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# Staff Paper

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## **History and Performance of the Double Eagle Club**

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# History and Performance of the Double Eagle Club

By  
Eddy LaDue<sup>1</sup>

The Double Eagle Club was established as an investment club in 1958. The Club was disbanded at the end of 2012. This publication provides a review of the experience and performance of the Club during its 54-plus years of existence. It is an update of the publication: *The Double Eagle Club's First Fifty Years* by Eddy LaDue and Brent Gloy published as Staff Paper 2008-01 by the Department of Agricultural Economics and Management, Cornell University, October 2008, found at ([dyson.cornell.edu/research/researchpdf/sp/2008/Cornell\\_Dyson\\_sp0801.pdf](http://dyson.cornell.edu/research/researchpdf/sp/2008/Cornell_Dyson_sp0801.pdf))

## Establishment

During 1958 the background work for development of the Double Eagle Club was developed and the first investments made. The legal tax position was first established. In a letter to C. D. Kearl, the first treasurer of the Club, dated July 16, 1958, Dominic Mangiaruca, Chief, Office Audit Branch, U.S. Treasury Department, Internal Revenue Service stated that "Reference is made to your letter of June 30<sup>th</sup> relative to a group of fellow workers organizing an investment club to enable such employees to make stock and bond investments. It is the opinion of this office that a club as mentioned in your letter is a non-taxable joint venture; however, each member will be liable for his individual tax in a case of profit and loss and should be reported on his return."

The organizational meeting of the Club was held in Warren Hall on October 7, 1958. A previously distributed draft of the Articles of Agreement were reviewed, modified and formally adopted by the group. Officers were elected (Table 1). It was agreed that "...the first Investment Committee will be selected by the President and Vice President in consultation with J. W. Mellor." "Those present indicated the amount that they would initially invest in the Club." The next meeting was called for December 12, 1958.

The Articles of Agreement indicate that the purpose of the Club was to (1) educate members in principles and techniques of investment, and (2) Enable members to invest funds mutually. Membership was limited to Cornell Agricultural Economics Professional Staff Members with a minimum appointment of three years. This membership requirement insured that most of the members of the Club had Ph.D.'s in agricultural economics, economics or a related field. During the 54 years of the Club's existence, the name of the Department of Agricultural Economics was changed several times and is now the Dyson School of Applied Economics and Management. However, the Double Eagle Club's relationship to the Department/School remained constant throughout.

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<sup>1</sup> A forty two year member of the Double Eagle Club and W. I. Myers Professor of Agricultural Finance, Emeritus in the Dyson School of Applied Economics and Management. The author would like to thank Joseph Metz for helpful comments on an earlier draft of this report and Bradley J. Rickard for helpful comments on two earlier drafts.

The name for the club came from the agreed upon minimum investment of \$20, or one Double Eagle. Although the minimum investment was later changed to \$30, the name was not. In real terms, adjusted for inflation (CPI), that \$20 in 1958 would be equal to \$159 in 2012.

The first investments were made in December 1958 when the 18 charter members contributed a total of \$900 (\$7,150 in 2012 dollars). These funds were invested in 10 shares of Eastern Airlines and 10 shares of Winn Dixie Stores.

During the first years, four meetings were held per year: February, May, September and November. This was changed in 1963 to six meetings per year in odd numbered months, a practice which continued until dissolution. The January meeting was designated as the annual meeting.

For the May 1959 meeting, member's wives were invited to attend as guests. Seven wives attended and one wife (Mrs. K. L. Robinson) was placed on the investment committee for the next meeting. At the next meeting Mrs. Kearl reported as part of the investment committee for Mrs. Robinson. Wives continued to attend, though in declining numbers through 1963. It is interesting that the wives were always listed as guests, not members, even though they were allowed to do the work of serving on investment committees.

### **Dissolution**

During 2012 it became clear that declining membership in the Club was a serious issue. The Club membership was aging. Few new members were joining the Club even though the faculty in the Dyson School was expanding. Many of the newer members were leaving, frequently because of a lack of interest in the Club rather than because they were moving out of the area. The number of members was expected to drop to 11 by the end of 2012, resulting in an increased burden on the remaining members in order to provide high quality reports at each meeting.

In July, the executive committee (White, Tomek, Barker and Henehan) met to discuss the situation and reported four alternatives at the July meeting. The first alternative was to recruit new members. The discussion pointed out that the nature of social/collegial relationships within the Dyson School make participation in an investment club less likely than 30 to 50 years ago<sup>2</sup>. Faculty members feel less commitment to social interaction with fellow faculty. Also, the digital age has placed a large amount of data and advice on stock and bond markets at each individual's fingertips so that the "education" benefit of club membership is reduced. It was agreed that recruiting new members would require personal invitations and an ability to convince potential members that the Club would provide more informative reports than just pulling something off the web that anyone could do at home.

The second alternative called for continuing with the existing membership but moving to quarterly meetings. Meetings could be held at noon or in the afternoon and possibly on campus for added convenience. This would reduce the reporting burden and the hosting need to a level that was more likely to be acceptable to the smaller membership. It was pointed out that when the Club was started in 1958 meetings were quarterly and spouses were invited.

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<sup>2</sup> Much of this discussion is taken nearly verbatim from the Club minutes prepared by Secretary Tomek.

The third alternative was to disband the Club effective at the end of 2012 or 2013. It was suggested that the possible tax consequences of two-year vs. one-year sale should be investigated.

The fourth alternative was to combine a reduced number of meetings with an attempt to recruit new members. Some Club members indicated that they felt that reducing the reporting burden would not help recruiting.

At the time these alternatives were presented the discussion seemed to favor disbanding effective in 2012, but some members were either neutral or preferred to continue. Some of the factors contributing to this negative feeling included (1) concern that any recruiting effort was unlikely to be very successful, (2) an undercurrent of dissatisfaction with the quality of some recent reports, and (3) concern about our recordkeeping caused by a 2011 audit that found small errors in reporting and a few minor reporting inconsistencies that occurred as the new Treasurer learned the ropes.

At the September meeting the Club took a straw vote on the alternatives of disbanding or continuing with four meetings per year. At that point a slim majority preferred to disband. It was decided to consider the tax consequences of spreading the sale of the Club stocks over December and January (two tax years) versus a complete December sale and take a final vote on disbanding in November.

A consideration of the tax consequences of selling in two tax years found that, for our membership, selling in 2012 was as good, or better, than spreading the sale over 2012 and 2013. The income levels of the Club members was such that they would be paying 15 percent on all capital gains in either year, if tax rates did not change. Further, tax legislation that was being considered by Congress, that seemed likely to pass in some form, included an increase in capital gains rates so that members would likely have to pay 20 percent on capital gains in 2013. This implied that spreading the gain over two years would likely result in higher taxes than putting the complete sale in 2012.

