

Insights

Volume 1 Issue 1

February 2007

Investment Mentoring Institute

Welcome!

Welcome to the premier issue of Insights. We'll be bringing you an issue of this newsletter every month.

The purpose of the Investment Mentoring Institute is to produce great traders and great investors. The purpose of our newsletter is to keep you informed about the resources we make available to you, so you can always get the most from your money. Your purchase of an Investment Mentoring Institute course or product is an investment in yourself, and we want you to get the best return on your investment.

Please feel free to write us about your experiences. We are always eager to see your letters. (We won't print your letter in the newsletter unless you say it's okay to do so.)

What is the Investment Mentoring Institute?

The Investment Mentoring Institute is a unique organization devoted to building great investors.

It is based on the 30 years of experience of Courtney Smith. Courtney has been a pro trader for decades. He has trained hundreds of traders mostly for big financial institutions. He is bringing this wealth of professional trading experience to individual investors.

It focuses on techniques that work. The Investment Mentoring Institute does not try to create some big hype over unproven techniques but instead has a laser beam on profits.

No-nonsense down-to-earth techniques based on the same techniques that Courtney used to create his incredible track record.

“The Investment Mentoring Institute does not try to create some big hype over unproven techniques but instead has a laser beam on profits.”

Inside this issue:

- 2) Who is Courtney Smith?
- 2) Harv Eker's Millionaire School
- 3) Interview with a Mentor: Greg Timmins
- 5) Our Holiday Giving Program
- 6) Resources now online
- 6) Individual Investors Advantage
- 7) Thanks from The Neta Dance Company
- 7) Quotes from satisfied clients
- 8) Our Services

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Courtney Smith mentoring a student

Who is Courtney Smith?

Courtney Smith is the only person in history to have managed a top ranked hedge fund (ranking by Altvest), a top ranked mutual fund (ranking by Lipper), written a top ranked stock newsletter (ranking by Hulbert Digest), written a top ranked futures newsletter (ranking by CTCR), and was a top ranked market timer (ranking by Timer Digest).

He has appeared on television over 1000 times and written six books on investing. He has spoken at many conferences around the world. He has headed up professional trading organizations inside major financial institutions, been the treasurer of a Swiss Bank, and the Chief Investment Officer of a mutual fund company. His investing experience goes back 30 years.

“Courtney Smith is the only person in history to have managed a top ranked hedge fund, a top ranked mutual fund, written a top ranked stock newsletter, written a top ranked futures newsletter, and was a top ranked market timer.”

Harv Eker’s Millionaire School by Courtney Smith

I recently gave a speech at each of Harv Eker’s Millionaire Schools in Orange County, CA and Orlando, FL. There was a total of about 2000 people at the two schools.

It was a great opportunity for me to speak to such an amazing group of people. I was not that familiar with Harv Eker’s work and, boy, was it a shock! A positive shock!

I walked into the huge hall at the Hilton and was immediately struck by the energy of the people there. I became more amazed the longer the Millionaire School went on.

Harv structured the School so that it basically went for 12 hours a day for four and a half days. What a marathon! Yet people were as energized at the end of the day as at the beginning! I’ve never been in a conference with such enthusiasm.

The enthusiasm comes first from Harv himself and filters down to the whole staff that work with him. He is a high energy charismatic person with a strong message that is the key that energizes the participants.

I kept looking at Harv during the conference to see any form of falseness but all I could see was a genuineness that was awesome. He truly cares about what he is doing. Yes, he’s making a lot of money but he is making money providing a critical product.

I have never spoken to such an amazing crowd. I have never been with such a large group of motivated people. I know I keep saying it was awesome but there is really nothing else that describes the experience. The energy, the motivation, the caring were overwhelming.

Continued on page 3

Harv Eker's Millionaire School

Continued from page 2

I have now had the opportunity to speak to a lot of the people personally and I am even more impressed. IMI specializes in one-on-one mentoring so I've had the opportunity to speak one-on-one with a lot of the people who attended.

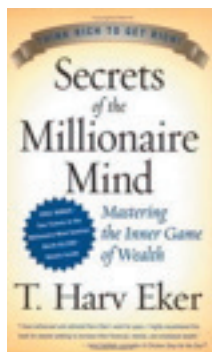
This is a group of very healthy people. They have very few psychological hang-ups and have a very healthy approach to life.

