

The Bowser Report

April 2010, Vol. 34, No. 4

NEXT COMPANY OF MONTH RECORDING
PHONE: 757/877-5979
FRIDAY, MAY 14, AFTER 4 PM ET
RECORDING ON FOR ENTIRE WEEKEND

The Terrible Ten

— The Final Report —

A year ago, the market was in free fall. It seemed that nothing was going up. Instead, everything seemed to be going down.

The bear-market storm that hit stocks was reducing many proud New York Stock Exchange beauties to a mere shadow of themselves. Many fell into our neck of the woods--selling for pennies.

To us, all of this spelled opportunity . . . The market would either rebound or cease to exist. We believed it'd recover.

Why not choose 19 of the NYSE's scrawnest--each trading for 75¢ each or less? Then, we further refined our selection--narrowing them down to 10.

We needed a name for them. The Terrible Ten seemed appropriate. And that's the way they are going down in history! (How's that for hyperbole!)



In our demonstration, we actually bought 200 shares of each of the ten on 3/6/09, using Scottrade as the broker. The Game Plan was followed. Commissions are included.

It was terminated last month. The chart below summarizes the year's activity, the highlights of which are:

- (1) 85% RETURN.
- (2) Only two stocks did not double.
- (3) Biggest gainer was Journal Communications(JRN).
- (4) Guaranty Financial(GFG) has the worst record.

STOCK/SYMBOL	COST	DOUBLING DATE & SALE	LAST SALE & DATE	PROCEEDS FROM SALES
Alesco Financial(AFN) <i>1-for-10 reverse split--Now Cohen & Co.(COHN)</i>	\$93.43	6/11/09--\$80.56	11/4/09--\$64.09	\$145.25
Anthracite Capital(AFN) <i>Now ACPI in Pink Sheets</i>	\$93.43	5/12/09--\$100	6/23/09--\$59.78	\$159.78
Guaranty Financial(GFG) <i>Now GFGF in Pink Sheets</i>	\$117.55	N/A	9/1/09--\$16.07	\$16.07
Intertape Polymer(ITP) <i>Now ITPOF in Pink Sheets</i>	\$105.49	6/1/09--\$118	6/26/09--\$79.55	\$197.55
Journal Communications(JRN)	\$317.00	9/8/09--\$365	2/3/10--\$345	\$710.00
LL&E Royalty Trust(LRT) <i>Now LRTR in Pink Sheets</i>	\$131.62	N/A	3/15/10--\$142.24	\$142.24
Nautilus(NLS)	\$207.00	8/5/09--\$225	11/3/09--\$165.99	\$390.99
Phoenix Companies(PNX)	\$335.00	10/1/09--\$303	11/20/09--\$306	\$609.00
Unisys Corp.(UIS) <i>1-for-10 reverse (10/09)</i>	\$251.00	10/1/09--\$257.04	2/3/10--\$302.59	\$559.63
Verso Paper Corp.(VRS)	\$135.64	5/11/09--\$133	11/6/09--\$240	\$373.00
	\$1,787.16			\$3,303.51

Jim Wortham-Investor Extraordinaire

What was accomplished by The Terrible Ten could have been replicated by individuals. Such a person who did this was Jim Wortham of Madison, IN, who is a real entrepreneur.

Jim is a practicing psychologist. On the side, he operates the Marathon Int'l Book Co., which has been the publisher of three of our books.

A year ago, his publishing business hit a downturn. As Jim put it, he published some books by supposedly "top-selling authors, who weren't."

Although he didn't tell us at the time what he was doing, Jim decided a year ago that the

way to get out of his financial hole, was to buy a slew of the stocks whose prices had been artificially lowered by the bear market.



JIM WORTHAM

During this critical down period, he made 34 purchases. Later in the year when he sold, his gain was sufficient that he was able to pay off the loan on his house and bring his credit card debt down to manageable proportions.

A few of the issues he bought were CitiGroup, Ford Motor, E-Trade and Lear. . . . The success of his plan rested on his conviction that the market would rebound. This was based on his previous market experience.

The only newsletter for stocks \$3 a share or less

How did our indexes survive the bear market?

BEGINNER'S PORTFOLIO

March 2009 85%
April 2010 134%
UP 58%

BOWSER MICROCAP STOCK INDEX

March 2009 342.47
April 2010 604.12
UP 76%

Riches south of the border

Jim Wortham has been a long-time subscriber to The Bowser Report. The most unusual and successful Bowser stock in his portfolio is Telefonos de Mexico, which is a pick that deserves an Oscar.

In September 1993 he bought around \$1,000 worth of the Mexican phone company's shares. Since then, it has split into three entities. That \$1,000 investment is now worth:

130 shares after a split of Telefonos (TFONY) x \$15.35 per share = \$1,995.50.

210 shares of America Movil (AMX) at

\$48.81 per share = \$10,250.10

130 shares of Telmex International (TII) at \$19.03 per share = \$2,473.90

The Telefonos story doesn't end there. There is the dividend stream. In Jim's own words:

"In the past year, I received \$168.88 from Telefonos and \$33.74 from Telmex Int'l and \$257.22 from America Movil. Total dividends during 2009 were \$459.80 (almost half of the purchase of the original stock.)"



(Mr. Wortham can be reached at 212/265-1663.)

KMWORLD MAGAZINE HONORS BRIDGELINE

Bridgeline Software has been named one of the 100 Companies That Matter in Knowledge Management by KM World Magazine. The publication is the leading information provider serving the knowledge, document and content management systems market with over 45,000 subscribers.

Bridgeline is the developer of iAPPS Content Manager, the flagship web content management system within the iAPPS Product Suite, an innovative solution that unifies content management, analytics, e-commerce and e-marketing capabilities--enabling users to swiftly enhance and optimize the value of their web properties.

Now in its tenth year of compiling the list, KMWorld collaborates annually with recognized knowledge management practitioners, theorists, industry analysts and vendors, along with their customers and colleagues, to assemble a true roster of those companies that are on the forefront in this industry.

"Bridgeline does more than simply throw sophisticated technology at its customers. It provides real solutions through planning and execution throughout the entire constituency chain," said Hugh McKellar, KMWorld editor-in-chief.

Bridgeline Changes Name

The company has changed its name to Bridgeline Digital with the new symbol BLIN.

