

Stock Selections & Timing

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Rallying off the Recovery

Over the last year, as the stock market discounted the recovery, the economic news has slowly turned from bad to neutral to sort of positive. The news trend is positive.

Fiscal and monetary stimulus programs worked as they should.

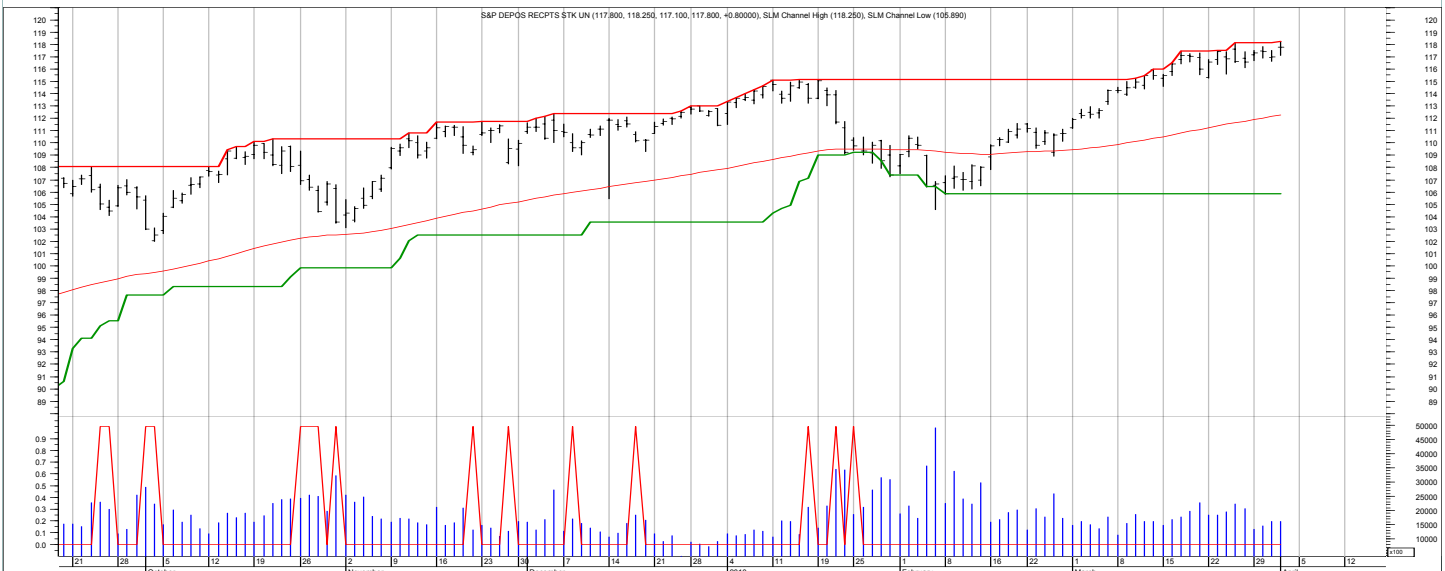
What will be interesting is to see what happens with those

fixcal programs in the years ahead. Hopefully, like with the Fed who will eventually start to raise rates, we hope Congress will also have the intelligence to truthfully scale back spending. The reason for doing both things is to have the reserves in place in case something happens again. And it will, expansions lead to overcapacities that lead

to recessions. It's the nature of capitalism. I wouldn't want it any other way, but Congress needs to wake up. Deficits are not immeasurable.

Okay, off the soapbox.

The stock market continues to move higher and the main trend is up. I expect this to continue over the next year.



The chart is the daily S&P 500 with green line a 200-day moving average.

