



Investment Education Since 1951

**ORANGE COUNTY CHAPTER**

www.better-investing.org/regions/orange.html  
chapter e-mail: info@naic-oc.org

**INFO. AND MESSAGE LINE:**

**(714) 973-7613**



Vol. 8 No. 1  
1st Quarter 2004

Tip of the Month:

*"Excellent management results in controlled costs and maximized returns. Choose companies whose indicators are high and continuing to improve."*

## **BETTER INVESTING NATIONAL CONVENTION PHOENIX, ARIZONA**

If you've never been to the *Better Investing* National Convention (or even if you have) you are going to want to attend this year. The location is in a beautiful resort in Phoenix and there are many educational and fun events being planned with over 70 workshops being offered. One of the Orange County Directors, Ron Bruyn, will be co-teaching the Financial Statements track. The workshop will cover Annual Reports including the Income Statement, Balance Sheet, Cash Flow Statement, Footnotes and will conclude with a segment on "Putting it all Together: Tools to Simplify Your Analysis."

*"many educational and fun events being planned with over 70 workshops being offered."*

worth of classes to select from (not including the youth program). Class tracks range from one aimed at absolute beginners, to one for those who are at the Just-Beyond-Beginner stage, on up to intermediate and advanced topics.

"Software Central" is another unique aspect of the BI Convention. The software developers will be brought together and given a venue in which you have lots of chances to interact personally; yet the developers are also maximally accessible to everyone, presenting sometimes in larger groups and sometimes in one-on-one or small-group discussions or demonstrations.

### THE **BETTER INVESTING** NATIONAL CONVENTION

DATE: November 5-7, 2004

LOCATION: Pointe Hilton  
Talapia Cliffs Resort  
PHOENIX, ARIZONA

This three-day event offers  
Educational seminars:

- A corporate expo staffed by representatives from many companies
- Corporate & industry presentations and roundtable discussions
- Keynote and other speakers
- "Software Central," staffed by all of the NAIC software developers
- Interaction with other investors, chapter directors, national directors, trustees and NAIC headquarters staff

Education is naturally the core of the event. This year you will be offered 8 parallel class tracks, each consisting of 9 one-hour seminars. That's 72 hours



Not to be overlooked is the benefit attendees gain from interacting with so many other investors, directors, developers, trustees, and staff. Some attendees find this to be the most valuable aspect of the

Convention, whether it is from new ideas or talking face-to-face through problems and issues.

Keep watching the *Better Investing* web site and *Better Investing* magazine for more details as the event approaches.

## President's Message

As spring begins to peek around the corner, I see renewed signs of life in my garden. There is new growth on the roses and spring bulbs seem ready to burst. I am anxious to see things blooming again! As I continue to tend to my stock portfolio, I can't help but wonder if the renewed life I see there will continue as well. Although I don't know precisely when either event will happen, I feel certain that my outdoor garden will again flourish ... as will my portfolio. The cycles continue.



Many of NAIC investors have been using this relatively dormant period to "weed and feed" our portfolios. With quiet time to do much-needed company research and portfolio rebalancing, we have trimmed the under-performers, strategically added to our long-

*continued on page 2*

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Still running strong after 20 years

# Spotlight on DIRECTORS

Maggie, treasurer and director of event planning for the Orange County Chapter of NAIC was honored with the Irv Kaplin Award at the October fiscal annual meeting. Each year the chapter has the opportunity to present this award to a director who has devoted exceptional talent and time for the purpose of the NAIC philosophy.



**Maggie Ryan,**  
Treasurer/Event Planning

Maggie Ryan joined the Orange County Chapter as a volunteer seven years ago and has consistently served the members with the planned events such as Presidents Brunch, Roundtable, Investors Fair and negotiating contracts for workshop facilities and other events. Her talents have contributed greatly to the education of our NAIC members.

For the last four years, Maggie has also performed as our treasurer, reporting to the board of directors and the national headquarters on a timely and accurate basis.

