

National Association  
of Investors Corporation



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# BBC SHARES

**Big Bend Chapter**  
P. O. Box 14493  
Tallahassee, Florida 32317



Vol. 11, Issue 12 – Summer 2005

## *President's Corner*

### **ARE WE THERE YET?**

By Brian Fitzgerald

In this newsletter we feature two investment clubs that are celebrating their tenth anniversaries. These clubs were selected at random—one from Florida and one from Georgia, however, the similarities cannot be ignored. They are both all women and both were inspired by the Beardstown Ladies. The really great feature both clubs have is that they are successful. The mid nineties was not an ideal time to begin an investment club. The problem was the bull market treated everyone as a genius. When the bubble burst so did the genius mentality. Clubs folded and people cashed in their losses. The two-spotlighted clubs realized that good work produces good results. We want to congratulate all of the clubs celebrating anniversaries. In their tenth year are Capital Women's Investment Club, (Tallahassee); Fortune Finders Investment Club, (Tallahassee); Quit Your Day Job Investment Club, (Tallahassee); and Tifton Women's Investment Club, (Tifton). The Marathon Investment Club, (Tallahassee) and the AFEFA Investment Club, (Albany) have hit the five year mark. The journey requires knowledge, persistence, patience, and discipline. Congratulations and BetterInvesting to all of you.

On August 27<sup>th</sup> at the Northeast Leon County Library we will present the BetterInvesting Introduction to Investing at 10:00A. M. This is real basic, so bring a friend that might be interested in your club and how you invest. Following at 1:00 P.M. is the Big Bend Chapter's Annual Meeting and everyone is invited. On September 17<sup>th</sup> we will present Beginning Investing at 10:00 A.M. at the same location. The second best thing about it all is that it is free.

Also on tap are two new features. First, the Computer Users Group will hold public meetings to review the Stock to Study and compare Stock Selection Guides on

the featured company. The Computer User's Group will also discuss computer issues, such as software and web sites. Second, the Chapter is establishing a Model Club. This will be a bona fide investment club. Some Chapter members will join as partners with interested members of the public who may become partners for a set term. This will allow them to learn BetterInvesting techniques and also assist in establishing their own clubs. The Model Club will also be open to everyone to observe.

In the future we are scheduling a series of classes on stock selection. Our "On the Road" classes are still available.

Who said it is passive investing!

## *The Capitol Women's Investment Club*

By Debby Kearney

In September of 1995, with the *Beardstown Ladies Common-Sense Investment Guide* as their template, the Capital Women's Investment Club (CWIC) was established. Sixteen women who considered themselves "absent that day" when someone was teaching about the stock market signed a partnership agreement and set out specific goals. Borrowing liberally from the Beardstown Ladies, the club's goals, in order of priority, were education, enjoyment, and financial enrichment. And the NAIC investment philosophy was adopted as well.

The club rotates meeting places to maintain a level of interest. They meet at members' homes and businesses, at restaurants, and even at companies they own. (See photo of the partners at Capital City Harley-Davidson where the May meeting was held and where the partners tried out more than the latest quarterly earnings!)

A culture of participation has always been an integral part of CWIC. The 16 very busy women of CWIC could not keep the club operating smoothly unless each partner pulls her weight. Each partner is expected to serve as an officer from time to time. Every partner has participated in a research team to bring new stocks to the club's attention, and each partner is assigned a stock to watch and report upon.

The Capital Women's most successful stock has been MBNA, which coincidentally was one of the two initial purchases of the club. Zebra Technologies and Total have been very successful stocks for the club as well.

CWIC has adopted the practices of successful investment clubs—treating the club like the business that it is; focusing on education and better understanding the stock market; and adopting the NAIC principles and tools for analyzing stocks. The members believe that their unique secret of success lies in consistently choosing partners who are not only successful in their chosen fields, but whose company they enjoy. If the investment club did not exist, CWICies claim they would still look forward to spending an evening once a month with each other.



## REQUIRED SUMMER READING

By Brian E. Fitzgerald

A group of educators and a couple of other friends got together in October of 1995 and formed the **Tifton Women's Investment Club**. Again armed with the *Beardstown Ladies Investment Guide*, the original ten included an attorney who led them in developing their Partnership Agreement.

