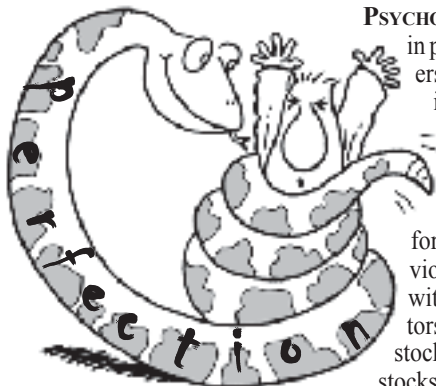


# Value View 2003

A STRAIGHTFORWARD INVESTMENT REPORT FEATURING VALUE AND GROWTH-ORIENTED STOCK-PICKS, FINANCIAL NEWS, MONEY TIPS AND INSIGHTS FOR INVESTORS.



## The Perils of Perfection

mean is simply that the investor is oblivious to the risks involved. The key to successful investing is

PSYCHOLOGISTS DISCUSS PERFECTIONISM AS A WEAKNESS in personality that limits our ability to interact with others and succeed in life. Similarly, perfectionism in investing inhibits our ability to get the best results. Perfectionists imagine that their desires to have perfect performance will improve results. In fact, the opposite is true. There are no perfect investments, and perfect results can never exist. Striving for perfection leads investors to avoid stocks with obvious imperfections, steering them only toward stocks with unseen weaknesses. This approach leads investors to two serious errors. Firstly, they will usually buy stocks at the inflated prices typical of universally-loved stocks. Think of Cisco Systems at the height of the boom: a great stock, but priced well beyond its value. Secondly, the perfectionist attitude in perfection-minded investors prevents them from correctly evaluating risk, since they will only invest where they see no risk. Certainly, this doesn't mean that risk doesn't exist: it always does. What is does

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# STOCK FOCUS Barnes and Noble [BKS]

In this issue, we focus on Barnes & Noble, the world's leading bookseller. From humble beginnings in 1873, Barnes and Noble has grown to employ over 50,000 booksellers in over 800 stores nationwide and also publishes books under its own imprint for sale through its book outlets. In addition to the Barnes and Noble bookstores, the company also operates the B. Dalton and GameStop Inc. chains of stores. The company has recovered well from difficulties in 2000, as losses from barnesandnoble.com

continue to decline. Reported earnings were way ahead of expectations, and same-store sales are growing strongly. Sales at the smaller B. Dalton's chain aren't as stellar, but the Barnes chain is increasingly dominant.

Most recently, Barnes and Noble announced a proposition to take Barnes & Noble.com private through a merger. In the merger, all shareholders of Barnes & Noble.com (other than B&N.com Holding Corp., a subsidiary of Barnes & Noble) would receive

\$2.50 in cash for each share of Barnes & Noble.com that they own. At this price, Barnes & Noble estimates that it would be paying in excess of the approximate net after-tax price per share that it paid to Bertelsmann AG in a combination of cash and notes on September 15, 2003 for a 37 percent interest in Barnes & Noble.com. No dilutive effects on current earnings per share are anticipated by the company, and dilutive effects on the next fiscal year are expected to be minimal.

We rate the stock a buy.

*Perfection, from page 1*

not in avoiding risk, but in correctly evaluating it, and receiving adequate compensation for it. Just as it is in life, avoiding risk entirely is a pipe dream in investing. While reality teaches us that risk is a normal part of life, the perfectionist investor is able to deceive himself into believing that he has discovered that "perfect" stock that only goes straight up.

For the perfectionists among our readers, we recommend you avoid all our stock picks. None are perfect. None ever will be. None provide guarantees. Just remember: only scam artists can offer that kind of perfection.

The winning strategy instead, is to get a clear picture of the risks involved with every choice, to accept only those choices where the expected return more than compensates for the risk involved, and to diversify one's portfolio, further reducing the impact that any one risk can have on

one's overall holdings.

The only hope for an investor suffering from perfectionism is recovery from the disease. As long as they remain under the curse of perfectionism, they can never achieve their best outcome. Possibly the greatest risk from perfectionism is that the investor is likely to fall into the following-the-crowd trap. They will always be chasing yesterday's winners and missing out on the contrarian's picks. In this age of contrarianism, where the best success is found among the least-favored stocks, the perfectionist's errors can be costly. By never swimming against the tide, they miss the best opportunities.

How many perfectionists would continue down their dead-end path if they recognized that it was the very passion for perfection that prevents them from achieving their best? Hmm...I wonder.

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INSURGENTS

... are companies on the cutting edge of the world's new architecture. Each enjoys a strong position in their changing field. They could be the blue chips of the future but are relatively unproven, and operate in fast-paced industries. The risk is greater, but returns can be outstanding. While they tend to be most appropriate for risk-oriented investors, conservative investors may want to hold a small position of some of these potential world-beaters as well.

