

THE \$50 A MONTH MILLIONAIRE



Your Path to Wealth

www.statonfinancial.com

The \$50 a Month Millionaire

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Portfolio Management / Speeches / WealthBuilding Seminars
Bill Staton, MBA, CFA, America's Money Coach®
Mary T. Staton, MBA, CEO

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www.statonfinancial.com or [click here](#).

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Dear Friends,

After four-plus decades in the financial-services industry, we've come to realize financial success can be achieved using three simple principles: Save more (by wasting less). Give more. Invest wisely.

Our OVERSIZED dream has always been to help as many people as possible become financially independent. With that dream in mind, we developed this booklet. We're giving it away to anyone and everyone who wants it, no cost.

(You may also sign-up for our FREE "Your Money & Your Life" newsletter with a simple [click here](#).)

We can clearly visualize reaching at least 10 million individuals with this simple but powerful wealthbuilding material. So we ask that you please pass on The \$50 a Month Millionaire to everyone in your email database – family, friends, business associates, company employees, local churches and charities. As many people as you possibly can.

Urge them to download it and send it on to as many people as they can. Together, let's do something to benefit others - let's get The \$50 a Month Millionaire circulating freely around the globe. With your help, it shall be done.

To get the ball rolling, we've emailed this PDF to about 10,000 people. If each of them sends it to 10 people, that's 100,000. If 100,000 send it to 10, that's 1,000,000. If the 1,000,000 send to 10 more, then presto zingo, 10 million people will have The \$50 a Month Millionaire.

.....
***"Do all the good you can,
by all the means you can,
in all the ways you can,
in all the places you can,
to all the people you can,
as long as ever you can."***

*John Wesley (1703-1791)
founder of the Methodist church*
.....

Yours in Wealthful Living!



Bill Staton, MBA, CFA
America's Money Coach®



Mary T. Staton, MBA, CEO/CCO

P.S. Besides passing on this booklet to everyone you care to share with, we ask that you consider a donation of at least \$50 to the charity or place of worship of your choice. You'll be really glad you did.

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The \$50 a Month Millionaire: Your Path to Wealth

"All there is to investing is picking good stocks at good times and staying with them as long as they remain good companies."

Warren Buffett, the world's wealthiest investor

The March 8, 2010 Wall Street Journal began an article this way, "She lived in a tiny one-bedroom cottage in Lake Forest, IL. She bought her clothes at rummage sales, didn't own a car and worked most of her life as a secretary for a pharmaceutical company.

"Yet after her death at age 100, Grace Groner left Lake Forest College a gift of \$7 million to be used for scholarships. The money came from three shares of stock she bought (for \$180) – and held on to in 1935."

You could say that Ms. Groner was extremely lucky to have parlayed such a small amount of money into a small fortune, and perhaps you would be right.

But it's also true that she tended to be careful with her money, practicing the Benjamin Franklin dictum "waste not, want not." She was a prudent spender and lived small, not large, with her money. She was also the consummate saver.

We coach people how to make the most of the



"In the big book of things people more often do wrong than right, investing must certainly top the list, followed closely by wallpapering and eating artichokes."

The Money Book of Money, 1987

.....
money (even small amounts) they have in the least amount of time with the least amount of risk.

"You want to know if you will be rich. The answer is, 'Can you save money?'"

Andrew Carnegie, founder of U.S. Steel and one of the wealthiest men of all time

We also manage investment portfolios (especially retirement plans) for individuals, couples, entrepreneurs and small businesses through Staton Financial Advisors LLC (www.statonfinancial.com).

But one of our greatest joys is sharing our investing knowledge with high-school students as volunteer consultants in Junior Achievement's Applied Economics course. Another is volunteering to teach jail inmates and the economically disadvantaged how they can enjoy bright financial futures even though they don't have much money.

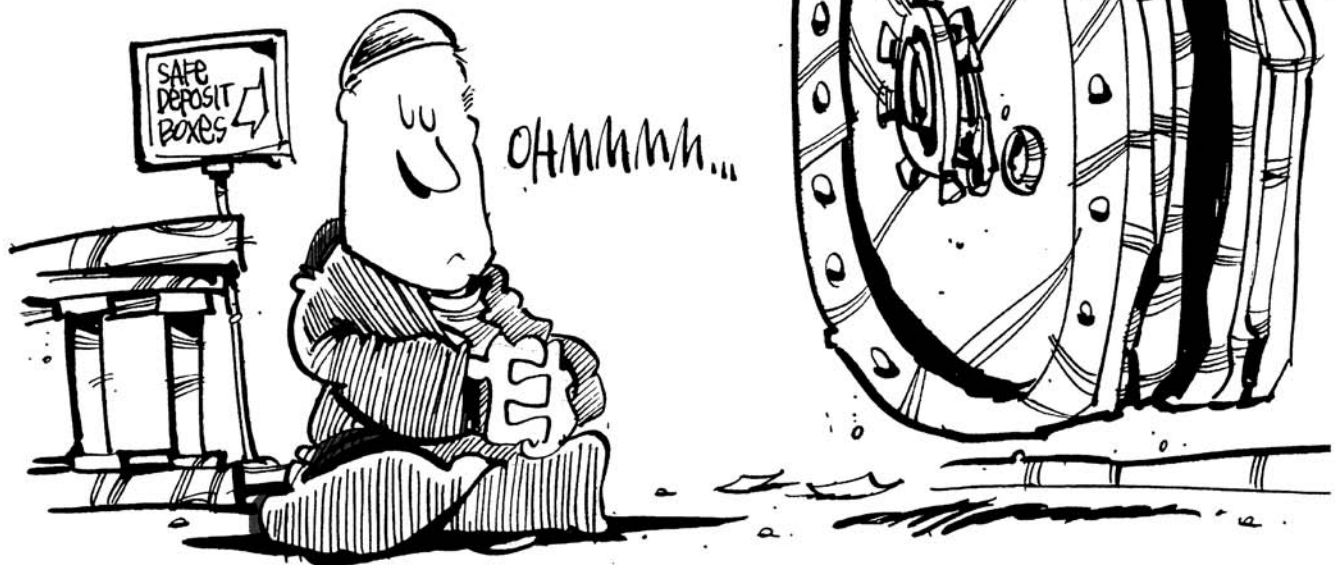
We want everyone to know what we didn't know when we were 18:

