



# BLOOMFIELD HILLS FINANCIAL

## Stock to Scholarship Challenge

Welcome to the 8th Annual Bloomfield Hills Financial Stock to Scholarship Challenge. The goal of this contest is to help students learn about the stock market in a risk-free environment with a bit of an incentive: they can win scholarship money for college!

Over 5,000 students from 80 area high schools have competed in the Bloomfield Hills Financial Stock to Scholarship Challenge. Students will be provided with educational opportunities including being able to participate in InvestWrite.

In today's world, it's never too early to learn about finances, investment possibilities, and the global market place. Bloomfield Hills Financial takes pride in both introducing and encouraging students to take interest in the stock market.



My name is Kevin Van Dyke and I am the Founder and President of Bloomfield Hills Financial (BHF). We are an independent financial advisory firm located at 35980 Woodward Avenue Suite #300, Bloomfield Hills, MI 48304.

My interest in the stock market began as a college freshman when my father provided a brokerage account for me to manage. He gave me one rule: "You can do what you like with the account except cash it in before graduating."

This opportunity set me on a path that changed my life. I began to study the stock market and was able to increase my father's investment many times over. I was making money and having fun, so I decided to make a career of it. I am pleased to say that it was a great career choice for me. Barron's®, a national investment publication, has ranked me as one of the top 100 independent financial advisors in the country.

The Bloomfield Hills Financial Stock to Scholarship Challenge will help students understand:

- How does the market work?
- How does a company's performance affect a shareholders' return on investment?
- How do events around the world (financial, political or weather-related) play a role in the value of stocks being traded?

Good luck!

## Overview of Stock-to-Scholarship Challenge

Each student is given access to a simulated online personal stock trading account. Students will be instructed on how to research stocks being traded in the stock market. Each player is given “money” to purchase stocks. (No real money is invested.) Then students work independently to make investment decisions. The participants can trade stocks from their portfolio at will. The goal is to amass more “money” in their account than all other participants.

### About The Stock Market Game Website

Game play is hosted by the third party site, [www.stockmarketgame.com](http://www.stockmarketgame.com). The Stock Market Game is an educational program of the Securities Industry and Financial Market Association (SIFMA Foundation). This online simulation of global capital markets engages students in the world of economics, investing and personal finance, and prepares them for financially independent futures. The Stock Market Game has reached 13 million students since its inception in 1977, and is free of charge to Michigan schools (made possible by a grant from The Foundation for Investor Education).



Typically, most students are unaware of the inner-workings of the stock market. Here’s a no-risk way for students to gain a working understanding and appreciation for the daily “ups and downs” of the market. The program is quite simple and takes little time away from classroom studies, while providing a pre-packaged teaching opportunity for teachers and students.

### Scholarship Information

Scholarships will be awarded to the top three winners, including a Grand Prize scholarship of \$5,000. All prizes will be deposited in a Michigan 529 account that can be used towards college expenses.

- The first place winner will receive a \$5,000 scholarship
- The second place winner will receive a \$2,000 scholarship
- The third place winner will receive a \$1,000 scholarship
- The essay winner will receive a \$500 scholarship

The Bloomfield Hills Financial Stock to Scholarship Challenge **begins February 4, 2019 and ends on April 12, 2019**. At the conclusion of the contest, all of the individual stock portfolios will be evaluated and a winner will be announced during the following weeks.

## 2018 Winners Worked Diligently Building Their Investment Portfolios

The first place winner was Yashar Ghaffarloo, a senior at the International Academy. He accumulated a total ending balance of \$137,425.28 from his original \$100,000 stake. Yashar won a \$5,000 scholarship to the college of his choice. Ghaffarloo also won 2<sup>nd</sup> place in 2017.

Second place was awarded to Kevin Li, a senior at Troy High School. Kevin totaled \$115,649.72 from his original \$100,000 stake. He was awarded \$2,000 to the college of his choice. Li also won 2<sup>nd</sup> place in 2015.

Third place winner was a senior at Farmington High School, Brendan Unger. He finished with \$115,577.64 from the original \$100,000, and was awarded the third place prize of \$1,000 to the college of his choice.

The Investwrite essay winner was Arnav Talukder, a junior at Novi High School. He was awarded \$500 to the college of his choice for his essay about what company he would want to work for and why.



