

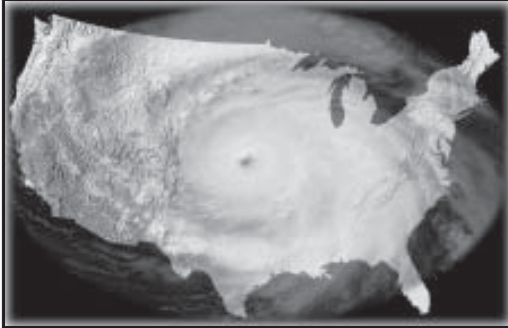
INVESTOR'S *Value View*

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2005

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

Storm Watch



NEVER IN THE HISTORY OF OUR NATION has an event had such impact. Many of us are may still be in denial over the magnitude of the impact. The fact that the markets have barely blipped since the disaster demonstrates that we're taking it all in stride. I'm thrilled to see the resolve of Americans to follow through to recovery. I am more than a bit concerned that some have taken it all too lightly. The economic impact of this disaster will be astounding.

Consider 9-11's horrors. Or, go back to Hurricane Camille, the Chicago Fire, or the Johnstown Flood. Those events were horrible, but they don't begin to compare to the impact that this latest disaster brought – and will bring. The loss of human life will clearly be in the thousands. As with Hurricane Andrew, we won't know about many of them until months, perhaps years, later. In fact, if illegal immigrants were involved, as some suggest, we may never know the full number, as legal concerns will discourage family members from reporting their loss, and bodies are often unable to be recovered.

Among the living, though, the costs of this storm will be grave. In modern times, we've never seen so many people left homeless. We've never known so many businesses utterly collapsed by weather. As financial estimates push toward the \$1 trillion mark (itself an unimaginable figure), we must realize that these numbers can't take into account the lost potential of businesses that no longer exist, nor the plans delayed by entrepreneurs left homeless. Surely, some will find new plans and build new businesses, but the dislocation will only reduce those successes.

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

“Government cannot make man richer, but it can make him poorer”- Ludwig Von Mises

It's taken two major storms to expose the cracks in our way of life.

We're used to thinking that "someone" will take care of us, and everything will be fine. It's easy, after all, to sit back and let life happen. That's a normal way of being. But we're learning some difficult lessons with what we've seen in the Gulf States these past few weeks. We're learning that government does fail. We're learning that people at all levels of society point fingers. We're learning that "someone" will not always be there to take care of it all. We're learning that the state of the union is sometimes marked by a state of denial. And we're learning that we need to take responsibility for our own lives.

It's time to take a look at what's really going on in the economy, and in the government. It's also time to apply some common sense.

For the young investor, the next 9 to 12 months may appear deceptively rosy. Our administration wants to increase spending dramatically. This will boost the economy, and will give the impression that Wall Street is healthy and that Main Street is seeing unprecedented strength. It will be easy to relax and believe that the Bush administration has everything under control. We're told that we'll bounce back... "that's what America does".

Beyond the next 9 to 12 months is an economic storm. And it will hit when the bill for all our spending comes due. The question is: who will pay on a collective invoice of hundreds of billions of dollars?

We're not trying to be dramatic or to be doomsayers. Most of us know what it means to spend more than we have.

But this is a "credit card" mentality on a national scale.

The U.S. economy is facing some unprecedented expenses, and our government has no experience with this situation. Plus, they're unwilling to cut spending elsewhere to pay the costs.

It's time to face facts, folks: we're looking at potentially high inflation, recession, or the unbelievable: depression. To minimize the impact on ourselves, we need to be ready before it happens.

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We've all felt the impact on the oil industry. The real impact will not be felt from oil drilling difficulties (which hasn't been behind the shortages and price hikes) but in the refining of crude oil. We've been faced with a refining bottleneck for years. In this respect, Hurricane Rita may have done more damage than Katrina: the second storm hit an area with more refining capacity than the first. This hold-up in refining is likely to further boost prices, since the result will be a shortfall in supply. Further, the Port of New Orleans is our nation's only real supertanker-rated port, and damage may have some impact on our ability to import the fuel. It won't end our access, but could raise the cost of bringing it in. The oil market may see the greatest direct impact of the storm, though shipping of many products may be temporarily disrupted. And oil, has cost impact on virtually every other business that involves delivery. All of these will impact earnings across the board, and we can expect a downward hit to profits at many companies this quarter.

Despite the enormity of these financial losses and disruption of potential, none of these constitutes the greatest risk of the storm. It is not the direct harm that hangs over us. In time, if America is allowed to, we will recover. Instead, it is the "solution" that may end up being our greatest problem.

My initial fear was that the current administration, noted as it is for profligate spending, would proceed into this new time of need with absolutely no regard for the budget. Sure enough, more dollars have been promised. Yet again there is no attempt to figure out where the money will come from.

