

---

# NAIC Stock Analyst

---

## Quick Start Guide

Copyright 1999–2003  
November 2003  
All Rights Reserved

*Developed exclusively for NAIC Software by*



No part of this manual may be reproduced in any form or by  
any means without written permission of ICLUBcentral Inc.

NAIC, the NAIC logo, Stock Selection Guide, Stock Comparison Guide, Portfolio Management Guide, PERT, and National Association of Investors Corporation are registered trademarks of the National Association of Investors Corporation (NAIC). Portfolio Evaluation Review Technique (PERT) is a trademark of NAIC. The Stock Selection Guide, Stock Comparison Guide, Portfolio Management Guide, and Portfolio Evaluation Review Technique (PERT) are all copyrighted forms of National Association of Investors Corporation.

All rights reserved.

## **Disclaimer**

Neither NAIC nor ICLUBcentral Inc. is responsible for investments made as a result of using this program. The purchaser of the license for use of this program is responsible for assessing the software to insure its suitability.

An investor should be aware that there is no investment method that will work 100% of the time. There will be assumptions, ifs, and maybes in the analysis of stock choices. The techniques in this guide will help you improve investment choices. Look at the many indicators and suggestions as a whole. Because financial analysis is highly interrelated, there are no absolute answers.



ICLUBcentral Inc.  
1430 Massachusetts Avenue  
Cambridge, MA 02138  
Customer Support: 617.661.CLUB  
(617.661.2582)  
Internet: <http://www.iclub.com>

---

## A Word of Warning to the Beginning Investor

NAIC Stock Analyst is designed for the intermediate through advanced level investor. NSA does not include a tutorial, nor is there a beginner's mode.

As a beginning investor you may be confronted with several key items to learn: the Microsoft Windows environment, ICLUBcentral's NAIC Stock Analyst, general investing terms, where data is found and which data to use, and NAIC methods. Any or all of these could be stumbling blocks to a quick start.

If you are just starting to learn about investing, put NAIC Stock Analyst away for the moment and purchase NAIC Classic Plus. NAIC Classic Plus is designed to thoroughly review all of NAIC techniques and contains both a "beginner" mode and a tutorial. Once you are comfortable with Classic Plus at the advanced levels, you can return to NAIC Stock Analyst and unleash the full power of this flexible and advanced software tool.

---

## An Introduction to NAIC Stock Analyst

NAIC Stock Analyst helps the investor find quality, growth companies which are fairly valued, in order to achieve superior results.

Since 1951, NAIC has shown the way to learning about investing. This non-profit educational organization today has hundreds of thousands of members and over 30,000 investment clubs worldwide. Following its simple philosophy, NAIC members have achieved above-average returns. The heart of the NAIC investment methodology is to acquire the stock of well-managed, quality growth companies. If you require help in understanding the methods of NAIC, please refer to their website

[www.better-investing.org](http://www.better-investing.org) or call them at 1-877-ASK-NAIC (1-877-275-6242).

NAIC Stock Analyst applies the investment principles of the National Association of Investors Corp. (NAIC), including the charts and mathematical calculations necessary to prepare and complete various NAIC forms. In addition you will find many optional items and forms to help you with your analysis.

NAIC Stock Analyst provides the NAIC forms so that you can complete a company study thoroughly and consistently. To maximize return on your stock investments, it is prudent to evaluate the performance of companies over a number of years. This helps you to understand trends and make better decisions. Manual methods of calculating performance are tedious and time-consuming. NAIC Stock Analyst allows investors to spend time in assessing and analyzing data quickly and more comprehensively than would otherwise be possible.

NAIC Stock Analyst is not a black box that magically generates stock reports. It is a comprehensive analysis program that works along with your knowledge and requires a liberal application of your personal judgment to help you make

investment decisions. Your responsibility is to become familiar with the company to make judgments about its past and future performance. You are responsible for making the ultimate decision about the merit of a company as an investment for your portfolio of stocks.

Following NAIC principles can be your basic path to successful life-long investing. Take the time to learn what is important in evaluating a company for investment. Develop your skill in using the NAIC Stock Analyst to examine well-managed, quality growth companies that are fairly valued. Doing these things will help you develop a portfolio of investments with the potential to achieve your future financial security.

