**Southeastern Michigan BetterInvesting Model Club**

**Meeting Minutes**

**Date:** Saturday November 18, 2017

**Start Time:** 10:03 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: Jane to Curt or Club, Deb to Joe, Sudip to Joe or Ram

**Next Meeting:** Saturday, January 20, 2017

**Agenda Items**

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

* Minutes **[05:45]** – October minutes were approved (see motion table below).
* Buy / Sell Recommendations

Sell: See Team B’s proposal/recommendations

Buy: See Team B’s proposal/recommendations

Study Ideas: MZOR, IDTI, BABA, ROKU

FAAMG (Faceazon, Appl, Microsoft, Google).

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

* Stock Watcher: ORLY, CVS, LKQ

**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 | - | - | Deb Brown | - | - |
| Teresa Barr |  | X | Alex Bodea | X |  |
| Cliff Trent | X |  | Jim Barrett |  | X |
|  |  |  | ~~Chris Rolls~~ | - | - |
|  |  |  | Gillian Wilson | - | - |
|  |  |  | Sudip Suvedi | - | - |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**Guests in Attendance:**

5 guests on GTM –

1. Adewunmi Gbogboade
2. Dave Baily
3. Dave Kowalik
4. Mary Ann Smith
5. Susa

**2 Guests in Attendance**

1. Brittany
2. Sailu

**2. Treasurer’s Report (Len Douglass) [16:30]**

Financials Update (as of 11/16/17) From BIVIO

|  |  |
| --- | --- |
| * Securities Total * Cash on Hand * Portfolio Value * Unit Value | $ 185,994.07  $ 1,122.29  $ 187,118.36  $ 28.941151 |

* Remember, checks now need to be made out to FOLIOfn Investments, Inc. Also write Account #MB0773900K on the check.
* Purchases in October 2017 – Dividend reinvestments for **CVS, FB, CVS**

**TICKER SHARES**

* Sales in October 2017 –

**TICKER SHARES**

**3. General Topics [37:30]**

* **Election of Officers for 2018**
* **Slate of Candidates**

Presiding Partner - Ram Ganapathi

Vice President - Joe Bowen

Treasurer - Len Douglass

Assistant Treasurer - Jane Bellaver

Secretary - Teresa Barr

Stock Study Director - Cliff Trent

* **Member Update:** Gillian Todd’s name to Gillian Wilson – Ram contacted Gillian and she said she will actively participate starting January 2018.
* **Member withdrawal/payment:** Chris Rolls – See Team B’s presentation.
* **Library Reservation / 2018 –** Curt will check the Bloomfield Library for 6 months – April 2018 – September 2018, and Cliff will reserve the small conference room from January 2018 – March 2018.

1. 01:14BetterInvesting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

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

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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].

otiontoapprov

**4. Stock Watcher Reports (All) – updates**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Company** | **Watcher** | **Last Review Date** | **Recommendation** | **Comments** |
| AAPL | Sudip | 09/2017 | BUY / Hold | New products look promising – wireless charging, face recognition. Analysts recommend buy.  \*\* Will update SSG & send to club. |
| AMZN | Ram | 06/2017 | Purchase |  |
| AL | Bill | 11/2017 | Hold | 3Q - total revenues of $377 million versus $355 million in 2016, an increase of **6.1%.**  Income before taxes increased 6.6% yoy, resulting in diluted EPS of $0.90 per share - a **4.7%** increase yoy.  ALC continues to deliver consistent solid pretax profit margins and pretax return on equity, which, as of this quarter, was 40.9% and 17.1%, respectively.  SSG Updates: Sales & EPS – 10% & 9& respectively. High & low price forecasts – $80.5 & $27.9 respectively. U/D 3.0 |
| BIIB [1:13] | Cliff | 11/2017 | Buy | 3Q Sales & EPS – 4.1% & 22.9% respectively.  Alzheimer drug is in final stages of approval – may produce more revenue- but risky.  MS drugs are BIIB’s cash cow.  SSG Updates: Sales & EPS from 8% & 8% to 7 & 7. Change high / low prices to $570.20 & $236.80. UD 3.5 |
| 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 | 09/2017 | BUY | Price is close to the 52 week low. Cost cutting is working. Recent Q (Q2) Sales & EPS 10.6% & 15.6% respectively.  SSG changes: Sales 9.3% -- EPS 10.3%.  High & Low PEs 30 & 20 respectively.  High & Low Prices 89.1 & 36.4 respectively. Avg. dividend yield 59.6. UD 6.4. |
|  |  |  |  |  |
| LKQ | Joe | 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 |
| ORLY | TBD |  |  |  |
| PCLN | Deb | 06/2017 | Hold | SSG Updates: Sales 15% EPS 15%, Forecast low price at 80% $1447.40, U/D 7:1 |
| ~~SBNY~~ | ~~Bill~~ | ~~09/2017~~ | ~~Hold~~ | ~~SSG sales & EPS 15 & 13.7 respectively. SSG updates: Forecast low price – 92.0. UD 4.6. Chicago Medallions are still an ongoing concern.~~ |
|  |  |  |  |  |
| 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 | 09/2017 | Buy / HOLD | No changes - SSG Sales & EPS 22 & 23, PEs 39 & 23.1, High & low prices at $825.60 & $164.50 UD 9.7 |
| V  [1:20] | Curt | 11/2017 | Hold | 4Q Sales & EPS – 13.9% & 13.9% respectively.  SSG Updates: None |

