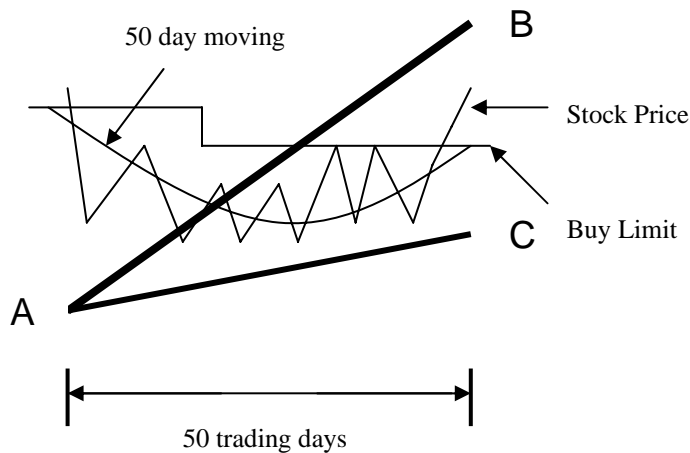


Groenke Visions V Theory

Ron Groenke believes stocks follow well-defined trading cycles that can be used to predict stock trading direction. In 2006 Groenke detailed the Visions **V** theory in his book "Cash for Life."

The theory states that a stock price has demonstrated a major new up cycle when it has traded in the Visions **V** for twenty days or more, is currently in the **V** or within 5% (plus or minus) of the 50 day moving average, and has traded up the last three days.

The Visions **V** is shown below.



Point A is at the 52 week low.

Point B is at the Buy Limit plus 1/8 of (52 week high – 52 week low).

Point C is at the 52 week low plus 1/8 of (52 week high – 52 week low).

Buy Limit is 52 week low plus 1/4 of (52 week high – 52 week low).

The trading pattern of a stock within or near the **V** has been translated into a trading indicator as follows.

$$\text{TAI} = \text{Take Action Indicator} = \text{BR} \times \left(1 + \frac{\text{FDA}}{2 \text{ FDA} - \text{SP}} \right)$$

Where

$$\text{BR} = \text{Buy Rank} = 10 \times \frac{(\text{BL} - \text{SP})}{.25 \times (\text{52 week high} - \text{52 week low})}$$

$$\text{BL} = \text{Buy Limit} = \text{52 week low} + .25 \times (\text{52 week high} - \text{52 week low})$$

FDA = 50 day moving average

SP = current stock price

TAI (Take Action Indicator) Definitions

Get Ready (GR) when TAI Value ≥ 10

Time to Act (TA) when TAI Value ≥ -5 and < 10

Wait (WA) when TAI Value ≥ -10 and < -5

Bad Idea (BI) when TAI Value < -10

Applying the Groenke Visions **V** Theory and following the Take Action Indicator has demonstrated success over 80 % of the time.

When to act using the Groenke Visions **V** Theory is quit simple. Search the stock market for companies with good fundamentals and then chart the stock. Apply the Visions **V** and calculate the value of the Take Action Indicator.

This has all been automated with the VISIONS Stock and Options Search Engine. Go to www.RonGroenke.com for more details. Some examples are shown below.

Time to act for 16 days on 7/7/06 for FRX.



FRX has a significant move up since the Time to Act indication on 7/7/06.



Bad idea for IN over 150 days on 4/28/06.



IN at a Time to Act for 7 days on 8/3/06.



IN now in a move up on 8/7/06

