



2ND QUARTER 2015 NEWSLETTER

YOUNG INVESTORS SOCIETY

READY, SET, GO!

The Snowball Effect

Warren Buffett likes to talk about how the key to making a good snowball is to find wet snow and a really long hill. With Young Investors Society, I'm truly convinced that we've found both! Frankly, I've had days this quarter where I've just had to shake my head in astonishment at how things seem to be falling into place. People are catching the vision. Something about YIS is really resonating. Everyone's is pitching in, and I've been very pleased and truly humbled by all the groundwork that has been contributed. In this, our quarterly newsletter, I hope to catch everyone up on the progress we've made and outline the challenges as I see them.

501c3 Approval

We got off to a great start right out of the gate receiving our 501c3 status in record time. Apparently even the IRS sees benefit to the cause. And then the WSJ practically wrote our marketing plan for us in their scathing review of SIFMA's *The Stock Market Game*, calling for the need to teach kids correct investment principles.

Website & Brand Development

We opted to go with a talented website developer from San Francisco, Achint Verma and team in India, to build our site for us. We had been in discussions with some folks from Silicon Valley to build it for us pro-bono, and they were willing, but it was clear that it was going to be put on the backburner and suffer delays, so we didn't want to take the chance.

We also discussed at length the adjectives that we wanted to capture the YIS brand. We thought the two key words were "engaging" and "prestigious". Tough combo. Amanda Fletcher, my brother Ben's wife, graciously donated her professional design talents to come up with the arrow graph, which many of you weighed in on. As Jane Winslow put it, it is "simple and clean, but makes the point". We even had the head of design at Pew Research Center weigh in on the logo and she said that it was surprisingly good. We opted for a color scheme of "fresh" blues and greens that mimics the CFA

ONGOING PROJECTS

Website: When: Mid July. Who: Achint and Luutaa team.
Cost: \$850

App: When: End of August. Who: Jason, Jaydeep and team.
Cost: \$3,100 (Android & iPhone)

Video Filming: When: Beginning of August.
Who: Brian & LeeAnne Adams, Jed Udall, ESPN studios
Cost: \$7-10,000

Marketing Video:
When: August. Who: Nathan Frisk, Head Start Video.
Cost: \$2,000

Schools: Westlake, Agoura, Oak Park, Roybal so far. Talking with San Marino and Newbury Park.

Summer Camps:
Summer 2016

organization. The website should be up and running by July.

On the other front of brand development, we're still settling on the perfect company tagline.

App Development

One of the goals from the last board meeting was to create an app that will be a scalable marketing tool and fun way to introduce investing to kids. Through eLance.com, we found Jason Klatsky and his team led by Jaydeep in India that have a good track record in app development. The app is underway. We have already created the algorithms, basic design, and all the back-data to over 40 stocks starting in 1960. Personally, I am excited to play it. Even doing simulations of the data in Excel, it's really fun. The app should be completed by August, just in time for the new school year.

I should also mention here that we have had some exciting discussions to potentially partner with Warren Buffett's Secret Millionaire Club (SMC) to use Buffett's likeness in our app and some videos down the road. Genius Brands International, based in Los Angeles, owns the rights to SMC and works closely with Warren Buffett, including producing all the media in his annual shareholders meetings. The sincere interest they've shown in what we're doing is a very good sign, and may take us eventually to Buffett himself.

Content is King

We have said from the beginning that our content is going to be our crown jewel. Bring Buffett to the masses! It has been done a bit in written form (think *The Little Book that Beats the Market*) and a few videos (Bill Ackman's Big Think) but there is so much more we can add. We outsourced content to many of the talented members of this board and came up with a wonderful script of over 50 pages covering a lot of key investment concepts. We also have a sample stock pitch report and a template explaining the "How-to" of stock analysis. It's a great outline, and gives us a tremendous foundation to start with. Thank you for all who contributed! Our next step is converting this content over into videos, lesson plans, and written content on the website.

