

# 10 Things That I Will Not Miss About 2008

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Another year has passed. I hope that you managed to survive this most difficult and challenging year. Now for the seventh year, and back by popular demand, I would like to share with you the 10 Things That I Will Not Miss About 2008 (and do not want to ever see or hear again).

## 1. Investing With a Guy Named Bernie

*Investing With a Guy Named Bernie* – that sounds more like a sitcom than the tragedy it turned out to be. Between Bernie Madoff and Bernie Ebbers more capital was lost than our domestic automakers – General Motors (GM), Ford (F) and Chrysler - need to survive. Then again there is one Bernie I would invest with – Bernard Baruch. Unfortunately he is long gone.

## 2. Kid Rock's "All Summer Long"

You are driving down the highway and all of a sudden you hear the intro to Warren Zevon's "Werewolves of London." Then when the first words hit the air waves you realized that you have been punk'd. It is not "Werewolves of London" rather it is "All Summer Long" by Kid Rock. It only gets worse. Later in the track the song goes on to defile another classic, Lynyrd Skynyrd's "Sweet Home Alabama." Warren Zevon and Ronnie Van Zant must be turning in their graves. I have banned listening to "All Summer Long" in all vehicles (land or water) which I am a driver or passenger. What song do you wanna hear? "Free Bird!"

## 3. Activia and Boniva Commercials

I am getting older. I accept that. My hair is thinning and what little I have is grey. I am told I look distinguished and professorial. There are some memories of my younger days which I would like to keep in their original form. Amongst them is Jamie Leigh Curtis when she portrayed: Ophelia in *Trading Places* (1983); Wanda in *A Fish Called Wanda* (1988); or Helen in *True Lies* (1994). I don't want to see or hear Jamie Leigh discussing her digestive issues on television in a Dannon Activia commercial. It does not end there. I also have a bone to pick with Roche and Glaxo Smith Kline (GSK). I also prefer to remember Sally Field as the Flying Nun than a hawk for Boniva. Please let me keep some visions of youthfulness while I still have a memory to recall. So to the executives at Danone (parent of Dannon), Roche and GSK, I beg you to hire some other (and older) actresses to help sell yogurt and

osteoporosis drugs to aging adults and baby boomers. May I suggest Lainie Kazan or Martha Stewart?

#### **4. Digital Television Transition**

You hear about it all the time: “On February 17, 2009, federal law requires that all full-power television broadcast stations stop broadcasting in analog format and broadcast only in digital format.” Not since Dr. Ed Yardeni spooked me with his Y2K warnings have I been so concerned about the future of humanity. On February 17, 2009 either life as we know it will cease or just like Y2K we will have figured it out way in advance. Here is one thing that I am certain about. There is some young hedge fund manager out there somewhere who manages a small fund that thinks they have found a way to make money on DTV2009 and has bet the ranch on that day. It is likely they are even leveraged up in the process.

#### **5. Steve Jobs’ Health**

My mother-in-law passed away from pancreatic cancer. I feel for Steve Jobs or anyone else who is afflicted with this cruel disease. What I can’t stand is the constant speculation about the health of the Apple (AAPL) CEO. Leave the man alone. As for my co-investors in AAPL, there is no need to worry. The company has been well stocked with a team of excellent business managers, engineers, programmers and marketers who are the true force behind the continuing success at APPL. This is one of the most innovative companies in the world over last ten or more years. That innovation will continue well into the future. Of course I do not want to diminish Jobs’ role. He has been instrumental in reviving AAPL since returning to the company he co-founded. So to all of those short sellers or rumor mongers, please stop spreading gossip about Steve Jobs’ health and worry about yourselves.

#### **6. Money Market Redemptions**

Every year I name the most overexposed metric of the year. This year, the award goes to money market redemptions. What do people think that investors do when they withdraw money from money market accounts during a recession? Burn it for heat? It is doubtful as energy prices have come down during the heating season. This is not the Weimar Republic (despite some speculation to that effect). People will use it to: A) spend; B) pay down debt; C) invest in government bonds; or D) invest in stocks. Well there is not much spending going on or stock investing taking place. So my guess is either B or C. Maybe it is a bit of both. This is not something new, but the media treats it like a new revelation.

## **7. Those Wonderful Investment Faxes**

Thankfully my fax machine works and I am able to receive all of those insightful faxes about those wonderful investment opportunities that are about to take off. Perhaps I spend too much time doing my own research. Instead I can just wait by the fax machine to help me on my way to becoming the next Warren Buffett. If the SEC can eliminate the up-tick rule, allow mega-ultra ETFs and let Bernie Madoff rip off investors for over a decade then I guess that these faxes must be on the up and up. The truth; I don't use those faxes for investment ideas. But my pet Sun Conure, Sunshine sure does appreciate the paper in his bird cage.

## **8. Taking Foreign Exchange Trading Advice From a Model**

Last November Bloomberg news reported that supermodel Gisele Bunchen refused payment in US Dollars (USD) and demanded payment in Euros (EUR). First the EUR rallied and then it fell like a rock. Since that news report came out the EUR has declined by about 3.5%. Then again, down 3.5% in 2008 was pretty darn good. Maybe she should start a hedge fund after all.

## **9. Pistol Packing Athletes**

Let me be clear. I respect an individual's second amendment right to keep and bear arms. I have many friends who legally own fire arms. They do so for protection and sport. I do not own and I never even so much as held a firearm in my hand. My buddies in South Carolina have promised to take me to a firing range and practice at targets of Osama Bin Laden. I will take them up on the offer one day. If you are looking to buy firearms maybe you ought to think about shares of Smith & Wesson (SWHC) or Sturm, Ruger (RGR). But I digress. For what possible reason did Plaxico Burress of the New York Giants bring an unregistered firearm into a crowded New York City nightclub? Are we supposed to feel sorry for the guy because he pulled the trigger and shot himself in the leg? Perhaps he was just trying to emulate Tank Johnson, another NFL player who was arrested for illegal handgun possession. Of course NBA players also have a fine history of illegal gun possession. At least in Major League baseball they have bats and in the NHL they have sticks to satisfy the need to carry firearms. Have you ever tried to conceal a hockey stick in your sweatpants? Ouch! I don't think so.

## **10. Bailouts**

I am sorry we got to this point. You can blame Presidents Bill Clinton or George Bush or mortgage brokers or Wall Street or unions or dare I say the American public for the current financial crisis we are in. At the end of the day we have a mess to clean up. So the Congress

and Treasury and foreign governments are using monetary and fiscal stimuli to cure the problems. Call it a bailout if you wish but get over it and stop whining. It is a reality. I don't expect to benefit from the government plans but expect to have to pay for it. Heck I have been paying for government programs my entire adult life and have not seen anything in return. Welcome to my world.

*At the time of this Blog entry Scott Rothbort, his family and or clients of LakeView Asset Management, LLC was long shares of AAPL --- although positions can change at any time.*

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