



Your Chapter News

Volume XXXII, Issue 1

Helping you become a Better Investor

September 2005

Special points of interest:

- Fall Kick-Off September 12th
- Stock Selection Guide (SSG) series in October
- Computer Group is now BetterInvesting Seminar Series
- Basic Treasurer's Workshop, November 12th.
- Hands-On Software Classes, December 3rd
- Model Club rate of return is over 20%

Details inside

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From the President... It's The Quality Diane Amendt

Quality is our theme for this program year. It begins at our Fall Kick-Off when Bonnie Reyes, VP Finance and Operations for NAIC, will show us how Quality Counts when reading an annual report. Our Better Investing Seminar Series (formerly the Computer Group) will focus on some aspect of quality at each of the meetings. As clubs and individual investors, we know that the quality of our portfolio is even more important with the market behaving as it has in the past few years. By the way, the Model Club, which meets monthly and is open to visitors, had a compound annualized growth rate of 18.10% from February 21, 2004 through June 17, 2005.

Your Southeastern Michigan Chapter is made up of dedicated volunteers putting in many hours of service to bring quality programming to our membership. There is something for everyone, including Classes on the Road, where we bring the program to your meeting. Check out our calendar and circle the programs you want to attend. And if there is something you would like to see added to calendar next year, please let us know.

Joyce and Bob Manby have served as our registrars for many years and are the familiar faces at the registration table for most of our meetings.

They are giving up that job this year although they will still be active directors on the board. We want to give special recognition to them for all of the many hours of service they have given over the years. Gloria Luther, another familiar face at the registration table, will be taking over the primary task as registrar. The mailing address remains PO Box 251832, West Bloomfield, 48325-1832 but mail should be addressed to Gloria Luther. The phone number has changed and the new number is 248-683-1005. Thanks again to Bob and Joyce.

Learn to Earn with Classes on the Road Ann Cuneaz, Director and Education chairperson

For more than fifty years friends, relatives, and coworkers have been coming together to form Investment Clubs. The number one motivation has been to learn about investing. And the model works! Each month

members pool their investment dollars, allowing each member to participate in the world of investing without risking large sums of money, while learning the basics and gaining confidence.

Successful clubs know that education is important, and regularly schedule an education component on the monthly meeting agenda.

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Southeastern Michigan Chapter Directory

Officers

Diane Amendt	President	dianeamendt@flash.net	248-478-9866
Mary Hoversten	Vice President	hoversmt@umich.edu	734-995-0471
Jane Bellaver	Treasurer	Maryjanebe@aol.com	248-685-8246
Mary Sullivan	Secretary	msmurphy@provide.net	810-229-5484

Directors / Associate Directors / Volunteers

Barb Beauchamp	Facilities manager	barb@midwestbanner.com
Bob Birdsall	Local Contact - Wayne	734-722-1144
Paul Bowles	Presiding Partner, SEM NAIC Model Club	paul.bowles@sbcglobal.net
Ralph Congdon	Special events	734-422-7562
Curt Cormier	BetterInvesting Seminar Series	248-661-9736
Ann Cuneaz	Computer Contact & Education Chair	anncuneaz@hotmail.com
Zena Ealovega	Assistant for Supplies and Sales	
Joe Findling	Membership Chair	248-647-4286
Christopher Johnson	Communications Chair	SEMHelp@BetterInvesting.org
Tim Klepaczyk	Local Contact—Dearborn	htjester@yahoo.com
Gloria Luther	Registrar	248-682-2075
Bob Manby	Local contact - West Bloomfield	248-626-1805
Joyce Manby	Local contact - West Bloomfield	248-626-7041
Colleen Mulder-Seward	Volunteer Coordinator/IT Manager	cmulder@bluestone-consulting.com
John Porter	Welcome Committee & Chapter Historian	734-454-1698
Calvin Richards	Local Contact	
Leo St Amour	Local Contact - Rochester	248-650-5029
Jacqueline Stoupe	Local Contact - Ann Arbor	
Aubrey Vaughn	Supplies & Sales	313-371-8069
Cassandra Wells	Chapter Librarian and Assistant Secretary	
Teresa Walny	Local Contact - East Pointe	