At the November meeting the Club voted unanimously that "... the Double Eagle Club shall be dissolved effective November 19, 2012 and that payment shall be made to each member proportional to their individual holding in the Club, and that such payment shall be made in two parts, 95 percent of the value of each member's holding to be paid the week of November 26, and the remainder to be paid before the end of the 2012 tax year.<sup>3</sup>" The rationale for the two payment procedure was two-fold. First, it allowed the Club to return member's funds to them as soon as possible, so that they could stay invested in the market or not, as they chose, and would not be subject to market fluctuations while the Club held their money for several weeks. Second, it allowed time for the Club's Fidelity account to receive dividends that had been declared before the sale date, but not yet credited by the November 26 date. The final payment would complete the sale in 2012 and allow closing of the Fidelity account as soon as the payment checks cleared. The instructions in this motion were carried out and the Double Eagle Club is no more!

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<sup>3</sup> Minutes of July 11, 2012 prepared by William Tomek.

## Officers

Officers for the Double Eagle Club were elected each January and started serving immediately upon election. Through out the 55 year period<sup>4</sup> the same general approach was used for officer selection. A vice president was chosen each year and that person was promoted to president the next year. The secretary and treasurer positions had a somewhat steeper leaning curve and benefited from continuity, so those positions generally involved tenures of three to five years. The longest serving officer was Tomek who served as secretary for 19 years (Table 1).

<b>Table 1. Officers of the Double Eagle Club, 1958 to 2012</b>				
<b>Year</b>	<b>President</b>	<b>Vice President</b>	<b>Secretary</b>	<b>Treasurer</b>
1958	Robinson	Brunk	Metz	Kearl
1959	Darrah	Loomis	Metz	Kearl
1960	Loomis	Mellor	Metz	Kearl
1961	Mellor	Story	Metz	Carpenter
1962	Story	Barker	Metz	Baumel
1963	Barker	Stanton	Metz	Tomek
1964	Stanton	Sisler	Goodrich	Tomek
1965	Sisler	How	Goodrich	Tomek
1966	How	Aplin	Goodrich	Loomis
1967	Aplin	Forker	Goodrich	Loomis
1968	Forker	Casler	Conneman	Loomis
1969	Casler	Ben David	Conneman	Bratton
1970	Goodrich	Conneman	Hedlund	Bratton
1971	Conneman	Tomek	Hedlund	Bratton
1972	Tomek	Metz	Hedlund	Bratton
1973	Metz	Mapp	Hedlund	Bratton
1974	Mapp	Brown	LaDue	Eiler
1975	Brown	Jacobs	LaDue	Eiler
1976	Boisvert	Day	LaDue	Eiler
1977	Day	Allee	Stanton	Eiler/Bratton
1978	Allee	Blandford	Stanton	Casler
1979	Blandford	LaDue	Stanton	Casler/Metz

<sup>4</sup> The first investments took place in December 1958 and the dissolution was completed in December of 2012, a period of 54 years. Thus, the investment period considered in this report is 54 years. However, members and officers were working on the establishment of the Club and development of the constitution and by-laws for at least six months before the first investment was made. Thus, the maximum period of membership is 55 years.

<b>Table 1. Officers of the Double Eagle Club, 1958 to 2012, Con't.</b>				
<b>Year</b>	<b>President</b>	<b>Vice President</b>	<b>Secretary</b>	<b>Treasurer</b>
1980	LaDue	Lesser	Stanton	Metz
1981	Lesser	How	Stanton	Metz/LaDue
1982	How	Bratton	Stanton	LaDue
1983	Bratton	Lazarus	Stanton	LaDue
1984	Lazarus	Tomek	Stanton	LaDue
1985	Tomek	Lee	Blandford	LaDue
1986	Lee	Ranney	Blandford	LaDue
1987	Ranney	LaDue	Blandford	Knoblauch
1988	LaDue	Lesser	Blandford	Knoblauch
1989	Lesser	White	Tauer	Knoblauch
1990	White	Knoblauch	Tauer	Figueroa
1991	Knoblauch	Metz	Tauer	Figueroa
1992	Metz	de Gorter	Tauer	Figueroa
1993	De Gorter	Forker	White	Figueroa
1994	De Gorter	Lee	Tomek	Forker
1995	Lee	Poe	Tomek	Forker
1996	Lee	Poe	Tomek	Forker
1997	Poe	Hayward	Tomek	Forker
1998	Poe	Hagan	Tomek	Forker
1999	Hagen	Stanton	Tomek	Forker
2000	Stanton	LaDue	Tomek	Cuykendall
2001	LaDue	Gloy	Tomek	Cuykendall
2002	Gloy	Uva	Tomek	Cuykendall
2003	Gloy	Casler	Tomek	Cuykendall
2004	Casler	Leiponen	Tomek	Cuykendall
2005	Casler	Herdt	Tomek	Cuykendall
2006	Herdt	Maloney	Tomek	Cuykendall
2007	Maloney	Cuykendall	Tomek	Stephenson
2008	Cuykendall	Schmit	Tomek	Stephenson
2009	Schmit	Gloy	Tomek	Stephenson
2010	Herdt	Rickard	Tomek	Stephenson <sup>a</sup>
2011	Rickard	White	Tomek	Henehan
2012	White	Barker	Tomek	Henehan

<sup>a</sup> Henehan replaced Stephenson July 2010



## Membership

New members could join the Club at any meeting. Whenever a new member joined, the Club was disbanded and immediately reformed including the new member. Originally, members could leave at any time. This was changed in the late 1970's to request that withdrawals occur at the November meeting. For tax equity reasons, this was changed in 2001 to require that all withdrawals occur effectively as of the end of the year, with a letter of request to withdraw submitted to the Secretary by the November meeting date.

The membership of the Club during its lifetime is shown in Table 2. The period of membership ranged from 1 year (two members) to 55 years (two members). Two of the founding members of the Club remained members throughout the life of the Club (Metz and Stanton). Thirteen people were members for over 20 years (Table 3), but the majority (40) were members for less than 10 years. The average tenure of members was 13 years. Two members (Barker and Forker) withdrew from the Club and then rejoined some years later. One member (Knoblauch) joined and withdrew from the Club three times.

During the last five years of operation, Club membership declined from nineteen to eleven (including two who had submitted letters of withdrawal effective the end of 2012). The declining membership was the major reason for disbanding the Club. The distribution of years of membership is shown in Table 3.

<b>Table 2. Double Eagle Club Membership 1958 to 2012</b>			
<b>Member Name</b>	<b>Number of years a member</b>	<b>Year joined Club</b>	<b>Year withdrew from Club</b>
Bratton, Arthur	27	1958	1984
Brunk, Max	13	1958	1970
Carpenter, Kenneth	10	1958	1967
Darraah, Lawrence	7	1958	1964
Earle, Wendel	7	1958	1964
Hedlund, Glenn	19	1958	1976
How, R.Brian	35	1958	1992
Jeffrey, A.D.	1	1958	1958
Kearl, C.Delmar	7	1958	1964
Loomis, Clifton	17	1958	1974
Lutz, Ed	8	1958	1965
Mellor, John	9	1958	1966
Metz, Joe	55	1958	2012
Robinson, Kenneth	25	1958	1982
Smith, Robert S.	6	1958	1963
Stanton, Bernard	55	1958	2012
Story, Robert	14	1958	1971
Wright, Carlton E.	4	1958	1961

