

## ONTHEMARK INVESTING CLUB LLC MINUTES OF DECEMBER 14, 2011

The monthly meeting of the ONTHEMARK Investing Club took place via conference call on December 14th, 2011 at 7:00 p.m. Members present were: Linda Bates, Mark Bates, Mike Bates, Sue Bates, Cindy Creasy, Tony Kern, Roger Kobel, Mike McCarl, Dan Miley, Steve Newsome, and Ed Spyhalski. Absent but represented by proxy were Kevin Boggs, Bill Lupone, and Pavel Matskevich.

### 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. There were none. Mark said that he would pull the Scottrade statement from the web page until he is able to secure it exclusively to members of the Investment Club. Presently it can be seen by any registered member of the website.

### Market Overview

Mark briefly reviewed the market movement over the past month. He feels that the market will go down in the next 30-60 days. He feels that the Club should invest in an ETF that moves in an inverse fashion to the market.

### Review of Existing Investments

Dan Miley indicated that we were doing well on both of our current investments. O'Reilly is up 1.48% and SanDisk is down slightly. SanDisk is affected by the shortages caused by the situation in Thailand. Dan said that in his opinion we should stay with both investments but not add to our positions. Dan feels that Celgene is a great stock but that the market has not recognized the value in it. Mark does not feel that the time is right to buy Celgene. Mark asked the group if there were any concerns about any of our current holdings. There were no concerns.

### Review of NVIDIA

Mike McCarl started by stating that he owns NVIDIA in his own portfolio. They make graphic cards for cell phones and competitors include Intel. They recently entered into a contract with VMWare, which is a large player in the virtualization space. NVIDIA has almost no debt. Inventory turnover is good. Dan said that NVIDIA is rated by Schwab as a 6, which is very high. All fundamentals indicate that NVIDIA is undervalued. S&P rates this a Hold. Market Edge rates this a Long-term Buy. Mark indicated that from a technical perspective it is in the bottom of a channel and has an upside/downside ratio of 20, which is very positive. The negative case is that NVIDIA is correlated to the overall market. Technology stocks lead the market, and Mark's bias was negative, as noted earlier. Dan and Mark indicated a price target of \$23. Steve Newsome expressed concern over purchasing another technology stock --- that this would increase our risk exposure to the segment. Mike Bates asked why the stock price fell by half since March. Mike McCarl said that he has not seen any events that correlate to the drop. Dan proposed that the Club agree to purchase NVIDIA. All members voted YES except for Linda Bates, Tony Kern, and Steve Newsome. The YES votes carried on a 71%-29% ratio. Tony Kern then proposed that we purchase using 1/14 share. That vote carried 94% - 6%, with only Mike Bates voting NO.

### Cash Investment

Scottrade has no alternatives to a simple cash account for monies not yet invested. There was agreement that we discuss alternatives for our cash at the January meeting. Dan asked Mark to look into other options.

## 2011 Tax Impact

It appears at this time that our 2011 tax impact will be minimal. We believe at this time that it will be below the level that requires any formal tax reporting.

### Next Meeting

The next meeting will be on Wednesday, January 11th, at 7:00 p.m. Dan asked for someone to volunteer to present a stock at the next meeting, and Tony Kern volunteered to do so.

Respectfully submitted,

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Linda Bates, Secretary

Attest:

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Daniel L. Miley, President