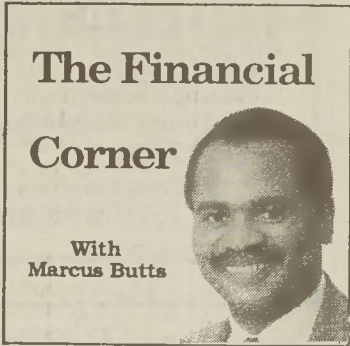


What's My Option?

Options play an important role in many of the proposals I write. Such was the case in an investment summary I devised for a new client recently. As we sat in my office I watched my customer feverishly ponder the material. A long period of silence ensued before he turned the investment folder back to me. "I like all of these suggestions, Mr. Butts. So why are you asking me to write more options?" He pointed to the proposal highlights. "I thought you considered the best alternatives for me before you prepared this proposal." At that moment I knew I'd be spending some time explaining options to that man before we could go any further with the investment summary.



The Financial Corner
With Marcus Butts

For all of you who have heard of "stock option" and think that it means "stock alternative," this is the explanation I gave him. An option is a legal contract that gives you the right to buy or sell a given number of shares of stock (usually 100) at a specified price within a certain period of time (usually nine months or less). An option becomes worthless if it expires prior to its exercise or sales. Investors may purchase either call options, which convey the

right to buy a specified quantity of stock, or put options, which convey the right to sell a specified quantity of stock.

The advantages of buying call or put options can be summarized as follows:

- **Leverage:** A small percentage move in the price of the underlying stock you have optioned may result in a relatively large percentage gain.

- **Reduced Cost:** The option buyer can participate in the movement of a stock for a fraction of the cost of actually buying an equivalent number of shares.

- **Limited Risk:** Risk is limited to the amount originally invested in the option, regardless of

moves in the underlying stock.

Options can also help protect capital. Puts can be purchased to protect profits in stocks which investors own but do not presently want to sell. If an investor feels that a stock's prospects are presently weak but favorable over the long term, the purchase of a put limits any possible loss during its life without eliminating the chance to benefit from a stock price rise. The investor consequently receives downside protection with an opportunity for appreciation.

Selling call options on owned stocks is referred to as "covered writing" and should be considered by investors who want to maximize the return on their stocks.

The potential benefits of covered writing are: an increased return on the current portfolio; immediate cash income beyond regular dividends; and reduced downside risk in owning common stock.

If you have any questions about options or other investment tools, please direct your letter to Marcus Butts, c/o The Charlotte Post, P. O. box 30144, Charlotte, N.C. 28230.

New Hearing On Social Security Benefits

North Carolina residents denied Social Security disability benefits from mid-1981 through mid-1987 could get new hearings or reviews of their claims.

But to benefit, individuals must contact their local Social Security Office and ask for a review under the *Hyatt v. Bowen* class action lawsuit.

A recent Federal court ruling from Charlotte in the *Hyatt v. Bowen* case ordered the Social Security Administration to review the cases of North Carolina residents denied Social Security or Supplemental Security Income disability benefits. The ruling applies to denials made

in most claims during the period from mid-1981 through mid-1987.

More than 75,000 North Carolinians may be eligible for the new hearings or reviews—and tens of millions of dollars in retroactive benefits are at stake.

On March 10, 1988, Social Security mailed notices to thousands of persons who may be eligible to have their claims reconsidered. However, one need not receive a notice to be eligible.

Individuals who meet the requirements of the court order

are entitled to have a new decision made in their cases under new disability evaluation criteria.

If you believe you may be eligible for a new hearing or review, immediately call or visit your local Social Security Office and ask for a new review under *Hyatt v. Bowen*.

For more information, contact the Disability HOTLINE at the North Carolina Disability Information Office (1-800-638-6810). Information may also be obtained from local offices of Legal Services.

