

Ask the Fool

Is the Sky the Limit?

Q Is there a limit to how many shares of a company you can buy? — *L.M., online*

A Yes. Companies don't have unlimited shares. They issue a certain number when they go public via an "initial public offering" (IPO), and they may issue more later, via secondary offerings. You could buy all the shares on the market, but by doing so, your sudden demand for the shares would drive up the price. (That's why Warren Buffett doesn't like to publicize what he's buying, and why he and other big buyers try to buy gradually, in increments.) Once you own 5 percent of a class of shares, you'll need to file a report alerting the Securities and Exchange Commission (SEC).

Note also that it can be very costly to buy up all of a company. If you own 2,000 shares, that might seem like a lot. But Nike, for example, has almost 500 million shares outstanding, and you'd need around \$30 billion to buy them all.

Keep in mind that a company may only have 10 percent of its value in shares trading publicly. If a firm's founder, for example, holds 60 percent or 90 percent of the company, then she still controls it.

Q Where can I access earnings reports that companies file with the SEC? — *R.T., Davenport, Iowa*

A Many Web sites, such as ours, include access to these filings in their stock data offerings. For example, enter a ticker symbol at <http://caps.fool.com> and then click on the "SEC Filings" tab. You can also go right to the source at www.sec.gov (look under "Filings & Forms"). You're smart to look up 10-K and 10-Q reports — they can tell you a lot about a company.

Got a question for the Fool? Send it in — see *Write to Us*



The Motley Fool®

To Educate, Amuse & Enrich

Fool's School

Go Ahead — Talk About It

Prying into people's financial affairs is gauche. But ignoring money issues — those of your pals, parents or offspring — is an even bigger faux pas.

We pay a high price when we keep mum about money. Kids repeat the credit-card sins of their parents. Co-workers settle for lesser raises than they might be entitled to. And heartache and unanswered questions come up when loved ones die without vocalizing their final wishes. Sometimes you simply have to put it all on the table.

Do you know what your parents make (or made when they were working)? What was their mortgage payment? What financial sacrifices did they make to have the life they built? Bring up these questions, especially when it's time for you to buy your first (or third) home, or decide on public or private school for your kids. You may learn something. In the future, talking about

long-term care insurance and living on a fixed income won't seem as awkward. You'll be able to hear your parents' wishes and have them learn about yours.

Do your kids know what it costs to put a roof over their heads and food in their tummies? Why not? Consider an open-checkbook policy, and find ways to expose them to some of the financial products — particularly credit cards — that they'll face in a few years.

How do your friends and peers spend their paychecks? Do they max out contributions to their 401(k) accounts? What does their weekly grocery bill come to? Where did Jenny get that fabulous sweater?

Sharing salary information with friends in your business will give you a good barometer of what's happening in your industry and whether your employer is keeping pace. If you're too squeamish to talk finances with friends, join conversations on the Fool Discussion Boards at <http://boards.fool.com>.

Try practicing financial openness. Talk about your next major purchase and how long it's taking you to save for it. See what you learn when you're open about money issues.



Name That Company

I was born in 1846 (more than 160 years ago!) when two New Englanders prepared baking soda for commercial distribution. My flagship brand name evokes limbs and tools. In 1886, more than 100 tons of it were used to clean 99 years of coal tar off the Statue of Liberty. Based in New Jersey, I'm involved in specialty chemicals, animal nutrition, and consumer products such as cleansers and home pregnancy tests. My brands include Lambert Kay, Nice'n Fluffy, Xtra, Arrid, Nair, Trojan, Pepsodent, Mentadent, Oxi Clean, Orange Glo, Kaboom and First Response. My annual sales top \$2 billion. Who am I?

Know the answer? Send it to us with Foolish Trivia on the top and you'll be entered into a drawing for a nifty prize!

My Dumbest Investment

The Automatic 'No'

My first stock purchase, in the 1980s, was from a cold-calling broker who sold me on a recently reorganized regional air carrier that "was positioned to do well." When I checked on the stock a few times, it had barely budged. But then, six months later, it was suddenly bankrupt. I knew nothing about investing or airlines. Later I found out that the shares were from the broker's inventory, from a secondary stock offering that had been executed to get capital to avoid bankruptcy, as it turned out. I've since noticed that I've never purchased a product or service that was presented over the phone or in the mail where I ended up happy with the result. So today, if I haven't initiated the contact, a sales pitch gets an automatic "no." — *Stan Ward, Dayton, Ohio*



The Fool Responds: That's a smart policy. We should dig into companies before investing in them, and we would do well to be extra careful with airlines. That's a very tough business, facing frequent fare wars, fuel price volatility, costly empty seats, unpredictable weather complications and expensive equipment, among other things.



Do you have an embarrassing lesson learned the hard way? Boil it down to 100 words (or less) and send it to The Motley Fool c/o My Dumbest Investment. Got one that worked? Submit to My Smartest Investment. If we print yours, you'll win a Fool's cap!

LAST WEEK'S TRIVIA ANSWER

I was born in 1992 and bought by U.S. Robotics in 1995. A year later I introduced some groundbreaking computers that fit in pockets, or in the "me" of my hand. In 1997 I became a subsidiary of 3Com Corp., but in 1999 3Com decided to spin me off. My groundbreaking product shared its name with the guy in the cockpit. Today my darlings are Pixi, Treo, Centro and Pre — and they're facing some tough competition these days. I raked in \$736 million in fiscal 2009, when I shipped 2.4 million smartphones. Who am I? (Answer: Palm)



Write to Us! Send questions for Ask the Fool, Dumbest (or Smartest) Investments (up to 100 words), and your Trivia entries to Fool@fool.com or via regular mail c/o this newspaper, attn: The Motley Fool. Sorry, we can't provide individual financial advice.

What Is This Thing Called The Motley Fool?

Remember Shakespeare? Remember "As You Like It"? In Elizabethan days, Fools were the only people who could get away with telling the truth to the King or Queen. The Motley Fool tells the truth about investing, and hopes you'll laugh all the way to the bank.

The Motley Fool Take

Nike Jumps Into China

"Swoosh!" describes the sound heard over China as Nike (NYSE: NKE) reorganized itself in August to better exploit opportunities it sees there.

Previously, China was part of Nike's Asia Pacific operating segment, encompassing 13 countries. Now, Greater China has become its own operating unit, as Nike focuses on China's youth.

At the company's annual shareholders' meeting in late September, Nike President and CEO Mark Parker called the Olympics in Beijing "the biggest win of all" for Nike in fiscal 2009. For 2009, Nike's revenue in China grew by 22 percent year over year, on a currency-neutral basis. By comparison, its revenue growth in the U.S. for the same period was only 2 percent. However, during a year of economic crisis, Nike's having grown revenue at all reflects a fierce global competitor.

In terms of total revenue, net income and operating margins, Nike is the clear winner among its competitors, with a strategy to boost margins by eliminating its least-popular styles. The company has 600 to 700 styles in the works at any one time. According to Parker, "that's too many ... we're really trying to edit the product down to fewer and better product."

As Nike continues to promote events such as "The Nike+ Human Race," it is sure to attract more and more Chinese youth. Last year, the race featured 780,000 participants worldwide.

