PERKINS CAPITAL MANAGEMENT, INC.

July 20, 2017

Dear PCM Clients and Friends:

We have written before about the massive construction program in Wayzata. We think it is worth bringing up again, because June marked the end of the five-year redevelopment project in the heart of Wayzata, a $342 million project called the Promenade of Wayzata. It, if it can be described as "it" because it consists of so many parts, is replacing the old Wayzata Bay Center, for which ground was broken five years ago on June 12, 2012. It is still hard for us to get our arms around what can be packed into 14.5 acres, which was a swamp with cattails and ducks when we moved here in 1966. The Promenade really consists of five "blocks," which include Folkestone, a three-building senior community of 148 independent living apartments, 58 assisted living units, 30 skilled nursing units and 18 memory care apartments, all owned by Presbyterian Homes. Folkestone also features a "town center" with a library, movie theater and swimming pool, as well as 250 underground parking stalls. Another block to the west is also part of the senior housing, but includes dining and shopping, as well as a major grocery store, which has been closed because it just didn't live up to expectations. The block to the south consists of apartments, more shopping and dining. The center block, or Regatta, consists of 63 luxury condominiums with retail in the lower level and, of course, underground parking. The last piece of this five-block puzzle is The Landing, a combination of a 92-room boutique hotel, restaurant,

retail and 31 luxury condominiums ranging in size from 1,200 to 4,000 square feet, and $825,000 to $4 million in price. Wayzata and the Lake Minnetonka area was a vacation destination for wealthy Minneapolis residents in the 1880s. At the peak there were about 40 hotels, but by the early 1900s many had shut down because of declining business, or fires in some. The last one was torn down in 1964. Wayzata's sister city, Excelsior, on the south side of the lake, has debated the merits of a hotel for years, but has not built one yet, whereas Wayzata now has. Doubtless, it will be used by relatives of residents, especially senior and assisted living, as well as business travelers to nearby Cargill. A hotel is obligated to have a restaurant, usually upscale, and "Nine Twenty-Five" will be no exception, with the chef from the famous Lucia's. However, it is questionable whether Wayzata needs another restaurant

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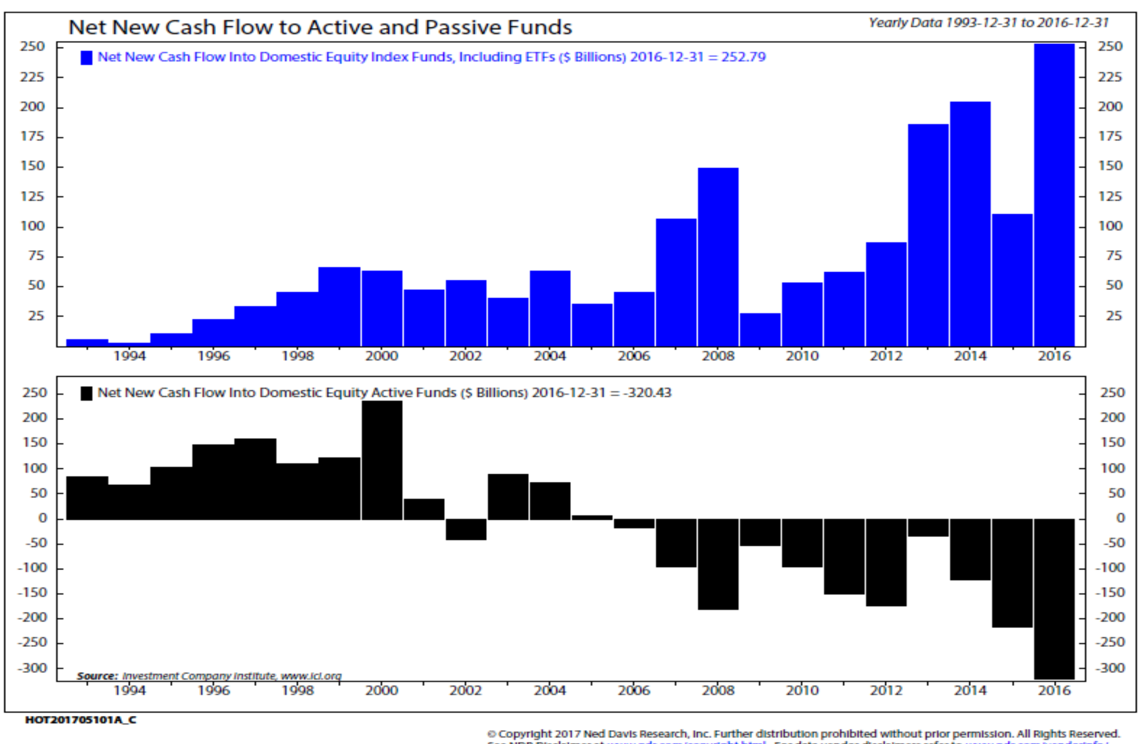
added to the many new and existing ones. Some are upscale like Bellecour, CMV, Gianni's, Sakana, 6Smith, McCormick's and Nine Twenty-Five, the new hotel restaurant. Others such as District Fresh Kitchen, Sushi Fix, Wayzata Bar & Grill and Baja Haus aren't far behind. Then there is Maggie's, Jade Fountain, Crisp & Green, D'Amico & Sons, American Legion, Wuollets, and opening soon Rustica Bakery and Benedict's, and it's not far to others in nearby Long Lake and Ridgedale. Wayzata is a restaurant mecca; customers needed!

We wrote extensively about this project in our October 20, 2010 letter and again most recently last year in April, especially about plans for the Lake Effect which will include a boardwalk along the lakefront from near the Promenade to the historic Wayzata Depot. So you see our once quiet little town of 50 years ago is history. Beaucoup condos and restaurants, but a parking shortage, which will be alleviated somewhat by the new city parking ramp.

