



Bay Area Bulls Investment Club

Minutes for March 1998

Attendees: Earl Cory, Robert Weeks, Sandra Dellafiora, David Nakamura, John Florence, Jean Cherbeneau, Pipi Ray Diamond, Rubee Taylor

Absent: John Boring, Christina Cory, Evelyn Washington

Guests: None

Location/Time: 7165 Cutting Blvd. El Cerrito at 7: 08 pm

Minute Corrections: None

Treasurer's Report:

We are up 62% for Percent of Total. Everybody's in the black.

Member Activities:

Old Business:

Portfolio Review:

Biomet	Doing well. It's in the Hold range. They signed an agreement with Merck Germany to sell goods in Europe.
Catalina	Up by 12%. Revenue is up [for last quarter] 37.5% over 29% for last year. Expenses are up due to the purchase of a Japanese Media firm. They also authorized a \$40 million stock buy back. They are marketing the grocery store rewards card
Corrections Corp	Opened 15,000 new beds in 1997. Sold 12 properties, gaining \$12 million. Currently building a facility in Tennessee for prisoners from Wisconsin for \$52 million. This may sound mean but build it and they will come! By the way the big house will be paid off in 3 years.
Donnelley (R&R)	Sales and profits are up. Their new theme: <i>Focus on our Core</i> . They have cut back on losing operations including closing a England facility
EMC	Up trading at 36 1/4
Merck	Closed at 131 1/4. We bought it at \$93! Show me the money people!
Oracle	Up at 36.83%. Why not hedge our bets and buy Sybase and Informix....just kidding!.

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By Laws

To withdraw or not to withdraw that is the question! This is an update on the withdrawal of funds found in our By Laws on page 5, Section 6 of #3. Sandra posted an inquiry on how other clubs handle withdrawals she noted the following:

Some allow partial withdrawal with members voting to allow or not to allow withdrawal.

Jeanne brought up the by-laws changes. The club read the handout she brought and One club [with a \$1000 initiation fee, ouch!] did not allow it. Some clubs haven't had to deal with it yet.

Jeanne put her thoughts on paper asking what are our expectations?

1. To educate, invest and educate or to save money?
2. The request was made to find out if NAIC provides advice on the subject etc.

Sandra asked how will funds be paid out? Securities or cash? Earl will reword Section 6 #4a to make it clearer regarding the payout. What I want to know is what do the Beardstown Ladies do? Bottom line, we need to make up our minds!

Taxes

Pipi had questions on the K1 and taxes. John Florence noted there are 3 types of K1s;

1. Partnership [the one we use]
2. S Corps
3. Land & Rental

The K1 information winds up on Schedule D.

New Business:

NAIC

NAIC Investors Kit V3.0 has new features including the ability to print ASCII files without the graphics. Yippie Yi Yeah!

NAIC is becoming a stockbroker. The annual fee is \$36.00 and \$8.00 per trade or pay \$200.00 for the year and the transaction fee is waived.

Value Line:

Value Line changed its format! The new stuff includes:

1. Rankings
Technical Rank was added
Dates on Timeliness, Safety and Technical [last date changed]
2. Legends Shows stock splits
3. Total Return Appreciation or depreciation of the stock plus cash dividends
4. Capital Structure Box Number of shares outstanding * the price of the shares:
Noted: Large Cap 5 Billion or more
Mid Cap 1-4.99 billion
Small Cap less than 1 billion
5. Statistical Array Change of term Net Worth to Shareholders Equity

Thanks to John Florence for providing handouts!

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Industry Review: Banking

John Florence gave assignments last month. The following are the results.

Institution	Buy/Sell	Notes
<i>First Union</i>	Sell Range	John Cory noted it is in the Sell range. They are buying other banks including First Fidelity. They are targeting the areas around New Jersey and Pennsylvania.
<i>Nations Bank</i>	Sell range	
<i>J. P. Morgan</i>	Sell range	
<i>Chase Manhattan</i>	Buy range	Merged with Chemical Bank. They also bid for Merrill Lynch. Their stock went up from \$118 to \$138 in one week. We voted to buy 15 shares at \$130.00 or less. The vote was a rip roaring Yes by all!

New Industry Stock Study

Air Transport ranks 4 in timeliness. Air Express International, UAL, Airborne Freight, and Alaska Airlines are the stocks selected for study. Sandra, Robert and David each chose one of the noted. They will report on them next month.

Internet Stocks:

This is a broad category. Earthlink, Medlink, Tut Systems [soon to be privately held], Tandem, Geoworks, Ericsson, and Nokia were mentioned as possible companies to look at. One driving force in this area will be bandwidth notes the Gilder Technology Stock newsletter. Tut Sytems is developing IDSL technology. IDSL is said to take over ISDN technology. Sandra and John Florence will look into bandwidth.

Educational presentation –

Earl provided insightful articles from the LA Times Business section. The articles included:

"Why Stocks Go Up & Down",

"The Highs, Lows and Middles of P/E Based Investing".

Next Meeting: April 16 the day after you know what!

Location: Sandra's and David's home, 7165 Cutting Blvd. El Cerrito, CA @7:00PM