

DOCK STREET ASSET MANAGEMENT

DANIEL A. OGDEN
ALISON B. PECK

January 21, 2010

Berkshire Hathaway stock split

Berkshire Hathaway has split the B share stock 50 to 1 as of yesterday's close. Therefore the price dropped from \$3,476 to \$69.52 per share, while the number of shares we hold in our portfolios increased fifty times.

Usually our view is that stock splits mean nothing when it comes to what a company is worth. The same idea applies here, but no one has ever experienced a split this dramatic so this time might be different. In the last three days Berkshire stock has risen over 10% as traders bought in anticipation of a much more "accessible" stock.

We do not know how durable this price increase will be in the short-term, but Berkshire has been a very cheap stock for several months now, so it might stick.

Chairman Warren Buffett was forced into this because he offered stock to Burlington Northern shareholders rather than his customary all cash. The new lower priced B shares make the exchange for BNI shares practical.

Long-term the split will have little impact on how Berkshire helps or hurts our investment results, but we remain optimistic about the company's future.

Best regards,



Daniel A. Ogden

dogden@dockstreet.net