

LEGACY INVESTMENT GROUP, LLC

March
2016

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Educational Dinner Seminars

Legacy Investment group is holding educational dinner seminars for potential clients. We are extending an offer to existing clients, who bring a potential client with them to attend seminars in March and April! This means, you and your guest will get a FREE dinner from a gourmet restaurant, a greater understanding of what we do for you and your money at Legacy, and a night out! So call those friends, give us a call to reserve your spots, and let's learn!

MARCH 15TH & 17TH

5:30 SEATING

PRIME 93 -

4315 MANCHESTER ROAD

AKRON OHIO



APRIL 19TH 20TH & 21ST

5:30 SEATING

LUCIA'S STEAKHOUSE

4769 BELPAR ST. NW

CANTON OHIO

Investment Strategy Update for Late January

by Randy Bailey

As I write this today, Thursday March 10th, the 500 largest companies in America as represented by the S&P 500 are up 2.25% for the month, but, still down -3.18% for the year. Our put selling strategy (used in accounts over \$20,000) continues to steadily add cash even as the S&P 500 remains negative and we are up .10%.

We are still in the trade that started January 4th with the \$196 strike price and have consistently been able to move our strike prices down or up, and out or back in time as the S&P has moved up and down. We have been as far out as the first week in April and as low as the \$192 strike price. The important thing to know is that each time we have changed contracts; we were paid at least fifty dollars per contract to move.

We are currently at the \$200.50 strike price with the March 18th expiration and we have collected a total of \$670.00 (less Scottrades trade cost) per contract so far this year. SPY is currently at \$197.84. Our liability, represented by the sold puts, shows account values currently up around .10% year to date.

If SPY is above \$200.50 next Friday, the liability becomes zero and your account values will completely reflect all the cash and income generated (a year to date gain over 2.5%). If that contract expires next week we will begin a new trade the following Monday and if SPY is not above \$200.50, we will roll our current option to get paid again. This has been an interesting start to the year with SPY down as much as -11.2% for the year in February and then up 9% from that low in the last three weeks!

Selling Options

By **Randy Bailey**

At Legacy Investment Group, LLC we grow your accounts primarily by selling options. The question we are asked the most is... “How can I sell something if I don’t own it?” This can be difficult for people to understand because most of you only know how to make money in the stock market one way – buying low and selling higher. The stock market, according to data based on calendar year returns of the TSX from 1920 – 2010, has gone up 73.9% of the time. That doesn’t mean that buying and holding will guarantee that you will make money. People tend to make buying and selling decisions emotionally and not logically. That means you buy near market tops because everyone else is making money and you haven’t bought in yet then you sell near bottoms because after losing money from your initial purchase you get more and more scared as the market continues to decline until you can’t take it anymore and sell.

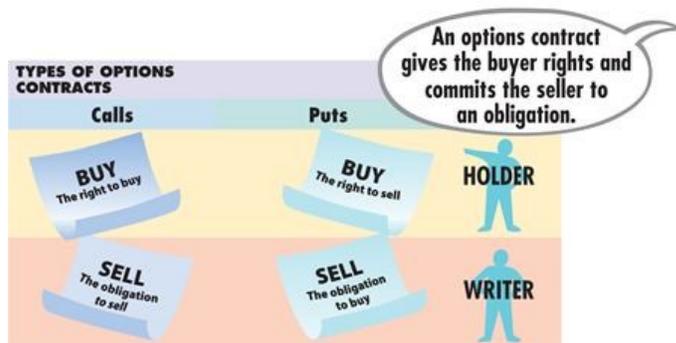
An option contract can be bought or sold to “open” a position and to close an open position you would do the opposite action of opening or let the contract expire. For example; I sell to open a position. I can then buy to close it or wait till the expiration date and let it expire or be obligated to fulfill the contract. I buy to open a position. I can sell to close it or wait till the expiration date and let the contract expire or have the right to enforce the contract. The important thing to know is that buyers have rights and sellers have obligations. When we sell a put option the buyer has the right to sell us the optioned stock at the strike price on the contract and we are obligated to buy their stock at that price.

Think of the buyer as looking to “insure” their stocks from going down by buying the ability to sell them at a specific price in the future. Think of the seller (Legacy Investment Groups’ clients) as the insurance company collecting the premium and being willing to “pay the claim” (buy the stock) if the price of the stock drops below the strike price.

All options have a specific time frame and a previously agreed upon strike price. I like to think of the strike price as the price both parties were willing to “strike” a deal at. When we sell a put option, we have to keep the cash that would be needed to “pay the claim” reserved until the contact expiration date.