I am thankful, that some have begun to speak out about this irresponsible management of our nation's budget. John McCain, for example, has suggested dropping the prescription drug fiasco... a plan that will likely

Be prepared for a large dose of harsh reality in coming years. Take a serious look at your financial health, and start to make changes now:

1. Diversify. Diversification helps protect against economic storms.
2. Adjust your portfolio: a sizeable portion - 40% to 50% of equities - should be in reputable and solid overseas stocks. Diversifying among different countries helps protect against single-nation calamities. The U.S. is not always the "best" place to invest, anyway. In the past decade, the U.S. stock market has been overshadowed by many other nations' successes, only reaching 4th place at our best. Growth rates overseas can be 2 to 3 times higher than U.S. markets.
3. Are you carrying debt? Pay off as much as possible.
4. Don't buy more house than you can afford. A big house is "cool" when real estate prices are rising. When home prices fall and interest rates rise, "cool" has no value. (If you must buy big, at least make sure you have a fixed-rate mortgage.)
5. Keep some cash to prepare for unexpected events.
6. Bank enough to cover six to twelve months' expenses.

Begin preparing now for uncertainty. Protect yourself. Don't depend on politicians' promises - they are meaningless right now. Finger-pointing is rampant... and useless. Government still wants votes, but they have no answers.

Start thinking independently. Be aware of what's really going on. Keep your eyes peeled for patterns of economic deterioration or growth. Make informed decisions that preserve your future. Choose sources of information carefully.

Publications like Investor's Value View make it a point to examine the economy in light of national and global events. We offer suggestions based on those observations.

It may be tough, but you can be prepared. Act to protect yourself, and share your knowledge. At first, people may not like what they hear. It is difficult news to bring, but don't give up.

Keep sharing. You would want someone to do the same for you.

make prescription drugs more expensive, and subsidize that extra expense with taxpayer dollars.

The budgetary watchdog National Taxpayers Union puts it best: "Deficit spending is disaster pending." For those who missed the story, the Bush White House has presided over the greatest spending increase in our nation's history, even after subtracting all spending for the war and for homeland security. We've managed to do this without making anyone unhappy, apparently, due to our fervor for tax cuts. Don't get me wrong: I'm a great fan of low taxes. But at some point, the bill must be paid. One way or another, the outrageous spending spree that this administration has pursued is going to hit home. When that time comes, the cost will be large. The only thing we don't know is how the cost will be paid. Massive inflation appears to be the most likely outcome. The George W. Bush Economic Policy closely resembles the approach attempted by Gerald Ford - a Keynesian "economic stimulus" approach. The exception is Bush's low-tax credo. This should reduce fiscal harm to the economy that marked half of Ford's "stag-flation". But ultimately, it may only worsen the inflation.

Another key factor in what could become the "perfect storm" for our economy is the pending retirement of Federal Reserve whiz Alan Greenspan. It is rumored that President Bush may consider his own economic advisor Ben Bernanke to replace him. This would shift consensus away from Greenspan's conservative Monetarist/Austrian policy to a Keynesian stimulus approach. A Bernanke Fed would be more in line with the administration's policy approach, but way out of line with the Reagan model that Greenspan represents. This president's economic approach, is more in tune with the Nixon and Ford administrations that with more recent models. It pushes us back toward the days of high inflation and instability.

Greenspan will be missed, if only for his forthright willingness to address issues. His recent warning that we should not be lulled by our recent experience with low interest rates seems prescient. We fear he is right. Interest rates are likely to push higher by government borrowing, which will compete with businesses for capital. Further, if we continue to see money added to the economy, inflation will rise, and the inflation premium will become more prominent as a factor in determining interest rates. Those too young to remember life under President Jimmy Carter will also not remember life without a stable money supply. Yet, it was not simply Carter's inept economic policy that led to that inflationary disaster, but years of fiscal and monetary mismanagement under a variety of presidents from both parties. The two and a half decades of relatively strong economic performance has come from changes ushered in under Greenspan's watch.

Our period of good times may now be coming to an end. It doesn't bode well for the future: Americans were willing to accept candidates from both major parties who offered little more than garbled gibberish as their announced economic policy. Today, our Congress is promising \$20 billion in aid to the Gulf Coast, and offering to pay a sizeable portion of the cost for the IMF and World Bank to write off \$55 billion in developing world debt, without much thought to the money source. Spending has become like a drug. And the addicts in D.C. have utterly lost touch with reality. I've been critical of this spendthrift administration's economic policy for some time, but it finally appears that we're headed for a wall at 120 miles per hour. This disaster doesn't have to bankrupt our economy. But if our government is unwilling to make difficult choices, we could be headed for a greater problem down the line. The initial 9 months to a year, will seem like a

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Lennar Corp. (LEN)

Our top stock selection this issue is Lennar Corp., a leading homebuilder.