A MESSAGE FROM PERK

Having spent 60 years in the stock market "game" I have seen many investment models and fads come and go—such things as MPT, for example (Modern Portfolio Theory), and there have been market phases such as the growth stock "at any price" phenomenon of the '70s. Today we have another similar happening as active portfolio management is being thrown away in favor of passive, non-managed ETFs, or Exchange Traded Funds. When this trend started in the early '90s it was essentially composed of various indexes such as the S&P 500, the Dow Jones Averages, the S&P 100, the Russell Averages, etc.



The chart shows the change after the mid-2000s when mutual fund additions reversed course and withdrawals accelerated. The corollary of that, of course, is that more money went into the passive funds, which is clearly shown in the chart. Each year there were more ETFs, many of which included stocks based on custom criteria so that today there are funds covering almost every sub-category that you can think of from A to Z and everything in between that can be conceived. Thus portfolios can be constructed to participate in the areas of the market selected, and since these are traded on a stock exchange at low commissions, they seemingly are cheap to own, although the average management fee of ETFs is about four-tenths of 1%. They are “marked to market” so that the EFT will be a fund that is true to the concept or the category holding the right stocks. In fact, Business Week has recently noted there are now more ETFs than stocks! The non-index ETFs or so called Smart Beta ETFs are generally more expensive than those mimicking an index, coming closer to an actively managed account in both composition and fees. Mutual funds are actively managed, but priced once daily at closing prices, which is the price you will pay if you buy before the next pricing and the same is true if you are selling, but with an ETF you can buy and sell all day long.

Money continues to move out of actively managed accounts whether mutual funds or accounts managed by managers like PCM. Rather than pay a management fee for the expertise of the manager, plus a commission, it is felt this can be achieved with a smaller or no fee and a commission. But something is missing here—if active managers fail to achieve results relative to their benchmarks, they can be fired. But if the passive funds do poorly, relative to their benchmark, it cannot be considered underperformance, since the indices are the benchmark. In addition, ETFs neglect any company-by-company due diligence that active managers do. So there is a lack of accountability to fundamentals as the “herd” effect continues. The crowding into the passive accounts can work the other way too—a crowd trying to get out all at once. Only then will they realize they were part of a bubble which when punctured will result in unforeseen market circumstances.

Alpha is the positive return you can get through some form of active investing, above what you might get with simple passive index investing. The theory of active management is that most managers can make a difference by using their superior fundamental analysis and systems such as technical or charting and then using only the best stocks in the portfolios they manage. The manager’s edge is the ability to select those companies to achieve superior results and leave the others alone for another day. And that is precisely the reason the manager is able to charge higher fees, sort of like paying more for a good meal rather than less for one that is mediocre.

But today, the conviction is that owning a portfolio of ETFs to emphasize the current trends, seems to be the place to be for many, but when it comes undone as all trends ultimately do, everyone will suffer, because lower prices are, well, lower prices, whether in an ETF or a managed account. And so it goes, just as it has in the past when a current investment trend is no longer popular as investors seek a new one.

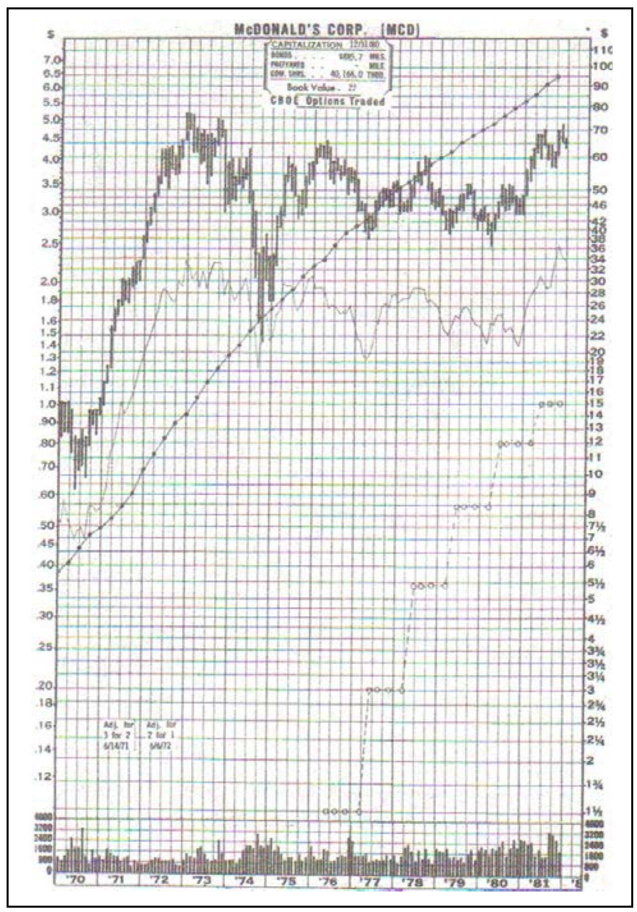
THE MARKET SCOREBOARD

Indexes	% Return YTD 2017	% Return Q2 2017	% Return Q1 2017
NASDAQ Composite	14.07	3.87	9.82
Russell 1000 Total Return	9.27	3.06	6.03
Russell 3000 Total Return	8.93	3.02	5.74
S&P 500 Composite	8.24	2.56	5.53
Dow Jones Industrial Average	8.03	3.32	4.56
Wilshire 5000	7.70	2.46	5.12
NYSE Composite	6.37	2.34	3.94
Russell 2000 Total Return	4.99	2.46	2.47
Value Line Composite	3.27	0.46	2.79
S&P Small-Cap 600 Total Return	2.79	1.71	1.06

The winner for the quarter and YTD was NASDAQ powered by the Nifty Five, or FAANG stocks, as some prefer to call them. The broad market as measured by the Value Line Composite was near the bottom. So, there was the "real" market and the Nifty Five market. More on that later. We all knew that small-caps were poor performers during the quarter, but now we know for sure as the S&P 600 Small-Cap Total Return was near the bottom, up only 1.7% for the quarter and 2.8% for the YTD.

