**Southeastern Michigan BetterInvesting Model Club**

**Meeting Minutes**

**Date:** Saturday July 15, 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

Proxy: Cliff -> Ram

Joe -> Curt

**Next Meeting:** Saturday, August 19, 2017

**Agenda Items**

**1. Call to Order and Presiding Partner’s Opening Remarks [10:00 am]**

* Minutes **[00:17]** – June minutes were approved (see motion table below)
* Buy / Sell Recommendations –

Sell:

Buy: ULTA, AMZN

Study Ideas: Facebook

FAAMG (Faceazon, Appl, Microsoft, Google).

Netflix dropped from FANG (Facebook, Amazon, Netflix, Goo

* Stock Watcher: AMZN (Ram)
* Library Reservation: See below

Members in Attendance:

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

**2. Treasurer’s Report (Len Douglass) [44:00]**

Financials Update (as of 7/13/17) From BIVIO

|  |  |
| --- | --- |
| * Securities Total * Cash on Hand * Portfolio Value * Unit Value | $ 166,536.28  $ 4,708.15  $ 171,244.43  $ 27.184639 |

* Remember, checks now need to be made out to FOLIOfn Investments, Inc. Also write Account #MB0773900K on the check.
* Purchases in June 2017 – Dividend reinvestments for AL, CTSH, V, SWKS, AMZN.
* Sales in June 2017 –

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]

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

st

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PatriciaDeak

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

Note:  $400.00 check to Manifest Investing written on June 6, 2017 has cleared. $48.00 check to BI for club dues has cleared.

Payout for Rob: $ 6,313.47 (check has cleared)

**3. General Topics [01:01]**

**Library Reservation Possibilities**

Madison Hts. Library or Senior Center – Bill will check

BI HQ Small conference/meeting room – Cliff ?

Bloomfield Twp. Senior enter – Jim

1. 01:14BetterInvestingClubMembershipRenewal[Motiontoapprove] $48.00

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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

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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) [01:14]– 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. |
| AMZN | Ram | 06/2017 | Purchase |  |
| 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 | 07/17 | HOLD | 4/2017 Q3 – EPS up 22%, Sales up 18.3%, YoY debt increased – No changes to SSG – UD 5.5 – Will check guidance, and whether they utilize landlines. |
| FAST  [02:00] | Jim | 04/2017 | Hold | Closed 200+ low performing stores. Increasing presences in plants with both vending machines & in plant stores. Sales & EPS 6.8 & 7.3 respectively. High/low PEs: 28.1 & 19.9, High/low prices: $80 & $34.80. UD 3.4  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 | 06/2017 | Hold | SSG Updates: Sales 15% EPS 15%, Forecast low price at 80% $1447.40, U/D 7:1 |
| SBNY | Bill | 07/2017 | Hold | SSG sales & EPS 15 & 13.7 respectively. Chicago Medallions are still an ongoing concern. |
| 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 | 07/2017 | Hold | Annual fiscal report due out 7/20/17.  Q2 beat street expectations. Sales & EPS for the Q2 were 10% & 11% respectively. UD 2.1 |
| ULTA | Pat | 07/2017 | Buy | 07/2017 - April 2017 VL 5 year forecast Sales & EPS 20 & 22% respectively. SSG Sales & EPS 22 & 23, no changes to PEs 39 & 23.1, High & low prices at $781.60 & $164.50 UD 5.3 |
| V | Curt | 06/2017 | Hold | SSG Updates: Sales - 15% EPS – 14.7%, Tax Rate 30%, High / Low PEs 30.2 & 18.9 respectively, Forecast High Price 165.8, Forecast Low Price $65.5, U/D 2.5, Compound Return 12.6%, Projected Return 8.2% |

**5. Team Presentation (Team B – ) [02:02] Postponed till August meeting.**

**6. Education/Discussion –**

**7. Buy / Sell**

* See motion table.

**8. New / Old Business**

* Team B up in August – Pat, Len, Sudip, Gillian, Chris
* ORLY (Auto parts) ?

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

1. Barbara Small
2. Charolotte Varzi
3. DavidBrohl
4. Mary Ann smith

Q: None

A:

**Motion Summary Table**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **Motioned**  **by** | **Seconded**  **by** | **Vote Result (Total = 12)**  **YES NO ABSTAIN** | | |
| June 2017 minutes approve | Len | Ram | All |  |  |
| PCLN – SSG update (from the June 2017 meeting) **\*** | Len | Jane | 8 | 2 | 1 |
| Visa – SSG update (from the June 2017 meeting) **\*** | Jane | Ram | 9 | 2 |  |
| SSG updates – ULTA, DY, SWKS, SBNY, FAST | Len | Bill | 9 | 2 | 4 |
| BUY $2500 ULTA | Len | Curt | 11 | 0 | 4 |
| BUY 2 shares AMZN | Len | Curt | 11 | 0 | 4 |
| **\*** Curt asked that the minutes reflect his opinion that a motion and subsequent vote to accept updated SSGs based on the stock watchers report are, “Unnecessary and a waste of time.” |  |  |  |  |  |

**Action / Follow Up Items**

|  |  |  |
| --- | --- | --- |
| **Description** | **Responsible Person** | **Status ETA** |
| Library meeting room availability |  |  |
|  |  |  |

**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 |
|  | 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 | 08/19/2017 | GTM? |
|  |  |  |