

# Summary & Discussion of My Trading History of Clark Equipment (CKL) in Based on the Triangle Pattern

New World Technologies, Inc.  
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## Introduction

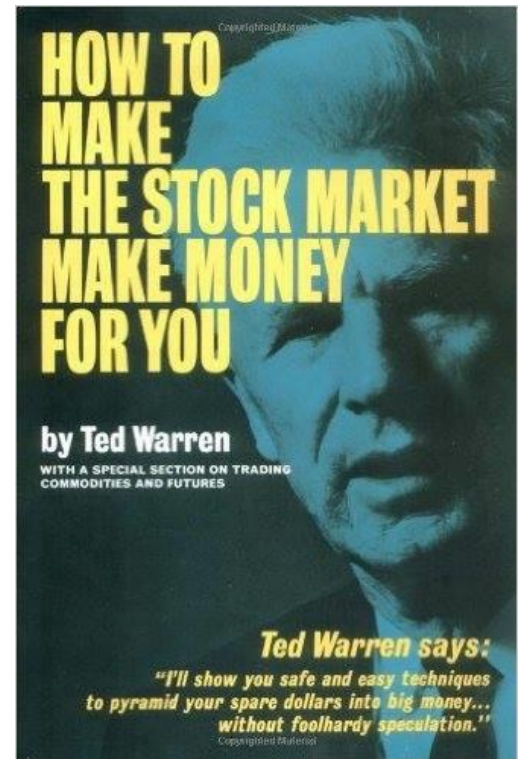
In 1989 I was introduced to Ted Warren's book, "How to Make the Stock Market make Money for You" (originally published in 1966) – his claim was that one could discern specific patterns in stock histories to predict future performance (this is also called "Technical Analysis").

In order to validate his claims, I studied many stock charts from the local library in 1990 – interestingly I found that the same type of patterns that Warren had used as examples from the 1950s and 1960s, were also present in the stocks that I'd studied from the 1970s and 1980s.

Thus the next step was to begin investing - which is where the "rubber meets the road" so to speak, using the techniques that he had described in this book.

During the early, mid, and late 1990s, I was successful for the most part, in selecting and investing in good stocks based on specific patterns – my primary downfall was in not being patient enough to wait for the stock to meet its full potential.

This document discusses the details of one of thirty documented stock investments which were made based on the patterns discerned from that particular historical stock profile.



## CKL Trading Executive Summary

The following is a synopsis for this stock investment.

Return on Investment (ROI)	71.3% in 7 months
Maximum possible ROI	358.7% in 31 months
Reason for Purchase	Classic triangle pattern
Time Frame When Purchased	1992

The next two sections include more details on the reasons for the trade, the trading history, and the maximum potential ROI.

Copies of the original stock transaction receipts, for each of the trades (buy and sell), are included in the appendix at the end of this document.

# Discussion, Chart, & Results

I studied stock charts from the library – this was one of my first few trades. CKL had the classic triangle pattern of short duration (similar to CAL) as shown below in Figure 1.

