

Bay Area Bulls Investment Club
Minutes for Dec 1998



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Minutes for Dec 17, 1998

Attendees:

Jeanne Cherbeneau, Earl Cory, Sandra Dellafiora, Pipi Diamond, John Florence, Jim Hickey, David Nakamura

Absent:

Christina Cory, Ruby Taylor, Evelyn Washington, Robert Weeks

Guest:

Deepa Ganesan

Location/Time:

7165 Cutting Blvd., El Cerrito CA 7 PM. As the elected Secretary was absent, Sandra agreed to take the minutes for this meeting.

Minutes Corrections:

Minutes for November were reviewed. They were amended to note that BABs does not have a website "yet". Also, speaker at the NAIC National Conference was Peter Lynch, not David Lynch.

Treasurer's Report:

Treasurer's report was presented. There was a short discussion on the meaning the "Value of Each Unit This Date" figure that appears on the Valuation Statement. It is actually the figure we should be using to calculate the club's return on investment, not "Total Return" or "Compound Ahn. Ret." from the same report. That is the number we should also be using to compare the club's progress against another index, such as Value Line or S&P 500. Also, as tax laws have change again, the club will need to purchase an accounting software update. Cost is \$40.00. Finally, it is time to pay NAIC national dues. The amount for the club, \$35.00, which will come out of the club account. Each member will submit \$14.00 for their own membership to national This is what has been done in the past also.

Portfolio Review:

Review of companies followed. Both AirBorne and Biomet were up, with no news in particular. Catalina was also up. They will establish a web-based product. Corrections Corp is still down, despite high earnings and

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sales reports. They will be building a new prison in Georgia and expect it to be operational in early 2000. Donelley is holding steady price-wise. There was no additional news. Merck is up this month. There was a discussion regarding selling this company. It was noted that earnings were flat, pre-tax profit has been down the last three quarters, and the core product line appears to be slowing. The P/E is also high, and there is concern that the price is as high as it will get. After battling the pros and cons of selling, a vote was taken, and it was decided, 2 to 5, that we will keep Merck. However, we will keep close watch on the company and the fundamentals in the coming months. Chase Manhattan earnings are at an all time historical high. This company appears to have weathered the Asian flu without damage. Oracle and Sun Microsystems will be merging on some level in an effort to compete with Microsoft. Industry analysts see this as positive.

Member Activity

Member activities included the opening of the library in Soweto, which got significant press coverage. This is the project that Ruby organized and directed. Pipi attended an estate planning seminar. Some discussion regarding ROTH IRAs followed.

Old Business

New Business

There was some discussion on the telecommunications companies as David had looked up several companies and did SSGs, which he passed around -- Erickson, Hong Kong Telecom, BCE Inc, and Alcatel. They all appear to be 'buys'. Further study will be done next month on Hong Kong Telecom by David, Erickson by Pipi, and BCE and Alcatel by John. In addition to the telecom companies, John brought and distributed SSGs and Value Line reports on Manitowoc, a crane/commercial ice/Great Lakes ship building company. It is a thinly traded smallcap which appears to have a lot of growth potential. Members were encouraged to look for material and information for the January meeting.

Stock Review:

Industry's To Study

Next Meeting: January 21, 1999
Location: Sandra and David's home - 7PM
Meeting was adjourned at 8:30 pm.