ONTHEMARK INVESTING CLUB LLC

MINUTES OF JULY 18, 2013

The monthly meeting of the ONTHEMARK Investing Club took place via audio conference on July 18th, 2013 at 7:00 p.m. Members present were: Linda Bates, Mike Bates, Sue Bates, Tony Kern, Joe Kipp, Roger Kobel and Dan Miley. Absent were: Mark Bates, Kevin Boggs, Cindy Creasy, Tom Fitzpatrick, Bill Lupone, Mike McCarl, Steve Newsome, and Ed Spyhalski.

Welcome

Dan Miley welcomed everyone to the meeting and conducted the roll call. It was determined that a quorum was present.

Review of Last Meeting

Dan thanked Mike Bates for taking the June minutes. Dan asked if anyone had any changes to the minutes from the last meeting. The minutes were approved after a ticker symbol discrepancy was noted. Again Dan thanked Mike for the good job in writing the minutes.

Treasurer’s Report

Linda Bates stated that the Club’s value was $67,584.08 as of June 30th. The unit value was $11.706. The unit value dropped from May 31st but has since recovered. Dan stated that the market reacted to comments made by Fed Chairman Bernanke the last week of June which caused the market to drop. Linda asked for permission to reimburse Mark Bates for paying the club’s annual Kentucky registration fees of $15.00. The receipt is posted on the website. Dan moved that Mark be reimbursed for the expenditure and Roger Kobel seconded the motion. The motion was unanimously approved.

Market Overview

Dan provided his opinion of the overall market at this time. He stated that Mr. Bernanke’s comments about increasing interest rates will have a positive effect on the financial and technology sectors. Dan informed those present that Schwab feels there is still room for growth in all sectors. However, Dan would stay clear of REITs and utilities. He see further decline in those two sectors through the first part of next year.

Existing Investments

CVS – Joe Kipp reported that the stock just keeps creeping up and he feels that there is still room for growth. Dan agreed. The club agreed to continue to hold the stock.

Stock Presentation

Joe Kipp discussed Union Pacific (UNP). He looked at several stocks and felt that this particular stock was the best of the group. UNP continues to grow and has diversified into yard equipment. It is the leader in its industry, the stock price is going up and there is not a lot of debt by industry standards. The company does 68% of North America’s transporting of gas. Dan felt that the P/E was a little high, but the ROE looked good and the gross margin was high. Mike stated that the stock price was in the $20-$40 range until 2006. This is probably when UNP started energy transportation. Schwab and S&P rate the stock as a “hold”. Argus and Credit Suisse rate it as a “buy”. Based on the quicken calculator, the stock is rated as “undervalued”. The intrinsic value is $200. Dan moved that the club purchase a ½ allotment of UNP. The vote was a unanimous “yes” with Dan voting proxy for Tom Fitzpatrick, Bill Lupone, and Mike McCarl. Dan instructed Linda to ask Mark to review the technical aspects of the stock and to make the purchase if they looked okay.

Next Meeting

Dan stated the next meeting will be Thursday, August 8th at 7:00pm. Linda volunteered to present a stock at that meeting and she volunteered Mark to present his holdings.

 Respectfully submitted,

 Linda Bates