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VALUE LINE INC
Form 10-K
July 16, 2009
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended April 30, 2009

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to

Commission file number: 0-11306

VALUE LINE, INC.

(Exact name of registrant as specified in its charter)

New York

13-3139843

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

220 East 42nd Street, New York, New York

10017-5891

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (212) 907-1500

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, \$.10 par value

The NASDAQ Global MarketSM

(Title of class)

(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required

to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the registrant's voting and non-voting common stock held by non-affiliates at October 31, 2008 was \$50,841,543.

There were 9,981,600 shares of the registrant's Common Stock outstanding at June 30, 2009.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement relating to the registrant's 2009 Annual Meeting of Shareholders, to be held on September 10, 2009 are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated.

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Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This report contains statements that are predictive in nature, depend upon or refer to future events or conditions (including certain projections and business trends) accompanied by such phrases as “believe”, “estimate”, “expect”, “anticipate”, “will”, “intend” and other similar or negative expressions, that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those projected as a result of certain risks and uncertainties, including but not limited to the following:

- dependence on key personnel;
- maintaining revenue from subscriptions for the Company’s products;
- protection of intellectual property rights;
- changes in market and economic conditions;
- fluctuations in the Company’s assets under management due to broadly based changes in the values of equity and debt securities, redemptions by investors and other factors;
 - dependence on Value Line Funds for investment management and related fees;
 - competition in the fields of publishing, copyright data and investment management;
- the impact of government regulation on the Company’s business and the uncertainties of litigation and regulatory proceedings;
 - terrorist attacks; and
- other risks and uncertainties, including but not limited to the risks described in Item 1A, “Risk Factors”, and other risks and uncertainties from time to time.

Any forward-looking statements are made only as of the date hereof, and the Company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

Part I

Item 1. BUSINESS.

Value Line, Inc. (the "Company" or "Value Line"), is a New York corporation whose primary businesses are: (1) producing investment related periodical publications and making available copyrighted data, including Value Line proprietary ranking system information and other proprietary information under agreements to third parties for use in selecting securities for third party marketed products, such as unit investment trusts, closed-end fund products and exchange traded funds, and (2) providing investment management services to the Value Line Funds and other managed accounts. These businesses are performed through the Company and its subsidiaries and consolidate into two business segments: (1) Investment Periodicals, Related Publications and Copyright Data and (2) Investment Management.

The Company was organized in 1982 and is the successor to substantially all of the operations of Arnold Bernhard & Company, Inc. ("AB&Co."). The name "Value Line" as used to describe the Company, its products, and its subsidiaries, is a registered trademark of the Company.

A. Investment Related Periodicals & Publications

The investment related periodicals offered by Value Line Publishing Inc. ("VLP"), a wholly owned subsidiary of the Company, cover a broad spectrum of investments including stocks, mutual funds, options and convertible securities. The Company’s services are of interest to individual and professional investors, as well as to institutions including municipalities and university libraries and investment firms.

The services generally fall into four categories:

- Comprehensive reference periodical publications
 - Targeted, niche periodical newsletters
 - Investment analysis software
- Current and historical financial databases

The comprehensive services (The Value Line Investment Survey, The Value Line Investment Survey-Small and Mid-Cap Edition, The Value Line 600, and The Value Line Fund Advisor Plus) provide both statistical and text coverage of a large number of investment securities, with an emphasis placed on Value Line's proprietary statistical rankings. The Value Line Investment Survey is the Company's premier service published each week and covering approximately 1,700 stocks.

The niche newsletters (Value Line Select, The Value Line Special Situations Service, The Value Line Fund Advisor, The Value Line Convertibles Survey and Value Line Daily Options Survey) provide information on a less comprehensive basis for securities that the Company believes will be of interest to subscribers. Certain of these services make use of Value Line's proprietary statistical rankings.

Investment analysis software (The Value Line Investment Analyzer and Mutual Fund Survey for Windows®) includes data sorting and filtering tools. In addition, for institutional and professional subscribers, VLP offers current and historical financial databases (DataFile, Estimates & Projections, Convertibles and Mutual Funds) via CD-ROM or online.

Value Line offers online versions of most of its products at the Company's website, www.valueline.com. Subscribers to the print versions generally receive free access to the corresponding online versions, but online subscribers do not receive a free print edition. The most comprehensive of the Company's online efforts is The Value Line Research Center, which allows subscribers to access most of the investment services the Company publishes at a packaged price via the Internet.

The print and electronic services include, but are not limited to the following:

The Value Line Investment Survey®

The Value Line Investment Survey is a weekly investment related periodical that in addition to various timely articles on current economic, financial and investment matters ranks common stocks for future relative performance based primarily on computer-generated statistics of financial results and stock price performance. Two of the evaluations for covered stocks are "Timeliness™" and "Safety™." Timeliness relates to the probable relative price performance of one stock over the next six to twelve months, as compared to the rest of the approximately 1,700 covered stocks. Rankings are updated each week and range from Rank 1 for the expected best performing stocks to Rank 5 for the expected poorest performers. "Safety" Ranks are a measure of risk and are based on the issuer's relative financial strength and its stock's price stability. "Safety" ranges from Rank 1 for the least risky stocks to Rank 5 for the riskiest. VLP employs analysts and statisticians who prepare articles of interest for each periodical and who evaluate stock performance and provide future earnings estimates and quarterly written evaluations with more frequent updates when relevant. The Value Line Investment Survey is also referred to as The Value Line Investment Survey – Standard Edition.

