Making Your LIVING from the Stock Market

America's Greatest Franchise

A How–To Book
For the Novice Investor

Tom Linzmeier & Jesse Taylor Ph.D

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Preface

This book had its beginnings, as many collaborations do, in a casual conversation between two people with overlapping interests. In this case, Tom Linzmeier, a successful stockbroker, and Jesse Taylor, a retired educator and freelance writer.

Tom, with seventeen years of experience as a stockbroker, had developed some ideas about how to draw money from the stock market in a systematic and regular way. He thought those ideas would be useful to others.

Jesse, with only the experience of mutual funds in an IRA, had no idea about how to draw money from the stock market but he had always had a hunch there was a way! He thought Tom's ideas would be useful to others, too.

And so the collaboration began with long discussions in which Jesse undertook to learn something about the stock market and cast Tom's ideas in a form which would make them accessible to people without experience in financial markets.

Along the way, Jesse's confidence in Tom's ideas got a boost when he compared the results of money Tom had been managing for him with the results of money he had in mutual funds. The mutual fund had increased 3% in six months. His money under Tom's management had increased 30%!

And so, a year later the book is now offered to others with the hope that they will find the benefit they need.

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PART ONE

Introduction

Is This Book For You?

This book is for the people who, right now, are wondering what they can do to extend their income with the goal of reaching a better lifestyle. If the title interested you, this book is for you.

It is written for all of us who have watched "Wall Street Week" and wondered if maybe, behind all that confusing talk of Elves and Up-Ticks, there really was a way to make money in the stock market. It is for those of us who are confronting the gap between what our present income can provide and the demands of the lifestyle we want. The stock market can be a franchise to do that. We just have to understand how to get in.

This book will tell you how to “get in.” Once you know how, you have to decide if that is what you want to do. The decision will be based on a clear understanding of your choices. The stock market is a “friendly franchise.” You pay what you feel you can afford and you are in business. The level of business, of course, will depend (and is this news to you?) on how much you pay.

What Can I Expect From This Book?

You can expect to understand three important parts of the franchise:

1. As in any business you have to know the territory. There are hundreds of different maps of the stock market. Our map shows the main highways and toll roads to the market. If you want to follow the little side roads, you can do that later. The map we draw will make some generalizations. You can count on there being exceptions to every generalization. That doesn't make the generalization useless. You have to operate with generalizations to make decisions.

2. This is a franchise that buys and sells stock for a profit in the same way that a fruit dealer buys and sells fruit in a fruit stand for profit. The fruit dealer has to know which fruit are likely to sell well and where to get the best fruit for the best price. To make your living in the stock market, you have to know where to get the best stock for the best price in order to make a profit. This book will present three specific, detailed strategies that will help you select stock that has a good chance of selling at a profit. Will you make a profit on every stock? No. Do you think the fruit dealer sells every orange he buys? When he sets his price, he allows for spoilage. We will suggest some ways you can manage your business to allow for some losses and protect your capital to invest again.

3. If you are your own boss, you are in control. It's a great feeling as long as you keep it, but, as in any business, it is possible to lose control. We can give you some help to avoid losing control. In the market, control is a matter of taking a position. When you take the position, you must know the upside and the downside and what you will do in each case. We help you figure how to do that so that whether you are doing it all alone or you are working with a broker, you can remain firmly in control.

In Part Three, we have included a series of conversations with Tom and four of his clients to give you an idea of how successful investors think. Although each of them has a different background and way of thinking about the market, their ideas and experiences will help you think about your own approach.

What Can You Get From The Market?

Your high school counselor may have told you that you get out of something what you put into it. We agree. But we say that is not enough. You need to make a profit. We say you can get out of it what you expect.

Sounds great . . . But beware!

This is a two-edged sword. If you expect only six percent on your investments, the chances are, that is all you will receive. If you expect twenty and thirty percent on your money, you will have a greater chance of receiving it.

But before you get the feeling that you are reading something that arrived in the mail stamped YOU MAY ALREADY BE A WINNER, be assured that this is not a matter of waiting for Ed McMahn to show up at your door with a million-dollar check.