Class Locations

BTL	Bloomfield Township Library, 1099 Lone Pine at Telegraph, Bloomfield Hills
BDL	Brighton District Library, 100 Library Dr, off Grand River between Charles Orndorf & Challis Rd, Brighton
EMUB	Eastern Michigan University - Brighton, 2250 Genoa Business Park Drive, Suite 120, Brighton, MI 48114
FCL	Farmington Community Library, 32737 W. 12 Mile Road, Farmington Hills, MI 48334
HQ	NAIC Headquarters, 711 W. 13 Mile Rd. Madison Heights, MI 48071
LCCL	Livonia Civic Center Library, 32777 Five Mile at Farmington Rd., Livonia
NHT	New Horizon Computer Learning Center, 2800 Livernois (S of Big Beaver), Suite 250, Troy
NPL	Novi Public Library, 45245 W 10 Mile Rd, Novi, MI 48375
SJM	McAuley Inn, 5305 Building, St. Joseph Hospital Campus, Ann Arbor

CLASS SCHEDULE

Details of Class Locations on page 2

**September**

- 12 - Fall Kick-Off, BTL, 6:30pm - 8:45pm Bonie Reyes
- 15 - Ann Arbor BetterInvesting Seminar Series, SJM, 6:30pm - 8:45pm Topic: Putting It All Together
- 19 - Chapter Board Meeting, LCCL, 6:30pm - 8:45pm
- 24 - Model Club, HQ, 10:00 a.m. - Noon
- 27 - #101: Introduction to Better Investing, NPL, 6:30pm - 8:45pm

October

- 3 - #101: Introduction to Better Investing, BDL, 6:30pm - 8:45pm
- 6 - BetterInvesting Seminar Series, FCL, 6:30pm - 8:45pm Topic: Putting It All Together
- 15 - Model Club, HQ, 10:00 a.m. - Noon
- 19 - #120: Basic Investing Concepts and Introduction to the Stock Selection Guide (class 1 of 3), EMUB, 6:30pm - 8:45pm
- 20 - Ann Arbor BetterInvesting Seminar Series, SJM, 6:30pm - 8:45pm Topic: Economic Castles with Unbreachable Moats
- 22 - #130: The Stock Selection Guide; Completing and Using NAIC's Main Investing Tool (class 2 of 3), EMUB, 9:00 a.m. - 4:00 p.m.
- 26 - #135: Basic Judgment on the Stock Selection Guide (class 3 of 3), EMUB, 6:30pm - 8:45pm

November

- 10 - BetterInvesting Seminar Series Meeting, FCL, 6:30pm - 8:45pm Topic: Economic Castles with Unbreachable Moats
- 12 - #115: Basic Treasurer's Workshop, HQ, 10:00a.m. - 4:00p.m.
- 14 - Chapter Board Meeting, LCCL, 6:30pm - 8:45pm
- 17 - Ann Arbor BetterInvesting Seminar Series, SJM, 6:30pm - 8:45pm Topic: Benchmarking Your Portfolio
- 19 - Model Club, HQ, 10:00 a.m. - Noon

December

- 1 - BetterInvesting Seminar Series, FCL, 6:30 Topic: Benchmarking Your Portfolio
- 3 - Hands-On Software Class, NHCLC (Troy)
 - 8:30 am - Noon - #231C: Basic Investor's Toolkit 5
 - 1:00 pm - 4:30 pm - #331C: Advanced Investor's Toolkit 5

January

- 9 - Chapter Board Meeting, LCCL, 6:30pm - 8:45pm
- 19 - Ann Arbor BetterInvesting Seminar Series, SJM, 6:30pm - 8:45pm Topic: Evaluating the Safety of Growth Companies
- 21 - Model Club, HQ, 10:00 a.m. - Noon

BetterInvesting Seminar Series***2 for 1 coupon*****Two get in for \$10.00****Good for either Oakland or Ann Arbor****Expires 6/30/2006**

BetterInvesting Model Club

Paul Bowles, Presiding Partner

Still Going Strong

If you regularly attend our chapter events, then you've probably already been to a BetterInvesting Model Club meeting. Over 250 people have attended since we opened the doors to our members in January 2004. Why all the interest? Maybe it's because of the lively discussions (arguments?) about what the club should and should not invest in. Maybe it's because we have handsomely beaten the S&P500 since we began. In any case, if you don't know what you're missing, then you should come to find out.

Who We Are

The SEM BetterInvesting Model Club is a real investment club, 20 members strong, where Club members collectively invest their money according to NAIC principles. The Club was formed by a core group of Directors from our Chapter board, but is open to non-board members meeting certain criteria. Currently, over half of our club members are not Chapter Directors.

Our Mission Statement

The mission of the SEM BetterInvesting Model Club is to provide a public environment for:

1. Learning about investing in the common stock of growth companies through the investment club approach;
2. Using NAIC tools and methodologies to succeed in this endeavor and;
3. Increasing our wealth through the application of this knowledge and these tools.