The Value Line Investment Survey - Small and Mid-Cap Edition

The Value Line Investment Survey - Small and Mid-Cap Edition is a weekly publication introduced in 1995 that provides detailed descriptions of approximately 1,800 small and medium-capitalization stocks, many listed on NASDAQ, beyond the approximately 1,700 stocks of generally larger-capitalization companies covered in The Value Line Investment Survey – Standard Edition. Like The Value Line Investment Survey, the Small and Mid-Cap Edition has its own "Summary & Index" providing updated performance ranks and other data, as well as "screens" of key financial measures. The "Ratings and Reports" section, providing updated reports on about 140 stocks each week, has been organized to correspond closely to the industries reviewed in The Value Line Investment Survey – Standard Edition. A combined Index, published quarterly, allows subscribers to easily locate a specific stock among the approximately 3,500 stocks covered.

One unique feature in the Small and Mid-Cap Edition is The Performance Ranking System. It incorporates many of the elements of the Value Line Timeliness Ranking System, modified to accommodate the approximately 1,800 stocks in the Small and Mid-Cap Edition. The Performance Rank is based on earnings growth and price momentum, and is designed to predict relative price performance over the next six to 12 months.

The principal differences between the Small and Mid-Cap Edition and The Value Line Investment Survey's Standard Edition are that the Small and Mid-Cap Edition does not include Value Line's Timeliness Ranks, financial forecasts, analyst comments, or a Selection & Opinion section. These modifications allow VLP to offer this service at a relatively low price.

The Value Line Fund Advisor

The Value Line Mutual Fund Ranking System was introduced in 1993. It is the system utilized in the Fund Advisor product, a 48-page newsletter featuring load, no-load, and low-load open-end mutual funds. This product was originally introduced as The Value Line No-Load Fund Advisor in 1994 and augmented in 2009. Each issue offers strategies for maximizing total return, and model portfolios for a range of investor profiles. It also includes information about retirement planning, industry news, and specific fund reviews. A full statistical review, including latest performance, rankings, and sector weightings, is updated each month on approximately 800 leading load, no-load and low-load funds. Included with this product is online access to Value Line's database of more than 12,000 mutual funds, including screening tools and full-page printable reports on each fund. Fund Advisor Plus subscribers have access to the entire population of more than 18,000 funds.

The Value Line Special Situations Service

The Value Line Special Situations Service's core focus is on smaller companies whose stocks are perceived by Value Line Publishing's analysts as having exceptional appreciation potential. Recently introduced as added value to this product in spring 2009, was a second portfolio of stocks for more conservative income-oriented investors seeking small company exposure. The publication was introduced in 1951.

The Value Line Daily Options Survey

The Value Line Options Survey is an online only service that evaluates and ranks U.S. equity and equity index options (approximately 200,000). Features include an interactive database, spreadsheet tools, and a weekly email newsletter. This product is only online due to the nature of options volatility and the power of the internet to provide a materially enhanced product.

The Value Line Convertibles Survey

Introduced in 1972, the Value Line Convertibles Survey has also been switched to online only delivery in 2009. The service evaluates and ranks over 600 convertible securities (bonds and preferred stocks) for future market performance. By moving to online only delivery, all of the product's subscribers can benefit from the newly enhanced website that includes daily price updates, individual analysis of each security with a printable fact sheet, and a weekly email newsletter alerting subscribers to recent rank changes.

Value Line Select

Value Line Select, a monthly publication, was first published in 1998. It focuses each month on a company that senior VLP analysts have chosen. Recommendations are backed by in-depth research and are subject to ongoing monitoring.

The Value Line 600

The Value Line 600 is a monthly service, which contains full-page reports on approximately 600 stocks. Its reports provide information on many actively traded, larger capitalization issues as well as some smaller growth stocks. Since it was introduced in fiscal 1996, it has been with investors who want the same type of analysis provided in The Value Line Investment Survey, but who do not want or need coverage of the approximately 1,700 companies contained in that publication. Readers also receive supplemental reports as well as a monthly Index, which includes updated statistics.

Value Line Investment Analyzer

Value Line Investment Analyzer is a powerful menu-driven software program with fast filtering, ranking, reporting and graphing capabilities utilizing over 300 data fields for approximately 7,500 stocks, industries and indices, including the approximately 1,700 stocks covered in VLP's benchmark publication, The Value Line Investment Survey.

Value Line Investment Analyzer allows subscribers to apply more than 60 charting and graphing variables for comparative research. In addition to containing digital replicas of the entire Value Line Investment Survey, the Analyzer includes 20-minute delayed data updates through its integration with the Value Line databases via the Internet. The software also includes a portfolio module that lets users create and track their own stock portfolios in depth with up to five years of historical financial data for scrutinizing performance, risk, yield and return.