The difference is in the word “expect.” It is not a synonym for “want.” When we want something, we wish for it and curse the fates that don’t bring it to us. We only expect something when we have done something that our experience leads us to believe will bring whatever it is to pass. We all get hungry and when we are hungry we want food. If we go to the refrigerator with the reasonable expectation of finding ham and cheese, we must have done something about stocking the refrigerator with ham and cheese. “Wanting” food didn’t get us the ham and cheese.

To push the analogy to its limit, suppose you *expect* cold-baked pheasant and brie? In order to expect that, you would have had to do something different than you did to expect ham and cheese.

The point is, there are investors who *expect* to earn their living in the stock market. These are not the children of wealth with a million-dollar trust fund invested in a comfortable eight percent mutual fund. They are the thousands of people who have gradually built up an amount which they aggressively manage and who buy and sell stocks in time periods of minutes to years. They take their profits and reinvest. They plant or invest five hundred dollars and grow it to a thousand, harvest the thousand and plant again.

We will provide you with some background about the stock market so that you will be able to understand how our strategies fit into the market as a whole. This section will conclude with a discussion on what you need to make a full-time living from the stock market. Some of you may be there already. So don’t fight it! You MAY already be a winner!

Chapter 1

A Way Of Looking At The Market And The Investor

What Do You Have To Know About The Market?

The short answer is: As much as you can!

The first point to remember is that “knowing about the market” is not so much a mass of factual details as it is a point of view or way of looking at it. One of the reasons the financial columns and television programs seem so confusing to those of us who have not yet “bought the franchise” is that they speak a language that most of us don't know. Once we understand their point of view, what they say makes sense.

A second point is that there are many ways of looking at the market…And each perspective may be right! But being right isn’t enough. A point of view has to be useful to you. Usefulness depends on what your needs and your goals are.

In this book, we will be describing a point of view of the market that fits what we need to do. That doesn’t mean another point of view is wrong. It means it is not useful to us at this time.

For example, there are two very general ways of looking at the market. One way is to look at the market from the top down, to follow the overall behavior of the market. People who view the market in this way look first at the global economy, then at the economy of a specific country, then keeping these general conditions in mind, they look at a specific industry. Only after those considerations do they make their individual stock selections. They tend to collect data on what a specific industry is doing. They know that certain things in the economy affect a group of companies in the same way. For example, energy stocks will usually make more money during a war which creates more demand for oil and gas. The price of all energy stocks will likely rise at that time. They know that some of the stocks won't rise as much as others, but if they buy all of them, they are likely to make a profit because some of the stocks will make great gains and make up for the stocks that don't gain very much. The trick is to know when is the best time to buy.

This need gives rise to the skill of the statisticians. They study the rising and falling stocks and discover behavior patterns. They find certain behaviors that "signal" when the price of a group of stocks is about to rise. When the statisticians work this out, they can predict with confidence, what will happen to a group of stocks in the market. These analysts are the "technicians" or "elves" that you hear about on "Wall Street Week."

This way of understanding the stock market is very valuable to large institutional investors who are investing vast amounts of pension fund dollars or mutual fund dollars. Because the amount of money which must be invested is so great, they can't invest in just a few stocks. They must invest in many. It is less important to them that a few of the stocks don't rise as predicted as long as *most* of them do. They can absorb the loss and move on. In other words, this way of looking at the market is to look for trends and follow them.

For the individual investor, however, this is not as useful a way of perceiving the market because we usually don't have enough money to invest in enough stocks to "spread the risk" so casually. For us, a more useful point of view is to look at the market from the bottom up. We look at individual companies.

Instead of trying to predict what the whole market is doing, we concentrate on the selection of individual stocks. We check the record on an individual company. We also use statistics but only as they apply to specific companies, not the general market. We look for strong companies which, for some reason, have become under-priced and we buy those stocks. This approach is called *value analysis* as opposed to the *technical analysis* we discussed above.

The strategies in this book will use value analysis but we will not ignore technical analysis. We will use value analysis to pick individual stocks and then use technical analysis to help us with the timing of our purchases and sales of stock. Our strategies give us more flexibility to get ahead of the trends and that is how we make our profit in the stock market.

