



# THE MOTLEY FOOL®

To Educate, Amuse & Enrich

## Fool's School

### Good News in Bad Times

It's never a good feeling to see the values of 401(k) accounts, IRAs and brokerage accounts get thrashed.

Bear markets — commonly labeled as a decline in a market index of 20 percent or more — emerge every five years or so. The average length of a bear market is 15 months, with an average decline of just over 33 percent. By now, we are probably most of the way through this particular bear market. And the average bull market that rumbles in afterwards usually lasts for five years and yields 166 percent in cumulative gains. So avoid the urge to sell your stocks recklessly.

Better still, bear markets have a tendency to create serious bargain prices in top-quality stocks. After all, the business of most public companies has nothing to do with real-estate speculation. And there are loads of companies that have no leverage whatsoever. Why, we ask, should a company like Netflix see its stock fall 50 percent just because bankers and a small population of land specu-

tors ruined their financial lives through short-term greed?

In our opinion, if you're making regular contributions to your brokerage portfolio or retirement account, you're now picking up good stocks on the cheap. If retirement is still more than a decade away and you've got extra cash on the sidelines that you won't need for the next three years or so, allocate even more money to stocks during these tough times. Above all else, stick with a plan and keep investing.

Seek out good companies that can reinvest in their business, gobble up weakened competitors and grow their market share. These are the companies that will deliver huge rewards once the market turns and the economy gets back on its feet. Great companies will survive and thrive through any market cycle.

(Excerpted from the new book "Million Dollar Portfolio: How to Build and Grow a Panic-Proof Investment Portfolio" (Collins Business, \$27) by Motley Fool co-founders David and Tom Gardner. Learn more at [www.book.fool.com](http://www.book.fool.com). ■

## My Dumbest Investment

### An Expensive Rumor

I have had several dumb buys. My most recent was trading on a rumor about a big financial company. When news broke that a deal was going down in which banks were going to buy up shares of the firm, I bought 100 shares. When the dust settled and the deal was done, I had lost \$3 per share and the stock was still falling fast. At one point, I was down 34 percent in one week. It was a good learning experience. Don't trade on rumors. Just buy solid companies and hang in there.

— F.L., online

**The Fool Responds:** We agree. Remember that there is always a chance that a rumor has been started by someone who stands to gain from actions people will take in response to it, whether it's true or not. This is especially true with penny stocks, whose prices can be relatively easily manipulated. Even when a rumor is true, it may not pan out. Two companies may be discussing merging, for example, but they may ultimately decide against it. ■



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

Founded in Milwaukee in 1948, I'm a world leader in employment services, specializing in recruitment, assessment, training and more. I've got 4,500 offices worldwide and serve 400,000 employers annually. My largest market is France, followed by America. I helped get women employed in the 1960s with my "White Glove Girl" marketing campaign. My brands include my own name as well as Elan, Jefferson Wells and Right Management. In 2007, I placed more than 5 million people in temporary or contract jobs and raked in more than \$20 billion. You might call me Personbrawn or Humanenergy or Beingforce. Who am I? ■

(Answer: Manpower)



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](mailto: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

### Who Does the Buying and Selling?

**Q**OK, the market goes up and down because of the buying and selling of stocks. But exactly who's doing all the buying and selling?

— T.K., Akron, Ohio

**A** Many buyers and sellers are individual investors like us, placing small trade orders through our brokerages. Then there are the institutional investors, such as mutual funds, pension funds, banks and insurance companies. These big guns can account for two-thirds of the activity in the market on a given day.

Stock prices fluctuate due to supply and demand. If a stock is in great demand, its price will rise. If it falls out of favor, there will be lots of sellers, and the price will keep falling until it hits levels at which others will buy.

One way small investors have an advantage over big investors is that they can discover a small gem and invest in it early. When institutions eventually start buying (they often can't get too involved with very small companies), they'll drive its price up, benefiting the smaller, earlier investors.

**Q**Where can I find the highest available rates for certificates of deposit (CDs)?

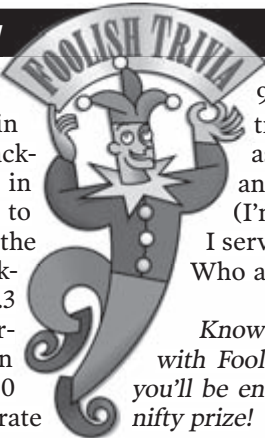
— P.D., Macon, Ga.

