

## **Cooper Cos Gains Buyers After Sales ---- By Tony Cooke**

WASHINGTON (Dow Jones)--Insider transactions at Cooper Cos. (COO) offer a case study in weighing quantity against quality.

Measured in dollars, the trend at Cooper looks grim. So far in 2006, insiders at the Lake Forest, Calif.-based specialty medical products company sold nearly \$30 million worth of company shares and bought less than \$700,000 worth.

Other factors, however, add context and suggest that the overall message from Cooper insiders could actually be positive.

For one thing, among insider observers it is a truism that purchases carry more weight than sales.

Insiders receive much of their pay through equity-based awards, the thinking goes, so diversification through stock sales is always prudent. When an insider spends his or her own money to buy shares, on the other hand, that's viewed as a sign of confidence.

### **Most Sales By A Single Insider**

At Cooper, the bulk of the sales were by a single individual - director John D. Fruth - who got his shares when Cooper bought the company he founded, Ocular Sciences Inc., in January 2005.

Fruth, who had been chairman at Ocular Sciences, became a director at Cooper and began selling shares. Of the shares sold by Cooper insiders this year, more than \$28 million worth were sold by Fruth, who wasn't available for comment on Tuesday.

Jonathan Moreland, director of research for Insiderinsights.com, said given Fruth's circumstances, his sales aren't unusual and shouldn't be viewed with undue alarm.

"It is definitely not uncommon for people who have acquired shares in that fashion...to simply cash out," said Moreland.

Michael Painchaud, research director for Market Profile Theorems, said it's a mistake to put too much weight on the dollar amount of an insider transaction.

"The most important weighting in building an insider model is simply the transaction itself," he said. "Of far less importance is the dollar value of those purchases and sales. For a lot of people, that's kind of hard...to get their arms around."

The most recent three transactions by Cooper insiders have been purchases, according to data provider Washington Service. In July, three company insiders have paid nearly \$556,000 for 12,750 Cooper shares - an average price of \$43.60 a share. Cooper shares traded recently at \$43.90.

Company officials didn't return calls seeking comment.

Painchaud and Moreland said they also consider an insider's history. The biggest of the recent buys was made by Chairman and Chief Executive A. Thomas Bender, who on Monday reported spending more than \$400,000 on Cooper shares.

Bender was a timely seller of Cooper shares, getting rid of 356,000 last year for more than \$70 a share, mostly after the exercise of stock options. After those stock sales, earnings disappointments and other issues drove Cooper's stock to its current level, where Bender has become a buyer.

### **Some Caution's In Order**

Still, Painchaud and Moreland said, the overall picture suggests some caution is still appropriate. Because Bender's purchases were comparatively small, Moreland said they could reflect "window-dressing," or a desire to make a public show of confidence.

Painchaud said Cooperrates an "8" on his firm's 1-to-10 model of insider sentiment, where the low end of the range reflects bearishness and the high end reflects optimism.

"Cooper Cos. is a company I would prefer to hold or buy rather than sell," said Painchaud.

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07-11-06 1610ET*

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