Three Groups Of Investors And Investing Styles

Another way to think about investing in the stock market is to consider which stage in a market cycle different types of investors enter the market. As we have said before, the price of each stock follows a cycle. A stock's price increases because there are more and more investors who want to buy that stock and there are fewer and fewer shareholders who are willing to sell their shares of stock. So investors will increase the amount they will pay for the stock. At some point, for a lot of different reasons, investors will no longer be interested in paying the high price being asked. Gradually, (or sometimes very swiftly) the price will begin a downward trend with investors paying less and less for the stock. Eventually, the price will reach a "bottom." This is a point where there always seems to be some investors who will pay at least a certain price for the stock. They recognize that the company is sound, that it is going to continue to produce whatever it is it makes, and that the price of the stock is very low when considering the value of the company. We designate these investors as **Value Investors**. That situation continues until there is a reason for other investors to begin to be interested in the stock again. Often, that reason is that the company has begun to increase its earnings.

This attracts some investors who believe that if the earnings increase, the price of the stock will begin to rise. We designate this group as **Earnings Momentum Investors** and they make up a fairly large group of investors. As they gradually become aware of the increase in earnings, they buy more and more shares of the stock. When there are more investors buying the stock, the price of the stock begins to rise more quickly.

This fast rise in the price attracts the third group of investors. These are the **Price Momentum Investors.** As they join the rally, the price begins to rise very quickly with more and more investors paying higher and higher prices. The **Value Investors** will be using these high prices to sell their stock because the stock will have met their price objectives.

At some point investors begin to stop paying the high prices. Often, this is due to a report that earnings have not increased as expected or that earnings make a slight decline. This news is enough to get the **Earnings Momentum Investors** out of the stock. As they begin selling, the price drops. This signals the **Price Momentum Investors** to bail out. The price drops faster. Some investors are left with a decision about whether to hold on to the stock in the hope that the next rally will take it beyond the highs it reached in this one, or to look for a better deal.

Their decision often focuses on the reasons why the earnings did not increase. If it is a temporary glitch, they may well decide to hold on. If there appears to be an internal weakness in the company, they will decide that the company no longer has the value it once had and they will decide to sell.

Long-term Investors are most often passive investors. They buy a stock and hold it often, for a number of years. If they are right, and the company is a good value, it may have expanded and increased its earnings enormously. If that is the case, the stock will have gone through several rallys and the price will have made new highs at each of the rallys. The original five-dollar stock may now be a thirty or forty-dollar stock. Long-term investing requires patience and a financial situation that allows money to remain invested with no need to take profits for income. A disadvantage of this approach is that the stock may not make new highs. The investors may find themselves holding the investment with no benefit.

Price Momentum investors are, generally speaking, short attention span people. They are looking for immediate gratification or immediate feedback. They want to be in and out in a relatively short period of time. The most effective of these investors are very conscious of exploiting the price movement. They watch the prices carefully and buy and sell without excess emotion. There are others in this group, however, who tend to respond emotionally and are caught up in the "thrill" of the game. If you are a **Price Momentum Player**, it is important to determine if you are in it for emotional gratification, or if you are conscious and aware of what you are doing and trying to take advantage of stock in play or movement on a price chart.

In some ways, the **Earnings Momentum Investors** are the most conservative of the three. They are interested in the "sure thing." And while there are no "sure things" in the stock market, the idea that if a company increases its earnings the stock price will very likely rise comes close. In part, this may be a self-fulfilling prophecy because there are so many **Earnings Momentum Investors** that they have a strong influence on the price.

The only disadvantage of this approach for our purposes is that it tends to be a little late in catching the low price of the stock rally. For that reason we characterize our strategies as "**Late Value Investor-Early Earnings Momentum Investing.**" The following graph illustrates the position on the stock price curve.

