

Bay Area Bulls -- Minutes for May 20, 1999

Present: Jeanne Cherbeneau, Earl Cory, Sandra Dellafiora, Pipi Diamond, John Florence, David Nakamura, Evelyn Washington
Absent: Christina Cory, Jim Hickey, Dick O'Brien
Guests: Erica Grevemeyer, Wayne Hong

Review of minutes: Minutes were distributed and reviewed by those present. A misspelling was corrected.

Treasurer's report: Treasurer's report was distributed and reviewed by those present.

It was noted that Christina Cory's membership will be terminated due to lack of attendance. Earl offered to buy all of Christina's units. We will give other members the same opportunity at the next meeting.

Member Activities: Sandra attended a meeting of WIN (Womens Investment Network) in Palo Alto. She reported that the club lacked evaluation tools for stock selection. However, they seems to acquire stocks that do well.

New Business: By-laws review -- Sandra wanted to send out one section at a time for the club to review the following meeting. Jeanne wanted to do the review all at one time. Sandra suggested doing the review over two meetings. Everyone took a copy of the by-laws, which had been provided by Earl. We are to review half for the next meeting (Sections 1, 2, and 3). Sandra suggested the club send the BABs portfolio to NAIL Club Summary to compare our performance with other NAIL clubs. Cost is \$4.00. A vote was taken and it passed.

Old Business: David took responsibility of reporting on Ericksson.

Investment/Financial Report: Evelyn gave a report on Stock Screens on the Motley Fool website. These screens list companies and their performance.

Portfolio Review: Chase Manhattan -- Jeanne reported that Chase is one of two money centers, the other is J.P. Morgan. Chase is broken down into three areas; (1) global banking, (2) cash management, and (3) credit cards.
EMC -- Sandra reported that EMC will do a two for one stock split May 28. She said one of the reasons they do so well it that they do one thing (storage devices) and they do it better than anybody. She also reported a high percentage of money is devoted to R&D (-7%+) which is high for the industry. Although SSG shows the stock in the 'sell' range, the club will keep it.
Merck -- Pipi reported that Merck's new drugs may not replace the old drugs that were money makers. The company expects lower sales growth in the future.
PZN -- Sandra reported PZN is being sued by investors. PZN is paying CCA more money to manage the prisons, and lost money first quarter 1999. TV news programs 60 Minutes did an unfavorable segment on CCA (now operating under PZN). They reported six maximum security inmates escaped from the medium security facility but were caught. Also, an inmate was beaten to death. A discussion followed on selling the stock. No action was taken.

Stock Studies: Restaurants -- Earl reported on Applebee's Int'l. They have been around for twenty years, though they did not go public until 1990. Stock is up in the past year. No one at the meeting liked their food. Sandra reported on Papa John's Pizza. She got the idea from the SSG class she attended a few weeks ago. The fundamentals are good. Their profit margins are

higher than any of their competitors, and higher than the restaurant industry in general. They make their dough at 'regional kitchens' which they call commissaries to ensure high quality. Sandra said her relatives back East like the pizza.

The club decided to buy 20 shares of Helmerick & Payne, the oil services company that John presented last meeting. Vote passed 4 to 3. The club also voted to sell Donnelley.

Next meeting Dick and Sandra will report on software companies BMC and Paychex. Earl will present the Investment/Financial report, and David and Sandra will be responsible for selecting two new companies to study. Portfolio reviews will be presented by John (Biomet), Earl (Oracle) and possibly Dick (MTW) who was not present to give the report tonight.

June meeting will be held on Thursday June 17 at 7165 Cutting Blvd. Meeting was adjourned at 9:00pm.