---

## Software User Specifications

NAIC Stock Analyst is designed for the Microsoft Windows operating system. Supported versions include:

- Microsoft Windows 98 (Second Edition)
- Microsoft Windows 2000 (Home edition and Pro)
- Microsoft Windows XP (Home edition and Pro)

*Minimum System Requirements* -- NAIC Stock Analyst requires the following to run, albeit not the most efficiently or speedily:

- Processor speed of 350 MHz or better
- 64 MB RAM required
- 40 MB installation space
- An additional 10-20 MB of free disk space
- Screen resolution is 800 x 600 or higher

*Recommended System Requirements* -- For the most efficient and highest speed we recommend the following:

- Processor speed of 1000 MHz (1 GHz) or better
- 128 MB of RAM
- 40 MB installation space
- An additional 100 MB of free disk space
- Screen resolution is 800 x 600 or higher

---

## Installation and Registration

To install NAIC Stock Analyst:

1. Start Windows and place the NAIC Stock Analyst CD in your CD-ROM drive. The autostart installation should automatically run.
2. Follow the on-screen installation instructions.  
When you are prompted to register, you will need to have your serial number handy. *The serial number is on the back of this Quick Start Guide..*

---

## Customer Support

Check here first!!

- Select 'Help' from the Main Menu, then pick 'Contents' or 'Glossary' or 'Search'.
- Check the Users Guide on your NAIC Stock Analyst CD.
- Review the README file located in the program directory.

The fastest way to get your NAIC Stock Analyst questions answered is to visit our Support web site ([www.iclub.com/support](http://www.iclub.com/support)), which includes solutions to common problems, including questions about software installation and operation.

Another great resource is our email newsletter. Subscribe yourself or your whole club at:

[www.iclub.com/newsletter/subscribe.html](http://www.iclub.com/newsletter/subscribe.html)

If you can't find what you're looking for on our website, remember that your NAIC Stock Analyst purchase entitles you to ninety days of Customer Support. For a quick response, just fill out our online support form ([www.iclub.com/support/request.html](http://www.iclub.com/support/request.html)), and one of our Support Specialists will reply to your question quickly. Remember to have in hand:

1. Precise wording of any error messages displayed on screen.
2. Your NAIC Stock Analyst version number (from Help > About > NAIC Stock Analyst, or the original CD), the version of Windows you are using; the make, model and amount of memory (RAM) on your computer; the make and model of the printer if you have a printing question.
3. Your NAIC Stock Analyst serial number and approximate date of purchase.

---

## Running NAIC Stock Analyst

Once NAIC Stock Analyst has been installed, you may run the program by clicking the **NAIC Stock Analyst** icon on your Desktop. Or, click **Start** and select the **NAIC Stock Analyst** program icon from within the *NAIC Software* folder.

---

## Getting Started

NAIC Stock Analyst helps you analyze stocks and baskets of stocks (called 'portfolios'). At its heart, NSA uses financial statistics as reported by listed public companies to create easy to understand graphics and reports to make your job of picking stocks easier. The first thing to do is to get the financial statistics, or data.

The best source of this data is NAIC's Online Premium Services (OPS) company datafiles. (For information on obtaining access to OPS data from NAIC, please

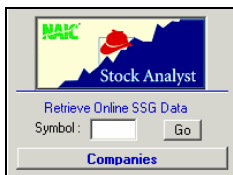
see [www.better-investing.org](http://www.better-investing.org).) To use OPS, your computer must be connected to the Internet, and you will need to have a subscription to NAIC Online Premium Services.

If you do not have access to the Internet, you can enter this information manually from sources such as Value Line and S&P. Since the overwhelming majority of NSA users have access to OPS, this document only covers getting data from OPS. To access data manually, see the full manual on your NSA CD-ROM.

---

## Importing OPS data – Looking at a Company

To look at a company, you must either open a preexisting one you have worked with before (use the left-hand navigation bar to open a preexisting company) or you must create a new company. You can do this by entering in all relevant data from a company manually using the **File > New** option, or you can simply import the data from NAIC Online Premium Services. The overwhelming majority of users will want to use OPS, because it reduces data entry time from hours to seconds. To use OPS:



1. In the software, go to **Options > Preferences**.
2. In the *NAIC OPS Login* section, enter your OPS username and password.
3. Click **OK**.
4. Return to the main page and enter the stock symbol of the company into the *Symbol* box
5. Click **Go**.

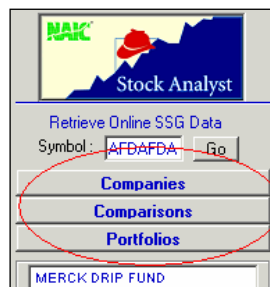
**Note:** Your OPS username is provided by the NAIC. If you have lost your password or if your password fails, contact the NAIC at 1-877-275-6242 or visit the NAIC website at <http://www.better-investing.org>

---

## Navigation

There are three sections to NSA. You may navigate to each of them through the area on the left side of the screen called the list panel:

- 1) **Companies:** This section is used for analyzing individual securities.
- 2) **Comparisons:** This section is used to narrow choices when faced with several stock prospects.
- 3) **Portfolios:** This section is used for analyzing baskets of securities.