Pictured left to right: Kevin VanDyke, Yashar Ghaffarloo, Arnav Talukder, Kevin Li, and Brendan Unger

## 2018 Bloomfield Hills Financial Stock to Scholarship Rules and Regulations

1. The Bloomfield Hills Financial Stock to Scholarship Challenge is open to students currently enrolled at a Macomb, Oakland or Wayne County area high school.
2. College scholarships will be awarded to the top three students who amass the largest amount of money within the parameters of the game. The top prize awarded to the first-place winner is a \$5,000 scholarship to the college or university of their choice. The second-place winner will be awarded a \$2,000 scholarship. The third-place winner will be awarded a \$1,000 scholarship. The scholarships will be provided to the college or university upon proof of enrollment.
3. **Registration Period** – Registration for the Bloomfield Hills Financial Stock to Scholarship Challenge begins on **January 7, 2019 and ends January 30, 2019**. To register please visit our website at: [www.stocktoscholarship.com](http://www.stocktoscholarship.com) or email us at [stocktoscholarship@yahoo.com](mailto:stocktoscholarship@yahoo.com). Upon registration we will reply with further instructions. Limit one Bloomfield Hills Financial Stock to Scholarship Challenge account per eligible student.
4. **Trading Period** – The trading period for the Bloomfield Hills Financial Stock to Scholarship Challenge is **February 4, 2019 to April 12, 2019**.
5. **Discrepancies** – Participants should report any account discrepancy to [stocktoscholarship@yahoo.com](mailto:stocktoscholarship@yahoo.com) within one (1) week from the transaction date. The discrepancies reported after one (1) week may or may not be adjusted.
6. No purchase necessary. Void where prohibited. Participants agree to hold Bloomfield Hills Financial harmless. **Winners will be notified in April 2019**. Within 10 days of the date specified in the notification, winners and their parents/legal guardians will be required to execute an affidavit of originality, eligibility, and compliance with rules, a release of liability and grant of publication rights, or the prize will be awarded to an alternate winner. Winners must provide a street address where BHF can mail the winners a publicity release, affidavit of eligibility, and if applicable, a tax form.

**By registering for the game, you have agreed to the rules and regulations stipulated and are subject to disqualification if behaviors deemed inappropriate or game rules are broken. Also, you give**

**Bloomfield Hills Financial permission to use any images of you taken for the purposes of the Stock to Scholarship game.**

## **Rules of the Stock Market Game**

1. Each individual begins the simulation with \$100,000 in cash and may borrow additional funds. How much you may borrow is dependent on the equity in your account. Interest is charged weekly on negative cash balances at an annual rate of 7.00%, and credited weekly on positive cash balances at an annual rate of 0.75%. Interest is calculated daily, then summed for the week (Saturday through Friday) and posted Saturday (with Friday's date). The daily rate is based upon a 365-day year.  $\text{Daily Interest} = \text{Cash} \times \text{Appropriate Interest Rate (as a decimal)} / 365$ . Bond coupon payments will be posted when due.
2. It is the participant's responsibility to have **NO MORE THAN 20%** of their portfolio in any one stock at the time of purchase, including leverage. If this rule is violated, BHF has the right to disqualify the individual from participating in the contest.
3. Individuals may trade only stocks and mutual funds listed on the NASDAQ Stock Market and the New York Stock Exchange. Individuals cannot trade over-the-counter or "pink sheet" stocks since they often price incorrectly. In addition, extremely volatile stocks or stocks that trade infrequently are not permitted and may be liquidated to protect portfolio stability. SMG reserves the right to cancel transactions in these securities as deemed necessary.
4. End-of-Day Game transactions are priced at market daily closing prices. These prices can be found in the next day's newspaper or by using the price quote facilities of SMG. Real-Time Game transactions are priced at the market price at the time of entry. Bond prices are available only on the SMG website. All Mutual Fund transactions are treated as End-of-Day transactions and priced at that day's closing price. All bond transactions are treated as Real-Time transactions. This applies to both End-of-Day and Real-Time games. Transactions entered with a limit price will not be held past the initial attempt to price the transaction. This applies to End-of-Day or Real-Time Games.
5. All Stock and Mutual Fund buy orders must be a minimum of 10 shares. Sell orders for less than 10 shares are permitted. Municipal and Corporate Bond orders must be bought and sold in \$1,000 increments only. Treasury Bonds must be bought and sold in \$100 increments only.
6. The minimum market capitalization for stocks in the Stock Market Game is \$25 million. This rule supports the trading of highly liquid and stable stocks with low volatility.
7. SMG does not permit buying stocks or mutual funds that trade below \$3 per share the day before and the day of execution. Such orders will be rejected. Sell transactions for existing long positions where transactions are executed at closing or real time prices will be

accepted, even if the price is less than \$3.00 per share. (There are a number of reasons for this rule. Low-priced stocks, known as penny stocks, are very risky and volatile investments. Accordingly, brokers will not permit their customers to trade such securities on margin, just as SMG does not. Also, penny stocks tend to have very shallow markets and their prices move sharply with large orders, unlike SMG where transactions are executed at closing or real time prices regardless of order size). Only Bonds provided by SMG may be bought and sold. These bonds will be investment grade only with S&P ratings of "BBB" or higher.