- We didn't know what investing was or how to do it.
- We didn't know how to become wealthy on as little as \$50 a month.
- We didn't know that if we started with, and stuck to, a simple investing plan like this one, we could have more money than we'd ever need.

For close to 25 years we've been asking high-school juniors and seniors how much money they "waste." The answer is always the same: \$15-25 a week, \$60-100 a month. This isn't money they scrimp to save. It's money unaccounted for; they have no idea where it goes. One student called it "crack" money. When we asked, "Oh, the money you spend on illegal drugs?" He laughed and replied, "No, I'm talking about money that disappears because it slips between the cracks."

The numbers above are from teenagers. Wouldn't you say that adults waste far more?

By saving just the "wasted" money, \$50 per month or more, a person will accumulate at least \$600 a year. That's more than enough to begin and maintain our powerful, time-proven program to safely (and conservatively) double your money every five to seven years.



"There is a certain Buddhist calm that comes from having money in the bank."

Tom Robbins

How Easy Is It to Save at Least \$50 a Month?

Maybe a lot easier than you think. At least that's what our students tell us, even the ones who hold minimum-wage, part-time jobs. One of the simplest ways we know is to dump your pocket change into a large jar at the end of each day. A couple who does this should accumulate between \$500-600 by the end of 12 months. How do we know? Because we do the same thing for our grandson Austin. Each time we accumulate at least \$50, we invest it wisely for his future the identical way laid out in these pages.

"Beware of little expenses: a small leak will sink a great ship."
Benjamin Franklin

"Never spend your money before you have it."
Thomas Jefferson

If you want to know where a lot of your "wasted" money goes, carry a small pad (even a 4x6 blank card) and a pen with you for several days. Every time you spend more than \$1.00 by cash, credit/debit card or check, write down what the money went for and how much you spent. You'll be amazed at the number of unsuspected "leaks" in your financial ship. Just by plugging some of these leaks almost anyone with earned income should be able to save \$50 dollars and more per month.



"Every morning I get up and look at the Forbes list of the richest people in America. If I'm not there, I go to work."
Robert Orben

Buy Less, Save More



"I had plastic surgery last week. I cut up my credit cards."

Henny Youngman

We recently read an article about consuming less while conserving more, especially energy. It stated: "Energy is consumed in the manufacturing and transport of everything you buy. A good way to reduce the amount of energy you use is simply to buy less. Before making a purchase, ask yourself if you really need it."

As a family, we work at wasting less of everything, including money, but we've never thought much about saving energy simply by buying fewer things produced with energy. That line of thinking leads us to see how much we can gain by wasting a few dollars less and investing them wisely into some of America's finest companies.

As an example, we started investing small amounts of "saved dollars" upon the birth of our grandson who's now eight.

If you have a newborn child or grandchild, you can get started right away on The \$50 a Month Millionaire investing program. At \$50 per month until age 30 (with compounding at 13% each

year), the child could have \$221,032 then, \$3 million at age 50, and \$10.9 million by age 60. Fifty dollars a month for 60 years is a total out-of-pocket investment of only \$36,000, but it might turn into more than 300 times that amount using our methodology.

Everybody we know, including us, easily wastes a lot more than \$50 every month. We believe you probably do as well.

For many of you, your parents or grandparents did not set you up with a portfolio when you were born nor help you set up your own portfolio as a youngster.

Now let's say you're 40 and have done nothing for retirement. Could you invest \$200 a month? If so, by age 70 it could be worth \$884,128, and at age 80 \$3.27 million – if – you use the elegantly simple and powerful method we're outlining in these pages. Just remember: It's never too late to start. And, the sooner you start, the better off you'll be.

How Many Years Before Your Money Runs Out?

Annual Withdrawal Rate (%)	Annual Interest or Growth Rate (%)											
	4	5	6	7	8	9	10	11	12	13	14	
6		36										
7		25	33									
8		20	23	30								
9		16	18	22	28							
10	14	15	17	20	26							
11	12	13	14	16	19	25						
12	11	11	12	14	15	18	23					
13	9	10	11	12	13	15	17	21				
14	9	9	10	11	11	13	14	17	21			
15	8	8	9	9	10	11	12	14	16	20		

This chart shows you how long a given amount of money earning a certain rate of return will last. As an example, let's say you have \$100,000 in investments earning 8% a year (after tax), and you're going to withdraw \$10,000 (10% of the beginning principal) each year. Go down the column "Annual Withdrawal Rate" to 10 and then across the "Annual Interest or Growth Rate" row under the number 8. At that intersection is the number 26. That's how many years your after-tax dollars will last.

Getting Started

“Don’t gamble! Take all savings and buy some good stock and hold it till it goes up, then sell it. If it don’t go up, don’t buy it.”