**A** Just click over to [ww.bankrate.com](http://ww.bankrate.com) and click on "CDs and Investments," and you'll find some of the best deals for CDs. Last time we checked, you could earn more than 4 percent (in annual percentage yield) on a one-year CD and 3.75 on a six-month one. You don't have to live in the state or city where you invest in a CD, so don't think you're stuck accepting your neighborhood bank's less attractive deal. A little research could pay off. Learn more about short-term savings at [www.fool.com/savings/savings.htm](http://www.fool.com/savings/savings.htm). ■

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

## Name That Company

I was born in Seattle in 1907 and am now headquartered in Atlanta. The world's largest package delivery company, I rake in some \$50 billion per year, thanks to my 425,000 employees around the world. I deliver 15.8 million packages and documents each day, 2.3 million by air and 1.9 million internationally. I serve about 8 million customers daily, in more than 200 nations and territories, and I operate



99,500 package cars, vans, tractors and motorcycles, as well as 266 jet aircraft and 307 chartered aircraft. (I'm the 9th largest airline.) I serve more than 800 airports. 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

### Best Buy Feels the Pinch

In a "difficult economic environment," Best Buy (NYSE: BBY) reported third-quarter earnings down a whopping 77 percent, though revenue rose 15.8 percent to \$11.5 billion. Gross profit margin increased to 24.9 percent of revenue, and market share advanced by 1.7 percent.

In this tough environment, the company is offering voluntary severance packages to employees, with involuntary layoffs possible later, if needed. In addition, Best Buy plans to slash its capital spending by 50 percent next year. As part of that plan, it will slow the pace of new store openings in the U.S., Canada and China. Cutting spending in response

to covering consumers and shrinking demand seems like a must for smart companies right now.

The company stands to benefit from the bankruptcy of competitor Circuit City, but it's also competing with Walmart, which has been slashing prices on its electronics offerings. Meanwhile, Best Buy is expanding its digital music business by buying Napster.

Trading at just nine times earnings, Best Buy is best in its class and tempting at recent prices. Still, shareholders might want to steel themselves for some rocky times in the short term. (The Fool owns shares of Best Buy.) ■

## BUSINESS BRIEFS

### Commercial real estate

►VIP Commercial/TCN Worldwide announced the following transaction:

Equity Properties Asset Management, Inc. signed a long-term lease for a 5,050-square-foot garden-style office building at 6224 Whiskey Creek Drive from Hole Montes, Inc. Paul Sands of VIP Commercial/TCN Worldwide negotiated the transaction.

►RE/MAX Realty Group Commercial Division announced the following transactions:

**First Community Bank of SW Florida** sold a 16-acre tract with a 3,300-square-foot building at 6740 Rich Road, North Fort Myers, to Rich Road Properties, LLC

for \$165,000. The sale was brokered by James B. McMenemy, RE/MAX Realty Group Commercial Division, Fort Myers.

**Lyke Properties, LLC** sold a 7,200-square-foot leased two-story office building at 16521 San Carlos Blvd., Fort Myers, to JCM Alliance, LLC for \$1,025,000. The buyers will use a portion of the building for its new business, Sun Communications of Indiana. The sale was brokered by James B. McMenemy, RE/MAX Realty Group Commercial Division, Fort Myers. ■

### Commercial construction

►J.L. Wallace Inc. has started construction of a 22,000-square-foot education building for Cape Christian Fellowship, a non-denominational Christian church

located at 2110 Chiquita Blvd. in Cape Coral. The new building highlights the growth of the church in a difficult economic environment and allows for additional services to be offered to its members, including children and youth assemblies and daycare services. Fred Barry of J.L. Wallace is the senior project manager, Dennis Tyeryar is project superintendent and Robbyn Spears is project manager assistant. Architectural design services were provided by Titsch & Associates. ■

### Lee BIA hosting contractors trade show

►Lee Building Industry Association's Commercial Contractors Council presents its 2009 Contractors Showcase on Thursday, Jan. 22, at the Three

Oaks Banquet Center in Estero. This national award-winning trade show brings in more than 500 attendees each year and hosts more than 55 exhibitors, ranging from commercial and residential builders, to a wide variety of subcontractors and industry vendors. The event affords industry professionals the opportunity to get valuable face time with business contacts in the building industry.

Attendees must RSVP by Jan. 16 by visiting [BIA.net/ContractorsShowcase.html](http://BIA.net/ContractorsShowcase.html) to download reservation forms or call the Lee BIA office at 936-5525.

Event Sponsors include: Doyle Electric Services, Owen-Ames-Kimball Company, Wright Construction Group, Vila & Son Landscape Corp., MCIM, Cement Industries, B & I Contractors, and Taylor Elevator Corp. ■