Our chapter has been benefited from Maggie's talents for she has given generously of her friendship and kindness to all the volunteers in Orange County.

The Annual presentation of the Irv Kaplan Award is our outward

expression of our inward respect and admiration of one of our volunteers who has demonstrated outstanding devotion to the efforts our chapter makes to educate the Investment Club members. A material reminder seems the most appropriate means of a constant reminder of our words of thanks.

*President's message - from page 1*

term, dependable performers and sought exciting new companies in which to invest. In short, we have used the NAIC principles to position ourselves to benefit from the next sustainable growth period.

If you, too, have been using this time to review and renew your portfolio, please share your experiences with others. Email me at [president@naic-oc.org](mailto:president@naic-oc.org) and let me know what you've been doing. You might just see your story in print!

If you and your investment club need assistance, feel free to let me know that as well. The best way to rejuvenate your enthusiasm and your investment club members is to continue to learn. One of our bi-monthly workshops may be just the thing you need to generate excitement and foster new ideas.

Whether it's a refresher on using the SSG, discovering new tricks with Toolkit or learning something new like PERT, it

could well be what you need!

Your NAIC OC Board of Directors continues its work to provide a variety of educational opportunities throughout the year. Club visits, mini-workshops and private club workshops remain available. The Round Table Discussions will be back by popular demand. We're also planning a truly BIG event in Spring 2005. Be sure to visit us often at [www.better-investing.org/chapter/orange](http://www.better-investing.org/chapter/orange). The website is frequently refreshed with new articles and information.

*Stay tuned.*

*Get involved.*

*Keep in touch!*

Warmly,

Marji Adams,  
President NAIC Orange County

## ORANGE COUNTY CHAPTER OFFICERS AND VICE PRESIDENTS

### OFFICERS

President . . . . . Marji Adams  
Secretary . . . . . Sylvia Van Houten  
Treasurer . . . . . Maggie Ryan  
1st Vice President . Linda Blay  
2nd Vice President . Marjorie Anderson

### VICE PRESIDENTS

Marketing/Communications  
. . . . . Lynn Kozlowski  
Business Development/Membership  
. . . . . Marjorie Anderson  
Registration/Volunteers  
. . . . . Linda Blay  
Education/Director .  
. . . . . Karen Petelin  
Director Education /Train the Trainer  
. . . . . Margaret Rose  
Technology/ Computer  
. . . . . Ron Bruyn  
Equipment/Materials  
. . . . . Edwin Smith  
Event Planning/Facilities  
. . . . . Maggie Ryan

NAIC OC Newsletter published quarterly  
Editor . . . . . Lynn Kozlowski  
Design and Production . . . Mary Sprague

**WE ENCOURAGE CLUB PARTICIPATION:** Do you have interesting news, tips or experiences to share? To submit an article, comments, or photos email: [editor@naic-oc.org](mailto:editor@naic-oc.org).

**NOTICE:** Our classes have moved to the University of Phoenix in Cosa Mesa. Please see map on the Class Schedule.

### IMPORTANT NOTICE for CLUB ACCOUNTANTS

1065 IRS and 565 FTB forms are due April 15th, 2004. All Treasurers are responsible for filing these reports for Investment Clubs in the State of CA.

### Do you know who your club contact is?

Does that person forward information to all club members? When paying your annual dues, it is important to fill in the club contact information on the form because they will be the only person receiving some messages sent to your club. If you need to change your club contact after you've sent in your annual renewal dues, contact NAIC at (877) 275-6242.



