

Buying another company can be a sound move

I bought some shares of RPM Inc. a couple months ago at \$22. Recently the stock has been \$16. I did get a letter from the company telling me they had just bought another company and that they expected it would make a substantial increase in their business.

I guess I'm a little skeptical. I had thought in another company that bought different companies and in two years it sold them off at a loss. What do you think of this company?

As I see the record, you have bought shares in one of the really outstanding growth companies in the country. RPM has not failed for 38 consecutive years to increase both its sales and earnings per share. I

can't think of another company that can match its record.

If I did get and bought the stock at its low 10 years ago and sold it at its recent high, you would have received \$25.50 for every dollar you had invested.

I wouldn't want to promise you the same kind of results over the next 10 years, but it seems very likely the company will continue to perform well.

YOU ARE right in being skeptical when a company tries to catch your interest by announcing the purchase of a new business. A great many companies do not have a good record of turning such businesses into greater successes.



today's investor

Thomas E. O'Hara

of the National Association of Investors Corp.

The old Chicago Pneumatic Tool company had a record of buying successful businesses and turning them into a disaster in four or five years.

RPM, however, has quite a different record. It has bought new companies for years and generally within three or four years has doubled the amount of business they were doing.

RPM is an excellent illustration of the theory that growth in a business is best when produced by a growth-minded management team rather than by management enjoying the accident of being in a growth industry.

Its industry is the coating industry, one that is not considered a glamour industry and one that many

people associate with the cyclical building and construction industry.

Management has produced long-lasting growth by developing new products and giving them special attributes that have enabled the company to take a growing portion of the market.

YOU BOUGHT stock in a very good company, and it should continue to grow in value. The company usually sells at a high PE of 15, and you paid 20. It will have to continue to grow for a year or so to be worth the price you paid, but it looks like you can count on that growth.

Thomas E. O'Hara of Bloomfield Hills is chairman of the

board of trustees of the National Association of Investors Corp. and editor of *Better Investing* magazine. O'Hara welcomes questions and comments but will answer them only through this column. Readers who send in questions on a general investment subject or on a corporation with broad investor interest and whose questions are used will receive a free, one-year subscription to *Better Investing*. O'Hara will send a free copy of *Better Investing* magazine or information about investment clubs to any reader requesting it. Send 50 cents for postage and write *Tom O'Hara's Investor*, P.O. Box 220, Royal Oak 48068.

datebook

ESTATE PLANNING
Thursday, Oct. 2 — "Wills, Trusts and Estate Planning" will be offered 6:30-9 p.m. in Southfield. Fee: \$75. Information: 350-3030. Sponsor: Arthritis Foundation.

10TH ANNIVERSARY
Thursday, Oct. 2 — Tenth anniversary of S.J. Maddalena Inc. Interior designers at 6421 Inkster Road in Bloomfield Township. Telephone: 626-5692.

BEGINNING SPREADSHEET
Thursdays, Oct. 2-23 — "Beginning Spreadsheets" using Lotus Symphony and IMB PC offered 7-9 p.m. in Bloomfield Hills. Fee: \$75. Information: June Pasang, 645-3635.

SMALL BUSINESSES
Saturday, Oct. 4 — "Financing for Small Businesses" offered 8:15 a.m. to 3:30 p.m. in Detroit. Fee: \$45. Information: 577-4685. Sponsor: Wayne State University.

REAL ESTATE
Saturday, Oct. 4 — "Real Estate Continuing Education" offered 9 a.m. to 5 p.m. in Detroit. Non-member fee: \$35. Information: 862-8000 Ext. 240. Sponsors: Marygrove College, Michigan Association of Realtors.

TECHNOLOGY IN INDUSTRY
Sundays, Oct. 5 to Dec. 7 — Technology in Industry Seminars offered in Rochester. Information: C. Andrich, 370-3142. Sponsor: Oakland University.

CUSTOMER SERVICES
Monday-Tuesday, Oct. 6-7 — "How to Manage the Customer Service Department for Results" offered 9 a.m. to 4:30 p.m. in Troy. Fee: \$55. Information: Clark E. DeHaven, 1 (800) 428-4284. Sponsor: Michigan State University.

ARCHITECTURAL ESTIMATING
Mondays, Oct. 6 to Dec. 15 — Architectural Estimating II class offered 6-8 p.m. in Southfield. Information: 587-5500. Sponsor: Institute for Construction Management.

INTERNAL AUDITORS
Thursday, Oct. 7 — Institute of Internal Auditors meeting at 5 p.m. in Troy. Information: Mary Kurkowski, 643-5832.

