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## NAIC Coastal GA/SC Chapter March 2005 Newsletter

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### **Below is information related to the following:**

- **Special Notes (Workshops - March 12)**
- Commentary
- Chapter Workshops
- Computer Group
- Club News
- Volunteer Opportunities

### **SPECIAL NOTES:**

#### **Email Announcements:**

Please remember to share our chapter announcements with others who may not be receiving these messages. If you know of others with email who would like to be on this [list, please ask them to email us. \*sgallemore@georgiasouthern.edu\*](mailto:sgallemore@georgiasouthern.edu)

#### **Chapter Web Page:**

While the Chapter Web Page is being updated, members may find information about our workshops and other events, past email newsletters, and other chapter information at an alternate site: <http://www.georgiasouthern.edu/~sgallemo/coastal-chapter>.

#### **Postcards to Clubs:**

Please note that only one person per investment club receives the NAIC postcards announcing chapter workshops and activities. This NAIC contact person should share information on that postcard with all club members. Postcards come out a maximum of once per month.

#### **Club Visits:**

Chapter Directors would like to visit your club to assist with club operations and provide a brief portfolio review of your club's holdings, to learn of your education interests, and to provide information about other services the chapter may be able to provide, and of course to provide an opportunity for club members to participate in a question/answer session. Please let us know if you would like to schedule a visit.

[sgallemore@georgiasouthern.edu](mailto:sgallemore@georgiasouthern.edu)

### **Better Investing Seminars:**

If you know of a group that would like a free *Better Investing Seminar* presentation (overview of NAIC investment principles, how to get started investing, information about investment clubs, etc.), please let us know. [sgallemore@georgiasouthern.edu](mailto:sgallemore@georgiasouthern.edu)

### **COMMENTARY**

Sandy Gallemore

Recently I came across an article about investor-friendly companies (written by Ric Marshall, chief analyst for The Corporate Library, an institutional investment research firm that provides information that helps institutional investors evaluate corporate governance issues). Some of his points should not be new to us, but perhaps can serve as reminders. Below are some of Marshall's points, along with my own.

Our SSG provides a place for us to include insider ownership, and many of us like something other than zero in that spot. Insider ownership tells us that some of the management is in the same position as the common shareholder and is watching the fundamentals of the company and how those may cause the price to increase or decrease.

But how much insider ownership is too much? The bottom line: If management owns more than 50 percent, no one else will have a vote that counts. Everyone else, individually or as a group, is in a minority position. If a company has one investor with more than 50 percent of the shares, whether or not that individual is a member of management, that company is friendly to that individual, but should be considered unfriendly to other investors. If we own this company, we would be trusting the individual (or the management) with the majority of shares to operate the company in an ethical and profitable manner, to do what would be beneficial for the average shareholder, etc. Personally, I'm not that trusting.

Another item related to investor friendliness is the makeup of the Board of Directors. Two options for election to a Board of Directors are available to companies: re-election each year and election of only a few of the directors each year. The first option, with directors re-elected each year, results in an "unclassified" board. The second option, with directors having staggered terms of office, results in a "classified" board.

Which type of board is the most investor-friendly? If a company has a classified board, investors will have little impact upon changing the makeup of the Board, since it would take a number of years to alter the composition significantly. For example, if one-third of the Board were to be re-elected each year, the majority of the Board would continue to be in effect, and no doubt busy socializing the new members into operating as the

current Board has been operating. Therefore, a classified board may not be as investor friendly as we may like to see.

These considerations certainly do not take the place of our NAIC stock study tools, but they may be additional interesting pieces of the puzzle that help the investor in fully analyzing a particular company before purchase or before a sale, or may be used in comparison among companies one is considering.

March 12: Stock Selection Guide with Judgment Sections 3-4-5 (9:30 am - 12:00 pm) and Stock Comparison Guide (1:00 - 3:30 pm)

## CHAPTER WORKSHOPS

### Stock Selection Guide with Judgment: Sections 3, 4, and 5

**Date:** March 12, 2005, Saturday.

**Time:** 9:30 am - 12:00 pm (registration opens at 9:00 am)

**Location:** Mighty Eighth Air Force Heritage Museum in Pooler GA (Hwy 80 and I-95 intersection)

**Cost:** \$25.00

### Stock Comparison Guide

**Date:** March 12, 2005, Saturday.

**Time:** 1:00 pm - 3:30 pm (registration opens at 12:45 pm)

**Location:** Mighty Eighth Air Force Heritage Museum in Pooler GA (Hwy 80 and I-95 intersection)

**Cost:** \$25.00

**For all workshops**, please use registration form on webpage:

<http://www.georgiasouthern.edu/~sgallemo/coastal-chapter>

### Off-Site Workshops (club sponsored)

**Workshop requests:** The Chapter is prepared to provide workshops for clubs or other groups of NAIC investors. Requests for a workshop must reach the Chapter at least six weeks prior to the requested time of the workshop. Generally, a full-day workshop or two half-day workshops must be scheduled. Email us for information about workshop topics. *pilgrimdi@netscape.net*

**Responsibilities of the host:** The host must guarantee a minimum of 10 pre-

registrations for the day and is responsible for arranging suitable classroom accommodations, including a large screen, podium, table space for the presenter(s), etc. Further information is available on our webpage.

**Registration requirements:** The Chapter must receive the pre-registration forms with fees enclosed at least 14 days in advance of the planned workshop date. Chapter registration forms must be used – see our alternate chapter web site or email us for a copy of the form. <http://www.georgiasouthern.edu/~sgallemo/coastal-chapter> or email [pilgrimdi@netscape.net](mailto:pilgrimdi@netscape.net).

## CHAPTER COMPUTER GROUP

Please respond to this email if you are interested in assisting with the re-formation of a Chapter Computer Group.

## CLUB NEWS

If your club would like to highlight its successes, share ideas, or invite visitors to meetings, let us know and we will include the information in this section of the [Newsletter](#). [sgallemore@georgiasouthern.edu](mailto:sgallemore@georgiasouthern.edu)

Please note: The Chapter cannot publish any advertisements for new club members, nor can we publish any requests of individuals to be put into contact with a club. The best way to determine if a match-up exists is to attend workshops and look for others in your area, or to mention your interest in investment clubs to people you see in your area.

Should you have a group of people interested in forming a new club, please let the Chapter know (you may reply to this memo with that message). We love to help new clubs form.

## Clubs Currently Welcoming Visitors

Women Investing Now (WIN) Investment Club of Statesboro GA welcomes visitors to most of its monthly club meetings, which are held on the fourth Tuesday of the month. Please contact the club if interested in attending. [sgallemore@georgiasouthern.edu](mailto:sgallemore@georgiasouthern.edu)

## CHAPTER VOLUNTEER OPPORTUNITIES

The Coastal GA/SC Chapter has openings for a few Associate Directors and Volunteers who would like to assist with Chapter operations, publicity for our workshops and activities, teaching workshops, and/or with providing other services to

our membership.

Please contact our Volunteer Coordinator, Valjean Stell-Burns, at [valsburns@comcast.net](mailto:valsburns@comcast.net), or respond to this email, if you are interested in serving as a chapter volunteer. Not only will you be sharing your talents to help others improve their investment skills, but also you will have unique opportunities to improve your own investment knowledge by attending NAIC and Chapter director training programs.