TODAY'S NIFTY FIFTY

Nearly 50 years ago, back in the very late '60s and early '70s, the fad du jour was growth stocks, the so-called "one decision" stocks because you could buy them at any price and hold them "forever" because their earnings would always grow. They came to be known as the Nifty Fifty, and there really were 50 of them, from American Home Products to Xerox as shown in very small print in the table on page five. They all had one distinguishing feature, an extraordinarily high price-earnings ratio. Fifty times earnings or more was common. These were the stocks that powered the market coming out of the bottom in the late '60s and into the '70s. The best example was McDonald's which went from 9½ in 1970 to 75 in 1972, when the game was over with a double top on the chart in 1972. During this rise the earnings grew at 25% per year, but when the referee blew the whistle, the stock went to 22, rallied to 65, and then traded sideways to the end of the decade—yet, the earnings continued to grow at 25% per annum without as much as a hiccup. A good lesson for today, because we don't know when the referee will blow the whistle on the market or

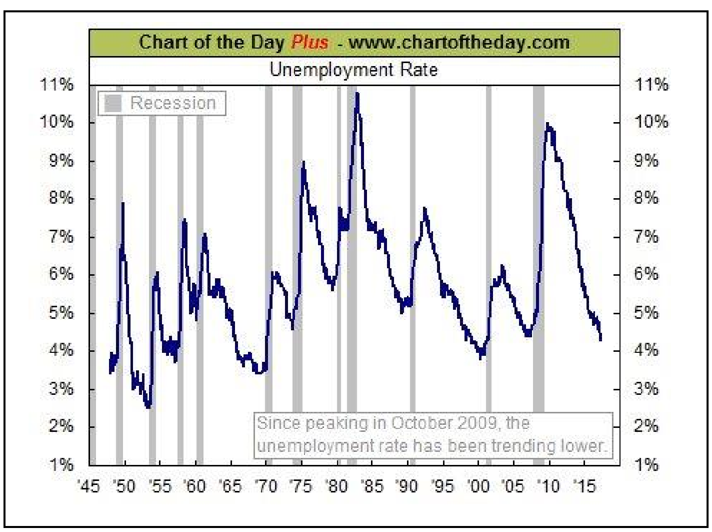


the favorite FAANG stocks, today's Nifty Fifty. John Maynard Keynes said it best; "Successful investing is anticipating the anticipation of others."

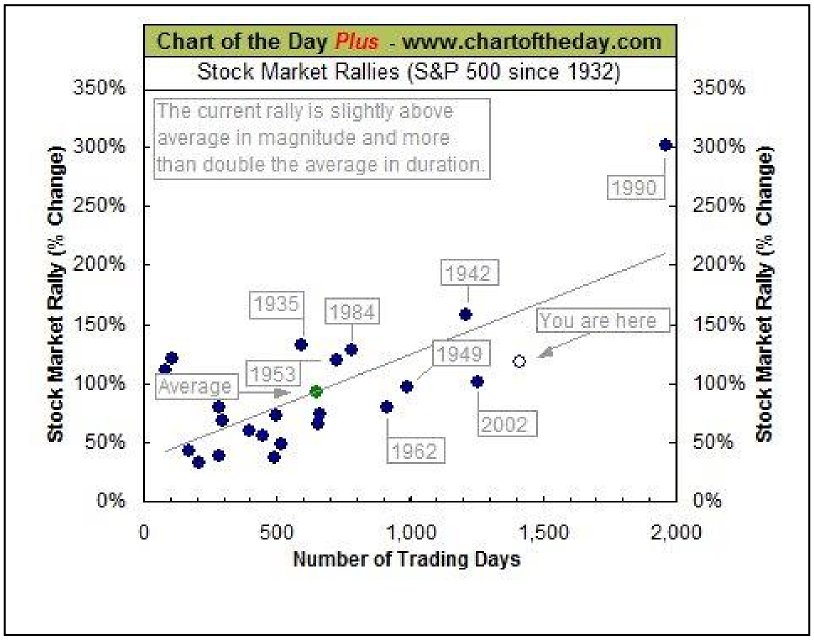
Yes, today we have the Nifty Fifty of this bull market, although there are only five, hence the Nifty Five or FAANG Index consisting of Facebook, Apple, Amazon, Netflix and Google—or FAAMG where Microsoft is substituted for Netflix. Through June these five stocks accounted for 40% of the gain in the NASDAQ since the end of the year and 35% of the gain in the S&P 500. In fact, the 12 best gainers accounted for over 50% of the S&P 500 gain. So what about the other 488 stocks? It took all of them to make up the difference. The thinking today about these few high-flyers is expressed by Michael Lippert who said in the June 9 *Wall Street Journal*: "But ask yourself: what else do you want to own five years from now?" Talk about one decision stocks—if that isn't what went on in the heady days of McDonald's, we would sure like to know. As Walter Deemer points out in his book *Deemer on Technical Analysis*, U.S. Steel was a better choice at a 5 P/E than McDonald's at a 75 P/E. They say what goes around comes back around eventually. Maybe the FAAMGs will go forever, but we doubt it. We own Microsoft at an 18 P/E vs. 2018 estimated earnings, but not Amazon at a 110 P/E vs. the 2018 guesstimate.

