**Southeastern Michigan BetterInvesting Model Club**

**Meeting Minutes**

**Date:** Saturday, May 20, 2017

**Start Time:** 10:00 AM

**Completion Time:** 12:00 PM

**Location:** Teleconference via GoTo Meeting

[https://www2.gotomeeting.com/join/145688913](https://www2.gotomeeting.com/join/145688913" \t "_blank)

Meeting ID #145688913

**Next Meeting:** Saturday, June 17, 2017

**Agenda Items**

**1. Call to Order and Presiding Partner’s Opening Remarks** (Joe Bowen for Ram Ganapathi)

Joe has proxies for Ram & Curt

* Minutes – April minutes were approved
* Buy / Sell Recommendations –

Sell: GILD, SRCL

Buy: CVS

Study Ideas: Amazon

* Stock Watcher

Members in Attendance:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **In Person** | **GTM** | **Name** | **In Person** | **GTM** |
| **Officers:** |  |  | **Members:** |  |  |
| Ram Ganapathi | - | - | Bill Gordon |  | X |
| Joe Bowen | X |  | Pat Deak |  | X |
| Len Douglass |  | X | Curt Cormier | - | - |
| Jane Bellaver |  | X | Deb Brown | X |  |
| Teresa Barr |  | X | Alex Bodea | X |  |
| Cliff Trent | - | - | Jim Barrett | X |  |
|  |  |  | Chris Rolls |  | X |
|  |  |  | Gillian Todd | - | - |
|  |  |  | Sudip Suvedi | - | - |
|  |  |  | Rob Wasilevich |  | X |
|  |  |  |  |  |  |

**2. Treasurer’s Report (Len Douglass) [14:18]**

Financials Update (as of 5/18/17) From BIVIO

|  |  |
| --- | --- |
| * Securities Total * Cash on Hand * Portfolio Value * Unit Value | $ 165,973.01  $ 6,769.23  $ 172,742.24  $ 26.638396 |

* Remember, checks now need to be made out to FOLIOfn Investments, Inc. Also write Account #MB0773900K on the check.
* Purchases in April 2017 – Dividend reinvestments for AL & CVS
* Sales in April 2017 – None

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LeonardDouglass,SudipSuvedi,BillGordon,CurtisCormier,ChristopherRolls,RobWasilevich,TeresaBarr,&

PatriciaDeak

3. ManifestInvestingAnnualSubscriptionRenewal.$400.00[Motiontoapprove]

1. BetterInvestingClubMembershipRenewal[Motiontoapprove] $48.00

2. MemberswhohavetheirBetterInvestingMembershipthrutheModelClubRenewal:Forwardacheckmade

outtoBetterInvestingforyourindividualrenewalamounttotheTreasurerbeforeJune1

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Items that need to be addressed:

* BetterInvesting Club Membership Renewal - All set .
* Members who have their BetterInvesting Membership thru the Model Club Renewal – Rob is not renewing, all other checks have been received.

FundingforRobWaselivchwithdrawal,Currently$6,277.89fromthismonth’svaluation.Final

amountwillbecalculatedfromnextmonth’sValuation.Cashavailabletodisburseis$6,508.60.

3. Wewillneedanadditional$448forBIDuesandMISubscription.

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* Funding for Rob Waselivch withdrawal, Currently $6,277.89 from this month’s valuation. Final amount will be calculated from next month’s Valuation. Cash available to disburse is $6,508.60.
* We will need an additional $448 for BI Dues and MI Subscription (APPROVED AT APRIL MEETING: [Motion to approve] $448.00 – Len motioned / Sudip seconded. All in favor.

**3. General Topics**

Member withdrawal from the club – Rob Wasilevich

1. BetterInvestingClubMembershipRenewal[Motiontoapprove] $48.00

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PatriciaDeakthat need to be addressed at saturday's meeting:  
1. BetterInvesting Club Membership Renewal [Motion to  
approve]  $48.00  
2. Members who have their BetterInvesting Membership thru  
the Model Club Renewal:  Forward a check made out to   
BetterInvesting  for your individual renewal amount to the  
Treasurer before June 1st 2017.  They include Leonard  
Douglass, Sudip Suvedi, Bill Gordon, Curtis Cormier,  
Christopher Rolls, Rob Wasilevich, Teresa Barr, & Patricia  
Deak  
3. Manifest Investing Annual Subscription Renewal. $400.00  
[Motion to approve].