Investment Education Since 1951  
**ORANGE COUNTY CHAPTER**  
 www.better-investing.org/regions/orange.html  
 chapter e-mail: info@naic-oc.org

INVESTMENT EDUCATION  
**CLASS SCHEDULE**

**2004 CALENDAR  
 MARCH – NOVEMBER**

Please note: classes are divided into 4 sections  
 ● Beginning – ■ Intermediate –▲ Advanced  
 \* General Interest (see back for descriptions)  
 INFORMATION LINE  
 (714) 973-7613

— 2004 —

**March**

1 2 3 4 5 6  
 7 8 9 10 11 12 13  
 14 15 16 17 18 19 20  
 21 22 23 24 25 26 27  
 28 29 30 31

March 27		price /walkins
●	Stock Selection Guide 1	\$35 / \$45
*	Introduction to Mutual Funds	\$35 / \$45
▲	PERT (Portfolio Evaluation Review Technique)	\$35 / \$45
*	Club Accounting for Newbies	\$45 / \$55

**May**

1  
 2 3 4 5 6 7 8  
 9 10 11 12 13 14 15  
 16 17 18 19 20 21 22  
 23 24 25 26 27 28 29  
 30 31

May 22		price /walkins
●	Stock Selection Guide 1	\$35 / \$45
■	Stock Selection Guide 2	\$35 / \$45
▲	SSG by Computer: Introduction to Toolkit (8:30 AM-12:30) (Free LAB with sign-up. See course outlines for information)	\$45 / \$55
▲	Toolkit LAB 1:30 – 3:00 p.m.	\$15
*	Club Accounting for Newbies	\$45 / \$55

**September**

1 2 3 4  
 5 6 7 8 9 10 11  
 12 13 14 15 16 17 18  
 19 20 21 22 23 24 25  
 26 27 28 29 30

September 25		price /walkins
●	Stock Selection Guide 1	\$35 / \$45
■	Stock Selection Guide 2	\$35 / \$45
*	How to Start and Manage an Investment Club	\$35 / \$45
■	Understanding Financial Reports (8:30 AM – 12:30)	\$35 / \$45
*	Introduction to Mutual Funds	\$35 / \$45
*	Club Accounting for Newbies	\$45 / \$55
■	SSG for Financial Institutions	\$35 / \$45

**November**

1 2 3 4 5 6  
 7 8 9 10 11 12 13  
 14 15 16 17 18 19 20  
 21 22 23 24 25 26 27  
 28 29 30 31

November 20		price /walkins
●	Stock Selection Guide 1	\$35 / \$45
▲	SSG by Computer: Introduction to Toolkit (8:30 AM-12:30) (Free LAB with sign-up. See course outlines for information)	\$45 / \$55
▲	Toolkit LAB 1:30 – 3:00 p.m.	\$15
*	Finding Value in Value Line	\$35 / \$45
■	Club Accounting – Year End	\$45 / \$55

**Computer User's Group**

2004 meetings are scheduled for March 23, April 27, May 25 and June 22, at the Rancho Santiago Community College District office, 2323 N. Broadway, Santa Ana. There is no charge for the group. Optional handouts available for \$2.

TIME: 6:30 p.m. to 7:30 p.m.

For more information, please email reg@naic-oc.org or call (714) 973-7613 to leave a message.

**SEMINARS SERIES**

■ **FINANCIAL WORKSHOP FOR INDIVIDUAL INVESTORS**  
 5 Sessions – Aug. 30, Sept. 6, 13, 20 & 27  
 \$129\* class 6:00–9:00 PM

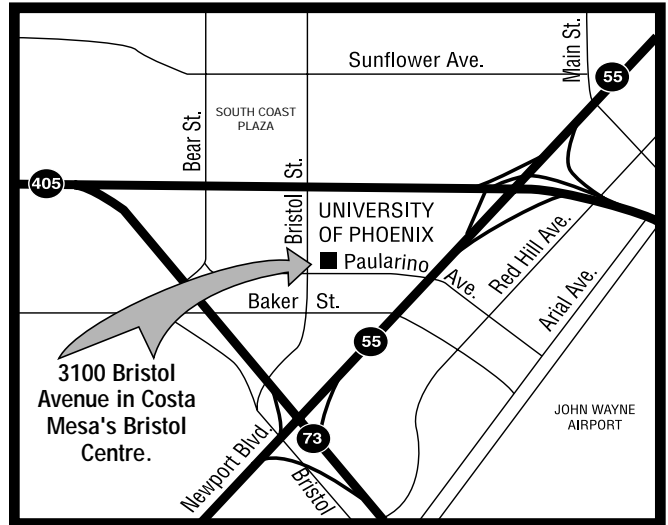
\* **INTRODUCTION TO THE STOCK MARKET WORKSHOP**  
 3 Sessions — Apr. 26, May 3 & 10  
 or 3 Sessions, Nov. 4, 8, & 18  
 \$99\* class 6:00–9:00 PM