L-3 Communications, a strong defense services company, has been granted numerous contracts from organizations and companies such as Boeing, Grumman, the U.S. Navy, and USSOCOM, totaling more than \$200 million. Boeing has also agreed to license some of its aerospace technology to the company. L-3 agreed to buy Klein Associates for \$30 million, a deal which is supposed to be slightly beneficial to earnings. L-3 also agreed to acquire Vertex Aerospace LLC for \$650 million. The purchase is expected to add approximately \$800 million in sales for the company. Due to an increase in demand for its defense service, L-3 Communications posted higher third-quarter revenues and earnings per share compared to one year ago.

Chip designer Nvidia recently released two new graphics chips, one for the video-game market and the other for more mainstream users. These chips will be manufactured by foundries and then mounted on add-in cards sold by third parties. These chips will replace existing Nvidia chips and will offer much better performance to users.

LeapFrog recently launched the Leapster device, a hand-held game player that uses educational games and interactive videos. The company intends to offer this as an alternative to Nintendo's GameBoy system. The company posted an increase in third-quarter earnings compared to one year ago, but earnings still fell well short of what was expected.

America Movil completed the acquisition of the Brazilian mobile telephone company BCP for \$625 million. This gives America Movil 1.7 million new subscribers in Brazil.

CheckPoint Software, a leading Israeli Internet security company, reported a decrease in third quarter earnings from one year ago because of increased taxes and a reduction in investment income. The company also released its first virtual private network security device. The device plugs into the remote office's network, which separates it from the Internet, and works in con-

junction with CheckPoint's firewall to secure against attack. This new device should prove to be successful for the company.

Compudyne won \$14.3 million in new contracts. The company reported a ten-cent increase per share in third quarter profits from one year ago.

Engineered Support Systems won several contracts from the Army for over \$95 million. The company was also awarded an Air Force contract of \$3.7 million and a separate contract from Boeing for \$8.1 million. These new deals and the ongoing turmoil in the Middle East should help sustain the company's growth.

Intuit, which makes the popular TurboTax software, posted a raise in first-quarter revenues, but a decrease in earnings compared to

one year ago. The company receives most of its revenue from tax software and its revenues were helped by strong sales of small business products and Intuit's Quickbooks financial accounting software. Intuit also recently released several updates to its QuickBooks accounting applications and to QuickBase, its web-based information management software. A small portion of the decrease in earnings is attributed to the buyback of 2.2 million of its shares last quarter. Intuit looks to improve earnings in the second-quarter, as tax season grows nearer.

Priceline.com posted a significant increase in third-quarter earnings compared to one year ago, but warned that a weak demand for airline tickets would harm the company's fourth-quarter outlook.

Stock	Symbol	Price	Earnings	P/E	Gr. Est.	Recommendation
America Movil	AMX	\$24.75	\$1.68	14.7	20%	Buy Aggressively
CheckPoint Sftwre	CHKP	\$17.55	\$0.49	35.8	30%	Hold Loosely
ChoicePoint Inc	CPS	\$37.89	\$1.27	29.8	20%	Hold Loosely
Cima Labs	CIMA	\$33.04	\$1.00	33.0	33%	Harvest Profits
Compudyne	CDCY	\$10.29	\$0.43	23.9	18%	Hold Loosely
Cytc	CYTC	\$12.73	\$0.65	19.6	24%	Buy Aggressively
Engin'r'd Sup't Syst	EASI	\$52.14	\$2.19	23.8	18%	Hold Loosely
Intuit	INTU	\$49.39	\$1.96	25.2	20%	Hold Loosely
JAKKS Pacific	JAKK	\$13.34	\$1.55	8.6	15%	Nibble
L-3 Comm.	LLL	\$47.09	\$2.20	21.4	30%	Buy
<b>LeapFrog</b>	<b>LF</b>	<b>\$29.90</b>	<b>\$0.96</b>	<b>31.1</b>	<b>22%</b>	<b>Buy Aggressively</b>
Nautilus Group	NLS	\$14.36	\$1.65	8.7	25%	Nibble
Nvidia	NVDA	\$21.31	\$0.52	41.0	30%	Hold
Priceline.com	PCLN	\$19.10	\$0.34	56.2	30%	Nibble
1-800-Flowers	FLWS	\$11.75	\$0.21	56.0	30%	Nibble

Striving for excellence motivates you;  
striving for perfection is demoralizing.  
~ Harriet Braiker ~

GLOSSARY OF TERMS

Buy Aggresively	This rating designates the best buys at the best prices. It does not indicate momentum.
Buy	Also a good buy, but not as exciting or certain as the above.
Speculative Buy	Stocks with great potential, that may not be great values. These certainly involve higher risk.
Nibble	This rating suggests buying a little at a time as prices become more favorable.
Hold Tightly	An attractive stock which is probably too high to buy but does not warrant selling.
Hold Loosely	Stock approaching excessive valuation that may be traded out selectively for better buys.
Harvest	This is a sell rating for quality stocks which seem to be inflated in price. This does not suggest any impending problems. These stocks may be held by those who cannot afford to take profits, but the risk of holding is greater. Selling a portion of such shares is a good strategy.
Inconclusive	This terms is used when news creates uncertainty, or action appears to be negative, even if news has not yet appeared. Most people prefer not to hold stocks in periods of uncertainty and this rating is similar to a clear sell rating. We make this distinction because such undertainty can create outstanding valuations. We do not want to create the impression that we know something we do not.
Sell	The clear sell rating is reserved for stocks that have struck bad times and should be unloaded by all investors.



