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SP 2014-01
May 2014



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 LaDue¹

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)

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 30th 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.

¹ 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 ago². 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.

² 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.³" 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!

³ 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 period⁴ 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).

| Table 1. Officers of the Double Eagle Club, 1958 to 2012 | | | | |
|---|------------------|-----------------------|------------------|------------------|
| Year | President | Vice President | Secretary | Treasurer |
| 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 |

⁴ 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.

| Table 1. Officers of the Double Eagle Club, 1958 to 2012, Con't. | | | | |
|---|------------------|-----------------------|------------------|-------------------------|
| Year | President | Vice President | Secretary | Treasurer |
| | | | | |
| 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 ^a |
| 2011 | Rickard | White | Tomek | Henehan |
| 2012 | White | Barker | Tomek | Henehan |

^a 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.

| Table 2. Double Eagle Club Membership 1958 to 2012 | | | |
|---|-------------------------------------|-------------------------|------------------------------------|
| Member Name | Number of years a member | Year joined Club | Year withdrew from Club |
| Bratton, Arthur | 27 | 1958 | 1984 |
| Brunk, Max | 13 | 1958 | 1970 |
| Carpenter, Kenneth | 10 | 1958 | 1967 |
| Darraha, 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 |

| Table 2. Double Eagle Club Membership 1958 to 2012, Cont. 1 | | | |
|--|-------------------------------------|-------------------------|------------------------------------|
| Member Name | Number of years a member | Year joined Club | Year withdrew from Club |
| Ott, Leland | 2 | 1959 | 1960 |
| Barker, Ranolph | 16 | 1960 | 1995 ^a |
| 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 ^b |
| 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 ^c |
| 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 |
| | | | |

| Table 2. Double Eagle Club Membership 1958 to 2012, Cont. 2 | | | |
|--|---------------------------------|-------------------------|--------------------------------|
| Member Name | Number of years a member | Year joined Club | Year withdrew from Club |
| 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 |

^a Member 1960 through 1967 and 1988 through 1995.

^b Member 1966 through 1984 and 1991 through 2012.

^c 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 1998.⁵ 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 web⁶, and (4) the fact that professional fund managers rarely outperform the market indexes for more than a year at a time.

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

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

| Years as a member | Number of members |
|--------------------------|--------------------------|
| 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).

| Year | Number of Shares | Value per Share (\$) | DE Annual % change | % change in S&P 500^a | % change in DJIA^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**

| Year | Number of Shares | Value per Share (\$) | DE Annual % change | % change in S&P 500a | % change in DJIAb |
|-------------|-------------------------|-----------------------------|---------------------------|---------------------------------|--------------------------|
| 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 |
| | | | | | |

| Table 4. Value of Shares and Number of Shares Double Eagle Club, 1958 through 2012 Cont. 2 | | | | | |
|---|-----------------------------|---------------------------------|-------------------------------|--|---|
| Year | Number of Shares | Value per Share (\$) | DE Annual % change | % change in S&P 500^a | % change in DJIA^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 |
| | Simple average | | 11.5 | 7.5 | 7.3 |
| | Compound rate | | 7.9 | 6.2 | 5.9 |

^a Standard and Poors 500 index. Price adjusted for dividends and splits.

^b 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 3rd period.

| Period | Years in Period | Rates of Return (%) | | |
|--------------------------|------------------------|----------------------------|-------------|-------------------|
| | | Double Eagle | DJIA | S&P500 |
| 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 Odean⁷ 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. Brooks⁸ 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.

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

⁸ 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.

| Table 6. Ten Stocks With the Largest Gains | | | |
|---|------------------|--------------|---------|
| 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!

| Table 7. Ten Stocks With the Largest Losses | | | |
|--|------------------|--------------|---------|
| 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.

| Table 8. Gain or Loss on Stocks Purchased | | | | | | |
|--|------------------|-------|------------------------------|----------------------|----------------|---------------------------|
| Stock Name | Initial purchase | | More purchased? ^a | Year first purchased | Year last sold | Gain or loss ^b |
| | 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? ^a | Year first purchased | Year last sold | Gain or loss ^b |
|---------------------------------------|------------------|--------------|------------------------------|----------------------|----------------|---------------------------|
| | 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 | ^c | | 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? ^a | Year first purchased | Year last sold | Gain or loss ^b |
|----------------------------|------------------|-------|------------------------------|----------------------|----------------|---------------------------|
| | 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? ^a | Year first purchased | Year last sold | Gain or loss ^b |
|---------------------------------------|------------------|-------|------------------------------|----------------------|----------------|---------------------------|
| | 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? ^a | Year first purchased | Year last sold | Gain or loss ^b |
|------------------------|------------------|-------|------------------------------|----------------------|----------------|---------------------------|
| | 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? ^a | Year first purchased | Year last sold | Gain or loss ^b |
|-------------------------|------------------|-------|------------------------------|----------------------|----------------|---------------------------|
| | 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? ^a | Year first purchased | Year last sold | Gain or loss ^b |
|--------------------------|------------------|--------|------------------------------|----------------------|----------------|---------------------------|
| | 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? ^a | Year first purchased | Year last sold | Gain or loss ^b |
|--|------------------|--------|------------------------------|----------------------|----------------|---------------------------|
| | 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? ^a | Year first purchased | Year last sold | Gain or loss ^b |
|---|------------------|----------|------------------------------|----------------------|----------------|---------------------------|
| | 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 ^d | 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 |

| Table 8. Gain or Loss on Stocks Purchased, Cont. 9 | | | | | | |
|---|------------------|------------|------------------------------|----------------------|----------------|---------------------------|
| Stock Name | Initial purchase | | More purchased? ^a | Year first purchased | Year last sold | Gain or loss ^b |
| | 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 |
| | | | | | | |

^a Excludes stock splits, stock dividends and part-share purchases.

^b Excludes dividends.

^c 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.

^d 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 | |

OTHER A.E.M. STAFF PAPERS

| SP No | Title | Fee (if applicable) | Author(s) |
|--------------|---|--------------------------------|-----------------------|
| 2013-01 | History of the Farm Credit Fellows Program | | LaDue, E. |
| 2010-02 | The W. I. Myers Professorship of Agricultural Finance | | LaDue, E. |
| 2010-01 | On the Relationship of Expected Supply and Demand to Futures Prices | | Chua, H. and W. Tomek |

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