Being Georgia girls they just had to invest in a couple of home stocks—Coca-Cola and AFLAC. A local broker visits the club annually to review their portfolio and make recommendations. Later the ladies will use Toolkit and perform a Stock Selection Guide to see which of those recommended stocks they like. “That is where we found our best performer,” says Joy West. The stock is not located in Georgia either, or the United States. It is Teva Pharmaceuticals from Israel. You don't have to stay home to find a good investment.

Apparently another tool that the ladies use for stock picking is the Peter Lynch method. A Starbucks opened

in Tifton, that's right a town of 15,000 people. They visited, liked it, and bought some stock. Now they hold their monthly meetings there. Just like in the big cities, they discuss stocks over a latte.

The club has lost members over the past decade and now is at six. During the tech meltdown they chilled out because there was very little in that sector. The club uses the five NAIC principles and has prospered. We have to give them extra credit for being here ten years.

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## *Finding the Right Club to Join*

By Yeshe Mikyas

You have looked for months for a club that is accepting members and close enough to commute to and now that you have found one, you thank your lucky stars. Before you jump in and commit yourself into the unknown realm, I would like you to consider some very important things that will save you a lot of headache, frustrations, disappointments and bad vibes.

First, take time to visit the club. Don't go just once but at least two or three times. Many clubs do have a clause that they want you to visit a number of times before they accept you but there are many that don't. Your visits not only gives the club members a chance to check you out (albeit a bit superficially), but it also gives you a chance to see how the club operates. Is the meeting on time, organized, and run well? Is everyone participating? Are the reports (financial and stock selection) thorough? Is the expertise level to your desire? These are just a few questions that you can ask yourself.

Have a feel for the club dynamics, especially in terms of who seem to be doing the work. If only a few are active, then you can be sure that the club will be destined for trouble and there is always difficulty when only a few are keeping things afloat. Is there also a system established to get everyone becoming more and more comfortable in doing the stock investment studies to the appropriate level? More importantly, are people motivated and willing to reach that level of expertise to becoming a more seasoned NAIC investor? The education parts of the club, as well as, the extra work outside the regular meetings are tell-tale signs.

Ask for the Bylaws and Operating Procedures. **AND READ THEM.** If you are going to commit to a club you better know the details of its operations and make sure that it is to your liking. There are items in there

that will not show up in the day-to-day running of the club. For example, what is the cost of joining or the annual fee? There is a cost to doing business (the club dues, photocopying, mailing etc.) but it should definitely be reasonable. Is there a penalty for leaving the club under a minimum time frame and what is the minimum time frame? Sometimes clubs can charge outrageous sums (which I think defeats the whole spirit of NAIC's nurturing environment), or do not take into account of emergencies that force you to quit and keep your entire share of proceeds, or the minimum time is actually life-long rather than one or two years. So, make sure you know all these before joining. Also, is the club environment conducive to allowing you to have access to records (financial or club records) when you need to see them? In other words are the books open? They should be. Often times we remain silent about these issues because as a new member we really do not want to rock the boat, do we? If it is plainly written in the procedures that all records are available at a meeting or when requested or in any other way, then it saves you the trouble of trying to find the person who has the information. In a club I belonged to we even went to the extent of e-mailing the monthly brokerage statements (which could be downloaded from the brokerage site); it just made people a lot more comfortable to compare the account numbers with the statements that they got from the Treasurer. I listed here just a few things that will help you decide. There are many more questions that you might have, so make sure you read these documents.

And then ASK, ASK, and ASK. If there is something you want to know ask now before joining and not leave it until later or until it somehow resolves itself. A club is a business and as a potential partner you would like to know clearly how it is run, wouldn't you? After all when we do our stock analysis we always emphasize management, management, management and as far as I am concerned a club is no different.

### ***Annual Meeting August 27, 2005***

The Big Bend Annual Chapter Meeting will be Saturday, August 27 at the Northeast Branch Leon County Library on Thomasville Road from 1:00 P.M. to 2:00 P.M. Come Join Us

## **Tips and Tidbits**

The Tally Tycoons often have speakers at their afternoon meeting and would like to invite other investors. If you are interested call Jan Cuddington at 850-894-0540

## **BetterInvesting National Convention 2005**

**November 3-6**

**Atlanta, Georgia**

**Location: Renaissance Waverly  
Atlanta, Ga.**

The BetterInvesting National Convention is a four day event presented each year by BetterInvesting's National Investors Association Board. The Convention has been bringing investors together for over a half a century offering them an array of educational seminars, a corporate expo, keynote speakers, a computer lab, corporate and industry presentations and roundtable discussions.

