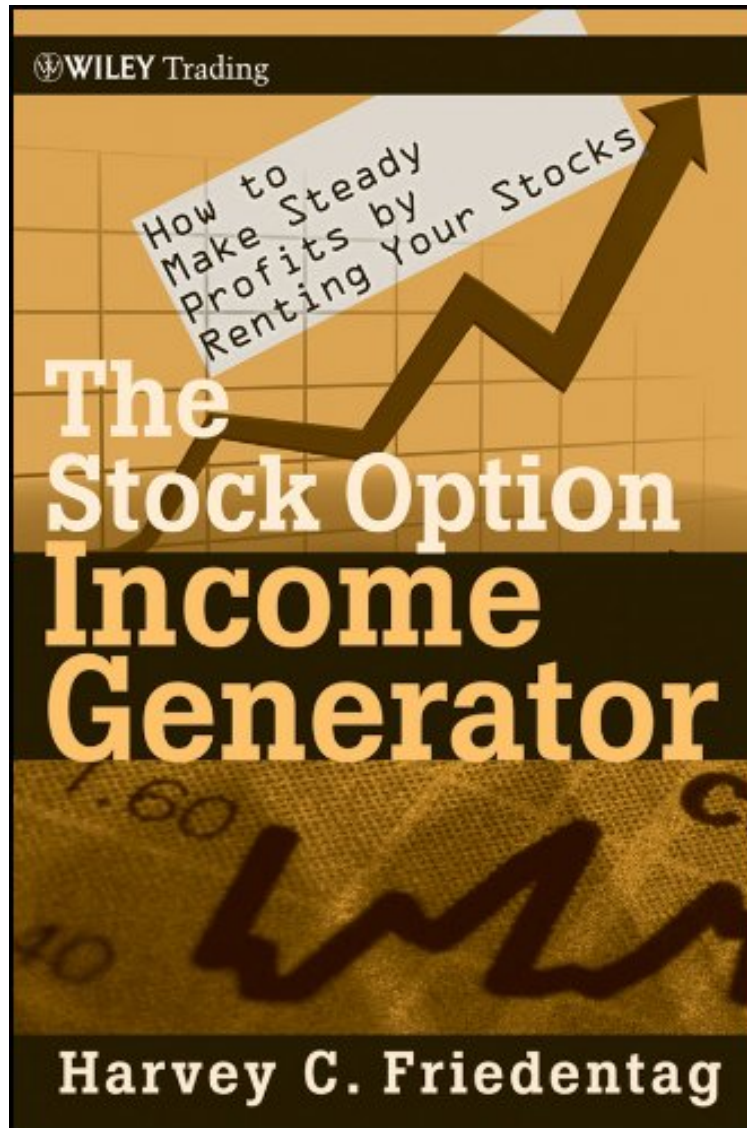


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The Stock Option Income Generator: How To Make Steady Profits by Renting Your Stocks (Wiley Trading)

Harvey C. Friedentag

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Harvey C. Friedentag : The Stock Option Income Generator: How To Make Steady Profits by Renting Your Stocks (Wiley Trading) before purchasing it in order to gage whether or not it would be worth my time, and all praised The Stock Option Income Generator: How To Make Steady Profits by Renting Your Stocks (Wiley Trading):

20 of 21 people found the following review helpful. Solid book on investing and call writing on your portfolioBy Steve BurnsThis is a high quality book for beginning investors who want to build a value investment portfolio and

then write covered calls for their stocks for increased returns. The author does a great job explaining what investing in stocks is all about. He walks the reader through the history of the stock market discussing the crash of 1929, Black Monday, and the 2008 financial meltdown. The author's method is to build a diversified portfolio of stocks using the Benjamin Graham value method. You should own at least 10 different companies and no more than two companies in one industry. These stocks are to be diversified across many different sectors to lower risk. The author is a believer in always being invested and only selling when the fundamentals change in a stock. His style is contrarian investing buying great companies at good prices. He wants large companies with sheer strength of size with dividends for increased income. Stock selection: Low P/E-Should be no higher than half the market multiple. Current price-Should be less than the average of the 52-week high and low prices. Increasing sales and earnings trend over the last five years. Dividend payout ratio-Percentage of net earnings allocated to shareholders should not exceed 30 percent. Annual report-Analyze independent auditor's report; verify financial information and study all the footnotes; and read the CEO's report, which should state his opinion of the company's future outlook. Readers are also advised to add to holdings by both dollar cost averaging and using margin to buy when prices are very low. Both writing covered call options 3 months out and writing LEAPs are strongly recommended for increasing your portfolio returns. The author shared that he learned the lesson that "You make money on the difference between playing the true odds and the opponent's disregard of the odds" In call options the one that writes the option has 70% odds of the option expiring worthless and keeping the price collected for selling it. There are no better odds in the markets or in Las Vegas than this. That is why it is such a great income generator. The author gave some great examples of how writing covered calls and then buying them back as they decline in value and then writing new ones can generate nice income both in hypothetical examples and in the appendix with his Citigroup writes over 18 years generating \$223,705 in profits with a cost basis in the stock of \$12,113. Now if that does not make you a believer in covered call writing I do not know what will. This book is not for advanced traders in options, they will be disappointed in the book's simplicity and teaching things that experienced traders and investors already know. However this is a five star book for those interested in getting started in value portfolio construction and covered call writing to increase returns and generate consistent income on the stocks you already own as investments. From the book: "Optimism is a tonic. Pessimism is a poison. You must become a realist." 6 of 6 people found the following review helpful. Very Disappointed By RadicalmI don't remember when I have been so displeased with a book purchase. The title STOCK OPTION INCOME GENERATOR is completely mis-leading. The subject of OPTIONS doesn't appear until chapter 12, page 171. Until then you are told about diversifying, dollar cost averaging, contrarian theory, and many other subjects that have nothing to do with Stock options being used to generate income. Even after chapter 12 the subject of options is not clearly presented. If you want a book that teaches you how to use Options as an income generating tool I suggest Generate Thousands by Elias. 3 of 4 people found the following review helpful. The Stock Option Income Generator By bobbyThe book is easily read even for a rank beginner in the options field. It covers much more than options for people like myself who are beginning stock investors. I will adopt much of the strategies within.