We achieve our objectives through the active participation of our club's members, and our respect for and understanding of our members' diversity of experience and thought.

Our Next Meeting

Generally speaking, our meetings are on the 3rd Saturday of every month. Some meetings do get moved (e.g. September's meeting is on the 24th), so it is always best to check the upcoming events on our chapter website. You can do this by going to www.betterinvesting.com and entering in your zip code in the "BetterInvesting Chapters" section. This will send you to our chapter website, from which you can scroll down and see the details of our upcoming events.

Club Meetings take place from 10am to noon at NAIC National Headquarters, at 711 W. 13 Mile Rd., in Madison Heights (13 Mile & I-75).

Meeting Cost

What is the cost of attending a SEM BetterInvesting Model Club meeting? Because the meetings are free for observers, a better question to ask is: "What is the cost of not attending?" As of this writing, we have purchased 8 different companies and we have averaged a 22.6% return since inception.

I hope to see you at our next club meeting! Anyone and everyone are invited, but the meetings are popular, so be sure to arrive a few minutes early to ensure you get a good seat.

Best regards,

Paul Bowles

Did you know...



If you are using Club Accounting, have you ever noticed that the returns on the Member Status Report don't match returns on the Valuation Statement? The Valuation Statement gives a Compound Annual Return (CAR) reflecting the return you have on the securities

you have purchased. The Member Status Report gives the return on all money put into and taken out of the club. Members' returns vary because different amounts were given at different times, but the total CAR is the most accurate reflection of club performance.



New Column in BetterInvesting

Southeastern Michigan Chapter director, Colleen Mulder-Seward, is our latest director to write for BetterInvesting magazine. Look for Colleen's monthly column titled "The Clubhouse" starting with the September 2005 issue. The question and answer format column is dedicated to investment clubs.

The first few articles will focus on those clubs just getting started. The September issue which arrived in your mailbox this month deals with choosing the best business structure for your investment club. It gives the advantages and disadvantages

of each type of structure. The October article will deal with creating a club educational program.

Ann Cuneaz, another Southeastern Michigan Chapter director, has also contributed to BetterInvesting magazine and BITS. You can view her Not Difficult, Just Different: How To Determine 'Revenues' article on the BetterInvesting website at <http://www.betterinvesting.org/articles/bi/1143/8833>. Additionally, if you are an Online Premium Services (OPS) subscriber, then you can also access Ann's BITS article titled, Banks for Beginners: A Case

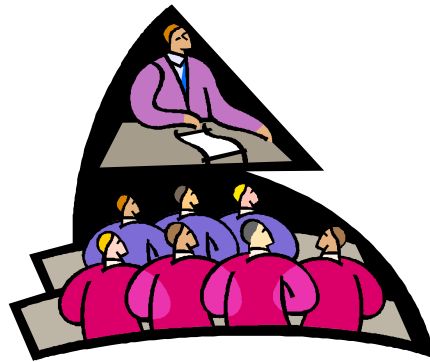
Study using Commerce Bank, at <http://www.betterinvesting.org/articles/bits/1092/8506>.

If you have a question you would like Colleen to answer in her column, please email your question to colleen@ColleenMulder-Seward.com.

Computer Group Name Change Mary Hoversten, Vice President

Welcome to a new year of Better Investing. Joining in the spirit of updating, that NAIC is currently going through, we've decided to try a change in the name and format of the Computer Group. Since computers are now generally considered an important, if not essential, tool for investors and no longer the novelty they were in 1986 when the first Computer Group was formed, we think that "Better Investing Seminars" more closely describes our monthly meetings.

We will continue to provide an educational presentation as in the past and follow with one or more stock studies of current interest. By limiting the number of stocks we formally study, we hope to use the tools available to us to look more deeply into each one. We will still emphasize using and improving our computer skills including programs,



spreadsheets, and web sites, particularly our new BI website to help us in our studies. When updates occur in any of the stock study programs, we will be sure to bring you up to date and if you have questions about how to do specific tasks, please ask either during set up time before the meeting or afterwards

Our main theme for the year will be "Understanding and Improving the

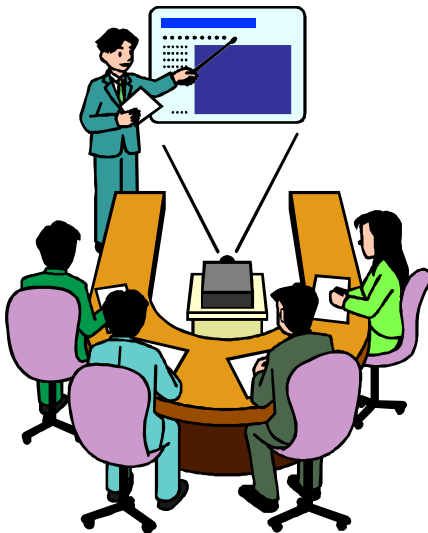
Quality of Stocks" we hold in our portfolios. We can look at a variety of portfolios during the course of the year and use our tools to see if we can upgrade the quality and performance of our portfolios.