<b>Table 2. Double Eagle Club Membership 1958 to 2012, Cont. 1</b>			
<b>Member Name</b>	<b>Number of years a member</b>	<b>Year joined Club</b>	<b>Year withdrew from Club</b>
Ott, Leland	2	1959	1960
Barker, Ranolph	16	1960	1995 <sup>a</sup>
Tobey, John	6	1960	1965
Aplin, Richard	13	1961	1973
Conneman, George	12	1961	1972
Tomek, Bill	52	1961	2012
Goodrich, Dana	14	1961	1974
Baumel, C.P.	2	1961	1962
Brown, Earl	17	1963	1979
Sisler, Daniel	10	1963	1972
Allee, Dave	20	1965	1984
Casler, George	47	1966	2012
Forker, Olan	41	1966	2012 <sup>b</sup>
Ben-David S.	5	1967	1971
Bugliari, Joe	19	1967	1985
Eiler, Doyle	7	1971	1977
LaDue, Eddy	42	1971	2012
Mapp, Harry	3	1972	1974
Jacobs, James	4	1972	1975
Boisvert, Richard	27	1973	1999
Lifferth, Dennis	2	1973	1974
Mount, Timothy	1	1974	1974
Day, Lee	13	1975	1987
Blandford, David	14	1976	1989
Lessor, William	12	1978	1989
Knoblauch, Wayne	21	1982	2009 <sup>c</sup>
Lazarus, William	7	1982	1988
Lee, David	19	1982	2000
Ranney, Christine	9	1984	1992
White, Jerry	28	1985	2012
Figuroa, E.	10	1987	1996
Willett, Lois	2	1988	1989
Kyle, Steve	2	1988	1989
Tauer, Loren	7	1988	1994
DeGorter, Harry	16	1988	2003
Christy, Ralph	12	1992	2003
Poe, Greg	8	1994	2001
Hayward, Bud	6	1994	1999
Hagen, James	10	1997	2006
Chapman, Duane	8	1999	2006

<b>Table 2. Double Eagle Club Membership 1958 to 2012, Cont. 2</b>			
<b>Member Name</b>	<b>Number of years a member</b>	<b>Year joined Club</b>	<b>Year withdrew from Club</b>
Cuykendall, Charles	13	1999	2011
Gloy, Brent	12	1999	2010
Meloy, Megan	5	1999	2003
Uva, Win-fe	5	1999	2003
Hawkes, Rod	3	2000	2002
Ng, David	2	2000	2001
Grusenmeyer, David	3	2001	2003
Maloney, Tom	12	2001	2012
Leiponen, Aija	5	2002	2006
Herd, Robert	9	2003	2011
Barrett, Chris	4	2006	2009
Henehan, Brian	7	2006	2012
Stephenson, Mark	5	2006	2010
Pinstrup-Anderson, P.	6	2007	2012
Schmit, Todd	6	2007	2012
Nicholson, Chuck	2	2008	2009
Novakovic, Andrew	3	2008	2010
Rickard, Bradley	4	2009	2012

<sup>a</sup> Member 1960 through 1967 and 1988 through 1995.

<sup>b</sup> Member 1966 through 1984 and 1991 through 2012.

<sup>c</sup> Member 1984 through 1993, 1997 through 2003 and 2008 through 2009.

The declining interest in belonging to the Double Eagle Club over the last 10-15 years appears to be consistent with the national experience. Betterinvesting, a group in Madison Heights, Michigan, that provides support to investment clubs, indicates that total membership in the investment clubs it tracks fell from 400,000 in 1998 to about 39,000 in 2012. Membership declined each year after 1998.<sup>5</sup> The reasons given for the decline in interest include (1) the sharp decline in stock values with the recession and the variable recovery in the following years – it is not as much fun to invest in the stock market when you are losing money!, (2) a feeling that individuals cannot compete with the machines and insider information of hedge-funds and high-frequency traders “who now generate more than half of all trading volume, according to the Tabb Group.” (3) the educational advantage of club membership has declined as more stock information and analyses are available on the web<sup>6</sup>, and (4) the fact that professional fund managers rarely outperform the market indexes for more than a year at a time.

<sup>5</sup> Browning, E.S. “Fun Fades at Investment Clubs”, Wall Street Journal, February 3, 2013.

<sup>6</sup> Vigeland, Tess “Shedding a Tear over Vanishing Investment Clubs”, Next Avenue, February 8, 2013.

<b>Years as a member</b>	<b>Number of members</b>
50-55	3
40-49	3
30-39	1
20-29	6
10-19	23
Under 10	40

### **Investment Results**

The original value of a share in the Double Eagle Club was \$20. That, of course, changed as the fortunes of the Club changed. In 1999 the Club conducted a 10 for 1 split, giving everyone 10 times as many shares. The changes in the value of shares in the Club are shown in Table 4. For consistency, data for all years are adjusted for the split, resulting in the original value of shares at \$2 instead of the actual \$20 and the original number of shares at 450 instead of the actual 45.

The first investment was made in the Double Eagle Club in December of 1958 and the Club was disbanded in December 2012, a period of 54 years. The average compound rate of return of the Club over the 54 year period was 7.9 percent. This compares quite favorably with the average rate of 6.2 percent for the S&P 500 and 5.9 percent for the Dow Jones Industrial Average over the same period (Table 4).

<b>Year</b>	<b>Number of Shares</b>	<b>Value per Share (\$)</b>	<b>DE Annual % change</b>	<b>% change in S&amp;P 500<sup>a</sup></b>	<b>% change in DJIA<sup>b</sup></b>
1958	450.00	2.00			
1959	1,360.70	2.53	27	0	5
1960	2,297.60	2.22	-12	11	4
1961	3,228.40	2.53	14	11	8
1962	4,428.40	1.97	-22	-4	-2
1963	5,225.00	2.24	14	16	15
1964	6,113.50	2.14	-4	14	15
1965	6,717.20	3.10	45	6	9
1966	7,479.50	2.69	-13	-7	-14
1967	7,391.20	4.41	64	7	1
1968	8,300.00	4.94	12	12	11
1969	8,936.90	4.77	-3	-17	-21

**Table 4. Value of Shares and Number of Shares  
Double Eagle Club, 1958 through 2012 Cont. 1**

<b>Year</b>	<b>Number of Shares</b>	<b>Value per Share (\$)</b>	<b>DE Annual % change</b>	<b>% change in S&amp;P 500a</b>	<b>% change in DJIAb</b>
1970	7,934.00	3.69	-23	13	17
1971	7,014.90	3.94	7	8	4
1972	7,109.90	4.75	21	12	11
1973	6,311.30	3.83	-19	-17	-14
1974	6,752.10	2.77	-28	-20	-18
1975	6,878.10	2.79	1	31	39
1976	6,290.60	3.49	25	1	-2
1977	6,630.50	3.31	-5	-13	-19
1978	7,074.40	3.82	15	12	9
1979	6,945.10	4.51	18	14	4
1980	7,232.60	7.25	61	13	8
1981	7,463.00	8.67	20	-7	-8
1982	7,088.50	10.12	17	21	23
1983	7,306.20	11.99	19	12	13
1984	5,040.40	12.15	1	10	5
1985	4,774.90	13.85	14	18	22
1986	4,926.10	16.70	21	29	37
1987	4,597.50	15.63	-6	-6	-9
1988	4,786.80	15.96	2	16	20
1989	4,860.90	18.99	19	11	11
1990	4,618.80	17.27	-9	5	6
1991	4,788.00	19.03	10	19	18
1992	4,932.20	18.32	-4	7	3
1993	4,592.30	19.35	6	10	20
1994	4,595.80	19.57	1	-2	-3
1995	4,649.40	25.69	31	35	40
1996	3,341.60	31.42	22	24	26
1997	3,256.30	37.05	18	25	16
1998	3,327.80	43.04	16	31	18
1999	3,251.06	116.74	171	9	17
2000	2,856.32	69.39	-41	-2	0
2001	2,754.03	62.03	-11	-17	-9
2002	2,627.20	40.24	-35	-24	-19
2003	2,629.34	58.59	46	32	30
2004	2,535.31	67.59	15	4	0