Videos

Video production is a sphere that was definitely out of my comfort zone, (Come on, James, you're based in Hollywood!), but we're starting to see some real traction. At this point, I have had a couple meetings with Brian & LeeAnne Adams, friends of ours and professional producers. They led me to a director, Jed Udall, who is also a good friend, and very talented. Layne's friend, Mike, works at ESPN (LA) as a producer, and said he could arrange for us to use the studio and equipment there! A huge

win. So after many conference calls and phone calls, this seems to be coming together nicely. Brian & LeeAnne also have some tremendous ideas for Phase 2, when we have the initial content library, and we can start doing site-visits to companies, interviews, and possibly create a fun YIS web series.

For me, it has been really rewarding conversing with a number of very talented and creative producers, who have really helped us shape the future for the content. It is clear that this is going to be our biggest expense. But at the same time, I think we need to do this right. This is our face and a channel that is scalable and can really grab teenagers attention if we do it right.

School Meetings

In June, I met with the Conejo Valley School Board. During the meeting, they were so excited by YIS that right there in the meeting they called an Economics professor at Westlake High and ran the idea by him. He said he would love to be a sponsor.

Elim Carpenter, from LAUSD's Roybal High School has also offered to sponsor a club next year. High Schools in Agoura Hills and Oak Park California have also signed on to start a chapter.

I have a meeting set up to speak with the former Mayor of San Marino, who is connected into the High Schools there about sponsoring clubs in his district. So

it is looking like we're already going to have at least half-dozen schools in the LA area next year.

Overall, the response from schools has been very positive and encouraging. The common questions are about the time commitment needed and funding. Engaging schools and teachers is an area where we need to hit the pavement and make the calls. It takes time but is an effort that I am confident will be worth it in the long run.

New Team Members

It's all about people, and I am so grateful for the talented individuals who have jumped at the chance to join the YIS cause. Frankly nearly everyone I speak to is excited about the vision and wants to chip in. This quarter we had a couple new additions to the board that I want to extend a warm welcome. We had said last board meeting that we needed more experience with non-profits and education, and I think you'll agree that we've hit the jackpot.

Valerie Funk. She has been leading the Harvard Business School online curriculum initiative (HBX). I think anyone who has been on the curriculum calls can attest that she is a huge addition to the team adds a lot of valuable experience and ideas.

Megan McVey. She is Senior Digital Associate at Pew Research Center, and former valedictorian at my high school (GCM!). She is truly brilliant and brings a lot of experience from the non-profit side.

Elim Carpenter. She is a gifted Accounting teacher at Roybal Academy (High School), former entrepreneur, and a former director of marketing at AT&T. She is a great link into the LAUSD

school system and has wonderful insight into the teaching of minority students.

In addition to the new board members, we have also spoken with many industry professionals and university professors about helping out with content and conferences. All have graciously accepted.

I would also like to highlight that Layne Fletcher has been promoted to the role of Chief Operating Officer of YIS. He is doing most of the day-to-day work for Young Investors Society, and really doing a tremendous

job of managing all of the ongoing projects.

This month, we also held our first meeting of students for the YIS Youth Advisory Board. The youth responses were overwhelmingly positive and really insightful. It was also a reminder to me of why we are doing this - a glimpse of the tremendous difference we

can make if we do this right. Whenever I'm with the kids, I come away even more motivated to keep pushing this snowball forward!

My Thanks

Again, I want to thank everyone for all of your faith and trust and effort in YIS so far. Buffett said "It's better to hang out with people better than you" and I truly feel I am doing this with all of you. My hope is that the vision and the team can make up for my deficiencies.

I'll end with a final Buffett quote that I think nicely captures what we're trying to accomplish: "Someone is sitting in the shade today because someone planted a tree a long time ago."

Let's plant our tree!
James

"YOU MIGHT THINK IT'S A JOKE, BUT THOSE THIRTY MINUTES YOU PRESENTED TO MY CLASSROOM CHANGED MY GOALS FOR LIFE."

EDGAR DEL ROSAL, STUDENT

MISSION: THE YOUNG INVESTORS SOCIETY IS DEDICATED TO PREPARING THE NEXT GENERATION OF INVESTORS. ITS MISSION IS TO INSPIRE YOUTH TO BE OUTSTANDING INVESTORS – INVESTORS IN COMPANIES, INVESTORS IN THEIR COMMUNITIES AND INVESTORS IN THEMSELVES.