Value Line Mutual Fund Survey for Windows®

Value Line Mutual Fund Survey for Windows® is a monthly CD-ROM product with weekly Internet updates. The program features powerful sorting and filtering analysis tools. It includes features such as style attribution analysis, a portfolio stress tester, portfolio rebalancing, correlation of fund returns and hypothetical assets. For Windows is a registered trademark of Microsoft Corp. Value Line, Inc. and Microsoft Corp. are not affiliated companies.

Value Line DataFile Products

For our institutional customers, Value Line offers both current and historical data for equities, mutual funds, and convertibles. All Value Line DataFile products are offered in Microsoft Access and ASCII formats via FTP as well as Internet download via our DataAdvantage front end platform.

Fundamental DataFile I and II

Value Line's Fundamental DataFile I contains fundamental data (both current and historical) on approximately 8,000 publicly traded companies that follow US GAAP. This data product provides annual data from 1955, quarterly from 1963, and full 10-Q data from 1985. Additionally Value Line offers historical data on over 5,000 companies that no longer exist in nearly 100 industries via our "Dead Company" File. The Fundamental DataFile has over 400 annual and over 80 quarterly fields for each of the companies included in the database. DataFile is sold primarily to the institutional and academic markets. Value Line also offers a scaled down DataFile product, the Fundamental DataFile II, which includes a limited set of historical fundamental data.

Estimates and Projections DataFile

This DataFile offering contains the proprietary estimates from Value Line's security analysts on approximately 1,700 companies. Data includes earnings, sales, cash flow, book value, margin, and others popular fields. Projections are for the year ahead and 3 to 5 year time horizon.

Mutual Fund DataFile

In fiscal 1997, VLP introduced the Value Line Mutual Fund DataFile. It covers over 20,000 mutual funds with up to 20 years of historical data with over 200 data fields. The Mutual Fund DataFile provides monthly pricing, basic fund information, weekly performance data, sector weights, and many other popular mutual fund data fields. This file is available for download on a weekly or monthly basis.

Convertible DataFile

This database is one of the largest sources of information available on convertible securities. Value Line offers data elements on our universe of more than 600 convertible bonds, preferred stocks, and warrants, with our top 150 fundamental and proprietary data items on each security.

Value Line Research Center

The Value Line Research Center, an Internet-only service, provides on-line access to certain of VLP's leading publications covering stocks, mutual funds, and options and convertible securities as well as special situation stocks. This service includes full online subscriptions to The Value Line Investment Survey, The Value Line Mutual Fund Survey, The Value Line Daily Options Survey, The Value Line Investment Survey - Small and Mid-Cap Edition, The Value Line Convertibles Survey and The Value Line Special Situations Service.

B. Copyright Data Fees Programs (formerly entitled Licensing Fees)

The Company has copyright data, which it distributes under copyright agreements for fees including certain proprietary ranking system information and other proprietary information used in third party products, including unit investment trusts, annuity trusts, managed accounts and exchange traded funds. The sponsors of these products act as wholesalers and distribute the products by syndicating them through an extensive network of national and regional brokerage firms. These broad marketing networks are assembled and re-assembled each time that a product is introduced into the retail marketplace by a product sponsor. The sponsors of these various products will typically receive copyright data for one or more proprietary ranking systems, which may include Value Line Timeliness, Safety, Technical and Performance ranks, as screens for their portfolios. The sponsors are also given permission to associate Value Line trademarks with the products. Value Line collects a copyright fee from each of the product sponsors/managers primarily based upon the market value of assets invested in each product's portfolio utilizing the Value Line proprietary data. Since these fees are based on the market value of the respective portfolios using the Value Line proprietary data, the payments to Value Line, which are typically received on a quarterly basis, will fluctuate.

Value Line's primary copyright products have been structured as Unit Investment Trusts, Exchange Traded Funds, Closed-end Funds and other types of managed products, all of which have in common some degree of reliance on ranking systems for their portfolio creation. Examples of Value Line's Copyright Data methodology can be found in the following five Value Line indexed Exchange Traded Fund portfolios now listed on the New York Stock Exchange:

First Trust Value Line Dividend Fund (FVD)

The FVD portfolio seeks to provide total return through a combination of current income and capital appreciation by investing in stocks selected by the third party using Value Line's Copyright Data from among U.S. exchange listed securities of companies that pay above average dividends and have the potential for capital appreciation.

First Trust Value Line 100 (FVL)

FVL's objective is to provide capital appreciation. It seeks to outperform the S&P 500 Index by adhering to a disciplined strategy of investing in a diversified portfolio of the 100 common stocks ranked #1 using Value Line's Copyright Data included in the Timeliness Ranking System. This fund was a closed end fund that became an ETF in June 2007.

First Trust Value Line Equity Allocation Fund (FVI)

The FVI portfolio invests in a subset of the #1 and #2 ranked stocks selected from Value Line's Copyright Data per the Value Line Timeliness, Safety, and Technical Ranking Systems. The third party provided with permission to use the Value Line Copyright Data purchases stocks in the index generated by the Company with the objective of capital appreciation.