<b>Table 4. Value of Shares and Number of Shares Double Eagle Club, 1958 through 2012 Cont. 2</b>					
<b>Year</b>	<b>Number of Shares</b>	<b>Value per Share (\$)</b>	<b>DE Annual % change</b>	<b>% change in S&amp;P 500<sup>a</sup></b>	<b>% change in DJIA<sup>b</sup></b>
2005	2,592.38	80.12	19	8	4
2006	2,650.05	82.78	3	12	16
2007	2,623.14	115.56	40	-4	3
2008	2,686.53	67.12	-42	-40	-37
2009	2,769.40	83.27	24	30	26
2010	2,811.59	105.49	27	20	18
2011	2,022.02	104.22	-1	2	6
2012	1,459.33	119.55	15	14	10
	<b>Simple average</b>		<b>11.5</b>	<b>7.5</b>	<b>7.3</b>
	<b>Compound rate</b>		<b>7.9</b>	<b>6.2</b>	<b>5.9</b>

<sup>a</sup> Standard and Poors 500 index. Price adjusted for dividends and splits.

<sup>b</sup> Dow Jones Industrial Index. Price adjusted for dividends and splits

Equitable treatment of all members when a member leaves the Club has been a difficult issue due to large fluctuations in stock values. In 1974 (for 1973 year end report and henceforth), treasurer Bratton requested permission to not count dividends received in November and December until the following year “to facilitate the apportionment of dividends to members, including those who withdrew at the last meeting of the year.” This issue also led to the 2001 decision to require exit from the Club at the end of the year with notice of intent to withdraw due by the November meeting.

Over its life Double Eagle has significantly outperformed the market. The compound rate of growth averaged about 2 percent above the Dow Jones average and 1.7 percent higher than the S&P 500 over the entire period. A large proportion of the superior performance has occurred in the last 10 years. Over the first 40 years, Double Eagle performance was similar to or slightly above the market (Table 4). During the past few years, the Club has been lucky or astute enough to have a heavy weighting of energy stocks and little investment in financial stocks along with a few good selections. Notable among these were Apple, Yum Brands, Neogen and Novo Nordisk.

Table 5 shows the rates of return earned by the Club for roughly equivalent, approximately 11 year periods, over the life of the Club. The Club did very well compared to the market during the first and last periods. It was at or slightly below market in the second and fourth periods and significantly below the market in the 3<sup>rd</sup> period.

<b>Period</b>	<b>Years in Period</b>	<b>Rates of Return (%)</b>		
		<b>Double Eagle</b>	<b>DJIA</b>	<b>S&amp;P500</b>
12/1/1958 to 12/31/1969	11.08	8.16	2.22	3.97
13/31/1969 to 12/31/1980	11	3.88	2.22	3.90
12/31/1980 to 12/31/1991	11	9.17	11.78	11.01
12/31/1991 to 12/31/2002	11	7.04	8.68	6.95
12/31/2002 to 12/1/2012	9.92	11.62	5.03	5.28

The Double Eagle Club performance was clearly superior to that of the average investment club. Barber and Odean<sup>7</sup> found that “The average annual net returns of clubs lagged that earned by a passive S&P 500 index fund by 3.7 percentage points a year.” Even average individual investors outperformed the clubs by 2.3 percentage points per year, although they also did not perform as well as the S&P index. Although their study covered only the period 1991-1997, earnings of the Double Eagle Club in excess of average market returns were approximately equal to the earnings of the 75th percentile of all clubs in their sample. The Double Eagle Club did not dissolve because of low returns.

Although poor performance of the stock portfolio is often cited as a cause of lack of interest in clubs, some suggest that clubs usually fail for other reasons. Brooks<sup>8</sup> says that successful clubs usually (1) make specific assignments so that everyone contributes, (2) have close links among members, (3) maintain an egalitarian approach, (4) have a clearly defined investment approach, (5) maintain strong leadership without a “dictator”, (6) regularly review the performance of the existing portfolio, and (7) limit discussion to recommendations based on solid research. The success of the Club for over 50 years may result partly from the fact that it met those criteria quite well. However, some slippage in some areas may also have contributed to the dissolution, namely the lack of new potential members with close links to current members and a few lower quality investment and financial reports. The fact that most of the new faculty in the Dyson School tended to have different interests than the remaining members of the Double Eagle Club, which reduced close “non-investment related” links, and the emerging general view that individuals or groups have extreme difficulty outguessing the market, may partly explain the lack of new members.

<sup>7</sup> Barber, Brad M. and Terrance Odean “Too Many Cooks Spoil the Profits: Investment Club Performance” Association for Investment Management and Research, January/February 2000.

<sup>8</sup> Brooks, Andree, “Investment Clubs; What Splits Up Groups? (It’s not Performance)”, New York Times, November 12, 1994.

## Individual Stock Investments

The number of stocks owned by the Club at one time started out at two, but was up to 10 by 1964. It peaked at 17 in 1966. By 1968 the number was down to 10 to 12 and stayed near that range for the next 30 years. However, after 2000 the number tended to creep up, in spite of numerous investment committee suggestions that the number be controlled, to 18 to 20 different stocks during the 2007-2011 period.

Over the 54 years from 1958 to 2012 the Club made 329 different investments in stocks, where an investment includes the initial investment in a stock, possible additional purchases, and sales at one or more times until the Club no longer owns any of that stock. This involved slightly fewer different stocks, since the Club invested in the a few stocks more than once over the 50-year period. Examples include Apple, Morrell and Tompkins Trust Company.

Only 43 percent of the stocks purchased resulted in a gain. Of the 329 stocks purchased, 187 resulted in losses, that were often small, but averaged \$732 and 142 resulted in gains, some of which were quite sizeable, with an average of \$1,683.

The Club frequently confirmed earlier decisions by purchasing additional shares of stocks that it already owned. This occurred with about 30 percent of the stocks (98 stocks) owned. Some stocks, like Fairchild Camera and Taylor Wine, were purchased several times. The success rate on such stocks was somewhat better than the average for stocks where additional purchases were not made. Fifty-two percent of these stocks (51 stocks) resulted in a gain while only 40 percent of stocks (91 of 231 stocks) without added purchases resulted in gains.

Large gains were achieved with a few stocks (Table 6). The \$128,905 gain from ownership of Qualcomm (see Table 9 for details) represented 41 percent of the \$312,810 total gains of the Club over the 54 years. This might lead to the charge that the Club's good return has been the result of a lucky pick of one stock. However, one could counter that one excellent pick in 54 years could be expected.