Will Rogers

How would you like to own one or more of the finest, highest-quality, most profitable businesses in America? It would be a lot of fun and financially rewarding too, wouldn’t it? Most of us don’t have the time, the money or the knowhow to actually start our own businesses, but we can take advantage of the next best thing — becoming part owners of the crème de crème of American industry.

.....
“I want to be in businesses so good that even a dummy can make money.”

Warren Buffett

.....
How do you get started? By buying shares (your portion of ownership) of the companies’ stock. Thanks to the miracle of compound interest, a young shareowner embarking on our \$50/month investment program at age 18 could accumulate between \$879,047 and \$1,624,949 by age 60 (based on financial history). That’s only \$25,200 in actual dollars invested throughout a 42-year period, yet even that small an amount might make him or her a millionaire.

Our friend Pat H. enjoys helping other people through her many church activities. She bought 100 shares of [Exxon Corp.](#) (then known as Standard Oil) in 1954, reinvested the dividends and contributed \$25 a month to buy more stock. By 1971 she and her husband had acquired enough Exxon shares for a down payment for their first home even though they were investing only \$300 a year. And that was 40 years ago. Since then, the company (now [ExxonMobil](#)) has continued to grow and prosper. It is one of the largest, strongest corporations in the world with the highest credit rating possible – investment grade.

“Investment must be based on thorough analysis and must promise safety of principal and a satisfactory return. Lacking one of these, it is a speculation.”

Benjamin Graham, who died in 1976, was a highly successful money manager, author of [The Intelligent Investor](#), and Warren Buffett’s professor at Columbia University

Here’s a story about Bill’s dad, Harold, who attended the University of North Carolina during the Great Depression. Harold had a fraternity brother who traded 100 shares of [Coca-Cola](#) stock for a used Buick in 1932. If that fraternity brother happens to still be alive, he doesn’t even want to know how much the 100 shares are worth today – approximately \$10 million and that’s without dividends.

Buying and owning stocks (shares of companies) in the most successful, profitable companies is fun. Not only can you make a lot of money, but you can also contribute to the bottom lines of the companies you own. For example, you can buy natural gas from [Piedmont Natural Gas](#) (if you live here in Charlotte), drink a [Coca-Cola](#)

or [Pepsi](#), brush your teeth with toothpaste from [Colgate-Palmolive](#), wash your clothes with Tide from [Procter & Gamble](#) and cook with spices from [McCormick](#).

Another reason stocks are fun is that you, the investor, receive quarterly shareowner reports, plus an annual report, which can be entertaining and usually tell what the company has been doing and might do in the future. It's not necessary to study these reports, but we suggest at least reading the president's letter each year.

As a shareholder, you can attend the yearly meetings of the companies you own. Although it's doubtful you'll go if they're out of town, it would be an excellent learning experience to attend one or more.