PowerShares Value Line Timeliness Select Fund (PIV)

The PIV portfolio is constructed as an Index of 50 stocks within the 100 Rank #1 Timeliness stocks which factors Value Line Safety and Technical ranks into the portfolio selection process.

PowerShares Value Line Industry Rotation Fund (PYH)

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The PYH portfolio contains 50 stocks chosen from the highest ranked stocks for Timeliness from each of the top 50 industries based on Industry Timeliness ranks, and the second highest ranked stocks for Timeliness from each of the top 25 industries based on Industry Timeliness ranks. The total number of stocks held by the Index is 75 stocks.

Total assets managed by third parties participating in the copyrighted data programs were \$2.0 billion as of April 30, 2009, through four clients.

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C. Investment Management Services

As of April 30, 2009, the Company was the investment adviser for the Value Line Mutual Funds (“Value Line Funds”), which consists of 14 mutual funds registered under the Investment Company Act of 1940. During fiscal 2009, the investment management business faced extremely difficult market conditions. For the year ended April 30, 2009, the Dow Jones Industrial Average and S&P 500 stock indexes declined 36% and 37%, respectively. In fixed income markets, the Barclays Capital U.S. Aggregate Bond Index increased by 3.8% but there was a continuing dramatic reduction in liquidity and buyers were looking for investments with minimal risk in many segments of the market. These conditions have contributed to a significant reduction in our assets under management and revenues.

The Value Line Funds are managed by portfolio managers employed during the year by the Company or its subsidiary, EULAV Asset Management, LLC (“EULAV”). On June 30, 2008, the Company reorganized its investment management division into EULAV, a newly formed wholly-owned subsidiary. As part of the reorganization, each advisory agreement was transferred from Value Line, Inc. to EULAV.

EULAV Securities, Inc. (formerly Value Line Securities, Inc.), a wholly-owned subsidiary of the Company, acts as distributor for the Value Line Funds. State Street Bank and Trust Company, an unaffiliated entity, acts as custodian of the Funds' assets and provides fund accounting and administrative services to the Value Line Funds. Shareholder services for the Value Line Funds are provided by Boston Financial Data Services, an affiliate of State Street Bank and Trust Company.

Total net assets of the Value Line Funds at April 30, 2009, were:

	(in thousands)
The Value Line Fund, Inc.	\$ 84,799
Value Line Income and Growth Fund, Inc.	305,340
Value Line Premier Growth Fund, Inc.	286,701
Value Line Larger Companies Fund, Inc.	183,096
The Value Line Cash Fund, Inc.	181,573
Value Line U.S. Government Securities Fund, Inc.	90,888
Value Line Centurion Fund, Inc.	115,054
The Value Line Tax Exempt Fund, Inc.	84,543
Value Line Convertible Fund, Inc.	22,147
Value Line Aggressive Income Trust	33,828
Value Line New York Tax Exempt Trust	17,522
Value Line Strategic Asset Management Trust (“SAM”)	338,905
Value Line Emerging Opportunities Fund, Inc.	516,650
Value Line Asset Allocation Fund, Inc.	68,583
	\$ 2,329,629

The following table shows the change in assets for the past three fiscal years including sales (inflows), redemptions (outflows), dividends and capital gain distributions, and market value change. Inflows for sales, and outflows for redemptions reflect decisions of individual investors. The table illustrates the assets within the Value Line Funds broken down into equity funds, fixed income funds and variable annuity funds.

Asset Flows

For the Years Ended April 30,	2009	2008	2007	2009 vs. 2008	2008 vs. 2007
Value Line equity fund assets (excludes variable annuity)— beginning	\$ 2,499,824,428	\$ 2,365,455,062	\$ 2,235,223,321	5.7%	5.8%
Sales/inflows	400,940,827	734,320,549	629,196,049	-45.4%	16.7%
Redemptions/outflows	(575,670,435)	(463,302,268)	(493,161,639)	24.3%	-6.1%
Dividends and Capital Gain Distributions	(35,888,690)	(157,842,692)	(131,896,761)	-77.3%	19.7%
Market value change	(844,037,275)	21,193,777	126,094,092	N/A	-83.2%
Value Line equity fund assets (non-variable annuity)— ending	1,445,168,855	2,499,824,428	2,365,455,062	-42.2%	5.7%
Variable annuity fund assets — beginning	\$ 808,054,829	\$ 919,105,496	\$ 1,055,068,627	-12.1%	-12.9%
Sales/inflows	127,997,022	110,791,953	58,779,814	15.5%	88.5%
Redemptions/outflows	(113,787,522)	(158,083,687)	(198,467,391)	-28.0%	-20.3%
Dividends and Capital Gain Distributions	(112,587,503)	(88,296,739)	(33,883,419)	27.5%	160.6%
Market value change	(255,717,834)	24,537,805	37,607,865	N/A	-34.8%
Variable annuity fund assets — ending	453,958,992	808,054,829	919,105,496	-43.8%	-12.1%
Fixed income fund assets — beginning	\$ 266,172,054	\$ 291,586,126	\$ 314,020,761	-8.7%	-7.1%
Sales/inflows	32,599,409	21,875,605	25,301,902	49.0%	-13.5%
Redemptions/outflows	(33,028,853)	(37,617,308)	(53,762,369)	-12.2%	-30.0%
Dividends and Capital Gain Distributions	(378,440)	(3,635,147)	(1,117,596)	-89.6%	225.3%
Market value change	(16,436,535)	(6,037,221)	7,143,428	172.3%	-184.5%
Fixed income fund assets — ending	248,927,635	266,172,054	291,586,126	-6.5%	-8.7%
Money market fund assets — ending	181,573,202	219,498,418	177,787,583	-17.3%	23.5%
Assets under management — ending	\$ 2,329,628,685	\$ 3,793,549,729	\$ 3,753,934,268	-38.6%	1.1%