One contract covers 100 shares of the optioned stock, if the strike price was \$100.00 dollars; we would have to reserve \$10,000 dollars in our money market until the contract expires. The reason we like to sell put options for you is because 73.9% of the time the market goes up and according to CME data, 76.5% of all options held to expiration expire worthless. We love to collect the premium and let our sold options expire worthless!

The best thing about this conservative strategy is that if we sell a put option with a strike price below the current price of the optioned stock we can make money four ways; we win if the stock goes up a lot, goes up a little, goes nowhere and even if it goes down a little. The option will expire worthless as long as the strike price is below the price at expiration.



Have You “Liked” Us Yet?

Here at Legacy, we have decided to jump into marketing on social media, with both feet in first! It is an amazing way to connect and share information with our clients and our prospective clients. You can find us on **Facebook**, **Twitter** and **LinkedIn** just search “**Legacy Investment Group**” and we will come up!

We have also been working hard on our new layout of the website, we have added a Blog featuring interesting and educational articles. You can check our Client Events, The Legacy Ledger, Bios of your favorite investor, and even a live Construction Cam to the Football Hall of Fame Village construction!

[Visit us at legacyInvgroupllc.com](http://legacyInvgroupllc.com)





3/1 Maryann G.	3/6 Timothy H.	3/12 Trenten L.	3/29 Blanche J.
3/1 Betsy F.	3/6 Arthur H.	3/13 Daryl M.	3/29 Joe C.
3/1 Shay W.	3/7 Peter D.	3/14 Emily S.	3/29 Ruth K.
3/1 Michael D.	3/7 Meghan L.	3/20 Terri M.	
3/2 Holly L.	3/7 Richard B.	3/22 Calvin B.	
3/2 Debra P.	3/8 David M.	3/22 Michael B.	
3/2 Steve M.	3/9 Deanna N.	3/23 Jim W.	
3/2 Tracey S.	3/10 Terry H.	3/23 Sonia S.	
3/3 Rochelle D.	3/11 Nicole W.	3/25 Charlie C.	
3/3 Daniel D.	3/11 Tiffany L.	3/26 Patricia S.	
3/4 James W.	3/11 Glenn O.	3/27 Cindy D.	
3/4 Roy G.	3/12 Stacy H.	3/27 Marv C.	
3/5 Bob M.	3/12 Nanci W.	3/28 Alice B.	
3/5 Craig S.	3/12 Jessica V.	3/28 Nikki D.	
3/6 Jason M.	3/12 Tina C.	3/28 David S.	

March Birthdays'

Words of Wisdom

"The first requisite of a good citizen of this republic of ours is that he shall be able and willing to pull his weight."



Theodore Roosevelt



Super Staff Spotlight - Tom Minnick

Tom has his Bachelor's of Science Degree from The University of Akron graduating Magna Cum Laude in 2014, with minors in Financial Planning and Entrepreneurship. He holds a Series 65 (Uniform investment advisor law examination) license and he works as a registered advisor specializing in Financial planning, budget analyzing, and 401K management. While in college he worked in Akron's Honors College, meeting and making many close friends. Tom's hobbies include cooking, driving, exercising, sporting events, and wood working. He even built most of his furniture by hand.

Tom has always had an entrepreneurial spirit, in high school he and his brother managed their own landscaping business, to help them save for college. They both still claim it was the best job they ever had!

Each year, Tom runs in the Akron Marathon and has completed both a team relay and a half marathon. He plans to train and complete the full marathon and is inspired daily by the relentless effort the athletes show as they run by his apartment, full of stamina with just a few miles left. Tom's to go to lunch? #12 at Jimmy Johns and Kettle chips!



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ACTIVE MANAGEMENT FOR INCOME AND GROWTH



Find us now on Facebook · LinkedIn · Twitter and on our
website; legacyinvgroupllc.com

Local News

Allegiant announced on Tuesday it has added a new, nonstop service between Akron-Canton Airport and Orlando, Florida.

Reprinted from Canton Repository - March 10th online edition

“We’re very excited to announce new, nonstop service to Orlando from northeast Ohio, a region that has certainly embraced Allegiant’s low-cost, nonstop flights to vacation destinations,” said Jude Bricker, Allegiant chief operating officer. “We know that travelers in Akron / Canton and the surrounding area will take advantage of this new nonstop option to the destination of Orlando this summer.”

The flights will operate twice weekly and will fly nonstop between Akron-Canton Airport (CAK) and the Orlando Sanford International Airport (SFB) starting on May 19. The company is offering fares as low as \$39 to Orlando.

“Allegiant is simply the best airline for affordable Florida vacations,” said Akron-Canton Airport president and CEO Rick McQueen. “Orlando is our top leisure destination, so we are thrilled that Allegiant will offer nonstop flights to families who prefer to spend their time at the theme park, not at a connecting hub. Affordable fares, perfect vacation packages and big jets; it just doesn’t get any better than that.”

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