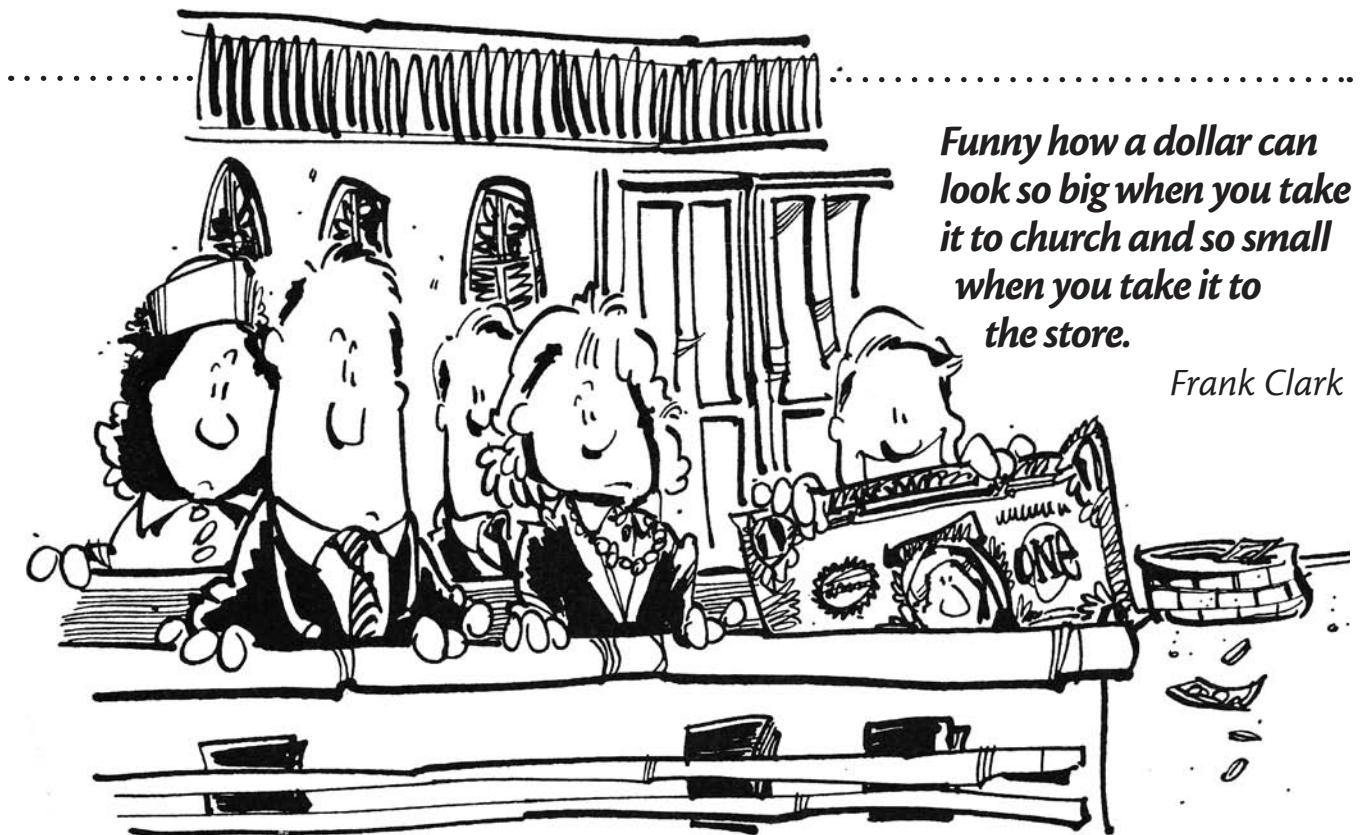
US Stocks Rock

Stocks historically have always made more money than any other investment, including real estate, over the long term.

For more than 100 years, U.S. stocks in general have outpaced the rate of inflation by some six-to-seven percentage points per year. In his book, *Stocks for the Long Run*, Dr. Jeremy Siegel from The Wharton School at the University of Pennsylvania (the oldest business school in America and where Bill received his MBA) says stocks are the #1 investment choice and, surprisingly, not as risky as bonds and cash.

In Bill's book, *Double Your Money in America's Finest Companies®: The Unbeatable Power of Rising Dividends* (John Wiley & Sons, December 2008), he showed research from Dr. Siegel.

One dollar invested in stocks from 1801 through 2006 grew to \$755,163 after deducting inflation. That same dollar grew to only \$1,083 in bonds, \$301 in Treasury Bills and to just \$1.95 in gold. (Sadly during that 205-year period, the value of the dollar shrank to under \$0.06 because of the ravages of inflation. Today it's worth less than a nickel.) Siegel has written, "The superior performance of U.S. equities over the past two centuries



is not a special case. Stocks have outperformed fixed-income assets in every country examined and often by an overwhelming margin. International studies have reinforced, not diminished, the case for equities."

"To achieve satisfactory investment results is easier than most people realize."

Benjamin Graham

To start your personal path to wealth, you first buy one or more high-quality dividend-paying companies which offer cash-dividend reinvestment plans (DRPs). A cash dividend is a sum of money paid out of earnings to shareowners of a corporation.

What do other experts say are some reasons to stick with cash dividend-paying companies?

Charles E. Babin of State Street Global Advisors authored the 1999 business book *Investing Secrets of the Masters*. He observed: "There's a school of thought that says dividends are strictly for old fogies and tax-exempt entities, and that smart investors should think only about capital gains [stock-price appreciation]. I don't subscribe. I think dividends do matter and that paying attention to them will improve your odds of getting capital gains.

"The key is to find stocks that consistently raise dividends year after year. Dividend hikes are the kind of news that feeds [stock-price] appreciation."

Laurence H. Sloan, the man who founded Standard & Poor's investment services, noted way back in 1931, "An unbeatable combination is a stock with a hefty [dividend] payout and an ability to keep raising it."



"You can't expect to hit the jackpot if you don't put a few nickels in the machine."

Flip Wilson

Because many of America's finest companies have outperformed the stock market in the past (given enough time and patience on the part of investors), a portfolio of their stocks could grow 13-15% annually, some 3-5% faster than the typical stock, and potentially double in value roughly every five to seven years. **Fifty dollars per month growing at 13-15% will be worth:**

\$12,488-14,010 at the end of 10 yrs.

\$54,881-70,686 at the end of 20 yrs.

\$198,789-299,974 at the end of 30 yrs.

\$817,717-\$1,570,188 at the end of 40 yrs.

Even if a person waits until she's 25-30 years old to begin investing in America's finest companies, she can still build up to \$1 million and more by the time she's 65-70 yet never invest more than \$50 each month. At \$100 per month instead of \$50, it's possible to achieve millionaire status in 32 years rather than 40. At \$200 per month, the number of years can be further cut to 28.

Starting a Legacy

We encourage parents and grandparents to begin The \$50 a Month Millionaire program for their children and grandchildren as early as possible. When Bill's two children were born, he opened and funded a "custodial" account at a brokerage firm for each child within the first week of life. His daughter Gracie's portfolio paid for her private-school education starting at age five. Upon graduation from high school in 1996, there was still enough money to pay much of her costs at Hollins University for the next four years.

Fifty dollars per month (beginning at birth earning 13% annually) will be worth \$43,161 by the time a child turns 19. If no more contributions are made and the money continues growing at 13% (taxes excluded),

it will be worth \$2.2 million at age 50; \$7.3 million at age 60; and an astonishing \$24.8 million at age 70.

These numbers may seem impossible, particularly in light of the poor overall performance of so many stocks during the last eight to 10 years. We point out, however, that Standard & Poor's index of 500 stocks grew at 9.9% annually (price appreciation and reinvested dividends) between 1925 and 2010, an 85-year span. At that rate, money doubles in a little more than seven years.

For the last 30 years through the end of 2010, the annual stock-market return was significantly higher at 10.7%. Given that rate, money doubles in just a little more than six years.

Furthermore, highest-quality stocks outdistanced the overall market by some 40% annually over that 85-year period. That's how we came up with 13-15% a year returns, of course given enough time.

By starting to invest early, almost anyone can become a millionaire on just \$50 a month. Where else can you get that kind of return from such a small amount of money and so little time invested — plus have fun doing it?

"It can be determined by statistical analysis that stock price changes are often more closely related to dividend changes than to changes in reported earnings."