Data provided by State Street Bank

The table below provides a breakdown of the major distribution channels for the Value Line Funds in terms of assets and shareholders accounts as of April 30, 2009.

Fund Categories	Aggregate Asset Levels	Percentage of Assets in Category	Shareholder Accounts	Percentage of Shareholder Accounts in Category
Guardian SAM and Centurion Funds	\$ 453,959,000	19.5%	36,078	19.9%
Value Line Funds direct accounts	\$ 1,023,150,000	44.0%	59,955	33.0%
Value Line Funds omnibus accounts	\$ 852,520,000	36.5%	85,434	47.1%
Total	\$ 2,329,629,000	100.0%	181,467	100.0%

Investment management fees and service and distribution fees vary among the Value Line Funds and may be subject to certain limitations. Investment strategies among the equity funds include, but are not limited to, reliance on the Value Line Timeliness™ Ranking System (the “Ranking System”) and/or the Value Line Performance™ Ranking System in selecting securities for purchase or sale. The Ranking System compares an estimate of the probable market performance of each stock during the next six to twelve months to that of all of the approximately 1,700 stocks under review and ranks stocks on a scale of 1 (highest) to 5 (lowest). All the stocks followed by the Ranking System are listed on U.S. stock exchanges or traded in the U.S. over-the-counter markets. Prospectuses and annual reports for each of the Value Line open end mutual funds are available on the Funds’ website, www.vlfunds.com. Each mutual fund may use “Value Line” in its name only so long as the Company or one of its subsidiaries acts as its investment adviser.

In addition to managing the Value Line Funds, EULAV manages institutional and individual portfolios of high net worth individuals, pension plans and college endowments. For these services, the Company is paid a quarterly advisory fee. The Company’s separately managed accounts as of year end April 30, 2009 have \$48 million in assets, down from \$217 million and \$237 million respectively at April 30, 2008 and April 30, 2007. Of the \$48 million, \$26 million is affiliated with the Parent. Assets within the separately managed accounts are held at third party custodians, are subject to the terms of each advisory agreement and do not have any advance notice requirement for withdrawals. However, they have a 30 day advance notice requirement for termination of the account.

D. Wholly-Owned Operating Subsidiaries

Wholly owned subsidiaries of the Company include Value Line Publishing, Inc. (“VLP”), EULAV Securities, Inc., formerly Value Line Securities, Inc. (“ESI or VLS”), EULAV Asset Management, LLC (“EULAV”), Vanderbilt Advertising Agency, Inc. (“VAA”), Compupower Corporation (“CPWR”) and Value Line Distribution Center (“VLDC”).

1. VLP is the publishing unit for the investment related periodical publications.
2. ESI is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority, also known as “FINRA”. ESI, formerly Value Line Securities, Inc., is the distributor for the Value Line Funds. Shares of the Value Line Funds are sold to the public without a sales charge (i.e., on a “no-load” basis). ESI receives service and distribution fees, pursuant to rule 12b-1 of the Investment Company Act of 1940 from certain Value Line Funds.
3. EULAV is a registered investment adviser that assumed the mutual fund investment management services previously provided by Value Line, Inc., as of June 30, 2008.
4. VAA places advertising on behalf of the Company's publications, investment advisory services, and mutual funds.
5. CPWR provides subscription fulfillment services and subscriber relations services for VLP publications.
6. VLDC primarily handles all of the mailings of the publications to VLP’s subscribers. Additionally, VLDC provides office space for Compupower’s subscriber relations and data processing departments, and provides a disaster recovery site for the New York operations.

E. Trademarks

The Company holds trademark and service mark registrations for various names in multiple countries. Value Line believes that these trademarks and service marks provide significant value to the Company and are an important factor in the marketing of its products and services.

F. Investments

The Company invests in the Value Line Funds, fixed income government obligations and other marketable securities. As of April 30, 2009, the Company had \$42,068,000 invested in the Value Line Cash Fund, representing approximately 1.8% of total Value Line Funds net assets at April 30, 2009 and 23% of the Value Line Cash Fund at April 30, 2009.

G. Employees

At April 30, 2009, the Company and its subsidiaries employed 187 people.

The Company, its affiliates, officers, directors and employees, may from time to time own securities which are also held in the portfolios of the Value Line Funds or recommended in the Company's publications. Analysts are not permitted to own securities of the companies they cover. The Company has adopted rules requiring monthly reports of securities transactions by employees for their respective accounts. The Company has also established policies restricting trading in securities whose ranks are about to change in order to avoid possible conflicts of interest.