---

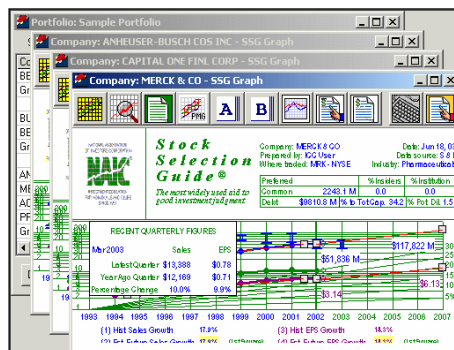
## Using the Right Mouse Button

The right mouse button is used extensively within NAIC Stock Analyst and a substantial amount of NAIC Stock Analyst's functionality can be unlocked by

using the right-mouse button. Right-clicking may open different options available for manipulating data or options for that particular view or form. Its purpose applies to several areas, depending upon the nature of the item clicked. Using the right mouse button you may set or reset specific values, select from a list of appropriate responses, or enter a custom response or select or de-select a program option.

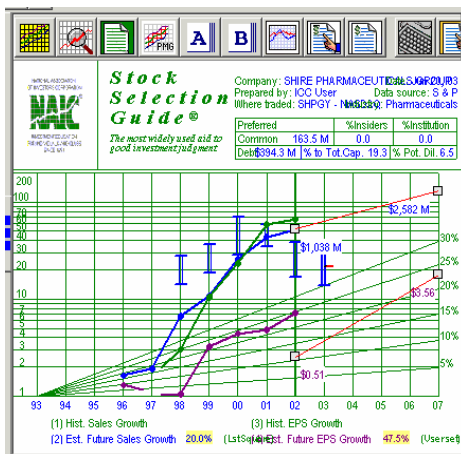
## Overlapping Windows

NAIC Stock Analyst allows for windows to be piled on top of each other so that you can flip back and forth between, say, an SSG, a portfolio, and a different SSG (or even the same SSG). It also means that you may think you have lost screens if you aren't paying attention, because the screen you're looking for might be behind another screen. *All open windows are always accessible via the Window menu.*



To reset the screen so you can see all companies, choose from the Window menu 'Tile Horizontal', 'Tile Vertical', or 'Cascade'. This is an example of cascaded windows.

## Companies: Basic Stock Analysis



This is the basic screen for analyzing a stock. The twelve buttons will bring you to the stock's:

- SSG Graph
- SSG Analysis
- PMG Report
- PMG Graph
- PERT A
- PERT B
- PERT Graph
- Balance Sheet Report
- Balance Sheet Analysis
- Data Entry
- Data Report
- Trend Graph

## **SSG Graph**

The Stock Selection Guide Graph is used to measure how well the company's management has been able to grow sales (or revenues) and earnings over the past 5 to 10 years. Past growth is an indication of how the company may perform in the future. Future sales and earnings growth drives the growth of the stock price, producing the appreciation from your original stock purchase price.

The SSG Graph can reveal significant information. Its purpose is to display all the important information in one simple report.

## **SSG Analysis**

The Analysis section (or the back side) shows Parts 2 to 5 of the Stock Selection Guide. Each deals with a unique aspect of the stock study and should be completed. In the Analysis you will:

1. Evaluate the quality of management (Part 2)
2. Review historical price-earnings ratios (PEs) (Part 3)
3. Evaluate future reward and risk (Part 4), and
4. Measure the potential return of your investment (Part 5)

## **PMG Report and PMG Graph**

The goal of the Portfolio Management Guide (PMG) is:

1. To record (typically once a month) the company's share price.
2. To determine current value.
3. To determine if buying opportunities exist.

Value is determined in Part 3 of the SSG by calculating and assessing historical price-earnings ratios (PEs). The historical average PE, as may be modified in Part 4 of the SSG, becomes the basis for value comparison in the PMG.

## **PERT A**

PERT A is a worksheet where calculations from the quarterly data provide additional information about growth and profitability. Enter and edit data for PERT A in the PERT Data Entry window. The convenience of OPS is that all the information for 5 years (20 quarters) of data is readily available for your assessment.

## **PERT B**

PERT B is a worksheet that records value information from the SSG. It summarizes this for later inclusion in the PERT Report. It also serves as a recording of historical figures to be used in assessing the company.