"Over the past decade, Bridgeline has progressed into much more than a software company," said President & CEO Thomas Massie. "We feel strongly that "Bridgeline Digital" is a more accurate reflection of the evolving mix of web-based products and services that we deliver."

The Maryland Hospital Assn. (MHA), an organization that advocates for hospitals, health systems and patients before legislative and regulatory bodies, has launched a new website, using iAPPS Content Manager and iAPPS Analytics.

Bridgeline designed, developed and now provides the ongoing managed services for the MHA site in its SaaS hosting environment.

The Atlanta Regional Commission (ARC), the regional planning and intergovernmental coordination agency for the City of Atlanta and surrounding ten-county area, has launched a new website, using iAPPS Content Manager. . . . Bridgeline is managing this site.

EVOLVING SYSTEMS announced that its pioneering Dynamic SIM Allocation (DSA) solution has activated more than seven million SIM cards worldwide, including four million in the last four months alone.

Three of Evolving's DSA customers are already in live production--3UK, MTN South Africa and Telefonica Moviles Mexico. Two Southeast Asian customers are due to implement the solution in the first half of this year, with a further African operator expected to follow later in 2010.

Stephen K. Gartside, Jr., chairman of the board of directors, has resigned. Thad Dupper, president and CEO, will assume the additional role of chairman. Mr. Gartside is leaving EVOL to devote more time on his role as president of Newton Running, a firm specializing in performance running shoes.

Database

- ✓ Replaces our Directory of Small Stocks.
- ✓ Not available by yearly subscription. Single copy only.
- ✓ Constantly updated. New stocks added. Others deleted.
- ✓ Except for Company of Month issues, all stocks above \$5 eliminated.
- ✓ Each entry given a Bowser Rating.
- ✓ Thirteen fields of information on each stock.
- ✓ Now available. \$20 a copy. Free Shipping.

COMPANY OF THE MONTH

Medical Nutrition USA Inc. develops and distributes nutritional supplements for use in long-term care facilities, hospitals and dialysis clinics. In addition, some of the products are sold through health food stores under private label or licensing agreements.

Sales of nutritional supplements to healthcare institutions are estimated to be \$5 billion annually and growing 12% per year. The industry is fragmented and highly competitive and includes vitamins, minerals, dietary supplements, herbs, botanicals and compounds derived there from.

With limited exceptions, the sale of nutritional supplements is not subject to FDA approval prior to sale. Opportunities in the industry were enhanced by the enactment of the Dietary Supplement Health & Education Act of 1994(DSHEA). This permits vendors to educate consumers regarding the effects of certain component ingredients.

MDNU has continued to implement its strategy to increase the proportion of its sales generated by its own branded products. These products include primarily:

Pro-Stat line of enzyme-hydrolyzed liquid protein used to treat unintended weight loss, protein energy malnutrition and pressure ulcers.

UTI-Stat, a urinary-tract cleansing complex used to reduce the incidence of urinary tract infection and promote urinary tract health. The company is cooperating in a study being conducted by Columbia University Medical Center on the role of UTI-Stat with Proantinox.

Fiber-Stat is a liquid soluble fiber with FOS used to maintain bowel regularity and probiotic intestinal health.

In fiscal 2009, 76% of total sales were made to distributors who resell products to end users. Two distributors accounted for 28% of total sales, compared to 32% in 2008.

At the same time, the company is expanding the distribution of its own branded products, which attracted 113 distributors compared to 91 the year before.

Medical Nutrition's products are produced by third parties in various plants. One of them is Organic Corp. of America. MDNU owns 5% of the outstanding stock of Organic.

The company has a record of introducing new products. Last year, it brought out a new Fiber-Stat with prune juice concentrate, which is recommended for chronic irregularity.

A brand new item is Diff-Stat, which is useful in combatting diarrhea. Another one is Pro-Stat Advanced Wound Care with Citrulline for hard-to-heal pressure ulcers.

Finances

An overview of how MDNU is growing is evident by

comparing the fourth quarter of 2010 vs. 2009:

(1) Revenue from the sale of the company's own branded products rose 22%.

(2) Total sales also went up 22%, with the company's own brands doing better than private label sales.

(3) Gross profit climbed to \$2,482,200 or 55% of sales, from \$1,927,600 or 52% of sales.

(4) Selling, general and administrative expenses decreased to \$1,992,300 or 44% of sales.

(5) Net cash provided by operating activities was \$839,800, up from \$222,000.

(6) Net income was \$216,700 vs. a loss of \$136,100.

MDNU has various patents protecting their products and has no debt.

In March 2007, a 401(k) retirement plan was established for all eligible employees. In 2008, the plan was amended to include a maximum company contribution of 4% of base salary for the first 5% of elected base salary deferrals. There are 36 full-time employees.

Management

Frank A. Newman, 60, chairman and chief executive officer, has a career that makes him unusually highly qualified to lead Medical Nutrition. He's been the CEO and director since November 2002.

From 1993-2000, he was chairman, president and CEO of

Eckerd Corp.--one of the largest drug store chains in the U.S. and, from 1986-1993, president and CEO of F&M Distributors.

He has served on the board of the National Assn. of Chain Drug Stores since 1993, including being its chairman (1999-2000) and is a member of the board of advisors of the University of Michigan School of Pharmacy and a trustee of Sidwell Friends School, Washington D.C.

Among insiders, Mr. Newman is the largest shareholder, owning 2,423,690 or 16.4% of the stock.

Arnold M. Gans, 74, is the founder and chief scientific officer and was the president after the company's formation--from 1981 until 2007.

Mr. Gans was granted patents in 1977, which he assigned to the company, for method-use manufacturing for formula processes relating to the use of certain foods to treat nutritional deficiency.

He serves on the Alumni Board of Columbia University's School of Public Health and holds a Bachelor of Science degree in pharmaceutical chemistry from Columbia. Owns or controls 8.2% of the MDNU shares.

Two outside individuals each own 20.4% of the shares, while a New York City institution has 10.7%.

Office: 10 West Forest Ave., Englewood, NJ 07631, 201/569-1188, www.mdnu.com.