As indicated in Table 9, Qualcomm was first purchased in 1998 and 1999 when 93 and 193 shares were purchased, respectively. The stock split 2 for 1 in May and 4 for 1 in December of 1999. Because of its nice performance 100 added shares were purchased in 2009. However, frequently thinking that the stock would not likely go up anymore or that gain should be taken while it was there, the Club sold shares in 1999, 2000, 2001, 2005, 2006 and 2008, before the final sale in 2012. Due to the two stock splits in 1999, the Club sold a total of 1786 shares after purchasing 386 shares. Interestingly, the total gain from owning this stock would have been over \$33,000 less if the Club had held all the shares until 2012. The corollary of that, of course, is that if the Club had sold all shares owned in May of 2000, the total gain would have been over \$20,000 higher.



<b>Table 6. Ten Stocks With the Largest Gains</b>			
Stock	Year of Purchase	Year of Sale	Gain
Qualcomm Inc.	1998	2012	128,905
Browning Ferris	1979	1991	32,623
General Electric	1991	2010	24,457
Apple	2010	2012	23,971
Coca Cola Co.	1990	1999	22,479
Potash Corp Sask. Inc.	2007	2010	17,589
Neogen	2008	2012	16,338
General Growth Prop.	2003	2007	15,233
Novo Nordisk	2007	2012	14,693
Petrochina Company	2002	2006	14,645

Fortunately, the Club has been able to keep the big losses smaller in absolute value than the gains (Table 7). The large losses have been kept under \$15,000 and only eight have exceeded \$5,000. It is interesting to note that half of the 10 stocks with the largest losses occurred with stocks first purchased in 2000, a bad year for the Club!

<b>Table 7. Ten Stocks With the Largest Losses</b>			
Stock	Year of Purchase	Year of Sale	Loss
First Solar Inc.	2008	2010	-14,774
Phone.Com Inc./ Openwave Systems	2000	2001	-9,803
Home Nutr.Svcs.	1992	1993	-6,995
Safeguard Scientifics Inc	2000	2001	-6,930
BE Aerospace Inc.	2007	2009	6,418
I 2 Technologies	2000	2001	-6,891
Zila Inc.	2000	2007	-5,398
IBM	2000	2002	-5,260
Peabody Energy	2005	2012	-4,805
Broderbund Software Inc	1995	1996	-4,654

## Summary

The Double Eagle Club was an investment club started by faculty in the Department of Agricultural Economics at Cornell University in December 1958. During the next 54 years the Club operated with few changes in organization or structure.

During that period the Department of Agricultural Economics changed its name, first to the Department of Agricultural Resource and Managerial Economics (ARME), and then to the Department of Applied Economics and Management, and finally to the Dyson School of Applied Economics and Management. Over the 54 years the Club had a total of 76 members with average tenure of 13 years. Two of the founding members were still in the Club when it was disbanded. In 2012 the Club was disbanded due primarily to the inability to recruit new members. Over the 54 year period the Club had an average compound rate of return of 7.9 percent while the market increased by 5.9 percent (according to the Dow Jones Industrial Average) or 6.2 percent (according to the S&P 500 index). An earnings rate of nearly 2 percent above market rates over a 54 year period is truly an outstanding performance. A study of the profitability of investment clubs using 1991-97 data found that over 60 percent of such clubs obtain rates of return below market averages.

In addition to a good return, the Club meetings provided members an opportunity to discuss and learn about investment markets and, particularly, stocks. Although the Club no longer filled a need for most new faculty members, based on their lack of interest in joining, it was certainly a successful venture for those participating in it over the past half century.

<b>Table 8. Gain or Loss on Stocks Purchased</b>						
Stock Name	Initial purchase		More purchased? <sup>a</sup>	Year first purchased	Year last sold	Gain or loss <sup>b</sup>
	No. shares	Cost				
Eastern Airlines	10	353		1958	1960	-110
Winn Dixie	10	429		1958	1959	1
Ashland Oil	15	312		1959	1960	-4
Admiral Corp.	14	252	yes	1959	1960	25
John Morrell	18	507		1959	1959	413
Mexican Power and Light	15	202		1959	1961	-82
Lone Star Cement	15	488	yes	1959	1965	-412
Fedders Corporation	34	619	yes	1959	1965	284
Howe Sound	40	828		1960	1962	-149
Wilson and Company	31	1,175		1960	1965	413
Fairchild Camera	8	1,206	yes	1960	1966	3,092
John Morrell	14	495	yes	1961	1964	-263
El Paso Natural gas	26			1961	1965	-106
Bobbie Brooks	35	796		1962	1967	-149
American Airlines	45	1039		1962	1963	-133
Gillette Company	47	1,524		1963	1964	-142
Bristol Myers	6	681	yes	1963	1969	1,451
Liggett and Myers Tobacco	4	299	yes	1964	1966	-192
Frito Lay/Pepsico. Inc.	15	609		1964	1966	6
Swift and Co.	16	809		1964	1967	-4
Telephone Services co. of Ohio	76	1,734		1964	1965	599
Family Finance	26	744		1964	1966	-100
Ford Motor	12	673	yes	1965	1967	-161
Penn Fruit Co.	100	903		1965	1968	905
Cenco Instruments	38	1,286		1965	1967	470
Taylor Wine	40	1,047	yes	1965	1972	6,534
Grand Union	32	910		1965	1967	279
Union Carbide	20	1,374	yes	1965	1968	-363
Borroughs Corp	40	1,540		1965	1967	4,404
Spencer Packing	60	1,469		1965	1967	-474
Iowa Beef Packers	25	1,623		1966	1967	-579
VSI Corporation	50	1,236		1966	1967	1,555

**Table 8. Gain or Loss on Stocks Purchased,Cont. 1**

Stock Name	Initial purchase		More purchased? <sup>a</sup>	Year first purchased	Year last sold	Gain or loss <sup>b</sup>
	No. shares	Cost				
Royal Dutch Petroleum	14	585		1966	1967	-113
Chemetron Corp.	38	2,049		1966	1968	-619
Archer Daniels Midland	16	676		1966	1967	21
Rayette-Fabrege	32	1,108		1967	1967	584
Stauffer Chemical Co.	40	1,818		1967	1696	-380
Bemis co.	55	2,137	yes	1967	1971	-703
Marriott Hot-Shoppes	52	1,845		1967	1968	1,385
Aetna Life Ins. Co.	50	2,368	yes	1967	1968	-1,449
Electric Computer Program Inst.	30	1,509		1968	1968	-625
Planning Research	40	1,509		1968	1972	-311
American Tel and Tel	60	3,047		1968	1971	-195
First Penn. Bank and Trust	50	2,021	yes	1968	1974	781
Texas Gulf Sulphur	82	3,612	yes	1968	1971	-2,452
American Pipe and Construction/Ameron	130	2,771	yes	1968	1970	-282
Standard Oil of New Jersey	30	2,394	yes	1968	1970	-365
Gulf and Western Ind.	52	2,735		1968	1969	-1,536
Westvaco Corp.	100	3,675		1969	1970	-1,273
Alaska Interstate	50	1,564		1969	1971	-693
Bermec	100	954		1969	1970	-693
Kentucky Fried Chicken/Heublein	25	1,182	yes	1969	1973	-873
MacAndrews and Forbes Co.	40	1,146		1996	1970	-267
Upjohn Co.	35	1,821		1970	1971	199
Teledyne, Inc.	55	1,012	yes	1970	1974	-742
Eastman Kodak	18	1,195	yes	1970	1978	-1,108
Capital Industries, Inc.	100	1,787		1970	1972	-1,479
City Investing	65	1,591	Yes	1971	1974	-2,429
Heitman Mortgage Investors	200	2,528		1971	1973	130
Madison SquareGarden	8	<sup>c</sup>		1969	1974	6
Simon and Schuster	200	1,138	Yes	1971	1973	-905

