

ONTHEMARK INVESTING CLUB LLC

MINUTES OF JANUARY 11, 2012

The monthly meeting of the ONTHEMARK Investing Club took place via web cast on January 11^h, 2012 at 7:00 p.m. Members present were: Linda Bates, Mark Bates, Mike Bates, Sue Bates, Tony Kern, Roger Kobel, Bill Lupone, Mike McCarl, Dan Miley, and Steve Newsome. Absent were Kevin Boggs, Cindy Creasy, Pavel Matskevich and Ed Spyhalski. Guest Joe Kipp also attended the meeting.

Welcome

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

Review of Last Meeting

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

Treasurer's Report

Dan asked if there were any questions concerning the financial reports. He pointed out that the club's investments were up 5.3% whereas the market is up 5.11%.

BizFiling Renewal

Mark Bates presented a bill from Bizfiling in the amount of \$167.00. Bizfiling acts as an agent for the club and the renewal period would be for one-year starting February 1st. Bill Lupone explained that the service is nothing more than an recorded address for the corporation. After an initial business setup, it is a good way for Bizfiling to earn revenue for years to come. Dan moved that the club not renew the service and the motion was unanimously approved.

Market Overview

Mark reviewed the three charts of the market that he had previously distributed to the club members. In conclusion, he felt that the market would start getting interesting when it breaks 1330. The S&P is currently at 1270. Dan inquired if Mark had an opinion on an exchange traded fund (ETF) that would move opposite of the market. Mark said he would research ETFs and present his findings at the next meeting.

Existing Investments

Dan stated that he thinks the club is doing very well. He recommended that the club hold all stock that it currently has. Mark asked Mike McCarl about the status of NVIDIA. It was down for the day. Mike M. reported that there were no news reports on the Company. Mark suggested that in the future the club member that presents a stock also give an update at each meeting. Mike M. asked if the club had discussed putting stop losses on current holdings. Mark suggested that at the next meeting, the club should discuss it. Roger Kobel volunteered to report on stop loss issues and make a recommendation for the club. Bill suggested that instead of stop losses we should consider using options to protect our positions. In order for that to be effective, round lots would have to be purchased. The club agreed that in the future, all purchases should be in round lots.

Security Analysis

Lincoln Electric – Tony Kern explained that he studied three different stocks. After analyzing them, he decided to present Lincoln Electric to the club. Lincoln Electric (LECO) designs and manufactures welding and cutting equipment. He reported that analysts have been long or out-perform on the stock except for S&P which rates it as a hold. He reviewed a magazine article in Street.com which stated that the company had not laid off an employee due to poor company results since 1948. The company issues bonuses to performing employees resulting in the average compensation equaling \$85,000 per year. LECO is a midcap industrial stock with its biggest presence in North America. The company has a 67% share of the N.A. and Europe market and 33% of the Asia market. The company is currently trading at a 52-week high. Dan stated that when he was in college he did a case study of LECO and that it was an impressive company at the time. Joe Kipp stated that he has used the products and that they are top of the line. LECO's main competitors include Kennin Metal. Tony summarized that he thought it would be a good holding for the club because it would diversify the portfolio and provide dividend income (1.7%). Dan moved that a vote

be taken on purchasing a 1/7 portfolio holding of LECO. All members voted yes, with Mark voting proxy for Kevin Boggs and Dan voting proxy for Pavel. The club unanimously approved purchasing LECO at market price.

New Member

Mark introduced Joe Kipp to the group. Joe has attended two meetings and would like to join the club. Joe is the Director of Information Services at Kizan. Mark nominated Joe to be a club member and Roger seconded the motion. The motion was unanimously approved.

Cash Investment Location

Pavel had previously suggested investing the club funds in a vehicle that would earn more than what Scottrade money market was paying. Mark did some research and suggested investing in a Corporate Bond ETF called CSJ or a short term Treasuries ETF called SHY. Mark stated that he preferred CSJ because return was consistently higher than the Treasury ETF and there was little downside risk. Dan moved that available funds be swept into CSJ until the funds are needed. Tony seconded the motion and the motion was unanimously approved.

Next Meeting

The next meeting will be on Wednesday, February 8th, at 7:00 p.m. Mark volunteered to present an ETF that would move opposite the market and Roger volunteered to make a presentation on stop losses. Bill asked if additional funds could be deposited to the club. Mark explained that deposits could be added but voting rights would cap at 25%.

Respectfully submitted,

Linda Bates, Secretary

Attest:

Daniel L. Miley, President