Presented by Lucy Walther, M.M.  
**Hof's Hut**

18850 Douglas Drive, Irvine, CA

\* **Meals additional**

For more information call: (714) 973-7613



Workshops require pre-registration. See back for course outlines. Registration forms must be postmarked 10 days before the workshop date. If you'd like confirmation, please enclose a SASE. If a class is full, your registration will be returned to you. Walk-in attendees (anyone not registered 10 days prior to the event) will be accepted for an additional fee of \$10, if space is available. Please mail registration along with your check payable to: NAIC-OC, PO Box 7005, Orange, CA 92863-7005. Non-NAIC members, please add an additional \$5 fee per workshop.

Class Time: 8:30 AM to 3:30 PM unless otherwise stated (Please arrive at 7:45 AM for registration)

Location: Unless otherwise noted, all workshops will be held at the University of Phoenix. (see map)

Call (714) 973-7613 for more information or email: reg@naic-oc.org

# COURSE OUTLINES

## How to Start and Manage an Investment Club \*

Instructor(s): Lucy Walther, M.M., A.A.M.S., Registered Representative

Duration/Offered: Four hours — September

Materials: Outline handout

Description: A comprehensive course outlining how to develop partnership agreement and bylaws; establishing a monthly agenda and annual calendar, goals and objectives, etc. Addresses challenging issues of how to add new members as well as how to ensure full participation and support by all members.

## Introduction to the Stock Market \*

Instructor(s): Lucy Walther, M.M., A.A.M.S., Registered Representative

Duration/Offered: Class Series — three consecutive weeks in the months of April & November

Location: Hof's Hut Restaurant, 18850 Douglas Drive, Irvine, CA

Across the street from John Wayne Airport (949) 752-7155 for directions

Materials: Textbook: The NY Institute of Finance Guide to Investing, course outline and handouts

Description: A comprehensive overview of the role of stock, the various ways stocks can be packaged, features of stocks, history of the exchange, taking a company public, how trades are executed, when to sell, dollar cost averaging and techniques for evaluating firms, including P/E ratios, Beta, Relative Value and Return on Equity.

Session 1: Foundations and Asset Allocation of Stocks

Session 2: There is More Than One Exchange • Taking a Company Public • The IPO

Session 3: Evaluation and Measurement Techniques

## Understanding Financial Reports ■

Instructor(s): Ron Bruyn, MBA

Duration/Offered: 8:30 AM - 12:30 — September

Prerequisite: Completion of SSG1 workshop

Materials: none

Description: Financial statements are the universally accepted tool for analysis of a business entity. Properly understood, they let us know how good a company looks and how well it has been doing. The financial statements of a business consist of three separate but interrelated reports. The purpose of financial statements is to provide the user with a set of data that, in summary form, fairly represents the financial strength and performance of a business.



## STOCK SELECTION GUIDE WORKSHOPS

### SSG 1 ●

Instructor(s): Helen Olson, Ph.D.; Marji Adams, MBA; SeLina Pierce, Registered Representative Syla Van Houten and Karen Petellin

Duration/Offered: Six hours in January, March, May, September & November

Prerequisite: Read chapter 7-10 of the official guide (Starting and Running a Profitable Investment Club) on the SSG prior to attending.

Materials: Official Guide, Calculator, Ruler, Colored Pencils, Highlighter

Description: Learn the basic investment strategy Stock Selection Guide and use it as the primary tool for analyzing, evaluating and acquiring good stocks.