A straightforward guide to generating consistent income by selling call options on selected stocks The Stock Option Income Generator outlines a low-stress approach to making predictable profits no matter what the state of the overall market. Harvey Friedentag, a registered investment advisor who has been successfully using this strategy for more than thirty-six years, shows how to pick stocks and then sell call options against those stocks to generate a constant source of income. With this book, you'll quickly learn to Make consistent profits in the stock market and increase your gains Protect stock holdings from price declines, cutting your losses Profit from big market moves as well as sideways moves Receive a controllable tax shelter from an option income portfolio Buy more stocks for less money Friedentag's strategy is ideal for anyone who wants to generate better returns than the overall market averages, with less risk, and receive the benefits of tax-advantaged investing.

From the Inside FlapThe proliferation of brokers, salespeople, and other investment "professionals" has given some people a false sense of security and distracted them from developing an adequate understanding of the investment discipline. And while a growing number of investors are beginning to take back control of their portfolios, without the proper approach, they're leaving the opportunity for profit purely up to luck and chance. Nobody understands this better than author Harvey Friedentag, a registered investment adviser who has been successfully using one of the most rewarding forms of investing in existencemdash;the covered call optionmdash;for more than thirty-six years. Now, with The Stock Option Income Generator, he outlines this low-risk approach to making predictable profits regardless of the state of the overall market. Written in a straightforward and accessible style, this reliable resource will open your eyes to one of today's most effective investment methodsmdash;showing you how the process of picking stocks and then selling call options against them can help generate a constant stream of income. Along the way, you'll learn how to: Make consistent profits in the stock market and increase your gains Protect stock holdings from price declines, cutting your losses Profit from big market moves as well as sideways moves Receive a controllable tax shelter from an option income portfolio Buy more stocks for less money While the book opens with coverage of some fundamental

issues—;including the basics of investing—it quickly moves on to address the essential aspects of Friedentag's proven strategy and touches upon the forces that could affect its performance. The stock market has been full of bear markets—not to mention recessions—before, and despite these events, a portfolio of stocks with covered option calls has turned out to be a lot more valuable over the long term than a portfolio of bonds, CDs, or money market funds. If you're determined to make the leap from a serious investor to a successful one, you don't have to learn the tricks of the trade; you have to learn the trade. The Stock Option Income Generator can help you achieve this goal and put you in a better position to generate better overall market returns, without excessive risk.

From the Back Cover Praise for The Stock Option Income Generator "Mr. Friedentag has demystified the world of covered calls in this follow-up to Stocks for Options Trading. He has taken over twenty years of experience and made the ability to generate income from stocks look easy. Any trader who wants sure fire straightforward ways to extract money from the market needs to read this book."—Noble Drake Koln, founder, Speculator Academy, and author of Trade Like a Pro "The Stock Option Income Generator offers investors an approach to investing in options that makes it understandable even for the novice. The reader will have the knowledge to begin implementing an income-generating option strategy from day one. A must-read for investors interested in using covered calls."—Matthew D. McCall, President, Penn Financial Group

About the Author Harvey C. Friedentag is an investment adviser and money manager. He is certified as a Federal Court expert witness on stock trading, options, and other derivatives. Specializing in covered call writing, Friedentag has been managing money since 1986 and has consistently generated annual returns of more than 15%. He is also the author of the book Investing without Fear, which has been called, "a gem of a book for serious option writers." Friedentag serves as President of the Contrarian Investment Club in Denver, Colorado.