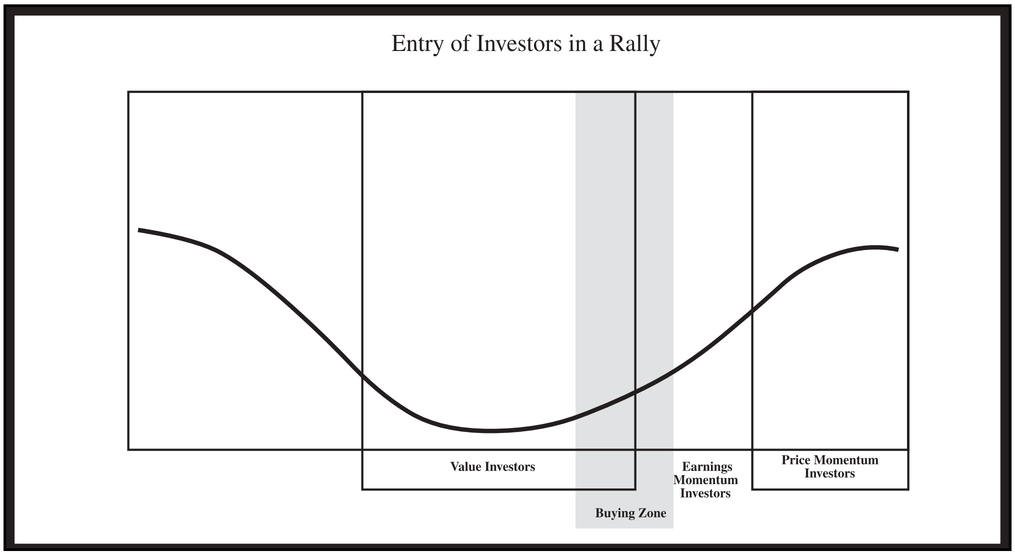

Figure 1

How Do People Earn Their Living In The Stock Market?

As we have said before, you earn your living by buying stocks and selling them at a profit. There are, of course, a lot of people who earn their living selling products related to the stock market and who facilitate the buying and selling of stock. But we are talking about people who invest their own money in the market and these people vary in the degree of involvement they have in their investments.

There are some people who give their money to a money manager and she manages the portfolio. She makes the decisions about how to invest the money and when to buy and sell. Usually, she does this as a result of discussions with the client but the client pays little attention to the day-to-day transactions. Ordinarily, this is most appropriate for people who have a substantial amount of money to invest–usually a hundred thousand dollars or more and who have more pressing interests to absorb them. They are paying someone else to manage their money.

Another way to invest in the market is through mutual funds. This has become the most popular approach for most Americans. They can make regular contributions to a mutual fund even if they don't have lots of money, and because so many people are pooling their money in the fund, they can participate in the same profits that the institutional investors are reaping. While the individual investor does not actually make decisions about what stocks the fund buys, he can choose a mutual fund that buys certain kinds of stocks for certain reasons. Some funds emphasize long-term growth. That is, they invest in companies that don't pay dividends, but in three to five years the stock will have increased in value and when they do, the value of the shares in the mutual fund will also increase. Other funds invest in a mixture of stocks and bonds which provide income through dividends and interest. These funds pay dividends each month, quarter, or year. Mutual funds enable an investor to have more control over the type of position he wants for his money even though he does not select the stocks.

For the people who invest directly in the market, there are, again, some differences. Certain kinds of investors invest in long-term positions. That is, they allocate their money in a number of stocks which may pay some dividends yearly, but that are expected to increase in value gradually and after several years, they will reap profits. Generally, these people invest their money and let it work. They don't have to read the stock market listings every day since they don't plan to sell any time soon. This is still passive investing although the investor is exercising more control over the selection of specific stocks than is the mutual fund owner or the managed portfolio owner.

A second type of direct investor, and the type of investment we will be describing in this book, has a more active involvement. These investors, using a consistent, well-developed process, select specific stocks with the expectation that in a given time frame, the price of the stocks will increase. At the same time, they develop a plan and time frame that will determine the level of risk with which they are comfortable. They follow the daily stock reports on these stocks and when the price rises to meet their expectation, they sell and invest in other stocks. If an individual stock fails to meet their expectation within the time frame or if the price begins to fall, they sell to preserve their capital and invest in another stock. The length of the time frame, then, is the major difference between the long-term investor and the more active investor. For some reason, the long-term investor is often perceived as the more conservative and "safe" investor.