The company operates under the names Lennar, U.S. Home, Pacific Greystone, Rutenberg Homes and others. Lennar also owns subsidiaries such as Eagle Home Mortgage, North American Exchange Co., Universal American Insurance Agency and Mortgage Company, North American Title, and Strategic Technologies, which installs underground conduit and cable/broadband services for new homes.

Lennar operates in 20 states, from New York to Florida on the East Coast, to California, Arizona and Nevada out West. Their operation also covers most of the more populous and lucrative states between the coasts, such as Texas, Illinois, Ohio, Minnesota, Michigan, Missouri, and Colorado. Among homebuilders, Lennar probably has the longest record of consistent growth, with earnings increases stretching back to the '80's.

On the homebuilder front we continue to remain bullish despite lower consumer confidence levels. We forecast an ongoing low interest rate environment with healthy demand for new homes. With this said, Lennar remains attractive.

LEN just reported a 50% spike in 3Q earnings year-over-year. Additionally Lennar raised its target for full-year 2005 earnings per share to \$8.10 from \$7.80 after posting a record-level backlog and a substantial jump in new orders. This kind of profitability will not go away soon. Such a backlog

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boom time. All the new money sloshing around will boost the economy for the short-term. But the money-machine will dry up, and the bill will come due. And we will have problems to face.

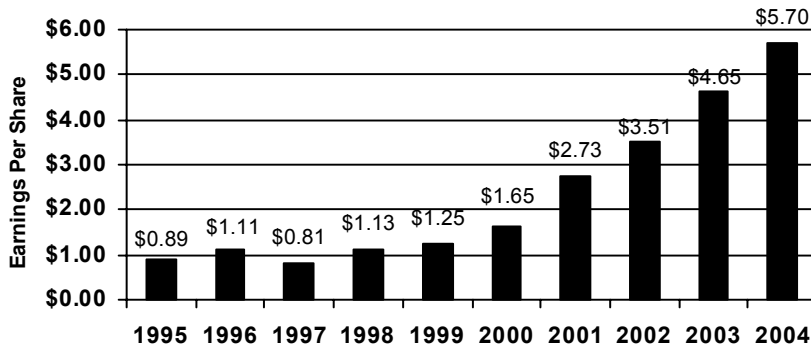
All we can know at this point is that things are not what they will seem. Those of us who are adept will have time to make the right decisions. Just like those who faced the hurricanes, there is ample warning to move carefully out of harm's way. If we recognize the storm that is to come, we can adequately prepare for the coming troubles.

What steps should we take? Certainly, in any troubled times, precious metals are a haven. In times of inflation, they also become a hedge against the depreciating dollar. This might be a time to consider gold and other metals, as well as oil and other resources. Consider Scudder Global Commodities Fund, as discussed on page 7, as a cheap way to diversify in these industries.

My best guess today is that we're headed for inflation. But it will be some time before the government chooses which foolish policy to follow. Only then will we know for certain what we're facing.

As policies develop, we'll be watching. We will advise you of specific steps to take to protect yourself from the coming crisis. Meanwhile, take steps that will serve you well in any scenario. Obviously, this is no time to be carrying heavy debt loads or incurring new obligations. If we see a boom in the next year, take advantage of it. Boost your income and hike up your rate of savings.

Strengthen yourself, so that you can weather any storm.



Lennar's Performance since 1995.

guarantees profits for at least the rest of the year, and the extra cash that it brings will give LEN the opportunity to continue buying other builders as opportunities arise. We remain excited about the profit potential for homebuilders in general, and are particularly happy when a company with the stature of Lennar becomes available at a reduced price, as is currently the case.

Lennar shares, and those of other builders, fell following Hurricane Katrina. There are fears that competition for construction resources (both labor and materials) will be in high demand in the hardest-hit areas, making all of these inputs more expensive for builders elsewhere in the country. And, while one might assume that homebuilders should profit from the increased demand for new homes resulting from the devastation, history has proven that this is not

always the case. In fact, in situations like this, those companies operating in the destruction zone will not see significant business until many months later.

For the moment, at least, infrastructure problems (roads, power, etc.) are still severely inhibiting the ability to do any significant work in those areas. Today's efforts are being directed at surrounding areas (like Baton Rouge), where builders are able to operate normally. So, while the reallocation of inputs will eventually affect the homebuilding market, the initial impact will be quite small. And, by the time the impact is large enough to be felt, producers will have had time to increase their production of raw materials. Thus, we don't foresee any significant negative impact to Lennar's growth prospects.

We rate these shares a strong buy.