### SSG 2 Adding Judgment and Outside Tools to SSG ■

Instructor(s): Marji Adams, MBA

Duration/Offered: Six hours — May & September

Prerequisite: Completion of SSG1 workshop and must be able to complete an SSG independently

Materials: Calculator and Highlighter

Description: Learn beyond basic investment strategy and how to select the best company in an industry. Apply judgment to the SSG; understand a company's financial statement; calculate essential financial ratios; evaluate and compare the financial strength of several companies within an industry.

### SSG by Computer / Introduction to Toolkit 4.0 & LAB ▲

Instructor(s): Patrick McCormack, Ron Bruyn, MBA & Sergio Cabanillas

Duration/Offered: 8:30 AM to 12:30 PM (\$45) & 1:30 -3:30 PM (Lab is free to those who sign up for the Toolkit and \$15 to others) — Jan., May & Nov.

Prerequisite: Stock Selection Guide workshop SSG 1

Materials: None

Description: Learn SSB module and view other modules of Toolkit 4.0 software. Methods of data entry will be discussed including manual entry and the use of the Online Premium Service. The mechanics of the application of judgment will be discussed.

### SSG for Financial Institutions ■

Instructor(s): Helen M. Olson, Ph.D.

Duration/Offered: Six hours — September

Prerequisite: Completion of SSG1 workshop

Materials: Calculator, pens, colored pencils, ruler, highlighter

Description: Learn the NAIC investments principals and tools for evaluating financial stocks. Differentiate between the Thrift, the Bank, and the Financial Services industries. Discover what information from Value Line is useful for these industries and how to evaluate Financial Institutions using the SSG.

## Club Accounting for Newbies \*

Instructor(s): Margaret Rose, Tax Preparer, FLMI, Treasurer, Hedda Schnur, and Sergio Cabanillas

Duration/Offered: Six hours — March, May, September

Materials: Handout

Intended audience: Club Treasurers

Description: Learn how to use software beginning to end, including some discussion of year-end reports. Software will be demonstrated with minimal entry of data and explanation of various various reports, including NAIC required records.

## Club Accounting – Year End ■

Instructor(s): Margaret Rose, Tax Preparer, FLMI, Treasurer, Hedda Schnur, and Sergio Cabanillas

Duration/Offered: Six hours — January, February, November

Prerequisite: Working knowledge of the Club Accounting software

Materials: Handout

Intended audience: Club Treasurers

Description: Review tax-filing requirements for clubs and individuals and explanation of year end accounting procedures for IRS and FTB565 with review of Club Accounting software, 1065 and K1.

## Introduction to Mutual Funds \*

Instructor(s): Marji Adams, MBA; and Robert Vollmer

Duration/Offered: Six hours — March & September

Materials: NAIC Mutual Fund Handbook, calculator, pens, pencils

Intended audience: Individuals who wish to learn the NAIC investments principles and tools for evaluating mutual funds for investment.

Description: Learn about the various types of mutual funds, how they are managed, and how fees and expenses are charged.

Learn how to use Morning Star Mutual Fund Reports and the new NAIC Mutual Funds Checklist and Comparison Guides to evaluate mutual funds for investment.

## Finding Value in Value Line \*

Instructor(s): Helen Olson, Ph.D.

Duration/Offered: Six hours — November

Materials: Pen, highlighters

Intended audience: Beginner to intermediate investors wishing to learn how to get the most from the Value Line publication.

Description: A comprehensive overview of Value Line including: Summary & Index Selection & Opinion, Ratings & Reports, stock screens and ranking system. This course will help participants to understand the Value line industry page, stock page, company financial data and the basics for completing the SSG.

