

## Business

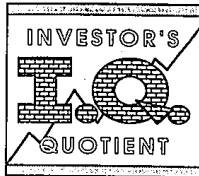
Marilyn Fitchett editor/591-2300

classifieds inside



Thursday, June 11, 1987 O&amp;E

(F10)

By Marilyn Fitchett  
staff writer

Now's the time to find out how you stack up against Wall Street by testing your IQ.

The National Association of Investors Corp., in cooperation with Observer & Eccentric Newspapers, is giving readers the chance to rate their bullheadedness by sponsoring a stock market contest called Investor's Quotient. Winners will be those whose fictional \$1,000 portfolios show the greatest growth (exclusive of dividends) over the contest period.

First prize is a weekend for two to New York City including round-trip airfare, hotel accommodations for a Friday and Saturday and a tour of the New York Stock Exchange. Three second prizes of a weekend (two nights' lodging) at the Westin Hotel in downtown Detroit will be awarded.

The five third-place winners will receive one-year subscriptions to Better Investing magazine, the NAIC monthly publication. Five fourth-place prizes of one-year subscriptions to your local Observer & Eccentric newspaper will be given.

Contestants will have three weeks to enter the contest. Tracking of the portfolios will be done by NAIC and begins with the date listed on the entry. Entries will be received up to midnight Friday, June 28.

Contestants may select as many as five stocks from any of the three approved stock exchanges, NYSE, AMEX or NASDAQ. Stock listings are available in most daily newspapers. Contest results will be based on the published closing quotes of the stocks on Sept. 25. (See accompanying rules and entry blank.)

Prizes will be awarded at the NAIC national convention Oct. 14-17 at the Westin Hotel. Although most of the convention is open only to NAIC members, non-members have the chance to participate in the Investors Gallery, which brings together representatives of more than 75 publicly held companies who provide investment information free of charge.

Kenneth S. Janke, NAIC president, sees the Investors Gallery as a chance for the individual investor to talk to the management of companies whose stock they have purchased or might have an interest in purchasing.

"Professionals (in investment) like to meet with company officials. As an individual investor you find it difficult to do that. But the Investors Gallery will give the individual investor the opportunity to ask the same kinds of questions that a professional might," Janke said.

## Join the ranks of Wall Street warriors

NAIC is a non-profit organization of investment clubs and individuals based in Royal Oak that was established in 1951. It was founded to increase the number of individual investors in common stocks and to provide a program of investment education.

The organization's formula for successful investing includes these steps:

- Invest in a set sum regularly, usually once a month, regardless of market conditions.
- Reinvest dividends and capital gains.
- Buy growth stocks — companies whose sales are increasing at a rate faster than the industry in general.
- Invest in different industries and different size companies.

But Janke, taking into consideration the length of the contest, is offering some different advice for entrants.

"Look for an undervalued stock, a company that has had an earnings problem in the last two years, but which is undergoing a turnaround," he said.

"In a good market, a stock can move up quickly."

He also suggested ignoring the recent volatility of the market.

"You should wash the highs and lows out of your mind. The volatility in the market is caused by institutions doing the trading. A 40-50-point drop can make headlines, but on a percentage basis, this is not as high as a 15-point drop a few years ago."

NAIC MEMBERS reflect a philosophy that runs contrary to Wall Street professionals and is reflected by a "people's choice" list of stocks, the "cause of Main Street and Wall Street intersecting rather than running parallel." In its annual membership survey of the year's 100 most-widely held common stocks, AT&T took the top spot followed by IBM.

But perhaps the most-evident inconsistency between these Main Streeters and Wall Street was NAIC members' faith in restaurant stocks. Wendy's ranked third, Shoney's sixth, McDonald's 21st and Bob Evans Farms 62nd. Better Investing, the NAIC monthly magazine, quoted Value Line as recently ranking restaurants at 84 out of 91 on its industry timeliness scale.

NAIC has three classes of membership: individual, investment club and corporate. There are about 15,000 individuals, 7,000 investment clubs with 100,000 members and about 75 corporate members.

Membership profiles show individual and club members are almost evenly divided between the sexes; 87 percent have a college education with 32 percent having done advanced college work. 90 percent have a family income that exceeds \$25,000; 32 percent are under 40 years old, 52 percent are between 40 and 60 and 16 percent are over 60. The average club is 8 1/2 years old.

For more information on the NAIC, call 543-0512.

