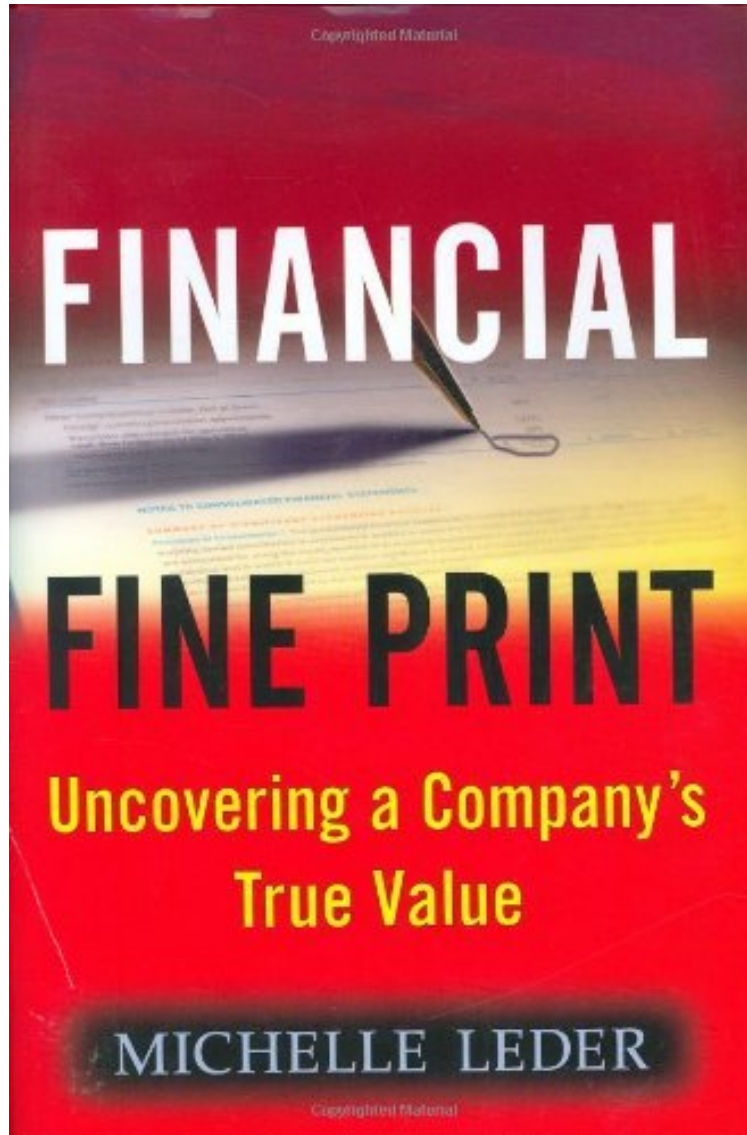


(Free read ebook) Financial Fine Print: Uncovering a Company's True Value

Financial Fine Print: Uncovering a Company's True Value

Michelle Leder

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Michelle Leder : Financial Fine Print: Uncovering a Company's True Value before purchasing it in order to gage whether or not it would be worth my time, and all praised Financial Fine Print: Uncovering a Company's True Value:

9 of 12 people found the following review helpful. Needs less talk, more action!By Winston KotzanAs an investor and equity columnist, I often use 10-K's and 10-Q's to form an opinion on the financial health of companies. I bought Financial Fine Print with the hope it would improve my analyses by helping me tune in on the most important figures and red flags.Much to my disappointment, this book provided very little help. Many of the chapters were filled with "fluff," discussing trivial details about the history of SEC regulation and not getting to the main points. After reading

through entire chapters, only a few (sometimes obvious) financial red flags were covered. A major problem is that the author does not distinguish between financial chicanery and benign transactions. Particularly the chapters on CEO perks and off-balance sheet entities leave the reader more cognizant of such items, but without any clue how to react to them. Not every company with an off-balance sheet arrangement is on the brink of an Enron-like crisis, but the author might lead you to assume so. With so many references to Enron and Quest, the entire book seems to be written to cash in on their collapse. I'm not sure what audience this book was written for, whether the author was targeting uninformed home gamers or investors with intermediate/advanced stock market knowledge. It seems to be aimed towards the murky middle of both crowds. The bottom line is that this book might carry some merit for retail investors just getting their feet wet when it comes to 10-K's. Some of the information may be handy depending on your knowledge level. This is one of those books that you will either love it or hate it. 0 of 3 people found the following review helpful. Priceless Tool for Investors By Novelist Michelle Leder has provided a tool for the average investor that is worth its weight in gold! I feel more confident now that I have the skills to evaluate a company like a pro. This is a "MUST READ" for any investor. 0 of 0 people found the following review helpful. Read the footnotes By Gderf This basic fundamental finance book advises read the footnotes of financial reports yearly and especially the detailed 10K to detect potential business degrading defects. Although the reader is advised to go beyond financial analysis, the book is a good follow up to basic financial ratio analysis. The glaring examples are all hindsight: Enron, Tyco etc. Looking back on my own investment history I can see where the approach would have helped mitigate a mistake or two, but am I astute enough to recognize it the next time around? It's hubris to think that the casual investor can do more or better than a myriad of professional advisors not withstanding the difficulty of choosing among them. Enlightening me that Warren Buffet does this is not very helpful. I'm sure that's not the only thing he does. The hypothetical best business in the world likely operates on the edge of some aspect of it's business that would serve as a likely warning signal. It's likely that some such signal can be found to justify abstaining from every possible investment. It's almost humorous to contrast this with well selling financial books that feature a "lazy man's approach" or "the only thing you need to know." This constitutes possibly good advice that I'm not sure what to do with. Maybe it warrants a second reading.

