



The Inland Empire Chapter NAIC JOURNAL

Winter/Spring 2005

President's Message — Vicki Redlin

In December the Chapter directors adopted a new budget for the year 2005. All directors received two copies of the budget.

The first had income and expenses without any additional financial contributions from our generous individual directors, Megan McKinlay and Pat Manners. The second budget included another year of financial contribution from Megan McKinlay through a terrific volunteer time-for-money matching program of her employer, Washington Dental Service.

It is readily apparent that it is very important for every satellite of the Chapter to achieve two goals in the next fiscal year. First, to make every event at least break even between income and expenses, and second, to advertise that the public can purchase NAIC

products and Chapter services at a substantial discount.

You may be asking yourselves why is it necessary for the Chapter to make money? After all, it is a not-for-profit entity. Well, it is one of my



President, Vicki Redlin

goals that every year we sponsor the registration of a Chapter director to one of NAIC's national meetings. While the national organization helps offset part of the registration cost, the Chapter must pick up the rest.

Sending one of your Chapter directors to a NAIC national event is one of the best ways I know to bring you up-to-date stock analysis education. Every director who attends one of these meetings attends all day Director Training meetings, as well as classes on all the stock analysis methods and tools that we teach in our classes. Plus, they come back with their batteries charged for another year of teaching and sharing information and expertise.

All the Chapter directors are volunteers. We not only give of our time, but our money as well. By a wide margin, the biggest annual expense of the Chapter is the printing and mailing of this newsletter. It is the main communication vehicle from us to you. We hope

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Senate Finance Committee Inquiry of NAIC

Many of you are aware that the NAIC has been asked by the Senate Finance Committee (SFC) of the United States Congress to provide information about its operations and executive compensation. The inquiry of the SFC has even made the news on CNBC and in the Wall Street Journal.

It is appropriate to summarize the organization of the NAIC and to comment on some observations from people who are much more knowledgeable about the NAIC. As Evonne Hurst, National Investors Association (NIA) Advisory Board of Trustee and former NW Region Coordinator, put it

Our mission is, and always has been, to provide "quality education in wise investing" for individuals.

in her letter to the NW region chapters: "the NAIC is composed of a for profit entity and a not for profit entity." Those of us who are affiliated with our local chapter and investment clubs are part of the not for profit entity of NAIC which is governed by the NIA Advisory Board.

Our mission is, and always has been, to provide "quality education in wise investing" for individuals. The SFC inquiry has not changed that mission.

The Inland Empire Chapter Board feels confident that the NAIC will fully and completely

discuss its financial arrangements with its executives and its operations. Frankly, there is no percentage in not doing this.

If anyone has had the opportunity to attend any of the national meetings of the NAIC you would have met some of the most knowledgeable people ever through the classes and meetings. It is amazing how generous and gracious these volunteers are with their time and expertise.

Finally, the NIA Advisory Board has formulated a series of resolutions that have been put forward to the Trustees of the NAIC. Many chapters, including the Inland Empire, have endorsed those resolutions. The NAIC Trustees and management are very pleased

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2005 BINC REGISTRATION SPECIAL PAYMENT PLAN

The 2005 Better Investing National Convention will be held at the Renaissance Waverly Hotel in Beautiful Atlanta on **November 4-6, 2005**. You can satisfy your budget by taking advantage of the 10-month payment plan. Additional information and form are available in Better-Investing magazine (p.58 November issue) and on the website (www.better-investing.org). Take advantage of this opportunity now!



June 17-19, 2005,
in Buffalo, N.Y

Whether you're a new investor or an experienced one, everyone who attends CompuFest goes away with new ideas and new skills.

See your B-I for details and registration information.



Location:

Seth Woodard Elementary
7401 E. Mission Avenue
Spokane Valley, WA

Registrations:

Institute for Extended Learning
Non-credit Registration MS3090
3305 W. Fort Geo. Wright Dr.
Spokane, WA 99224-5228
Phone: 509-279-6000

Please use the enclosed Community College Enrollment Form for Spokane area series of classes.

