**Southeastern Michigan BetterInvesting Model Club**

**Meeting Minutes**

**Date:** Saturday August 19, 2017

**Start Time:** 10:05 AM

**Completion Time:** 11:58 PM

**Location:** Teleconference via GoTo Meeting

<https://www2.gotomeeting.com/join/145688913>

Meeting ID #145688913

Proxy: Sudip -> Pat

**Next Meeting:** Saturday, September 16, 2017

**Agenda Items**

**1. Call to Order and Presiding Partner’s Opening Remarks**

* Minutes– July minutes were approved (see motion table below)
* Buy / Sell Recommendations –

Sell: SBNY, SRCL

Buy: ORLY, FAST

Study Ideas: FB

FAAMG (Faceazon, Appl, Microsoft, Google).

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

* Stock Watcher:
* 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 |  | X | Pat Deak |  | X |
| Len Douglass |  | X | Curt Cormier | X |  |
| Jane Bellaver |  | X | Deb Brown |  | X |
| Teresa Barr | - | - | Alex Bodea | - | - |
| Cliff Trent |  | X | Jim Barrett |  | X |
|  |  |  | Chris Rolls | - | - |
|  |  |  | Gillian Todd | - | - |
|  |  |  | Sudip Suvedi | - | - |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

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

Financials Update (as of 8/17/17) From BIVIO

|  |  |
| --- | --- |
| * Securities Total * Cash on Hand * Portfolio Value * Unit Value | $ 171,606.52  $ 1,713.31  $ 173,319.83  $ 27.322960 |

* Remember, checks now need to be made out to FOLIOfn Investments, Inc. Also write Account #MB0773900K on the check.
* Purchases in July 2017 – Dividend reinvestments for AL, CVS; Purchased 2 shares AMZN, and 9.63391 ULTA
* Sales in July 2017 – None

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

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**3. General Topics**

**Library Reservation Possibilities**

Madison Hts. Library or Senior Center – Too late for start time

BI HQ Small conference/meeting room – Will have September meeting at small conference room

Bloomfield Twp. Senior enter – Library hasn’t responded

1. 01:14BetterInvesting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) – 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 | 08/2017 | Hold | No adjustment in the SSG, but much discussion around some of the potential with Spinraza, and the potential for an Alzheimer’s drug in phase 3. They have had some positive tests for the drug.  In the last week, there has been an inquiry regarding pricing of MS drugs that has caused reduction in price in the past week. |
| 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 | 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 |
| 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 | 08/2017 | Hold | The data for the last quarter has not been updated; SSG sales & EPS 15 & 13.7 respectively. Chicago Medallions are still an ongoing concern. |
| SRCL | Joe | 08/2017 | Sell | Results have been poor; the company has some legal issues, and the SEC is checking into bribery for firm |
| 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 – Automotive).**

* Retail automotive industry rank from Value Line is 15th
* The company that the team focused on is ORLY. There was a $40 in early July; potentially from a fear of Amazon, and fear of Tesla. Comparable store sales for the second quarter were also below expectations.
* The team reviewed a peer comparison, which shows ORLY toward the front all of the categories (with the exception of dividend payout, only Advanced Auto pays a dividend).
* VL has 10% sales growth and 13% for earnings growth. The team used preferred procedure with decline in shares, and used 10% for sales in the SSG, and 9% for earnings. The team used 24 and 14 high and low P/E.
* Team B recommends opening a position in ORLY.

**6. Education/Discussion –**

**7. Buy / Sell**

* See motion table.

**8. New / Old Business**

* Team C up in September – Jim, Jane, Bill, Curt, and Alex; Team would like to do study around FAST, and it’s competitors.

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

**Motion Summary Table**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **Motioned**  **by** | **Seconded**  **by** | **Vote Result (Total = 12)**  **YES NO ABSTAIN** | | |
| Accept minutes with minor corrections | Jane | Len | 9 | 0 |  |
| Sell all of SRCL; Buy $5,500 of ORLY | Joe | Ram | 11 | 0 |  |
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**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 | 09/16/2017 | BetterInvesting Home Office |
|  |  |  |