

Top Ten Things to know about the Happy Destiny Investment Club

As of April 4, 2006

- The Happy Destiny Investment Club (HDIC) is a general partnership. We are governed by the laws of the state of Maryland and the United States. The partnership runs from January 1 to December 31 of each year. On
- 1. Type of Business** December 31 of each year all income, expenses, capital gains and capital losses “passes through” to the partners of HDIC. The exact amount is determined by the length of time you have been in the club and what percentage of the club you own.
 - 2. Method of Accounting.** To keep track of all the financial information, HDIC uses the Unit Value accounting system developed by the National Association of Investors Corporation (NAIC). This method of accounting treats unequal partners fairly. Partners do not own “shares” in the club. Each partner owns a percentage of the club. This percentage is tracked by the number of “units” owned. Payments made in the form of “Fees” do not add to your percentage of the club.
 - 3. Initial Investment.** Each Partner shall make an initial contribution to HDIC of \$150.00. The first \$50.00 will be part of a one-time administrative fee (recorded as “fees”). The remaining \$100 will be used to fund your capital account (recorded as “units”).
 - 4. Monthly Investments.** Each Member shall make regular capital contributions into HDIC each month in an amount of at least \$20.00 (“units”).
 - 5. Upfront Expenses.** HDIC requires membership in NAIC, which costs \$25.00 per year. In addition, HDIC requires a subscription to On-Line Premium Service (OPS), which costs \$25.00 per year. Finally HDIC requires the purchase of NAIC approved software, which costs vary from \$79 to \$199 depending on software.
 - 6. Other Fees.** Besides the one-time fee (in #3) and the expenses (in #5) the only other fee we will charge you is an exit fee. This exit fee will be equal to the cost (commissions, notaries, postage etc.) of leaving the club. There are neither late fees nor missed meetings fees assessed in HDIC.

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7. **Business Meetings.**

HDIC meets at 7:00PM on the third Monday of each month rotating among the homes of partners. We always meet in Montgomery County, MD. We have a social time that starts 30 minutes before the meeting (6:30 PM). The social time is a great way to learn more about the people with whom you are pooling your money.
8. **Administrative Meetings**

Three times a year HDIC has administrative meetings to plan our business, investment & education sessions for the coming four months. By moving most of the administrative matters to these three meetings we can spend more time in our business meetings learning and investing in common stocks. The administrative meetings are held on the 4th Monday of the months of March, July, and November. They start at 7:00 PM. All officers are expected to attend. All partners are encouraged to attend.
9. **Club's Purpose: Education, Investment & Fun.**

Our primary purpose is to learn the principles of long-term investing. We are looking for growth companies selling at a reasonable price. Our second purpose is to pool our resources to create a diversified common stock portfolio. Our final purpose is to have fun. We have a 30 minute social before each business meeting. We have an annual summer social. And we have annual holiday social in lieu of our December business meeting.
10. **HDIC Welcomes Visitors.**

If you are interested in learning more go to our site (www.bivio.com/hdic), click on "Communication/Files" and open the "Welcome" folder. Finally, you can write to all partners in the club by emailing us (hdic@bivio.com). Come join us as we "trudge the road of happy destiny".