Jerome B. Cohen and Edward W. Zinbarg, Investment Analysis and Portfolio Management, Homewood IL: Richard D. Irwin, 1967, p.221

You Can Do It Yourself

“The beauty of a simple financial strategy is grossly underrated.”

*Bill Staton (famous in his own words)
money expert*

One of the great innovations for do-it-yourself investors is **direct investing** wherein you make your initial purchase(s) of stock either online or by phoning and getting the simple enrollment form for each company you choose to invest in. You'll be enrolling into a company's Dividend Reinvestment Plan (DRP).

Almost all companies that pay dividends pay once per quarter. After you've signed on for a company's DRP to make the initial direct investment, the **next** time a cash dividend is paid it will be used to buy whole and fractional shares (to the third, fourth or sometimes sixth decimal points) **instead** of being sent to you. When your dividend is reinvested through a DRP, the company uses your money (your cash dividends) to help it grow. You benefit by

increasing the number of shares you own. By investing direct, you can make a small amount of money go further and build an excellent, well-diversified portfolio (group) of stocks.

For less than \$2,000, you can get started on the portfolio below that's diversified across eight different industries.

Comparatively speaking that's not a lot of money to come out of the investment starting gate with a very high-quality group of stocks. And it's less than you'd be required to shell out to purchase shares of many stock-mutual funds.

You simply go to each company's web site and find Investor Relations, Investors, Shareholders or similar language on the home page. Click on that and you can gather information about each company's dividend-reinvestment plan. You can then sign up online or call the number provided for an information packet.

Company	Minimum Initial Investment	Industry
Badger Meter	\$100	Manufacturing
Becton, Dickinson	\$250	Medical Products
Essex Property Trust	\$100	Real Estate Inv. Trust
ExxonMobil	\$250	Oil and Gas
MGE Energy	\$250	Electric Utility
PepsiCo	\$250	Soft Drinks/Foods
Procter & Gamble	\$250	Household Products
Wal-Mart Stores	\$250	Retail
Total \$1,700		

Here You Go

Let's say you go to Wal-Mart's home page at www.walmart.com. There you'll find Investor Relations in the bottom right-hand corner. Click it. When that page comes up, you'll see Shareholder Services in the left column. Click it. Next you'll see Stock Purchase. Click it too. That's where you'll find all the information you need to get started. It's just three clicks away.

There are more than 1,000 companies offering DRPs, and not all of them are of the highest caliber. We think a good place to start your search for companies in which to invest is free from Standard & Poor's, a list that's frequently updated. Click on or type in www.standardandpoors.com/indices. Under "United States" click on [S&P 500](#). Click on "Download Index Data" then select "Divided Aristocrats." You'll see many familiar names including [Hormel](#) and [McDonald's](#). We can't say for certain that all offer DRPs, but we do know that most of them do. By going to the web sites of any you're interested in, you can quickly find out.

Some companies charge no commissions or service fees, so 100% of your investment money goes to work for you. But even if they do charge, costs are almost always very reasonable, plus you get to buy both whole shares and fractions of shares. On occasion, a company may change its purchase requirements, so before investing in any company it's best to call, write, or log onto its web site for details.

When our grandson was born, Bill went online and bought him a few shares each of two of America's finest companies. It took about seven minutes per company and was very easy to do, even for Bill. If he can do it, anyone can.

Quarterly Reports/Reminders to Buy More

Every quarter you'll receive a dividend-reinvestment statement from each of your companies

showing how many shares or parts of shares were bought and at what price. The companies in whose DRPs you're participating hold the shares. You don't have to keep track of them. At or near the end of every calendar year (after the fourth quarterly dividend has been reinvested), you'll get a final DRP statement documenting all the purchases made during the year and how many shares you were able to acquire. Be sure these statements are in a safe place. You'll need them to establish your cost basis for tax purposes when you sell some or all of your shares in the future.

The quarterly form shown for Sonoco Products (on pg. 16) is typical of those you'll receive. The back-side describes all pertinent details of the front side, which makes this statement particularly easy to read. Some statements don't have such a description, but they all look pretty much the same.

Each quarterly DRP statement will have a blank for you to fill in indicating how much additional money you'd like to send in to invest, if any, that period. In most cases the minimum amount is \$25-50 with a typical maximum of \$3,000-10,000 per quarter (ExxonMobil's is \$250,000 annually) per quarter.

In our example on the next page, that option is at the bottom right of the statement with a range of \$50-10,000 per investment. Believe it or not, there are companies that have no maximums. You could almost drive a Brinks' truck up to the front door, unload a million dollars or more, and say, "Here's my money. Buy me more shares."

These quarterly statements are your personal calls to action to send in more money (unless you sign up for bank drafts which some companies offer) to buy more shares, thus increasing your ownership in every company you own, which is the whole purpose of investing wisely on your path to wealth.

