had positioned the company to begin taking market share from struggling competitors. This led to May being OTX's most successful month in company history.

In a year when many companies are suffering financially, Dean is leading OTX to continued year over year sales growth and has OTX well positioned for EBITDA growth in 2010.

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The Los Angeles Chapter of Financial Executives International congratulates all the nominees and winners of the 2009 CFO of the Year.

Join outstanding CFOs — become a member of the FEI Los Angeles Chapter.

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