



# CHAPTER NEWS

## LA/MS Chapter 2016-17 3rd Quarter E-Newsletter

**Notes:** If your viewing device is not already set to do so, please click on Display Images to view the entire contents of this newsletter, including several pictures. Trouble viewing or scrolling through the newsletter - the recommended browser is Mozilla Firefox. Text disappearing in right-hand margin - adjust your computer/device settings. Comments and inquiries to: [contact@lams.betterinvesting.net](mailto:contact@lams.betterinvesting.net).

### In This Issue:

(Go directly to an underlined article by clicking on it)

[President's Message](#)

[Clubs of the Quarter](#)

[LaMs Model Club Report](#)

[Tip of the Quarter](#)

[Upcoming Events](#)

## President's Message



*Joe Farrell  
Pres., LA-MS Chapter*

Exciting things are happening in the LA-MS territory and with Better Investing.

I have been a NAIC/BI member for 30 years and a chapter volunteer for about 27 years, but I have never attended the National Convention commonly known as BINC. This year BINC is in Cincinnati, Ohio and I will attend. If anyone from the LA-MS coverage area plans to be there please let me know in advance, if possible, so that we may meet and discuss common Mississippi and Louisiana interests whether BI related or not. If they allow it, I plan to carry around a small dowel rod with LA/MS at the top (something like you see at marathons for the pacers.)

We have mentioned the LAMS Model Club in this newsletter for the last few quarters. You will find expanded commentary about the Club in this issue including a webinar URL that will connect you to our online meetings. There are six members at present and Go to Meeting can accommodate up to 25 persons, so there is lots of room for visitors. All it costs is an hour of your time on the first Monday evening of the month.

You will note that eight clubs have reached a new five-year milestone in their BI life. We hope to visit some or all of those clubs to present certificates in person. We only want an opportunity to meet members and honor their achievements. We will present a program if you request, but sometimes we can be just as effective by being a good listener, learning how your success came about and take a couple of pictures to share your club's success with others in upcoming quarterly newsletters. And even better, if your club consists of all BI members we may be able to provide some valuable benefits to your members. We have a goal of at least two club visits a year; please help us along by agreeing to a visit when one of the LA-MS Chapter directors contacts you concerning the delivery of your club's certificate.

We have two educational programs, one in April and one in August, both located in Southwest Louisiana. You will find more information below.

We have another program in the discussion stage, for either Jackson or the Gulf Coast. Irina Clements, a Better Investing Volunteer Board member, will be visiting friends in Mississippi in October. She has volunteered to do a presentation if we can draw a group together. We do not have dates or a program or a venue yet, but her range of knowledge in BI style investing is outstanding.

If you spend time on the BI website, then you know it is frequently difficult to find things. BI has begun the process to clean up the 40,000 pages in the website and restructure and update the content. Hopefully by the end of the year, LA-MS' eight webpages will be more easily accessed and the information throughout the website will be easier to find and use.

*Joe Farrell*  
[president@lams.betterinvesting.net](mailto:president@lams.betterinvesting.net)  
*Jackson, Mississippi*

## Clubs of the Quarter



**Congratulations!** A number of investment clubs in the LA/MS Chapter already have or will be receiving BetterInvesting 5-year anniversary Special Recognition certificates over the next few weeks. In some cases, chapter directors are visiting clubs to personally present the recognition awards.

The clubs' years in operation, names, and cities of the BI Club Contact address (or most club members' addresses) are:

**40 years,** Wise Investment Club, Baton Rouge, LA;

**30 years,** Profit Seekers Investment Club, Lafayette, LA

**25 years,** Bayou D'inde Investment Club, Lake Charles and Sulphur, LA;

**20 years,** Krewe of Kash, Covington and Mandeville, LA;

**20 years,** Ladies Lagniappe Investment Club, Slidell, LA

**20 years,** Sea Investors, Covington and Mandeville, LA;

**20 years,** Everyday Investment Club, Jackson, MS and suburbs;

**20 years,** Risk Takers Investment Club, Jackson, MS and suburbs.

According to LaMs Chapter calculations there are three other clubs in the chapter membership mailing list who have reached such milestones but at press time the chapter had not received certificates for them. It may be that while some of those clubs' members are listed on the LaMs membership rolls, the clubs are actually domiciled in other states or other Louisiana or Mississippi Postal Service Zip Codes not in the geographic boundaries of the chapter. If so, those clubs should be receiving their certificates through whatever chapter the clubs are assigned to.