... features stocks that appear to be below their reasonable valuations, based on their expected future growth. Unlike many stock-pickers who seem to divide stocks into "growth" or "value" picks, we believe the growth outlook is one of the prime factors for determining value. These stocks may not always show immediate results, but should provide outstanding returns in the long-run.

Oxford Health Plans reported higher earnings and announced an initial dividend and additional financing for an ongoing share repurchase program. However, membership dropped over the year, matching results at competitors, as the number of insured workers appears to be dropping nationwide. Nonetheless, we believe Oxford will outperform competitors and weather the storm. We'd still be buying.

FTI Consulting reported significantly higher earnings, and announced the acquisitions of Ten Eyck Associates, a specialist in SEC investigation consulting, accounting malpractice and securities law litigation work; and KPMG's dispute advisory consulting group. These moves highlight FTI's efforts to consolidate an otherwise fragmented industry and build the nation's largest single-source litigation consulting firm. The company will also take advantage of its low share price by establishing a repurchase plan with initial funding of up to \$50 million. We'd follow management's model and buy shares at these prices.

Leading electronic payments processor Concord EFS formerly graced our pages as a member of the True Blues. Concord has agreed to merge with First Data Corp., but the Department of Justice has opposed the merger, claiming that the combination will reduce competition and increase prices for services. The companies are suing to save the deal; in the meantime, Concord's share price has fallen due to uncertainty. Despite this, we think Concord is an excellent buy at current prices. If the deal goes through, 5 Concord shares will convert to 2 First Data shares, which at current price near 36, represents nearly a 50% profit. That would be easy money. But even if the merger does not go through, Concord has been a strong competitor over the years, and we believe the shares would still represent a good long-term holding. We'd buy, despite the merger uncertainty.

We like the Emerging Market Telecom Fund, currently selling way below Net Asset Value. The closed-end fund invests primarily in cellular and landline phone services in emerging and fast-growing economies, so these shares offer an excellent way to buy into developing markets at a reduced price. Its largest holding is one of our favorites, America Movil, which constitutes over 11% of the fund's holdings. We're buying.

As we reported in our special alert, Toys'R'Us announced a higher-than-expected loss for the quarter, and plans to close its money-draining Kids'R'Us chain, as well the free-standing Imaginarium units. The stores will all be shuttered by the end of January. The company also announced that its CFO would be retiring in March. Closing the Kids'R'Us stores is

precisely the medicine this company needs. The Babies'R'Us chain is growing rapidly, and the Toys'R'Us units are doing well enough, despite growing competition from Wal-Mart and other large retailers. Without the Kids stores to drag down earnings, we look forward to outstanding growth in coming years. Management has agonized over what to do with the losing line for years. Now that the difficult decision has been made, we believe it's time to buy.

Nash Finch Co. is one of the nation's largest food wholesalers, serving 1500 independent supermarkets and 100 military commissaries. The company also operates 110 supermarkets, including AVANZA, a new line of Hispanic-focused markets with 4 units in Colorado and two in Chicago. The company's stores also operate under the names Buy n Save, Econofoods, Family Thrift Center, and Sun Mart, mostly in the Midwest. The wholesaling division should benefit by picking up customers from bankrupt competitor Fleming.

Landry's saw earnings and sales increase at all of their chains in the 3rd quarter, and beat estimates. October same-store sales appear to have continued the 3% growth demonstrated in the 3rd quarter. The company has since announced menu price hikes at Joe's Crab Shack, and may be considering them at Saltwater Steak Houses and other units, due to food cost increases. Landry is seeing 10% increases in commodity beef prices, for example.

The company operates Landry's, Chart House, Charley's Crab, the Crab House, and Rainforest Cafes and has also announced a large share buyback.

Jack-in-the-Box is another chain restaurant firm selling at a good price. Shares have fallen from over 30 last year. The company operates nearly 2000 Jack in the Box fast-food units located mostly in the West and Southwest, and is recovering from the recent bankruptcy of its Chi-Chi's chain. To replace it, the company purchased the Qdoba Mexican Grill, and plans to expand the popular chain, opening 15 new units in the 4th quarter, bringing the total to 111. We see growth potential in the new chain, an area where the company has some experience; efforts to cut costs at the larger fast-food operation are showing some positive results. This stock may not lead to overnight profits, but we feel the share price is enticing enough to merit waiting for the recovery.

Ariba is a recovering technology firm. The developer of electronic commerce and supply chain management software has turned to profitability and carries no debt on the balance sheet. Profits seem to be growing as new customers come on board. We believe this will prove to be a great long-term holding, although we don't expect shares to return to the high of \$200 they sold for in the crazy internet days.