## PERT Graph

The PERT Graphics report helps to visualize the calculations of PERT A. This report plots the % Change columns (sales, EPS, and pre-tax profit) and the pre-tax profit on sales from PERT A.

## Balance Sheet Report and Balance Sheet Analysis

Always review the quality and financial strength of every company in whose stock you are considering an investment. Not everyone will want to delve fully into the Balance Sheet Report. However, we believe that all investors can benefit from looking at the first two sections. These sections address the quality and financial strength of the company under study and are ignored at the investor's own risk. Safety and financial strength are uppermost in the Quality section. Capital structure information addresses the firm's current financial solvency and health.

## Data Report

The Company Data Report is a simple report listing all raw data about the company used to generate the Stock Selection Guide. Its purpose is to allow you to see, at a glance, all the relevant information that went into creating the analysis of the company.

## Trend Graph

The Trend Graph allows a comparison of three financial metrics on a company across a semi-logarithmic graph. This graph is among the most useful in NSA because it allows direct comparisons among all financial metrics within NSA for any specific company.

## Additional Forms

NSA provides two rarely used forms: the Stock Check List and the Stock Selection Guide Report. By default they are hidden and may be “turned on” in the preferences area by select Options | Preferences then select the Display tab].

---

## Comparisons

NSA allows the compilation of baskets of stocks into portfolios, which can then be analyzed to determine the best stocks to sell, the amount of diversification, and the general health of the basket.

To run a comparison:

1. Click the **Comparisons** button on the left-hand toolbar to bring up the Comparisons screens.
2. Go to **File > New > Stock Comparison Guide**
3. Select up to five (5) stocks, holding down the **Control** (ctrl) button. Note that you can only select companies from the *Companies* list.
4. Click **Ok**.

To save your comparison:

1. Go to **File > Save**.
2. Enter a name and a description of the comparison.
3. Click **Save**.

The screenshot shows the 'SCG Report' window. At the top, it says 'Prepared by: ICC User' and 'Date: 25 Jun 2003'. Below this is a table with columns for 'NAME OF COMPANY', 'BSE', 'BSE EQ', 'NSE', 'NSE EQ', and 'SEBI'. The table is divided into three sections: 'GROWTH COMPARISONS', 'MANAGEMENT COMPARISONS', and 'PRICE COMPARISONS'. Each section contains several rows of data comparing two companies across various financial metrics.

	BSE	BSE EQ	NSE	NSE EQ	SEBI
<b>GROWTH COMPARISONS</b> (From Section 1 of the NAIC 850)					
Historical % of Sales Growth	26.0	18.1	2.7	19.0	
Proposed % of Sales Growth	29.0	18.1	2.7	19.0	
Historical % of EPS Growth	19.1	13.9	66.3	7.8	
Proposed % of EPS Growth	20.0	20.0	20.0	7.9	
<b>MANAGEMENT COMPARISONS</b> (From Section 2 of the NAIC 850)					
% Profit Margin Before Taxes	14.7	18.8	8.0	9.9	
% Return on Equity	20.9	18.1	12.8	12.0	
% of Common Owned by Management					
<b>PRICE COMPARISONS</b> (From Section 3 of the NAIC 850)					
Estimated Total EPS For Next 5 Years	9.67	12.52	2.41	9.88	
Price Range Over Last 5 Years	50-80.0	200-700.0	20-50.0	20-20.0	
Dividend Yield	1.80%	1.80%	0.00%	1.80%	

This is the basic screen for analyzing a portfolio. The two buttons will bring you to the stock's:

- SCG Report
- SCG Graph

## SCG Report

You can compare up to 5 companies' performance with a Stock Comparison Guide. A SCG Report shows statistics comparing the two companies; an SCG Graph, which you can access by clicking on the 'SCG Graph' option on the top bar, shows the comparisons in graphical format.

## SCG Graph

The SCG Graph allows for a comparison of financial metrics across all companies being compared. It's an excellent way to judge trends across several companies being suggested for investment. You can adjust the scale of an individual company in the bottom right corner, and select the various financial metrics on the right hand column.

---

## Portfolios

NSA allows the compilation of baskets of stocks into portfolios, which can then be analyzed to determine the best stocks to sell, the amount of diversification, and the general health of the basket.

To run a comparison:

1. Click the **Portfolios** button on the left-hand toolbar to bring up the Comparisons screens.
2. Go to **File > New > Portfolio**
3. Fill out the Portfolio form and click **OK**.
4. In the new screen, click **Add to Portfolio** to add companies from the *Companies* list.