Medical Nutrition USA

Nasdaq: MDNU

BOWSER RATING: 8

Last 24 Months--
\$1.12 to \$2.65

	2008(A)	2009(A)	2010(A)
REVENUE	\$12,801,000	\$13,747,200	\$16,089,000
NET INCOME(LOSS)	\$ 869,000	\$ (492,100)	\$ 482,600
WORKING CAPITAL	\$11,398,100	\$10,577,000	\$12,230,400
BOOK VALUE	\$0.88	\$0.87	\$0.92
TOTAL SHARES	14,128,601	14,128,601	14,437,425
FLOAT	N/A	N/A	4,000,000

(A) FISCAL YEAR ENDS JANUARY 31.

MINIPRICED STOCKS IN BUYING RANGE

SYMBOLS: (N) NEW YORK STOCK EXCHANGE; (A) NYSE AMEX; (GM) NASDAQ GLOBAL MARKET, WAS NATIONAL MARKET; (CM) NASDAQ CAPITAL MARKET, WAS THE SMALLCAP MARKET; (GS) GLOBAL SELECT MARKET; (OP) PINK SHEETS; (OB) BULLETIN BOARD; (ADR) AMERICAN DEPOSITORY RECEIPTS; (NR) NOT RATED. #- PREVIOUSLY APPEARED ON THIS LIST, BUT WAS REMOVED BECAUSE IT HAS RISEN ABOVE \$3.00 A SHARE; @- FROM CONTINUOUS OPERATIONS; FIGURES IN PARENTHESIS ARE LOSSES. C- CANADIAN DOLLARS.

DATE STOCK MADE ORIGINAL APPEARANCE ON LIST & MARKET	ISSUE/TRADING SYMBOL	PRINCIPAL BUSINESS	PRICE 3/31/10	LONG-TERM DEBT (MILLIONS)	ANNUAL SALES UPDATED QUARTERLY (MILLIONS)	ANNUAL NET INCOME/LOSS UPDATED QUARTERLY (MILLIONS)	SHARES OUT-STANDING (MILLIONS)	BOWSER RATING
CATEGORY ONE: OUR BEST PICKS								
07/07(CM)	ALLIANCE FIBER OPTICS(AFOP)	OPTIC COMPONENTS/INTEGRATED MOD	1.44	\$0.937	\$29.8	\$1.433	42.3	8
1/10(CM)	BRIDGELINE DIGITAL(BLIN)	* WEB APPLICATION MANAGEMENT	1.28	\$0.000	\$22.9	\$0.812	11.2	9
		*Was Bridgeline Software						
07/09(OB)	DAC TECH(DAAT)	SPORTING GOODS/GUN ACCESSORIES	0.70	\$0.000	\$14.7	\$0.554	6.3	8
08/09(OB)	DYNASIL CORP (DYSL)	MAKER OPTICAL PRODUCTS	2.69	\$8.387	\$53.4	\$2.248	11.4	8
# 01/07(CM)	FOOD TECH SERVICE(VIFL)	COMMERCIAL FOOD IRRADIATION	2.56	\$0.000	\$2.5	\$1.395	2.6	8
# 12/07(A)	FULL HOUSE RESORTS(FLL)	MANAGES GAMING FACILITIES	2.87	\$4.047	19.0	5.616	18.1	8
		Office: 4670 S. Ft. Apache Rd., Ste. 190, Las Vegas, NV 89147, Tel: 702/221-7800, www.fullhouserestorts.com						
03/10(CM)	LML PAYMENT SYS(LMLP)	ELECTRONIC FINANCIAL CLEARANCING	2.47	\$0.000	\$14.9	\$1.428	27.1	8
10/09(CM)	LRAD CORP(ATCO)	DIRECTED SOUND PRODUCTS	1.54	\$0.000	\$18.7	\$0.776	30.6	8
		*Was American Technology Corp						
02/10(CM)	MANHATTAN BRIDGE(LOAN)	SHORT-TERM COMMERCIAL LOANS	1.35	\$0.000	\$1.0	\$0.236	3.3	9
04/10(CM)	MEDICAL NUTRITION USA	OTC NUTRITION/HEALTH PRODUCTS	2.20	\$0.000	\$16.1	\$0.483	14.4	8
CATEGORY TWO: WORTHY OF CONSIDERATION								
# 01/09(A)	COMMUNITY BANKERS (BTC)	BANK/FINANCIAL HOLDING COMPANY	2.91	0.068	66.1	\$(3.966)	21.5	NR
		Office: 4235 Innslake Dr., Ste. 200, Glen Allen, VA 23060, Tel: 804/934-9999, Fax: 804/443-9427, www.cbtrustcorp.com						
04/09(OB)	COVER-ALL TECH(COVR)	PROPERTY/CASUALTY INSURANCE SOLU	1.20	\$0.000	\$44.6	\$3.297	25.2	9
# 12/03(A)	DGSE COMPANIES(DGSE)	PRECIOUS METALS/JEWELRY/CASH STORES	2.25	\$13.568	\$84.9	\$(7.794)	9.7	NR
# 11/03(A)	ENVIROSTAR INC(EVI)	DRY CLEANING STORES/EQUIPMENT	1.21	\$0.000	\$20.0	\$0.242	7.1	NR
09/06(A)	EXPRESS-1(XPO)	EXPEDITED TRANSPORTATION	1.46	\$1.202	\$100.1	\$1.705	32.0	8
# 10/08(A)	FIELDPOINT PETROLEUM(FPP)	DOMESTIC OIL/GAS OPERATIONS	2.17	\$6.745	\$3.5	\$0.239	8.5	NR
# 08/06(A)	FLEXIBLE SOLUTIONS(FSI)	SPECIALTY CHEMICALS	1.65	\$0.449	\$9.8	\$(0.743)	14.1	8
# 02/05(CM)	GIGA-TRONICS INC(GIGA)	INSTRUMENTS, DEFENSE; TELECOMM	2.30	\$0.000	\$20.9	\$2.101	4.8	8
# 09/00(CM)	INVENTURE GROUP(SNAK)	MARKETS/DIST. SALTY SNACK FOOD PROD.	2.87	\$10.038	\$121.0	\$3.782	18.0	8
# 12/06(A)	ITERIS INC(ITI)	OUTDOOR MACH VISION SYS/SENSORS	2.00	\$0.000	\$58.7	\$9.396	34.2	8
06/07(CM)	PIZZA INN(PZZI)	PIZZA INN RESTAURANTS	2.05	\$0.659	\$41.5	\$1.496	8.0	8
# 03/09(GM)	ROCK OF AGES CORP(ROAC)	NOW ABOVE \$3 A SHARE; SEE PAGE 5(FOLLOW-THROUGH)						
11/09(OB)	TURBSONIC TECH(TSTA)	AIR POLLUTION CONTROL EQUIP	0.47	\$0.000	\$23.4	\$0.942	15.0	NR
# 03/03(A)	WELLS GARDNER ELEC(WGA)	ELECTRONIC VIDEO PRODUCTS	2.29	\$1.500	\$52.5	\$0.749	10.4	NR
# 09/07(A)	XFONE INC (XFN)	COMMUNICATIONS SERVICE PROVIDER	1.50	\$28.050	\$85.0	\$4.200@	18.4	NR
CATEGORY THREE: VERY SPECULATIVE								
# 08/00(A)	ALPHA PRO TECH(APT)	PROTECTIVE APPAREL/ROOF PRODUCTS	2.35	\$0.000	59.7	\$9.00	22.4	9
		Office: 60 Centurian Dr., Ste. 112, Markham, Ont., Canada L3R 9R2, Tel: 905/479-0654, www.alphaprotech.com						
04/06(A)	BOOTS & COOTS INT'L(WEL)	OIL WELL CONTROL	2.43	\$35.359	\$195.1	\$6.000	79.2	NR
# 02/08(CM)	CIMATRON LTD(CIMT)	SOFTWARE FOR MACHINE TOOLS	1.70	\$0.000	\$25.4	\$(0.691)	9.2	NR
# 11/06(OB)	ENCISION INC(ECIA)	MEDICAL DEVICE COMPANY	1.30	\$0.000	\$12.2	\$0.528	6.5	8
01/08(A)	METRO HEALTH(MDF)	NOW ABOVE \$3 A SHARE; SEE PAGE 5(FOLLOW-THROUGH)						
# 10/04(A)	PINNACLE DATA SYS(PNS)	TECHNOLOGY SOLUTIONS TO OEMs	.70	\$0.000	\$35.6	\$(3.450)	7.8	NR
08/08(CM)	TEAMSTAFF INC(TSTF)	HEALTHCARE/ADMINISTRATIVE STAFFING	.99	\$0.000	\$44.8	\$(0.300)	4.9	NR
06/08(A)	TENGASCO INC (TGC)	DOMESTIC OIL/GAS OPERATIONS	.47	\$4.321	\$9.5	\$(0.070)	59.2	NR
# 02/04(CM)	TII NETWORK TECH(TIII)	OVERVOLTAGE PROTECTION DEVICES	1.40	\$0.000	\$27.4	\$0.073	13.5	NR
# 07/98(A)	NWLAND ELEC(WEX)	ELECTRONIC PRODUCTS OUTSOURCING	.95	\$0.699	\$22.5	\$(1.531)	3.7	NR

