



Bay Area Bulls Investment Club

Minutes for May 17, 2001

Attendees:

Earl Cory, Dick O'Brien, Jim Hickey, John Florence, Sandra Dellaflora, David Nakamura, Jeanne Cherbeneau, and Robert Weeks.

Absent:

Ruby Taylor

Guests:

Gene Rush

Location/Time:

David's house, meeting started at 7:00

Jeanne spent some time explaining the club function to our guest.

No one had a copy of the Agenda, Jeanne gained the ability to remove the header, but this seems to have removed her ability to send the agenda via email. The correlation between these two functions remains a mystery.

Minutes Corrections:

Minutes for April were reviewed and accepted as written.

Treasurer's Report:

Report passed out by John. Sandra questioned the value of each unit. It looked to her as if it was down, but no one had a copy of an older one for comparison. John made a recommendation that we stop buying new stocks and purchase more of the same. Even sell some of the ones that we have so that we are not spread ourselves too thin (Isn't this called diversification; which may not be bad in a bull market.)

Earl described his Excel spread sheet for our guest.

Jeanne read some of Ruby's email defining investment terms (this was supposed to be humorous, but there may be a little laughter left in the world over this subject).

Attendance:

Jim reported that we are in good shape; no one is in default.

Contact information:

No changes were noted.

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Member News

Jeanne went to her childhood home for a visit and ended up buy a home. She brought pictures to share.

Old Business

Nickelson report and the club portfolio submission were both in B.I. this month rather than last.

New Business

None

Stock Selection

Robert and Sandra – They are looking at financial services again, educational services. In particular: Education Management, ITT Educations, and Learning Tree. Robert said that he would give the repot in July since Sandra will be in class and unable to attend the meeting.

Dick and Ruby – Since Dick was unable to get a hold of Ruby last month, they will do some of their report this month and some next month on Energy-Petroleum.

Financial Report

Jim brought in a copy of the annual report and the 10-Q from POS' web site. He reported that the difference between **TOTAL CURRENT ASSETS** and **TOTAL CURRENT LIABILITIES** is the amount of cash that they have. This should be looked at quarterly.

John mentioned that this is only one of the ratios that should be looked at. He has a sheet of ratios that he created a few years ago. He indicated that he would send Earl a copy to put in the documentation section of the web site.

Portfolio Review:

LOWES – David

They see a challenging retail environment for the next two quarters. The opened 23 new stores and are experiencing approximately a 20% annualizes gain. The SSG put them in the Hold range. As a side not, they have gone up steadily since we bought them.

MERC – Sandra

They bought Rosetta, a genome company. It is the same story; they are worried about the pipeline and expiring patents. Buying Rosetta puts them in a better position. The bottom line is up 13% for the quarter. No reason to do anything. Going steadily ahead. Med-Co Online and genome are a good future.

Jim will take CoPart and report in the May cycle. Earl will report on McData in the June Cycle. Earl will update the web site to reflect the reporting cycle of these two stocks.

Stock Study

Dick – S & P looked at the industry in the last 6 weeks; Petroleum next to last. Oil field service was last. The leader in the industry is BJ Services. They are a strong buy. Dick will look into it some more and report next month. They have 25% of the market in pressure pumping controls.

Jeannie reported that an oil consultant on CNBC reported that this industry is late cycled and is better than up front. (I don't have a clue what I met when I wrote that down.)

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Assignments:

Stock Study – Dick/Ruby (Robert postponed until July)
Financial Report – David
Stock Selection: Jeannie/Earl
BMET, KLAC - John
CAH - Robert
MCDTA, ORCL - Earl

Dick said that he would not be able to attend the Tequila tasting.

Next Meeting: June 21, 2001; 7:00pm
Location: David's Home
Meeting adjourned: 8:45 pm.