H. Principal Business Segments

The information with respect to revenues from external customers and profit and loss of the Company's identifiable principal business segments is incorporated herein by reference to Note 9 of the Notes to the Company's Consolidated Financial Statements included in this Annual Report on Form 10-K.

The Company's assets identifiable to each of its principal business segments were as follows:

	2009	April 30, 2008 (in thousands)	2007
Investment Periodicals, Related Publications and Copyright Data	\$ 11,867	\$ 10,780	\$ 18,976
Investment Management	22,914	76,671	80,581
Corporate Assets	82,774	50,502	29,406
	\$ 117,555	\$ 137,953	\$ 128,963

I. Competition

The investment management and the investment information and publications industries are very competitive. There are many competing firms and a wide variety of product offerings. Some of the firms in these industries are substantially larger and have greater financial resources than the Company. The Internet has increased the amount of competition in the form of free and paid online investment research. The prevalence of broker supermarkets or platforms permitting easy transfer of assets among mutual funds, mutual fund families, and other investment vehicles, tends to increase the speed with which fund shareholders can leave or enter the Value Line Funds based on short-term fluctuations in performance.

J. Executive Officers of the Registrant

The following table lists the names, ages (at June 30, 2009), and principal occupations and employment during the past five years of the Company's Executive Officers. All officers are elected to terms of office for one year. Except as noted, each of the following has held an executive position with the companies indicated for at least five years.

Name	Age	Principal Occupation or Employment
Jean Bernhard Buttner	74	Chairman of the Board, President and Chief Executive Officer of the Company and AB&Co.; Chairman of the Board and President of each of the Value Line Funds until June 2008.
Mitchell E. Appel	38	Chief Financial Officer since April 2008 and from September 2005 to November 2007; Treasurer from June to September 2005; Chief Financial Officer, XTF Asset Management from November 2007 to April 2008; Chief Financial Officer, Circle Trust Company from 2003 to May 2005; President of each of the Value Line Funds since June 2008; President of the Advisor and Distributor since February 2009.
Howard A. Brecher	55	Chief Legal Officer, Vice President and Secretary; Vice President, Secretary, Treasurer and General Counsel of AB&Co.; Vice President and Secretary of each of the Value Line Funds since June 2008; Secretary of the Advisor since February 2009.
David T. Henigson	51	Vice President; Vice President of AB&Co.; Vice President, Secretary and Chief Compliance Officer of each of the Value Line Funds until June 2008; Chief Compliance Officer of the Company until June 2008.
Stephen R. Anastasio	50	Treasurer of the Company since September 2005; Treasurer of each of the Value Line Funds September 2005 to August 2008; Chief Financial Officer from 2003 to September 2005.

WEB SITE ACCESS TO SEC REPORTS

The Company's Internet site address is www.valueline.com. The Company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to these reports are available free of charge on the "View Recent Value Line Financials" page under the "About Value Line" tab of the Company's Internet site as soon as reasonably practicable after the reports are filed electronically with the Securities and Exchange Commission. All Company filings are also available on the SEC Internet site, www.sec.gov as soon as reasonably practicable after electronic filing.

ITEM 1A. RISK FACTORS

In addition to the risks referred to elsewhere in this Annual Report on Form 10-K, the following risks, among others, sometimes may have affected, and in the future could affect, the Company and its subsidiaries' business, financial condition or results of operations. The risks described below are not the only ones facing the Company and its subsidiaries. Additional risks not discussed or not presently known to the Company or that the Company currently deems insignificant may also impact its business, brand and stock price.

The Company and its subsidiaries are dependent on the efforts of its executives and professional staff.

The Company's future success relies upon its ability to retain and recruit qualified professionals and executives. While the Company has back-up staff for most positions, it is nevertheless possible that the loss of the services of key personnel could have an adverse effect on the Company.

The Company's assets under management, which impact revenue, are subject to fluctuations based on market conditions and individual fund performance.

Financial market declines and/or adverse changes in interest rates would generally negatively impact the level of the Company's assets under management and consequently its revenue and net income. Major sources of investment management revenue for the Company (i.e., investment management and service and distribution fees) are calculated as percentages of assets under management. A decline in securities prices or in the sale of investment products or an increase in fund redemptions would reduce fee income. A prolonged recession or other economic or political events could also adversely impact the Company's revenue if it led to a decreased demand for products, a higher redemption rate, or a decline in securities prices. Good performance of managed assets relative to both competing products and benchmark indices generally assists retention and growth of assets, resulting in additional revenues. Conversely, poor performance of managed assets relative to both competing products and benchmark indices tends to result in decreased sales and increased redemptions with corresponding decreases in revenues to the Company. Poor performance could, therefore, have an adverse effect on the Company's business and results of operations.

The Company derives almost all of its investment management fees from the Value Line Funds.