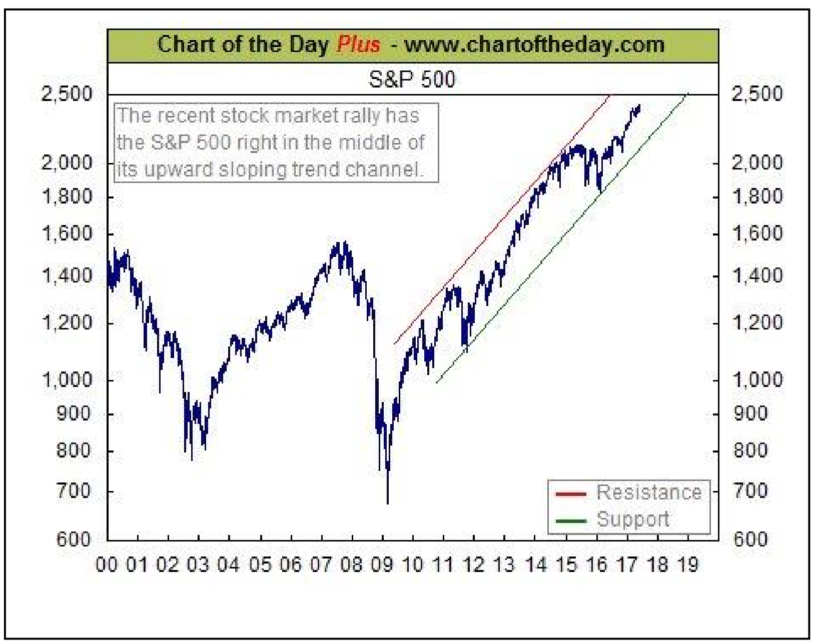
American Home Products	Lubrizol
AMP, Inc.	Minnesota Mining & Mfg (3M)
Anheuser-Busch	McDonald's
Avon Products	Merck & Co.
Baxter International	MGIC Investment Corp.
Black & Decker	PepsiCo
Bristol-Myers	Pfizer
Burroughs Corp.	Philip Morris Co.
Chesebrough-Ponds	Polaroid
The Coca-Cola Co.	Procter & Gamble
Digital Equipment Corp.	Revlon
Dow Chemical	Schering Plough
Eastman Kodak	Joseph Schlitz Brewing Co.
Eli Lilly and Co.	Schlumberger
Emery Air Freight	Sears, Roebuck and Co.
First National City Bank	Simplicity Pattern
General Electric	Squibb
Gillette	S.S. Kresge
Halliburton	Texas Instruments
IBM	Upjohn
Intl Flavors and Fragrances	The Walt Disney Co.
Intl Telephone and Telegraph	Walmart
Johnson & Johnson	Xerox
Louisiana Land & Exploration	