PT Telekomunikasi Indonesia's U.S.-sponsored re-audit appears to be finding some

*Please see Viewfinders, page 6*

Stock	Symbol	Price	Earnings	P/E	Gr. Est.	Yld.	Recommendation
<b>Ariba</b>	<b>ARBA</b>	<b>\$3.19</b>	<b>\$0.07</b>	<b>45.6</b>	<b>35%</b>	<b>0.0%</b>	<b>Speculative Buy</b>
<b>Barnes &amp; Noble</b>	<b>BKS</b>	<b>\$32.59</b>	<b>\$1.78</b>	<b>18.3</b>	<b>14%</b>	<b>0.0%</b>	<b>Buy Aggressively</b>
Concord EFS	CE	\$10.80	\$0.73	14.8	15%	0.0%	Buy
Constellation Brands	STZ	\$34.02	\$2.26	15.1	15%	0.0%	Buy
Dean Foods	DF	\$32.64	\$1.98	16.5	14%	0.0%	Buy
Dura Automotive	DRRA	\$10.35	\$1.91	5.4	10%	0.0%	Buy Aggressively
<b>Emerg. Mkts. Tel Fd ETF</b>		<b>\$6.77</b>	<b>NAV: 7.9</b>		<b>10%</b>	<b>0.0%</b>	<b>Buy Aggressively</b>
<b>FTI Consulting</b>	<b>FCN</b>	<b>\$21.78</b>	<b>\$1.72</b>	<b>12.7</b>	<b>15%</b>	<b>0.0%</b>	<b>Buy Aggressively</b>
General Mills	GIS	\$45.07	\$2.71	16.6	10%	2.4%	Buy
Intervest Bancshares	IBCA	\$14.59	\$1.41	10.3	14%	0.0%	Buy Aggressively
Jack in the Box	JBX	\$20.72	\$2.04	10.2	10%	0.0%	Buy
Landry's	LVN	\$24.65	\$1.74	14.2	13%	0.4%	Buy
Nash Finch	NAFC	\$20.08	\$2.42	8.3	10%	1.8%	Buy
<b>National City Corp</b>	<b>NCC</b>	<b>\$33.07</b>	<b>\$3.04</b>	<b>10.9</b>	<b>10%</b>	<b>3.9%</b>	<b>Buy Aggressively</b>
Oxford Health Plans	OHP	\$43.31	\$3.70	11.7	16%	0.0%	Buy
Pinnacle Bancshares	PLE	\$15.98	\$1.48	10.8	12%	2.5%	Buy
<b>PT Telekomunikasi*</b>	<b>TLK</b>	<b>\$14.08</b>	<b>\$2.01</b>	<b>7.0</b>	<b>16%</b>	<b>8.9%</b>	<b>Speculative Buy</b>
R&G Financial	RGF	\$37.06	\$2.86	13.0	14%	1.2%	Buy
Semco Energy	SEN	\$4.78	\$0.22	21.7	10%	6.3%	Speculative Buy
<b>Toys R US</b>	<b>TOY</b>	<b>\$10.87</b>	<b>\$1.04</b>	<b>10.5</b>	<b>12%</b>	<b>0.0%</b>	<b>Buy Aggressively</b>

\*PT Telekomunikasi's results are subject to a re-audit ordered by the U.S. SEC to verify the audit performed by Indonesian accounting firms.

... is a list of legitimate "blue chips" that we follow monthly. These stocks can generally be held for the long term without great concern for market changes. We rate them buy/sell for valuation only. While it may sometimes pay to move from an overvalued member of this list to a bargain-priced choice, most of these stocks can be held even when they are overvalued without significant long-term risk.

Tetra-Tech has been awarded a portion of a \$4 billion U.S. Air Force contract for construction and engineering work on worldwide bases. Tetra Tech also won a couple of other contracts including a three-year, \$9.7 million contract from the U.S. Army, and a \$20 million contract from Alcoa. Not surprisingly, the company reported an increase in fourth quarter profits from one year ago.

Conmed Corp, a medical technology company, recently filed an antitrust suit against Johnson & Johnson. Conmed has claimed that Johnson & Johnson engaged in illegal, anti-competitive conduct regarding the sales of products used in endoscopic surgery. It is likely that this lawsuit will be quite lengthy and will not have any severe repercussions on Johnson & Johnson in the near future. In other news, Johnson & Johnson said it will be closing a consumer products plant in New Jersey, which will eliminate 490 jobs in an attempt to cut costs. The FDA announced that "there are serious problems" with Johnson & Johnson's newest drug-coated heart stent. The FDA believed that the device caused blood clots and was linked to more than 60 deaths. However, more recent studies have suggested that Johnson & Johnson's device is not the cause of such deaths. It is unclear as to how this news will affect the company.

Fair, Isaac & Company announces that it will begin a stock repurchase program to acquire up to 1.5 million share of its outstanding common stock. The program is open-ended and will allow the company to repurchase its shares in the open market and in negotiated transactions. A tax loss suffered by the company in 2002 is said to be a significant reason for an increase in fourth-quarter earnings per share compared to one year ago. Fair, Isaac & Company has also announced its acquisition of Seurat Company, a creative marketing company. This acquisition allows Fair Isaac to deliver more powerful marketing solutions and services.