Education is naturally the core of the event. This year 11 parallel class tracks, each consisting of 10 one-hour seminars gives over one hundred hours worth of classes from which to select what's right for you. 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.

Not to be overlooked is the benefit that attendees gain from interacting with so many other investors, directors, developers, trustees and staff. Some attendees find this aspect to be the most valuable of the Convention, whether it is from new ideas or talking face-to-face through problems and issues.

You'll not want to miss this event in our own backyard. So mark your calendars, send in your registration and go to Atlanta for a GREAT EDUCATIONAL EVENT.

For more details, visit the *BetterInvesting* web site at [www.betterinvesting.org](http://www.betterinvesting.org) and *BetterInvesting* magazine.

## LCD PROJECTOR NEEDED BY BIG BEND CHAPTER

The Big Bend Chapter is a non-profit organization of all volunteers. We are in need of an LCD projector. If you have or know of one available call Brian Fitzgerald at 850-224-0595 or e-mail at [bfitz@nettally.com](mailto:bfitz@nettally.com). We can provide the necessary letter for tax purposes.



June 23-25, 2006  
Reno, Nevada

### Investment Education at Its Best!

CompuFest is paradise for BetterInvesting long-term investors and BetterInvesting CompuFest 2006 is coming to Reno on June 23-25, 2006 at the Reno Hilton in Reno, Nevada. Reno is located in the beautiful Sierra Nevada mountain range close to Lake Tahoe and other recreational areas. Yosemite National Park, San Francisco, Las Vegas, and Salt Lake City are all within a day's drive.

The BetterInvesting Computer Group Advisory Board, staffed by BetterInvesting volunteers, organizes and presents CompuFest, a yearly BI national event. CF attracts investors from around the world who revel in the superb computer-focused investment education seminars led by the very best BetterInvesting instructors in the country.

The CGAB takes great pride in the comprehensive CompuFest curriculum. It reaches out to investors at all levels of expertise with the Newbie track for neophyte investors and the Family Youth Program for young investors as well as state-of-the-art intermediate and advanced seminars such as stock research, analysis, and screening. Portfolio management, investment club accounting, and personal record keeping are among the many other topics. Test drive software and find answers to software questions in the hands-on computer lab staffed by BI software developers and skilled tutors, enjoy investing discussions and BI Stock Selection Guide analysis, and attend corporate presentations. And it all takes place during a weekend filled with good times and fun thrown into the mix.

The CompuFest registration fee is an excellent value because the price includes more than fifty seminars, unlimited computer lab visits, all meals from Friday dinner through Sunday lunch, handouts for all classes in hard copy (if you register by the deadline) and CD format, additional educational material on the CD, the Cyber Café, corporate presentations, numerous door prizes, and the chance to win a notebook computer. Look for BetterInvesting CompuFest 2006 details at [www.compufest2006.com](http://www.compufest2006.com) (coming soon.)

## Degree of Risk

By Elaine D. Mobley

How does an investor decide on the degree of risk when establishing goals for purchasing publicly traded stock? Is income needed? Is growth more important or just to be considered? Is speculation the prime goal or are all three to be balanced?

The size of a company is a factor in all three. Large companies over \$4 billion in sales are not likely to grow at a rate of 15% per year. However, a large company's stock is not as volatile as that of a small or mid cap company. Also, many large companies pay 2.5-3.0% dividends if income is needed.

Medium companies with sales of \$400 million to \$4 billion in sales, provide a good potential for growth if the 15% growth has been the recent history of the company.

Small companies with sales under \$100 million in sales are more speculative, but provide a greater profit over time. Such speculation might be considered by young investors as a percentage of a portfolio.

Mature investors nearing retirement might consider companies paying dividends as a large percentage of a portfolio. Mid cap companies might appear to be better investments for the age bracket of 20-40's age group.

Each investor is unique and must analyze their future and decide the combination of investments with which they can be secure and can sleep well at night.

Diversification of company size and type of industry is also a very important subject when considering investment goals. This is one of the main principles stressed by NAIC.

## Support Your Chapter

When you renew your NAIC membership, recruit new ones or buy NAIC products, you can help your local chapter by using our "K104" number. NAIC will return a percentage of your purchase to us when you put K104 on your checks and order forms.