**Table 8. Gain or Loss on Stocks Purchased, Cont. 2**

Stock Name	Initial purchase		More purchased? <sup>a</sup>	Year first purchased	Year last sold	Gain or loss <sup>b</sup>
	No. shares	Cost				
International Food Service	100	2,471		1971	1973	-1,266
Marriott Corporation	20	1,154		1972	1972	220
Rorer-Amchem	45	1,606		1972	1972	-164
Armstrong Rubber	42	1,814		1972	1973	-880
Syntex	23	2,002		1972	1973	451
VCA Corporation	200	4,322		1972	1974	-2,654
Hormel & Co.	100	1,962	yes	1972	1973	-427
Airco, Inc.	100	1,772		1972	1973	-336
Deere & Co.	10	461	Yes	1973	1974	-797
W.R.Grace and Co.	65	1,664	Yes	1973	1976	335
Tesoro Petroleum	20	706	Yes	1973	1975	-921
Seaboard Coast Lines Inds.	55	1,431	Yes	1973	1975	-463
Ford Motor Corp.	45	2,546		1973	1974	-1,097
Mead Corp.	100	1,839	Yes	1973	1975	-490
Philip A. Hunt Chemical	54	976		1974	1975	-226
UniTek	100	1,433		1974	1976	1,613
Consyne Corp.	65	495		1974	1974	-263
Burlington Northern	100	1,373		1974	1977	601
Pneumo Corp.	100	556		1974	1975	496
Uarco Inc.	30	614	Yes	1974	1976	16
IBM	8	1,348	Yes	1974	1980	-500
Reynolds Metals	35	574		1975	1975	127
Crane Co.	31	1,196		1975	1975	152
Eastern Gas & Fuel Assoc.	46	2,015	Yes	1975		185
Marathon Manufacturing	300	3,345		1975	1976	-1,027
George A. Hormel	115	2,096		1975	1976	391
Iowa Beef Processors	72	1,721		1975	1976	469
Zurn Industries	155	1,499	Yes	1975	1981	2,325
Cone Mills	46	1,904		1976	1976	136
Envirotech Corp.	50	1,446		1976	1978	-95
Maryland Cup	135	3,132	Yes	1976	1979	982
Rubbermaid Inc	100	2,489		1976	1979	175
American Airlines	140	2,086		1977	1979	-804

**Table 8. Gain or Loss on Stocks Purchased, Cont. 3**

Stock Name	Initial purchase		More purchased? <sup>a</sup>	Year first purchased	Year last sold	Gain or loss <sup>b</sup>
	No. shares	Cost				
LouisianaLand&Explo.	68	1,894		1977	1977	-278
Doyle Dane Bernbach	18	369	Yes	1977	1978	-125
Metpath, Inc	100	1,893		1977	1979	1,044
Genisco Technology	100	174	Yes	1977	1979	984
Hospital Corp of America	100	2,629		1977	1983	10,249
Int'l Flavor & Fragrances	79	1,737	Yes	1978	1980	-620
Johnson Controls	43	1,188	Yes	1978	1979	-442
Data General Corp.	41	2,408		1978	1979	63
George A Hormel	19	467	Yes	1978	1979	732
Texaco	100	2,578	Yes	1979	1980	1,391
Browning Ferris	100	1,220	Yes	1979	1991	32,623
Intersil, Inc	200	3,174		1979	1979	3032
Pentair Industries	100	2,045		1979	1980	-491
Ampex	100	2,515		1980	1981	691
Savin Corp.	200	3,022		1980	1980	-280
Englehard Mineral & Chemical/ Philbro	100	2,874	Yes	1980	1981	800
Shared Medical System	100	1,821		1980	1982	1,069
Santa Fe (Int'l or Ind.)	100	4,278	Yes	1980	1982	3,913
Bergen Brunswig	200	4,977		1980	1983	9,183
Conoco, Inc	100	6,793		1980	1981	-1,417
Citicorp	100	2,406		1981	1981	123
Viacom Int.	50	2,739	Yes	1981	1982	-1,436
First City BC Texas	100	3,250	Yes	1981	1983	-1,909
Boeing Co.	100	2,998		1981	1982	-986
Chrysler Corp.	200	1,389		1981	1982	536
MCI Comm	100	2,113		1981	1983	6,403
Gelman Science	200	2,599		1981	1982	-821
Bally Mfg.	100	3,010		1981	1982	-109
Dow Jones	100	4,637		1982	1985	3,780
Commerce Clearing	100	4,889	Yes	1982	1983	2,266
Nike Inc. Class B	100	2,708		1982	1983	735
Medtronic Inc.	100	4,208		1982	1982	-266
Commodore Int'l	150	8,958		1982	1984	2,757
Philips Industries	100	2,746	Yes	1983	1984	439
IBM	40	4,739	Yes	1983	1986	2,068

**Table 8. Gain or Loss on Stocks Purchased, Cont. 4**

Stock Name	Initial purchase		More purchased? <sup>a</sup>	Year first purchased	Year last sold	Gain or loss <sup>b</sup>
	No. shares	Cost				
James River	100	4,360		1983	1985	200
Advest	100	2,746		1983	1984	-1,376
Coleman	100	4,335		1983	1984	-1,622
Ransburg	100	2,532		1983	1984	-644
Eastman Kodak	100	6,951		1983	1984	-206
Caesars World	200	2,726		1983	1984	-431
Manor Care	200	3,994	Yes	1983	1988	5,045
Tacoma Boatbuild.	100	1,228		1983	1984	-757
Ungermann Bass	200	3,061		1984	1985	-497
Dysan Corp.	100	2,418		1984	1984	-1,884
Daisy Systems	100	2,468		1984	1985	-19
Exxon Corp.	100	4,379		1984	1984	-108
Equatorial Comm.	50	1,029	Yes	1984	1985	-575
Coherent Inc.	150	3,412		1985	1986	-778
Kulicke and Soffa	100	2,638		1985	1985	-1,471
Compression Labs	500	2,769		1985	1987	-663
American Motors	500	1,885		1985	1986	-699
J. P. Morgan	50	2,626		1985	1988	679
Charter Medical	200	5,847		1985	1986	-2,147
Wachovia Corp.	75	2,780		1985	1987	267
Maxicare Health	300	5,955		1985	1987	-1,841
Guest Supply	50	892	Yes	1985	1987	-1,902
National Education	100	1,980	Yes	1986	1990	-1,208
Meditrust	100	2,499		1986	1989	-74
Ryland Group	100	4,127	Yes	1986	1987	386
Worthington Industries	150	4,305		1986	1990	476
Heinz, H. J.	100	4,013	Yes	1986	1993	5,918
Liz Clayborne	100	3,761	Yes	1986	1988	-1,598
Millipore Corp.	200	5,541	Yes	1986	1989	782
Chi Chi	200	1,472		1986	1987	-21
Trans World Air	200	4,784		1987	1987	-1,307
Curtice Burns	45	1,886		1987	1988	-292
Seagate Tech.	100	4,452		1987	1987	-2,252
Inland Steel	100	3,206	Yes	1987	1989	737
USG Corp.	100	3,420		1987	1987	-715
Masco Corp.	100	3,446		1987	1988	-921
Worthington	100	2,363		1987	1988	-425
Sands Regent	300	3,024		1987	1988	-323