Microsoft now offers a much stronger anti-spam technology, SmartScreen, for its e-mail server software. This will not completely solve the burden caused by spam, but it is a big step in fighting the problem. Microsoft's anti-trust hearing with the EU has ended, but a decision on the case will not be made for some time. The suit was filed by Sun Microsystems and Realnetworks in an attempt to make it easier for smaller companies to develop better software that would be compatible with Microsoft's Windows platform. Microsoft currently does not release enough of its coding to the public to let smaller companies create effective software. Microsoft has also settled multiple lawsuits for a combined sum of several hundred million dollars. These suits do not appear to have had much effect on the com-

pany. Microsoft reported increased earnings for the first-quarter compared to one year ago, citing increased sales to businesses and higher consumer demand for personal computers.

ConAgra sold its United Agri Products subsidiary for \$600 million to Apollo Management LP, a private equity firm. United Agri Products is a distributor of agricultural products such as chemicals, seeds, and fertilizers and is therefore not considered a core business for ConAgra. This buyout appears to be a "back-to-basics" move for ConAgra and the company insists that this move will not affect 2004 earnings.

FedEx announces that it will create a separate business unit in Shanghai, China in an attempt to capture a greater share of the country's increasing shipping market. The company also announced that it plans to increase its ground delivery rates by a mere 1.9 percent, the smallest rate increase in the last seven years.

General Electric intends to split off most of its mortgage and life insurance operations through an initial public offering. The company also intends to generate \$3 billion in sales from China this year and the company believes that this figure will jump to \$5 billion by the year 2005.

Merck stocks took a plunge after the company told doctors to end late-stage human testing of its diabetes drug, MK-767. The drug was found to cause a rare type of cancer in some rats. This termination is extremely disappointing to the company because, after recently scrapping a depression drug, it marks the second time in

less than two weeks that Merck has had to stop late-stage human testing for a drug. Merck also reported that it would cut 4,400 jobs since being plagued by disappointing earnings.

In an attempt to keep the ketchup flowing onto trend-dieters' meals, Heinz will launch a new low-carbohydrate ketchup. The new product is a bid to capture consumers who are on popular diets such as Atkins and South Beach.

Home Depot will close a support center in Seattle, Washington, and cut about 100 jobs in an effort to consolidate operations. The home improvement chain posted an increase in third-quarter earnings compared to one year ago, citing greater attention to customer service and technology upgrades as the driving force behind this profit. In recent years, Home Depot has been losing market share to Lowe's, which presents a softer look and boasts excellent customer service.

Pfizer reported a decrease in third quarter earnings compared to one year ago. The company insists that the costs associated with the acquisition of Pharmacia Corporation offset the figures for sales growth from drugs such as Lipitor.

A strike involving 300 Safeway employees has been underway in Southern California. More recently, two pension funds are suing Safeway under allegations that the company has been plagued with conflicts of interest, and managerial deceit and greed. Many analysts do not believe that the strike will have much effect on the company. Safeway reported a decrease in second quarter earnings compared to one year ago, blaming the drop on rising staff costs, weaker

*Please see Blues, page 6*

Stock	Symbol	Price	Earnings	P/E	Gr. Est.	Yld.	Recommendation
Biomet	BMET	\$35.44	\$1.17	30.3	18%	0.3%	Hold Loosely
ConAgra	CAG	\$24.57	\$1.48	16.6	12%	4.2%	Buy
<b>Equifax</b>	<b>EFX</b>	<b>\$23.79</b>	<b>\$1.35</b>	<b>17.6</b>	<b>15%</b>	<b>0.3%</b>	<b>Buy Aggressively</b>
Fair, Isaac & Co.	FIC	\$52.64	\$2.22	23.7	20%	0.2%	Buy
FedEx	FDX	\$71.88	\$2.64	27.2	16%	0.0%	Hold Loosely
First Data Corp.	FDC	\$37.32	\$1.85	20.2	14%	0.2%	Buy
General Electric	GE	\$28.91	\$1.52	19.0	14%	2.6%	Nibble
Heinz	HNZ	\$36.19	\$2.07	17.5	12%	4.5%	Buy
Home Depot	HD	\$36.62	\$1.75	20.9	12%	0.8%	Nibble
Johnson & Johnson	JNJ	\$50.69	\$2.31	21.9	14%	1.9%	Hold Loosely
<b>MBIA</b>	<b>MBI</b>	<b>\$57.83</b>	<b>\$5.11</b>	<b>11.3</b>	<b>13%</b>	<b>1.2%</b>	<b>Buy Aggressively</b>
Merck	MRK	\$41.42	\$3.26	12.7	15%	3.5%	Inconclusive
Microsoft	MSFT	\$25.40	\$0.91	27.9	20%	0.6%	Hold
Pfizer	PFE	\$33.78	\$1.56	21.7	15%	1.8%	Hold Tightly
Radian	RDN	\$48.38	\$4.44	10.9	13%	0.2%	Buy
Reuters	RTRSY	\$25.97	(\$0.24)	N/A	20%	3.5%	Hold
Safeway	SWY	\$20.80	\$2.29	9.1	14%	0.0%	Nibble
SBC Communic.	SBC	\$23.46	\$1.97	11.9	12%	4.6%	Nibble
SouthTrust Bank	SOTR	\$32.11	\$1.87	17.2	12%	2.6%	Hold Loosely
Tetra-Tech	TTEK	\$24.46	\$1.10	22.2	22%	0.0%	Hold Tightly
UniLever PLC	UL	\$35.59	\$2.56	13.9	11%	2.8%	Buy

Think of it as Investments 101! These basic hints and tips will be useful for all investors.