## COMPUTER CORNER

### Web Watch

ON-LINE

[WWW.BETTERINVESTING.ORG](http://WWW.BETTERINVESTING.ORG)

The BetterInvesting web site is a wealth of information. If you haven't had an opportunity to browse the site in a while, take a peek. The site has a new updated look. Information is easier to locate and more has been added to the site.

Some articles currently posted on the NAIC web site are:

#### Rating the Raters

Amy Crane compares the rating services of Morningstar, Standard & Poor's and *Consumer Reports*.

#### Rating Company Controls

In the BITS publication, Armin Fields compares the recently introduced Morningstar and Yahoo! Finance ratings of corporate governance. Twenty one companies in seven industry groups are compared and he includes some observations about the ratings.

### We're Up and Running The Computer User's Group A Place to Learn and Share

The Big Bend Chapter has started a new computer user's group. Our plans are to meet monthly. This is an event where we will learn about and contribute information on the most current BetterInvesting magazine's "Stock to Study". For an hour each month, a volunteer will lead a group of investors through the analysis of the company featured in the current issue of Better Investing magazine. We will share our judgments and findings of the SSG that is projected on a screen. We aim to include everyone's input and questions regarding the Company. We'll discuss the judgments used, the why's, the if's and the how's. The group will explore various other investment sites and

investment topics which can be found on the web. We think this group is an excellent place for beginners to get their questions answered and the experienced users can exchange and share investment ideas, learn about BetterInvesting software, discuss computer issues and explore new internet sites.

The Computer User's Group is intended for the beginner, as well as, the more advanced investor. There will be something for all who attend. So if you have a laptop, bring it along with your "Stock to Study" completed SSG for some lively discussions!

Our meeting schedule for the next three months is as follows:

August 23, 2005, 6:00 -7:00 P.M

September 27, 2005, 6:00-7:00 P.M.

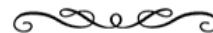
October 25, 2005, 6:00 -7:00 P.M.

All meetings will be held at the Northeast Branch Leon County Library (Thomasville Road).

If you have any questions please contact one of the following persons:

Randy Wilkes at [rwilkes@alltel.net](mailto:rwilkes@alltel.net) or 386-362-4125

Brian Fitzgerald at [bfitz@nettally.com](mailto:bfitz@nettally.com) or 850-224-0595



#### AN INVESTMENT TIP FOR THIS EDITION:

We don't expect our cars or our houses to function without some routine maintenance. . . We can't expect another big investment – OUR PORTFOLIOS – to run smoothly without good maintenance. Management of a portfolio is just as important as selecting the securities. The hardest decision for most of us is, do I hold or do I sell. Have a plan and actively manage your holdings ----don't be a passive investor!

#### Chapter E-mail List

To be added to the Big Bend Chapter E-mail list for program notification and news, send us your name and e-mail address, requesting that you be added to our list. We will remind you of any upcoming programs or announcements. Send to Linda Husbands at: [lindahusbands@earthlink.net](mailto:lindahusbands@earthlink.net)

HaveThe Big Bend Chapter Teach at  
Your Club

Can't get to our Saturday classes? Then see if the Big Bend Chapter can come to you. We will teach our regular classes for chapter clubs. You get the same materials and presentation as in our regular class. You supply the room. We supply the rest. To learn more contact Brian Fitzgerald at [bfitz@nettally.com](mailto:bfitz@nettally.com).

NAIC is a non-profit, tax-exempt organization whose membership consists of investment clubs and individual investors. NAIC was founded in 1951 with a mission to provide a program of sound investment information, education and support that helps create successful, lifetime investors. The NAIC programs, services and products are designed to help individuals of all levels to become successful, long-term investors. On average, NAIC member's investment portfolios have consistently outperformed market averages. NAIC has provided investment education to more than five million individuals and is a charter member of the World Federation of Investors, providing investment education in over seventeen countries worldwide.

**BIG BEND CHAPTER  
P.O. BOX 14493  
TALLAHASSEE, FLORIDA 32317**

## AUGUST - SEPTEMBER EDUCATION SCHEDULE

### ***Introduction to Investing and Investment Clubs***

Saturday, August 27th 10A.M.-1P.M.

Northeast Branch Leon County Library

No Fee      Reservations are not required

### ***Beginning Investing***

Saturday, September 17th 10A.M. - 12P.M.

Northeast Branch Leon County Library

No Fee      Reservations are not required

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