

Get Rich - Stay Rich:  
Investing for Monthly Income



# Defensive Stocks For Monthly Income

**How To Make Consistent Monthly  
Income Using Stock Dividends, Covered  
Calls and Blanket Puts**

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This year is looking more like 2008 and 2009 as market volatility continues to affect each of the market indices. There is event after event that increases the uncertainty of future stock returns. This includes the collapse of the euro, potential defaults of Greece and other countries, politics in the U.S., economic uncertainty as unemployment continues to be a problem, etc. This creates a challenge to investors wanting to create a consistent monthly income. However, there is a solution for investors outlined in this report.

As an investor in such a volatile market, the first objective is to ensure the safety of your capital. You must have your capital returned to you to stay in the game. A big loss of say 50% will require a return of 100% to get even. Big losses must be avoided as this report will show you how to accomplish return of your capital.

As an investor, you should focus on companies that produce returns regardless of what is challenging the economy. Think of the blue chip stocks with strong brands such as Coca-Cola (KO), Johnson & Johnson (JNJ), Intel (INTC) and others. These companies will hold up during times of high market volatility.

Get more income from each trade to increase your profits. This includes investing in strong companies that pay a dividend and increases this dividend each year. This creates a consistent stream of dividend income regardless of what happens in the market.

Invest in trades with a covered call on each stock position. When you sell a call you receive cash premiums that allows the buyer to purchase your stock at the strike price of the call sold. Yes, you could have your stock called away if its market price is above the strike price near expiration. However, the premium you get for selling the call is much larger than a dividend and can be repeated each month for monthly income.

This report shows you how to combine these attributes to create consistent cash without losing your capital.

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## How It Works

This strategy was created to produce monthly income with stock dividends and covered call premium. In addition, there is a protective, blanket put, to ensure the volatility in the market does not affect your return of capital. This is how it works:

1. Only use strong stocks as defensive plays. This report has 10 defensive stocks to use for stock dividends and monthly covered calls
2. Purchase stock in blocks of 100 shares. Then sell one call at-the-money (ATM) in the current month for every 100 shares you purchased. This creates 2 income streams: (1) monthly income from the covered call, and (2) stock dividends from each stock. Use this defensive strategy with more than one stock to diversify your portfolio.
3. Buy a put to protect your capital. Look to purchase an at-the-money (ATM) put at least six months in the future. The put strike price will guarantee the price you can sell your stock at regardless how fall it's price might move down.
4. To manage the trade, if the sold call expires worthless, then sell a new call in the next expiration month. If the call is exercised and your stock is called away, you can repurchase shares to sell new calls on. If you close the stock position and the bought put still has time left, you can sell the put for additional profits. If your stock price declines, you can sell more calls while keeping the put open or you can buy the call to close, sell the stock and sell the put.
5. The value of the Blanket Put will increase when the stock price declines. This is how the Blanket Put protects your capital. You can close the entire position at any time you desire as you do not need to wait until expiration.

The rationale for buying a put that is 6 or more months in the future is so you can sell monthly calls for income without continuously adjusting or buying more puts. This will lower your commissions and protect the initial purchase price of the stock while you collect monthly premium income and stock dividends.

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## Intel (INTC)

Stock trading at \$21.83 with 3.9% Yield – 52 week stock performance = 18.2% - PE = 9.9

Covered Call with Blanket Put								
Intel (INTC)								
Call Strike Price	22	22	22	22	22	22	22	
Month Call	Oct Call	Nov Call	Dec Call	Jan Call	Feb Call	Mar Call	Apr Call	Total
Buy Stock	\$ 21.83							\$ 21.83
Dividends		0.21			0.21			\$ 0.42
Write Call	0.84	0.75	0.75	0.75	0.75	0.75	0.75	<b>5.34</b>
Buy Apr 2012 22 Put	2.55							2.55
Net Debit	\$ 23.54	\$ 22.58	\$ 21.83	\$ 21.08	\$ 20.12	\$ 19.37	\$ 18.62	<b>\$ 18.62</b>
ROI Trade	-6.5%	-2.6%	0.8%	4.4%	9.3%	13.6%	18.2%	
Risk	(2.54)	(1.58)	(0.83)	(0.08)	0.88	1.63	2.38	
ROI Orig Trade	3.6%	8.1%	10.7%	20.2%	26.1%	32.3%	38.9%	

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## Coca-Cola (KO)