The Company is dependent upon management contracts and service and distribution contracts with the Value Line Funds under which these fees are paid. As required in the mutual fund industry, the Board of Directors of the Value Line Funds, a majority of whom is independent of the Company, may elect to terminate such contracts. If any of these contracts are terminated, not renewed, or amended to reduce fees, the Company's financial results may be adversely affected.

If the Company does not maintain subscription revenue, its operating results could suffer.

A substantial portion of the Company's revenue is generated from print and electronic subscriptions. VLP's trial and full term subscriptions are typically paid in advance by subscribers. Unearned revenues are accounted for on the balance sheet of the Company. The backlog of orders is primarily generated through renewals and new subscription marketing efforts as the Company deems appropriate. Future results will depend on the renewal of existing subscribers and obtaining new subscriptions for the investment publications. The availability of free or low cost information on the Internet could negatively impact demand for VLP's publications or impact its pricing. Copyright Data agreements are based on market interest in the respective proprietary information. If the sales of the Company's publications or fees from proprietary information decline, its operating results could suffer.

Failure to protect its intellectual property rights and proprietary information could harm the Company's ability to compete effectively and could negatively affect operating results.

The Company's trademarks and tradenames are important assets to the Company. Although its trademarks are registered in the United States and in certain foreign countries, the Company may not always be successful in asserting global trademark or tradename protection. In the event that other parties infringe on its intellectual property rights and it is not successful in defending its intellectual property rights, the result may be a dilution in the value of the Company's brands in the marketplace. If the value of its brands becomes diluted, or if competitors introduce brands that cause confusion with its brands in the marketplace, such could adversely affect the value that its customers associate with its brands, and thereby negatively impact its sales. Any infringement of our intellectual property rights would also likely result in a commitment of Company resources to protect these rights through litigation or otherwise. In addition, third parties may assert claims against its intellectual property rights and it may not be able successfully to resolve such claims.

Adverse changes in market and economic conditions could lower demand for the Company's products and services.

The Company provides its products and services to individual investors, financial advisors, and institutional clients. Adverse conditions in the financial and securities markets may have an impact on the Company's investment management revenues, securities income, subscriptions, and copyright data fees which could cause material changes in the Company's operating results.

The Company is in the highly competitive fields of publishing and investment management.

The Company competes with a large number of domestic and foreign investment management firms, broker-dealers and investment publishing firms offering competing products and services. Many of its competitors have greater resources and assets under management. The absence of significant barriers to entry by new investment management firms in the mutual fund industry increases competitive pressure and some investors may prefer to invest with an investment manager that is not publicly traded. Entry barriers in publishing investment periodicals have been reduced by the minimal cost structure of the Internet and other technologies. Competition is based on various factors, including business reputation, investment performance, quality of service, marketing, distribution services offered, the range of products offered and fees charged. Since the Company is smaller than other companies in some of its product segments, adverse business developments may have an impact on the Company's operating results.

Government regulations, any changes to government regulations, and regulatory proceedings and litigation may adversely impact the business of the Company.

Changes in legal, regulatory, accounting, tax and compliance requirements could have an effect on the Company's operations and results, including but not limited to increased expenses and restraints on marketing certain funds and other investment products offered by the Company. EULAV Asset Management, LLC is registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. The Investment Advisers Act imposes numerous obligations on registered investment advisers, including fiduciary, record keeping, operational and disclosure obligations. EULAV Securities, Inc. is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority, also known as "FINRA". Each Value Line Fund is a registered investment company under the Investment Company Act of 1940. This Act requires numerous compliance measures, which must be observed, and involves regulation by the Securities and Exchange Commission. Each fund and its shareholders may face adverse tax consequences if the Value Line Funds are unable to maintain qualification as registered investment companies under the Internal Revenue Code of 1986, as amended. Those laws and regulations generally grant broad administrative powers to regulatory agencies and bodies such as the Securities and Exchange Commission and FINRA. If these agencies and bodies believe that the Company and its subsidiaries or the Value Line Funds have failed to comply with their laws and regulations, these agencies and bodies have the power to impose sanctions. The Company and the Value Line Funds, like other companies, can also face lawsuits by private parties. The Company, along with its directors and officers, have been sued from time to time. Regulatory proceedings and lawsuits are subject to uncertainties, and the outcomes are difficult to predict. Changes in laws, regulations or governmental policies, and the costs associated with compliance, could adversely affect the business and operations of the Company and the Value Line Funds. An adverse resolution of any regulatory proceeding or lawsuit against the Company, its directors, officers, or its subsidiaries could result in substantial costs or reputational harm to the Company and its subsidiaries or to the Value Line Funds and have an adverse effect on the business and operations of the Company or the Value Line Funds. As noted under "Legal Proceedings," the Company and its broker-dealer subsidiary are currently being investigated by the SEC. As part of any settlement with or action by the SEC, the Company could be required to make disgorgement or pay penalties. It is also possible that under certain circumstances, either the Company's regulated subsidiaries or executives or others associated with the Company or its subsidiaries could face suspension, bar or loss of license. Any of these events could have an adverse impact on the Company and its business.

Terrorist attacks could adversely affect the Company.