SCOREBOARD

Model	YTD	52-week	26-week	13-week	4-week	1-week
Stock Portfolio	1.3%			1.3%	0.3%	0.3%
Dow30 Portfolio	4.9%			4.9%	3.1%	2.9%
Wilshire 5000	5.8%			5.8%	2.7%	0.2%
Dow Industrials	4.8%			4.8%	3.4%	0.7%

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Stock Portfolio

ACTION FOR			PORTFOLIO DETAILS			Value as of date: 3/5/2010						
Action Dates	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
2/8-2/12	buy	TIII	1.28	7,813	10,000	TIII		1.28	1.40	7,813	10,938.20	10.8%
2/22--	buy	DRAD	1.95	5,128	10,000	DRAD		1.95	2.03	5,128	10,409.84	10.3%
4/5 -	buy	ECGI	0.98	10,204	10,010							
						Money Market		1.00		80,000	80,000.00	78.9%
						Total Valuation=					101,348.04	100.0%

REVIEW since last issue

Initiating a new buy on ECGI. See page 4 for details.

Dow 30 Portfolio

ACTION FOR			PORTFOLIO DETAILS				Value as of date: 3/5/2010					
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
20-Jan	buy	DIA	106.02	471.61	50,000	DIA		103.83	109.28	771.04	84,259.25	80.3%
	at close					T		25.18	26.11	120	3,133.20	3.0%
						VZ		28.70	31.28	105	3,284.40	3.1%
8-Feb	buy	DIA	100.19	299.43	30,000	PFE		17.86	17.08	167	2,852.36	2.7%
8-Feb	buy	T	25.18	120	3,026	CVX		70.89	76.69	43	3,297.67	3.1%
8-Feb	buy	VZ	28.70	105	3,032							
8-Feb	buy	PFE	17.86	167	2,997	XOM		65.11	67.61	46	3,110.06	3.0%
8-Feb	buy	CVX	70.89	43	3,023							
8-Feb	buy	KO	53.69	57	3,051							
8-Feb	buy	XOM	65.11	46	3,028							
22-Feb	sell	KO	55.38	57	3,167							
						Money Market		1.00		5,010	5,010.00	4.8%
								Total Valuation=		104,946.94	100.0%	

Company	Symbol
Alcoa	AA
American Express	AXP
Boeing	BA
Bank of America	BAC
Catepillar	CAT
Cisco	CSCO
Chevron	CVX
DuPont	DD
Disney	DIS
GE	GE
Home Depot	HD
Hewlett Packard	HPQ
IBM	IBM
Intel	INTC
Johnson & Johnson	JNJ

Company	Symbol
JP Morgan	JPM
Kraft	KFT
Coca-Cola	KO
McDonalds	MCD
3M Company	MMM
Merck	MRK
Microsoft	MSFT
Pfizer	PFE
Proctor & Gamble	PG
ATT	T
Travelers	TRV
United Technologies	UTX
Verizon	VZ
Wal-Mart	WMT
Exxon Mobil	XOM

