

EASY MONEY TALL TALES

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“He who lives by the crystal ball soon learns to eat ground glass.” Edgar Fielder

In another biblical sign of Armageddon, the highest rated television show on CNBC is James Cramer's *Mad Money*. This is a program that is suppose to help individuals with their investments, a serious and noble endeavor; in reality, it is so arrogant and utterly ridiculous it makes *Sports Center* on ESPN seem like *Masterpiece Theater*. After watching this program a few times I have resolved to never underestimate the public's misconstrued belief that they can get rich quick. It never ceases to amaze me the futile quest that many people embark on in order to discover a mythological magic formula that will put them in a 10,000 square foot home with a Ferrari in their driveway, all in a few short weeks. Whether it be a computer program that will *“let you trade like the pro's”*, a self-proclaimed guru like Mr. Cramer, a new trading vehicle or commodity market like currency trading, pork-bellies or frozen concentrated orange juice. I could literally do a three-hour radio show just covering the millions of dollars Americans lose everyday on these various get-rich-quick schemes.

DUMB MONEY

It is nearly impossible to keep an accurate account and track record of the rapid-fire buy and sell recommendations from James Cramer on his show. However I believe if his track record was really any good he would probably be screaming it over and over again on the show. The CXO Advisory Group conducted an audit of James Cramer's stock picks from *New York Magazine* from May of 2000 to June of 2005. Here are the results:

Mr. Cramer is accurate about 50% of the time (25 out of 51) with his stock recommendations prone more to headline hyperbole than equivocation. His predictions sometimes swing dramatically from optimistic to pessimistic over short periods. It is difficult to infer his guiding valuation theory. In summary, Mr. Cramer's stock market calls since May 2000 have approximately coin-flip accuracy. He seems more an entertainer than stock market maven.

Enough said, watch and invest at your own risk.

FOREX SEMINAR SOFTWARE SCAM

I happened to pick up a local paper recently and was confronted with a full-page advertisement with the bold tagline, FORGET THE STOCK MARKET IN 2006. THIS IS MUCH BIGGER (my spider-sense started going into overdrive). I get all of my newspapers and most of my magazines online so I rarely get to see advertising like this. This ad was an invitation to attend a seminar where a man by the name of Michael Stewart “The Guru” was going to teach attendees how they could get rich by trading the currency markets. I continued to read this enormous advertisement and within the first two paragraphs I noticed two major lies about the FOREX markets. The ad was littered with unsubstantiated testimonials like Donald from Florida who stated, *“I can do a week's salary in a day. In one morning, I made what was three weeks salary at my old job.”*

We decided to do some more homework on the company 4X Made Easy that was holding the free seminar and promising the quick and easy road to riches; and wouldn't you know it, there are a multitude of complaints against these guys. 4X Made Easy are not brokers; they are self-

proclaimed educators and software providers. The more money you want to make, the more money you have to spend on classes. I found out that their trading "Guru" Michael Stewart, who claims that he is so good that he can actually set his trading software in the morning and go golfing all day and make money; actually lost all of his money trading currencies in 2001 and ended up pleading guilty to foreign exchange currency fraud.

There is currently a class action lawsuit filed by the Denver law office of Straus & Boies, LLP. They allege that the crooks pushing this software deliberately target unsophisticated investors throughout the United States and Canada with a marketing program designed with the purpose of deceiving consumers into believing that they can successfully and easily trade the foreign currency spot market with the software. The suit alleges that in "infomercials", promotional materials, and sales events referred to as "trading workshops", the makers and marketers of the 4x Made Easy software misrepresent the performance and ease of use of the software, their own personal trading success, backgrounds and experience with 4x Made Easy, and the risks involved in trading in the foreign currency market.

The suit alleges that the defendants utilize marketing practices whereby they deceive customers into making an initial investment of several thousand dollars in the software by falsely promising a "risk-free money back guarantee" if customers are unsatisfied with the software. However, the complaint describes a practice whereby there is realistically no "money back guarantee" because the warranty expires before consumers have any opportunity to evaluate whether the software works as advertised: In order to receive instruction on how to use the software, customers are required to waive their right to a refund by signing a document with unconscionable terms and conditions contained on the back of the form. Once customers attempt to use the software according to the directions, and realize it does not work, they have waived their right to a money back guarantee. Rather than refund money to those customers, the makers and marketers of 4x Made Easy offer additional subscription services, training programs and advanced seminars at substantial additional cost, with the false promise that the additional subscriptions, programs, and seminars will teach the consumer how to make the software work as advertised. The suit alleges that the "Defendants effectively pressure consumers into throwing good money after bad by metaphorically trapping its customers in the labyrinth, and then charging customers for the directions on the way out."

MY SECRET

If you want to know the secret to making money and being happy, I have it and am going to reveal it to you now. Drum roll please...

WORK, TIME AND EFFORT

It is that simple. Anything in life that has any value or worth involves work, time and effort. Nothing in life of any value comes easily. Whether it is the relationship an individual has with his or her significant other, the relationship with your children, your health, or your bank account. Scam artists have always taken advantage of people who for some reason think they can defy this law of life. I think that is the world's second oldest profession, promising everything and anything by sacrificing nothing. The earlier one learns this important lesson of life the happier and more satisfied they will become.