## Financial Workshop for Individual Investors ■

Instructor(s): Lucy Walther, M.M., A.A.M.S., Registered Representative

Duration/Offered: Class Series (2-1/2 hrs. each session, Total 12 1/2 hours)

(Five consecutive Thursdays) Offered in February and September

Location: Hof's Hut Restaurant, 18850 Douglas Drive, Irvine, CA

Across the street from John Wayne Airport (949) 752-7155 for directions

Prerequisite: "Introduction to the Stock Market Workshop"

Materials: Textbook: Financial Workshop for Individual Investors Manual, Course outline and Handouts

Intended audience: Individual investors and club member who want to extend their knowledge of investing techniques beyond individual stocks, including options for tax deferred, retirement and estate planning.

Description: A comprehensive overview of portfolio allocation and risk management using most of the financial tools available, including stocks, bonds, mutual funds, unit investment trusts, variable annuities, and various insurance products.

Session 1: Foundations and Asset Allocation

Session 2: Fixed Income Investments

Session 3: Common Stock Fundamentals

Session 4: Tax Deferred and Retirement Planning

Session 5: Risk Management and Estate Planning

## PERT (Portfolio Evaluation Review Technique) ▲

Instructor: Ron Bruyn, MBA

Duration/Offered: Four hours—March

Prerequisite: Toolkit, SSG 1 and SSG 2 workshops

Materials: None

Intended audience: Individuals who wish to monitor their stock by using the PERT feature of the Toolkit software.

Description: PERT gives information on the company's sales, pre-tax profit and earnings per share on a quarterly basis. It may uncover fundamental problems that appear to be of long-term significance.

## PREREQUISITES DEFINED:

● Beginning — Basic classes, no prerequisites

■ Intermediate — Basic classes are required

▲ Advanced — Beginning and intermediated classes required

\* General Interest — Specialty classes - open to any level

# Annual Meeting & Roundtable Event

October 16, 2004

DATE: October 16, 2004

ROUNDTABLE EVENT — \$30

TIME: 8:30a.m.—NOON

ANNUAL MEETING— no charge

10:20 A.M to 11:00 A.M.

PLACE: Calvary Church, Santa Ana

We are pleased to offer the overwhelmingly successful Roundtable Event again in this year.

Among the topics, this year, will be: Red Flags in Annual Reports, Using the Computer to Screen for Stocks, Take Stock, Cash is King—Learn to read a Cash Flow statement, Screening for Stocks, Toolkit's—Preferred Preferences, The Six Biggest Mistakes that Investors & Investment Clubs Make. As last year, all classes will be taught by our able and knowledgeable instructors.



Last year, we had an intense and enthusiastic group. We were encouraged by your input from the evaluation forms and plan to make this year's event even more rewarding.

If you are attending any of our workshops, look for pre-registration information. Our June newsletter will have a full list of topics to be discussed and a registration form.

We welcome your input at [reg@naic-oc.org](mailto:reg@naic-oc.org)

Come join us and make this event even more successful in 2004!

Increase your knowledge & expertise with these classes...

**PERT – March 27**

NAIC stresses the importance of long-term investment, emphasizing the fact that one should "buy the company, rather than the stock" and should do this with the intention of doubling the value in five years. PERT, which stands for "Portfolio Evaluation Review Technique" is the basic portfolio management tool. It is your first line of defense against losses. This class is offered only once this year on March 27. Hurry an sign up for PERT today!

**NEW CLASS – September 25**

**UNDERSTANDING FINANCIAL REPORTS**

*Taught by Ron Bruyn, MBA*

Financial statements are the universal-ly accepted tool for analysis of a business entity. Properly understood, they let us know how good a company looks and how well it has been doing. The financial statements of a business consist of three separate but inter-related reports. The purpose of financial statements is to provide the user with a set of data that, in summary form, fairly represents the financial strength and performance of a business.

**DID YOU KNOW?**

**LATEST SOFTWARE VERSIONS:**

Are your Chapter Directors using the latest version of NAIC software?

IClub has a newsletter that publishes the version information for all the software in a chart that includes links to: orders, information, demos, and updates.

The most recent versions are listed in Product Buzz: [http://www.iclub.com/clubs/newsletter/newsletter\\_article.asp?name=n\\_20031220](http://www.iclub.com/clubs/newsletter/newsletter_article.asp?name=n_20031220)

To see what version you're using, open the NAIC program, click on Help, then About.