THE STOCK MARKET AHEAD

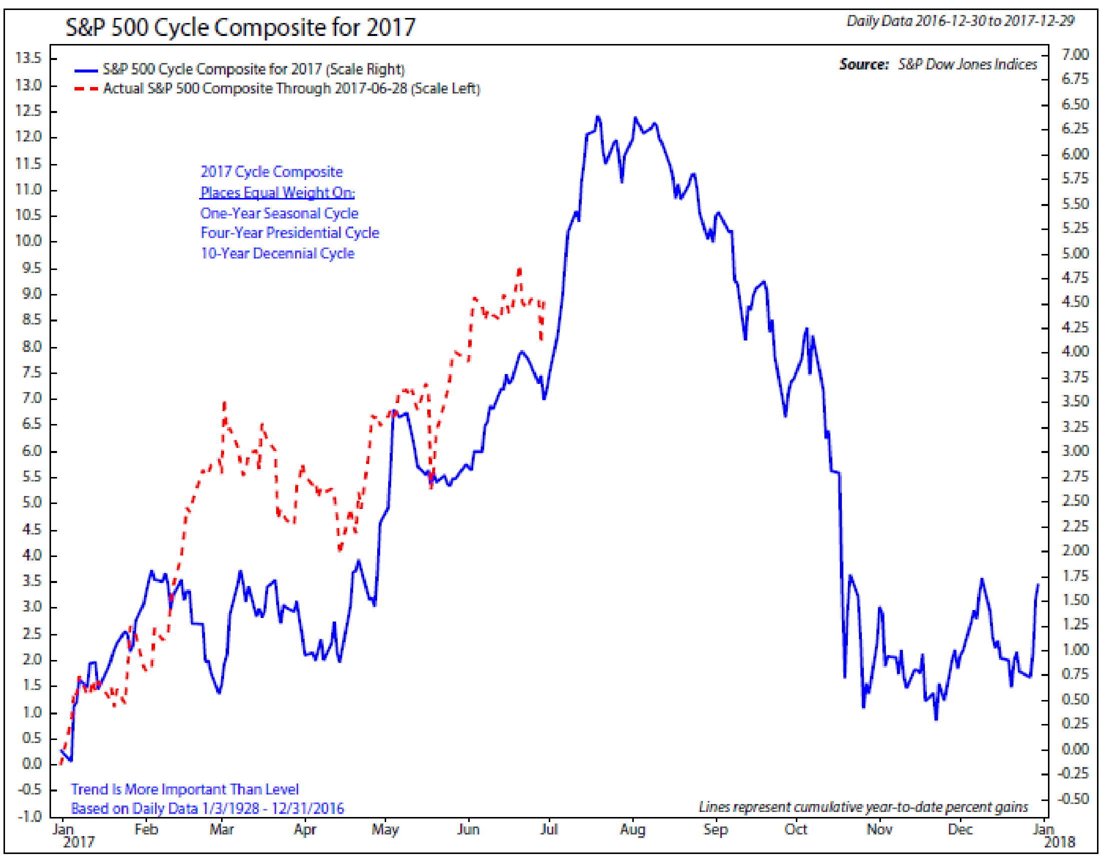


The markets have generally experienced good performance in 2017's first half, as detailed in our scoreboard section. What we are concerned with now in this section is the next two quarters and how they might turn out. First, we might start with the Fed and their pronouncement earlier in the year that we should be prepared for three, or perhaps four, modest rate hikes as the Fed tries to normalize interest rates. The Fed did indeed raise the Fed Funds rate by .25%, raising the rate to 1.125%, the first time that it has been above 1% in 8½ years. But at the same time the Fed left the impression that there might still be an increase in the year despite the employment rate at 4%, and an inflation rate well below 2%, not what was expected. Economists say that a shortage of supply of an item results in higher prices, and consequently, because of a shortage of workers, inflation should rise, or so says the Phillips Curve, one of the many economic principles the Fed follows. Thus, the opposite is feared if further Fed raises are only to cool the economy by increasing the cost of borrowing, via credit cards, auto loans and consumer loans. We know the chairman, Yellen, and the seven remaining members of the FOMC are people, and as such, make wrong judgments—but haven't they heard of the great deflator of all time, the internet? And have not any of them heard of Gary Shilling, and his book titled, *The Age of Deleveraging* written in 2010. And the price of oil, due to American exports, as the result of fracking, is certainly deflationary and not inflationary. All this means a less likely prospect of rate hikes until perhaps December, and maybe not even then. One less thing for the market to worry about, but if these rate increases don't happen as predicted they could be interpreted negatively as well. But there are other sources of concern. The bull market we are in is getting "long in the tooth," exceeded in duration by the 1990 market, although this market is not as strong. Food for thought. Yet, importantly, the chart of the S&P 500, shown here, has plenty of room ahead. And on July 3, the market gave us a buy signal when the Dow Jones Transportation Index made a new high.





Another thing we have commented on over the years is the proclivity of certain years in each decade to have predictive meaning, such as the market bottoms in the 2nd year, as in 1932, 1942, 1952, 1962, 1982, 2002, and 2012. Likewise, the 5th year is usually the best, and we look then for the 5th year rise. Look it up. Likewise, there has always been a tendency for a decline in the 7th year. We last wrote about this together with a table dating back to 1957 in our October 25, 2007 letter; you will find it in the archives on our website at www.perkinscapital.com. Our readers know that we have relied on the forecasting ability of the Ned Davis team, and have used their charts in many letters over the years. The composite for 2017 looks rather ominous as it suggests a top in July—and we guess anything is possible, but there is nothing in our economy at this time that would support that. And the increase in rates by the Fed has been met by a yawn, and no more expected until December at the earliest. Furthermore, we see many positive charts, so many in fact, that we just can't visualize a top in July. But Justin Mamis famously said, "There is nothing like a bad market to ruin a lot of good charts." We also see positive things in most stock averages. One we like best is the S&P 600 Small-Cap Index which has been consolidating for seven months following its strong performance in November last year. Indeed, during this seven months time a few large companies—FAANG—have stolen the show, while small-caps especially have traded sideways, as shown in the chart. It looks very much to us like an inverse head and shoulders, with two left and two right shoulders with the head in the middle, where it should be. A very bullish chart.