Glossary of Terms

Buy Aggressively	<i>The best buys at the best prices. Does not indicate momentum.</i>
Buy	<i>Also a good buy. Not as exciting or certain as the above.</i>
Speculative Buy	<i>Great potential; may not be great values. These involve higher risk.</i>
Nibble	<i>Buy a little at a time as prices become more favorable.</i>
Hold Tightly	<i>An attractive stock, probably too high to buy. Does not warrant selling.</i>
Hold Loosely	<i>Stock approaching excessive valuation. May be traded out selectively for better buys.</i>
Harvest	<i>Sell rating for quality stocks which seem inflated in price. Does not suggest impending problems. May be held by those who cannot afford to take profits; risk of holding is greater. Selling a portion of such shares is often a good strategy.</i>
Inconclusive	<i>Similar to a clear sell rating, used when news creates uncertainty, or action appears to be negative. Uncertainty can create outstanding valuation, even if news has not yet appeared. Most people prefer not to hold stocks in uncertainty. We do not want to create the impression that we know something when we do not.</i>
Sell	<i>Reserved for stocks that have struck bad times. These should be unloaded by all investors.</i>

DYNAMIC INSURGENTS

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

1-800-Flowers saw fourth quarter profits shrivel. The company posted earnings of 6 cents per share compared to 45 cents a share a year ago. Last year's figure was inflated, however, by a one time tax benefit of \$19.5 million, or 29 cents a share.

Previous acquisitions kept drug-maker **Cephalon** from posting a strong 2nd quarter earnings report. In the second quarter. These one-time costs, which are one-time charges, led to a loss of roughly \$4 per share. Cephalon would have earned \$69 cents per share otherwise. Underlying revenues and future earnings growth remain strong for the company, but; although its aggressive growth will certainly lead to more acquisition costs in coming quarters.

Collegiate Pacific, a leading manufacturer and supplier of sports equipment, will purchase the remaining shares of Sport Supply Group, one of the largest direct-marketers of recreational equipment to schools in the United States.

First Advantage, a risk mitigation and business solutions firm, recently acquired Phoenix Research Corp., a private investigative agency in Arizona. This adds to First Advantage's ability to gather data.

Digital River is a new addition to the Dynamic Insurgents. The Minnesota-based company, which is based in Minnesota, is an e-commerce solutions provider. Its capabilities include web hosting and development, site and order management, language services and web analytics. With the growth of the e-commerce support services, Digital River's earning potential looks strong. The company recently announced that it was going to support online software sales and downloads of art PDF files.

eCollege.com is also new to Dynamic Insurgents this issue. ECLG provides information services to the post-secondary education industry through its eLearning and Enrollment divisions. Its Enrollment division helps schools build new enrollments and increases student retention. Its eLearning division provides the infrastructure for schools that offer online classes. We feel that the latter has the greater earnings potential for eCollege. Trends point to increasing online enrollment where costs of providing education are lower. Since Hurricane Katrina, eCollege is offering free eLearning services to affected schools. This benevolent act is also an excellent marketing strategy for ECLG, and could affect ECLG's bottom line positively.

Another new recommendation is **Education Management**. Providing post-secondary education to 24 states and parts of Canada, EDMC offers academic programs through educational institutions such as The Art Institutes, Argosy University, South University and American Education Centers. Despite a 6% tuition hike, EDMC saw enrollment increase 12.3% year-over-year in the 3rd quarter. Online enrollments have increased 85%. Because expansion in the U.S and Canada are limited we look for overseas expansion as their best option.

Mobile Telesystems beat estimates and reported a 14% increase year-over-year for the 2nd quarter. MBT is no stranger to Investor's Value View – this stock has been recommended in Value Viewfinders – and we have decided to feature it as a Dynamic Insurgent because of unmistakable growth prospects. MBT

is the largest mobile phone operator in Russia and is expanding through Eastern Europe. Their top markets outside of Russia are Turkmenistan and Ukraine where a more stable political environment has contributed almost half of MBT's new subscribers.

L-3 Communications recently completed its acquisition of Titan, the national security services provider. This should help L-3 become more competitive for defense contracts. Defense spending remains

very strong and we continue to advocate these shares.

We look for **Priceline.com** to build earnings momentum in late 2005 and 2006 due to recent acquisitions.

We continue to recommend **Paincare Holdings** and **J-2 Global Communications**. Paincare Holdings recently announced a phenomenal 91% increase for Q2, and the acquisition of Center for Pain Management in Maryland. J-2 expects a strong 3rd quarter.