NOTE: We've assembled, in a bound booklet, a reproduction of the original company of the month write-up for each of the above stocks. This *Company of the Month* booklet is available for \$10.00 a copy.

TURBOSONIC TIGHTENS BELT

TSTA has taken the following actions to reduce overhead, while maintaining operating flexibility.

(1) Temporary salary reductions ranging from 20% to 50%.

(2) Temporary unpaid leaves of absence for a limited number of employees.

"These actions are expected to remain in place through June 30. We anticipate we'll realize cost reductions between \$425,000 and \$475,000 as a result of these actions, after taking into account initial charges of \$10,000," noted CEO Edward Spink.

"We continue to be unburdened by debt and have a strong cash position. We reported an increase in

market activity in our Feb. 12 press release and are seeing this upward trend strengthen, particularly for funded near-term projects.

"All of this is in addition to cost-containment measures mentioned in previous press releases, including curtailment of capital and discretionary expenditures.

"We have endeavored to preserve out flexibility to be prepared for future opportunities as well as uncertainties in our markets while maintaining capabilities for project execution that will be required as new regulations are implemented and our new technologies gain acceptance."

GLOBAL MED TECH: Last month, Haemonetics completed its tender offer for GLOB.

WE ENCOURAGE SUBSCRIBERS TO BUY OUR STOCKS WHEN THEY ARE \$3 OR LESS. HOWEVER, WHEN THEY GO ABOVE \$3, WE FOLLOW THEM IN THE FIRST GROUP BELOW. IN BOTH OF THE FOLLOWING LISTS, COLUMN 1 GIVES THE SHARE PRICE AS OF 3/31/10 PLUS THE CURRENT BOWSER RATING. COLUMN 2 IN THE FIRST LIST BELOW INCLUDES THE MONTH/YEAR WE ORIGINALLY RECOMMENDED THE ISSUE, THE PRICE PER SHARE THEN AND THE BOWSER RATING. (NR=NOT RATED)

FOLLOW-THROUGH

ISSUE/EXCHANGE/SYMBOL	1	2	ISSUE/EXCHANGE/SYMBOL	1	2
ALPHA PRO TECH (A:APT)	NOW \$2.35; SEE PAGE 4		GOLDEN ENTERPRISES(GM:GLDC)	\$3.31(9)	02/09 \$2.35(9)
BALLANTYNE STRONG(A:BTN)	\$5.40(8)	09/08 \$2.64(8)	IEC ELECTRONICS(A:IEC)	\$5.39(8)	07/08 \$1.99(8)
COMMUNITY BANKERS(A:BTC)	NOW \$2.91; SEE PAGE 4		KEY TRONIC(GM:KTCC)	\$5.15(8)	11/08 \$1.57(10)
CVD EQUIPMENT(CM:CVV)	\$3.35(8)	07/05 \$2.03(9)	METROPOLITAN HEALTH	\$3.23(8)	01/08 \$2.36(9)
EVOLVING SYSTEMS(CM:EVOL)	\$6.90(8)	05/09 \$3.68(8)*	RELM WIRELESS (A:RWC)	\$3.73(9)	12/09 \$2.19(9)
*Price adjusted: 1-for-2 rev. split 7/09			RICHMONT MINES(A:RIC)	\$3.97(8)	10/98 \$2.56(8)
FEMALE HEALTH CO(CM:FHCO)	\$7.17(9)	10/07 \$2.32(9)	ROCK OF AGES(GM:ROAC)	\$3.35(8)	03/09 \$1.72(9)
FULL HOUSE RESORTS(A:FLL)	NOW \$2.87; SEE PAGE 4		XETA TECHNOLOGIES(GM:XETA)	\$3.50(8)	12/08 \$1.92(8)