BUSINESS COMMUNICATORS
Tuesday, Oct. 7 — International Association of Business Communicators meets noon to 1 p.m. in Troy. Information: Lill Donaldson, 354-7450.

ENVIRONMENTAL MANAGEMENT
Tuesdays, Oct. 7 to Nov. 25 — Course in waste management and environmental regulations compliance begins at 6:30 p.m. in Detroit. Non-member fee: \$25. Information: 822-5400. Sponsor: Engineering Society of Detroit.

SUBCONTRACT EXPO
Tuesday-Thursday, Oct. 7-9 — Contract manufacturers exposition held in Detroit. Information: 643-7187. Sponsor: Contract Manufacturers Association.

BARTER EXPO
Wednesday, Oct. 8 — Barter exposition 4-9 p.m. in Southfield. Admission: \$5. Information: 544-1350. Sponsor: Michigan Trade Exchange.

PRESENTATION WRITING
Wednesday, Oct. 8 — "How to Organize, Write and Deliver a Winning Presentation" offered 9 a.m. to 4:30 p.m. in Troy. Fee: \$225. Information: Clark E. DeHaven, 1 (800) 428-4284. Sponsor: Michigan State University.

QUALITY CONTROL
Wednesday, Oct. 8 — The American Society for Quality Control meets 11 a.m. to 12:30 p.m. in Farmington Hills. Information: 581-8177.

TRAINING SOCIETY
Wednesday, Oct. 8 — American Society for Training and Development meets 7:30-8:30 p.m. in Farmington Hills. Information: 581-8177.

ENERGY, REMODELING EXPO
Thursday-Sunday, Oct. 9-12 — Fall Home Energy and Remodelers

Expo open 3-10 p.m. Thursday, 10 a.m. to 10 p.m. Friday and Saturday, 10 a.m. to 5 p.m. Saturday in Detroit. Information: 569-8280. Sponsor: Builders Association of Southeastern Michigan.

HOME BUSINESS
Thursdays, Oct. 9, 16 — "The New Entrepreneur . . . the Home-Based Business" begins at 7:30 p.m. in Bloomfield Hills. Fee: \$20 for series. Information: 845-3635. Sponsor: Cranbrook Schools.

WOMEN'S NETWORK
Friday, Oct. 10 — Professional Women's Network of Farmington to hear Secretary of State Richard Austin at 7:15 a.m. in Farmington. Information: Farmington Community Center, 477-8404.

PR SEMINAR, LUNCHEON
Saturday, Oct. 11 — "Hard Look at Public Relations" seminar and luncheon 9 a.m. to 2 p.m. in Detroit. Information: 927-1173. Sponsor: Public Relations Society of America.

PUBLIC SECTOR JOBS
Tuesday, Oct. 14 — "Expectations and Opportunities in the Public Sector" will be offered noon to 2 p.m. in Southfield. Non-member fee: \$30. Information: Janice Stiles, 476-8620. Reservation deadline: Oct. 10. Sponsor: Professional Services Management Association.

BIRMINGHAM CHAMBER
Tuesday, Oct. 14 — Birmingham-Bloomfield Chamber of Commerce to hear "Little Caesars' Past, Present and Future" at 7:30 a.m. in Birmingham. Information: 644-1700.

SMALL BUSINESS
Tuesday, Oct. 14 — "Obtaining Financing for Your Business" to be held 8 a.m. to 2 p.m. in Detroit. Fee: \$25. Information: Beverly Smith, 225-1848. Sponsors: NBD Bancorp, Urban Bankers Forum.

INDUSTRIAL SHOW
Tuesday-Wednesday, Oct. 14-15 — Detroit Industrial Show runs for two days in Southfield. Information: 569-8280.

CONSTRUCTION BIDDING
Wednesday, Oct. 15 — A seminar on the construction bid process will be offered 7-9 p.m. in Troy. Information: 567-5500. Sponsor: Institute for Construction Management.

BUSINESS WRITING
Wednesday-Thursday, Oct. 15-16 — "Effective Business Writing" offered 8:30 a.m. to 4:30 p.m. in Detroit.

Auctions sell houses

Continued from Page 1

ington, Birmingham and Southfield. Scheduled according to home supply and demand, he has held six auctions in the Detroit metropolitan area since April 1.

THE NEXT AUCTION is slated for 7 p.m. Monday and Tuesday, Oct. 20 and 21, at the Veterans Memorial Building in Detroit. About 150 homes will be offered including homes in Farmington Hills, Berkley, Oak Park, Southfield, Dearborn Heights, and three in Westland.