Stock trading at \$67.5 with 2.8% Yield – 52 week stock performance = 20.3% - PE = 12.6

Covered Call with Blanket Put								
Coca-Cola (KO)								
Call Strike Price	65	65	65	65	65	65	65	
Month Call	Oct Call	Nov Call	Dec Call	Jan Call	Feb Call	Mar Call	Apr Call	Total
Buy Stock	\$ 67.50							\$ 67.50
Dividends			0.47			0.47		<b>0.94</b>
Write Call	3.75	3.00	3.00	3.00	3.00	3.00	3.00	<b>21.75</b>
Buy May 2012 65 Put	4.40							4.40
Net Debit	\$ 68.15	\$ 65.15	\$ 61.68	\$ 58.68	\$ 55.68	\$ 52.21	\$ 49.21	<b>\$ 49.21</b>
ROI Trade	<b>-4.6%</b>	<b>-0.2%</b>	<b>5.4%</b>	<b>10.8%</b>	<b>16.7%</b>	<b>24.5%</b>	<b>32.1%</b>	
Risk	<b>(3.15)</b>	<b>(0.15)</b>	<b>3.32</b>	<b>6.32</b>	<b>9.32</b>	<b>12.79</b>	<b>15.79</b>	
ROI Orig Trade	5.5%	10.4%	15.8%	21.7%	28.3%	35.9%	44.2%	

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## Johnson & Johnson (JNJ)

Stock trading at \$60.60 with 3.7% Yield – 52 week stock performance = 3.6% - PE = 14.8

Covered Call with Blanket Put								
Johnson & Johnson (JNJ)								
Call Strike Price	60	60	60	60	60	60	60	
Month Call	Oct Call	Nov Call	Dec Call	Jan Call	Feb Call	Mar Call	Apr Call	Total
Buy Stock	\$ 61.60							\$ 61.60
Dividends		0.57			0.57			1.14
Write Call	2.90	2.50	2.50	2.50	2.50	2.50	2.50	17.90
Buy Apr 2012 60 Put	4.30							4.30
Net Debit	\$ 63.00	\$ 59.93	\$ 57.43	\$ 54.93	\$ 51.86	\$ 49.36	\$ 46.86	\$ 46.86
ROI Trade	-4.8%	0.1%	4.5%	9.2%	15.7%	21.6%	28.0%	
Risk	(3.00)	0.07	2.57	5.07	8.14	10.64	13.14	
ROI Orig Trade	4.6%	9.0%	13.8%	18.9%	24.9%	31.2%	38.2%	

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## Microsoft (MSFT)

Stock trading at \$25.00 with 2.5% Yield – 52 week stock performance = 4.5% - PE = 9.3

Covered Call with Blanket Put								
Microsoft (MSFT)								
Call Strike Price	25	25	25	25	25	25	25	
Month Call	Oct Call	Nov Call	Dec Call	Jan Call	Feb Call	Mar Call	Apr Call	Total
Buy Stock	\$ 25.00							\$ 25.00
Dividends		0.16			0.16			<b>0.32</b>
Write Call	1.04	0.80	0.80	0.80	0.80	0.80	0.80	<b>5.84</b>
Buy Apr 2012 25 Put	2.65							2.65
Net Debit	\$ 26.61	\$ 25.65	\$ 24.85	\$ 24.05	\$ 23.09	\$ 22.29	\$ 21.49	<b>\$ 21.49</b>
ROI Trade	<b>-6.1%</b>	<b>-2.5%</b>	<b>0.6%</b>	<b>4.0%</b>	<b>8.3%</b>	<b>12.2%</b>	<b>16.3%</b>	
Risk	<b>(1.61)</b>	<b>(0.65)</b>	<b>0.15</b>	<b>0.95</b>	<b>1.91</b>	<b>2.71</b>	<b>3.51</b>	
ROI Orig Trade	3.9%	7.2%	10.6%	14.3%	18.4%	22.6%	27.2%	



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## Medtronic (MDT)

Stock trading at \$33.20 with 2.9% Yield – 52 week stock performance = 0.8% - PE = 11.5