In his excellent book, *How to Trade In Stocks*, Jesse Livermore, a legendary market "wizard," points out the irony of that idea when he describes how an "investor" often thinks he can make a long-term investment only to find that the future holds a new set of conditions which severely reduce the earning capacity of the stock. He suggests that investors must guard their capital closely lest they become the "unwilling speculators" of the future.

In other words, you cannot leave any investment to the chance of the future market. Whether we invest long-term or short-term, we need to keep a continual watch on our investment.

Not All Strategies Are The Same!

A few words should be said here to point out the difference between the strategies suggested in this book and certain kinds of stock market practices that seem to get a lot of media play.

There are several ways to look at the stock market. Some people think of it as the greatest lottery or crap shoot in the world. You take your money and place it on certain stocks and you win or you lose. Some people make a killing and others get killed. This is gambling.

Another way to look at the market is that it is all a set-up. The “big guys” have it all wired and if you have the same information you can make a bundle. This is simplistic.

You can probably find facts that will support each of these views of the market but they are not useful in what we are trying to do. If you want a book that will help you win the stock market lottery or tap the big guy’s wires, you have the wrong book.

What Are The Assumptions Our Book Makes About The Market?

Assumption One: There are two basic ways money can be made from ownership of stock. When you buy a stock, you own a share of the company. That company produces a product to make a profit. When that profit is determined, some companies decide to save the money to offset future costs or to invest in additional equipment, thereby increasing production and efficiency. Other companies have adequate cash for the future and have no plans to invest in additional equipment. The profit, then, is given to the shareholders in the form of a dividend. The companies who pay dividends always try to maintain or increase the dividends which they offer because that is interpreted by the stock market as a mark of stability and/or growth. Dividends range from a few pennies to many dollars a share per year. Thus, if you owned a thousand shares of a company, with a dividend at $2 you would receive $2,000 a year without buying or selling any stock.

The second way to earn money is to sell your shares at more than you paid for them. This brings us to the stock market. There are several markets on which it is possible to buy and sell stock: the New York Stock Exchange (NYSE), the American Stock Exchange (ASE), the Over-The-Counter Exchange (NASDAQ), as well as foreign exchanges.

These markets, then, are the “wholesalers” where we will find the inventory for the franchise. As we look for stock, we will consider the potential for return on our investment. Will stock *X* sell for more money in the future than we are paying for it now? Will it pay a dividend? As we assemble our inventory of stocks, we must keep in mind that our potential customers are other investors. It is our job to anticipate what investors–and here it will likely be the institutional investors such as mutual fund managers–will want. We know that they will also want stocks which will show a profit and will consider both dividends and the potential profit from resale. We plan to buy stocks which we can sell at a higher price than we paid for them. We want to sell to the **Late Earnings Momentum Investors** and the **Price Momentum Investors**. The strategies in this book will help us to do that.

Assumption Two: A company with good finances, a good product, and good management is unlikely to go broke. The stock price may change because investors are following a "hot" trend in another industry but the company will go on producing whatever it makes. Bad management, lack of demand for a product, or some devastating outside force can cause major destruction in a company. If that happens, it is our job to estimate the chances of whether the company will survive. If we think it won't survive, we won't buy it. If we think it will survive, it becomes an opportunity to make money since the price of the stock will be at its lowest range because a lot of people are afraid it won't survive. This is what we call "buying fear." We become **Value Investors**. Later, when the company pulls itself together and begins to make money again, those same people will bid for the stock because they think the price will go up. This is what we call "selling greed." The only question then is, do we want to tie our money up in the stock at this time to wait for the price to rise.

Assumption Three: The price of stocks change from hour to hour and day to day. As long as a company survives, the price of its stock will fluctuate. This fact is important to us. If you look in the newspaper stock market reports, you will find that the same stock sold at several different prices during one day! As in all other markets, the price is a matter of how much a customer wants the item. If nobody else wants to buy the stock, we are likely to get it very cheaply. But if everyone thinks the stock is going to go much higher because of events in the news, or some breakthrough in the company, we are going to have to pay a higher price in order to get it.