****Club Treasurers class uses the IE Chapter registration form.**

Spokane/Coeur d'Alene Class Schedule

<u>Date</u>	<u>Time</u>	<u>Class</u>	<u>Cost</u>
Wednesday January 19th	6:30—9:00 PM	Basic Investing For Individuals #7495 NAIC proven philosophy, investment terms, finding stocks to study.	\$15
Saturday January 22nd	9:00 AM —2:00 PM	Club Treasurer's Workshop ** Prepares club treasurers for 2004 tax preparation. The class will cover some of the monthly activities of the treasurer and outline some pitfalls.	\$25
Wednesday January 26th and February 2nd	6:30—8:30 PM	So You Want to Belong to an Investment Club—Start your Own! #7494 Learn the proven philosophy and resources available to start a successful investing club.	\$25
Wednesday February 16, 23 March 2, and 9	6:30—8:30 PM	Investing in Mutual Funds #7517 A class for individuals who wish to learn the NAIC investment principles and tools for evaluating mutual fund investments.	\$47

Tri-Cities Satellite Class Schedule

Location:

Columbia Basin College
Building, Room—TBA
2600 N 20th Ave
Pasco WA 99301-3379

Computer Classes:

Kennewick General Hospital
900 S Auburn
Kennewick WA 99336-5621

Registrations:

Barbara Mattichak
NAIC Registrations
PO Box 4708
Pasco, WA 99302
3Rivers-registrar@naicie.org
Phone: 509-627-3639

<u>Date</u>	<u>Time</u>	<u>Class</u>	<u>Cost</u>
Saturday January 8th	9 am - 1 pm	Club Accounting This class will cover the Club Accounting software package. It will demonstrate to club Treasurers how to enter the standard entries for club accounting. It is a hands on class in a computer lab, limited to 12 participants.	\$15 \$20 at door
Saturday March 12	9 am - 1 pm	How to Read an Annual Report Provides an overview of an annual report and identifies key areas to focus on. Demonstrates how to complete an electronic form which evaluates the financial statements of a company.	\$15 \$20 at door

Lewis Clark Satellite Class Schedule

Glacier Satellite (Montana) Class Schedule

"Classes on the Move" No formal classes are being scheduled in the Lewis-Clark or Glacier Satellites this winter/spring. Instead, upon request, our investment instructors will come to your area or club to teach a NAIC offering of your choice. We ask a minimum of 10 participants for a two hour class. The charge will be \$5.00 per hour per participant or a minimum of \$100. In addition, you will be asked to provide the class facility and materials cost. Possible course offerings could cover Investing for Life; Successful Investing; Stock Selection; Portfolio Management; Mutual Funds; Computerized Investing, Software, and the Internet; Investment Club Operations; or Investment Club Accounting ... or specify exactly what you want to learn. For more information, please contact our Education Director, Jeri Morgan at education@naicie.org or by phone at (509) 299-3566.

BE PREPARED

All classes begin promptly at the times listed. Class check-in and material hand-out starts half hour before class begins. Please **BRING** a hand calculator, clear ruler and three colored pencils to all Stock Analysts classes. Pre-registration is required as space is limited. Same day registration allowed only if space is available.

Please include a legible e-mail address and phone number with your registration so we can easily contact you if there are any changes.

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with those resolutions and are even now working on their appropriate action.

Overall the Chapter Volunteers are very pleased with its association with the NAIC. They have learned so much about investing and stock analysis because of the NAIC and its work with local chapters. We believe the NAIC is a worthy organization and are happy to represent them. If anyone has any further

comments or questions on this issue, please do not hesitate to call Pres. Vicki Redlin.

More information and the response from NAIC executives on this issue can be found under NAIC - "media center" (in left column) at the Better-Investing Web site (www.better-investing.org.) Click on Current Issues.

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you enjoy it and learn from it.

We don't need a ton of money, but we do need enough to sustain the Chapter and its members. This is where you can help. Support our programs, attend our classes, visit the Chapter's website at www.better-investing.org/chapter/inland/; schedule a **Classes On The Move** for your investment club, and purchase your NAIC supplies and stock analysis tools from us. Every little bit helps and every Chapter member can make a difference. Thank you in advance for your continuing support.

Front Side of the SSG

I recently had the pleasure of teaching the front side of the SSG to an investment club through the Chapter's *Classes On The Move* program. As always, it was a perfect opportunity to renew my own education on the SSG front side.

The class I used was one developed by Diane Amendt, NIA Advisory Board Director and President of the Southeastern Michigan Chapter, who graciously gave me permission to use her materials. One of the slides in Diane's presentation simply identifies the importance of the SSG: to help identify a quality growth company with good management selling at a favorable price. This statement seemingly so simple is so important for all SSG students whether beginner or advanced. In other words, keep your eye on the prize!