THE FOLLOWING WE SAID SHOULD BE SOLD:

(COLUMN 2 SHOWS THE DATE, PRICE AND BOWSER RATING WHEN WE RECOMMENDED THE STOCK BE SOLD)

ADVANCED PHOTONIX(A:API)	\$0.56(NR)	12/09 \$0.65(NR)	HUDSON TECH(CM:HDSN)	\$2.60(NR)	10/09 \$1.22(NR)
AMERICAN ELEC. TECH(CM:AETI)	\$2.77(NR)	09/09 \$2.08(NR)	ORSUS XELEN(A:ORS)	\$0.48(NR)	03/10 \$0.45(NR)
CHINA SOLAR CLEAN (OB:CSOL)	\$0.30(6)	08/09 \$0.48(NR)	WIRELESS TELECOM(A:WTT)	\$0.98(NR)	05/09 \$0.52(NR)

AMERICAN TECHNOLOGY CHANGES NAME

Stockholders approved changing the name to LRAD Corp. at the annual meeting March 24. On March 25, shares began trading under the Nasdaq ticker symbol: LRAD, replacing the old symbol, ATCO. The web address is now www.lradx.com.

"With significantly improved operating results over the last two fiscal years and growing recognition of LRAD as the worldwide leader in acoustic hailing devices, we believe our new corporate identity will produce greater awareness of LRAD in the markets we are penetrating and generate new institutional investor interest," remarked Tom Brown, president and CEO.

BRIEFS

PIZZA INN(PZZI): With more than 300 restaurants in 12 countries, management opened its newest location in the Oasis Mall in the Kingdom of Bahrain. This is the 70th location in the Middle East and first of 12 slated for Bahrain. A buffet-style unit began operations in Oklahoma City, the third in the city and the 14th in the state. Houston's 20th Pizza Inn just opened. . . . **EXPRESS-1 EXPEDITED SOLUTIONS (XPO):** For the second year in a row, its subsidiary, Express-1 Inc., was named Carrier of the Year in the expedited category by NASSTRAC (National Shippers Strategic Transportation Council.) Chief Financial Officer David Yoder resigned to pursue an opportunity in the private transportation sector. . . .

COMMUNITY BANKERS TRUST CORP.(BTC) was unable to file its 2009 Annual Report on Form 10-K by March 31, as it had previously expected. The company has been addressing additional and enhanced disclosures in its 2008 Annual Report and the three quarterly reports it filed in 2009. It is responding to queries from the U.S. SEC. . . . **RICHMONT MINES(RIC)** intends to acquire all of the outstanding shares of Louvem Mines that it doesn't currently own. RIC holds 70% of the Louvem shares. Also, last month it was revealed that the production milestone of one million gold ounces at Louvem's Beaufor Mine has been reached. . . . **RELM WIRELESS CORP.(RWC)** successfully completed the P25 interoperability tests on Motorola's ASTRO P25 system infrastructure. In March, RWC conducted live demonstrations of its trunked version KNG-Series P25 digital radios at the International Wireless Communications Exposition at the Las Vegas Convention Center. . . . **ITERIS INC.(ITI):** Scania, one of the world's leading manufacturers of trucks and buses for heavy transport applications, signed a three-year contract extension to continue to offer Iteris' AutoVue Lane Departure Warning Systems as a factory-installed option on its heavy trucks. The company received a \$577,000 order for Vantage video detection systems from the city of Henderson, NV. . . . **ALLIANCE FIBER OPTIC PRODUCTS(AFOP):** Skymark Research has initiated coverage of AFOP.

INSIDER TRADING	NAME	BUY/SELL	DATE	PRICE	HOLDINGS
Evolving Systems Inc.	Anita T. Mosely (GC)	AS-2000	3/3/2010	\$6.83	23,136
	" "	S-2000	3/4/10	\$6.84	21,136
	" "	AS-2,000	3/5/10	\$6.92	19,136
	" "	S-2,000	3/8/10	\$6.90	17,136
	" "	AS-2,000	3/9/10	\$6.83	15,136
	" "	AS-2,000	3/10/10	\$6.97	13,136
	" "	AS-2,000	3/11/10	\$6.83	11,136
	" "	AS-2,000	3/12/10	\$6.83	9,136
	" "	AS-2,000	3/15/10	\$6.83	7,136
	" "	S-2,000	3/16/10	\$6.83	5,136
	" "	S-2,000	3/17/10	\$6.90	3,136
	" "	S-1,094	3/18/10	\$6.89	2,042
	Karen Singer (B/O)	B-1,302X	3/8/10	\$6.77	2,026,005X
	" "	B-20,000X	3/9/10	\$6.77	2,046,005X
Female Health Company	" "	B-3,850X	3/10/10	\$6.70	2,049,855X
	" "	B-44,500X	3/12/10	\$6.75	2,112,056X
	" "	B-10,000X	3/16/10	\$6.77	2,122,056X
	" "	B-5,000X	3/17/10	\$6.80	2,127,056X
	" "	B-10,000X	3/19/10	\$6.80	2,137,056X
	Stephen M. Dearholt (D)	S-23,212	3/3/10	\$6.20	2,449,526
	" "	S-10,000	3/4/10	\$5.99	2,439,526
	" "	S-10,000	3/10/10	\$6.54	2,429,526
	" "	S-688	3/11/10	\$6.74	2,428,838
	" "	S-16,700	3/12/10	\$6.76	2,412,138
Giga-tronics Inc	" "	S-15,000	3/15/10	\$6.73	2,397,138
	" "	S-12,357	3/16/10	\$6.73	2,384,781
	Richard E. Wenninger (D)	AS-10,000	3/15/10	\$6.56	2,444,223
	" "	AS-10,000	3/19/10	\$6.87	2,434,223
	" "	AS-10,000X	3/24/10	\$7.23	1,393,778X
	Garrett Garretson(D)	S-2,500	3/8/10	\$2.32	0
Metropolitan Health	Martin W. Harrison (D)	AS-5,000	3/11/10	\$2.50	3,939,714
	Barry Zeman (D)	S-5,000	3/8/10	\$2.91	110,959
	" "	S-10,000	3/9/10	\$2.91	100,959
	" "	S-5,250	3/11/10	\$2.95	95,709
RELM Wireless Corp	William P. Kelly (CFO)	S-8,688	3/9/10	\$3.93	0
	David P. Storey (CEO)	S-10,000	3/9/10	\$3.93	60,000
Rock of Ages Corp	North Star Investment (B/O)	B-4,900	3/16/10	\$3.27	718,473

AS=Automatic sale; B/O=Large shareholder; CEO=Chief executive officer; D=Director; GC=General Counsel; X= indirect holdings.

