

ONTHEMARK INVESTING CLUB LLC MINUTES OF NOVEMBER 9, 2011

The monthly meeting of the ONTHEMARK Investing Club took place via web cast on November 9th, 2011 at 7:00 p.m. Members present were: Linda Bates, Mark Bates, Mike Bates, Sue Bates, Kevin Boggs, Tony Kern, Roger Kobel, Mike McCarl, Dan Miley, Steve Newsome, and Ed Spyhalski. Absent were Cindy Creasy, Bill Lupone, and Pavel Matskevich. Guest Joe Kipp also attended the meeting.

Welcome

Mark Bates welcomed everyone to the meeting and the roll was taken.

Review of Last Meeting

Mark asked if anyone had any changes to the minutes from the last meeting. The minutes were approved as written.

Treasurer's Report

Mark asked if there were any questions concerning the financial reports. He pointed out that the club has made no investments as of yet and that the club earned \$1.53 in interest for the month ending October 31. The unit value for the club is currently \$10.03. Mark moved to be reimbursed for a \$546.00 expenditure to BizFilings to incorporate the club. BizFilings also completed all necessary State and local filing requirements. Steve Newsome seconded the motion and the motion was unanimously approved.

Market Overview

Mark Bates briefly reviewed the market movement over the past month. He feels that the market will go up but not above 1330 in the short term but the market will turn down in the long run. No one asked any questions.

Security Analysis

O'Reilly Automotive – Dan Miley stated that he still likes O'Reilly and calculates that the intrinsic value to be \$93. The stock ended the day at \$76.99. Dan stated that the company has a presence in the West and in the South, so there is plenty of growth opportunity in the East. Also given the current state of the economy, he feels that more people will be repairing their current automobiles instead of purchasing new ones. Dan informed the club that BetterInvesting hosted an on-line seminar in which they spent an hour analyzing ORLY and they liked it. Their recommendation was a hold. Dan asked Mark if he would give a technical opinion on ORLY. Mark stated that the stock has a negative correlation to the market (it moves opposite of the general market), and that the stock is not volatile (its changes are not drastic). The stock is currently in a rising channel and Mark feels that it is a good long-term buy. Dan mentioned that ORLY also has an automobile repair line of business. Dan recommended that the club purchase ORLY for a 6 to 12 month hold with a \$90 sell price. Kevin Boggs expressed concerns about a recent spike in debt. After some discussion, it was determined that the company recently made an acquisition, but that for the size of the company the amount of debt was reasonable. Steve Newsome stated that he felt the purchase would be opportunistic but he did not feel that over 7% of the club's assets should be in one stock. The motion was then restated that the club purchase ORLY for a 6 to 12 month hold with a \$90 sell price with 1/7th of the funds available. The purchase was unanimously approved with Dan voting proxy for Bill Lupone and for Pavel Matskevich, and with Ed Spyhalski voting proxy for Cindy Creasy.

Mark Bates introduced Kevin Boggs to the club. Kevin has been a reader of ONTHEMARK Investing since its inception but was not aware of the 1st meeting because of job and email address changes. Everyone welcomed Kevin to the club.

Celgene – Dan reported that CELG has had flat performance but feels that it will be a good long-term investment with 23% annual growth. Tony Kern asked what Mark's technical view was on CELG. Mark explained that at this time the stock was in a horizontal situation, so that he could not recommend it. Mark suggested that the stock could be purchased when it hits a price above the resistance line. Dan asked if Kevin had an opinion on the stock since Kevin is in the medical field. Kevin stated that he was not on the pharmaceutical side of the business. Mark asked Mike and Sue Bates their opinions since they both have worked for pharmaceutical companies. Both stated they have had no exposure to CELG. Dan stated that from a technical and fundamental bases, S&P rates the stock as 5*, and gives it a target price of \$89. Dan calculates a target price of \$95. Dan recommended that the club purchase CELG when the price rises to \$65.79 (price above resistance) and to set a stop-loss slightly below the new support line. The club

unanimously approved the purchase of CELG with Dan voting proxy for Bill Lupone and for Pavel Matskevich, and with Ed Spyhalski voting proxy for Cindy Creasy.

Sandisk – Dan explained that SNDK manufactures flash storage cards. Dan sees a lot of potential for growth in that field. Analysts estimate an annual growth rate of 14% per annum. The intrinsic value is \$131. Dan feels that the stock is undervalued. It closed down 4% today at \$49.07. Mark stated that based on his technical analysis, the stock is not a buy. However, this purchase would be long-term, and his analysis is more geared for a 3 to 4 week outlook. Joe Kemp stated that 2 weeks ago Sandisk announced a 5 million dollar buy-back of outstanding shares. Roger Kobel suggested that the club could purchase a smaller holding of the stock. Dan recommended that the club purchase SNDK. All members voted yes except for Mark Bates, Mike Bates, Sue Bates, and Steve Newsome. Linda Bates voted yes, but only if the shares purchased was less than 1/7 of the club's assets. Mark moved that the club purchase SNDK with funds equaling 1/14 of the assets of the club. The motion passed with Tony voting no.

Next Meeting

The next meeting will be on Wednesday, December 14th, at 7:00 p.m. Mike McCall volunteered to present a stock for review for the next meeting. He stated that he attempted to present a stock for this month's meeting but preferred some assistance from Dan prior to meeting. Dan offered to work with Mike on the presentation for next month.

Respectfully submitted,

Linda Bates, Secretary

Attest:

Daniel L. Miley, President