However, most stocks trade in a limited range of price movement within a twelve-month period. The price of some shares varies as little as five or ten percent in a year, others vary as much as a hundred percent or more. And, of course, there is the occasional stock which "breaks through its high for the year" and sells at much higher percentages. It sometimes doubles or triples. These are the occasional bonuses; they are not the rule. Our strategies allow you to figure the expected range of stock prices. This average trading range is a central part of our decision strategy.

Assumption Four: Stock prices follow a trend because the investors who are buying the stock are following a trend. As we have noted earlier, if the investors keep hearing good news about the stock–that its price has increased a point, or that the company has won a big government contract they will keep buying the stock and the price will keep rising. But the bad news–that the earnings have stalled or that the company didn't pay a dividend–will change the trend and it will stop investors from buying and the price will go down until it gets so low that some clever investors realize the stock is a bargain. They begin buying stock and other investors hear the news. The rising trend starts all over again. Our strategies find ways to be those clever investors that realize the stock is a bargain.

Assumption Five: It is possible to make money in the market without paying attention to the overall market behavior if you concentrate on the behavior of the individual stocks. That is, the Dow Jones averages may be irrelevant to a company who manufactures micro-chips. This is not to say that when the market as a whole is over-priced, bargains are easy to find. But we have some research to show that in markets in which prices were at an historic high, there were still some stocks which, unbelievably, made money the following year. The "bottom-up" analysis, allows us to find those individual stocks.

How Does The Process Work?

There are several strategies which we will suggest but the basic process is this:

- ❐ Through one of the three strategies, we have decided that the stock of Company X appears to have a good chance of increasing in the near future. The question is, should we buy it?
- ❐ We need to know what the history of the price of Company X stock has been for the last five years. We look it up in a stock analysis publication such as *Value Line*, and discover that in each of the last five years the stock has sold at a high of around $17. We also discover that it has sold at a low in each of the last five years of around $7. This means that if we bought it at its low price of $7 and waited until it had reached its average high which should occur sometime during the year, we would make $10 on each share. That would be 142% on our investment!
- ❐ But we discover that the current price for stock in Company X is $10. This means that if we bought now, we have some reason to believe that the stock will

continue rising to its average high of $17 and we would make $7 a share which would be 70% on our investment. We need to decide whether to take that return on our money or look elsewhere.

- Of course, we made the example a little simplistic to illustrate the process. There are other things to consider as well. For example, there is the matter of commissions which we pay when we buy and again when we sell. This means that we would have purchased 100 shares at $10 each and sold them at $17 each giving us a profit of $700. The commission on the total transaction might run $125 which gives us a net return of $575 which is 58% of our thousand-dollar-investment.
- The basic idea is that we follow from ten to twenty or more stocks so that we know their pattern. We know when they are a good investment and when they are not. Then we begin to cycle our capital through these stocks harvesting the gains and planting again.

These are the basic mechanical considerations in the process. The developing of a method of selecting which stocks to consider and how we make those decisions is really what this book is about.

What About Risk?

Talking about risk is like talking about the stock market. Everything depends on the point of view. If you think about it, everything has a risk of loss. When you get on an airplane to fly from Chicago to Miami, there is a chance that the plane won't make it. For some people that chance is so great that they refuse to fly. For others, the possibility of disaster never crosses their mind. In money matters a good rule to follow is "Nothing is Forever." Anyone in the stock market must keep a constant watch on their investments.

But is that an argument not to invest in the stock market?

Only if you are not willing to keep a constant watch on your investments.

Anyone going into business has to deal with risk. It is a matter of balance. What are you willing to risk to gain what you want? Millions of people are willing to risk a dollar on a lottery ticket on the minuscule chance that they will win a million. They are not willing to risk their life savings on lottery tickets even if it does increase their chances of winning.

Some people are willing to risk five to fifteen thousand dollars in a Flower and Balloon franchise because they see the possibilities for that business in their area. Someone else might see the same possibilities but say the risk is too great. Since everyone’s risk tolerance is different, it will be impossible to provide a neat paragraph to satisfy the concerns about risk.