BOWSER BUCKAROOS SPEAK

Turbulent Times

In these turbulent times, your letter is a bit of fresh air and common sense. All the best in 2010.

--Mary Martin/Joe McDonald, Vancouver, WA

LML Payment Systems

Reading The Bowser Report has taught me how microcap stocks can be profitable and I appreciate the lessons you have taught me. In addition to your recommendations, I have tried to find some of these gems myself.

Occasionally, I find you recommending a stock that I have already purchased.

This was the case when I opened my March Bowser Report and found your selection of LML Payment Systems. To brag a bit, I purchased shares at 80¢ on 10/22/09. When the shares doubled in price, I sold half my holdings at \$1.75 on 2/11/10.

My Dad, who has invested in stocks as long as I can remember, says that when a broker recommends a stock, it is too late. That is, brokers tend to recommend stocks that have already gone up.

--John F. Hoppe, Hazard, KY

Last month, we printed a letter from John, in which he was discussing LL&E Royalty--a Terrible Ten issue. We quote him as noting that LL&E would have an "asset value of 66¢."

He says that actually, the asset value is only 6¢ and he added: *As I do not have my original e-mail, I do not know if this was your error or mine.*

John gave us a wonderful opening. If there was an error, he has given us the license to blame him. But, actually, it was our mistake.

THE KAMKE ANALYSIS

As a Buckaroo for 29 years, Paul B. Kamke has the distinction of being a Bowser pioneer. His life has unfolded during this period. At first, he was just a student at the University of Virginia.

Later, he opened his own accounting practice. Married. Had children. And now, the highly successful Kamke Investment Strategies in West Nyack, NY, involves both accounting and money management.

For the first time, Paul sent us a sheet on which he analyzed a Company of the Month--LML Payment Systems. His findings:

Business: In an outstanding industry in this electronic age.

Acc/Dis Rating: Shares now being accumulated.

Composite Rating: In the top 90% of all stocks.

Return on Equity: 8%. Not that great.

Debt: 0%. Excellent.

Volatility: Very volatile.

History: Had a big run-up in 2007. "Could see this running past the old highs of 2007."

Of the seven comments, only one was outright negative and that was "Return on Equity." That LMLP is very volatile might be considered a negative by some folks.

New 50% Rule

I like the idea of selling on the downside if a stock falls more than 50% of my purchase price. Now, my portfolio will be fully automatic

However, my question is: If you and Mark Apel both backtracked the strategy and found it to be viable, why wouldn't you incorporate that into the Selling Plan?

P.S. The Terrible Ten was a great move. I did well with that excursion. Thanks.

--Christopher Rouser, Nashville, TN

Chris, glad that you liked the new rule.

We have incorporated it into our Selling Plan. If you look at the "Bowser Game Plan Rules" at the bottom of page 6 in the current edition, under No. 5, it notes: "If the stock

falls 50% from your purchase price before it doubles, sell."

In regards to the new rule about selling 50% of what you paid, how does this work with stock that you have averaged down?

--Randy Wilson, Two Rivers, WI

Randy, we don't recommend averaging down. It's not part of the Game Plan.

But, if you average down, that in itself would lower the cost basis. In other words, your purchase price would be lower and the 50% sale rule would be activated on the new lower purchase price.

Greetings from Hong Kong

Thanks for all of the help. We'll look forward hopefully to a good 2010.

How are you doing on reaching your 100-year milestone? Have you changed your diet, cut back on tennis from three or four times a week? And, only travelling the world two months out of the year?

Love to hear all of the secrets. I've got 56 years to reach 100, so any help would be terrific. I need to be around to see Baby Matthew grow up.

--Steve Kohl, Tai Tam, Hong Kong

Steve is another of our "babies," who has "grown up" while we were standing by.

Our paths first crossed when he was a senior at the University of Massachusetts (Amherst) in 1984. He was interested in minipriced stocks then, being chairman of the Aurora Partners--a student investment club.

Mr. Kohl has had a remarkable career as a money manager, focusing on the stock market. And, he is now happily married. In fact, his wife's career took them to Hong Kong.

The above note was written by the brand new father. Baby Matthew was born March 1.



Manhattan Bridge closes-out winning year

LOAN's revenue for the year ended December 31 was \$1,039,000 from interest and fees compared to \$758,000 for 2008, a jump of \$281,000 or 37.1%. The increase in revenue represents an increase in lending operations.

General and administrative expenses for the year were \$673,000, compared to \$682,000 last year, a decrease of 1.3%. The drop in these expenses is mainly due to a drop in stock-based compensation of \$65,000, a slash in professional fees of \$36,000 mostly due to a decrease in legal and accounting costs and a reduction of investors relation expenses of \$10,000, offset by a rise in payroll expenditures of \$106,000.

Net income for 2009 was \$236,000 vs. a net loss last year of \$520,000. And, income would have been even higher if it weren't for certain losses and a jump in income taxes.



ASSAF RAN
CEO, Manhattan Bridge
and wife, TAMAR.

The fourth quarter ended with shareholders' equity of \$7,455,00, a bounce of \$465,00 over the 2008 figures.

CEO Assaf Ran: "The company has stabilized its position as a leading player in its sector of the New York City marketplace as a short-term small business commercial lender.

"And, since we've found a niche in which we are comfortable, we have developed a broad customer base. And, as always, in addition to good and liquid collateral, we focus first on good individuals. That model has worked for us, as we experienced no defaults or problematic situations.

Although we have arranged for lines of credit and joint venture loans with third parties, our success in that area is limited."

Xfone gearing up for long-term growth

Guy Nissenson, president and chief executive officer of Xfone, Inc., last month issued a letter to shareholders. Following are some highlights:

Xfone has been focused on growing its Fiber-To-The-Premise(FTTP) business over the past two years and the sizeable opportunity to bring broadband to secondary and rural markets in the U.S.