Company Name	SSG Date	Currency	No. Shares	Buy Date	Buy P
ANHEUSER-BUSCH COS INC	6/18/2003	USA	10,000	6/18/1999	
MERCK & CO	6/18/2003	USA	10,000	6/20/2003	
AOL TIME WARNER INC	6/18/2003	USA	5,000	6/20/2000	
REISE STORES INC	6/25/2003	USA	15,000	9/25/2000	
BUCKLE INC	6/25/2003	USA	20,000	6/25/2003	
PRDGER INC	6/25/2003	USA	15,000	11/1/2001	
BED BATH & BEYOND INC	6/25/2003	USA	22,000	1/15/2002	

Portfolio Summary  
 ICC USER Personal 101-A34  
 Value: \$3,216.10 Cost: \$2,233.00 Growth (Cost): 1000.0% Growth (Orig): 48.5%  
 BUCKLE INC 3mo Longest: ANHEUSER-BUSCH COS INC 51mo Average: 24.3mo

Add to Portfolio Edit Portfolio Entry Delete from Portfolio Edit Portfolio Details

This is the basic screen for analyzing a portfolio. The four buttons will bring you to the portfolio's:

- Summary
- Analysis
- PERT Report
- Diversification

## Summary

The summary view represents the basic holdings, as well as financial criteria, buy date, and other details relating to the individual stocks in the portfolio.

## Analysis

The analysis view of the portfolio screen lists the companies in a portfolio by characteristics found in their SSGs. These include Company Name, Capitalization, Revenue, Sector, Industry, Estimated EPS Growth %, P/E, Upside Downside Ratio, Relative Value, Projected Average Return, Projected Total Return, Buy zone, and Sell zone.

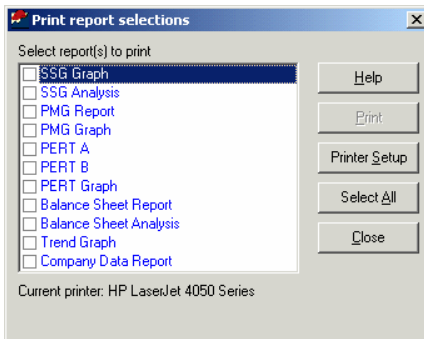
## PERT Report


The Portfolio Evaluation Review Technique Report is an NAIC report designed to help you evaluate your entire portfolio. It compares financial metrics across all the stocks held in that specific portfolio.

## Diversification

The Diversification window to arrange your holdings by revenue, market capitalization, sector, or currency. This helps you to assess the balance of your portfolio by these various criteria.

## Printing



NAIC Stock Analyst allows for a variety of printing options. When you have a window open, clicking on **File > Print** or the print icon  will print that specific form. If the window shows an individual SSG, clicking on **File > Print Report Selections** will bring up a selection screen so you can choose which reports you'd like to print in one batch.

---

## Backing Up Your Data

Power loss to your computer may cause the program's database file to become corrupted and unusable. In most instances, the program will detect this when you restart your computer and attempt to restore your database automatically.

To prevent the loss of data and your work, we recommended that you backup your database regularly.

To backup your data:

1. Select **Option > Backup Database**
2. Enter the name for your backup and press **Save**.  
This will save your NSA database

To restore your data:

1. Select **Option > Restore Database**
2. Double-click the backup file, generally called *[filename].bak*.  
The data is now restored.

---

# User License and Support Agreement

Use of this product is governed by terms of a User License and Support Agreement or ULSA. The User License and Support Agreement that appears during installation is reproduced below for your convenience. References to clicking on "Accept" are to an installation procedure. The text below is the same as the text seen at installation. Some formatting is different here to make it easier to read on a printed page.

User License and Support Agreement or ULSA (Applicable to ICLUBcentral's NAIC Stock Analyst software)  
Important: By clicking on "Accept", you indicate your acceptance of the terms and conditions set forth below.

THIS LICENSE AND SUPPORT AGREEMENT (THE "AGREEMENT") IS A LEGAL CONTRACT BETWEEN YOU, THE END USER, IN YOUR INDIVIDUAL CAPACITY ("YOU") AND ICLUBCENTRAL INC. ("ICLUBCENTRAL"). BY CLICKING ON "ACCEPT", YOU ARE AGREEING TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION THE CUSTOMER SUPPORT PROVISIONS SET OUT BELOW. IF YOU DO NOT AGREE TO SUCH TERMS AND CONDITIONS, YOU MUST PROMPTLY RETURN THE SOFTWARE AND THE DOCUMENTATION TO NAIC, ICLUBCENTRAL'S SOFTWARE DISTRIBUTOR, IN ORDER TO RECEIVE A FULL REFUND OF THE LICENSE AND CUSTOMER SUPPORT FEES THAT YOU HAVE PAID. If You should have any difficulty in obtaining such refund, please contact ICLUBcentral at 1430 Massachusetts Avenue, 2nd Floor, Cambridge, MA 02138.