Our meetings in the Ann Arbor Area will continue to be at St. Joseph Mercy Hospital Auditorium on the 3rd Thursday of the month at 6:30PM. Curt Cormier will continue to preside at the Oakland County meetings on the 1st Thursday of the month at the Farmington Community Library at 6:30 PM. Please be sure to check with the Chapter website (accessible through the main BI website) for updates on topics, stocks to study, and locations -or change of locations - of meetings. The website will have maps that you can access for all of our activities.

Learn to Earn Continued from page 1

These clubs recognize that the club is where the members LEARN. Members then apply the same techniques to their personal portfolios, and this is where they truly EARN.

As you know, your Southeastern Michigan BetterInvesting Chapter has an outstanding education program. We hold a variety of high quality, low cost classes throughout the year on a variety of investing topics. But often our class schedule does not fit into the very busy schedules that we all seem to keep these days. We have a program called Classes on the Road to help to fit the club education into your schedule.



Last year we sent instructors out to 14 clubs. Read what Alicia Chenhalls of Dolls & Dollars Investment Club from Rochester, Michigan had to say about her experience:

"In March of this year, we had our second 'classes on the road' training. The program has provided us with opportunities to learn more about specific topics of interest to our entire group. Unlike a typical training class, we know one another, so we feel more comfortable asking questions during the training class. Our instructor was extremely knowledgeable on various aspects of club investing and provided additional information about other NAIC products and services; information that has been very helpful to our investment club.

We found the training to be very beneficial to our group because we have different levels of understanding. The questions our group asked were answered in a way that was understandable to that person. As a club, we are trying to help one another gain a higher level of understanding of the NAIC principals. This program has helped us to educate our members and become more



knowledgeable together as a group."

Any class that is on the Southeastern Michigan Chapter schedule can be taught to your group at your location. We have many talented instructors willing to teach classes at any location within the Southeastern Michigan Chapter area. So if your club education needs a boost, consider adding Classes on the Road to your club meeting agenda.

For more information, including a class list, please read the Classes on the Road article on our chapter web site

(<http://www.betterinvesting.org/chapter/article/semich/469>) or send an email to SEMHelp@betterinvesting.org. Please use "Classes on the Road" as the subject of your email.

Chapter Event Registration Information

Advanced registration and payment is required for all classes except the BI Seminar Series and Model Club which are 'pay at the door.' Registration is not taken over the phone. Please complete a SEM registration form Send it and a check made payable to Southeastern Michigan Chapter, BetterInvesting or your

credit card information to:
BetterInvesting—Gloria Luther
PO Box 251832
W Bloomfield, MI 48325-1832

Check our website for the latest information and registration form.
Class Confirmation: Enclose a

stamped, self-addressed envelope if you wish a confirmation.

Refund Policy: Refunds will be given only if we receive notification 48 hours before the start of the class, (248) 683-1005. Within 48 hours of class, credit will be issued toward another class.

Course Descriptions

101: Introduction to Better Investing - Free

6:30-8:30pm, September 27, 2005; Location: Novi Public Library

6:30-8:30pm, October 3, 2005; Location: Brighton District Library

Designed especially for both new and potential BetterInvesting members. This session provides an overview of BetterInvesting principles, where to find stocks to study, and a brief overview of BetterInvesting materials. Learn what classes are offered by the Southeastern Michigan Chapter to help you become a better investor.

115: Basic Treasurer's Workshop - \$45

10am-3pm, November 12, 2005; Location: BetterInvesting Headquarters

An all-day class designed for new club treasurers, or for those in training. This class will cover all the basics you need to do your job using BetterInvesting Club Accounting Software. Topics will include: entering new members; adding securities; handling regular monthly activities; generating reports for club meeting; recording stock splits; handling mergers and spin-offs; recording sale of stock; withdrawal of members using cash and/or stock. Prior registration is requested.