Stock	Symbol	Price	Earnings	P/E	Gr. Est.	Recommendation
1-800-Flowers	FLWS	\$7.02	\$0.13	54.0	25%	Nibble
America Movil	AMX	\$25.52	\$0.97	26.3	20%	Hold Tightly
Cephalon	CEPH	\$45.90	\$2.68	17.1	23%	Buy Aggressively
ChoicePoint Inc	CPS	\$43.24	\$1.55	27.9	20%	Hold
Collegiate Pacific	BOO	\$11.50	\$0.49	23.5	24%	Buy
Digital River	DRIV	\$34.56	\$1.17	29.5	30%	Buy
eCollege.com	ECLG	\$14.94	\$0.95	15.7	24%	Buy Aggressively
Education Mgmt	EDMC	\$31.81	\$1.35	23.6	20%	Buy
Engin'r'd Sup't Syst	EASI	\$41.18	\$1.98	20.8	18%	Nibble
First Advantage	FADV	\$28.90	\$0.65	44.5	28%	Hold Tightly
J-2 Global Commun.	JCOM	\$40.69	\$1.55	26.3	30%	Buy Aggressively
L-3 Comm.	LLL	\$79.10	\$3.52	22.5	23%	Nibble
Mobile Telesystems	MBT	\$40.49	\$2.73	14.8	18%	Speculative Buy
Paincare Holdings	PRZ	\$3.72	\$0.17	21.9	20%	Buy
Priceline.com	PCLN	\$19.04	\$0.95	20.0	25%	Hold

Items in bold denote stocks that, in our opinion, hold the most promise.

Dreams come true.

Without that possibility, nature would not incite us to have them.

~ John Updike ~

Everything that is really great and inspiring is created by the individual who can labor in freedom.

~ Albert Einstein ~

In the truest sense, freedom cannot be bestowed; it must be achieved.

~ Franklin D. Roosevelt ~

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

Lennar is our top stock pick this issue. For more on Lennar, please see "Stock Focus" on page 3.

Bancolombia reported a 45.7% increase in second quarter income, year-over-year. With over 4 million customers, the largest bank in Colombia, is partnering with NGO PlaNet Finance to offer financial services to the nation's microenterprise market as Segmento Emprendedor. Microentrepreneurs include street vendors, small farmers, independent seamstresses and others who don't normally have access to traditional lines of credit. Bancolombia is one of the first banks in the world moving into this difficult market. As these small businesses grow, the relationships developed are likely to become increasingly profitable for Bancolombia. While we acknowledge the risk of dealing with this unproven market, we also recognize the tremendous opportunity in the broader developing world for an institution that can devise adequate tools to evaluate these risks. Well-designed products for this market can lead to lucrative business in this underserved market. Thus, we view this new product line as promising, yet unproven. However, the upside potential is far greater than the likelihood of loss. We remain bullish on Bancolombia, as well as the broader Colombian and Latin American markets.

We continue to recommend **Bank of Nova Scotia**. We remain optimistic that a proactive acquisition strategy for Latin America and the Caribbean will add to BNS's bottom line.

New this month is **Commercial Capital Bancorp**. This Californian bank provides financial services to income-property real estate investors and related real estate services companies and individuals. This company has shown the ability to capitalize on the real estate frenzy of Southern California. CCBI has enjoyed spectacular earnings growth coupled with healthy profit margins.

Asta Funding continues to show that they are solid, with heavy earnings momentum. With record 3Q earnings increase of 52%, we feel that one of Asta's most important assets is CEO Gary Stern. Stern has instilled a sound business model that thrives on disciplined portfolio purchases.

Telefonos de Mexico recently purchased a majority in Colombia's state-owned telephone company, Telecom. Though this deal faces opposition, we feel that this deal will go through as planned. TMX's presence in Latin America is already strong. Adding Telecom will only strengthen TMX's bottom line. Latin America currently has the greatest mobile phone growth potential. We continue to recommend Latin American companies such as TMX.

Turkcell has reported a very impressive 223% 2nd quarter increase, thanks to 1.3 million new subscribers and overall minute usage increase per customer. Despite impressive gains, Turkcell's stock price has remained flat since our last recommendation. Use this opportunity to purchase more shares of this promising business.

Angiotech Pharmaceuticals pioneered the combination of pharmaceutical compounds with medical devices. ANPI's staple product has now been implanted in over a million patients worldwide. Analysts

estimate that this will grow to a \$6 billion industry. Stock prices have been depressed during the last 52 weeks and we interpret this as a chance for us to get in.

Tata Motors is India's largest carmaker. It is also India's largest truck producer and among the top three makers of automobiles, selling vehicles in Europe, Africa, the Middle East, South East Asia and Australia. Of the few Indian stocks that trade on the NYSE, Tata is considered a great value play. We like the prospects of selling cars to a market with unrelenting population and employment growth. More births and rising salaries equal more car purchases for India and Tata.

Construction delays in Nevada and Arizona have hurt **MDC Holdings**, which is expected to miss its 3rd quarter earning projections. This is most likely an anomaly. MDC has seen its backlog rise 33% and has increased its earnings estimates for 2005 and 2006. Brisk demand has been observed in start-up divisions in Tampa, Philadelphia/Delaware Valley and Chicago.

Standard Pacific continues to record healthy backlog as orders remain robust. We remain optimistic about SPF's Texas market. Demand should spike due to an influx of Hurricane Katrina victims seeking new homes.

Online education continues to fuel **Career Education** and the for-profit education industry. The online education group was up 70% in enrollment year-over-year. Uncertainly lingers with CECO regarding restated financial reports, a wrongful termination suit and bad media publicity. With patience, this stock's upside gains can be tremendous here.

