



New York Chapter News

Come Back To Investing The NAIC Way

Volume 2003, Issue 1

February 2003

A Message From The President...



Monica Noel

President, New York Chapter NAIC

Great things are happening in the National Association of Investors Corporation and in the New York Chapter. I'm glad you are part of it. Whether you participate as an individual investor, in your own investment club, at the monthly chapter meeting, in our courses and seminar or in our other local, regional and national event, it all adds up and contributes to the strength of the NAIC. If by chance you still want to do more, the New York Chapter always has a job for you and will steer you in the right direction.

Volunteerism has its privilege. Our directors were invited by the New York Stock Exchange to ring the opening bell for the first trading day of 2003. It was a historic event for our chapter and a truly exciting time for all of us who participated. The adrenaline is still running very high. Our touch hopefully set a trend for 2003. It was a record first of the year trading day. We may be invited again and we want you to be a part of it.

We welcome Hudson/Housatonic back into the New York Chapter fold and pledge to them our full support as we plan our programs for 2003 and beyond.

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The Club Meeting Agenda

(or 13 Steps to Running a Successful Investment Club Meeting)

Avi Horwitz

Vice President – Education, New York Chapter NAIC

Many investment clubs form as a result of friendships, and the social aspects seem to take the front seat. Many clubs end up having a difficult time moving on to the business at hand. Our club, MICA, has informally adopted a meeting agenda to help stay on track with the business at hand. It is based on information from a panel discussion (Is Your Club Staying on Course? - Panel: Bill Kapranos, moderator; Beth Hamm, Joyce Clawson, Edward Fritz and Joseph Smith) that took place at the NAIC Investors Congress in Cleveland in August, 1997. This agenda is presented as a sample agenda and should be adjusted to meet the needs of your particular investment club.

The Meeting Agenda

1. Take roll call and call the meeting to order
 - This establishes that a quorum is present to conduct a business meeting.
2. Approve prior month's minutes
 - This allows everyone to make sure that what was reported as happening at the last meeting is reported properly.
 - This isn't the time to debate whether a decision was appropriate, the minutes just report what happened.
3. Treasurer's report
 - At this point the collection of the current month's tuition should take place.
 - The treasurer should report on and confirm any buys or sells that have occurred since the last meeting, stating the price and total dollar amount.
 - The treasurer should state the portfolio value as of the valuation date, as well as available money in the bank or brokerage account.
 - Monthly valuation reports should be distributed.

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The NAIC philosophy and principles have withstood the test of the Bears and the Bulls. Don't let this runaway Bear daunt your spirits. If we continue to buy great growth companies at reasonable prices we would have found a winning way that will stop the Bears dead in their tracks. Learning is continual and ever improving in its perfection. Let the New York Chapter help you in the courses and programs they offer. Visit the NAIC website (www.better-investing.org) and see a host of services that the NAIC makes available for you. Discover how you can access companies' data through Online Premium Services. See how you can benefit from receiving referral dollars to lower your cost of the services and products NAIC offers you ... and many many more. For those we have not seen for a while, we miss you and we are anxious to welcome you back.

Best wishes and Better Investing in 2003.

Event Schedule

2003 Monthly Meeting Topics

(all programs subject to change, please subscribe to the New York Chapter E-mail Announcement List for the most up-to-date information)

Computer User Group (NYPC/NAIC Investing SIG) - Second Friday of every month (except August) 6:15pm

Location: Microsoft, 825 Eighth Avenue at 49th Street - 18th floor
(Sign in for NYPC Meeting, please bring identification)

Call New York Personal Computer Hotline, (212) 643-6972, (3 letter code INV) for meeting topics and updates

At every meeting we evaluate stocks using NAIC stock evaluation tools:

Jan. 10, 2003 - Potpourri - Bring Your Favorite Stock

Feb. 14, 2003 - Auto Parts Industry

Mar. 14, 2003 - Restaurant Industry

Apr. 11, 2003 - Retail Building Supply Industry

May 9, 2003 - Medical Services Industry

Jun. 13, 2003 - Semiconductor Industry

Jul. 11, 2003 - Potpourri - Bring Your Favorite Stock

August - No Meeting

Sep. 12, 2003 - Grocery Industry

Oct. 10, 2003 - Retail Stores Industry

Nov. 14, 2003 - Computer Software/Svcs Industry

Dec. 12, 2003 - Office Equip/Supplies Industry

The meetings will help you develop an investment strategy based upon the principles and philosophies of NAIC. Using Value Line and Online Premium Service data and NAIC software, we will evaluate a stock using NAIC methodology.