THE ENCLOSED COPY OF ICLUBCENTRAL'S NAIC Stock Analyst SOFTWARE, INCLUSIVE OF ALL ADD-ONS AND FUTURE RELEASES (the "SOFTWARE"), AND THE RELATED DOCUMENTATION, INCLUSIVE OF ALL FUTURE RELEASES (the "DOCUMENTATION"), ARE EACH LICENSED TO YOU WITH A PERSONAL, NON-EXCLUSIVE AND NON-TRANSFERABLE RIGHT, EXCEPT AS ALLOWED BELOW UNDER 'PERMITTED USES', TO USE ONLY UNDER THE FOLLOWING TERMS AND CONDITIONS:

## PERMITTED USES

You MAY:

- Install the Software on a storage device in Your computer, as set forth in the instructions contained in the Documentation. Note: The Software has been designed to only allow it to be used for a single individual for personal use on up to two personal computers. You may install the Software for personal use on one or two personal computers. You may make only one (1) copy of the Software, provided that
  - i. such copy is used only for back-up purposes;
  - ii. You retain possession of the back-up copy; and
  - iii. all of the information appearing in the copyright notice on the label of the storage medium in the sealed package is copied onto the label of the storage medium for the back-up copy.
- Transfer the Software to Your second personal computer provided that the original copy of the Software will be removed as soon as said Software is installed on Your second personal computer.

## NON-PERMITTED USES

You MAY NOT:

- Make any copies of the Software, except as permitted above with respect to the one (1) back-up copy.
- Allow transfer of the Software to another individual.
- Make any copies of the Documentation.
- Disclose, rent, license, sublicense, lease, sell, lend, disseminate or otherwise distribute the Software or the Documentation.
- Network the Software or otherwise use it on more than one computer or computer terminal at the same time.
- Use the Software to conduct a service bureau, application service provider ("ASP") business or similar business for the benefit of third parties.
- Transfer Your rights under this Agreement.
- Alter, enhance, supplement, create derivative work therefrom, translate, decompile, disassemble, reverse engineer or otherwise reduce the Software to human readable form.
- Remove or obscure the copyright and trademark notice on the label of the storage medium containing the Software or in the Documentation.

## TERMINATION / DURATION

This Agreement and Your license to use the Software and the Documentation will automatically terminate without notice from ICLUBcentral and without any pro rata abatement of the license and customer support fees You have paid if You fail to comply with any term or condition of this Agreement or upon your giving written notice of termination to ICLUBcentral.

This Agreement is effective from the day upon which You indicate acceptance of this Agreement. In order to be granted license to use this Software, you must register this Software fully and accurately with ICLUBcentral and receive a valid confirmation of registration from ICLUBcentral. The license then granted will continue until either

- (i) You terminate this Agreement by giving written notice of termination to ICLUBcentral; or

(ii) this Agreement is terminated by ICLUBcentral, as provided in the immediately preceding paragraph.

#### CUSTOMER SUPPORT PROVISIONS

Included in the total fee that You have paid for the Software and the Documentation is an amount that covers the customer support services described in this Agreement (the "Customer Support Services"). (You can reference the information on accessing Customer Support Services and the term and duration of Customer Support Services provided with the Documentation.) The terms of these Customer Support Services are subject to change without notice. Customer Support Services cover technical questions about operation of the Software only.

##### Customer Support Obligations of ICLUBcentral:

Provide customer support for the Software only if (i) You have performed the online Product Registration as provided by NAIC and ICLUBcentral in order to register the Software; and (ii) Your copy of the Software is identified with a valid serial number, and Registration Code.

Investigate and identify any problem reported by You to ICLUBcentral that is related to the then current release of the Software, and correct or provide within an appropriate time, as determined by ICLUBcentral, either (i) a workaround for any programming error in the then current release of the Software which You have identified, provided that the error is directly attributable to ICLUBcentral, or (ii) a resolution to the problem which You have identified (collectively the "Code Correction Services").

##### Related Obligations of End-User:

Use only the then current release of the Software during the initial and any renewal term of this Agreement.

In the event of (i) a problem with the Software that results in either a system crash or loop; or (ii) a situation where You can reasonably demonstrate that the Software produces an erroneous result that is not a function of incorrect or improper input data, then You must submit to ICLUBcentral a written report of all input and keystrokes to the Software giving rise to the problem to the extent reasonably practical.

