

FROM INTIMIDATION TO SUCCESS

By Marcelle Hobbs, ` May 2008

It wasn't until the fall of 1984 that I first heard of the National Association of Investors Corp. (NAIC) from a friend. We were both members of the American Association of University Women and decided to start an investment club. We were fifteen women who knew how to spell the word "stock" but knew very little about how the stock market worked.

At the time, there was no Chapter in Central Florida. Each time we had a question, we had to call NAIC headquarters in Royal Oak, Michigan. There was no toll free number that we were aware of and our pooled money was quite limited. It took us several months to get our partnership agreement and bylaws in place.

In early 1985, we ran into difficulties that today don't really trouble new clubs any more. No brokerage firm was interested in handling our small account and the local banks were just as skeptical. We were new as a group; we weren't big, rich or connected. Almost every brokerage firm was "full-service" and each bank charged huge monthly service fees because our account was so small.

Since education was the primary focus of our club, learning how to do the Stock Selection Guide (SSG) was a must. We split up into small groups and worked diligently trying to comprehend the SSG. After months of practicing, we finally completed our first stock study. All our work, of course, was done manually. A few of us had computers, but they were Apple II Es and there was no software available at the time to assist us in our studies. The company we selected as our first purchase was Wheeled Coach, a local entity that manufactured emergency vehicles. We liked the idea of buying stock in a company that was headquartered in our area.

But we still had several big obstacles to overcome. Who would handle our purchase? Nine months had passed since we had formed our club and we were all but shunned by the brokerage firms in town. A week passed and a friend of a friend of a friend knew of a female stock broker who was new in the business and was looking for clients. She accepted our account. We finally had a broker! We were well on our way to INVESTING!

However, we had another problem. We needed a bank. After considerable effort, personal contacts, string pulling and negotiating, Sun Trust agreed to take our account. They would charge us \$4.00 for each money order that would then be transferred into our brokerage account. As I look back on this experience, I wonder why everything was

so convoluted. Why wouldn't the brokerage company allow us to place money directly in an account? But we were inexperienced and I suppose the brokerage companies and banks were just as inexperienced dealing with an investment club like ours. In Central Florida, there just wasn't the fierce competition for brokerage and banking business as there is today.

Julia, our broker, deposited our money order and purchased fifty shares of Wheeled Coach. The commission was just shy of \$100. Each purchase we made was indeed an expensive proposition. What a shame so much of our funds were going to pay fees and commissions. In spite of all the turmoil we went through to purchase our first stock, we were ecstatic. We all had learned so much in the process.

When NAIC finally had a software program available for the SSGs, our club was adamant that this purchase was necessary. Even more so was the software program for accounting. Our poor financial partner would cringe whenever a company announced an upcoming stock split. This would require hours and hours of reworking all the numbers and coming up with the new valuations for each member. It was an ordeal to say the least.

We were very fortunate to take advantage of all the many instructional classes and investors fairs the Space Coast Chapter had to offer once it was up and running. We benefited greatly over the years with our local chapter, especially when we had struggled so mightily on our own when our group was still fairly new.

Our club disbanded just shy of its 30th anniversary. All of our members had gained so much confidence and knowledge over the years. We had long lost our feelings of being intimidated by brokers, bankers and CPAs. We succeeded as a club, as women and as individual investors. Every one of us, I believe, became a model to emulate among so many other women that we talked with about investing, or who heard of us in our local community. We weren't unique as an investment club, but we were a part of the evolution of women of our generation to advance the radical notion that women were people too, with courage, talent, ambition and initiative. WE achieved SUCCESS!