**Southeastern Michigan BetterInvesting Model Club**

**Meeting Minutes**

**Date:** Saturday February 17, 2018

**Start Time:** 10:00 AM

**Completion Time:** 12:00 PM

**Location:** Teleconference via GoTo Meeting

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

Meeting ID #145688913

Proxy: Pat to Len, Sudip to Ram, Deb to Ram, Jim to Jane

**Next Meeting:** Saturday, March 17, 2018

**Agenda Items**

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

* Minutes **[7:00]** – January minutes were revised & approved (see motion table below).
* Buy / Sell Recommendations

Sell: LKQ

Buy: ACN

Study Ideas: Financial Services / Banks

FAAMG (aceazon, Appl, Microsoft, Google).

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

* Stock Watcher: ORLY (Brittany)

**Members in Attendance:**

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

**Guests in Attendance:**

5 guests on GTM –

1. Larry Merye
2. Charlotte Varzi
3. Mary Ann Smith

2 Guests in Attendance

1. Gerald Moore
2. Barbara Small

**2. Treasurer’s Report (Len Douglass) [21:15]**

Financials Update (as of 2/15/18) From BIVIO

|  |  |
| --- | --- |
| * Securities Total * Cash on Hand * Portfolio Value * Unit Value | $ 190,096.70  $ 1,242.60  $ 191,339.30  $ 31.286494 |

* **Request for a partial withdrawl** from Pat for $2,000.00 **[29:00]** – Need to raise ~ $1,100.00. Len recommends selling enough LKQ to meet the need.
* **RE: K1s** – Folio said 1099 will be available by 2/28/18. We must file 1065 by 3/15/18 or file for an extension. Audit is needed for the SEMI MC for 2017. Please assign members to audit our books. Cliff & Alex.
* **Beginning in 2018, IRS will audit at the partner level rather than the individual level.** BI Magazine (March 2018 issue, p.18) recommends appointing an individual as a contact person in case we were to get audited. There is an option to opt-out for less than 100 partners (must be done every year). More information on opting out to come later. **(Opt-out option indicates that the club may not have Trusts as partners.)**
* Remember, checks now need to be made out to FOLIOfn Investments, Inc. Also write Account #MB0773900K on the check.
* **Purchases January 2018** – Dividend reinvestments for **AL & FB**

**TICKER SHARES**

**NONE**

* Sales December 2017 – January 2018 – NONE

**TICKER SHARES**

**NONE**

**3. General Topics [43:00]**

* **Library Reservation / 2018 –** Curt will check the Bloomfield Library, when he get back in March, for 6 months – April 2018 – September 2018, and Cliff will reserve the BI HQ small conference room from January 2018 – March 2018.
* **2017 K1s -** 1099 will be available by 2/28/18. We must file 1065 by 3/15/18 or file for an extension. Audit - Cliff & Alex.
* **Member withdrawal/payment:** Pat requested a partial withdrawal of $2,000.00 – to be paid within 15 business days.
* **Partnership Agreement form – Brittany, Jane, Pat, & Gillian**
* **Partnership Agreement Updates:** (v6) &TOD Beneficiary form. To be reviewed and finalized at the March meeting.
* **IRS Tax/Audit change for 2018 – Contact person to represent the SEMI MC for 2018 filing.**

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.** Partnership Agreement Updates: Paragraph 23 (TOD Beneficiary form)

