



THE MOTLEY FOOL®

To Educate, Amuse & Enrich

Fool's School

Fool Year Resolutions

Resolve to get a few important things done, and your financial future may end up much brighter.

- Get your financial house in order. If you're paying off your credit card bills in full each month, then charge away. But if you're borrowing on cards and accumulating debt, you're putting your financial security in peril. Eliminate all your credit card debt as soon as possible. (Let us help, at www.fool.com/credit.) You can call your card issuer and try to negotiate a lower rate. Or take out a less costly bank loan in order to pay it off. You'll never be able to grow a nest egg when you're paying 15 to 35 percent per year on your plastic.

- Vow not to buy any mutual funds without checking their five- or 10-year performance vs. the Standard & Poor's 500, a handy benchmark for the overall market. Most mutual funds underperform the market. Fund performance stats can be found at your library or at www.morningstar.com. You'll find other fund-evaluating tips at www.fool.com/mutualfunds/mutualfunds.htm.

- If you've never bought stock on your own before, vow to make one stock purchase of a company whose products or services you know and love. Look around your home or office, or think about where you shop frequently. Some company names are sure to pop up — perhaps FedEx, Wal-Mart, PepsiCo or McDonald's. Do some research. Call the company and ask for a free investor's package, featuring an annual report, among other informative documents. You should do a lot of research before investing a lot of money, but starting now with a little is a good way to get your feet wet. For suggested companies, visit www.fool.com/shop/newsletters and www.betterinvesting.org.

- Once you begin investing, keep learning more. Follow your holdings' news and developments at least quarterly. Track your performance. Invest for the long haul. Develop a strategy. Plan for retirement. And above all, don't forget to have fun. If you're not enjoying studying companies, stick with a simple stock market index fund. Details at www.fool.com/mutualfunds/indexfunds/indexfunds01.htm and www.indexfunds.com. ■

My Smartest Investment Banked On It

In 1976 I had a checking account at Franklin State Bank in New Jersey. The bank had a promotion deducting a voluntary amount from accounts to purchase bank shares. Before moving from New Jersey, I made 26 monthly purchases of \$25, for a total of \$650. Franklin was bought by United Jersey Bank, which became Summit Bank, which was purchased by Fleet Boston, which became Bank of America. Except for reinvesting dividends, I never added another penny to the \$650. By 2004, the investment was worth nearly \$50,000. Not a bad return! — Oscar F., Greenacres, Fla.

The Fool Responds: We should say not! Bank of America shares have plunged lately, amid our recent credit crisis and overall market swoon. But your profit is still north of \$20,000, and you may still reach new heights by hanging on. Of course, remember that if and when you find more promising investments, it's often smart to move your money into them, as long as you're not trading in and out of stocks too frequently. Patience has made many investors wealthy. ■



Do you have an embarrassing lesson learned the hard way? Boil it down to 100 words (or less) and send it to *The Motley Fool* c/o *My Dumbest Investment*. Got one that worked? Submit to *My Smartest Investment*. If we print yours, you'll win a Fool's cap!

Last week's trivia answer

In 1886, I was founded by a man as the California Perfume Co. I'm "the company for women," with a female CEO. I offered women an income long before they were allowed to vote. In 1939 I changed my name to the home of a famous European playwright. My more than 5 million sales reps distribute hundreds of millions of catalogs and sell beauty products, fashion jewelry and apparel in more than 100 nations. I'm the largest direct seller in the world, with annual revenues topping \$10 billion. My brands include Anew, Skin-so-Soft, Advance Techniques and Mark. Who am I? ■

(Answer: Avon)



Write to Us! Send questions for *Ask the Fool*, *Dumbest (or Smartest) Investments* (up to 100 words), and your *Trivia* entries to Fool@fool.com or via regular mail c/o this newspaper, attn: *The Motley Fool*. Sorry, we can't provide individual financial advice.

What Is This Thing Called The Motley Fool?

Remember Shakespeare? Remember "As You Like It"? In Elizabethan days, Fools were the only people who could get away with telling the truth to the King or Queen. *The Motley Fool* tells the truth about investing, and hopes you'll laugh all the way to the bank.

Ask the Fool

Signs for Buying Stocks

Q What are good signs for buying stocks?

— R.S., Pittsburgh

A If you're referring to the economy, it may seem counterintuitive, but a slumping economy can actually offer more stock bargains than an economy firing on all cylinders. In good times, stocks often get bid up beyond their intrinsic worth. In bad times, they can fall below their intrinsic value. There are bargains galore these days.

But not all stocks are alike. For any stock you're considering, you need to get to know the underlying company well, since you'll essentially be buying a piece of it — and its future. You should study its annual and quarterly reports, evaluating things like its debt load, profit margins, free cash flow and growth rates. Superinvestor Warren Buffett says he concerns himself with these questions when evaluating stocks: Can I understand the company? Does it have sustainable competitive advantages? Is the management exceptional? Is the price attractive?

Q I keep reading about "points" in financial articles. What are they?

