



Reality Cheque



December 2007

Create abundance from what you have regardless of how much money you start with.

Quick Facts

- Conventional mortgages now start at 20% down. The Bank Act was amended earlier this year raising the loan-to-value ratio from 75% to 80% before mortgage insurance is required.
- Stop identity theft and improve your credit rating. Review and correct your credit reports at least once a year, if not more often. You are entitled to one free credit report per year via mail or as often as you wish online, for a fee.

www.equifax.ca
www.transunion.ca
www.mycreditalert.ca *

* most comprehensive service

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Opportunity Crisis

Twenty years, five major financial crises:

- 1987: Stock Market Crash
- 1990-92: Credit Crunch
- 1997-98: Emerging Market Crisis
- 2000-02: Tech Bust
- 2007: Sub-prime Crisis

That's about one disruption every five years.

The great news is "every economic, industry or business crisis inevitably spawns such extraordinary opportunities. You just have to have the foresight to be looking for them and the guts to grab them" says Jack Welch, retired Chairman and CEO of General Electric.

How can opportunities exist when the headlines are full

of doom and gloom?

Look beyond the speculation to what the long term fundamentals are saying.

Headlines would have us believe Alberta's New Royalty Framework will destroy the oil and gas sector in Alberta; companies will leave in droves.

In fact, it is being viewed to have little to no effect overall. Foreign analysts still see Alberta, and Canada, as a cheaper place to do business and more importantly, politically stable.

The price of oil remains high and the stock market had a relatively muted reaction.

Other headlines would have people believing the Calgary

Bold moves are often best made in the midst of uncertainty.



Risk is often lowest when it is most visible.

housing market has peaked or is crashing.

Speculative investors get scared and unload their properties, flooding the market. The excessive supply of homes combined with the typical reduced fall demand means prices drop.

To the long term real estate investor, this dip brings buying opportunities.

So while the masses are running, start looking!

The Next Generation

Cashflow For Kids by Jenaya Niessen (age 11)

I like playing Cashflow for Kids because it is fun to play, and it is interesting to see what deals and expenses come up. In some ways it's like real life.

I learned passive income is earned when you buy assets such as securities, real estate or businesses that pay you

money every month.

My friend kept getting cards to increase her salary, but she was the last one out of the rat race.

I learned that you need more passive income than expenses to get out of the rat race.

I found it funny one of my friends got an expense card to charge a puppy and all its supplies on her credit card, but didn't want it. In

real life she would have loved to have a puppy.

Another time my friend and I both lent my other friend some interest free money so she could do two deals. She got out of the rat race first.

From that I learned that it's easier to get out of the rat race when you use other peoples money.

Investing In Experience

from the desk of Lorraine & Bonnie

“Do your own due diligence” we heard over and over. But no one could tell us the book to read, the expert to talk to or the course to take.

As we searched for this seemingly elusive thing called ‘due diligence’ we came to realize due diligence is merely a fancy term for “questions, questions and more questions”.

The catch-22 is that we were afraid to ask a lot of questions for fear of appearing like we didn’t know anything.

Well the truth was, we didn’t know a whole lot when we started out.

We soon realized the fewer the questions we asked the more we left ourselves open for potential problems down the road. And with that in mind any hesitation about asking questions quickly disappeared.

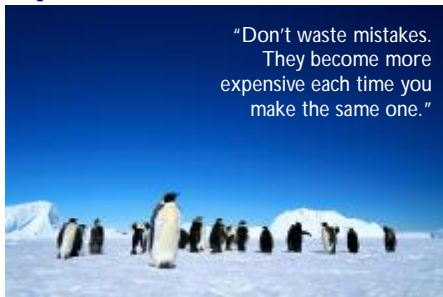
Over time we found our questions acted as a filtering system, saving us a lot of time and energy.

By asking our first level ques-

tions we could quickly determine whether or not to look at the opportunity in more detail. Each successive level of questions acted in the same way.

Asking questions was also a great tool in getting to know the people behind the investment. The way they answered our questions gave us a feel for how knowledgeable they were as well as qualities important to us such as patience, honesty, communication, diligence, keeping their word, and so on.

In the end, the only bad questions we ever had were the ones we never asked.



Over to You

“What are the Cashflow Game Nights all about? I never found any explanation of them.” *Rae S from BC*

The Cashflow series of games was created by Robert Kiyosaki (“Rich Dad, Poor Dad” author) to help people accelerate their financial education in a fun, low risk environment.

The game series is comprised of the **Cashflow 101**, **Cashflow 202** and

Cashflow For Kids board games along with their corresponding electronic version.

Game nights give like-minded people the chance to meet and learn from each other while having fun playing the board games.

Best of all, the skills

learned playing the games are transferrable to real life and help you reach your dreams that much faster.

People of all ages and skill levels are welcome. There is something to learn from everyone - even those who have never played before!

“You have to have confidence in your ability, and then be tough enough to follow through.”

Rosalyn Carter

By The Book

Made To Stick by Chip & Dan Heath - 2007, ISBN-13: 978-1-4000-6428-1

Remember those times when your amazing ideas never went anywhere? Or when you kept repeating the same thing over and over?



Getting people to remember what you have to say is all in the packaging.