8. Trades can only be processed in whole and will be rejected if sufficient buying power does not exist to execute the entire order.
9. A 1% broker's fee is charged for all transactions. For example, if you buy 100 shares of a stock at \$10 per share, you must pay the 1% of \$1,000 or \$10. On Sell or Short-sell transactions an SEC fee is also charged. Bond buyers will also be charged for accrued interest since the last coupon payment. Bond sellers will receive accrued interest since the last coupon payment.
10. The Game is run Monday through Friday. Teams may trade on any day the participating stock markets are open. Orders may be entered 7 days a week during hours the system is available.
11. Stock trades entered after close of market (4:00 PM ET) will be priced at next day's closing price for the End-of-Day Game and at opening price for the Real-Time Game. Bonds will be given last price displayed in the system and Mutual funds will be priced at next day's closing price.
12. Individuals do not have to liquidate their portfolios at the end of The Game. Winners will be determined on the basis of either equity or the percent return above/below S&P 500 Growth. (Some states may use additional criteria to determine winners).

### Short Sell/Short Cover Rules

13. All short-sell orders must be for a minimum of 10 shares. Short cover orders for less than 10 shares will be permitted. Open-ended mutual funds cannot be short sold. Held short sell positions are marked to the market daily and the resulting gain or loss is added or subtracted from cash. No mark-to-market transactions are posted in transaction history.
14. SMG does not permit short sells on stocks or mutual funds that trade below \$3.00 per share. Such orders will be rejected. Short cover transactions for existing short positions will be accepted, even if the price is less than \$3.00 per share. (See Rule #7 for an explanation). Mutual Funds and Bonds cannot be sold short.

15. **REMINDER:** It is the participant's responsibility to have **NO MORE THAN 20%** of their portfolio in any one stock at the time of purchase, including leverage. If this rule is violated, BHF has the right to disqualify the individual from participating in the contest

## Portfolios

16. A record of an individual's portfolio and transactions will be available daily. An individual will not receive a portfolio nor be listed in regional rankings until its initial transaction is entered successfully. A student can only be assigned to ONE portfolio per game period.
17. No back posting of trades will be done for trades of securities not contained within the SMG Security Table. Once the missing security has been added to the Security Table the security can then be traded. The same rule applies to trades rejected if they are incorrectly pricing below \$5. Once the pricing has been corrected, the security can be traded. Only Bonds listed in the SMG can be traded. No post-dating of trades due to the system being unavailable will be performed.
18. Stock and cash dividends and stock splits are automatically computed into portfolios. Every effort is made to simulate as closely to real life as possible a variety of other corporate actions (mergers, acquisitions, spinoffs, etc.), which may include the standard three-day settlement period. In this case, it may be necessary to suspend trading of a given security until the action can be completed. Canadian stocks trading on US exchanges cannot be traded between a split's record date and its payout date. It is the responsibility of teams to check their portfolios for accuracy and notify their Coordinator by email of any problems that are encountered.
19. Participants of the end of day pricing game may delete pending transactions prior to market close except bonds which are processed as real time orders.

## Additional rules

20. Any violation of the rules of the SMG may result in the invalidation of a transaction. Repeated violation of the rules may result in the disqualification of a team.
21. Additional rules have been developed in some states and, if applicable, have been included in your Coordinator's Information Page. It is the responsibility of your team to learn and abide by all rules.
22. You must maintain a total equity position that is greater than or equal to 30% of the current value of your current holdings. If you don't you will receive a margin call.