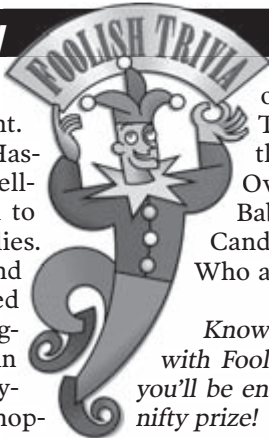
— P.V., Telluride, Colo.

A There are several different kinds of points in the financial universe. When securing a mortgage, in order to get a lower interest rate, you usually have the option of paying some points up front, each of which is 1 percent of the value of the loan. Indexes such as the Dow Jones industrial average or S&P 500 are often quoted in points, not dollars, even though their components may be stock prices. Finally, a "basis point" is one one-hundredth of a percentage point. So an interest rate that rises from 6 percent to 6 1/2 percent has advanced 50 basis points. We hope we've made our points. ■

Got a question for the Fool? Send it in — see Write to Us.

Name That Company

Based in little Rhode Island, I'm a global toy and leisure giant. I was founded in 1923 by the Hasenfeld Brothers and began by selling textiles, but soon moved on to pencil boxes and school supplies. I bought Milton Bradley in 1984 and Parker Bros. in 1991. I introduced GI Joe, the world's first "action figure," in 1964, and Mr. Potato Head in 1952. My brands today include Playskool, Tonka, Transformers, Monop-



oly, Cranium, Magic: The Gathering, My Little Pony, Nerf, Easy Bake Oven, FurReal Friends, Baby Alive, Trivial Pursuit, Candy Land, Life and Clue. Who am I? ■

Know the answer? Send it to us with *Foolish Trivia* on the top and you'll be entered into a drawing for a nifty prize!

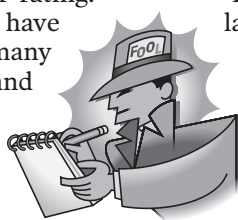
The Motley Fool Take

Kraft Foods

Enough top-performing CAPS members have turned bullish on Kraft Foods (NYSE: KFT) recently to boost it to the highest-possible five-star rating. A total of 1,673 members have weighed in on Kraft, with many of them offering analysis and commentary explaining the recent optimism.

As the largest North American food maker, Kraft has taken steps to cut costs and spend more on advertising to attract customers. Price hikes have also helped improve revenue, with Kraft's sales rising 19.4 percent to \$10.5

billion in the third quarter. The sale of the Post cereal brand helped earnings per share more than double, and management expects an easing of pressure from commodity price increases.



Investors are looking harder lately at large-cap stocks that pay a healthy dividend. In addition, stocks with strong retail value propositions are nice to have in portfolios during bad economies, thanks to their recession-resistant qualities. With Kraft holding both qualities, more than 93 percent of the CAPS members rating the company expect it to outperform the market. ■

BUSINESS BRIEFS

Fund raising meeting set for Jan. 13

The Gulf Coast Society of Fund Raising Executives will hold its monthly luncheon meeting and program on Tuesday, Jan. 13, beginning at 11:30 a.m. at the Broadway Palm Dinner Theatre.

For anyone wrestling with the best PR strategies to use to promote your business, organization or event, this meeting is for you.

"How to Get Your Story and Your Need Out to the Public; Use of Traditional and Non-Traditional Public Relations Strategies" will be co-presented by two area authorities on each subject.

Co-presenters will be Ginny Divine, president of Divine Events & Marketing and Kris McCoun, a consultant with DK consulting.

They will present an overview of traditional PR with non-traditional PR provided, what they are and how they work and their applications today.

This topic will become interactive after their presentation, when they will select a business card and an organization and create a case-study example illustrating the uses of traditional and non-traditional PR for that organization.

Lunch is \$16 for GCFSRE members and \$20 for non-members. For membership or other GCFSRE information, visit www.gcfsre.org

Reservations are required by Jan. 7.

For information or reservations, call 332-5346 or e-mail Nida@DrPiperCenter.org. ■

NOISE Inc. wins national awards

NOISE Inc., a multi-media branding communications agency, won three 2008 Hospitality Sales & Marketing Association International Adrian Awards of excellence for "Tween Waters Inn Island Resort (gold in E-Marketing) and Florida Repertory Theatre (two bronze in Advertising Campaign, and Integrated Web Marketing Campaign) at the national competition in November.

The "Half Crazy Super Sale" promotion was awarded the Gold HSMIA Award of Excellence for the client "Tween Waters Inn, focusing on a growing trend in Web marketing that included integrated e-blasts, Web banner advertising and landing pages. NOISE's overall campaign with Florida Rep was also presented with two Bronze Awards for advertising in print, Web, and interactive

media, and overall design and construction of the new FloridaRep.org Web site. The innovative Web site also showcases the creative content used in the Florida Rep ad campaign.

NOISE's work for "Tween Waters Inn and Florida Rep has been significantly honored over the past two years, including past HSMIA awards of excellence, as well as numerous Addy Awards.

"With great clients such as Tween Waters Inn and Florida Rep, it is easy to create meaningful award-winning work," says NOISE Chief Creative Officer John Sprecher. "It's a great honor to be able to contribute to our clients' successes, and we look forward to littering their walls with these finely-framed testimonials to our abilities." ■