Local Stocks Of Interest												
Sym	Stock Name	Exc	5/24		5/17		52 week		Volumes		Dividend	
			Close	Chg	Close	Chg	High	Low	Close	AVG	PE	Amt\$
BLS	Bell South	NY	39.63	39.00	0.63	42.25	35.75	3145	3831	11.59	39.00	5.96
CCBF	CCB Financial	OTC	32.50	33.75	-1.25	35.50	32.75	21	10	9.32	34.00	3.82
CAO	Carolina Freight	NY	22.63	22.00	0.63	30.63	18.00	258	317	23.09	22.50	2.39
COKE	Coca Cola Bottg	OTC	28.75	31.75	-3.00	31.75	20.25	35	454	0.00	31.50	3.06
DUK	Duke Power	NY	43.13	42.88	0.25	49.00	42.25	756	3165	9.73	42.75	6.49
FDO	Family Dollar	NY	10.38	10.63	-0.25	14.38	8.50	445	591	11.79	11.50	3.09
FLD	Fieldcrest Can	NY	16.38	17.50	-1.13	24.63	14.25	89	204	0.00	18.50	4.15
FUNC	First Union	OTC	21.75	21.25	0.50	22.88	19.25	760	3614	8.53	31.00	4.05
FV	First Wachovia	NY	36.38	37.25	-0.88	39.88	33.38	281	391	10.67	38.00	3.74
FDLNB	Food Lion	OTC	11.63	12.00	-0.38	13.50	10.38	239	1045	40.09	12.00	0.52
IBM	IBM	NY	109.25	110.13	-0.88	124.00	104.25	9009	10356	12.21	110.88	4.03
JP	Jefferson Pilot	NY	29.25	29.25	1.13	34.50	25.75	418	400	13.15	30.63	4.21
LNCE	Lance, Inc	OTC	17.25	17.88	-0.63	20.00	17.25	118	527	14.62	17.88	3.71
NCB	NCNB	NY	20.63	20.63	0.00	22.50	17.50	737	803	9.46	21.13	4.46
NUE	Nucor	NY	37.75	39.63	-1.88	44.25	36.75	264	482	15.79	37.75	1.06
PNY	Piedmont Gas	NY	21.25	21.50	-0.25	24.50	19.13	143	171	8.30	21.63	6.96
RJR	RJR Nabisco	NY	47.25	44.88	2.38	53.50	44.00	7287	5754	9.54	47.50	4.06
RSTO	Roses Stores	NY	9.25	8.50	0.75	12.25	7.75	6	64	11.25	8.50	2.27
RDK	Ruddick Corp	AM	18.25	18.00	0.25	19.75	15.75	41	99	10.55	19.63	1.75
S	Sears	NY	34.13	34.25	-0.13	39.88	32.25	4025	5467	8.38	35.50	5.86
SONO	Sonoco	OTC	26.75	27.50	-0.75	30.00	19.50	263	524	17.15	28.25	0.56
SMI	Springs Ind	NY	28.88	30.25	-1.38	38.75	27.50	67	139	9.00	33.50	0.35
SNW	Stanwood	AM	6.25	6.75	-0.50	9.13	6.13	3	26	0.00	6.25	---
STN	Stevens (JP)	NY	67.88	67.88	0.00	68.88	28.00	104	357	19.90	68.25	---
U	US Air	NY	30.38	31.25	-0.88	39.00	28.00	817	1716	7.50	33.63	0.40

The Charlotte Post's	Interest Rate Trends						Financial Updates
	Type Rate	Term	5/18/88	5/11/88	4/20/88	2/17/88	
Prime Rate			9.00	9.00	8.50	8.50	
Dean Witter CD	1 yr		7.70	7.75	7.55	7.10	
Dean Witter CD	5 yr		9.00	9.00	8.75	8.25	
T-Bills	3 mo		6.28	6.45	5.99	5.88	
T-Bills	1 yr		7.33	7.32	7.02	6.67	
T-Bonds	30 yr		9.29	9.22	9.02	8.49	
GNMA (10 yr Avg lifc)			10.41	9.94	9.65	---	

Small Business Loans Promote Economic Growth

During the first half of fiscal year 1988, twelve small business loans were approved in Mecklenburg County totaling \$3,299,100, according to Gary A. Keel, District Director of the Charlotte District Office of the U.S. Small Business Administration.