Clubs expecting certificates and not having received theirs by June 1st, can make an inquiry at [contact@lams.betterinvesting.net](mailto:contact@lams.betterinvesting.net) for assistance with this matter.



## LaMs Model Club Report

### *LaMs Model Club Report* *by Eric Resweber, Club Secretary*

The Louisiana/Mississippi Model Club is a working investment club that uses real money and is made up of LAMS Chapter directors and BetterInvesting members. Meetings are conducted online using GoToMeeting and guests are invited to attend to see how a BetterInvesting club operates.

**Disclaimer:** Stocks mentioned are for educational purposes only. No investment recommendation is intended.

**January:** At the January meeting the Model Club studied companies in the Consumer Discretionary Sector. Three companies were presented—Buffalo Wild Wings (BWLD) and Chuy's Holdings (CHUY), both in the Restaurant Industry, and LKQ (LKQ) in the Auto Parts Industry. The Model Club voted to invest in LKQ.

**February:** During the February meeting the Model Club studied companies in the Industrial Sector, more specifically companies in the Aerospace/Defense Industry. Presentations were made on Heico (HEI), Hexcel (HXL), TransDigm Group (TDG), and AAR (AIR). The club made no stock purchases in February.

The Model Club also welcomed a new member at its February meeting.

**March:** For the March meeting the Model Club looked at the Utilities Sector. SSG's were presented on three utilities companies but the club decided that they don't fit into the BetterInvesting way of investing, since utilities aren't growth companies. The club didn't make any purchases in March.

The Model Club plans to look at companies in the Technology Sector for the April meeting, Energy Sector for the May meeting, and Basic Materials for the June meeting.

You're invited to attend a Model Club meeting to see the club in action. You're also invited to forward the contact information to your club members and friends who might be interested in learning about investment clubs. Meetings are held on the first Monday of the month at 6:30 pm.

Use this link to attend.

<https://global.gotomeeting.com/join/944996925>

You can also dial in using your phone.  
United States: +1 (646) 749-3131

Access Code: 944-996-925

First GoToMeeting? Try a test session: <http://help.citrix.com/getready>

If you'd like more information about the Model Club or about attending a meeting you can contact Eric Resweber, Secretary, at [eresweber@gmail.com](mailto:eresweber@gmail.com)

## Tip of the Quarter



### **Closing Down an Investment Club**

While it's not a matter that your club may be currently considering and it's a dark subject for active clubs, the truth of the matter is that every year the LaMs Chapter, like others around the country, have clubs that disband. The reasons are many, including no one wanting to take over the duties of the club treasurer, a majority of members aging and/or ailing want to cash in and take their profits, not enough members attending meetings, etc., etc., etc .

For some of these clubs, the dissolution process can be as daunting and intimidating as organizing and setting up a club. If a club was organized per BetterInvesting guidelines in existence at the time then there are necessary actions that need to occur when it disbands so the last members of the club hopefully do not encounter legal liabilities after the dissolution.

**Disbanding clubs are encouraged to get their business done within a calendar year;** otherwise they will be dealing with two years of tax reports after they have closed down. (More on taxes in a few paragraphs below.) August or September is about the last months to start the disbanding process and still be done before December 31<sup>st</sup>.

Generally, you want the club's broker account and any bank account to close out at zero after the stocks in the club's portfolio have been sold and funds disbursed and/or stock shares transferred to members taking stock in lieu of a cash payment.