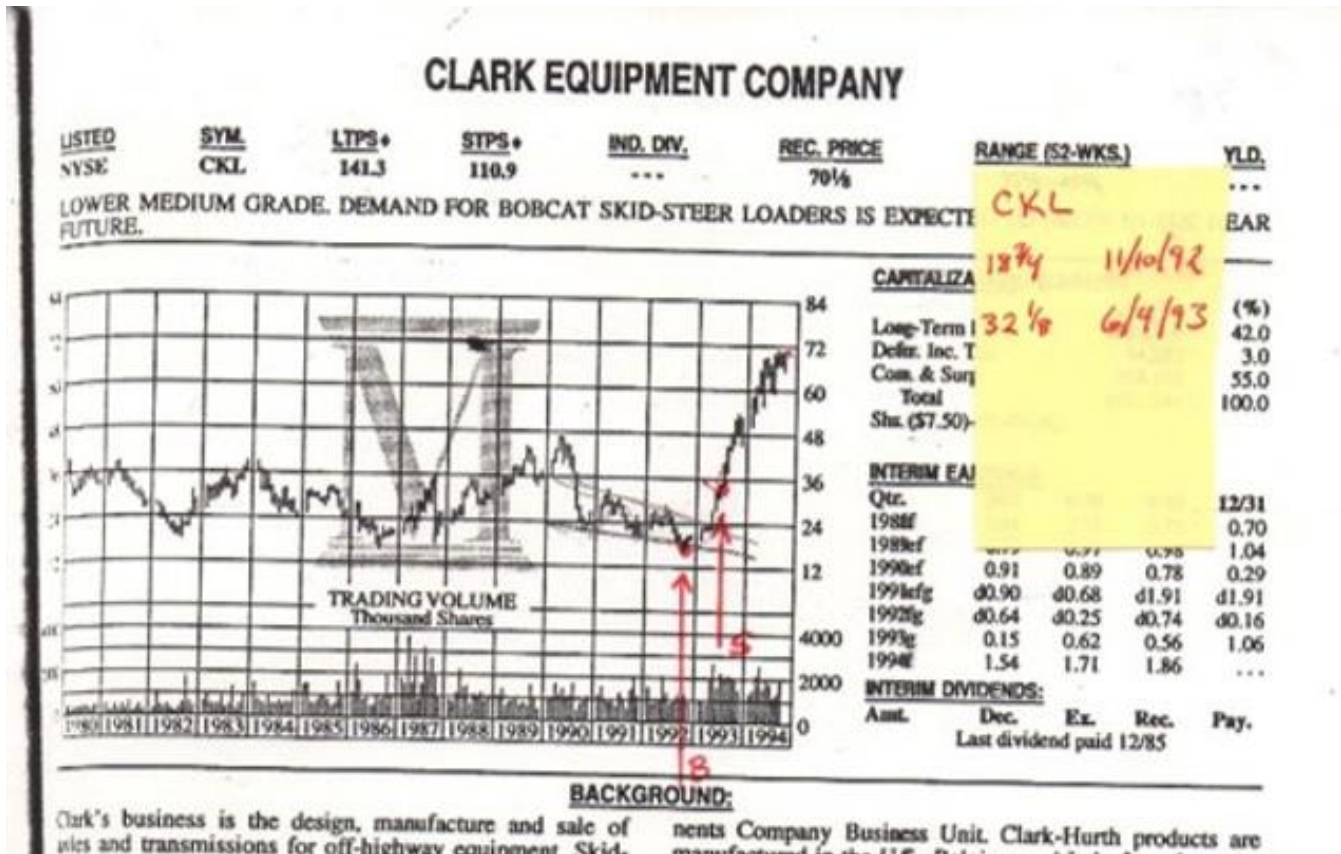


Figure 1 – Original Chart from Library – Triangle Pattern

## Original Return on Investment

The triangle pattern is a little more obvious in Figure 2 below. I sold it for a 71% ROI after 7 months.