## Code of Participation

23. SMG advisors must be responsible adults 18 years of age or older. In no case may they be a matriculated student in grades K-12.
24. SMG advisors will ensure that every participant on their team(s) has read and understands the SMG Rules and the Code of Participation.
25. Individuals that do not comply with the SMG Code of Participation will be removed from the portfolio rankings.
26. The authority to remove a team from the rankings lies solely with the team's SMG coordinator organization.
27. Each team is responsible for any opening or closing transactions entered into its portfolio.
28. Individuals may not enter transactions into portfolios other than their own. (Please note that when an individual asserts that a transaction was not entered by that individual, the individual will nevertheless be ranked based on their portfolio's total equity, which will include the challenged transaction.)
29. Only transactions stored on the SMG database will be recognized for purposes of evaluating portfolio total equity. Individuals are responsible for maintaining the secrecy of their portfolio password.
30. The SIFMA Foundation will be responsible for the accuracy of the market data. It is the responsibility of teams to report any major price discrepancies found in their portfolios. Failure to do so may result in disqualification from the competition. In extreme cases of continued disregard for this rule, the SIFMA Foundation reserves the right to delete teams from the game. If a team believes a stock price or other information is incorrect, the team advisor shall notify their Coordinator by email.
31. In the event of an error on the part of SIFMA Foundation and/or coordinator organization(s), their liability to a participant shall be limited to the refund of registration fees paid.

## The Internet Resources

- **A Guide to the Stock Market for Kids!** - This site will offer many links for information about basic terms, fun facts and offer helpful information for students.  
<http://www.howtotradestocks.org/a-guid-to-the-stock-market-for-kids/>
- **Big Charts** - This is an interactive online charting service giving free and unlimited access to charts, reports, indicators, and quotes on 22700 US stocks, mutual funds, and much more.  
<http://bigcharts.marketwatch.com/>
- **CNN Money** - CNN hosts current events and market news. <http://money.cnn.com>



- **Dow Jones Indexes** - A wealth of information is available at this site. You'll want to visit!  
<http://www.djindexes.com>
- **History of the New York Stock Exchange** - This is a GREAT link to discover historical information and great links about the New York Stock Exchange!  
<http://www.ibfx.com/Education/New-York-Stock-Exchange-History>
- **How Stuff Works** - This informational piece explains how the stock market works.  
<http://money.howstuffworks.com/personal-finance/financial-planning/stock.htm>
- **Investopedia** - Investopedia is a wonderful resource for articles, a dictionary, video clips and tutorials on a variety of investment topics. <http://www.investopedia.com>
- **Morningstar** - Many financial advisors mention this link as a site they use in their day to day operations. There are several levels of membership-including a free, basic subscription.  
<http://www.morningstar.com>
- **NASDAQ** - Official site of The NASDAQ Stock Market featuring free stock quotes, stock exchange prices, stock market news, and much more... <http://www.nasdaq.com>
- **New York Stock Exchange** - This link takes you to the New York Stock Exchange home page with unlimited resources. <http://www.nyse.com>
- **Smart Money** - Smartmoney.com is a great resource and allows students to research with a slightly different approach from Yahoo Finance. Use the search bar in the upper right-hand corner of the screen. <http://www.smartmoney.com>
- **The Wall Street Journal Market Watch** - Wall Street Journal Hosts this site filled with information relevant to the stock market.  
[http://www.marketwatch.com/pf/started/gettingstarted\\_kidsmoney.asp](http://www.marketwatch.com/pf/started/gettingstarted_kidsmoney.asp)
- **Thinkfinity** - This search engine, provided by the Verizon Foundation, provides a wealth of lesson plans and resources. <http://www.thinkfinity.org>
- **WallStreet Survivor Videos** - Looking for some short videos to explain investing concepts? This is a must visit site. <http://www.wallstreetsurvivor.com/library/>
- **Yahoo Finance** - A 'must' for research. This site will give you up-to-date information about each company, their history and company profile. <http://finance.yahoo.com>
- **Young Biz.Com** - Young Biz offers a stimulating site that also tracks the performance of stocks that teens are familiar with and has articles about student investors and student-run businesses as well as career planning advice. <http://www.youngbiz.com>
- **ZoomInfo.Com** - A great way to find out 'Who owns Who'! [www.zoominfo.com](http://www.zoominfo.com)



Your students have entered the world of business and finance by participating in The Stock Market Game program. The perfect companion, a writing component and competition, reinforces their newfound knowledge and hones critical thinking skills.

Whether you and your students win laptops, trips to New York, pizza parties -- or not, you'll all benefit by enhancing your Stock Market Game program experience through writing.

Bloomfield Hills Financial will be collecting the entries and upon review will select one winner to receive a \$500 scholarship. We will also be selecting the top ten entries and forwarding them on to the national competition for a chance to win a trip to New York, a laptop or \$100 gift certificate.

Students will test their knowledge by writing an essay answering the following question:

**QUESTION WILL BE PROVIDED AT A LATER DATE!**