A terrorist attack, including biological or chemical weapons attacks, and the response to such terrorist attacks, could have a significant impact on the New York City area, the local economy, the United States economy, the global

economy, and U.S. and/or global financial markets and could also have a material adverse effect on the Company's business.

Item 1B. UNRESOLVED STAFF COMMENTS.

None.

Item 2. PROPERTIES.

The Company leases approximately 64,000 square feet of office space at 220 East 42nd Street in New York. The lease expires May 2013. In addition to the New York, NY office space, the Company owns a warehouse facility with approximately 85,000 square feet in New Jersey. The facility primarily serves the distribution operations for the various Company publications and the fulfillment operations of CPWR for the publications and serves as a disaster recovery site for the Company. The Company believes the capacity of these facilities is sufficient to meet the Company's current and expected future requirements.

Item 3. LEGAL PROCEEDINGS.

By letter dated June 15, 2005, the staff of the Northeast Regional Office of the Securities and Exchange Commission ("SEC") informed the Company that it was conducting an informal inquiry primarily regarding the execution of portfolio transactions by VLS for the Value Line Funds. The Company thereafter supplied numerous documents to the SEC in response to its requests and various employees and former employees of the Company provided testimony to the SEC. On May 8, 2008, the SEC issued a formal order of private investigation regarding whether the VLS brokerage charges and related expense reimbursements during periods prior to 2005 were excessive and whether adequate disclosure was made to the SEC and the boards of directors and shareholders of the Value Line Funds. Thereafter, certain senior officers of the Company asserted their constitutional privilege not to provide testimony. Management believes that the SEC has completed the fact finding phase of its investigation and the Company has held discussions with the staff of the SEC in an effort to settle the foregoing investigation. There can be no assurance that the Company and the SEC will be able to reach a mutually agreeable settlement. Although for the foregoing reason management of the Company cannot estimate an amount or range of reasonably possible loss that the investigation may have on the Company's financial statements, in light of settlement discussions to date, the Company has concluded it is reasonably possible that any settlement may have a material negative effect on the Company's financial statements. The Company has substantial liquid assets from which it could pay a settlement of the SEC investigation if a mutually satisfactory settlement can be reached.

On September 3, 2008, the Company was served with a derivative shareholder's suit filed in New York County Supreme Court naming the Company's Directors at the time the suit was filed and alleging breach of fiduciary duty and related allegations, all arising from the above SEC matter. The complaint seeks return of remuneration by the Directors and other remedies. Plaintiff's counsel has agreed from time to time, most recently until August 3, 2009, to extend the defendants' time to answer, move, or otherwise respond to the complaint. Based on an evaluation of the case at this early stage, including communications with the Company's insurance carrier, it is not possible to estimate an amount or range of loss on the Company's financial statements.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

No matters were submitted to a vote of the shareholders during the fourth quarter of the fiscal year ended April 30, 2009.

Part II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

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The Registrant's Common Stock is traded on the NASDAQ Global MarketSM under the symbol "VALU". The approximate number of record holders of the Registrant's Common Stock at April 30, 2009 was 55. As of June 30, 2009, the closing stock price was \$32.87.

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The reported high and low prices and the dividends paid on these shares during the past two fiscal years were as follows:

Quarter Ended	High	Low	Dividend Declared Per Share
April 30, 2009	\$ 32.48	\$ 24.30	\$.30
January 31, 2009	\$ 39.98	\$ 33.44	\$.40
October 31, 2008	\$ 39.99	\$ 30.97	\$.40
July 31, 2008	\$ 37.97	\$ 30.24	\$.40
April 30, 2008	\$ 46.92	\$ 41.50	\$.30
January 31, 2008	\$ 41.40	\$ 31.10	\$.30
October 31, 2007	\$ 52.74	\$ 43.70	\$.30
July 31, 2007	\$ 56.00	\$ 42.69	\$.30

On July 16, 2009 the Board of Directors of Value Line, Inc. declared a quarterly dividend of \$0.20 per share to shareholders of record as of July 30, 2009 to be paid on August 13, 2009. This is a \$0.10 per share, or 33% reduction from the previous quarterly dividend.

As of the date of this Annual Report on Form 10-K, there were no securities of the Company authorized for issuance under equity compensation plans. The Company did not sell any unregistered shares of common stock during Fiscal 2009.

There were no purchases of the Company's equity securities by the Company or any affiliated purchaser during the fiscal quarter ended April 30, 2009.

Item 6. SELECTED FINANCIAL DATA.

Earnings per share for each of the fiscal years shown below are based on the weighted average number of shares outstanding.

	Years ended April 30,				
	2009	2008	2007	2006	2005
	(in thousands, except per share amounts)				
Revenues:					
Investment periodicals and related publications	\$ 39,935	\$ 42,791	\$ 45,619	\$ 47,703	\$ 50,172
Copyright data fees	\$ 4,333	\$ 7,066	\$ 6,861	\$ 5,016	\$ 2,541
Investment management fees and services	\$ 24,973	\$ 32,821	\$ 31,155	\$ 32,467	\$ 31,765
Total revenues	\$ 69,241	\$ 82,678	\$ 83,635	\$ 85,186	\$ 84,478
Income from operations	\$				