**5. Team Presentation (Team B – ) [1:23]**

Team B’s proposal for reducing the number of portfolio holdings and a suggested plan for funding Chris Roll's withdrawal.

**Proposal:** Buy Facebook shares costing TBD with cash on hand $1,100

Sell All shares CVS Yielding about $3,039.29 ($468.45) STCL

Sell All Shares SBNY Yielding about $5,246.94 $246.94 STCG

These figures are approximate because we won’t know the actual amounts until the shares are sold. But those two sales should yield about $8,200.00. Since the withdrawal amount is $12,182.88 we will need to raise another $4,000.00.

Looking at our Capital Gains and losses we already have a net Capital Loss for the 2017 tax year of $3,581.70. The two sales will increase our Capital Loss by about $218 to about $3,800. We need to look at our best performing positions to raise the $4,000.00. They are AAPL 174.5% gain 12% of portfolio, LKQ 95.84% gain 13.5% of portfolio, CTSH 88.86% gain 14.96% of portfolio, and PCLN 40.44% gain 12.95% of portfolio.

[Thus] Sell $4000.00 CTSH about 53 shares Cost $33.39/share - About $2,225 LTCG.

Note: The amounts have been updated after Bivio Valuation and Manifest Investing stock prices were updated Thursday night. [1:35]

Team B’s proposal was very comprehensive, and as recording secretary, I’d like for the entire proposal posted to BIVIO (if it hasn’t already been) for reference rather than try to capture more details here in the minutes.

**6. Education/Discussion –**

**7. Buy / Sell – [1:44]**

* See motion table.

**8. New / Old Business**

* Team C up in January with Adewunmi Gbogboade - TBD

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

* **Brittany & Adew. will work with Team C**

**Motion Summary Table**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **Motioned**  **by** | **Seconded**  **by** | **Vote Result**  **YES NO ABSTAIN** | | |
| October 2017 minutes approve | Cliff | Curt | All |  |  |
| Approve slate of officer candidates for 2018 | Joe | Teresa | All |  |  |
| Authorize financial partner, to make the withdrawal payment (for Chris Rolls) within 15 business days, based on the valuation statement of Nov 18, 2017 meeting | Len | Joe | All |  |  |
| Accept Team B’s recommendation without exception | Curt | Joe | All |  |  |

**Action / Follow Up Items**

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

**Questions from Guests:**

1. **[GTM]** Adewunmi Gbogboade: Hi, question: what does it take to become a member of this club?

Answer: Attend three meetings, be a BetterInvesting member, and present an SSG to the club.

1. **[GTM]** Adewunmi Gbogboade: I think I have attended 3 meetings ( maybe). what is the monthly financial obligation?

**Answer**: Per the SEMI MC Operating Procedures, “1. Monthly Contributions: It is suggested that contributions for each partner will be a minimum of $20.00 per month, subject to the limitations of paragraph 8 of the Partnership Agreement. The maximum allowable annual contribution is $1,200 and the minimum required is $240 and this can be paid in anywhere from 2 to 12 installments throughout the Calendar Year, at the members’ preference. Payments will be credited to the members’ account when received.”

1. **[GTM]** Adewunmi Gbogboade: who/where do I send my contributions to?

**Answer**: Contributions are sent to the treasurer, or can be sent through online banking. Checks are made out to folio investing.

**Answer**: Most of us are set up to electronic transfer.

1. **[GTM]** Adewunmi Gbogboade: ok that's good. I'll like to move forward as a member and would like to start first week in January that is why I'm asking….Is this done through the better investing membership?

**[TMB]** Perhaps Adewunmi Gbogboade can work with Team C to present an SSG in January?

1. **[GTM]** Adewunmi Gbogboade: I make sure I have all my documentation in…Just signed up as a Better investing member

**[TMB]** Adewunmi are you familiar with completing an SSG?

1. **[GTM]** Adewunmi Gbogboade: No

**[TMB]** There are several tutorials on the BI website on how to complete an SSG - check them out and contact Ram or Joe for more information on membership.

1. **[GTM]** Adewunmi Gbogboade: ok thank you will do.

**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 | 01/20/2017 | BI HQ Small Conference Room |
|  |  |  |