Falconbridge debuts this month. The com-

pany mines, smelts, refines, and markets copper, zinc, nickel, lead, silver, and gold. Falconbridge is now one of North America's largest base metal companies thanks to a recent merger with Noranda. Due to historically high metal prices, estimates for FAL have been upwardly revised by 25% to \$2.20. Investment in Falconbridge makes for an excellent hedge against the sinking dollar. Shares in FAL look attractive.

Apache reports that 60 million cubic feet a day of gas and 20,000 barrels of oil may remain shut down for up to a year due to repairs and replacement of platforms from hurricane damage. This will have marginal affect on APA's performance. Apaches' Egyptian operation will be among their leading producers, and has also announced a 25% dividend increase.

This issue, we introduce **Valero Energy**, now the largest petroleum refiner in the U.S. This is a direct result of the completed merger with Premcorin September. VLO's Port Arthur facilities took a hit with the more recent Hurricane Rita It will take up to four weeks to repair the refinery. Valero should post record earnings with its high margins, lowered operating costs, and increased refining capacity.

Our final new recommendation this month is **CE Franklin**. CFK distributes products such as pipe, valves, flanges, fittings and production equipment to the Canadian oil and gas industry. Market conditions favor CFK. Winter months also bring increased activity which will spur demand for CE Franklin's products.

We continue to recommend **Intervest Bancshares, SK Telecom, Tele Centro Oeste Celular and Village Super Market**.

Stock	Symbol	Price	Earnings	P/E	Gr. Est.	Yld.	Recommendation
Angiotech Pharm.	ANPI	\$13.65	\$1.19	11.5	23%	0.0%	Speculative Buy
Apache Corp.	APA	\$76.66	\$6.26	12.2	10%	0.4%	Buy
Asta Funding	ASFI	\$30.67	\$1.99	15.4	16%	0.5%	Buy
Bancolombia	CIB	\$21.83	\$1.74	12.5	11%	2.0%	Buy
Bank of Nova Scotia	BNS	\$37.16	\$2.46	15.1	10%	3.0%	Nibble
CE Franklin	CFK	\$11.53	\$0.56	20.6	15%	0.0%	Speculative Buy
Career Education	CECO	\$36.09	\$2.03	17.8	17%	0.0%	Buy Aggressively
Com. Cap. Bancorp	CCBI	\$17.03	\$1.42	12.0	18%	1.5%	Buy Aggressively
Falconbridge	FAL	\$26.31	\$2.10	12.5	12%	1.6%	Nibble
Intervest Bancshrs.	IBCA	\$21.98	\$2.08	10.6	11%	0.0%	Buy Aggressively
Lennar	LEN	\$58.36	\$7.00	8.3	12%	0.9%	Buy Aggressively
MDC Holdings	MDC	\$78.99	\$9.61	8.2	12%	0.8%	Buy Aggressively
SK Telecom	SKM	\$21.95	\$2.61	8.4	15%	3.7%	Buy Aggressively
Standard Pacific	SPF	\$41.05	\$5.81	7.1	12%	0.8%	Buy Aggressively
Tata Motors	TTM	\$12.10	\$0.81	14.9	20%	2.4%	Buy Aggressively
Tele Cen. Oeste Cel.	TRO	\$9.47	\$1.59	6.0	14%	5.1%	Buy Aggressively
Telefonos de Mexico	TMX	\$20.52	\$2.32	8.8	12%	4.0%	Buy Aggressively
Turkcell	TKC	\$13.49	\$1.04	13.0	14%	2.6%	Speculative Buy
Valero Energy	VLO	\$114.99	\$8.31	13.8	13%	0.4%	Speculative Buy
Village Super Mkt.	VLGEA	\$51.88	\$4.77	10.9	12%	1.1%	Buy Aggressively

Items in bold denote stocks that, in our opinion, hold the most promise.

*For myself I am an optimist - it does not seem to be much use being anything else.
~ Sir Winston Churchill ~*

TRUE BLUES

Every month we follow these legitimate "blue chips" that 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.

AFLAC will not lower its domestic sales forecast in the wake of Hurricane Katrina. The company will extend a 90-day grace period to its customers in storm-ravaged areas, but believes the storm will not jeopardize its financial position.

Alltel recently confirmed that it is considering selling its wireline operations to benefit stockholders. The unit's earnings fell 2% in the second quarter. As a whole, Alltel's second quarter earnings rose by 5% on the increasing profitability of wireless service and customer support services. The company recently announced that it has reopened half of the retail centers closed due to Hurricane Katrina and that it has restored wireless service to much of the affected region and is offering free long-distance and roaming to customers affected by the storm.