Successful Stock Selection Using the BetterInvesting Stock Selection Guide - \$75 for 3 classes

This course consists of 3 classes (120, 130, 135) and will teach you how to do a stock study using the Stock Selection Guide (SSG), including where to find financial data, how to use that data to determine the quality of a company, and how to know when the stock is selling at a good price. Each student will receive a free copy of the new BetterInvesting Stock Selection Handbook by Bonnie Biafore. Prior registration is requested.

120: Basic Investing Concepts and Introduction to the Stock Selection Guide

6:30-9:00pm, October 19, 2005; Location: Eastern Michigan University, Brighton Campus

This class will introduce the student to basic investing concepts. The SSG will be demystified, and we will discuss just what the SSG is trying to tell us, and how it is used. Examples of what to look for and what to avoid will be discussed.

130: The Stock Selection Guide; Completing and Using BetterInvesting's Main Investing Tool

9am-4pm, October 22, 2004; Location: Eastern Michigan University, Brighton Campus

An instructor will lead the class through the process of completing a paper SSG. In addition, how to complete the SSG using BetterInvesting Classic (computer software) will be demonstrated throughout the class. The student will learn where to find all necessary data. Judgment will be discussed at each step of the process. Bring the following to class: colored highlighters/markers/pencils, ruler, calculator, reading glasses or magnifying glass (if needed to read fine print), and bag lunch.

135: Basic Judgment on the Stock Selection Guide

6:30-9:00pm, October 26, 2004; Location: Eastern Michigan University, Brighton Campus

All the judgment items that were introduced in the previous class will be reviewed and discussed in more detail. Judgment areas will be clearly identified, and guidelines to judgment will be presented. We will wrap up by practicing what we have learned with a review and interpretation of various SSGs.

231C: Basic Investor's Toolkit 5 - \$55 (walk-ins are \$65)

8:30am-Noon, December 3, 2005; Location: New Horizon Computer Learning Center, Troy

This is an intermediate level class; no previous experience with the Investor's Toolkit program is required, though the student is expected to be familiar with the SSG. The basic skills needed to complete an SSG using the Investor's Toolkit program will be covered. SSGs will be completed using imported OPS (Online Premium Services) data.

Quarterly and annual updating will also be covered. A Stock Comparison Guide will be prepared using the completed SSGs. Prerequisite: Successful Stock Selection course, or basic understanding of the Stock Selection Guide.

331C: Advanced Investor's Toolkit 5 - \$55 (walk-ins are \$65)

1-4:30pm, December 3, 2005; Location: New Horizon Computer Learning Center, Troy

Don't let the "Advanced" in the name scare you. This class represents the next step, continuing from where the "Basic" class left off. If you have taken our Basic Toolkit or if you used Toolkit to complete some SSGs and have a basic understanding of how to use the software to complete an SSG, then this class is for you. Several SSGs will be completed while learning some advanced features, including efficient Internet access from Toolkit. This class also focuses on performing portfolio management with Toolkit. Creating portfolios, PERT, PERT-A, PERT-B, PMG, and Challenger will be covered in depth. Prerequisite: 231C Basic Investor's Toolkit, or equivalent knowledge.

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Email: SEMHelp@betterinvesting.org



Helping you become a Better Investor

We're on the web!

<http://www.betterinvesting.org/chapter/semich/>

Learn to Select Stocks the BetterInvesting Way

FALL KICK OFF September 12, FREE

Bonnie Reyes, BetterInvesting's Vice President of Finance and Operations is our featured speaker. She will discuss how to read and analyze a company's annual report with an emphasis on identifying red flags. **QUALITY COUNTS!** The calendar of events for the 2005 - 2006 program year will be presented. Take this opportunity to meet some of our teachers and register for classes. In addition, there will be refreshments and door prizes.

There is **NO FEE** to attend, but to help with our planning, prior registration is requested. You can use our registration form or call our voice mail at 248-683-1005.

STOCK SELECTION GUIDE SERIES October 19 - October 26, \$75

120 - Basic Investing Concepts and Introduction to the Stock Selection Guide, Oct. 19 , 6:30 - 8:45 p.m.

130 - Basic SSG, October 22, 9:00 a.m. - 4:00 p.m.

135 - Basic SSG Judgments, October 26, 6:30 - 8:45 p.m.

BONUS: Register for the SSG Series of classes and receive a free copy of the BetterInvesting Stock Selection Handbook written by Bonnie Biafore (a \$20 value).

See our Chapter website (<http://www.betterinvesting.org/chapter/semich/>) for class descriptions and pretests to check your readiness. Prior registration is required.