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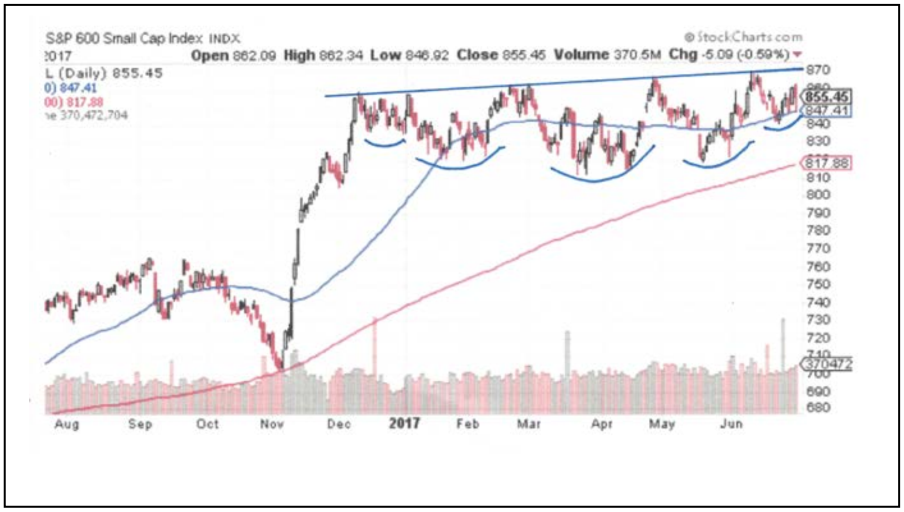
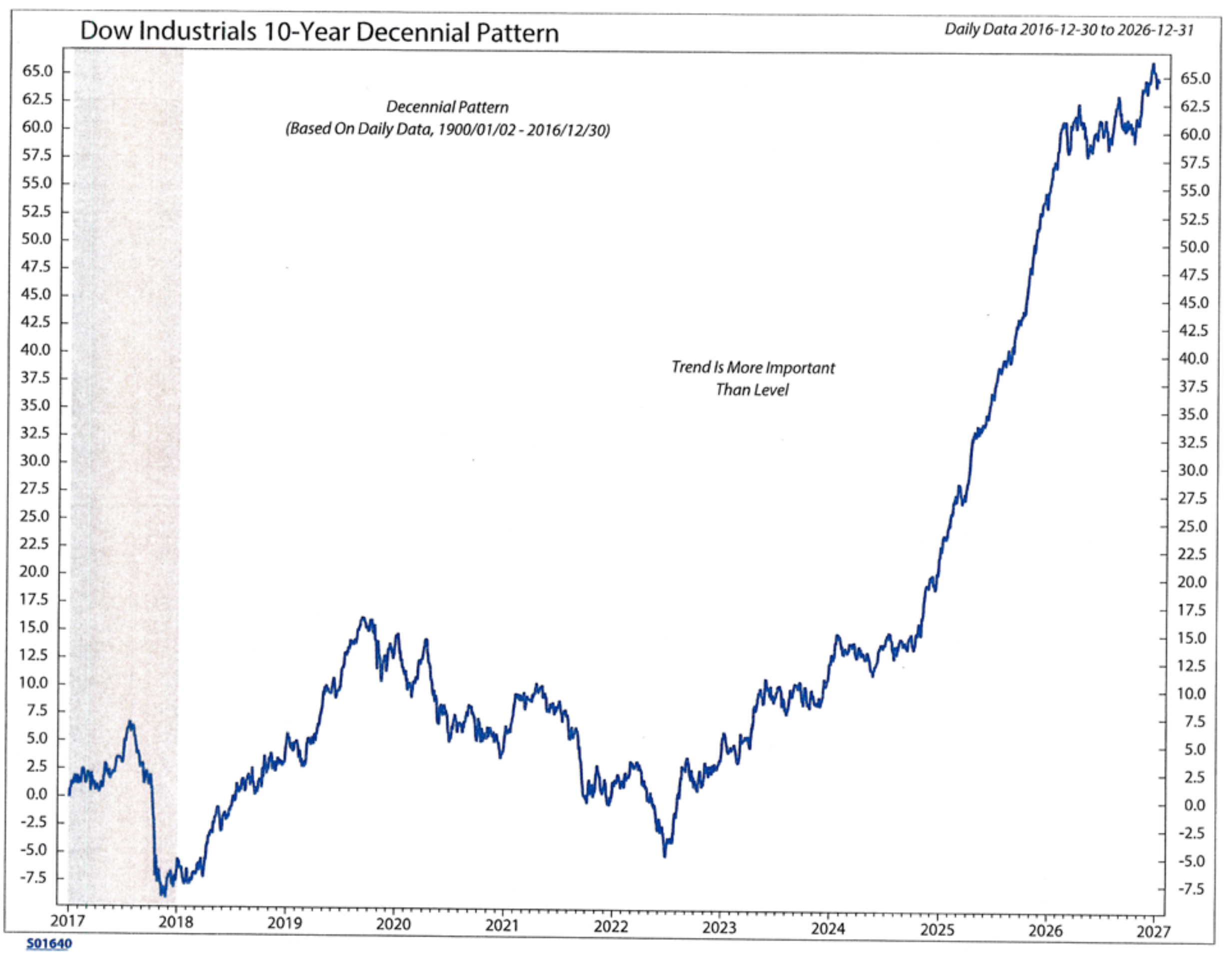
The Ned Davis 10-Year Decennial Chart, which we have not shown for a while, shows again the top in the 7th year, a sharp decline, the 8th and 9th year rise, which is typical, and then a bottom in the "two" year, which is also typical. Trying to make sense of all this leads us to the conclusion that there should be a market correction this year, which we have not had so far, which would shake the apple tree leaving many to incorrectly think it is the end of the bull market, creating an immense buying opportunity preparing us for the inevitable eighth and ninth year rise as shown in the Ned Davis 10-Year Decennial Pattern chart:





Bottom line here: We don't see a major sell-off, but a correction that is long overdue. If one comes we would look at it as a buying opportunity. It's hard to predict world events which could result in a bad market, ala The Cuban Missile Crisis in the Kennedy administration. Today we have an unpredictable Kim Jong-un in North Korea, exceptional unrest in the Middle East involving Saudi Arabia, Iran, Qatar and Syria. Anything can happen when we have Tinder Boxes like this all around us.

THE PUBLIC PENSION MESS

Surely, you remember Harry Markopolos, the Bostonian who exposed the Bernie Madoff Ponzi scheme. Despite numerous requests to have the SEC investigate what he found, he was ignored for years. Let's hope his recent findings of another fraud is not ignored by the authorities and legislators. Specifically, he found that the pension fund of the Boston Transit Authority (MBTA) was underfunded by $500 million more than previously thought. Based on audited financials, the plan's assets are only 29% of liabilities, an underfunding of $470 million. But according to Markopolos, the underfunding is more like $1 billion. How it got there is a combination of overstating assets and investment returns, losses on investments due to a lack of due diligence, and underestimating employee life expectancy. But the MBTA is not the only underfunded retirement fund in Massachusetts or the rest of the U.S. for that matter. This is one of the time bombs waiting to go off sometime in the future, probably sooner rather than later, if investment returns don't improve. The table shows just a few of the underfunded retirement systems in Massachusetts. The same is likely true in public retirement systems throughout the entire U.S.

Table 4 **Commonwealth of Massachusetts Funded Ratios**

	2000	**2015**
Mass Teachers Retirement System (MTRS)	83.3%	54.3%
City of Springfield	56.7%	27.0%
City of Boston	72.7%	70.2%
Andover	68.5%	48.3%
Middlesex County	63.0%	44.0%
Boston Teachers	?	40.5%
New Bedford	53.3%	42.5%
Newton	78.8%	50.8%
Quincy	68.3%	46.7%
Belmont	70.3%	51.2%
Gloucester	62.1%	44.6%

Source: Commonwealth of Massachusetts Public Employee Retirement Administration Commission 2000, 2015

Just recently, the Texas Legislature passed the Houston Pension Solution bill that aims to reform the municipal, police, and firefighter pension funds in Houston. Here is what happened: the Houston Municipal Employees Pension System is 47% funded, and the Houston Police Officers' Pension System is 77% funded, and the Houston Firefighters' Relief & Retirement Fund is 89% funded. The purpose of the bill was to "even things out" but the firefighters' ox is getting gored, and likewise, the police system, in this maneuver. The Dallas Public Retirement Funds are also underfunded, and likely will get the same treatment. Ditto for public retirement funds throughout the country as they are all likely underfunded due to using unrealistic high investment returns and investments that didn't turn out as anticipated. It is almost actuarially impossible for pension funds that are less than 50% funded to catch up without huge tax hikes that are implemented to allow increases in pension payments, but that also results in reduction in services for the retirees. The problem is that government agencies sign contracts guaranteeing retirement benefits to the workers, and the workers did their jobs, but now in order to meet the obligations governments have little recourse but to raise taxes.