Bidders and spectators can expect a crowd. "I thought there would be a few hundred at the Fairlane Manor in Dearborn. But I ended up renting all the rooms I could get, playing to 2,300 people. Home auctions are very popular," Hess said.

His company donated \$3,000 on June 9 to the Detroit Ronald McDonald House for parents of seriously ill children. The money represented \$5 for each bidder at one of his auctions. Hess said he plans to

select another charity for the October event.

Auctioneer Hess "the thrills of the unexpected," making Hess' job challenging.

Some of the deals: A century-old house in Plymouth worth an estimated \$150,000 with repairs, sold for \$39,000 at the Aug. 11 auction. Then, there was the 14-room, 2½-story mansion on Ponchartraine on the Detroit Golf Course. "One of a kind," Hess recalled. "A brick home, 7,000 square feet with everything imaginable — a barber shop, sauna, projection room, maids' quarters. Over 1,000 people looked at it — not all of them serious buyers, of course . . . We got \$99,000 for it."

Hess said dull work is against his better nature. "Last Saturday in Waterloo, Iowa, Sept. 16 in Denver. Probably next winter somewhere in Texas. I never stand still."

Each auction is a "special thrill" to this 39-year-old. "I maintain a fast pace, which is a pretty high price to pay for success. But I'll admit one thing. I'm really a hyperactive child who never grew up."

Remodeling in Oakland County Since 1965

ADDITIONS • KITCHENS • BATHS
6150 Dummer • West Bloomfield • 655-3880

ACTING!

JOHN CASABLANCAS

CALL 455-0700 OR 583-2097
FOR PERSONAL EVALUATION

Mail to:
John Casablancas
404 W. Ann Arbor Tr. 550 Stephenson
Suite 202 Plymouth, MI 48170 or Suite 102
Troy, MI 48064

Name _____
Address _____
City _____ State _____
Zip _____ Phone _____

Folk Art and Country Craft FESTIVAL

at Mercy High School
(11 Mile & Middlebelt)

OCTOBER 4, 1986

10 a.m. to 5 p.m. Admission \$1.00

troit. Fee: \$385. Information: Claudia, 577-4449. Sponsor: Wayne State University Management Center.

BLACK MBA
Wednesday-Saturday, Oct. 15-19

— Black MBA Association's national conference held in Detroit. Information: 882-0675 or 332-3724.

REAL ESTATE
Tuesday-Wednesday, Oct. 21-22

"Real Estate Continuing Education" offered 6-9 p.m. in Detroit. Non-member fee: \$35. Information: 862-8000 Ext. 240. Sponsors: Marygrove College, Michigan Association of Realtors.

A.L. PRICE

ALWAYS LOW PRICES
Everyday on Everything

| | | |
|---------------|---------------|---------------|
| D or C 2 Pack | 9 Volt Single | 9 Volt 2-Pack |
| \$157 | \$157 | \$277 |
| AA 2-Pack | AAA 2-Pack | AA 4-Pack |
| \$118 | \$113 | \$199 |
| AAA 4-Pack | | \$199 |

Listerint
ANTI-CAVITY DENTAL RINSE & MOUTHWASH

32 oz.

\$339

DATRIL
EXTRA STRENGTH DATRIL TABLETS

60-CT.

\$298

Personal Touch
COSMETIC SHAVE KIT FOR WOMEN by Schick

\$235

10-PACK DENTYNE GUM

99¢

Baby Magic STRETCH MARK
Cocoa Butter Massage Cream by Mennen

6 oz.

\$314

Personal Touch
DISPOSABLE RAZORS FOR WOMEN

4-CT.

84¢

TRIDENT GUM 8-PACK
Orin, Cinnamon, Spearmint, Assorted or Bubble

\$108

SKIN BRACER PRE-ELECTRIC SHAVE LOTION

6 oz.

\$188

VIDAL SASSOON
NON-AEROSOL HAIR SPRAY

6 oz.

\$259

Liquiprin ELIXIR
For Children

4 oz.

\$234

avail
30 FREE 60

30 FREE 60

SCHICK SUPER II
TWIN BLADE CARTRIDGES

\$349

Discounted BEER AND WINE

AVAIL CALCIUM INTENSIVE MULTI-VITAMINS
30 FREE 60

90-CT.

\$359

SCHICK SUPER II ULTREX
TRIMMING CARTRIDGES

\$386