**Table 8. Gain or Loss on Stocks Purchased, Cont. 5**

Stock Name	Initial purchase		More purchased? <sup>a</sup>	Year first purchased	Year last sold	Gain or loss <sup>b</sup>
	No. shares	Cost				
Apple Computer	100	4,350		1988	1989	-468
Nordson Corp	100	3,811		1988	1989	1,011
Wausau Paper	100	3,635	Yes	1988	1990	1,525
Arctic Alaska Fisheries	300	2,697		1989	1989	111
Laidlaw Trans.	400	6,119		1989	1991	-2,493
Huntingdon Intl.	100	3,564		1989	1991	1,811
Reuters Holdings	100	3,892	Yes	1989	1991	-109
N. E. Critical Care	100	3,025		1989	1991	4,943
Air Canada	300	3,308		1989	1991	-1,430
Pegasus Gold	100	997	Yes	1989	1990	-503
Stride Rite	100	2,618		1989	1990	-186
N. C. National Bank	100	4,801		1989	1990	-944
Candela Laser Co.	200	3,174		1990	1992	-992
Biogen Inc.	100	1,896		1990	1990	398
Minnesota M & M	100	8,370		1990	1993	2,200
Coca Cola Co.	50	4,728	Yes	1990	1999	22,479
Disney Walt Co.	50	6,528		1990	1990	-2,166
Bird Corporation	200	2,925		1991	1992	-695
Fluor Corp.	100	4,955		1991	1992	-1,002
Daniel Industries	200	4,741		1991	1991	-2,189
Syntex Corp.	200	8,075		1991	1993	-4,011
General Electric	100	7,210	Yes	1991	2010	24,457
Bank of Boston	100	1,088		1991	1992	368
Bank One Corp.	100	4,450	Yes	1991	1994	-646
Forest Labs	100	3,441		1991	1992	349
Universal Foods	100	3,857		1991	1993	-473
Home Nutr.Svcs.	200	4,994	Yes	1992	1993	-6,995
Amgen	100	5,935	yes	1992	1995	2,426
GTE Copr.	100	3,442	Yes	1992	1993	482
Wal-Mart Stores	200	6,888		1993	1994	-2,156
Hong Kong Telephone	100	4,942		1993	1995	798
Idexx Labs Inc.	100	4,096	Yes	1993	1995	5,819
Value Health	100	3,233		1993	1995	-14
Abbott Labs Inc.	100	4,677		1993	1999	7,940
Hi-Shear Industries	400	2,079		1993	1994	187
Telefonica de Espana	100	4,159		1994	1994	-329
Bank of East Asia Ltd.	500	2,152	Yes	1994	1994	-316
Senetek	500	2,373		1994	1997	-940



**Table 8. Gain or Loss on Stocks Purchased, Cont. 6**

Stock Name	Initial purchase		More purchased? <sup>a</sup>	Year first purchased	Year last sold	Gain or loss <sup>b</sup>
	No. shares	Cost				
Integrated Device Tech.	100	2,809		1994	1996	-1,147
Airborne Freight Corp.	100	2,822		1994	1995	-700
R.G. Barry Corp. Ohio	100	2,013		1994	1995	736
Prestek Inc.	100	4,475		1994	1996	4,738
Wausau Paper Mills Co.	200	4,791		1994	1995	212
Zila, Inc.	600	2,501	Yes	1994	1999	767
Sciclone Pharmaceuticals	400	2,635		1994	1995	-75
Broderbund Software Inc	100	7,738		1995	1996	-4,654
Davidson & Associates	100	3,620		1995	1996	-2,024
Gillette	100	7,334	Yes	1995	1998	13,176
Luminart Inc.	1000	4,510		1995	1995	-2,665
Oracle Systems Corp.	100	3,368		1995	1998	1,040
Parametric Technology	100	4,377	Yes	1995	1999	-1,425
Southwest Airlines	200	5,400		1995	1996	-993
Timken Co.	100	4,529		1995	1996	-814
American Studios Inc.	1000	1,871		1996	1996	-670
Empresas La Moderna	100	1,866		1996	1997	80
Koninklijke Ahold	100	6,388		1966	2000	2,019
Royal Caribbean Cruises	100	4,377		1997	2000	6,416
Aasche Transport. Serv.	400	2,285		1997	1997	-931
Intel Corp.	100	15,563		1997	2005	3,320
Monsanto Co.	100	4,478		1997	1999	-251
Raymond James Financ.	200	7,144		1997	1999	-1,280
Thermedics Inc.	200	3,811		1997	1998	-617
B.J. S. Wholesale Club	100	3,961	Yes	1998	1993	-3,864
Philadelphia Suburban	200	5,262		1998	1999	-843
Qualcomm Inc.	93	5,177	Yes	1998	2012	128,905
Solutia Inc.	100	2,838		1998	1998	-407
Tompkins Trust Co.	100	3,999	Yes	1998	1999	-1,516
Walt Disney Co Holding	200	7,119	Yes	1999	2001	870