#### LIMITED WARRANTY

ICLUBcentral does not have control over the conditions under which You use the Software and does not and cannot warrant the performance or results that may be obtained by its use. However, ICLUBcentral and NAIC warrant that the Software will perform substantially in accordance with the Documentation for a period of ninety (90) days from the date the product was shipped to You, provided that the Software is used on the computer equipment, operating system and in the environment for which it was designed and configured. Your sole remedy and ICLUBcentral's exclusive liability under the foregoing limited warranty will be the furnishing by ICLUBcentral, within a reasonable period of time and without charge, of the Customer Support Services pursuant to the Customer Support Services provisions of this Agreement. To bring a claim under this limited warranty, You should contact Support Department at ICLUBcentral, 1430 Massachusetts Ave, 2nd Floor, Cambridge, MA 02138 to obtain information on warranty performance; You must be given a Return Authorization Number by ICLUBcentral before returning the Software to ICLUBcentral. Some jurisdictions do not allow the exclusion or limitation of relief, incidental or consequential damages, so the above limitation or exclusion may not apply to You.

Because computer programs are inherently complex, You are advised to always verify Your work and periodically (after each use) back up the data You have created with the Software.

ICLUBcentral does not warrant that any of the Software, the Documentation or Customer Support Services to be provided pursuant to this Agreement will meet Your requirements. The only warranty made with respect to the Software is the limited warranty set forth in this Agreement.

EXCEPT AS SO SPECIFICALLY PROVIDED ABOVE IN THE IMMEDIATELY PRECEDING PARAGRAPH, THERE ARE NO WARRANTIES, REPRESENTATIONS, OR CONDITIONS MADE BY ICLUBCENTRAL OR ANY OTHER PERSON INVOLVED IN THE CREATION, PRODUCTION OR DISTRIBUTION OF THE SOFTWARE, THE DOCUMENTATION OR THE CUSTOMER SUPPORT SERVICES, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE SOFTWARE, THE DOCUMENTATION, ANY RELEASES THERETO, OR THE CUSTOMER SUPPORT SERVICES INCLUDING THEIR RESPECTIVE QUALITY, PERFORMANCE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT. Notwithstanding the above, where applicable, if You qualify as a "consumer" under the Magnuson-Moss Warranty Act, then You may be entitled to any implied warranties allowed by law for the period of the express warranty as set forth above. Some states do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to You. This warranty gives You specific legal rights, and You may also have other rights which vary from state to state.

#### LIMITATIONS OF LIABILITY; INDEMNIFICATION

NEITHER ICLUBCENTRAL, NAIC NOR ANY OTHER PERSON INVOLVED IN THE CREATION, PRODUCTION, OR SUPPORT OF THE SOFTWARE, THE DOCUMENTATION OR THE CUSTOMER SUPPORT SERVICES WILL BE LIABLE TO YOU OR ANY THIRD PARTY ARISING OUT OF THIS AGREEMENT AND/OR YOUR USE OF OR INABILITY TO USE THE SOFTWARE, THE DOCUMENTATION OR THE CUSTOMER SUPPORT SERVICES,

REGARDLESS OF THE FORM OF THE CLAIM OR ACTION, THAT EXCEEDS THE PORTION OF THE FEE YOU HAVE PAID FOR THE SOFTWARE, THE DOCUMENTATION OR THE CUSTOMER SUPPORT SERVICES, AS THE CASE MAY BE.

NEITHER ICLUBCENTRAL, NAIC NOR ANY OTHER PERSON INVOLVED IN THE CREATION, PRODUCTION, OR DISTRIBUTION OF THE SOFTWARE, THE DOCUMENTATION OR THE CUSTOMER SUPPORT SERVICES WILL BE LIABLE TO YOU OR ANY THIRD PARTY FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY DAMAGES OR OTHER INDIRECT DAMAGES OR LOSS OF PROFITS, LOSS OF DATA OR LOSS OF USE DAMAGES ARISING OUT OF (i) THIS AGREEMENT; AND/OR (ii) THE MANUFACTURE, SALE, SUPPLYING OR FAILURE OR DELAY IN SUPPLYING OF THE SOFTWARE, THE DOCUMENTATION OR THE CUSTOMER SUPPORT SERVICES RELATED THERETO, EVEN IF ICLUBCENTRAL HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Some jurisdictions do not allow the exclusion or limitation of special, incidental, consequential, indirect or exemplary damages, or the limitation of liability to specified amounts, so the above limitations or exclusions may not apply to You.