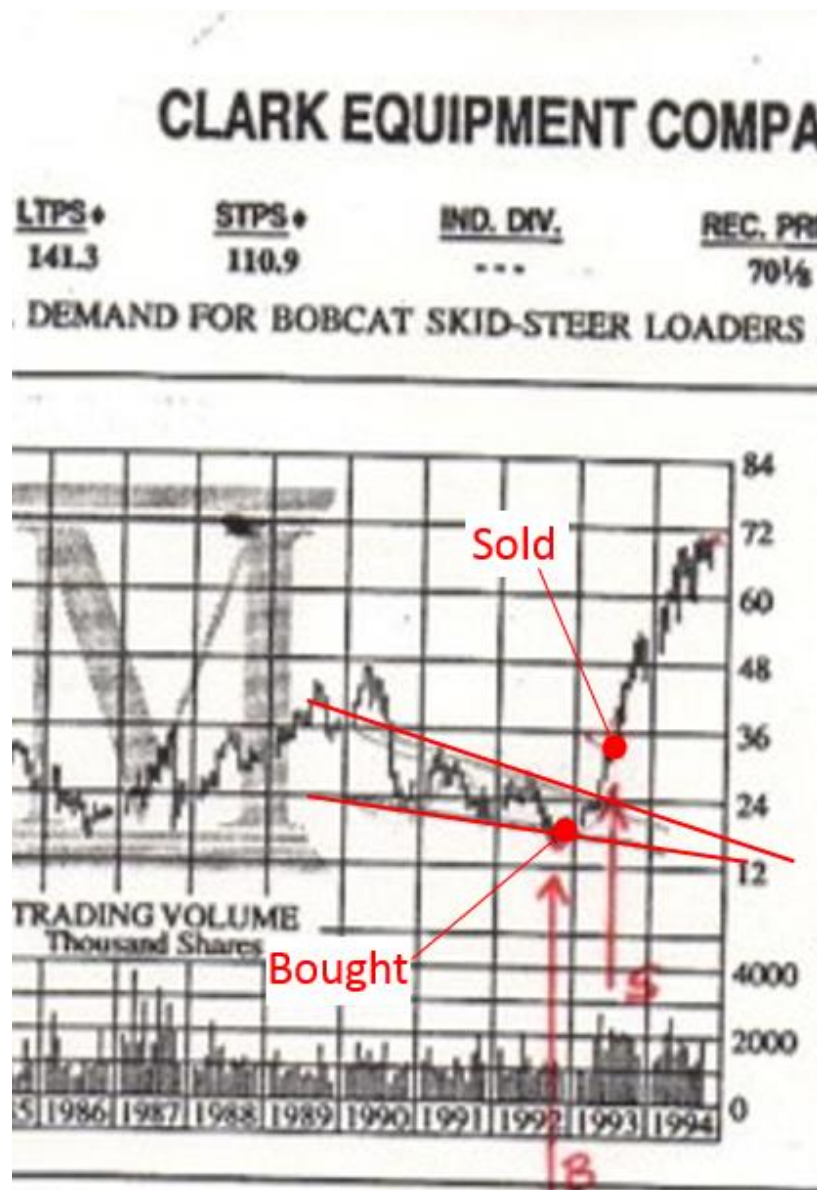


Figure 2 – Observed Pattern, and Buy / Sell History

The transaction summary for this investment is shown below in Figure 3. Note that this does not account for transaction costs.

Date	Transaction	Shares	Cost per Share	Transaction Value
11/10/1992	Purchase	49	\$ 18.750	\$ 919
5/27/1993	Sold	49	\$ 32.125	\$ 1,574

Profit	\$ 655
ROI	71.3%
Approx. Time Interval	7 months

Figure 3 – Transaction Summary

## Alternative Return on Investment

CKL was acquired by Ingersoll-Rand for \$86 per share, approximately 31 months after I purchased the stock.

From the L.A. Times:

Ingersoll-Rand acquired Clark Equipment at a share price of \$86 - [http://articles.latimes.com/1995-04-10/business/fi-53095\\_1\\_clark-deal](http://articles.latimes.com/1995-04-10/business/fi-53095_1_clark-deal).

“The \$86-a-share price represents a 12% increase from Ingersoll-Rand's previous offer for Clark, and a whopping 56% premium over Clark's trading price of about \$55 in late March, just before Ingersoll-Rand launched its initial tender offer.”

Thus there was still a lot of upside to this stock – from the time of purchase, the stock increased in value by 358.7% in 31 months – as shown on the next page in Figure 5. Obviously it would be not be easy to figure out exactly where the stock was going to top out before declining again. However, while I sold out with a respectable 71.3% ROI in 7 months, I left a lot on the table since the total upside potential was 358.7%, which left plenty of room to sell out at a 100% or more ROI comfortably. The point is that this triangle pattern successfully predicted that CKL would be a high-performing stock.



# CLARK EQUIPMENT COMPA

LTPS 141.3      STPS 110.9      IND. DIV. ...      REC. PRI 70 1/8

DEMAND FOR BOBCAT SKID-STEER LOADERS



Figure 5 – Illustration of Actual ROI vs Potential ROI

A projected transaction summary of the “maximum projected ROI” of 358.7% (assuming that I’d sold out at the maximum ROI percentage) is shown below in Figure 6. Note that this does not account for transaction costs.

Date	Transaction	Shares	Cost per Share	Transaction Value
11/10/1992	Purchase	49	\$ 18.750	\$ 919
6/1/1995	Sold	49	\$ 86.000	\$ 4,214

Profit	\$ 3,295
ROI	358.7%
Approx. Time Interval	31 months

Figure 6 – Projected Transaction Summary

## Conclusions

This was a classic triangle pattern that paid off handsomely – a 71.3% ROI in 7 months was pretty amazing. However, had I been willing to wait a while longer, the ROI would have been much higher as the maximum possible ROI of 358.7% was reached when the company was acquired in 1995. Thus I could have easily sold out for a 100%, 150%, 200%, etc. ROI by just waiting a while longer.

# Appendix – Transaction Receipts

The records of the purchase and sell transactions are shown below.