	Stock abbreviation	Stock exchange	Share price	Number of shares	Cost
1.					
2.					
3.					
4.					
5.					



Name \_\_\_\_\_  
 Address \_\_\_\_\_ Phone \_\_\_\_\_  
 City \_\_\_\_\_ Zip \_\_\_\_\_  
 Parent's signature if under 18 \_\_\_\_\_

## How to enter

1. You have \$1000 in your portfolio.
2. Select up to five stocks from the NYSE, AMEX, and/or the NASDAQ exchanges. (You may place your entire portfolio in one stock or distribute it among as many as five stocks.)
3. Multiply the number of selected shares of stock by the stock's closing price on your DATE OF ENTRY to determine your cost. (Total cost may not exceed \$1000.)
4. Contest results will be based on the published closing quotes of September 25, 1987.
5. Individuals whose portfolios show the greatest growth (excluding dividends) from the DATE OF ENTRY to the contest's closing date are winners.
6. All entries must be postmarked no later than midnight, June 28, 1987.
7. Mail all entries to:

National Association of Investors Corporation  
 1515 East Eleven Mile Road  
 Royal Oak, Michigan 48067

## Contest rules

1. One entry per person.
2. No substitution will be made for any prize.
3. Employees of the Observer & Eccentric Newspapers, the National Association of Investors Corporation, and their agents and immediate families are not eligible.
4. Prize winners will be notified no later than October 17, 1987.
5. Prizes will be awarded at the National Association of Investors 1987 National Convention, October 14-17 at the Westin Hotel in Detroit. Winners need not be present to collect prizes.

## Strategic fund board names entrepreneur

By Tim Richard  
staff writer

Craig A. Smith thinks he'll bring something different to the board of the Michigan Strategic Fund.

MSF is the state's public-private tool for leveraging investments in start-up businesses that promise growth opportunities.

"There are a lot of con agents in America. California and Florida are notorious for them. A successful entrepreneur is much more versatile at spotting those people than a banker," said Smith, 60, of Bloomfield Township.

Smith knows entrepreneurs. A 40-year veteran of real estate development, he is executive vice president of Berger-Lewiston-Smith, a Southfield real estate development and management firm.

BEING ON the MSF is like being in the banking business — to a point. It involves investments and loan approvals.

But MSF wants to deal with entrepreneurs — new firms, with new ideas, new technologies, but lacking big balance sheets. Bankers are unable to deal with them.

"The problem with banks in Michigan is ultraconservatism — the most conservative in America," said Smith, echoing a years-long and widespread complaint. "I find no fault with them, but it doesn't help the growth of the economy."

"I deal with 200 small contractors. I do not come from a huge corporate setup."

"You have to know how entrepreneurs think. It's entirely different from the corporate sector."

It's a recurring theme as Smith talks: Big corporations are restrictive, and they're providing few new jobs. State government and other institutions need to help small entrepreneurs — if they can tell the worthy ones from the "con" men.

"FOUR BIG auto companies have dominated this state. Higher education has been big supporters of the corporate giants; that's where they got their money."

"I've seen surveys of business school students. Eighty percent want to go into business for themselves. They don't want the restrictions of

the corporate world.

"Michigan is a very competitive state. We've got some sharp entrepreneurs in Michigan. If they're great in Michigan, they're geniuses in the rest of the country."

SMITH JOINED the nine-member board May 21. A conservative Democrat, he was the nominee of House Speaker Gary Owen, D-Ypsilanti. His appointment by Gov. James J. Blanchard is subject to Senate confirmation.

"We have extensive staff reports," said Smith, after attending his first meeting. "We have specialists, and they are very capable. Information is sent to us weeks ahead of time."

"But I go beyond staff reports. I research some of these things myself."

At our meeting we had 30 or 40 people. There were people from the attorney general's office and Commerce Department. There were bond counsel."

Smith will serve on MSF's loan committee but hasn't attended one of its meetings yet.

He's one of four new members of a board that's barely a year old. He replaces Michael Staebler, a corporate attorney in Ann Arbor.

DEALERS  
SALE

SILVERDOME  
TENT SALE

CADILLACS  
AT  
SUPER SAVINGS

IMMEDIATE DELIVERY  
BRING YOUR TRADE-IN

JUNE 10, 11, 12, 13  
10 A.M. to 9 P.M. EVERYDAY

Crestview Cadillac  
SEE US AT THE SALE 333-7021