In our last issue we alluded to setting money aside for college using IRAs. We wanted to clarify some of the specifics.

The average annual cost to attend a public university is expected to nearly double to \$20,000 in the next ten years! This is why getting an early start to saving for college education is so important.

There are a number of restrictions on how IRAs can be used for educational savings. In addition to this, there are a number of different types of plans that can be considered to help save for a child's education. These include Education Savings Accounts and 529 College Savings Plans, as well as IRAs and other more standard account types.

Education Savings Accounts, formerly Education IRAs, are set up and managed by a parent or guardian for the benefit of a minor and can be started when the child is born. Contributions to Education Savings Accounts are limited to \$2000 per year (less for higher-income parents) and qualified withdrawals are tax free. This means that no tax will be owed on any withdrawal for qualified primary, secondary, or higher education expenses. Similar to Roth IRAs, contributions are made on an after-tax basis. When the child reaches the age of eighteen, the parent may choose to continue to manage the account or to transfer that task to the child.

Another option, the Custodial IRA Account, is also set up and managed by an adult for the benefit of a minor. Contributions to this type of IRA cannot exceed the amount of income the child earns in that year. For example, if your child reports earnings of \$700 for mowing lawns during the year, the most that can be contributed to the account that year is \$700. The Custodial IRA account can best be established as a Roth IRA. All funds placed into a Custodial IRA belong to the child and must be turned over to the child at age eighteen or twenty-one, depending on state law. The main objective of a Custodial IRA account is to save for a child's retirement, but the funds may be also be used for other purposes such as higher education expenses, first-time home purchases or other qualified reasons. Monies from a child's Roth IRA can be used to cover expenses that include tuition, fees, books, supplies and equipment required for enrollment or attendance at an eligible educational institution. Contributions to the Roth can be withdrawn tax-free, but earnings used in this manner are subject to tax. Also, be aware that the amount of funds in the custodial account may limit the amount of financial aid that your child can receive for education.

It is also possible to set up a standard Custodial account, which could be used either for educational purposes or any other benefit of the child. When the child turns 18 or 21, ownership

of the funds in this account is immediately turned over to the child. One can also save money in an account reserved for the education of a child. This option does not provide some of the tax benefits of other options, but is often a preferred choice to many investors. In addition, monies from a Roth IRA can be used to pay a qualified higher-education expense for the account holder, their spouse, a child or grandchild, or the spouse's child or grandchild. This opens up yet another avenue for investment.

The final option for investment is the 529 College Savings Plan. This is typically a state-sponsored, tax-advantaged investment that allows parents, relatives, and friends to plan and invest for a child's college education. This plan allows for higher contributions than some other options and can also provide significant gift tax and estate planning benefits. The 529 Plan is set up by an adult for the child with funds that are contributed on an after-tax basis. Withdrawals are then federally tax-free when used for education expenses. Please keep in mind that the regulations surrounding these plans may vary somewhat from state to state. Each state offers a 529 Plan, but some states allow out-of-state parents to participate in their programs.

Shop around for the best deal before making an investment!

*Viewfinders, from page 4*

differences. While it is likely that the 2002 reported earnings figure will be adjusted downward possibly by as much as 20%, it also appears that the changes were more in the vein of differences of opinion, rather than any mismanagement. For example, the company failed to account for employee housing benefits as a long-term obligation, treating it only as an expense as it was incurred. We believe that resolving this issue will allow the company share price to rise. The re-audit is expected to be fully complete by early next year. Meanwhile, the company appears likely to report higher quarterly earnings this year due to strong cellular phone trends.

Dean Foods is a leading dairy and specialty food distributor. Among the company's products are T.G. Lee, Meadow Gold, Meadow Brook, Garelick Farms, and Swiss Premium milk, Sun Soy and Silk soy products, International Delight creamers, Marie's dressings, Bennett's sauces, Peter Piper pickles and peppers, and Roddenbery's olives, syrups and other products. The company has grown largely by acquisition, and is expanding into a fresh market with a buyout of Horizon Organic, a top organic food maker. Earnings continue to grow, and we expect further expansion in coming years.