I have trained many professional traders over the last 25 years and the students we signed up from Harv Eker's Millionaire School are more motivated and will likely be more profitable than the pro traders I trained for major institutions. Again, I am amazed at the level of energy, commitment, and enthusiasm I see from Harv Eker students!

I always want to make sure I give practical, useful information in every speech I give. I was able to provide three powerful market timing techniques when I discussed mutual funds. People can really use that info in their lives and make a lot of money with those techniques alone.

I had Pamela Sinclair helping me at the conference and our table was inundated after the speech with people wanting to sign up for our mentoring program. It was overwhelming and also very gratifying.

The bottom line is that the Harv Eker's Millionaire School was an amazing experience. Harv provides a great product to a great group of people. I highly recommend it.



Interview with a Mentor: Greg Timmons of the Investment Mentoring Institute



What do you think of Courtney Smith's approach to investment mentoring?

I am most impressed with the common sense nature of Courtney's system. It simply makes sense to invest in high growth stocks that are trending up. Combine that with the risk management and money management systems...well we have a comprehensive approach that is proven and inspires confidence.

What has been your biggest challenge?

My biggest challenge as a mentor is to connect with all the different personalities of my clients. Sometimes I find myself sacrificing the connection in an attempt to get the knowledge across, but that just doesn't work. I end up having to cover the material over several sessions. There's so much I want to tell each client that it is a challenge for me to maintain focus.

How have you enjoyed the mentoring work so far?

I absolutely love the work! I wanted to open a small school in South Carolina prior to meeting up with Courtney. After we spoke, I knew I had no choice but to join his team. I'm learning as much as I'm teaching and it feels great.

Continued on page 4

Interview with a Mentor: Greg Timmons of the Investment Mentoring Institute

Continued from page 3

Although I did quite well over the past 8 years of trading, I'm glad those days are over: sleepless nights, pointless losses, hopes and dreams. I am employing the systems I teach, and laugh at the max losses I might realize.

How did you get started in investing? Did you have a mentor when you were getting started?

I had just come to the conclusion that a broker was nothing more than a glorified salesman. A friend of mine was working for All-Tech Investments, a leading day trading firm at the time. In 1998, I got a position as a proprietary trader. Which meant I put up \$5k and the firm gave me \$100k in capital to start and we split the profits 50/50.

My only training came from fear...I couldn't lose that \$5k or I was off the trading desk! Those were great days for day traders. Within a year I decided I no longer wanted to split my profits so I started trading my own accounts. All went very well until 2001 rolled around.

When the NASDAQ went to decimalization, it destroyed my net margins. I wasn't losing any money, but I couldn't cover the extra ticket expenses and still have a reliable source of income.

Prior to decimalization, I was making 40 trades a day with 90%+ profitable. After decimalization, I was making 200-300 trades per day with about 55% profitable.

So I cried "Uncle" and looked around at different systems. For about 6 months I worked as a liquidity trader in Manhattan. Our job was to passively trade as many shares as possible and earn a rebate which started at \$7/1000 shares and ended up at \$2/1000 shares. So if you traded 1MM shares, you earned a rebate of \$7,000 that day. Then add in P&L, commissions, fees, etc. Most traders there were just after the rebate, which was a mistake. They destroyed that golden-egg-laying goose.

Within a month, our ECN LSPD was trading more volume in NASDAQ stocks than all other firms and ecn's. Firms like Goldman Sachs, Merrill Lynch, etc. owed us millions of dollars in rebates. When the numbers became absurd, they just decided not to pay. When the firm couldn't collect...poof, no more LSPD.

Finally in March 2003, I decided to go legit. I became a long(er) term trader. I started actually doing some fundamental analysis, combined with my technical analysis and holding stocks for 2mo-1yr. Since then, I've blown away market averages.

But the reason I've done so well isn't because of my experience and knowledge. I suggest it's because I am extremely disciplined about taking losses quickly and because I was taking insane amounts of risk! I was fortunate that we've had such a nice bull run. That approach could destroy my accounts in market conditions that are less than perfect.

