

## ONTHEMARK INVESTING CLUB LLC MINUTES OF February 13, 2013

The monthly meeting of the ONTHEMARK Investing Club took place via audio conference on February 13<sup>th</sup>, 2013 at 7:00 p.m. Members present were: Linda Bates, Mark Bates, Mike Bates, Cindy Creasy, Tony Kern, Joe Kipp, Roger Kobel, Mike McCarl, Dan Miley, Steve Newsome and Ed Spyhalski. Absent were Sue Bates, Kevin Boggs, Tom Fitzpatrick, and Bill Lupone.

### Welcome

Dan Miley welcomed everyone to the meeting and Mark Bates conducted the roll call.

### Review of Last Meeting

Dan asked if anyone had any changes to the minutes from the last meeting. Roger Kobel moved that the minutes be approved as written and Mark seconded the motion. The motion was unanimously approved.

### Treasurer's Report

Linda reported that the Club value was \$66,227.52 as of January 30<sup>th</sup>. The unit value is \$11.50. No questions were asked.

### Market Overview

Mark stated that the club's value at the end of last year was \$65,391 and that this month it is \$66,227. CVS is down 1% since the club purchased it, EFX is down almost 4%, and DOG is a BIG DOG down 6%. The big winner continues to be FLS up 24%. Overall the market is trading at a light volume. At this point on a technical basis, the market still shows an uptrend.

### Existing Investments

DOG – Mark recommended that the club sell this stock. Linda wondered if the stock should be held until it is down 10% as the club had discussed at prior meetings. Mark stated that he just did not see a compelling reason to hold DOG and that he did not want the club to lose any more money. The club verbally agreed to sell DOG.

FLS – Ed indicated that Value Line still considers this stock a “1” rating, and he said that we should continue to hold the security.

EFX – Ed stated that Value Line still has the stock rated “1”. He feels that since the stock hit a 52 week high, there was a lot of profit-taking and that caused the price to drop. He recommended holding the stock.

CVS – Joe still feels that this is a good stock. Dan agreed and said he didn't understand why the price had dropped.

### New Securities

No new securities were presented this month

### Updates to Stock Evaluation Form

Mike McCarl explained changes he has made to the stock evaluation form. He wrote a macro to pull in data for the 5 year P/E average from Yahoo. He elected to use Yahoo instead of Y-Charts because Y-Charts are trying to sell you other products. The difference between the two is that Yahoo records the data by quarter and Y-Charts records the data daily. He didn't feel that this would make a material difference. In columns 44, 45 and 46 of the form, he put a link to where the information is being pulled so that it can be confirmed if needed. If the data is not available, then the background of the form will turn red. Mike also corrected an error in the intrinsic value formula. Dan stated that Mike did a great job on improving the spreadsheet. Mark echoed that sentiment and stated that members should try out the form, and if they have any questions or comments to email Mike. Mike will continue to incorporate improvements to the spreadsheet.

### Options

Mark illustrated the advantages of selling an option by using FLS. He explained that if the club had agreed to set a sell price for FLS at \$170, the club could sell a “Covered Call” on FLS. The purchaser then

has an option to buy the stock when the price hit \$170 and would pay the club a fee. If the price hit \$170 the club would sell at that price and have profits from the sell and the bonus of the fee. If the price did not hit \$170 in the options time frame, the club would still own the stock and would have made an added return on the fee. This form of option trading is the most common and most conservative. Mark suggested that he evaluate the club's current holdings and determine possible option trading that would be available.

### Next Meeting

Dan stated the next meeting will be March 14<sup>th</sup>. Mark will continue his option trading illustration. Dan wished everyone a Happy Valentine's Day.

Respectfully submitted,

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Linda Bates, Secretary

Attest:

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Daniel L. Miley, President