This strategy took a huge leap forward recently with the notification that our wholly-owned subsidiary, PRIDE Network, had been awarded \$63.6 million in stimulus grants and long-term loans from the U.S. Dept. of Agriculture.

This funding will enable us to expand the roll-out of our FTTP infrastructure by bringing broadband services to the Texas south plains and to the communities of Burkburnett and Iowa Park, TX. Additionally, this funding will stimulate the economic growth of these communities by creating hundreds of new jobs associated with the network build out.

To put the significance of this chance into perspective, our Levelland build out, underway since late 2008, is expected to add 6,200 passings to our footprint. The PRIDE Network projects are expected to add another 30,000 passings. We expect to break ground on the new projects within four to five months and should start realizing revenues after the first year.

There is a second phase of federal government broadband funding. We participated in the new application process and are seeking a combination of grants and loans. Vying for these funds is a very competitive business.

In order to qualify for the second application, XFN completed a private placement with existing shareholders for \$6.6 million. This financing included the issuance of 2.7 million shares of common, warrants to purchase 950,000 shares of common and \$3.5 million in debt. Part of this new capital will be used for working capital.

As the company grows its higher margin FTTP business, it is important that we continually strengthen our balance sheet. The previously-announced divestiture of the U.K. division will provide \$4.5 million in total proceeds. Also, we currently have a letter of intent for the divestiture of the Israeli division.

In the fourth quarter of 2009, the results of which we just announced, we wrote off virtually all of the \$21.1 million U.S.-based goodwill on our balance sheet, resulting in a big loss for the quarter.

Thus far, in Lubbock/Levelland, our business accounts generate revenue per user(ARPU) of \$560,000 per month, while residential ARPU per month is some \$109,000.

BOWSER GAME PLAN RULES

- 1- DO NOT PAY more than \$3 for a stock.
- 2- CREATE A PORTFOLIO of 12 to 18 stocks.
- 3- DO NOT SELL when a stock goes over \$3 and is moved to Page 5.
- 4- DO NOT SELL when a stock moves to a lower category.
- 5- SELLING PLAN: Sell half of your holdings when the stock doubles from your purchase price; sell remainder if stock drops 25% from the most recent high after it has doubled. If the stock falls 50% from your purchase price before it has doubled, sell.
- 6- RECORD Proceeds from Sales.
- 7- PORTFOLIO EVALUATION = Value of current stocks + Proceeds from Sales.

EGMI - A Sarbanes-Oxley failure

Electronic Game Card is proving to be a sad story. From everything we know, it's a tale of management hiding the company's true financial history.

It has been two months since EGMI's outside auditors withdrew their certification of the company's financial statements. The irregularities apparently involved the firm's bank accounts.

There are two interesting aspects:

First: After a short cessation in trading, the U.S. Securities & Exchange Commission permitted resumption of trading, even though the investing public wasn't informed as to the true situation at EGMI by the SEC, the company or the auditors.

The SEC, by allowing trading to resume, gives the shares a mantle of legitimacy.

Second: Enacted after the Enron mess, Congress attempted to legislate financial morality with the Sarbanes-Oxley Act. As a result, officers of publicly-traded companies have to sign certificates that they have reviewed the figures and that they

are correct.

EGMI officers signed certificates. So did Bernard Madoff. And so did Michael Rivers of our infamous IBSG International.

Masters of unintended consequences, Congress has given no indication that Sarbanes-Oxley will be repealed. Even though it's been ineffective. And, is an additional cost--especially for small firms.

EGMI has been trading around 20¢ a share. On April 1, it dropped to 16¢ and then bounced back up to 19¢.

The history of trading broken stocks is interesting. Ever after the CEO of IBSG had fled the U.S. with the company's coffers, people were buying the stock, paying less than 1¢ a share. Apparently they thought that if they bought 50,000 shares and it went up to 5¢, they'd make a killing.

We will no longer list Electronic Game Card in The Bowser Report, but we will report on any progress--or lack of progress.

NOTES BY THE EDITOR

On a positive note--winners in The Warrant Register, which is filled with speculative gems and duds. And, if you cautiously buy with low expectations, you can be rewarded.

The editor bought 2,000 Adcare Health System warrants for 5¢ each. They've been as high as \$3.25 each. Nothing glamorous about ADK. Owns nursing homes in Ohio and just expanded to Alabama.

Bought 1,000 BioTime warrants--15¢ each. Sold for \$1.15 and \$1.26 each. It's in the booming stem cell business. Originally was on the Bulletin Board and then moved up to the NYSE Amex. (And, we've bought warrants that went nowhere.)

* * *

The Inventure Group was recognized in Barron's. It is not often that this worthy weekly publication has anything to say about Bowser stocks. But, SNAK caught its attention because of a recommendation by Roth Capital Partners, who said:

"With Earnings Per Share expected to increase at a 20% to 25% rate over the next several years, we're raising our target to \$4.50 from \$4.00." Roth thinks there will be long-term decline in its leading snack food brand, TGI Friday's. But, the investment banking firm is enthusiastic about SNAK's new line of

FIVE BOWSER STOCKS UP OR DOWN LAST MONTH

XFONE	UP 100%	ALPHA PRO TECH	DOWN 33%
FOOD TECH SVC	UP 40%	TURBOSONIC	DOWN 22%
ITERIS	UP 38%	WINLAND ELEC	DOWN 22%
BOOTS & COOTS	UP 31%	ENCISION	DOWN 12%
BALLANTYNE	UP 27%	LML PAYMENT	DOWN 10%

Jamba Juice smoothies, which are being test marketed by several chains.

* * *

Sara Lou Davis, Virginia Beach, called. She was sent information on Lithium Corp.(LTUM), which claimed it was going to be a miracle stock. Was selling for pennies. (Lithium is a commodity used in batteries, drugs and many other things.)

"Would we check on it?" We did. No revenue. Just dreams, including plans to drill for lithium in the spring. Of course, no guarantee that they'll find anything.

A couple of weeks after Sara Lou called, the March 15 Forbes, came out with a four-paragraph article on LTUM, which implied it was just a promotion by stock commentator James Raphael. In a Feb. 2 e-mail blast, Mr. Raphael advises: "Accumulate under \$2. It's going to \$6." The latest quote we have is that the stock price is \$1.02. * * *

Gradually, methane-produced electricity is adding to the power grid. For example, a new hospital being built in Harrisonburg, VA, will get much of its electricity from methane coming out of a nearby landfill.

