

Quote of the week

"I look to the future because that's where I'm going to spend the rest of my life."
George Burns

Would you have invested?



Microsoft Corporation, 1978

So, would you have bought into that homely looking bunch? We're guessing not. (*Smart people of the day would have asked, "How could those goobers compete against IBM?"*) As history turned out \$1000 put in Microsoft at the beginning on March 13, 1986 would be worth \$388,000 today. That same \$1000 in IBM? Now worth \$3000.

You really never know when you invest if your decision will be fruitful or wither away. No matter if it is a stock, a mutual fund, a bond or even a college education for your child; it might be money well spent, but might not.

We thought since this is our first update of the new year we would recap our buys of last year and see how they did. First we will examine the **Dividend Growth and Income** portfolio picks where in 2009 we bought 6 stocks. Below is the performance of those 6 through today.

<u>Stock</u>	<u>Date Bought</u>	<u>Gain or Loss</u>
Aflac	2/23/09	225%
Conoco Phillips	4/30/09	30%
Caterpillar	8/4/09	32%
NY Community Bank	10/7/09	33%
Verizon	10/7/09	6%
Abbott Labs	12/7/09	3%

Besides the appreciation the Dividend Growth stocks all paid dividends of between 3% to 6% too. For that portfo-

lio our new players batted 1000 last year. Our average client that invested in the Dividend Growth & Income managed style earned 24.5% in total last year.

Now let's examine the **Growth** managed accounts. This account style is much more active. In these accounts we bought 14 stocks during 2009. Below is the performance of the ones we still own through today.

<u>Stock</u>	<u>Date Bought</u>	<u>Gain or Loss</u>
Aflac	2/20/09	225%
Fiserv	2/24/09	45%
Noble Energy	2/24/09	85%
Teva Pharm	5/14/09	31%
Amedisys	5/14/09	54%
Celgene	6/15/09	37%
Apollo Group	7/17/09	-10%
Buffalo Wild Wings	7/21/09	32%
Research in Motion	8/20/09	-11%
Deckers Outdoor	10/27/09	12%
Gilead Science	12/7/09	-3%
Allegiant Travel	12/7/09	9%

Below are the two stocks we bought and sold during the year.

<u>Stock</u>	<u>Date Bought</u>	<u>Date Sold</u>	<u>Gain or Loss</u>
Rgnl Bank ETF	3/10/09	7/17/09	32%
Republic Jet	9/25/09	12/4/09	-23%

In 2009 the new Growth players batted .714...even without being on the McGwire juice! During the year we also sold 12 covered calls on 9 different stocks which netted clients just over 2% in cash flow. Our goal with covered calls is to earn our clients more than the fee they pay us. So last year was a success in that clients got about twice as much in option income that they paid in fees. In 2009 our average Growth account was up about 35%.

Sheaff Brock's third "style" is the **Auer Growth Fund**. Bob, Bryan, and Paul closed 2009 out +36.52%. The fund was in the top quartile of its Morningstar category. In the first 2 weeks of 2010 the fund has shot out of the hole like a jack rabbit, +5.3%; which puts it in the top 1 percentile of its Morningstar peer group.

The world didn't end in 2009...touch and go for a while though wasn't it? Sheaff Brock is excited about 2010.

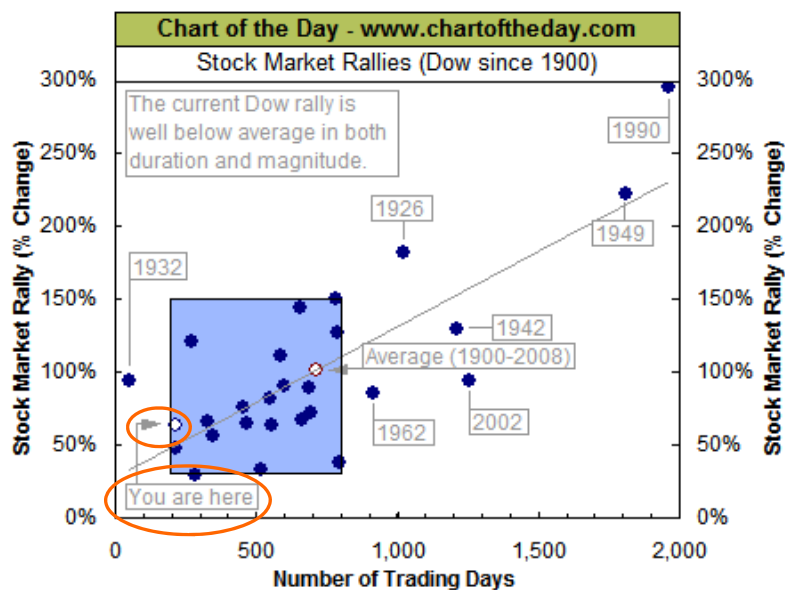
Yesterday the Dow Jones Industrial average closed above 10,700 for the first time in 15 months. A lot of soothsayers feel the recovery in equity prices has been too far, too fast. The chart below refutes that theory by showing the "average" rally in the Dow lasts about 700 trading days (2 years 9 months) and goes up about 100%. Right now we are at 200 trading days and have bounced 64% off the bottom.

This rally is just a toddler; might be a knee scrape coming, but more growth should be ahead.

Chart of the Day



The Dow made another rally high Thursday. To provide some perspective to the current Dow rally that began back in March, all major market rallies of the last 110 years are plotted on today's chart. Each dot represents a major stock market rally as measured by the Dow. As today's chart illustrates, the Dow has begun a major rally 27 times over the past 110 years which equates to an average of one rally every four years. Also, most major rallies (73%) resulted in a gain of between 30% and 150% and lasted between 200 and 800 trading days -- highlighted in today's chart with a light blue shaded box. As it stands right now, the current Dow rally (hollow blue dot labeled you are here) has entered the low range of a "typical" rally and would currently be classified as both short in duration and below average in magnitude.



Year-end 2009 reports will be mailed next week. Contained in those reports is your gain and loss tax information. Please keep it for your tax guy (or gal).

Bankers are now again being called "fat cats" . This seems to happen every few years. Apparently cats are not happy with the comparison. See the letter to the President below:

Frankly, we in the **Fat Cat Community** are outraged at the President's callous remark and we are offended at being associated with bankers or Wall Street CEOs in any way, shape or form.

The only similarities between cats and the TARP recipient banks are the fact that we all possess several lives and survive falls that we should not have been able to.

We would like to remind the President that batting around balls of yarn did not put the country into \$12 trillion dollars in debt...easy money and securitized lending did.

We can look past being called *fat* but the banker association is, frankly, unmeowable. We await your apology...under the neighbor's car.

Sincerely,

Whiskers O'Rourke

The American Fat Cat Society



Performance year-to-date as of 1/14/10

Sheaff Brock Growth Model	+6.6%
Sheaff Brock Dividend Growth	+3.3%
Auer Growth Fund	+5.3%
S&P 500	+3.0%
Dow Jones Select Dividend Index	+2.3%

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