General Mills is a leading U.S. producer of packaged foods, including Pillsbury, Green Giant, Cheerios, Wheaties, Total, Chex,

Betty Crocker, Bisquick, Progresso, Haagen Dasz, Hamburger Helper, Yoplait, Bugles, Old El Paso, as well as the Cascadian Farms and Muir Glen organic food lines. Since the Pillsbury acquisition in 2001, the company had struggled to assimilate the gigantic purchase, but seems to be getting things under control. Earnings have begun to return to previous growth trends. We rate General Mills a buy in the current price range.

Constellation Brands is reaffirming guidance for upcoming earnings growth, and appears to be on track to continue strong trends.

We still like SEMCO Energy as a speculation. The Michigan-based natural gas concern is making plans to recover from recent losses. A settlement with the Michigan Public Service Commission will allow the company to recover costs, and a plan to sell the pipeline construction business, its 2nd largest division, will help pay down debt. That sale caused a one-time charge of \$0.75 per share, but without that accounting expense, the company's loss for the quarter actually fell.

Dura Automotive's drop in earnings was not unexpected, due to reduced operations at major auto makers. The share price remains attractive.

It's a great month for bankers. Pinnacle Bancshares' increased earnings have pushed the share price higher. R&G Financial boosted the dividend and saw its share price rise. Intervest Bانشares also reported a small increase in

earnings for the quarter. Even the big bankers have good news to report. National City Corp. reported modest growth in the quarter as they transition from high mortgage lending to more traditional banking business. The company is also acquiring St. Louis' Allegiant Bancorp for \$475 million, re-opening speculation that NCC may either be a buyer of other banks or a buyout target itself. Either way, we see opportunity in the conservatively priced shares. Buy.

*Blues, from page 5*

sales, and competition from Wal-Mart.

SBC Communications will begin offering voice-calling over the Internet for business users beginning in the first quarter of 2004. This is a major shift from the Company's traditional circuit-based networks. With the capacity to combine voicemail, e-mail, and PC-based phone calling, this new technology should result in significant cost reductions.

Equifax, a leading provider of information to businesses and consumers, reported an increase in third-quarter earnings. The company believes that the increase in earnings is due to the consistency of its business.

Kites rise highest against the wind ...  
...not with it.  
~ Sir Winston Churchill ~

**Focus Your Attention**

Lately, there has been a collective challenge to avoid being embroiled in the media events of all that has been happening in the social, political, economic and military arenas of our great nation. Many recent events have left people with a sense of ominous foreboding, uncertainty, fear, despondency. At the very least, there is mild emotional discomfort and a sense of vague dissonance.

However, there certainly are a lot of other things that are worth focusing on and worth paying attention to. Some suggest that the negative news coverage in general is significantly disproportionate to the actual negativity that may impact one specific individual. These days, when micro events can be quantified and immediately reported to a world waiting to binge on a new serving of news every moment of the day, it's easy to see how one's focus can be disproportionately adjusted to see only the negative events that are happening. It's rather myopic and sad. While there has to be some value in keeping up with real risks that impact individuals and their families, a steady diet of too much news can be as mentally and spiritually unhealthy as a physical binge diet of sugar and cholesterol. Here are some areas that can be attended to as new focuses especially As the much longed-for Thanksgiving and holiday season approaches, let's focus on some areas that can become new sources of focus.

**Family and Friends.** Have we gotten so involved with life, living and the cycle of things that we are not paying as much attention to

our families as we'd like? This is a great time to focus spending quality time with family and friends, perhaps planning new activities and creating new and inventive ways to spend that time.

**Finance.** A spate of bad news, or a slow economy, is a good time to regroup financially and determine what financial priorities. There's no need to struggle or fret. Instead, simply spend some time in assessing financial plans as they pertain to spending, investing, saving and building for the future. If there is no formal plan, this is a good time to find help creating one.

**Short- and Long-Term Goals.** The most successful people are the ones who look farthest into the future. Most people are focused on the here-and-now. They are bounced around by daily conditions and do not regard long term disciplines necessary to create a future. Goals involve the family, finances, vacations, work, personal development, spiritual development, education, etc.

**Personal Values.** Reassess priorities and look at personal values. In nature, winter is a "pulling-back" time when things slow down. It is a time for reflection and reassessment. Evaluate, and become grounded, centered and focused.

Whatever the area, pull away from, and avoid the news media binges. Try watching or listening to the news only once a week. Look for ways to maintain focus on the good things and on the things that are truly important to life, personal values, family and projects.

Above all, and especially at this time, focus on being *thankful*.