DRP Quarterly Statement (front)


BNY MELLON
 SHAREOWNER SERVICES
 P.O. Box 358035
 Pittsburgh, PA 15252-8035

Shareholder Of:

SONOCO PRODUCTS COMPANY	
BUYDIRECT PLAN	
STATEMENT PRINT DATE:	09/14/2010
CUSIP:	001-450-83549510
SYMBOL:	SON
ACCOUNT KEY:	
INVESTOR ID:	

0013762 01 AT 0.357 **AUTO T5 0 3908 28226-646331 C01 B1MAI -1 -



FOR QUESTIONS CONCERNING YOUR ACCOUNT PLEASE CALL
1-866-210-7002

Year-To-Date Account Summary

Save this Statement for Tax Purposes

AS OF: 09/13/2010				CASH INVESTMENTS (\$)			DIVIDENDS			NET AMOUNT INVESTED (\$)
TOTAL MARKET VALUE (\$)		CLOSING PRICE (\$)		TOTAL (\$)		TAX WITHHELD (\$)		AMOUNT TO INVEST (\$)		NET AMOUNT INVESTED (\$)
1,024.82		32.9400		200.00		25.38		25.38		225.38
TRADING FEES PAID BY (\$)		SERVICE FEES PAID BY (\$)		SALE OF PLAN SHARES (\$)		CERTIFICATED SHARES HELD BY YOU	SHARES HELD BY PLAN	SHARES HELD BY OTHER PLAN(S)	TOTAL SHARES	
COMPANY	SHAREHOLDER	COMPANY	SHAREHOLDER	GROSS PROCEEDS	TAX WITHHELD					
							31.1116		31.1116	

Current Activity Information

RECORD DATE	TRANSACTION DESCRIPTION	DIVIDEND RATE	SHARES ACQUIRED OR WITHDRAWN	CASH INVESTMENT (\$)	TOTAL GROSS (\$)
PAYABLE DATE					
08/20/2010	COMMON DIVIDEND	0.2800000	0.2601		8.64
09/10/2010					

PARTICIPATING RECORD DATE DISTRIBUTION									
TAX WITHHELD (\$)	TRADING FEES PAID BY (\$)		SERVICE FEES PAID BY (\$)		TOTAL NET (\$)	CERTIFICATED SHARES HELD BY YOU	SHARES HELD BY PLAN	SHARES HELD BY OTHER PLAN(S)	TOTAL SHARES
	COMPANY	SHAREHOLDER	COMPANY	SHAREHOLDER					
					8.64		30.8515		30.8515

Year-To-Date Transaction Detail

DATE	TRANSACTION DESCRIPTION	CASH INVESTMENT (\$)	NET DISTRIBUTION (\$)	TRADING FEES (\$)	SERVICE FEES (\$)	AMOUNT INVESTED (\$)	PRICE PER SHARE (\$)	SHARES ACQUIRED OR WITHDRAWN	SHARES HELD BY PLAN
01/15/10	BALANCE FORWARD								23.1801
	CASH PURCHASE	100.00		0.34		100.00	29.5900000	3.3795	26.5596
02/05/10	CASH PURCHASE	100.00		0.37		100.00	26.7500000	3.7383	30.2979
03/10/10	COMMON DIVIDEND		8.18	0.03		8.18	30.4900000	0.2683	30.5662
06/10/10	COMMON DIVIDEND		8.56	0.03		8.56	30.0040481	0.2853	30.8515
09/10/10	COMMON DIVIDEND		8.64	0.03		8.64	33.2239005	0.2601	31.1116

SONOCO PRODUCTS COMPANY
 CUSIP: 001-450-83549510
 ACCOUNT KEY:

Partial Withdrawal (Continue Plan Participation)

Issue a certificate for this number of shares:

Sell this number of shares:

Additional Cash Investments

Write the amount enclosed:

Make check payable to:

BNY MELLON/SONOCO PRODUCTS

YOU MAY INCREASE YOUR SHARES WITH
 OPTIONAL CASH INVESTMENTS OF \$50
 UP TO \$10,000 PER TRANSACTION

Full Withdrawal (Terminate Plan Participation)

Issue a certificate for all full shares and a check for fractional shares.

Sell all plan shares.

Deposit of Certificates

Deposit the enclosed number of shares:

All owner(s) must sign and date above

()
 Contact Number

BNY Mellon Shareowner Services
Manage Your Account With Ease

Use either of our shareholder service options.

Login to
www.bnymellon.com/shareowner/isd

Sign up for MLinkSM through
Investor ServiceDirect[®]. MLink

View Information

- Account detail
- Certificate history
- Book-entry history
- Dividend check history
- Tax information
- Account Statements
- Historical stock price information

Perform Transactions

- Change your address
- Purchase or sell book-entry shares*
- Request a dividend check replacement
- Certify your taxpayer ID
- Change your dividend election*

provides secure 24/7 online access to your investor activity reports, investment plan statements and 1099s. Click the MLink icon and follow the prompts.

and
more!

* Online service not offered by all issuers.

New user?
First,
create your PIN
then you're
set to go.

or **Dial** the toll-free
number below to access our

**Interactive Voice
Response system**
with "Tell Me" technology

Simply speak your instructions
when prompted to

- Access your account information.
- Perform multiple tasks in a single session.
- Request statements, change your address, certify your taxpayer ID and **much more!**

Both Investor ServiceDirect[®] and our Interactive Voice Response (IVR) phone system offer secure 24/7 access to your account information and account management tools.

Managing your account has never been so easy!

Questions? Contact Shareholder Services

By Internet

Visit www.bnymellon.com/shareowner/isd for access to your account.

By Phone

Toll Free Number 1-866-210-7002

Outside the U.S. (Collect) 1-201-680-6578

Hearing Impaired 1-800-231-5469

IVR system available 24 hours/7 days a week

Representatives are available 9 a.m. to 7 p.m. E.T. weekdays

By Mail

Additional Cash Investments To:

Investment Services

PO Box 382009

Pittsburgh, PA 15250-8009

All Other Correspondence To:

Investment Services

PO Box 358035

Pittsburgh, PA 15252-8035



“Money is like manure. If you should spread it around, it does a lot of good. But if you pile it up in one place, it stinks like hell.”

Clint Murchison, Jr.