The front side of the SSG can be thought of as a picture format for some of the characteristics of a "good company", such as: sales and earnings with a consistent history of growth; and, a company with historical and actual double-digit return of equity. Some of the points to adhere to when completing the front side of the SSG bear repeating: first, the most recent 5 years of historical data are more important than the first 5 years; don't project earnings and sales growth over 20%; generally don't estimate earnings growth at a faster rate than sales growth; and completing the Recent Quarterly Data box is a good way to check how the company is doing compared to its historical growth in sales and earnings which you will find at the bottom of the form.

There is a direct relationship to the conclusions on the backside of the SSG from the historical data and projected trends on the front side of the SSG. But that's another class

This 'n That ...

CHAPTER MEETING

Location Change!

You're invited to attend on the second (2nd) Thursday of each month. Please join us for dinner (optional), education, and good conversation about investing and the stock market.

Meeting Format:

- 5:30-6:30 PM
No Host Dinner
- 6:30-6:45 PM
Educational Topic
- 6:45-8:00 PM
Business Meeting

Meeting Location:

Percy's Cafe Americana
University City
10502 E Sprague Avenue,
Spokane, WA 99206-3632.

See map on Chapter website:
www.better-investing.org/chapter/inland

Q: Who was the greatest financier in the Bible?

A: Noah. He was floating his stock while everyone else was in liquidation.

Volunteers Needed!

How does receiving a year's subscription to NAIC's Online Premium Services sound to you? That is just one of the benefits of being a NAIC Chapter Director, Associate Director, or Volunteer.

Do you think you have to be an expert in the SSG to be a Chapter director? **NOT!** Many directors learn as they go. All directors can attend **any or all** Chapter classes free of charge. All we ask is a small work assignment while you are there. Plus you get to hang around wonderful people.

The current Chapter directors are a great group of people and you would be very welcome. You don't have even have to make a commitment right away. Contact me, Vicki Redlin, President, at president@naicie.org or 1605 E. 20th Ave., Spokane, WA 99203 or Paula Riccelli, Treasurer, at treasurer@naicie.org to receive an application.

We would be happy to talk to you. Think about it. It's a tremendous deal.

FOR ANY LAST MINUTE CLASS CHANGES!!

While we strive to adhere to the published schedule, changes do occur. Please check our website at www.better-investing.org/chapter/inland/events for class changes or cancellations. The website is the place to go to verify where, when, or if classes are being held. If you do not have internet access, call your local registrar.

Inland Empire Chapter Officers and Contacts

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Visit our website for a complete list of your directors, associates, and volunteers: www.better-investing.org/chapter/inland



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WWW.BETTER-INVESTING.ORG/
CHAPTER/INLAND

CLASSES ON THE MOVE What a Deal!!!

A great opportunity was presented when the SWIM Club of Spokane was fortunate in receiving a free *Class on the Move* as the prize for the Club with the greatest number of members attending the last Annual Meeting. The members of the club were having difficulty in making the judgment calls in section 4 of the SSG. The club felt it needed information and guidance so that their SSGs would be as effective as possible. It is never easy to make the decision to sell a stock that has not performed as well as expected. So just when do you bite the bullet and sell?

Paula Riccelli, Director from the Inland Empire Chapter, gave a great presentation, complete with handouts to keep for future reference. Information was provided that really helped the club in making a decision whether to sell one of the club's stocks. Did they sell? They'll never tell, but now the club feels a whole lot more knowledgeable in making these kinds of decisions. -Dixie Zahnizer

Annual Chapter Education Meeting Date Set

This year **there are changes in the Inland Empire Chapter's Annual Education Meeting** including the location at the *Red Lion Hotel in Pasco, Washington*. While the details of the event are still in the works, we know for certain that **Bob Adams**, a Computer Group Advisory Board Vice President and Director at NAIC's Puget Sound Chapter, will be presenting for over an hour on **"Putting it all Together" on April 23, 2005**. This class illustrates how NAIC tools can work together to sharpen your analyzing skills.

We will also be holding our annual elections for the Inland Empire Chapter. Tentatively planned is a company presentation along with club round table discussions of ongoing issues. Of course, along with *everything else that is tentative*, the time of the event

-is tentative too, but **the date is not, April 23, 2005**.

Another change will be the registration process. The registration form will have to be downloaded from our web site or registrations may be made online through MollyGuard.com

Check back regularly to the web site at www.better-investing.org/chapter/inland to see what other details we have firmed up. We look forward to seeing you.

SAVE THIS INFORMATION!!

There will NOT be a Spring Newsletter announcing the final details of our annual education meeting. Due to the high costs of putting out the Chapter NAIC Journal, the Chapter will use instead, our web site and post cards mailed to club contacts to remind members to register for our **Annual Education Meeting on April 23rd in Pasco, Washington.**