Aggressive stock repurchases allowed **AutoZone's** earnings per share to rise 5% despite a small decrease in net income. The cost of opening 87 new stores and increasing marketing deflated earnings this quarter, but adds to future earnings potential. Biomet's profits climbed 66% in the first quarter to reach record levels. The Indiana-based company attributed the growth to strong sales of orthopedic reconstructive devices and dental reconstructive implants. With the baby-boom generation growing older, Biomet's future earnings growth remains strong.

Questions about **Capital One's** proposed acquisition of Hibernia began to swirl in the aftermath of Hurricane Katrina which damaged many of the Louisiana-based company's retail banking centers and ATMs. Industry analysts wondered if the merger would be postponed or if it would occur at all. After assessing the situation, Capital One lowered its price, but will finalize the purchase nonetheless.

Fair, Isaac recently announced that it would invest \$200 million in a stock repurchase program, an indication of the company's strong cash flow position.

Fortune Brands, a leading, diversified holding company, recently sold its office products subsidiary to General Bindings. The sale, which boosts the company's cash position, may facilitate future acquisitions. The company has created value for its shareholders in the past by making wise strategic purchases.

General Electric is attempting to acquire technology to expand its offshore fossil-fuel production. GE's Energy unit has been a strong performer of late. This transaction may boost its earnings potential. GE Finance will grow as well when an investment in Hyundai Card is finalized. Hyundai has over 3 million customers in South Korea's growing credit market. GE Finance is also buying a stake in a major Turkish bank. This will give the firm access to the fast growing Turkish market, and broaden its reach in Europe. GE also announced that it has received a multi-billion dollar US military engine contract, in collaboration with Rolls-Royce.

Second quarter revenues and earnings rose for **Home Depot**. The retailer attributed this to an increase in cost-efficiency and a rise in same-store sales. Revenue for the period climbed 11.7% to \$22.3 billion while income rose 17% to \$1.8 billion.

The FDA recently approved Celebrex, one of **Pfizer's** most successful medicines, for the treatment of arthritis of the spine. This helps increase the

drug's marketability and the company's profits. Exubera, Pfizer's inhaled insulin product, has been endorsed by an FDA advisory panel. If approved, the drug could vastly improve the firm's earnings outlook. Pfizer recently completed its acquisition of Boston-based Bioren, a leader in anti-body based therapy. The strategic purchase adds to the firm's product innovation capabilities. Not all news is good, however. A report by a German institute concludes that Pfizer's Lipitor is no more effective than other cholesterol-lowering drugs on the market. Pfizer's German subsidiary countered that several scientific studies disprove such a notion. Ironically, the FDA approved Lipitor for the prevention of strokes days before the German announcement. Oporia, a potential success, was denied approval by the FDA. The drug was developed by Pfizer to prevent osteoporosis. This rejection, along with two others, un-

derscores the importance of drugs like Lipitor that finance research and profits.

Constellation Brands recently purchased Rex Goliath Wine for undisclosed terms. The acquisition helps strengthen the company's wine portfolio, which is already the strongest in the world. Shortly thereafter, the company announced its intentions to buy Vincor, a Canadian rival. Constellation may acquire the company in a hostile takeover if negotiations prove fruitless. The addition of Vincor could position the company favorably to benefit from consumer and demographic trends.

Despite an increase in sales, **Unilever's** second quarter earnings fell roughly 26% because of a write-down of Slim Fast in Europe. Were it not for this write-down, the company's profits would have risen by nearly 3%.

Stock	Symbol	Price	Earnings	P/E	Gr. Est.	Yld.	Recommendation
AFLAC	AFL	\$45.24	\$2.35	19.3	15%	0.8%	Hold Tightly
Alltel	AT	\$65.11	\$3.56	18.3	11%	2.3%	Hold
AutoZone	AZO	\$98.72	\$7.20	13.7	13%	0.0%	Buy
Bank of America	BAC	\$42.10	\$3.95	10.7	11%	4.8%	Buy Aggressively
Biomet	BMET	\$34.83	\$1.61	21.6	18%	0.6%	Buy
Canon	CAJ	\$54.08	\$3.69	14.7	16%	1.1%	Buy Aggressively
Capital One	COF	\$80.44	\$6.74	11.9	15%	0.1%	Buy
Constellation Brands	STZ	\$27.91	\$1.45	19.2	15%	0.0%	Hold Tightly
Fair, Isaac & Co.	FIC	\$44.85	\$1.75	25.6	18%	0.1%	Hold Loosely
First Data Corp.	FDC	\$40.41	\$2.09	19.3	14%	0.2%	Hold Tightly
Fortune Brands	FO	\$81.28	\$5.55	14.6	13%	1.6%	Buy Aggressively
General Electric	GE	\$33.65	\$1.76	19.1	14%	2.4%	Hold Tightly
Harley Davidson	HDI	\$47.05	\$3.09	15.2	15%	1.4%	Buy
Home Depot	HD	\$38.02	\$2.46	15.5	13%	0.9%	Buy Aggressively
Pfizer	PFE	\$25.00	\$2.13	11.7	15%	3.0%	Buy Aggressively
UniLever PLC	UL	\$42.41	\$2.79	15.2	11%	3.0%	Hold Tightly

Items in bold denote stocks that, in our opinion, hold the most promise.