Similarly, Illinois has over $360 billion in pension debt and only $28 billion in general obligation bonds—just a tad short! According to the Hoover Institute, governments have $3.8 trillion of public pension debt. As we all know from reading the news, the state of Illinois is flat broke, and has nearly $15 billion of unpaid bills. The same dilemma likely exists in other states, which will come to our attention in due course. So we need a good stock market and higher interest rates to get us out of this mess.

As we have said many times, Minnesota has two seasons—winter and road repair. That is true in spades this year as shown in the Sack cartoon. The old adage "you can't get there from here" applies. Lots of late appointments, frustration and four letter words!

Sincerely,

Richard W. Perkins, C.F.A. President Senior Portfolio Manager	Richard C. Perkins, C.F.A. Executive Vice President Portfolio Manager	Daniel S. Perkins, C.F.A. Executive Vice President Portfolio Manager

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JOKE PAGES FOLLOW →

TRAVELING SALESMEN

Three Englishmen and three Norwegians are traveling by train to a sales conference. At the station, the three Norwegians each buy tickets and watch as the three Englishmen buy only a single ticket. “How are three people going to travel on only one ticket?” asks one of the Norwegians. “Watch and you'll see,” answers an Englishman. They all board the train. The Norwegians take their respective seats but all three Englishmen cram into a restroom and close the door behind them.

Shortly after the train departed, the conductor came around collecting tickets. He knocks on the restroom door and says, “Ticket, please.” The door opens just a crack and a single arm emerges with a ticket in hand. The conductor takes it and moves on. The Norwegians saw this and agreed it was quite a clever idea. So after the conference, the Norwegians decide to copy the Englishmen on the return trip and save some money. When they get to the station, they buy a single ticket for the return trip. To their astonishment, the Englishmen don't buy a ticket at all. “How are you going to travel without a ticket?” says one of the perplexed Norwegians. “Watch and you’ll see,” answers an Englishman. When they board the train the three Norwegians cram into a restroom and the three Englishmen cram into another one nearby. The train departs. Shortly afterward, one of the Englishmen leaves his restroom and walks over to the restroom where the Norwegians are hiding. He knocks on the door and says, “Ticket, please.”

THE LAST SEAT

The only seat available on the train was directly adjacent to a well-dressed middle-aged French woman and the seat was being used by her dog.

A weary American traveler asked, “Ma’am, please move your dog. I need that seat.”

The French woman looked down her nose at the American, sniffed and said, “You Americans. You are such a rude class of people. Can’t you see my little Fifi is using that seat?”

The American walked away, determined to find a place to rest, but after another trip down to the end of the train, once again found himself facing the woman with the dog. Again he asked, “Please, lady. May I sit there? I’m very tired.” The French woman wrinkled her nose and snorted “You Americans! Not only are you rude, you are also arrogant!”

The American didn’t say anything else; he leaned over, picked up the dog, tossed it out the window of the train and sat down in the empty seat.

The woman shrieked and railed, and demanded that someone defend her honor and chastise the American.

An Englishman sitting across the aisle spoke up indignantly, “You know, sir, you Americans do seem to have a penchant for doing the wrong thing. You eat holding the fork in the wrong hand. You drive your autos on the wrong side of the road. And now, sir, you’ve thrown the wrong bitch out the window.”

THREE BLONDES APPLY FOR A JOB

Three blondes were all applying for the last available position on the Texas Highway Patrol. The detective conducting the interview looked at the three of them and said, “So y’all want to be cops, huh?”

The blondes all nodded.

The detective got up, opened a file drawer, and pulled out a folder. Sitting back down, he opened it, pulled out a picture, and said, “To be a detective, you have to be able to detect. You must be able to notice things such as distinguishing features and oddities like scars and so forth.” So saying, he stuck the photo in the face of the first blonde and withdrew it after about two seconds. “Now,” he said, “did you notice any distinguishing features about this man?”

The blonde immediately said, “Yes, I did. He has only one eye!” The detective shook his head and said, “Of course, he has only one eye in this picture! It’s a profile of his face! You’re dismissed!” The first blonde hung her head and walked out of the office.

The detective then turned to the second blonde, stuck the photo in her face for two seconds, pulled it back, and said, “What about you? Notice anything unusual or outstanding about this man?” “Yes! He only has one ear!” The detective put his head in his hands and exclaimed, “Didn't you hear what I just told the other lady? This is a profile of the man’s face! Of course you can only see one ear! You're excused too!” The second blonde sheepishly walked out of the office.

The detective turned his attention to the third and last blonde and said, “This is probably a waste of time,” but he flashed the photo in her face for a couple of seconds and withdrew it, saying, “All right, did you notice anything distinguishing or unusual about this man?” The blonde said, “I sure did. This man wears contact lenses.” The detective frowned, took another look at the picture, and began looking at some of the papers in the folder. He looked up at the blonde with a puzzled expression and said, “You're absolutely right! His bio says he wears contacts! How in the world could you tell that by looking at his picture?” The blonde rolled her eyes and said, “Well, Hello! With only one eye and one ear, he certainly can’t wear glasses.”