Thirty-five million individual investors jumped into the stock market for the first time during the late 1990s without asking questions about the stocks they were buying. When the bubble burst and the large number of accounting scandals began to grow, most investors didn't know where to turn or whom to trust. Now it has become more important than ever for investors to take matters into their own hands. *Financial Fine Print: Uncovering a Company's True Value* lets individual investors in on the secrets that seasoned professional investors use when they evaluate a potential investment. Buried deep in a company's quarterly (10-Q) and annual (10-K) reports are the real clues to a company's financial health: the footnotes. At many large companies, these footnotes can run for more than 30 pages and for some corporations have doubled in the past five years, making them simply too important for investors to ignore. *Financial Fine Print* spells out exactly what investors need to look for within the footnotes of a company's reports in order to make better, more informed decisions. By using numerous examples of actual footnotes that have appeared in SEC documents, the book teaches investors in easy-to-understand language ways to spot and avoid future Enrons and Worldcoms (and Tycos and Adelphias and HealthSouths). For any investor who has spent the past three years watching their investments shrink and has begun to think about getting back into the market, this book provides the critical tools that investors need to know to avoid getting burned once again.

"*Financial Fine Print: Uncovering a Company's True Value* is one of the most informative books ever written for investors" (From the Foreword by Thornton "Ted" Oglove) "A must read for any investor serious about knowing what they own." (Herb Greenberg, Columnist, "TheStreet.com, Fortune Magazine") "It's beautifully written, combining both warmth and clarity, and as easy to read as it is to understand." ("Better Investing Magazine," October 2003) "The *Financial Fine Print* here is readable, useful and potentially profitable!" ("Barron's" Magazine, December 1, 2003) "In my opinion *Financial Fine Print* is a must-read for any investor who wants to pick his or her own stocks." ("Pittsburgh Tribune," December 21, 2003) "With a book as indispensable as this, there's no...excuse to avoid wading into the thicket of footnotes before making financial decisions." ("Better Investing Magazine," December 2003) "*Financial Fine Print: Uncovering a Company's True Value* is one of the most informative books ever written for investors" (From the Foreword by Thornton "Ted" Oglove) From the Inside Flap "Always read the fine print." It's one of life's basic maxims, and for the individual investor, still smarting from recent market meltdowns, the saying goes double. Too many claims of miraculous earnings have been revealed as accounting mirages, with small shareholders among the biggest losers. Prudent investors want the whole story, not just the rose-colored version of events that managers tend to portray. Yet how do you uncover it, given the huge amount of available information? The trick is simply knowing where and how to look. *Financial Fine Print* is a great place to start. Written by veteran financial journalist Michelle Leder, this book lays bare the accounting tricks companies use to whitewash their numbers. Using

a clear, no-nonsense style and pointing out numerous scandals and red flags, Leder sheds light on the most obscure yet most essential aspect of annual reports and SEC filings: the footnotes. With the knowledge and techniques detailed in *Financial Fine Print*, you'll learn: Why one number buried deep within the pension footnote can speak volumes about whether the company's other numbers are trustworthy What sorts of insider transactions investors need to pay close attention to Where companies tend to hide their debt and other obligations How some companies seem to take "special" charges every quarter and how that impacts the bottom line When to avoid a stock because the red flags are simply too numerous "Too many companies would prefer that you not read the footnotes," notes former SEC Chairman Arthur Levitt. "That should be incentive enough to delve into them." As investor skepticism builds and the specters of Enron, Worldcom, Adelphia, and Global Crossing loom large, companies trying to prove themselves above-board have added more footnotes and documentation than ever to their reporting. This makes learning the lessons of *Financial Fine Print* all the more important. Because the simple fact is that if you want to own individual stocks, you need to do your homework. From the Back Cover "A must-read for any investor serious about knowing what they own. With the help of some of the best financial detectives, Michelle Leder provides a roadmap for delving beneath the surface -- where most investors dare not tread." -Herb Greenberg, Columnist, *TheStreet.com* and *Fortune* magazine "Obfuscators beware! Michelle Leder has cracked the code. In this invaluable guide to combing the footnotes of financial statements for indicators of accounting tricks and attempts to hide the bad news needles in a haystack of numbers. This is a clear, sensible, and, above all, practical guide that will be indispensable for anyone who invests in, does business with, or works for a corporation." -Nell Minow, Editor, *The Corporate Library* "Too many companies would prefer that you not read the footnotes," observes former SEC chairman Arthur Levitt. "That should be incentive enough to delve into them." In fact, not only do companies prefer you ignore the details they are required to report-the pesky particulars on exactly how they account for those whopping earnings-they take calculated steps to make this information as hard as possible to understand. But for those who know how to look, the facts that predict a company's true prospects are usually hidden in plain sight. *Financial Fine Print* gives you the tools you need to break down annual reports and SEC filings, make sense of the deliberately cryptic language of footnotes, and get the real goods on a potential investment. To make money in today's tough market, investors have to make deliberate, well-researched choices. To do this requires not only having the right information, but also knowing how to decode it. With their obscuring tactics, companies won't help you any. So be advised: those who would help themselves-and expect to profit-should get down to the nitty-gritty of *Financial Fine Print*.