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**4. Stock Watcher Reports (All) [27:00]– updates**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Company** | **Watcher** | **Last Review Date** | **Recommendation** | **Comments** |
| AAPL | Sudip | 02/2017 | Hold / Sell | All time high 135.72 PAR is 7.0% under sweet spot. Recommend sell ~3.5% to buy a company with higher PAR. |
| AL | Bill | 05/2017 | Hold | 1Q EPS $0.78 – UD 2.9:1 |
| BIIB | Cliff | 03/2017 | Hold | Alzheimer drug is in final stages of approval – may produce more revenue.  Of their 3 MS drugs, one is growing two are declining.  Settled lawsuit w/ Forward Pharma $1.25b to protect its best-selling Tecfidera's patent. Q EPS (-20.2%) due to this lawsuit.  3/18/17 - Change SSG sales & EPS to 8 & 8. Change PEs to 24.9 & 14.5. Change high / low prices to $619.50 & $223.20. UD 6.1 |
| CTSH | Teresa | 05/2017 | Hold | Price is at a 52 week high. Declared $0.15 dividend payable May 31, 2017. 1Q EPS $0.84 beat by $0.01. Rev 10.7% (10.9 %YoY). Non-GAAP operating margin was 18.9% (GAAP 16.1%) Full-year guidance revenue is $14.56 b, which represents 8% - 10% growth over 2016. Increased EPS to $3.64 from 3.53. |
| CVS | Chris | 03/17 | Hold | VL - losing prescription share to Walgreen’s & management softening EPS guidance. SSG changes for sales & EPS 8 & 8. High & low PEs 20 & 12. High & low prices $143.20 & $59.00. UD 3.1 |
| DY | Jane | 01/17 | Purchase |  |
| FAST | Jim | 04/2017 | Hold | SSG changes: Sales from 4 to 5% -- EPS from 8.5% to 6%. Est future low EPS from 1.77 to 1.75. UD 1.3:1 Avg. dividend yield from 56.5 to 59.6 |
| GILD | Ram | 02/2017 | Hold / Sell | YoY delclines in S (14.1%) NI (34%) Adj EPS (18.7%), costs are increasing 60%, cash increasing but very slightly. EPS - 4 consecutive Qs decline. Worsening outlook for 2017. Pipeline 28 clinical studies (10 in late stage trials). Op cash flow $16.7 b. Increased divident by 10%. Possibly sell, but price is quite low. |
| LKQ | Chris | 03/2017 | Hold / Buy | Divested OEM portion of Pittsburg Glass this will impact our SSG as a big drop in sales & EPS for the next few quarters.. (VL $750m less revenue). Growth in European acquisions. SSG 12 & 12 for sales & EPS. Change High & low PEs to 22 & 14 (slowing growth). High & low prices to $65.60 & $22.40. UD 4.7 |
| PCLN | Deb | 01/2017 | Hold | EPS drop due to acquisition of Open Table non-cash charge of $941m impairment of Open Table’s Good Will. They will re-forecast L/T financial results on a more measured & deliberate bases. |
| SBNY | Rob | 01/2017 | Hold | Reported Friday – hit record numbers. |
| SRCL | Joe | 02/2017 | Hold | Still settling in from the recent medical waste acquisition. A lot of regulation with pharma waste/processing & equipment. Price is up this week 9-9.5%. SSG updates S&E 9.5 & 8.5 & Low PE 21% |
| SWKS | Alex | 01/2017 | Hold | Reported Friday – EPS up 14% - Stock price up $10 / sh. (13%). |
| ULTA | Pat | 03/2017 | Buy | SSG changes for sales & EPS 22 & 23, no changes to PEs 39 & 23.1, High & low prices at $716.00 & $150.60 UD 3.2 |
| V | Curt | 02/2017 | Hold / Buy | SSG Sales - 9% EPS - 11% - Recommend BUY when it drops into the buy range. |
|  |  |  |  |  |

**5. Team Presentation (Team C – ) []**

Biotechnology – (GILD, BIIB, CELG, AMGN)

**6. Education/Discussion –**

**7. Buy / Sell**

* See motion table.

**8. New / Old Business**

* Team A up in June - Deb, Joe, Cliff, Teresa
* Retail Sales

**9. Roundtable Discussion and Questions from Visitors**

**Q: What is the maximum number of members?**

**A: 25 members**

**Q: How much do members have to contribute & how often?**

**A: $20 - $100 per month. Maximum $1200 per year. If a member goes over 20% ownership of the**

**overall portfolio, he / she still has only 20% voting power.**

**Q: When do you allow people to join the club?**

**A: A potential member must attend three meetings, and at the third meeting present a SSG to the**

**Club.**

**Stock to consider in June**

**Motion Summary Table**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **Motioned by** | **Seconded by** | **Vote Result**  **YES NO ABSTAIN** | | |
| Approve April Minutes |  |  |  |  |  |
| Sell all GILD |  |  | 12 | 0 |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
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|  |  |  |  |  |  |

**Action / Follow Up Items**

|  |  |  |
| --- | --- | --- |
| **Description** | **Responsible Person** | **Status ETA** |
|  |  |  |
|  |  |  |

**REFERENCE INFO**

**Model Club Dashboard**

<https://www.manifestinvesting.com/dashboards/public/SEMIModClub>

**Team Member Breakdown**

|  |  |  |
| --- | --- | --- |
| **Team A** | **Team B** | **Team C** |
| Joe Bowen | Pat Deak | Jim Barrett |
| Deb Brown | Len Douglass | Jane Bellaver |
| Cliff Trent | Sudip Suvedi | Curt Cormier |
| Teresa Barr | Gillian Todd | Bill Gordon |
| Rob Wasilevich | Chris Rolls | Alex Bodea |
|  | Ram Ganapathi |  |
| **Industry Screener** |  |  |
| Cliff Trent |  |  |

**Note: All Model Club members are encouraged to volunteer and participate in all Model Club activities / studies.**

**Upcoming Meeting and Event Dates**

|  |  |  |
| --- | --- | --- |
| **Meeting / Event Name** | **Date** | **Location** |
| Southeast Michigan Model Club Meeting | 06/17/2017 | Bloomfield Township Public Library |
|  |  |  |