The system we are teaching here at IMI offers a deeper and more honest feeling of confidence than the string of winners I bought in the past. Why? Because it's a comprehensive mechanical system using all the important data available for a stock. And the focus on psychology cannot be overstated. In the past it was all charts, arbitrary stops, gut instincts, and hope.

What is your particular preference in the markets?

My preference in the market is equities. I have no need to expand beyond stocks.

“Although I did quite well over the past 8 years of trading, I'm glad those days are over: sleepless nights, pointless losses, hopes and dreams. I am employing the systems I teach, and laugh at the max losses I might realize.”

Our Holiday Giving Program

Every year, the Investment Mentoring Institute sets aside some of the money you pay in tuition to give to charitable organizations. We view this giving as an investment in making the world a better place.

This year, four organizations were chosen to be prospective beneficiaries. We chose each one to represent a different area of activity. Then we sent an e-mail to our clients, asking them to choose their favorite.

For preventing domestic violence, we chose Project: PeaceMakers, Inc. The selected charity is a non-profit public benefit organization founded to address the issue of Domestic and Family Violence. The group teaches middle school and high school students about conflict resolution, anger management, and mediation. Making a stronger child helps to reduce the effects of domestic violence. The group is based in Los Angeles. More data is available from this web site: <http://www.neighborhoodlink.com/la/81stbc/genpage/458845168.html>



Neighborhood Link
Home Page

Project: Peacemakers at Neighborhood Link

In the area of the arts, we chose the Neta Pulvermacher Dance Company, now in its 20th year. Her dance troupe has toured throughout the U.S., Israel, Europe and Canada. Artistic Director Neta Pulvermacher is noted for her collaborations with avant-guard musicians and composers. More information is available here: <http://www.netacompany.org/>



Neta Dance Company

For education and science, we chose Sovereigns of the High Frontier Society is building small libraries, labs, observatories, and classrooms, in communities all over the place to promote mathematical, scientific and especially space settlement related education. Their web site is: <http://hisovs.org/>



Sovereigns of the High Frontier Society

In the area of advancing health care, we chose the Methuselah Foundation. Our charity in this area is an organization of professional and non-professional volunteers who are dedicated to raising the awareness of the potential for near-term science-based aging interventions using modern technologies. The group offers competitive financial prizes to inspire efforts by researchers into anti-aging technologies. Their web site is: <http://www.mprize.org/>



Methuselah Foundation

And the results are in! Over 50% of clients chose Project: PeaceMakers, Inc. The second choice was Sovereigns of the High Frontier Society. Third place went to the Methuselah Foundation. Several people also voted for the Neta Pulvermacher Dance Company. Several clients wrote back to say that they wanted to support all four programs.

The good news is, we'll do exactly that! The donations this year are being divided by client preference over all four groups. So, the most popular charity will get the most money, a bit more than half, and so forth.

Thanks for participating in our annual holiday giving, our investment in a better future.

Resources Now Online

We've added new resources to the Institute web site. One page explains the NASDAQ Advance/Decline line and signal. <http://www.investmentmentoringinstitute.com/NasdaqAD.htm>

Other research is here: <http://www.investmentmentoringinstitute.com/research.htm>

At the new site, we have an online message forum so you can discuss topics of interest with mentors and other students. We're also working to bring more information over from previous web sites our team has worked on, including new articles as we produce them.

The work is endless, and very exciting. New tools are being developed all the time. In fact, one of our students recently brought to our attention some work he's done on a very complex modeling system. We're looking for ways to work with him to make that information available to you.

We count on you for feedback. Please call or e-mail.

Why Individual Investors Have An Advantage Over Professional Investors

Everyone assumes that individual investors are at a huge disadvantage to professional traders at big institutions. Not true.

The institutional traders have a few advantages. They can get better info quickly. The institutional traders gets the first call when anything happens. We don't.

The institutional trader can also do some trades that we simply can't. For example, there are many strategies that an institution can do because they have a credit rating that individuals can't. They use their credit rating instead of cash to trade, thus reducing the cost of capital in trades.

However, the individual has most of the rest of the advantages.

First, we don't have to trade. We can sit on our hands until market conditions are "perfect". Believe it or not, institutional traders have to trade. Or they get fired. No trader would last long in a trading shop if they didn't trade for a few weeks. Yet we can do that anytime we want. That means that we have a huge advantage because we are not forced to take mediocre trades.