Don't forget that Club Accounting software must be kept up to date to deal with changes in tax law. This year it is particularly important to be using the most recent version, because of the significant changes in treatment of capital gains and dividends. If you're using an old version, your club members are likely to pay more tax than they should.

Read past newsletters, subscribe, or unsubscribe at:

<http://www.iclub.com/newsletters/>

For Portfolio Record Keeper, while you are online, start the software and click on Help | Check for Updates.

Bob Adams

*VP-Computer Services, NAIC  
Computer Group Advisory Board  
Director, Puget Sound Chapter, NAIC*

**Computer User's Group**

A Place to learn and share.

The Computer Users Group event is being held every 4th Tuesday of the month. This is an event where we learn and share about the NAIC "Stock to Study". We share our judgments and findings of the SSG that is being projected on a screen. The group values everyone's input and questions regarding the Company. We discuss the judgments used, the why's, the what if's and the how's. Everyone leaves with a better understanding and becomes more knowledgeable about NAIC investing. You don't know what you are missing until you have a chance to attend the Computer Users Group.

The Computer User's Group is a group intended for the beginner as well as the more advanced investor. There is no charge for the group and there are optional handouts available for a fee of \$2. The upcoming meetings will be held at the Rancho Santiago Community College District office, 2323 N. Broadway, Santa Ana. Future meetings are scheduled for March 23, April 27, May 25 and June 22, 2004 from 6:30 p.m. to 7:30 p.m. For more information, please email [reg@naic-oc.org](mailto:reg@naic-oc.org) or call (714) 973-7613 to leave a message.

*Hope to see you at the next meeting.*

Ron Bruyn,  
NAIC Director  
Computer User Group facilitator.

PLEASE PRINT Make your check payable to NAIC-OC, P. O. Box 7005, Orange, CA 92863-7005  
If you are not an NAIC member, please pay an additional \$5 fee per workshop

Amount of Check:  
\$ \_\_\_\_\_

NAME \_\_\_\_\_ MEMBERSHIP # \_\_\_\_\_

ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_ ZIP \_\_\_\_\_

PHONE (HOME) \_\_\_\_\_ (WORK) \_\_\_\_\_ EMAIL \_\_\_\_\_

CLASS TITLE \_\_\_\_\_ DATE \_\_\_\_\_

WORKSHOPS, EVENTS, ETC. "SUBJECT TO CHANGE"

PLEASE CALL NAIC ORANGE COUNTY CHAPTER (714) 973-7613 or E-Mail: [reg@naic-oc.org](mailto:reg@naic-oc.org)

NOTE: All registration forms must be postmarked 10 days prior to workshop date or must include an additional \$10. For written confirmation please send a self-addressed stamped envelope with your payment.

## VALHALA Investment Club, still running strong after 20 years

In 1984, Valhala Investment Club was founded by Marc Frederick, CPA. Several of Marc's clients were self-employed and didn't have a retirement plan. In an effort to assist his clients in planning for retirement, Marc suggested they start an investment club. With Marc's assistance, Valhala's portfolio flourished, boasting an annual return of 26.1 percent their first year.



When Marc retired, the dynamics of Valhala's membership changed. New members have joined the club and gone through the process of learning the basic of NAIC Better Investing. The focus of the club is to educate their members so that they can invest wisely in their personal portfolios.

Before a person joins Valhala, they are required to attend 3 monthly meetings. This exposure allows the individual an opportunity to become familiar with the membership and see how the club operates. Members should enjoy each other's company, since this is a long-term relationship. Prospective members should be prepared to investigate, analyze and report on securities. It is important that members agree on an investment philosophy to avoid fundamental disagreements later.