We also demonstrate stock screening and portfolio management software, as well as Club Accounting, and access the internet to aid in company research and stock evaluation

Our Mission

The mission of NAIC is to create a nation of successful investors. Our purpose is two-fold:

1. Introduce individuals to the reasons for, and rewards of, equity ownership.
2. Provide a program of investment information and education to enable individuals to become successful strategic and lifetime investors

Event Schedule

(continued)

2003 Monthly Meeting Topics

(all programs subject to change, please subscribe to the New York Chapter E-mail Announcement List for the most up-to-date information)

New York City Division Meetings-Third Tuesday of every month-6:15pm

Location: Fashion Institute of Technology - 8th Avenue at 27th Street-Building A - 8th floor

February 18, 2003 - The Computer Group is Coming to You - Studying Stocks the Computer Group Way

March 18, 2003 - 529 and All Those Other Numbers

April 15, 2003 - Tax Planning for Investors

May 20, 2003 - Annual Membership Meeting - Understanding Stock Data - Book Signing - Special Guest Speaker: Douglas Gerlach, co-author of Investment Clubs for Dummies

June 17, 2003 - What is Important in a Financial Statement

July 15, 2003 - Everything You Wanted to Know About Long-Term Care (but may have been afraid to ask)

August 19, 2003 - Ten Minute Checklist for Finding Stocks

September 16, 2003 - Estate Planning is for Everyone

October 21, 2003 - What You Need To Know About Closing the Club's Books

November 18, 2003 - When to Sell the Turkeys (So that you don't become one)

December 16, 2003 - Investing in the New Year

Long Island Division Meetings - Last Tuesday of every month-(except December) 7:30pm

Location: The Floral Park Community Church, 120 Floral Parkway, Floral Park, L.I.

Directions: Church is located on a triangle - Floral Parkway/Cherry St./Cedar St.

Enter the building from the side door on Cedar Street.

(all street signs still refer to former church name: The Evangelical Covenant Church of Floral Park)

February 25, 2003 - Investment Terminology for Novice Investors

March 25, 2003 - Reading the Annual Report & 10-K

April 29, 2003 - Interpreting the Stock Selection Guide

May 27, 2003 - Group/Individual Participation - Presenting...Your SSG

June 24, 2003 - Bloopers on SSGs

July 29, 2003 - Reading Financial Statements - Balance Sheet

August 26, 2003 - Reading Financial Statements - Income Statement

September 30, 2003 - Reading Financial Statements - Cash Flow

October 28, 2003 - Interpreting the Stock Check List

November 25, 2003 - Closing the Books

December - No Meeting

What began as an experiment more than 60 years ago clearly is working. Large numbers of individual investors have become successful investors, building and maintaining their wealth by following three basic principles.

You don't have to be part of the NAIC community for long to have the principles firmly etched in your mind.

1. Invest regularly.
2. Stay invested.
3. Discover leadership growth companies.

A fourth principle was added later to encourage prudent diversification.

New York Chapter Information

Contacting the New York Chapter

Voice-Mail: (718)856-8462

WebPage: <http://old.better-investing.org/regions/newyork.html>

Chapter E-mail Address: NY-NAIC@better-investing.org

E-Mail Announcement List:

To Subscribe:

1. Send a message to lyris@lists.better-investing.org
2. In the body, type:
 - a. **subscribe nychapter2 FIRST LAST** (where FIRST LAST is your first and last name - **not** your e-mail address).
Example: subscribe nychapter2 John Smith
3. You will get a confirmation message from the server checking your e-mail address.
4. After that you will get a welcome message from the server with instructions on how to use the list and how to unsubscribe.

New York Chapter Officers 2002/2003

President - Monica Noel, 516-352-1635

Vice President: Administration - Michael Fiorillo, II

Vice President: Membership - Yvette L. Wright,

(718) 856-8462, E-mail: YLWright@AOL.com

Vice President: Education - Avi Horwitz, (212) 819-1040,

Nycbut4u@aol.com

Treasurer - Susan Kideckel

Corresponding Secretary - Joan Ford, (718) 584-1130, Bronx.