We can also trade instruments that the big boys can't. We teach many of our clients our method of covered call writing that should make over 40% per year. There is no way that an institutional program can get close to that kind of performance. Why? Because they can't just sell one or two or even ten options. That position is way too small for an institution.

So they are forced to trade only big liquid options on big liquid stocks. Guess what? That drives down their returns to more like 12%.

One of the biggest problems with being an institutional trader is that they also don't have flexibility of strategy or instrument.

For example, it is very common for a trader to be allowed to only trade the five-year Treasury note. Not even the options on it! That means that they will be in trouble if the five year note is in a dull market with no profit opportunities.

Remember, they have to trade so they will be trading but not profiting from it. Individual investors can drop a boring market and focus on only the biggest best trending markets thus creating much larger profits.

The bottom line is that individual investors have many key advantages over institutional traders that enable them to make more money on a percentage basis every year.

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January 14, 2007

Courtney Smith
President
IMI
California

Dear Courtney,

Thanks so much for your generous contribution to the House of Dance! (The Neta Dance Company).

Your contribution could not have come at a better time, as we are embarking on the second season of the A.W.A.R.D. Show! series. Your contribution to the A.W.A.R.D. Show! will support the development of new and developing dancers and choreographers. The A.W.A.R.D. Show! is generating much excitement in the dance community and already new regional A.W.A.R.D. Show! projects are spurting up in Utah and Florida. Specifically your contribution will help to cover the production costs of the series.

Please extend an invitation to your student investors to attend the A.W.A.R.D. Show! in NYC. Our next performance dates are: February 11, March 18, April 15 and the finals on May 20th 2007. For more information about the series and the company please log on to: www.netacompany.org

I understand that the money contributed to us came from the tuition of students at the Investment Mentoring Institute. So please extend our sincere thanks to your students! As they learn how to invest we too... are investing in the future of the dance art form. The effects of which will be felt for many years to come.

We at House of Dance Inc. believe in the importance of healthy arts to the society and economy.

Great ideas whether in art, science or business are all a product of the human imagination and art has the power to unleash the imagination.

Once again, thank you very much for supporting the arts through your contribution to our organization.

Sincerely,
Neta Pulvermacher
President
House of Dance
The Neta Company

Client Quotes From the students of the Investment Mentoring Institute

“Absolutely achieving my goals. Feel strongly getting valuable information. I’m really enjoying it!” BB

“This program is the highlight of my year!” PS

“The risk management rules are the gospel!” EW

“The system you’ve developed is really smooth. It made my life easier, and really works well. It makes the market very clear. Now I know what to look for and what not to look for. I feel that I’ve been investing for years, and it gives me the confidence I need. I am now meeting my goals much more than I expected. I feel strong that I can perform well in the market. I’ve never felt that way before. I now feel that I know what I’m doing. It’s fun! It really is. You’ve taken a chore and made it fun.” DH

“I love the trade plan. It’s so unemotional.” PM

“Your systems are so great and the mentors are great. Greg has helped to really read the market particularly when to enter and exit. The risk management rules are vital. There is very little room to lose. Now there is no fear. I used to have huge apprehension and now I have no fear. I now have peace of mind. The risk management rules are totally powerful tool. They give me a tremendous sense of peace.” SK

Our Services

This program offers personalized one-on-one mentoring for stocks, futures, forex, and/or options. Your choice. The program includes all books and written material necessary for the program. We pay for the phone call. The basic price is \$5595 for 20 sessions paid in advance.

Advanced Mentoring Programs

These programs take the client to the most advanced techniques for making money in stocks, futures, forex, and/or options. The program is individually tailored to the client so that they have the highest impact. The price is \$2995 for 10 sessions but graduates of our initial Mentoring Program pay only \$2495.

Mentoring By The Hour

Mentoring by our top team of mentors is available for \$300 per hour or \$2500 for a package of ten hours.

“What I’ve learned in the last 10 weeks has blown me away. I really feel that I’m getting my money’s worth already.” KS

Books

A Comparison of Popular Trading Systems

Options Strategies

Complete Guide to Stochastics

The Larry Williams File

Courtney Smith Private Consultations

By phone, fax, e-mail, or in person. Minimum: 1 hour at \$600 per hour. Payment is due in advance by check or credit card.

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