New members of Valhala begin the educational process at their own pace. The process can sometimes be overwhelming. The main advantage of joining a club is the support and reinforcement you get from more experienced members. Today, the same members who were overwhelmed in the beginning are running the club, actively participating as board members and leaders of sector groups. A few original members are still active and keep a vigilant eye on the novices, always making sure they adhere to the guidelines of NAIC.

Valhala Investment Club currently has 21 members. Their meetings are held the 3rd Sunday of each month at 8:00 A.M. at Denny's Restaurant, 12924 Beach Blvd, Stanton, CA. Please contact Linda Brown at [Lbrown2660@aol.com](mailto:Lbrown2660@aol.com)



### Private Workshops:

Selected workshops are available on a private basis for clubs (spouses and friends are welcome) with a minimum of 15 attendees guaranteed. Dates and times are established between your club and the instructor.

For more information, please contact:  
Marji Adams at: (714) 973-7613.

## Private Club Workshop Testimonial

Dear Marji,

Our club, Women of Wealth (Santa Ana) enjoyed our first Private Club Workshop presented by NAIC Director Helen Olson, Ph.D. on Saturday, January 10, 2004.

The SSG For Financial Institutions presentation followed our club's regular Saturday a.m. meeting. All partners thought it was very worthwhile and that we gained the necessary information to adequately evaluate financial companies for our investment consideration.

Some of our members have time constraints on Saturday so this was a great alternative to the usual four-hour workshops. Our club was formed in 1997 as a partnership and we're all very familiar with the SSG, which we use for all buying decisions.

Many thanks to the NAIC OC Chapter for implementing the Private Club Workshops and also to Helen Olson for her extensive research and knowledgeable presentation.

Cordially,  
Karen Fowler

## PERT Workshop

*(Portfolio Evaluation Review Technique)*

Saturday, March 27, 2004

NAIC stresses the importance of long-term investment, emphasizing the fact that one should "buy the company, rather than the stock" and should do this with the intention of doubling the value in five years. PERT, which stands for "Portfolio Evaluation Review Technique" is the basic portfolio management tool - your first line of defense against losses. It is a method for systematically following up on stocks and a portfolio in terms of fundamentals namely earnings-per-share growth, pre-tax profit margin, tax rate, current P/E ratio compared to historical P/E ratios, upside-downside ratio, and percent dividend yield. PERT is an organized procedure for regular verification that the company you have invested in is meeting the goals it was likely to do. You can do as many professional security analysts do and monitor the actual operation of the companies you have chosen - not simply the movement of the price of the stock. When a company's growth rate is slowing, you will be able to see it on the Pert worksheet - a good thing to know as you begin following your stock after you buy it.

Register now to learn this method. This will be the only PERT workshop taught this year.

Ron Bruyn, Director  
NAIC Orange County Chapter





Orange County Chapter  
P.O. Box 7005  
Orange, CA 92863-7005

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Permit No. 675

Investment Education Since 1951

**ORANGE COUNTY CHAPTER**

[www.better-investing.org/regions/orange.html](http://www.better-investing.org/regions/orange.html)

*Save  
the  
Date*

October  
16th  
ROUNDTABLE  
EVENT  
&  
ANNUAL MEETING

**LEARN  
&  
EARN**



## The key to your club's future

Is it time for a Club Visit or Workshop?

*Consider these possibilities:*

Club Visits: 1-hour, informal, customized visits to your club meeting by a Chapter Director. He or she can help answer questions, provide suggestions and/or provide NAIC resources. Cost: First visit is free.

Subsequent visits are \$25.00



Mini-Workshops: 2-hour workshops brought to your investment club meeting. They focus on specific topics of interest to most investment clubs.

Cost: \$20/person

(minimum of 15 attendees required)

Private Club Workshops: Bring our regularly scheduled, half- day or full-day workshops right into your investment club. You provide the meeting place and we bring the workshop!

Cost: Regular workshop fee (see schedule)  
(minimum 15 attendees required)

For more information, and schedule a visit or workshop,  
email Marji Adams, at [president@naic-oc.org](mailto:president@naic-oc.org)

**SIGN  
UP  
NOW!**