

Value Investment Partners

February 18, 2009

To: All VIP Club Members
From: VIP Executive Committee
Subject: Proposed Stock Candidate Procedure Revisions
For Discussion and Vote at: VIP Monthly Meeting, March 2, 2009 1pm

The VIP Executive Committee met, and is recommending the following Stock Candidate Selection Procedure for VIP:

1. This new procedure is to be used by all Members wanting to nominate Candidate stocks to the Portfolio Manager (PM), for further study and Stock Selection Guide preparation, by the PM.
2. We propose that Manifest Investing (MI), plus stock price chart analysis be used.
3. Manifest Investing has offered to sell us 8 copies of MI for \$49/yr each, or a total of about \$400. The club would pay this expense from club funds.
4. The 8 copies would be furnished to Members who would commit to using it, and who also would agree to do analysis for those who do not have a copy.
5. Suggested distribution would be: President, Portfolio Manger, Secretary, plus any 5 of the remaining 13 members agreeing to use it regularly for both themselves and to help others. If more than 5 members want MI, there will be a name drawing.
6. The remaining members who do not have a copy of MI could call any member who does have one and ask them to run an MI analysis for the Member. It is assumed that all members have access to a stock charting program such as Yahoo Finance.
7. Candidate requirements would be:
 - a. MI Quality in the Blue or Green range
 - b. MI PAR in the Yellow or Green range (Note: Both of these ranges change numerically, as market conditions change)
 - c. Price Chart – The stock's weekly closing price crosses above the 200 day MA
 - d. Price Chart – The stock's 200 day MA must be rising (up sloping)
8. This trial procedure would remain in effect for one year, and be re-evaluated then for continuation, before the 8 MI subscriptions were renewed.
9. The PM would organize a class regarding the use of MI, and also cover the criteria to be used in Candidate nomination.
10. The PM would develop a procedure (and form if needed), for reporting the results of any member's analysis of Candidates back to the PM. The data feedback must allow the PM to be able to reconstruct the member's results.
11. The final version of this procedure will be communicated to the Members for a vote, and can then be used for a one year Trial period. Adjustments will be made as needed. If the procedure remains in effect beyond the one year trial, it will then be incorporated into the club's written Operating Procedure document.