YOU AGREE TO INDEMNIFY AND HOLD ICLUBCENTRAL, NAIC AND ALL OF THE PERSONS INVOLVED IN THE CREATION, PRODUCTION, OR DISTRIBUTION OF THE SOFTWARE, THE DOCUMENTATION AND THE CUSTOMER SUPPORT SERVICES HARMLESS FROM CLAIMS AND DAMAGES OF ANY TYPE WHATSOEVER ARISING FROM ANY THIRD PARTY AS A RESULT OF YOUR USE OF THE OUTPUT FROM, AND/OR YOUR INABILITY TO USE THE SOFTWARE OR AS A RESULT OF ANY CUSTOMER SUPPORT SERVICES PROVIDED OR TO BE PROVIDED UNDER THIS AGREEMENT.

#### GEOGRAPHIC LIMITATION

ICLUBcentral Customer Support Services cannot be provided at the same level to customers outside of the continental United States, Hawaii and Alaska. ICLUBcentral's website is available to customers anywhere in the world. Email support will be provided, on a best efforts basis, to foreign customers, but only in English. It is understood that the ICLUBcentral products have been developed for the U.S. marketplace.

#### U.S. GOVERNMENT RESTRICTED RIGHTS

The Software and Documentation are "commercial computer software" or "commercial computer software documentation." Absent a written agreement to the contrary, the U.S. Government's rights with respect to such Software or Documentation are limited by the terms of this Agreement, pursuant to FAR ' 12.212(a) and/or DFARS ' 227.7202-1(a), as applicable.

#### GENERAL PROVISIONS

The Software, the Documentation, and all releases thereto are licensed to You by ICLUBcentral, and are protected by United States copyright laws and by international treaty provisions. Title to the Software and the Documentation, and patents, copyrights and all other property rights applicable thereto, shall at all times remain solely and exclusively with ICLUBcentral and its licensors, and You shall not take any action inconsistent with such title. Therefore, except for the permitted right to make one (1) back up copy of the Software, You must treat the Software and the Documentation like any other copyrightable material and are precluded by law from making any copies of them. Any rights not expressly granted herein are reserved to ICLUBcentral and its licensors.

The rights and obligations under this Agreement will be governed by, and any arbitration or court action hereunder shall apply, the laws of the Commonwealth of Massachusetts, excluding its conflicts of law rules, and will not be governed by the United Nations Convention of Contracts for the International Sale of Goods, the 1974 Convention on the Limitation Period in the International Sale of Goods (the "1974 Convention") and the Protocol amending the 1974 Convention, done at Vienna April 11, 1980, the application of which is expressly excluded.

Any dispute, controversy or claim arising out of or relating to this Agreement or to a breach hereof, including its interpretation, performance or termination, shall be resolved in the courts of Massachusetts.

The parties irrevocably submit to the exclusive jurisdiction of the federal and state courts of Massachusetts. Notwithstanding anything contained in this paragraph to the contrary, ICLUBcentral shall have the right to institute judicial proceedings against You or anyone acting by, through or under You, in order to enforce ICLUBcentral's rights hereunder through reformation of contract, specific performance, injunction or similar equitable relief.

If any term or condition in this Agreement is invalid or unenforceable in any respect under any applicable statute or rule of law, then such term or condition is modified to have the most nearly similar permissible economic or other effect in order to be valid and enforceable under such applicable statute or rule of law.

YOU ACKNOWLEDGE THAT YOU HAVE READ THIS AGREEMENT, UNDERSTAND IT, AND AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS. YOU FURTHER AGREE THAT THIS AGREEMENT IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE RELATIONSHIP BETWEEN YOU AND ICLUBCENTRAL, AND SUPERSEDES ALL PRIOR OR CONTEMPORANEOUS PROPOSALS, ORAL OR WRITTEN, UNDERSTANDINGS, REPRESENTATIONS, CONDITIONS, WARRANTIES, AND ALL OTHER

COMMUNICATIONS BETWEEN YOU AND ICLUBCENTRAL OR BETWEEN YOU ANY OTHER PERSON INVOLVED IN THE CREATION, PRODUCTION OR DISTRIBUTION OF THE SOFTWARE, THE DOCUMENTATION OR THE CUSTOMER SUPPORT SERVICES; AND THIS AGREEMENT MAY NOT BE EXPLAINED OR SUPPLEMENTED BY CUSTOM OR USAGE OF TRADE OR ANY PRIOR COURSE OF DEALINGS BETWEEN YOU AND ANY OTHER PERSON.

IF THERE ARE ANY CONCERNS REGARDING THIS AGREEMENT, PLEASE CONTACT: ICLUBCENTRAL, 1430 MASSACHUSETTS AVE, 2nd FLOOR, CAMBRIDGE, MA 02138.