Change your thoughts and you change your world.
~ Norman Vincent Peale ~

Things do not change; we change.
~ Henry David Thoreau ~

Only I can change my life. No one can do it for me.
~ Carol Burnett ~



A focus on career and life development issues for innovative professionals.

Excellence

"Excellence is never an accident; it is always the result of high intention, sincere effort, intelligent direction, skillful execution and the vision to see obstacles as opportunities."

The above was displayed prominently in an office to incite enthusiasm and commitment. I was thrilled to have spotted such a gem, and immediately wrote the insight down. A closer look at these words applies significantly to our lives.

High Intention: Think of a road-trip. Unless you really want to wander aimlessly around the country, it helps to have a destination and a map. But most people wander aimlessly through life – not unlike the mapless, "destinationless" traveler. Most people in the world are living someone else's agenda: the agenda that they got by "default." It would be most valuable to look at the different areas of life and ask "what is my intention?" Consider your family, business, spiritual practice, financial means, retirement, education, self-development, health, and social interaction. Most, by their own admission, are not living fully actualized lives. I submit that there is a lack of clear and focused inten-

tion and direction. What intentions could you add to the afore-mentioned areas?

Sincere Effort: Without clear direction, "sincere effort" is impossible. Efforts become more sincere when clear intention is established. We may do an adequate job of trying whatever it is we do because we are relatively un-inspired by what we're doing. But sincere effort flows naturally from high intention. Where, in your life, are you "hanging out" or "clocking time"? The answer indicates insincere effort, and presents an opportunity to create clear, focused intention.

Intelligent Direction: If intention is present, direction is paramount. Napoleon Hill, in his timeless classic *Think and Grow Rich*, recommends and promotes the "mastermind" group. The mastermind group is an assembly of like-minded individuals who provide counsel on, and participate in, the attainment of a worthwhile goal. It comprises individuals who act much like the directors of a large corporation: they provide guidance, advice and direction. The group provides possibilities that cannot come from one person.

Skillful Execution: Michael Jordan of basketball fame, practiced over ten hours a day, even at the height of his career. He stated that practicing the

wrong thing eight hours a day only makes you excellent at doing the wrong thing. How much practice are you devoting to the essential skills that bring you success? As a parent, how many hours a year do you devote to conversations that will enhance your relationships with your kids? If married, how many hours per week do you practice communication and relationship building skills that give you an extraordinary relationship with your spouse? If you're in sales, how many hours per day or week do you practice techniques for greater productivity? To really stand out, practice much more than you actually present or perform. From practice comes skillful execution.

Vision to see obstacles as opportunities: Humans tend to see in terms of "cause and effect". Think of the old adage "when life gives you lemons, make lemonade." Successful people have had to become adept at transforming problems into opportunities for benefit, value and profit. This comes from introspection, and the counsel of open-minded and visionary people.

Whatever the case, each of these areas provides opportunities and challenges. So grab some paper and a pen, and look at your life. Make some notes. Surprise yourself with what is available to you!



DISCOUNT DETECTIVE

Our analysts search out the best available discounts on the most attractive closed-end funds. These mutual funds trade like stocks but may sell for prices either higher or lower than the market value of their holdings. At significant discounts, they are value opportunities.

STOCK	NAV	PRICE	DISCOUNT
SWZ	17.41	14.80	-14.99%
ETF	12.85	11.03	-14.16%
GCS	18.88	16.24	-13.98%
MXF	31.91	27.68	-13.26%
SGF	10.89	9.35	-14.14%

Our top 5 picks among closed-end funds this month include three repeats from last issue: **Scudder Global Commodities Fund (GCS)** is booming forward with their investments in precious metal mining and oil and gas firms. We feel this sector still holds a lot of promise, especially with inflation looming.

Emerging Market Telecom Fund (ETF) remains a favorite for early entry into developing markets, as telecom is often the first sector to rise. **Swiss Helvetia Fund (SWZ)** also remains attractive.

New additions this issue are **Singapore Fund (SGF)** and **Mexico Fund (MXF)**. We have long been a fan of the Mexican market, and this fund's two largest holdings are two of our favorites: America Movil and WalMart de Mexico. The Singapore Fund caught our attention this month due to the large discount available over NAV, but our sources in that part of the world suggest that an economic recovery is well underway in that island nation. Singapore has been a great place for opportunity in the past, and if the downturn is truly over, more good results can be expected.

*Always bear in mind
that your own resolution to succeed
is more important than any one thing.
~ Abraham Lincoln ~*

Small World

by Tom Briscoe



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* Rare to nonexistent