Managing Your Growing Portfolio

Let's say you've made your first purchases of five companies and are saving \$50 a month. After three months, you'll have \$150. Mail a check in that amount to company #1 using its DRP statement. After three more months, you'll have saved another \$150. Mail a check in that amount to company #2. The next \$150 saved goes to #3, then to #4 and finally to #5.

By this time, 15 months have elapsed and you've acquired an additional \$750 of stock in five companies, on top of your initial investment. Now it's time to mail your next quarterly savings to company #1 and start the process all over again. Hopefully you'll be bumping up the amount to \$60/month, then to \$70 and so forth as your income rises. This will enable you to become a millionaire even faster.

(If you change your mailing address, be sure to notify all your companies.)

Naturally, some stocks will perform better than others in any given year. To keep the portfolio in balance (20% of your money in each company if there are five companies; 16.7% if there are six; 14.3% with seven; 12.5% with eight), it will be necessary to invest more in the laggards and less in the leaders, but that's simple enough to do. If one stock is worth \$2,000 and the other is worth \$2,500, you'll need to invest an extra \$500 in the former to make it equal to the latter. Don't make the mistake of sending more money only to your top stocks. Portfolio balance helps shield you from fluctuations in the stock market and maintain constant diversity.

We developed the following tables* to help you and everyone in your family, regardless of age, see the immense value of investing at least small amounts of money over longer periods of time.

Please keep in mind that 1) they do not take into consideration taxes nor 2) any charges companies may render to participate in their DRPs.

For the Newborn Starting at Age 0

Years Old	20	30	40	50	60
\$ Per Month					
\$50	57,276	221,032	817,717	2,991,876	10,913,934
\$100	114,552	442,064	1,635,434	5,983,752	21,827,868
\$200	229,104	884,128	3,270,868	11,967,504	43,655,736
\$400	458,208	1,768,256	6,541,736	23,935,008	87,311,472

For the Young Person Starting at Age 20

Years Old	30	40	50	60	70
\$ Per Month					
\$50	12,334	57,276	221,032	817,717	2,991,876
\$100	24,668	114,552	442,064	1,635,434	5,983,752
\$200	49,336	229,104	884,128	3,270,868	11,967,504
\$400	98,672	458,208	1,768,256	6,541,736	23,935,008
\$1,000	246,680	1,145,520	4,420,640	16,354,340	59,837,520

For the GenXer Starting at Age 40

Years Old	50	60	70	80
\$ Per Month				
\$50	12,334	57,276	221,032	817,717
\$100	24,668	114,552	442,064	1,635,434
\$200	49,336	229,104	884,128	3,270,868
\$400	98,672	458,208	1,768,256	6,541,736
\$1,000	246,680	1,145,520	4,420,640	16,354,340
\$2,000	493,360	2,291,040	8,841,280	32,708,680

**These projections assume a 13% compound annual return, well above the 9.9% historic rate of growth for the stock market since the 1920s and more than the 30-year rate through 2010 of 10.7%. There is no guarantee that highest-quality stocks or any stocks will earn such returns in the future.*

When to Sell

The majority of investment books have one technique or another, some of them exotic, for selling a stock. We don't advocate selling unless there's a real necessity, because when you do you'll have to pay federal (and probably state) taxes on the gains.

The best reason for selling is that you need the money.

The next best reason for selling is because one of your companies fails to keep increasing its annual dividend, or even worse, cuts it. How will you know? You can go online to your company's web site (or sites including AOL Finance and Yahoo! Finance) and look at the dividend history. You can also track dividend histories through the Value Line Investment Survey, available at no charge in every library we've ever visited.

When you sell because you need the money, you might sell the stock or stocks with the least profits to reduce the capital-gains-tax bite.

How do you sell? Use the quarterly DRP statement and simply follow the easy instructions.

You indicate on the statement how many shares you'd like to sell (some or all) and mail it back to the company. (See bottom of the DRP form on page 16). They then mail you your net proceeds.

Since the companies buy and sell their shares in bulk, they're able to pass these transaction savings on to you. (That information would be disclosed in the dividend reinvestment packet you received per company.) If you desire, your company will mail you a stock certificate for all the whole shares in the plan and a check for the value of the fractional share, which it will sell.



"I can't be involved in 50 or 75 things. That's a Noah's Ark way of investing - you end up with a zoo that way."

Warren Buffett

A Few Words about Taxes and Gifts

Even though you, your children or grandchildren won't physically receive cash dividends when they're reinvested in a DRP, taxes on the dividends still have to be paid each year. Every company owned will send a 1099 well before you have to file your taxes so you can report the amount of dividends received to the IRS.

For children 14 and under, the government has a special federal tax provision which applies to unearned income (interest, dividends and capital gains), not to earned income such as from mowing lawns. The first \$950 of unearned income (adjusted upward annually for inflation) is free of taxes. The next \$950 is then taxed at the child's tax rate. Above \$1,900 in unearned income, the tax rate becomes the parent's marginal rate.

Once a child is 18 and after the \$950 exclusion is used, he or she will be taxed at 10% up to \$8,375 (adjusted upward annually for inflation).

One major source of confusion occurs at tax time because shareholders who reinvest dividends (taxes on those dividends must be paid for the same year they were received) often forget to add the dividends back to the cost of the shares in the DRP, thus reducing future capital gains. This is why saving year-end DRP statements is so important.

When you sell any or all shares of a company, don't forget to add up 1) the cost of your initial investment and 2) any cash additions you've made along the way. For capital-gains purposes, this would be your cost basis.