If people are coming to work excited . . .  
 if they're making mistakes  
 freely and fearlessly . . .  
 if they're having fun . . .  
 if they're concentrating doing things,  
 rather than preparing reports  
 and going to meetings --  
 then somewhere you have leaders.  
 ~Robert Townsend~

People who never get carried away  
 should be.  
 ~Malcolm Forbes~

If you want to build a ship,  
 don't herd people together  
 to collect wood  
 and don't assign them tasks and work,  
 but rather teach them to long for  
 the endless immensity of the sea.  
 ~Antoine de Saint-Exupery~

**Small World**

by Tom Briscoe



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**EARNINGS REPORTS**

Stock Name	Earning Period	Current Earnings	1 Year Ago	Percentage Change	Current Recommendation
America Movil	Q3	0.28	0.04	600.0%	Buy Aggressively
Compudyne	Q3	0.12	0.02	500.0%	Hold Loosely
Ariba	Q4	0.03	0.01	200.0%	Speculative Buy
Barnes & Noble	Q3	0.14	0.05	180.0%	Buy Aggressively
Priceline.com	Q4	0.24	(0.63)	138.1%	Nibble
Tetra-Tech	Q4	0.28	0.13	115.4%	Hold Tightly
Reuters	H1	0.03	(0.61)	104.9%	Hold
Nvidia	Q3	0.10	0.06	66.7%	Hold
FTI Consulting	Q3	0.36	0.24	50.0%	Buy Aggressively
Fair, Isaac & Co.	Q4	0.64	0.44	45.5%	Buy
Equifax	Q3	0.38	0.28	35.7%	Buy Aggressively
Pinnacle Bancs	Q3	0.36	0.27	33.3%	Buy
1-800-Flowers	Q1	(0.08)	(0.11)	27.3%	Nibble
Nash-Finch	Q3	0.70	0.55	27.3%	Buy
Microsoft	Q1	0.24	0.19	26.3%	Hold
Home Depot	Q3	0.50	0.40	25.0%	Nibble
L-3 Comm.	Q3	0.74	0.62	19.4%	Buy
Landry's	Q3	0.65	0.55	18.2%	Buy
MBIA	Q3	1.31	1.11	18.0%	Buy Aggressively
UniLever PLC	Q3	0.80	0.69	15.9%	Buy
SEMCO Energy	Q3	(0.32)	(0.38)	15.8%	Speculative
Johnson & Johnson	Q3	0.69	0.60	15.0%	Hold Loosely
Oxford Health Plans	Q3	1.19	1.04	14.4%	Buy
First Data	Q3	0.51	0.45	13.3%	Buy
SouthTrust Bank	Q3	0.53	0.47	12.8%	Hold Loosely
Dean Foods	Q3	0.52	0.47	10.6%	Buy
LeapFrog	Q3	0.55	0.50	10.0%	Buy Aggressively
Interinvest Bancs	Q3	0.42	0.41	2.4%	Buy Aggressively
National City Corp.	Q3	0.62	0.61	1.6%	Buy Aggressively
Merck	Q3	0.83	0.83	0.0%	Inconclusive
General Electric	Q3	0.40	0.41	-2.4%	Nibble
Intuit	Q1	(0.27)	(0.26)	-3.8%	Hold Loosely
CheckPoint Sftwre	Q3	0.23	0.25	-8.0%	Hold Loosely
Jack In the Box	Q4	0.49	0.61	-19.7%	Buy
Safeway	Q2	0.46	0.60	-23.3%	Nibble
Pfizer	Q3	0.29	0.38	-23.7%	Hold Tightly
SBC Commun.	Q3	0.37	0.51	-27.5%	Nibble
JAKKS Pacific	Q3	0.37	0.58	-36.2%	Nibble
Toys R Us	Q3	(0.18)	(0.13)	-38.5%	Buy Aggressively
Dura Automotive	Q3	0.12	0.35	-65.7%	Buy Aggressively
Cima Labs	Q3	0.07	0.30	-76.7%	Harvest Profits

**BREAKTHROUGH STOCKS**

LAST MONTH'S STOCK PICKS THAT HAVE SHOWN OUTSTANDING SHORT TERM RESULTS.

Stock Name	Stock Symbol	Today's Price	Last Issue	Percentage Increase	Current Recommendation
Marimba	MRBA	\$5.30	\$3.95	34.2%	Hold or Trade
RGF Financial	RGF	\$37.87	\$29.93	26.5%	Buy
FCN	FCN	\$21.46	\$18.02	19.1%	Buy Aggressively
FO	FO	\$68.50	\$58.90	16.3%	Hold Tightly
CWP	CWP	\$6.68	\$5.81	15.0%	Nibble
PLE	PLE	\$16.04	\$14.00	14.6%	Buy
STZ	STZ	\$34.19	\$29.91	14.3%	Buy
CAG	CAG	\$24.44	\$21.71	12.6%	Buy
LYN	LYN	\$24.32	\$21.63	12.4%	Buy
IBCA	IBCA	\$14.42	\$12.94	11.4%	Buy Aggressively
NCC	NCC	\$33.34	\$30.10	10.8%	Buy Aggressively
AMX	AMX	\$24.62	\$22.30	10.4%	Buy Aggressively

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**Dividend Changes**

Stock	To	From	% Change
RGF	\$0.49	\$0.46	7.46%
OHP	\$0.40	\$0.00	N/A
AMX	\$0.12	\$0.08	50.00%

Our Offices will be closed from  
December 23, 2003 to January 5, 2003.

Holiday Greetings from Value View  
We at Investor's Value View  
& Value View Financial Corp.  
wish all our



subscribers and clients  
peace that goes beyond all  
understanding,  
and hope for a joyful and  
blessed New Year.