Selling the portfolio and disbursing the funds to the last partners is the easier route but for those treasurers willing to undertake the effort, payment to partners can be made in shares of stocks in the portfolio and cash as well. It can get complicated trying to apportion how many shares of which company goes to which partner, as well as the amount of cash that the partner might also be entitled to.

**Clubs utilizing either ICLUB or *bivio* club accounting software or online accounting should be able to get assistance from whichever entity they have an account with if they run into problems in closing their books.** Both entities also have excellent instructions on their websites regarding preparing for and executing the closing process.

If the club owned dividend-paying stocks in its portfolio, the club treasurer should wait at least a month or more before closing the books in order to ensure capture of payment of all dividends due but not yet paid to the club at the time the portfolio was sold off. If those dividends are not properly recorded and accounted for, they will be a cause for headaches later on when the companies report to the IRS that the club received more dividends than what was shown on the club's last tax filing.

If the club is expecting funds as a result of having previously filed a claim for damages as part of a class-action lawsuit against one or more companies it held in the past, it needs to determine how the funds will be disbursed when actually received if that occurs after the club has disbanded; or, withdraw its claim(s) before disbanding so a check isn't received after the club has terminated.

Once the club's brokerage account has a zero balance the partner who had the responsibility of buying and selling stocks should ensure that the broker account is closed if that does not automatically occur.

**The club's final tax return (IRS Form 1065 and member's Schedule K-1) is due on the 15th day of the 3rd month following the month of termination.** The 1065 will necessarily be the same year form as was utilized in the previous year's reporting but the reporting dates at the top of the form should be from January 1 to the club's closing date.

Investment clubs in Louisiana should have registered with the Louisiana Secretary of State, as either a General Partnership, Limited Liability Company, or some other type of entity. During the course of its business it should have received and paid a yearly renewal fee to the state. **If it did, when the club disbands the state needs to be notified.**

A letter, to the Louisiana Secretary of State, signed by all of the final partners of the club, with the word "Partner" written next to their signatures, plus the date the partner's signature was affixed, should state that the club is disbanding or has disbanded with its last day of operation stated therein. The letter should be part of a packet that includes a Transmittal Form and the proper Louisiana Partnership

Registration Form or LLC Registration Form or whatever form was used to originally register with the state. Where it asks whether this is an Original Filing or Amendment, one can write in on the form the words Dissolution Notice. The notification packet also needs to have the proper filing fee enclosed. The fee to be remitted, as well as required forms, can be found at the Louisiana Secretary of State website:

<http://www.sos.la.gov/BusinessServices/FileBusinessDocuments/Pages/default.aspx>.

## Upcoming Events



### LaMs Model Club

First Monday of Apr, May, Jun, Jul and Aug 2017

6:30 PM CDT

<https://global.gotomeeting.com/join/944996925>

You can also dial in using your phone.

United States: +1 (646) 749-3131

Access Code: 944-996-925



### Winning With Stocks, the Stock Selection Process

Monday, April 24, 2017, 6:30 PM

South Regional Library

6101 Johnston St.

Lafayette, LA 70503

Contact: [dmalcolm4bi@yahoo.com](mailto:dmalcolm4bi@yahoo.com)



### Winning With Stocks: An Introduction to Fundamental Investing

Thursday, April 27, 2017, 6:00 PM

Beauregard Parish Library

205 South Washington Street

DeRidder, LA 70634

Contact: [alannen4bi@aol.com](mailto:alannen4bi@aol.com)



**Winning With Stocks, the Stock Selection Process**

Saturday, April 29, 2017, 10:00 AM

Sulphur Regional Library

1160 Cypress Street

Sulphur, LA 70663

Contact: [alannen4bi@aol.com](mailto:alannen4bi@aol.com)



**2017 SWLA Stock Round-Up**

Saturday, August 5, 2017

Lafayette, LA

Location, Time, Program and Other Information in July E-Newsletter; **don't miss that issue!**

Contact: [dmalcolm4bi@yahoo.com](mailto:dmalcolm4bi@yahoo.com)