

# Reinvest your dividends for long-term growth

I have been putting money in the dividend reinvestment plan of Chesapeake-Pond's for several years and have accumulated 150 shares.

I had planned to keep on building until I had 200 shares.

However, Chesapeake-Pond's recently bought the Stouffer Chemical Co., and there has been a lot of publicity in the paper with a number of financial writers saying that it wasn't a good move. Some are saying they would sell the stock.

Should I follow their advice and sell my shares?

The fact that you have been buying these shares over the years is something similar to an installment plan suggests to me that you are a long-term investor and would probably be better off to continue adding

to your shares rather than selling them.

If you are a short-term investor, you might be inclined to sell the stock and follow the recommendations of a number of financial analysts who have been quoted in recent newspaper articles.

**THE REASON** for their sell recommendation is not that the move is a bad one or that the company isn't a better one than it was before the acquisition.

Rather, they are concerned that it will take some time for the new acquisition to be digested, there will be some uncertainty as to whether quarter-to-quarter earnings will be up or down and consequently the price at which the stock sells may be more volatile for a while.

As a long-term investor, you



today's investor

Thomas E. O'Hara

of the National Association of Investors Corp.

you would have quite a different outlook. You probably bought Chesapeake-Pond's because its management has a record of driving the company ahead at an above-average rate for many years.

**YOU PROBABLY** rate that management as being the company's single greatest asset. That management is still in control and now has many new assets to put to work for you as a shareholder to build new earnings and values.

It is normal for a management

team to take a few months, and even up to two to three years, before it begins to make real progress with an acquired business.

It easily could make a mistake or two that might make it look bad for a while, but with its record of past success, the odds would seem to favor its eventual success.

If you were the sole owner and manager of Chesapeake-Pond's, you would probably have decided that with control of Stouffer you could double or more the size of the business in the next five years.

You would recognize you had many things to do to reorganize it and get it into the shape needed to maximize the possibilities. As the sole owner you would not worry about the price of the stock next week or next month.

Rather you would focus on the long term, looking to see how big a business you would likely own when the changes were completed.

As an individual, adding a little to your investment in the company every three months through dividend reinvestment, you are not an "in and out" investor. You are an "accumulator," just like a sole owner.

If the price drops down for a few months you will get more shares for every dollar you invest at that time. And that means you will be further ahead in the long run.

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 30 cents for postage and write Today's Investor, P.O. Box 220, Royal Oak 48068.

## business people

M. Dutton Morehouse Jr. joined MG and Casey Communications Inc. in Southfield as a senior vice president. Morehouse had been vice president of Manning, Selvage & Lee public relations in Chicago.

Lawrence J. Stack of Southfield was named development manager in the Prudential Insurance Co.'s Detroit agency office in Bingham Farms. He joined Prudential as an agent in 1982.

Mark E. Reinheimer of Southfield has joined Seagram Distillers Co. as a sales representative in the Oakland County market. Before joining Seagram Distillers, Reinheimer has sales training with Graybar Electric, Lansing.

Robert Richardson, vice president and assistant to the president of Jervis B. Webb Co. in Farmington Hills, was named to the public relations council of the National Association of Manufacturers.

Vernon Buchanan, founder and president of American Speedy Printing Centers in Birmingham, received the 1988 Entrepreneur Award from the Harvard Business Club of Detroit.

Douglas Ruffley of Troy was promoted to chief engineer, industrial products group with De-Sta-Co. In Troy, Ruffley joined the manufacturer of toggle action clamps in 1983 as product engineering manager for the industrial products group.

Rhoda Weiss, owner of Rodika Cosmetics, has joined Tamara Institute of Beauty in Farmington Hills.

Ronald M. Griggs of Birmingham has been named vice president and general manager of American Delivery Systems Inc. He had been chief operating officer of the Santa Fe Trail Transportation Co./BN Transport.

Linda A. Wasche of Troy joined



Morehouse



Stack



Reinheimer



Schwarz



Gallus



McPherson



Kerin



Sass



Wilson



Hammes

Hermanoff & Associates in Farmington Hills as senior account executive. Wasche had been assistant professor of communication studies at the University of Detroit.

Frederick C. Schwarz was named manager of the civil engineering group of Ellis Naeve & Gehlmer Associates Inc. in Troy. With the company since 1970, he has been a project engineer and assistant manager—civil engineering.

Robert W. Gallus joined Kilsby-Robert Farmington office as an inside sales representative. He has worked for both Lupatin Welding and Tubular Sales.

Alexander McPherson was named vice president, automotive products and research and development with De-Sta-Co Division of Dover Resources in Troy. McPherson began with De-Sta-Co in 1980 as a product development engineer.

Christopher A. Halatek of Farmington Hills was promoted to assistant manager with Carson Business Interiors Inc. in Southfield. Before joining Halatek joined Carson in 1984. Most recently, he was a senior account executive. Christ had worked for Interior Planning and Design, Albert Kahn Associates Inc. and T.J. Tennant Design.

Thomas Moran was named vice president-account management for Beaumont-Bennett/Detroit, a merchandising and promotion agency in Southfield. Moran had worked at Young & Rubicam/Detroit.

Robert C. Scott has been appointed executive vice president in charge of operations of Bloomfield Savings & Loan Association in Bloomfield Hills. Scott has 26 years of senior banking experience.

Michael Miller of Rochester has been named executive vice president of Leeco Diagnostics Inc. of Southfield. Miller has more than 10 years of management and marketing experience in the medical diagnostics field, most recently with Baxter Travenol.

Thomas L. Stefani, formerly director of operations at Video Profiles of Southfield, was named president of Film Craft Video of Southfield.

Yannis Karamalis was appointed executive director of the hair salon at Mira Linda Spa in the City in Southfield.

Dennis Keat and Lee Lindsay of the So-Dan Co. of Rochester Hills represented the company at a luncheon where they received Ford's Q1 Preferred Quality Award.

Dick Cantley, product manager, moldings, of Abitibi-Price Corp. in Troy, received a 1988 Innovator Award during the National Home Center Show.

George W. Kitchen was appointed vice president—regional manager of Michigan with Independence One Mortgage Corp. of Bloomfield Hills. Donald L. Van Akin was appointed vice president—regional manager of the Midwest region with the company.

Debra Ann Kerin was appointed account executive at Hedden Marketing Services in Troy. Before joining Hedden, Kerin was documentation technician for Oakland Management Services.

John Sass Jr. of Union Lake, former partner of Pent, Marwick, Mitchell & Co., has become the owner/manager of Management Recruiters of Livingston County.

Ed Moeller of Bloomfield Hills was named producing manager of the year for 1985 with Management Recruiters International.

Theodore D. Delurman of Troy was named engineer of the year of 1986 by the Oakland Chapter of the Michigan Society of Professional Engineers.

Cheryl Davison was promoted to vice president, corporate counsel with the Girafo Group Ltd. of West Bloomfield. Davison had been assistant vice president, corporate counsel.

Ron Wilson was promoted to investment officer for the hotel division of Eric Yale Lutz & Associates, a Birmingham real estate investment company. Wilson had been general manager of the Ann Arbor Hilton.

Craig Graham was appointed di-

rector, corporate accounts with Carey/Ambassador Limousine of Rochester. Graham had been with Carey/Ambassador's sister company, Suburban Press & Advertising in Rochester.

Michael N. Hammes of Bloomfield Hills was appointed general manager of the international operations organization with Chrysler Motors. Most recently, Hammes was vice president—truck operations, Ford of Europe, and president—managing director, Ford of Mexico.



Dick Van Patten

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