



# The 10 Minute Trader

SO EASY A 12 YEAR OLD CAN DO IT.

Yes, it all started [when my daughter Jacey, at age 9](#), kept asking me for money for this or money for that. I finally got fed up and said in frustration “Why Don't You Get a Job?” Her response was... “Daddy, I'm only 9... I can't go get a job”. Well, to make a long story short, she asked me what I was doing and if I could teach her. It did seem strange at the time, but she wanted to learn and I wanted to spend more time with her.

I wanted to teach her how to earn money and not just ask for it... It took a while to find a simple stock trading strategy that a nine year old could understand, something simple, safe and profitable. She also needed to know some basic rules of the stock market. How it worked and why the stock market is important.

## **Here are some basic truths about the stock market I shared with my 9 year old daughter Jacey**

**#1.** People have been borrowing money for business ventures for over 8,000 years, they borrow money and pay it back with the profits they make from running a good business.

**#2.** The stock market as we know it today, has been around since 1602. When the first publicly traded stock certificates were sold, door to door.

**#3.** The price of a companies' stock is more of the publics' perception rather than the real value of the company, The real value is in the cash flow, profit margins and earnings growth, management in place, and market share, etc.

**#4.** After the stock market crash in 1929, the president formed the SEC (Securities and Exchange Commission) to keep businessmen honest. Now companies are required to inform shareholders what is happening in the company through quarterly and annual reports.

**#5.** When a company is making money, they share their profits with their shareholders. If you own their stock.... they give you a Dividend check... your share of their profits.

**#6.** You don't have to own the stock all year to qualify for a Dividend check, just 2-3 days. The most important days being the “Ex-date” and “The Date of Record”.

- #7. You can collect as many dividend checks as you can afford to.
- #8. Stocks only move up... down... or sideways. Knowing when and how they are going to move is where the money is made.
- #9. Stocks move for one or two reasons... Known events and unknown events.

### **3 STEP METHOD**

#### **For Investing In The Stock Market**

#### **For Safe And Consistant Monthly Cash Flow**

- #1. Buy a dividend stock before the Ex-date.
- #2. Collect the dividend, then Sell your stock after the "Date of Record" for a small profit.
- #3. Rinse and repeat the process.

### **A Few Less Important Rules**

- #1. *Never* sell for less than what you paid.
- #2. Check the stock chart to see if it looks good. Not at an extreme high and not at the bottom either. Somewhere in the middle. Make sure it is trending well, moving in the right direction.
- #3. Diversify, spread out your trading, don't put all your money in one company. Five or more companies should give you good diversification... spread the risk. Keep all trades an even dollar amount invested.
- #4. No one wins all the time and no one has more interest in your money than you. Invest wisely.