After reading **Made To Stick** you will know how to make your ideas bond like glue and overcome the Curse of Knowledge.

The Heath brothers guide us through the six key factors of communication to help us produce far-reaching and long lasting results.

Regardless of your audience - students, CEOs, kids, co-workers, clients, donors, investors - if your message or idea needs staying power, this book is a must.

Apply the rules of SUCCEs and you too will stick.

www.madetostick.com/blog



Diving into Due Diligence

Population

The effects of population on real estate in the short term are as simple as supply and demand.

As people come into an area, the demand for housing increases which puts a strain on supply so housing prices tend to increase.

As people leave an area, the demand for housing decreases creating a surplus so housing prices tend to flatten or fall.

Population



growth, or in-migration, is affected by two components: immigration and intra-migration.

Immigration is people moving from other countries. Intra-migration is people relocating from other areas of the country, province or city/town.

Areas with long term potential growth are growing faster than the surrounding area. That is, people are moving into a province at a rate greater than the rest of the country, into a city/town at a greater rate than the rest of the province,

or into a neighborhood at a greater rate than the rest of the city/town.

Also important to look at are the reasons behind the in-migration - what is drawing people to the area.

An area attracting new business, experiencing job creation or university expansion has fundamental support for continued long term growth.

Population growth based on speculation, lower cost of living or retirees is not set up for continued long term growth.

Analyzing both the numbers and reasons together gives you the opportunity for a better look into the future.

What's That?

Net Worth Statement & Income Statement

Are your days of report cards over?

You might want to reconsider your answer!

When you go to the bank for a loan, your banker will ask for your new report card - your net worth and income statements.

Your net worth statement records your assets (things you own) and liabilities (things you owe).

Your income (or cash flow) statement records your sources of "income"ing money and out-flowing expenses.

Both the net worth and income state-

ments are needed to give a complete financial picture.

Updating both statements regularly is important. Financial statements

are a snapshot of your situation at any point in time. The change between two sets of financial statements shows you the degree and direction of your progress.

"Words are also actions, and actions are a kind of words."

Ralph Waldo Emerson

Time For Fun

Did you know:

The three major greenhouse gases are carbon dioxide, nitrous oxide and methane.

Edmontonians spend 5000 hours per day in drive-thrus, idling 23.5 tonnes of greenhouse gas into



the air at the same time. (U of Alberta Engineering)

Brain Teasers

a) What has been around for millions of years but is no more than a month old?

b) Of 63, 26, 50, 37, 17, 82, which number is unlike the others?

c) What gets broken even when you name it?

- see answers next month -

November's Answers:

a) towel b) your word c) the only vowel is E when the number is written

MALIROO PROPERTIES INC.



*Dreams Become
Reality...
One Property At A Time*

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GLOMAR VPC INC.



*Transforming dreams ...
into extraordinary lives.*

Lorraine Watson & Bonnie Duckett

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Cashflow Game Nights

Come out and have a fun night playing your way onto the fast track ... where your money works hard for you instead of you working hard for your money.

Okotoks (doors open 6:15pm)
Crystal Shores Beach House - 403 Milligan Drive

- January 23, 2008 6:30pm - 9:30pm
- February 27, 2008 6:30pm - 9:30pm
- March 2008 - TBA 6:30pm - 9:30pm

RSVP to vpcinfo@glomar-vpc.com or register at the Beach House: 995-1358

Calgary (doors open 6:45pm)
Willow Ridge Community Centre - 680 Acadia Dr SE

- January 11, 2008 7:00pm - 10:00pm
- February 8, 2008 7:00pm - 10:00pm
- March 14, 2008 7:00pm - 10:00pm

RSVP if possible to vpcinfo@glomar-vpc.com

Please remember to bring a calculator, pencil, eraser and paper.

You can sign up for our courtesy Game Night reminder service at:

www.maliroo.com

or www.glomar-vpc.com/event_schedule.html

Catching Up



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Deb & Gary

'Tis the season of merriment and busyness with everything Christmas ... decorating, shopping, baking, and parties.

This year we have decided to start a new Christmas tradition! That is to keep things simple, take care of ourselves, and to spend our

time doing what is special to us.

It is our intention to take the focus of Christmas away from the materialistic shopping list, which takes care of the time consuming and stressful task of searching for the perfect gifts for all. Another intention is to leave some white space on the calendar for some spontaneous activities.

Our Christmas will be spent enjoying quality time with the people we love. Relaxing, playing, sharing memories and laughter, and taking time for personal reflection.

We wish you all a Happy Holiday Season and a New Year filled with Peace and Prosperity!



Bonnie & Lorraine

Here we are once again at the end of another year. It hardly seems like a month or two ago we were discussing what lay ahead for us in 2007. Soon we will be jumping into 2008 with both feet.

One of our intentions for 2007 was to do something we never saw ourselves doing before. That left a wide range of options!

One such event occurred in July. With four other friends we learned how to wall climb - harnesses, knots, belaying and all! While we didn't fall in love with climbing, we proved to ourselves our imaginations weren't going to hold us back.

We look forward to seeing what is in store for us in 2008!

May your Holiday Season be filled with Laughter and Joy leading you towards your most extraordinary year yet!