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Company** | **Watcher** | **Last Review Date** | **Recommendation** | **Comments** |
| AAPL | Sudip | 02/2018 | Hold | 12/31 Q1 – Sales & EPS 12.7% & 15.8% |
| AMZN | Ram | 02/18 | Hold | 12/31 - Q4 Sales & EPS 38.2% & 144.2%. Entering healthcare. Prime is being rolled out internationally. |
| AL | Bill | 11/2017  Reports 2/22/18) | 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 | Cliff | 02/2018 | Hold | 12/31 Q4 - Sales & EPS – 15.1% & -145.8%, mostly due to tax repatriation. |
| CTSH | Teresa | 02/2018 | Hold | 12/31 Q4 - Sales & EPS – 10.6% & -104.4%, mostly due to tax repatriation.  Dividend increase to $0.20. Price is at an all time high.  SSG Updates to Sales EPS – 9.8% & 9.8. |
| DY | Jane | 07/17  Reports 2/28/18) | 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 | 01/2018 | BUY | 9/30/17 Q3 Sales 11.8% EPS 13.6%  Q2) Sales & EPS 10.6% & 15.6% |
| FB | Sudip | 10/21/2017 | BUY | Initial Position |
| LKQ | Joe | 01/2018  (Reports 2/22/18) | Hold / Buy | 9/30/17 Q3 Sales 3.3% EPS **-2.5%**  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 | Brittany | 09/2017 | BUY | Initial Purchase |
| BKNG | Deb | 06/2017 | Hold | SSG Updates: Sales 15% EPS 15%, Forecast low price at 80% $1447.40, U/D 7:1 |
| SWKS | Alex | 02/2018 | Hold | EPS took a hit mostly due to income tax & tax repatriation.  From 7/2017 - 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 | 01/2018  (Reports 3/15/18) | Buy / HOLD | Class action allegations of reselling returned/ used cosmetics. (60 day return policy)  10/31/17 Q3 Sales 18.6% EPS 21.4%  No changes - SSG Sales & EPS 22 & 23, PEs 39 & 23.1, High & low prices at $825.60 & $164.50 UD 9.7 |
| V | Curt | 11/17 | Hold | 4Q Sales & EPS – 13.9% & 13.9% respectively.  SSG Updates: None |

**6. Team Presentation (Team C) [1:20] Water Utility Industry. AWR, AWK, WTR, CWT.**

After studying the industry, Team C looked at 4 companies that were the best in the industry and decided all are mediocre at best. And decided not to go further with a recommendation. It was determined that this industry does not produce the growth that our club is looking for.

**7. Buy / Sell – [1:33]**

* See motion table.

**8. New / Old Business**

* Team A up in March - Financial Institutions

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

**April 28, 2018 -** SEMI & Ann Arbor Chapters are hosting a Portfolio Review with Ken Kavula and

Mark Robertson, Location Ann Arbor area. 9:30 – 12:30. $10 pre register. Limit 45.

**Q. Do we have any interest in insurance / annituities?**

**A. Insurance/annuities are not part of the BI methodology. The SEMI MC looks at holding all**

**Equities.**

**Q. How long have we been together?**

**A. Since 2004**

**Q. How have we done (yearly & totally)?**

**A. We are on the plus side – not every year, but most years, and definitely totally.**

**Motion Summary Table**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **Motioned**  **by** | **Seconded**  **by** | **Vote Result**  **YES NO ABSTAIN** | | |
| January 2018 minutes approve | Ram | Jane | All |  |  |
| Partnership Agreement Updates: Paragraph 23 (TOD Beneficiary form) | Len | Joe | All |  |  |
| Sell $1,100 LKQ to cover Pat’s partial withdrawal. | Len | Joe | All |  |  |
|  |  |  |  |  |  |

**Action / Follow Up Items**

|  |  |  |
| --- | --- | --- |
| **Description** | **Responsible Person** | **Status ETA** |
| Audit for 2017 | Cliff / Alex | After 2/28/18 |
| Bloomfield Township Library Meeting Room April-Sept 2018 | Curt | 3/2018 |
| BI HQ small conference room from January-March 2018, then for October & November 2018 | Cliff |  |
| **Partnership Agreement Updates:** (v6) &TOD Beneficiary form (Approved & vote passed in January). To be reviewed for typos & vote to accept the reviewed document at March meeting. | All | 3/2018 |

**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 Wilson | Bill Gordon |
| Brittany Johnson |  | 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 | 03/17/2018 | BI HQ Small Conference Room |
| Southeast Michigan Model Club Meeting | 04/21/2018 | Bloomfield Township Library Meeting Room |
| Southeast Michigan Model Club Meeting | 05/19/2018 | Bloomfield Township Library Meeting Room |
| Southeast Michigan Model Club Meeting | 06/16/2018 | Bloomfield Township Library Meeting Room |
| Southeast Michigan Model Club Meeting | 07/21/2018 | Bloomfield Township Library Meeting Room |
| Southeast Michigan Model Club Meeting | 08/18/2018 | Bloomfield Township Library Meeting Room |
| Southeast Michigan Model Club Meeting | 09/15/2018 | Bloomfield Township Library Meeting Room |
| Southeast Michigan Model Club Meeting | 10/20/2018 | TBD |