**Cincinnati Model Investment Club Minutes**

Home of Craig & Cabrini Jacobsen, Loveland, OH – Jun 18, 2016

**Call to Order:** Presiding Partner Craig Jacobson called the meeting to order at 10:00 AM. ***Guests on webinar:*** Kent Sampson, Roger Kathmann, ***Guests in person:*** Paul Pezzenti, Dan Kuhl (friend of Marty’s), Lois Hatch, Linda Margolis, Don Bunnell, Fred Fellenberger (Kate’s friend), Chris Patton (Jackie’s friend)

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| --- | --- | --- | --- | --- | --- |
| **Name** | **Here** | **Proxy** | **Name** | **Here** | **Proxy** |
| Jackie Koski | X |  | Harrison Baumbaugh | (web) | Cliff |
| Ian Barnes | web |  | Mary Thomas | X |  |
| Betsy Eller, Financial Partner | X |  | Cliff Turrell | X |  |
| Craig Jacobsen, Presiding Partner | X |  | Larry Averbeck | web |  |
| Marty Eckerle | web |  | Mike Griffin | X |  |
| Gerry Geverdt |  | Mary | Frank Bicknell | X |  |
| Dene Alden | X |  | Michele Grinoch | X |  |
| Scott Wallick |  | Jackie | Kate Lester | X |  |
| Latisha Douglas | X |  | Rochelle Bankhead | X |  |
| Richard Alden | X |  |  |  |  |

**Recording Partner’s Report:** Minutes for May meeting were approved without changes.

**Financial Partner’s Report:**

* $7,538.29 to invest

**Announcements:**

* Craig reported that BINC 2016 in Chantilly, VA was great, encouraged everyone to attend BINC 2016 in Cincinnati, May 18-20, 2017 at the Cincinnati Netherland Hilton

**Old Business:**

* Betsy has filled out audit report, Cliff and Betsy to get together to finalize

**New Business:**

* Craig highlighted Provident Investment Management’s track record and the Investor Advisory Service, a monthly newsletter that follows BI principles and features three stocks in each issue.

**Education:**

* Craig recapped his “Stupid move on Home Depot”, his investment decision to sell HD in the mid-‘90s based on stock price, not the underlying earnings. Missed a big runup later.
* Kate Lester presented detailed research on Bitcoin, the alternative cryptocurrency. She explored the origins of alternative currencies, the risks, volatility, the vulnerability of the user’s ‘wallet’, and the appeal to those elements who wish to remain anonymous in their transactions. The IRS has tax regulations on bitcoin but the bitcoin users would be unlikely to provide transaction information. Although a popular topic in the financial press, the cost of mining new coins, the variability of coins’ value, and the risks of losing coins to hacking of one’s wallet or trading sites were seen as significant for the average user. There is one fund tracking coins but in general, bitcoin was not viewed as suitable for the average investor.

**New Stock Presentation:**

* Rochelle Bankhead presented Michael Kors, her choice for membership analysis. KORS is a London-based global supplier to the global luxury industry and is followed and patronized by many women (and some men) as a fashion leader. Nearly 50:50 in retail and wholesale, KORS has a small licensing segment. Most apparel and accessories are produced directly but watches are produced by Fossil and eyewear by Luxotica. Fiscal 2015 results were adversely affected by the LA dock worker’s strike and were deleted from the analysis. Members thought the early, aggressive growth periods should also be deleted from the SSG. After discussion and groupthink, it was decided that KORS was a BUY at $49.97, with a 4.0 U/D ratio.

**Portfolio Review:** (updated by Craig with 6/17/2016 results)

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| --- | --- | --- | --- | --- | --- |
| **Stock FYE** | **Watcher** | **Watcher Recommends** | **SSG Says** | **Cost Basis** | **Next Earnings** |
| AAPL 9/30 | Jackie | HOLD | high BUY range | $111.12 | 6/23-29 |
| BIIB 12/31 | Harrison | HOLD | BUY | $270.00 | 7/22-26 |
| CHRW 12/31 | Larry | HOLD | BUY | $57.66 | 7/27-31 |
| CASY 4/30 | Cliff | HOLD | HOLD | $86.96 | 9/6-12 |
| CERN 12/31 | Gerry | BUY | BUY | $51.78 | 8/2-8 |
| CTSH 12/31 | Mike | HOLD | BUY | $46.46 | 8/4-10 |
| DHR 12/31 | Harrison | HOLD | HOLD | $45.07 | 7/21-25 |
| FFIV 9/30 | Scott | HOLD possible buyout | HOLD | $109.69 | 7/16-20 |
| FAST 12/31 | Rich | HOLD | BUY | $41.80 | 7/9-13 |
| GILD 12/31 | Kate | HOLD | HOLD | $113.53 | 7/30 |
| LKQ 12/31 | Frank | HOLD | HOLD | $27.15 | 7/29-8/3 |
| NVO 12/31 | Ian | HOLD | BUY | $35.14 | n/a |
| PII 12/31 | Dene | Buy 10 | BUY | $118.84 | 7/20-25 |
| SBNY 12/31 | Craig | HOLD | BUY | $144.53 | 7/19-25 |
| SLB 12/31 | Mary | HOLD | HOLD | $79.94 | 7/16 |
| SWKS 9/30 | Gerry | HOLD | HOLD | $84.95 | 7/22-27 |
| TROW 12/31 | Ian | HOLD | BUY | $80.11 | 7/23 |

**Future Education Schedule:**

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| July | Michele | tbd |
| August | Harrison | tbd |
| September | Jackie | tbd |

**Future Stock Presentation Schedule:**

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| July | Craig | mystery stock |
| August | Marty | tbd |
| September | Scott | tbd |

**Buy/Sell Decisions:**

* Marty/Dene: buy 10sh of CERN @window, passed 17/1/0
* Rochelle/Jackie: buy 20sh or KORS @window, passed 10/9/0
* Dene/Kate: buy 10sh of PII @window, passed 13/6/0
* Craig/Michele: buy 10sh of SBNY @window, passed 16/3/0

**Next Meeting:** Mid-month meeting July 2 in library board room; next regular meeting: July 16 in library board room

**Adjourned:** by Craig at 11:45a, a bountiful luncheon followed

Submitted for review by Rich Alden, recording partner.