Recording Secretary - Rosemary Hassett

New York Chapter Directors 2002/2003

Directors: Stephen W. Beer, Leotta Boulware, William Dunn, Albert Fraser, Lillian Heard, Renee Neslo, Phyllis Pawlovsky

Associate Directors: Nigel Archer, Ila Barnes, Shirley Garcy, John Gilligan, Renee Mahoney, Jeannine Pemberton, Latrisha Wilson

Assistant Directors: John T. Carr, III, Nilsa Mangual-Rios, Barbara Eng Nitzberg, Sharon Petty, Tammy Singleton, Tanya B. Tietler, Judy Trotter, Ron Wolsky

The logo for Better Investing features the words "Better" and "Investing" stacked vertically in a large, bold, yellow, sans-serif font. The letters have a slight 3D effect with a dark shadow underneath.

Meeting Agenda (continued from page 1)

4. Economic report
 - A brief economic report is given covering any major economic news, including the short term economic outlook. For example, consumer confidence levels increasing or decreasing can be brought up. Much of this information can be obtained from sources such as *Business Week*.
5. Old business
 - This is the opportunity to discuss and resolve unfinished items. For example, our club had approved some amendments which had not yet been formally distributed to the members. This is where the issue was raised at subsequent meetings, reminding us of the need to finish putting the amendments in writing for distribution to the members.
6. New business
 - This is the opportunity to bring up issues that need to be addressed related to club operations and procedures.
7. Stock committee reports
 - Our club reports on one industry and at least three companies within the industry. The best of the three is reported on in depth, together with an explanation of why the committee felt it was the best. There are many explanations of which factors to present. One method is to use the NAIC [Stock Comparison Guide](#).
8. Portfolio update
 - At this point a review of the stocks presently held by the club should take place, refreshing the club on the zones (Buy, Sell, Maybe) that were calculated for the stock, as well as the current price, current P/E ratio, and any other recent company news.
 - As club members become more experienced, portfolio evaluation tools should be introduced. These include Portfolio Evaluation Review Technique ([PERT](#)), Portfolio Management Guide ([PMG](#)) and the [Challenge Tree](#).
9. Discussion of buy/sell decisions
 - Once the new companies are presented and the current holdings are reviewed, the club should discuss any portfolio moves that the club is going to make.
 - It makes sense to discuss sells first (if there are any), so that you know what dollars are available for purchasing stocks.
10. Assign an industry and economic report
 - In our club we have three stock study groups of 4 or 5 people. Each group makes a presentation every three months on a rotating basis. The group that presented their stock during the meeting should make a recommendation as to which industry they would like to present at their next turn.
 - Someone should be assigned to present the economic report at the next.

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11. Education

- Need I say more? The educational aspect of the club should never be forgotten.
- For newer clubs, the education partly arises out of the presentation and discussion of stocks.
- The assistant presiding (or junior) partner, who is responsible for education, should constantly be looking for issues to cover. Possible sources for discussion materials include the NAIC [L-Club-List](#) (and its archives), [Better Investing](#) and [BITS](#) articles. (The NAIC Web Site has reprints of articles from both publications available, and more reprints are constantly being added. There is a library of [Better Investing reprints](#), as well as a library of [BITS reprints](#).)
- This is one area that tends to be overlooked in an effort to speed up meetings, and yet one must remember that education is important. It is one of the Beardstown Ladies three E's: *Education, Enjoyment, and Enrichment*.

12. Next month meeting

- Confirm date, time, and place

13. Adjourn

Some things to remember

- Besides being educational, the club is a business. You may have fun, but remember that it is a business.
- It helps if all members are prepared. Each member should have a binder which includes the [Stock Selection Guide](#) (SSG) for all stocks currently in the portfolio and all stocks that are being watched by the club. In addition, for each stock being presented in the current month, copies of the SSG should be prepared. The binder should also include previous minutes, the [Partnership Agreement](#), [Bylaws](#), and any Amendments.

And one last thought...

- Not everyone will always agree on everything. In some situations (especially if a unanimous vote is required), it may make sense to vote by secret ballot. This reduces the risk of bad feelings and also of calling favors to change a person's vote.