Covered Call with Blanket Put								
Medtronic (MDT)								
Call Strike Price	33	33	33	33	33	33	33	
Month Call	Oct Call	Nov Call	Dec Call	Jan Call	Feb Call	Mar Call	Apr Call	Total
Buy Stock	\$ 33.20							\$ 33.20
Dividends	0.24			0.24			0.24	<b>0.72</b>
Write Call	1.30	1.00	1.00	1.00	1.00	1.00	1.00	<b>7.30</b>
Buy May 2012 33 Put	3.80							3.80
Net Debit	\$ 35.46	\$ 34.46	\$ 33.46	\$ 32.22	\$ 31.22	\$ 30.22	\$ 28.98	<b>\$ 28.98</b>
ROI Trade	<b>-6.9%</b>	<b>-4.2%</b>	<b>-1.4%</b>	<b>2.4%</b>	<b>5.7%</b>	<b>9.2%</b>	<b>13.9%</b>	
Risk	<b>(2.46)</b>	<b>(1.46)</b>	<b>(0.46)</b>	<b>0.78</b>	<b>1.78</b>	<b>2.78</b>	<b>4.02</b>	
ROI Orig Trade	3.7%	6.7%	9.9%	13.3%	17.0%	20.8%	25.2%	

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## Abbott Labs (ABT)

Stock trading at \$50.60 with 3.8% Yield – 52 week stock performance = 1.1% - PE = 15.5

Covered Call with Blanket Put								
Abbott Labs (ABT)								
Call Strike Price	50	50	50	50	50	50	50	
Month Call	Oct Call	Nov Call	Dec Call	Jan Call	Feb Call	Mar Call	Apr Call	Total
Buy Stock	\$ 50.60							\$ 50.60
Dividends				0.48			0.48	<b>0.96</b>
Write Call	1.80	1.50	1.50	1.50	1.50	1.50	1.50	<b>10.80</b>
Buy May 2012 50 Put	4.50							4.50
Net Debit	\$ 53.30	\$ 51.80	\$ 50.30	\$ 48.32	\$ 46.82	\$ 45.32	\$ 43.34	<b>\$ 43.34</b>
ROI Trade	<b>-6.2%</b>	<b>-3.5%</b>	<b>-0.6%</b>	<b>3.5%</b>	<b>6.8%</b>	<b>10.3%</b>	<b>15.4%</b>	
Risk	<b>(3.30)</b>	<b>(1.80)</b>	<b>(0.30)</b>	<b>1.68</b>	<b>3.18</b>	<b>4.68</b>	<b>6.66</b>	
ROI Orig Trade	3.4%	6.4%	9.5%	13.0%	16.7%	20.5%	24.9%	

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## Wal-Mart (WMT)

Stock trading at \$50.70 with 2.9% Yield – 52 week stock performance = (4.1%) - PE = 10.7

Covered Call with Blanket Put							
Wal-Mart (WMT)							
Call Strike Price	50	50	50	50	50	50	
Month Call	Oct Call	Nov Call	Dec Call	Jan Call	Feb Call	Mar Call	Total
Buy Stock	\$ 50.70						\$ 50.70
Dividends		0.37			0.37		<b>0.74</b>
Write Call	1.70	1.50	1.50	1.50	1.50	1.50	<b>9.20</b>
Buy Mar 2012 50 Put	3.20						3.20
Net Debit	\$ 52.20	\$ 50.33	\$ 48.83	\$ 47.33	\$ 45.46	\$ 43.96	\$ <b>43.96</b>
ROI Trade	<b>-4.2%</b>	<b>-0.7%</b>	<b>2.4%</b>	<b>5.6%</b>	<b>10.0%</b>	<b>13.7%</b>	
Risk	<b>(2.20)</b>	<b>(0.33)</b>	<b>1.17</b>	<b>2.67</b>	<b>4.54</b>	<b>6.04</b>	
ROI Orig Trade	3.3%	6.4%	9.6%	13.1%	16.9%	20.9%	

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## Proctor & Gamble (PG)

Stock trading at \$60.50 with 3.4% Yield – 52 week stock performance = 2.3% - PE = 15.6