**Table 8. Gain or Loss on Stocks Purchased, Cont. 7**

Stock Name	Initial purchase		More purchased? <sup>a</sup>	Year first purchased	Year last sold	Gain or loss <sup>b</sup>
	No. shares	Cost				
Bristol Myers Squibb Co	100	7,051	Yes	1999	2000	-1,433
Microsoft Corp.	100	9,526		1999	2002	-4,096
Ethan Allen Interiors Inc	100	2,877		1999	2000	-273
Emerson Electric	100	5,776	Yes	1999	2010	3,313
Phone.Com Inc./ Openwave Systems	100	12,963		2000	2001	-9,803
Minimed Inc.	100	8,338	Yes	2000	2001	-1,247
Safeguard Scientifics Inc	200	8,302		2000	2001	-6,930
Zila Inc.	1000	4,827	Yes	2000	2007	-5,398
Ectel Ltd.	300	6,615		2000	2001	-3,930
IBM	100	12,577		2000	2002	-5,260
I 2 Technologies	50	9,095		2000	2001	-6,891
Motorola Inc.	100	2,209		2001	2001	-725
Calpine Corp.	100	5,415	Yes	2001	2003	-2,274
Lincare Holdings	200	6,287		2001	2003	916
Harris Corp. (includes spinoff Harris Stratex)	200	6,431	Yes	2001	2011	9,837
Nabors Inds Inc.	100	2,299		2002	2007	1,632
Pfizer Inc.	200	7,379		2002	2004	-605
Petrochina Company	100	1,957	Yes	2002	2006	14,645
Twin City Financial	100	4,628		2002	2003	695
Zions Bancorp	100	4,979	Yes	2002	2007	3,795
El Paso Corp.	300	4,758		2002	2002	-1,178
Emcor Group Inc.	100	4,905		2002	2004	-712
Valmont Inds Inc.	200	4,099		2003	2003	54
Cognizant Tech Sol	100	6,537		2003	2003	-1,207
General Growth Prop.	100	5,826	Yes	2003	2007	15,233
Invision Tech	100	2,604		2003	2003	224
Planer Systems	200	4,282		2003	2004	-1,841
Utstarcom	100	3,254		2003	2004	-1,367
British Petroleum	100	4,838	Yes	2004	2007	1,291
Microsoft Corp.	100	2,561	Yes	2004	2005	-213
Teva Pharmaceutical	100	6,395	Yes	2004	2007	2,400
Align Technology	200	3,748		2004	2004	-1,613

**Table 8. Gain or Loss on Stocks Purchased, Cont. 8**

Stock Name	Initial purchase		More purchased? <sup>a</sup>	Year first purchased	Year last sold	Gain or loss <sup>b</sup>
	No. shares	Cost				
Tele Nordeste Cell / TIM Participacoes SA	200	4,615		2004	2004	778
Chevron Texaco Corp.	50	5,017		2004	2005	651
Tompkins Trust Co.	100	4,875	Yes	2004	2006	545
Briggs & Stratton	100	3,880		2005	2005	-446
Peabody Energy	100	5,474	Yes	2005	2012	-4,805
Patriot Coal Corp <sup>d</sup>	40	343	Yes	2005	2008	1,749
Lucent Technology Inc.	1000	3,131		2005	2006	-302
Billion Ltd.	200	8,683		2006	2007	-886
Toyota Motors	200	21,233		2006	2008	91
Burlington Northern SF	100	7,725		2006	2010	2,184
United Parcel Service	100	7,541		2006	2007	-100
Xyratex Ltd.	200	4,369		2007	2007	-1,372
Chesapeake Energy	200	5,575	Yes	2007	2009	-3,015
Potash Corp Sask. Inc.	150	7,850		2007	2010	17,589
Trimble Nav. Ltd.	200	5,251		2007	2008	570
Rogers Communications	150	4,775		2007	2009	-1625
AT&T	200	7,833		2007	2008	153
Titanium Metals Corp.	200	6,844		2007	2008	-2,293
Core Laboratories	100	11,500	Yes	2007	2010	6,914
BE Aerospace Inc.	200	7,855		2007	2009	-6,418
Novo Nordisk	200	12,634		2007	2012	14,693
First Solar Inc.	50	11,318	Yes	2008	2010	-14,774
CSX Corporation	200	13205.87		2008	2008	-1477
Neogen Corp.	400	10,131	Yes	2008	2012	16.338
Syngenta Ag	300	17,234		2008	2011	495
Canadian Nat'l Railway	100	4,700	Yes	2008	2012	9,300
Western Union	200	4,788		2008	2008	-2199
Fluor Corp.	200	11,971		2008	2010	-3,357
Cal-Maine Foods Inc.	200	4,703		2008	2009	500
Nintendo Co Ltd.ADR	200	7,417		2008	2009	-724
Johnson and Johnson	100	5,691		2009	2010	639
Onmicom Group	100	2,238		2009	2009	-16
Citi Group	1000	1,571	yes	2009	2009	3,427
Onnicare	100	2,390		2009	2009	-5

<b>Table 8. Gain or Loss on Stocks Purchased, Cont. 9</b>						
Stock Name	Initial purchase		More purchased? <sup>a</sup>	Year first purchased	Year last sold	Gain or loss <sup>b</sup>
	No. shares	No. shares				
Stryker Corp.	200	7,815		2009	2012	2,721
Synaptics, Inc.	200	6,891		2009	2010	-1,252
Energizer Holdings Inc.	150	9,955		2009	2010	464
Gen2media Com - renamed Vidaroo Corp	4000	2048	Yes	2009	2011	-3,670
China Mobile Ltd.	200	9,714		2009	2011	316
Yum Brands	200	7,148	Yes	2010	2012	8,105
Genzyme Corp. (inc. Sanofi contingent value)	100	5,687		2010	2011	1,799
Activision Blizzard Inc	500	5,332		2010	2012	614
Apple Inc.	100	25,724		2010	2012	23,971
Republic Services Inc.	200	6,342		2010	2011	-382
Molycorp Inc.	100	3249		2010	2012	-1,268
Express Scripts	200	8,813		2011	2012	1,604
Shutterfly Inc.	150	5,925		2011	2011	-122
Whole Foods Mkt Inc	200	12,609		2011	2011	509
Uniontown Energy	2000	3,728		2011	2012	-3,616
Westport Innovations	200	5,440		2011	2012	2,305
Aerovirment inc.	200	6,307		2011	2012	-1,873
Panera Bread Co.	50	7,349	Yes	2012	2012	443
Bank of America	400	3,767		2012	2012	-2
Trinity Inds. Inc Texas	100	3,500		2012	2012	-559
3D Systems Inc.	100	3,264		2012	2012	757
National Oilwell Varco	100	8,263		2012	2012	-955

<sup>a</sup> Excludes stock splits, stock dividends and part-share purchases.

<sup>b</sup> Excludes dividends.

<sup>c</sup> Received in exchange for 3 shares of Transmation Development Corporation which was formerly Gulf and Western Land and Development Company a spin off from Gulf and Western which had no value at the time of the spin off.

<sup>d</sup> 2007 Spinoff from Peabody Energy

**Table 9. The Anatomy of an Auspicious Investment  
Our Experience with Qualcomm**

Year	Action	Shares Owned	Amount Received	Gain	Year End Stock Value
1998	January purchase 93 shares for \$5,176.56	93			4,819
1999	January purchase of 100 shares for \$6,062.66	193			
	May stock split 2 for 1	386			
	November sale of 86 shares	300	14,913.01	12,519.63	
	December stock split 4 for 1	1200			211,500
2000	January sale of 200 shares	1000	30,149.45	28,757.67	
	May sale of 200 shares	800	31,846.48	30,454.70	
	July sale of 300 shares	500	18,509.43	16,235.93	41,094
2001	May sale of 100 shares	400	6,084.84	5,327.01	20,200
2002		400			14,556
2003		400			21,572
2004		800			33,920
2005	January sale of 100 shares	700	4,234.91	3,879.99	
	November sale of 100 shares	600	4,587.85	4,232.93	25,848
2006	September sale of 200 shares	400	7,460.82	6,750.99	15,116
2007		400			15,740
2008	March sale of 200 shares	200	7,825.40	7,115.57	10,530
2009	July purchase of 100 shares for \$4,362.69	300			
2012	Sale of all remaining shares	0	18,703.53	13,630.99	0
	Total Gain			128,905.41	

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