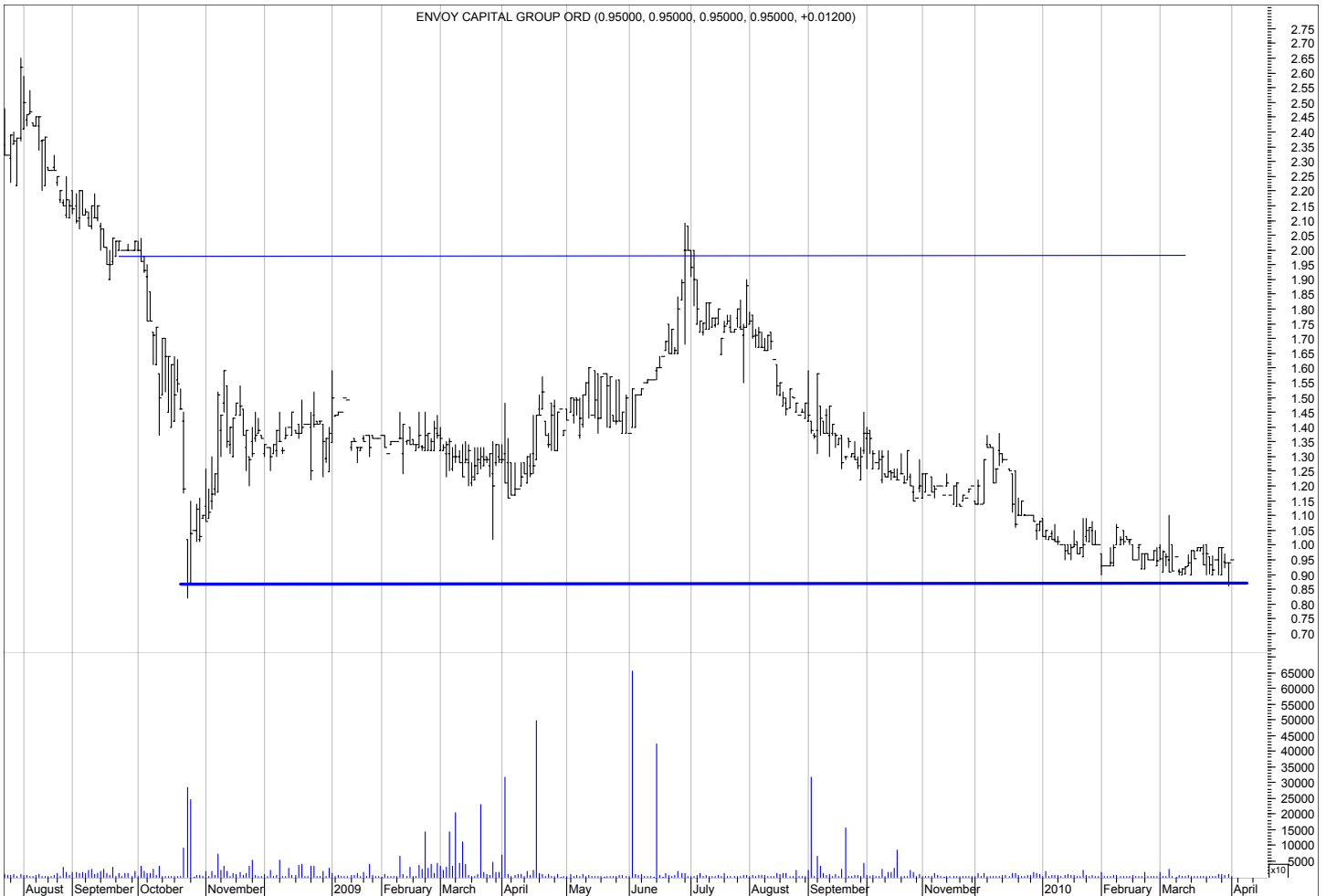
For this portfolio, we seek to outperform the Dow Industrials using proprietary timing and weighting formulas of the underlying thirty stocks of the Dow Industrials. We also will use the ETF that tracks the same. The symbol is DIA.

We monitor the underlying individual stocks for buys and sells in order to overweight the portfolio to what is expected to outperform and underweight the portfolio with what is expected to underperform.

REVIEW since last issue

No changes.

Feature Company



ECGI (Nasdaq, \$0.98).

Envoy Capital Group is a company in need of a buy out. Its market valuation is about 50% of its net cash in the bank.

What's the problem?

Management fancies themselves as investors. Their move into the stock market has brought nothing but losses. They need to shut down the division.

The other division is retail oriented. It can do much better than it has. Unlike the investment business, this division has

promise. If nothing else, it could easily be sold off to a strategic buyer.

What's ECGI worth than? We know it trades under a buck, but what's our potential as investors?

I should mention that the company is domiciled in Canada, but files with the SEC (sec.gov).

It has 8.6 million shares out, giving us a market cap of \$8.6 million at \$1.00/share.

Net cash is \$15.5 million. Between another \$1m in real estate

and \$1m in receivables, they cover all liabilities.

The retail end generated about \$6 million at roughly breakeven. It could be very profitable to the right owner. Potential value adds another \$0.50.

So, fair value for the stock is around \$2.40.

Accumulate below \$1.00 with a target to double within a year.

Descriptions & Disclosures

PORTFOLIO DESCRIPTIONS (pages 2 and 3)

Our guiding goal is to provide the most return with the least risk.

The portfolios were started on 1/1/10 with \$100,000.

Portfolio changes will usually be made either at the close on Monday (the day this eNewsletter is posted), unless otherwise noted.

Portfolios are updated through the preceding Friday's close.

Dividends are paid in cash. Interest is zero for the money market (cash) position.

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