Covered Call with Blanket Put								
Proctor & Gamble (PG)								
Call Strike Price	60	60	60	60	60	60	60	
Month Call	Oct Call	Nov Call	Dec Call	Jan Call	Feb Call	Mar Call	Apr Call	Total
Buy Stock	\$ 60.50							\$ 60.50
Dividends	\$ 0.53			0.53			0.53	<b>1.59</b>
Write Call	1.90	1.50	1.50	1.50	1.50	1.50	1.50	<b>10.90</b>
Buy Apr 2012 60 Put	4.30							4.30
Net Debit	\$ 62.37	\$ 60.87	\$ 59.37	\$ 57.34	\$ 55.84	\$ 54.34	\$ 52.31	<b>\$ 52.31</b>
ROI Trade	<b>-3.8%</b>	<b>-1.4%</b>	<b>1.1%</b>	<b>4.6%</b>	<b>7.4%</b>	<b>10.4%</b>	<b>14.7%</b>	
Risk	<b>(2.37)</b>	<b>(0.87)</b>	<b>0.63</b>	<b>2.66</b>	<b>4.16</b>	<b>5.66</b>	<b>7.69</b>	
ROI Orig Trade	3.0%	5.6%	8.3%	11.2%	14.1%	17.3%	20.8%	

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## McDonald's (MCD)

Stock trading at \$67.50 with 2.8% Yield – 52 week stock performance = 18.3% - PE = 17.4

Covered Call with Blanket Put							
McDonald's (MCD)							
Call Strike Price	87.5	87.5	87.5	87.5	87.5	87.5	
Month Call	Oct Call	Nov Call	Dec Call	Jan Call	Feb Call	Mar Call	Total
Buy Stock	\$ 87.00						\$ 87.00
Dividends		0.61			0.61		1.22
Write Call	2.20	2.00	2.00	2.00	2.00	2.00	12.20
Buy Mar 2012 87.5 Put	6.70						6.70
Net Debit	\$ 91.50	\$ 88.89	\$ 86.89	\$ 84.89	\$ 82.28	\$ 80.28	\$ 80.28
ROI Trade	-4.4%	-1.6%	0.7%	3.1%	6.3%	9.0%	
Risk	(4.00)	(1.39)	0.61	2.61	5.22	7.22	
ROI Orig Trade	2.4%	5.8%	7.1%	9.7%	12.4%	15.2%	

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## Altria (MO)

Stock trading at \$25.75 with 6.4% Yield – 52 week stock performance = 15.1% - PE = 15.7

Covered Call with Blanket Put							
Altria (MO)							
Call Strike Price	26	26	26	26	26	26	
Month Call	Oct Call	Nov Call	Dec Call	Jan Call	Feb Call	Mar Call	Total
Buy Stock	\$ 25.75						\$ 25.75
Dividends			0.41			0.41	<b>0.82</b>
Write Call	0.65	0.50	0.50	0.50	0.50	0.50	<b>3.15</b>
Buy Mar 2012 26 Put	2.35						2.35
Net Debit	\$ 27.45	\$ 26.95	\$ 26.04	\$ 25.54	\$ 25.04	\$ 24.13	<b>\$ 24.13</b>
ROI Trade	<b>-5.3%</b>	<b>-3.5%</b>	<b>-0.2%</b>	<b>1.8%</b>	<b>3.8%</b>	<b>7.7%</b>	
Risk	<b>(1.45)</b>	<b>(0.95)</b>	<b>(0.04)</b>	<b>0.46</b>	<b>0.96</b>	<b>1.87</b>	
ROI Orig Trade	2.4%	4.3%	6.3%	8.4%	10.6%	13.1%	

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## Create Monthly Income with Your Portfolio

### [Get Rich Monthly Investment Plan](#) [for only \\$10.00 per month](#)

The **Get Rich Monthly Investment Plan** provides the investor with the following investment vehicles:

1. A list of covered call trades consisting of high quality stocks such as the S&P 5-star research rating of the best stocks that are recommended as strong buys. These lists are updated each week with select trades added daily.
2. A list of covered call trades using LEAPs (Long-Term Anticipation Security) as a stock replacement strategy to increase returns.
3. A list of CEFs (closed-end funds) that pay monthly dividends month after month. These investments can pay more than 10% annually and can sometimes be purchased at a discount to net asset value.
4. A list of calendar spreads to use to increase your return while lowering your capital required to trade. Do you want to pay full price for the stock or purchase a call as an alternative?
5. Low risk investments to minimize market risk and to prevent your portfolio from taking a big loss in such uncertain market environments like we are experiencing today.

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Continued...

6. We have created a strategy called the Blanket Put that will protect your investment from market downturns. The Blanket Put is your safety blanket to protect your portfolio from market downturns. This is worth the membership fee by itself.

7. Access to multiple education resources to better learn how to be a more successful investor. Trades don't end when you make a stock buy, sell a call, or complete the trade. Here we want members to be educated about how to manage a trade and when to take action.

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