701 SOUTH 32ND STREET  
 BIRMINGHAM AL 35233  
 1.800.233.1930  
 205-558-0602

**Central Brokerage Services Inc.**

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STATEMENT FOR THE PERIOD 09/26/92 TO 11/27/92 PAGE 1

MAIL TO: 5K4 J MICHAEL FOUCHE	0000263	ACCOUNT NUMBER: 5K4-221587	STATEMENT FOR THE ACCOUNT OF: J MICHAEL FOUCHE
		YOUR ACCOUNT EXECUTIVE: DOWNTOWN	

SUMMARY OF CASH BALANCES			SUMMARY OF ACCOUNT	SUMMARY OF SECURITIES HELD			
ACCOUNT	OPENING BALANCE	CLOSING BALANCE		CATEGORY	MARKET VALUE	YTD DIV/INT	
CASH A/C	20.14CR	20.14CR	CASH BAL.	24.94CR	COMMON STOCK	6,090.74	24.94
MARGIN	.00	.00	SECURITIES	6,090.74CR			
SHORT	.00	.00	YOUR EQUITY	6,115.68CR			
INCOME	.00	4.80CR					
<b>TOTAL</b>	<b>20.14CR</b>	<b>24.94CR</b>			<b>TOTAL</b>	<b>6,090.74</b>	<b>24.94</b>

SUMMARY OF BROKERAGE ACCOUNT TRANSACTIONS							
DATE	TRANSACTION	QUANTITY	SECURITY DESCRIPTION	PRICE	DOLLAR AMOUNT	ACCT TYPE	
09/26	OPENING CASH BALANCES CASH ACCOUNT (TYPES 0 AND 1) COMBINED OPENING BALANCE .....				20.14CR 20.14CR	**	
<u>PURCHASES, SALES AND OTHER TRANSACTIONS</u>							
11/10	YOU PURCHASED	49	CLARK EQUIP CO	18 3/4	970.75DR	1	
11/18	YOU PURCHASED	100	SIZZLER INTERNATIONA L INC. DLJ MAY HAVE BOT FROM OR SOLD TO YOU	9 1/2	1,002.00DR	1	
11/23	YOU PURCHASED	121	AMDAHL CORP	8	1,020.00DR	1	
	SUB-TOTAL				2,992.75DR	*	
<u>DIVIDENDS AND INTEREST</u>							
11/24	CASH DIVIDEND RECEIVED		DVE. ON 64 SHRS AIRBORNE FGHT CORP RD 11/10 PD 11/24/92		4.80CR	9	
	SUB-TOTAL				4.80CR	*	
<u>FUNDS RECEIVED, WITHDRAWALS AND CHARGES</u>							
11/10	CHECK RECEIVED		PURCHASE OF SECURITIES 494-3238-0		970.75CR	1	

CONTINUED ON NEXT PAGE STATEMENT DATE 11/27/92

0042 - 0000263

YOUR ACCOUNT IS PROTECTED UP TO \$10,000,000.. SEE REVERSE SIDE FOR DETAILS AND OTHER IMPORTANT INFORMATION. 42

Stock Purchase Receipt

TRADES NOT SETTLED

Settle Date	Transaction Date	Activity Type	Description	Quantity	Price	Accrued Interest	Debit Amount	Credit Amount
06/04/93	05/27/93	SOLD	CALIFORNIA FED BANK FSB WTS 6/30/94	342-	1.31250			396.88
06/04/93	05/27/93	SOLD	CALIFORNIA FED BANK A FED SVGS BK LOS ANGELES CL-A NEW	100-	16.00000			1,553.37
06/04/93	05/27/93	SOLD	CALIFORNIA FED BANK A FED SVGS BK LOS ANGELES CL-A NEW	26-	16.00000			404.40
06/04/93	05/27/93	SOLD	CLARK EQUIP CO	49-	32.12500			1,520.33
<b>Total Trades Not Settled</b>							<b>\$0.00</b>	<b>\$3,874.98</b>

DIVIDEND, INTEREST AND DISTRIBUTION SUMMARY

	This Period		This Year	
	Taxable	Non Taxable	Taxable	Non Taxable
Cash Dividends on Equities	11.50	.00	56.14	.00
<b>Total Dividends and Interest</b>	<b>\$11.50</b>	<b>\$0.00</b>	<b>\$56.14</b>	<b>\$0.00</b>
Other Distributions	.00	.00	15.20	.00
<b>Total Distributions</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$15.20</b>	<b>\$0.00</b>

MESSAGES

A REMINDER ABOUT THE INACTIVE ACCOUNT SAFEKEEPING FEE: IF WE ARE HOLDING A SECURITY POSITION IN YOUR ACCOUNT ON DECEMBER 31, 1992 AND YOUR ACCOUNT GENERATES COMMISSIONS OF LESS THAN \$50.00 DURING 1993, YOUR ACCOUNT WILL BE CHARGED A \$35.00 SAFEKEEPING FEE. IRA ACCOUNTS WHERE DLJSC ACTS AS CUSTODIAN ARE EXEMPT FROM THIS CHARGE. CONTACT CENTRAL BROKERAGE SERVICES FOR FURTHER

Stock Sell Receipt