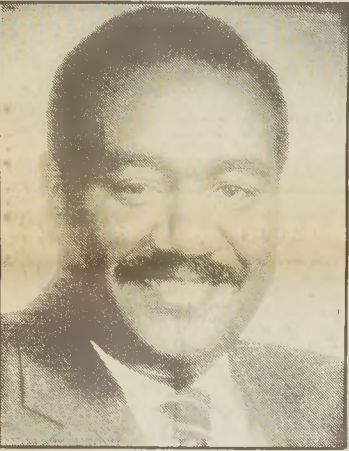
Statewide, 130 small business loans were approved from October 1987 through March 1988

totaling over \$28.8 million. The loans, which were made in 44 of the 100 counties in North Carolina, helped small businesses create jobs or retain employees. This represents a 35% increase in the number of loans and a 70% increase in the dollar amount over the first half of fiscal year 1987.

Small business is the key to economic growth in North Caro-

lina," noted Keel. Last year employment in small business dominated industries in the U.S. grew by 2.9%, almost eight times the 0.4% rate of growth in large business dominated industries.

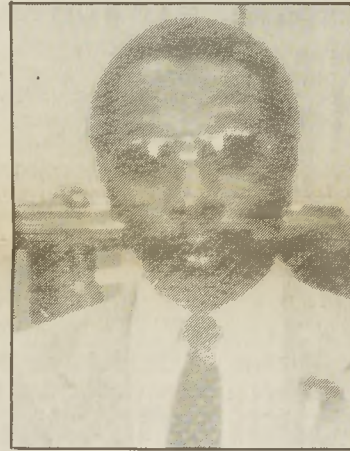
Any small business or individual interested in SBA financing should contact their local bank, or the Charlotte SBA Office at 222 S. Church Street, Suite 300, Charlotte, North Carolina 28202, (704) 371-6563.



Leatherman



Hubbard

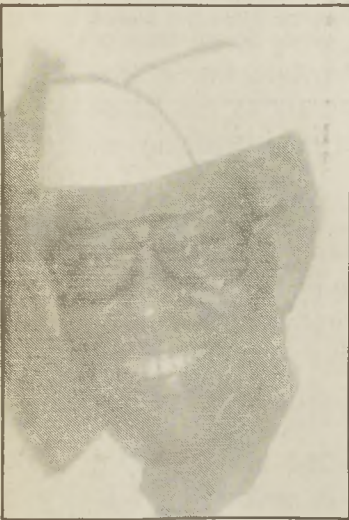


Johnson

Charlotte Car Dealers Make Black Enterprise Top Sales List

The Charlotte car dealerships of SAM JOHNSON, OMAR LEATHERMAN AND REGINALD HUBBARD were named to Black Enterprise magazine's Top 100 auto dealerships. Johnson's Lincoln Mercury Merkur, located at 5201 E. Independence Blvd., ranked No. 6 with sales listed at \$38.7 million sales. Ranked No. 23 on the list, Leatherman's South Boulevard Chrysler Ply-

mouth, located at 7725 South Blvd., had \$24.3 million in sales. Hubbard's dealership, Metroline Dodge located at 8525 South Blvd., in business just over one year, ranked No. 62 with sales of \$15.9 million. The Top 100 auto dealerships will appear in the June issue of Black Enterprise magazine.



McDonald

McDonald's One-On-One

One-On-One with D.G. Martin this week will feature John McDonald, owner and operator of McDonald's Cafeteria and McDonald's Best Western Inn.

One-On-One weekly features outstanding citizens of the Charlotte community. Martin, the host, said, "I asked Mr. McDonald to join me on my show because he is one of the most important people in this community and very few people have had the opportunity to visit with him."

"On my program Mr. McDonald reveals some secrets of his unparalleled success. More importantly, he talks very proudly about his past and his vision for the future."

One-On-One with D.G. Martin can be seen on Cablevision, channel 3, Friday, May 27, at 8 p.m.

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