Example: You bought \$1,000 of [McDonald's](#) stock, your initial cost. Along the way you sent

in \$50 to \$100 on various occasions for a total of \$1,500 in contributions. You also collected \$300 in dividends on which you already paid income tax. Thus, your cost basis if you sell all the shares at once would be \$2,800 (\$1,000 + \$1,500 + \$300). That would be deducted from the sale amount to establish the capital gain on which you'd pay taxes.

Another tax item of note. If one of your companies offers shares at a discount to the fair-market value, the difference between the amount you invest and the actual price of the stock has to be reported as taxable income.

All dividends paid by a company in a given year are declared on the year-end DRP statements. The total of the dividends can be easily calculated and added back to the share cost when the time comes to sell.

Here's a way Uncle Sam actually helps parents and grandparents to help their children and grandchildren. Parents, grandparents or anyone else may give up to \$13,000 (\$26,000 for a couple) in cash or securities to every child (or any other person for that matter) each year free of gift tax.

If the gifts are in cash, the cash can then be used to buy additional shares of the companies already owned through their optional cash payment plans. If the gifts are stock and the companies offer DRPs, the shares can be transferred into the children's names, and the children can then sign up for those DRPs.

Get Ready. Get Set. Go!!

In creating your own portfolio of high-quality companies, you are doing far more than buying pieces of paper that change in price many times each day. You are actually buying pieces of American enterprises, some of America's finest, and becoming part owner. As they grow and thrive in the future financially, so will you by virtue of your ownership.

Does it really matter if the value of your shares goes down today and then bobs up tomorrow? Of course not. Value can take years to build. Daily fluctuations in stock prices don't mean a thing. They do not affect the long-term value of the finest American companies.

"There are ways for the individual investor to make money in the securities markets. Buying value and holding long term while collecting dividends has been proven over and over again."

Robert M. Sharp, author of The Lore and Legends of Wall Street

What does affect the value is growth in revenue, earnings, dividends and the asset values of the companies you own. If you continually add money to your portfolio of the finest companies in America, you can rest assured that over the years the value of your portfolio will increase faster than all other investments — and keep you well ahead of inflation and the tax man too — based on history.

"In the long run the price of just about every individual stock and market value of all stocks together are determined by the growth of earnings and dividends. This is so simple that many of the sophisticated people in our [investing] field seem to overlook it. That is too bad because it does



The only function of economic forecasting is to make astrology respectable.

Ezra Solomon, Economist

.....
provide the basis for a very sound and unworrisome investment approach.

"Over the span of many decades, corporate profits and dividends have trended upward in all industrial nations because their economies have expanded, not without business cycle interruption of course, but in an inexorable trend of long-term growth."

H. Bradlee Perry,

*The Babson Staff Letter, Cambridge MA:
David L. Babson and Company Inc.*

The next step is up to you. You now have the knowledge to convert \$50 a month into a million dollars and more. Epicurus warned, "Life is wasted in procrastination." Don't procrastinate. Start your path, or that of your child's or grandchild's, to wealth today!

Those Millionaire Investing Rules Again

TO RECAP:

- Hopefully start with a portfolio of at least five stocks with DRPs, the same dollar amount in each, each in a different industry.
- Annually, check whether all the companies you own paid a higher cash dividend than the year before. If they did, it's safe to buy more shares.
- Continually add money to each stock you own.

Using this simple approach, you'll sell infrequently and simultaneously accumulate shares of some of the finest companies on the market.

Stock-market and investing books are chock-full of all sorts of information, much of it half-baked, about how to time the market and sell at the right times. It's much more difficult to know when a stock is overpriced than to know when it's underpriced. Spotting a cheap stock and buying it is easy for us. Identifying one that's not going any higher and may be headed for a fall is a lot tougher.

Unless we're managing an investment account for the client, we generally recommend selling for only two reasons:

- To get rid of a stock that's failed to increase the annual dividend, or even worse, reduced or eliminated it.
- You need the money. You may sell part or all of your holdings depending on how much money is required.

Other than for these two reasons, we strongly recommend buying, buying more, and not selling. We're in the camp with Warren Buffett, who says he loves buying, but selling is a different story.

He compares the pace of his selling activity with a traveler stranded in Podunk's lone hotel. With no TV in the room, the stranger faced a long, uneventful evening. However, he soon discovered a book on the night table called *Things to Do in Podunk*. Excitedly opening it, the traveler found only a single line: "You're doing it."

You can be your own successful money manager by following these seven easy steps:

- 1) Create your own personal portfolio of at least five high-quality companies.
- 2) Select each company from a different industry.
- 3) Invest the same dollar amount into each company for proper diversity.
- 4) Buy more of what you already own at least once every year (quarterly is even better) as long as the dividend payout continues to increase annually and without fail. Maintain roughly equal-dollar weightings in each position.
- 5) Allow your dividends to reinvest quarterly.
- 6) Sell only when a company no longer raises its dividend annually or when you need the money.
- 7) Be patient. The longer you invest, the more successful you'll be.

More About DRP Investing

If you want to know even more about DRP investing, please check out these resources:

- www.sharebuilder.com
- www.moneypaper.com
- www.dripcentral.com
- www.computershare.com
- www.oneshare.com

Happy Investing!



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Mary Tunstall Staton is CEO and CCO of Staton Financial Advisors LLC. She co-authored Worry-Free Family Finances (McGraw-Hill) with husband Bill. She currently writes a free online newsletter, [Your Money & Your Life](#). Mary holds an MBA from the McColl Graduate School of Business at Queens University and is a former member of the McColl Graduate School Board of Visitors. She received

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www.statonfinancial.com