TWO BLONDES AT THE PEARLY GATES

Two blondes are new arrivals at the pearly gates, and are comparing stories on how they died.

First blonde, “I froze to death.”

Second blonde, “Froze to death - how horrible!”

First blonde, “Well, it wasn’t so bad. After I quit shaking from the cold, I began to get warm and sleepy, and finally died a peaceful death. What about you?”

Second blonde, “I died of a massive heart attack; I suspected that my husband was cheating, so I came home early to catch him in the act. But instead, I found him all by himself in the den, watching TV.”

First blonde, “So what happened?”

Second blonde, “I was so sure there was another woman there somewhere, that I started running all over the house looking. I ran up into the attic and searched, and down into the basement. Then I went through every closet and checked under every bed. I kept this up until I had looked everywhere, and finally became so exhausted that I just keeled over with a heart attack and died.”

First blonde, “Too bad you didn’t look in the freezer — we’d both still be alive.”

THE MEMORIAL STONE

Sam died. His will provided $30,000 for an elaborate funeral. As the last guests departed the affair, his wife Sarah turned to her oldest and dearest friend, Jody. “Well, I’m sure Sam would be pleased,” she said. “I’m sure you’re right,” replied Jody, who lowered her voice and leaned in close. “How much did this really cost?” “All of it.” said Sarah. “Thirty thousand.” “No!” Jody exclaimed. “I mean, it was very nice, but $30,000?” Sarah answered, “The funeral was $6,500. I donated $500 to the synagogue. The wine and snacks were another $500. The rest went for the Memorial Stone.”

Jody computed quickly. “$22,500 for a Memorial Stone? My god, how big is it?” Sarah replies, “Two and a half carats.”

PSYCHIATRISTS VS BARTENDERS

Ever since I was a child, I’ve always had a fear of someone under my bed at night. So I went to a psychiatrist and told him that “I’ve got problems. Every time I go to bed I think there’s somebody under it. I’m scared. I think I'm going crazy.”

“Just put yourself in my hands for one year,” said the doctor, “Come talk to me three times a week and we should be able to get rid of those fears.’’ “How much do you charge?” I asked. “Eighty dollars per visit,” replied the doctor. “I’ll sleep on it,” I said.

Six months later the doctor met me on the street. “Why didn't you ever come to see me about those fears you were having?” he asked. “Well, eighty bucks a visit three times a week for a year is an awful lot of money! A bartender cured me for $10. I was so happy to have saved all that money that I went and bought a new pickup!”

“Is that so!” With a bit of an attitude he said, “And how, may I ask, did a bartender cure you?” “He told me to cut the legs off the bed! Ain’t nobody under there now!

GENTLE THOUGHTS FOR TODAY

The real art of conversation is not only to say the right thing at the right time, but also to leave unsaid the wrong thing at the tempting moment.

Aging: 1. Eventually, you will reach a point when you stop lying about your age and start bragging about it. 2. The older we get, fewer things seem worth waiting in line for.

WHO IS JACK SCHITT?

For some time many of us have wondered just who is Jack Schitt? We find ourselves at a loss when someone says, “You don’t know Jack Schitt!” Well, thanks to my genealogy efforts, you can now respond in an intellectual way.

Jack Schitt is the only son of Awe Schitt. Awe Schitt, the fertilizer magnate, married O. Schitt, the owner of Needeep N. Schitt, Inc. They had one son, Jack.

In turn, Jack Schitt married Noe Schitt. The deeply religious couple produced six children: Holie Schitt, Giva Schitt, Fulla Schitt, Bull Schitt and the twins, Deep Schitt and Dip Schitt.

Against her parents’ objections, Deep Schitt married Dumb Schitt, a high school dropout. After being married 15 years, Jack and Noe Schitt divorced. Noe Schitt later married Ted Sherlock, and because her kids were living with them, she wanted to keep her previous name. She was then known as Noe Schitt-Sherlock.

Meanwhile, Dip Schitt married Loda Schitt, and they produced a son with a rather nervous disposition named Chicken Schitt. Two of the other six children, Fulla Schitt and Giva Schitt, were inseparable throughout childhood and subsequently married the Happens brothers in a dual ceremony. The wedding announcement in the newspaper announced the Schitt-Happens nuptials. The Schitt-Happens children were Dawg, Byrd, and Horse.

Bull Schitt, the prodigal son, left home to tour the world. He recently returned from Italy with his new Italian bride, Pisa Schitt.

Now when someone says, “You don’t know Jack Schitt,” you can correct them.

THE DECOY

From the county where drunk driving is considered a sport, comes this true story. Recently, a routine police patrol parked outside a bar in Nicholas County, West Virginia. After last call, the officer noticed a man leaving the bar so intoxicated that he could barely walk. The man stumbled around the parking lot for a few minutes, with the officer quietly observing. After what seemed an eternity in which he tried his keys on five different vehicles, the man managed to find his car and fall into it. He sat there for a few minutes as a number of other patrons left the bar and drove off.

Finally, he started his car, switched the wipers on and off—it was a fine, dry summer night, flicked the blinkers on and off a couple of times, honked the horn and then switched on the lights. He moved the vehicle forward a few inches, reversed a little and then remained still for a few more minutes as some more of the other patrons’ vehicles left. At last, when his was the only car left in the parking lot, he pulled out and drove slowly down the road. The police officer, having waited patiently all this time, now started up his patrol car, put on the flashing lights, promptly pulled the man over, and administered a breathalyzer test. To his surprise, the breathalyzer indicated no evidence that the man had consumed any alcohol at all!

Dumbfounded, the officer said, “I’ll have to ask you to accompany me to the police station. This breathalyzer equipment must be broken.” “I doubt it,” said the truly proud hillbilly. “Tonight, I’m the designated decoy."