What we can do is discuss the possibility of loss in an investment and develop a plan to stop the loss quickly. When you understand the plan and understand that you must execute that plan immediately, you can control loss and thereby control risk. In Chapter Two, we will discuss problems of attitude and emotion that can get in the way of this simple action and you will have to decide whether you can develop the mental attitude to execute the necessary procedures in this business. Our concern is that we provide the means to make clear decisions about investments that leave you in control. Everyone will make their own decision about how far they are willing to proceed with this process.

What's Next?

Our goal is to provide a step-by-step procedure that will enable you to invest in stocks with the idea of realizing a profit within a short period of time. How much you invest will depend on your resources and your willingness to commit them to this business. We recommend that if you have no experience with the market, you begin with limited amounts of money until you experience the process and have an understanding of how you will respond to profit and loss.

Your money management procedures and the discipline which you use in executing the procedures are important factors in your success in this business. Even if you use these strategies to find an excellent stock, unless you watch it carefully and avoid allowing emotion and inflated expectations to divert you from the investment plan, you can lose money.

We will present three strategies. Each strategy deals with a different type of company–from the most conservative, dividend paying companies to the companies that have experienced serious problems but which have excellent chances of recovery. You will be able to decide the amounts you wish to invest in each type. In any case, you should be investing with the idea of realizing twenty to thirty percent on your investment.

When we have covered the specific procedures to be followed in each of these strategies, we will present some general ideas about the stock market and ways that experienced investors have found to be most effective. These derive from Tom’s seventeen years as a broker and the wealth of understanding he has accumulated.

Finally, we talk about what possibilities the future might hold for you. The strategies which we have presented will allow you to earn money in the stock market. But enough is never enough so you will probably want to explore the side roads that hold some other possibilities. We will suggest some ideas that you might want to think about as you mature in your investment experience.

But first you have to understand how to get started!

CHAPTER 1
A SUMMARY

We emphasize Value Analysis which focuses on individual companies rather than market trends. We use technical analysis to help with timing.

We can classify investors into three general types:

- **Value Investors**, who look for sound companies whose stock price has dropped for some reason.
- **Earnings Momentum Investors**, who believe the price of a stock will rise when earnings rise and fall when earnings fall. They buy and sell accordingly.
- **Price Momentum Investors**, who begin to buy when the price of the stock begins to rise and they sell when the stock price begins to fall.

The strategies in this book place us between the Value Investors and the Earnings Momentum Investors. We select companies based on value but try to make the purchase based on indicators of earnings or price.

The strategies are based on five assumptions:

1. We try to buy stocks which we can sell at a higher price than we paid for them.
2. A company with good finances, a good product, and good management which has had a drop in the price of its stock is a good prospect.
3. Stock prices for any company vary constantly but over a period of a year, they trade in a general range of prices. We use these ranges to identify candidates for purchase.
4. Since most investors follow price trends, our strategy tries to anticipate the trend.
5. We focus on the behavior of the individual company rather than overall market behavior.

We all select a level of risk to gain what we want and we decide how we manage that risk.

Making Your Living From The Stock Market

America's Greatest Franchise

A How–To Book for the Novice Investor

If you are looking to retire early or to supplement your income. If you are unemployed or underemployed. If you want a new career, these steps will get you on your way.

Provides a much-needed practical and simple approach to making a living from the stock market.

Takes the mystery out of a technical subject and gives you the answers and tools you've always wanted in a down-to-earth and entertaining style.

Whether you've got $500 or $500,000 to invest, Linzmeier's strategies will help you make money.

Discover how easy it is to:

- $ Invest in the stock market with confidence and control
- $ Bridge the gap between your present income and the lifestyle you want
- $ Invest your capital to sustain your desired way of life
- $ Understand the investment process
- $ Spot wise investments
- $ Use your intellect and control your emotions

Tom Linzmeier

Jesse F. Taylor, PH.D

A stockbroker for 17 years, Tom Linzmeier is a First-Vice President of the New York Stock Exchange member firm, Robert W. Baird. Jesse Taylor, a retired educator and now a freelance writer, is completing his "novice" apprenticeship in the stock market. Tom and Jesse have pooled their expertise to give you their first-hand experience in how to make your living from the stock market.