NAIC
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Toll Free: 877-275-6242

Investor Education Seminars

You may be surprised to learn that the most common mistake investors make is not picking poor companies, but in overpaying for good companies. At the NAIC courses, you will learn how to tell if a stock is a good buy at today's price or if you need to watch - and wait - until it comes down to your predetermined price.

The New York Chapter of the National Association of Investors Corp. (NAIC) sponsors introductory to advanced level courses in investment education using [NAIC Tools and Techniques for Stock Selection and Evaluation](#). You may register for one or more of the seminars described below. With the knowledge you gain from these seminars, you will be able to make your own investment decisions, construct and monitor a portfolio according to NAIC principles.

Seminar Descriptions

Note: Not all courses offered at each location each semester.

Introductory Investor Seminar: Opens the door to the beginning of making your own investment decisions. This course will teach you the basics of understanding a company. It includes a discussion of how a company forms and how the stock market works. It also includes a discussion of investment terms, sources of financial data, and how to use Value Line data (a key tool used for researching a stock) **(6 hours)**

Basic Investor Seminar: Will teach you to prepare the NAIC Stock Check List to assist you in doing basic stock analysis. The class will focus on understanding a company's growth, how to measure and evaluate it and where growth comes from. We will also provide an overview of the Stock Selection Guide (SSG), which is the most important NAIC tool for helping investors make a decision about buying the right company at the right price. **(6 hours) Prereq: Introductory**

Intermediate Investor Seminar: This comprehensive course teaches investors how to complete the Stock Selection Guide (SSG). You will learn to record a company's past history and how to review management's effectiveness under varying economic conditions. This course shows investors how to understand what a company's past performance tells us as a predictor of the future performance. This class will also teach you how to complete the Stock Comparison Guide which compares competitors and allows you to select the company which is best. **(12 hours) Prereq: Basic**

Advanced Investor Seminar: Many people overlook the vital importance of managing a portfolio. The decision to buy is not the end of the NAIC investment process. It should be followed by portfolio management. The portfolio management process includes the Portfolio Management Guide (PMG), Portfolio Evaluation Review Technique (PERT) and the Challenge Tree. The Portfolio Management Guide helps check the progress your stocks are making relative to the valuations on your Stock Selection Guide. PERT enables you to monitor the performance of the fundamentals of your company. The Challenge Tree allows you to compare the merit of replacing a stock you now hold with another stock you wish to purchase. You should be thoroughly familiar with the SSG evaluation process before you take this course. **(6 hours) Prereq: Intermediate**

Mutual Funds: We want to make you a successful mutual fund investor. This class will help you sort through the mysteries and make decisions about the role of mutual funds in long-term investing. By using the tools provided in this course, which include the NAIC Mutual Fund Checklist, Comparison Guide and Trend Report, your prospects of buying the right fund for your portfolio will be greatly enhanced. **(6 hours)**

When To Sell: Much focus has been given to determine how and why we buy a stock. Do we hold it forever? This course will look at some of the reasons you might consider selling a stock. We will also look at how you might challenge a weak stock in your portfolio. **(2 hours) Prereq: Intermediate**

Understanding The SSG: This course will help you better understand and interpret the information gained from the completion of the SSG and enable you to make better investment decisions. This class is designed to further enhance your understanding of what you can learn from the different sections on the Stock Selection Guide. This class is designed to help you begin to make better evaluations of companies that you study. **(3 hours) Prereq: Intermediate**

Queens College -- 65-30 Kissena Boulevard, Flushing NY 11367
 Presented by Queens College, Continuing Education Program & New York Chapter of NAIC

To register for classes at this location, please complete the [REGISTRATION FORM](#) and mail or fax to:
 Queens College - Continuing Education Program
 65-30 Kissena Blvd
 Flushing, NY 11367
 Telephone : 718-997-5700
 Fax: 718-997-5723

Method of payment: Check payable to: **Queens College**
 Discover Card, MasterCard and Visa Accepted for this location.