A subsidiary that Tengasco created to handle methane production from the Carter Valley, TN, landfill, finally seems to be on track. It is producing \$65,000 in revenue monthly. Management is focusing on boosting production volumes and reducing operating costs.

* * *

The dream of many stock owners is to become a millionaire. . . . Grace Groner, Lake Forest, IL, recently died at age 100. Her estate donated \$7 million to her alma mater, Lake Forest College. According to the Chicago Tribune, her wealth came from an \$189 purchase of Abbott Lab stocks. The shares split many times over seven decades. Reinvested dividends.

The Bowser Report

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	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
Alpha Pro Tech(APT)	12/31/09	18,935,000	9,132,000	3,536,000	295,000	(A)
DAC Technologies(DAAT)	12/31/09	4,906,008	7,681,874	167,000	223,146	(B)
Evolving Systems Inc(EVOL)	12/31/09	9,812,000	10,020,000	1,425,000	1,805,000	(C)
Express-1 Expedited Solu(XPO)	12/31/09	31,610,000	24,954,000	601,000	587,000	(D)
Flexible Solutions Int'l(FSI)	12/31/09	2,402,195	2,238,213	(233,688)	(397,621)	(E)
Full House Resorts(FLL)	12/31/09	6,410,460	2,277,359	1,017,066	6,382	(F)
Manhattan Bridge Capital(LOAN)	12/31/09	1,038,825	757,666	235,747	(519,859)	Year-end
Metropolitan Health(MDF)	12/31/09	88,751,948	80,036,407	13,487,274	2,569,520	(G)
Pinnacle Data Systems(PNS)	12/31/09	8,663,000	16,089,000	(309,000)	336,000	(H)
RELM Wireless Corp(RWC)	12/31/09	5,848,000	3,576,000	349,000	(345,000)	
Rock of Ages Corp(ROAC)	12/31/09	12,279,000	16,560,000	609,000	(2,677,000)	(I)
Tii Network Technologies(TIII)	12/31/09	7,734,000	7,942,000	154,000	(68,000)	
Winland Electronics(WEX)	12/31/09	4,538,000	7,763,000	3,000	0	(J)
Xeta Technologies Inc(XETA)	1/31/10	23,044,000	18,580,000	633,000	2,000	(K)
XFONE Inc(XFN)	12/31/09	20,800,000	22,700,000	1,000,000	3,000	(L)

- (A) - Al Millar, pres.: "We continued to see substantial sales growth in our 'REX' Synfelt roof underlayment and, to a lesser extent, our house wrap products. In the Disposable Protective Apparel segment, APT expects increased sales from a broad base of our distributors in 2010, but sales to our largest distributor are expected to soften in 2010. Our N-95 Particulate Respirator face mask sales started to slow down in the latter part of the fourth quarter." See note below.
- (B) - CEO David A. Collins: "Although our net sales declined, DAAT's core business increased substantially along with big increases in net profits. The company has also opened an office in Bentonville, AR, and a distribution center in Los Angeles to better serve Wal-Mart and all of our customers."
- (C) - EVOL's focus on new products and emerging markets continued to generate good results in 2009, while emerging markets customers accounted for 63% of license fees and services orders. The company had seven new product wins in 2009.
- (D) - "We continue to see the positive results of expanding our customer base and managing our cost structure. Our integration of LRG International in the fourth quarter has been smooth and positions XPO for continued international growth," noted CEO Michael R. Welch.
- (E) - Daniel B. O'Brien, CEO: "2009 started out as a difficult year for FSI, but the year finished quite well. Revenue for the full year was down only 9%. The NanoChem division continues to be the dominant source of revenue and cash flow for the company."
- (F) - "Overall 2009 was a year of great success for FLL. Firekeepers performed well. Despite economic weakness in Northern Nevada and the resulting decline in revenue, our market share of slot revenue increased and our operating income increased at Stockman's Casino. We are more strongly positioned today to take advantage of acquisition and management opportunities in 2010," said Andre Hilliou, CEO.
- (G) - Included in the 2009 results was a gain on sale of the HMO of \$1.3 million relating to the settle-up of net equity at the time of sale and included in the 2008 results were the gain on sale of the HMO of \$5.9 million and expenses directly related to the sale including employee termination payments and stay bonuses totaling \$1.6 million for MDF.
- (H) - John D. Bair, CEO: "We continue to add new

customers in new markets while offering a broader line of PNS products with higher PDSi content, and we have established a world-class services operation poised for profitable growth in 2010."

- (I) - "Contrary to our expectations last November, the quarry yield issues that bedeviled us in the third quarter continued to be a problem in the fourth quarter. The decrease in fourth quarter revenue was a direct result of the poor recovery in our export quarries. Demand for ROAC's stone remains extremely high in our key export markets: we simply did not have enough of the desired inventory to satisfy it. We are taking steps to rectify this situation," noted CEO Donald Labonte.
- (J) - Thomas de Petra, pres.: "The fourth quarter was a difficult period from a revenue standpoint, with the sales slowdown that began in the second quarter persisting. However, we are beginning to see production forecasts that suggest a stronger business climate. During the fourth quarter, WEX experienced a nearly five-fold increase in its quotation activity over previous quarters."
- (K) - Greg Forrest, CEO: "We were able to grow revenue by 24% without a significant change in working capital. As a result, during the first quarter, we generated \$2.1 million in operating cash flow, repaid the balance on XETA's mortgage and increased our cash balance to \$5.4 million."
- (L) - Some financial highlights for XFN's year end: Total revenues decreased 5.9%; operating income (excluding non-recurring items) was \$4.2 million. The net loss for 2009 was \$22.2 million. The loss was primarily related to non-cash charges attributable to the write-off of goodwill. This goodwill impairment charge is an accounting adjustment that does not affect the cash flow or liquidity of future operations. The income shown is operational, not net income.

ALPHA PRO TECH LOSES MAJOR CUSTOMER

The Critical Cover disposable protective apparel brand has been manufactured by APT exclusively for VWR Int'l since the early 1990s. The company was recently informed by VWR, always Alpha's largest distributor of disposable protective apparel, that it has decided to launch its own private label line of shoe and boot covers. "This lost business accounts for 50% of Alpha's apparel sales," noted President Al Millar.