Seminar Schedule and Tuition

Introductory	Feb. 19, 26, Mar. 5	Members \$45	Non-Members \$55
Basic	Mar. 12, 19, 26	Members \$45	Non-Members \$55
Intermediate	Apr. 2, 9, 23, 30, May 7, 14	Members \$90	Non-Members \$100
Special Pricing: If you register for all 3 classes above,	<u>together on the same form, the fees are:</u>	Members \$150;	Non-Members \$160
Understanding the SSG	May 7, 14	Members \$30	Non-Members \$40

An additional \$15 registration fee is required for this location.
 All sessions are on Wednesday and will be conducted from 7:00 p.m.- 9:00 p.m.
You must register by February 14th for the Introductory class, by March 6th for the Basic Class and March 26th for the Intermediate class.
Advanced registration is required. No registration will be accepted at the door.

Fashion Institute of Technology -- New York City, 27th Street & 8th Avenue, Building A, 8th floor

To register for classes at this location, please complete the [REGISTRATION FORM](#) and mail form along with payment to:

- Lillian Heard
 137-22 Southgate Street
 Springfield Gardens, NY 11413
 Tel. 718-723-4360

**Method of payment: Check or Money Order payable to: NAIC
 NO CREDIT CARDS ACCEPTED FOR THIS LOCATION**

Seminar Schedule and Tuition

Introductory	Feb. 24, Mar. 3, 10	Members \$45	Non-Members \$55
Basic	Mar. 17, 24, 31	Members \$45	Non-Members \$55
Intermediate	Feb. 24, Mar. 3, 10, 17, 24, 31	Members \$90	Non-Members \$100
Advanced	Feb. 24, Mar. 3, 10	Members \$45	Non-Members \$55
Mutual Funds	Mar. 17, 24, 31	Members \$45	Non-Members \$55

All sessions are on Monday and will be conducted from 6:30 p.m. -- 8:30 p.m. with the exception of Understanding the SSG which will be conducted from 6:30 p.m.-- 8:00 p.m.
Please arrive 15 minutes early to allow time for check in at the registration desk.

Registration must be received by February 19, 2003. Advanced registration is required. Register early since seats are limited. No registration will be accepted at the door. Confirmation cards will be mailed. Please bring the confirmation card with you and present it to the instructor at the first session. If you want to be in the same class as a friend, please submit the registrations and payment in the same envelope.

Registration Form - Page 6

Chapters and Referrals of Individuals To Clubs For Membership

Every chapter experiences a continuous stream of requests from individuals to be referred to investment clubs for membership. All of us are eager to be of service to these individuals. At the same time we should be aware of potential problems.

The main problem is that the SEC and some State Regulatory Authorities have taken the position that investment club membership is a security and if we bring members into a club we are selling an unregistered security. Consequently, we do not want to be involved in bringing two parties together. There have been other problems. In one case an individual who gained access to a club subsequently stole some of the club's money. In several cases individuals have gained access to clubs and then demonstrated personality problems that lead to great disruption in the club. The chapter is in danger of being blamed when incidents like this result.

As we strive to meet this need, chapters have developed the practice of letting clubs looking for members post their name and address at chapter meetings and individuals looking for clubs to join have done the same thing. The good part of this practice is that it requires each side to act on its own and the chapter itself is not taking any action. We believe that should be characteristic of the way a chapter provides for these individuals to get in touch with one another. Any method that results in action by the chapter should be avoided.

Thomas E. O'Hara - 1997

GENERAL REGISTRATION FORM

Instructions:

1. Enter the seminar location you wish to attend.
2. Refer to the registration information for schedule, cost, acceptable methods of payment and mailing address for your location of choice.
3. Complete the remainder of this registration form.
4. Mail this form with payment to the mailing address for your location of choice.

Please remember to include the registration fee for the Queens College location.

SEMINAR LOCATION: _____

CHECK ONE: NAIC MEMBER
 MEMBERSHIP #: _____
 NON-MEMBER

PAYMENT METHOD: () CHECK or MONEY ORDER
() MASTERCARD () VISA () DISCOVER CARD
ACCOUNT #: _____
EXPIRATION DATE: _____
CARDHOLDER NAME: _____
SIGNATURE: _____

For Queens College Only:

SOC.SEC.#: _____

SEMINAR(S) REQUESTED:
 INTRODUCTORY BASIC
 INTERMEDIATE UNDERSTANDING THE SSG
 MUTUAL FUNDS ADVANCED

NAME: _____
(please print)

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

EMAIL ADDRESS: _____

TELEPHONE: DAY: _____

EVENING: _____

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Springfield Gardens, NY 11413

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284
JAMAICA, NY

ADDRESS CORRECTION REQUESTED