

# The Bowser Report

February 2012, Vol. 36, No. 2

NEXT COMPANY OF THE MONTH RECORDING:

PHONE: 757/877-5979

FRIDAY, MARCH 9, AFTER 4 PM ET  
RECORDING ON FOR ENTIRE WEEKEND



## The Max Bowser Edition

Many knew him as R. Max Bowser. To his friends, he was Max. To me, Mr. Bowser. Two years ago, I had a friend tell me what a great job this was. I sent an email to the office and a few months later had an interview, meeting Mr. Bowser and The Bowser Report staff for the first time.

I initially took the job because of my budding interest in the stock market, and quite simply because it was a very flexible position. Looking back now, I had no idea just how much this job, and Mr. Bowser, would influence the rest of my life.

Mr. Bowser was nothing short of influential. I found myself not only laughing at his jokes every morning, or carefully reading his write-ups on individual stocks, but listening to his views on life. I only knew Max Bowser for a very small fraction of his life, but in that brief time period, we became a family.

**The following is an interview that I conducted with Max Bowser on September 29, 2011. It provides insight into his market theories and the foundation of The Bowser Report:**

**Thomas: What sparked your initial interest in penny stocks?**

Max: When I was on active duty in the Air Force—I retired in 1970, so this is a period in the 60s—and I was stationed at Langley AFB (in Hampton, VA), just about all of the other officers were into stocks. That peaked my interest, so I began looking at them. At first, I bought just higher priced stocks, and then I began posting the prices of stocks. I discovered that if a stock was below \$3 and moved above three dollars, it typically kept going. So, that was the basis of my belief, and I've followed it ever since.

**Thomas: What caused the urge to publish *The Bowser Report*?**

Max: I am from a publishing background. When I was in high school (in Celina, OH), I was the editor for the school paper for 3 years. Also, in 1935 amidst the Depression, I managed to get a job at a canning factory after I graduated. I did have an interest in writing and publishing. There was a weekly newspaper in a town about eight miles away, and I went over there and volunteered my services, and began writing for them. They figured, well, this guy has got to have some sort of compensation. So on the weekends I would go out and sell subscriptions, making a certain percentage of what I sold. Eventually, they had an opening and hired me full-time. I worked on that newspaper and then moved to another newspaper in Ohio. World War II broke out and I went into the military. Afterwards, I worked on newspapers in Southern California. So I come from a publishing background. With my interest in stocks, I thought the logical sequence was to start a newsletter on them.



Future editor of *The Bowser Report* in high school (c. 1935)

R. Max Bowser, to me, was more than a boss. He was a mentor, a friend, and a guide. Now, as co-editor of his legacy, The Bowser Report, I hope to keep alive his life's work. I fully intend to provide our Buckaroos with valuable information concerning the penny stock world, continuing Mr. Bowser's energy and non-stop passion.

As Cindy mentioned last month, there will be a few minor changes as we adapt The Bowser Report to the 21<sup>st</sup> century. However, we feel that these changes will only enhance your Buckaroo experience, making information timelier and easier to access (see [page 2](#) for a discussion of these changes).

Max Bowser was a creative spirit. He was an intelligent advisor. He was, above all, a kind human being. He will be missed by all of those who had the pleasure of knowing him. As we honor him this month, keep in mind his dedication and passion for microcap stocks.

**T: At first you said you were interested more in large stocks. What changed to make you take interest in smaller issues?**

M: Every day I would scan the stock table and I noticed this phenomenon about \$3 stocks: when they go above \$3 they tend to appreciate. Also, at that time there wasn't the stigma against penny stocks that there is now.

**T: After reading your publication and books, it's clear your argument is that penny stocks, when thoroughly researched, aren't as volatile as they are claimed to be. So, why does the trading public consider penny stocks to be more volatile?**

M: Large brokerage firms have a stigma against them because they can't make money on them. It's difficult to have a ticket of 200 shares of a \$2 stock. That's a \$400 ticket and they can't make much money on that. What caused this stigma against penny stocks was that, in the late 1970s and early 1980s, there was a great number of penny stock brokerage firms, mostly

in Denver, Colorado, some in New York, and some in Florida, and they were doing crazy things. They were writing up IPOs on stocks that should never have gone public, and there was some fraud. The most prominent penny stock operator during that period eventually wound up in jail. This gave penny stocks a bad name, and it still exists today. Because of this, the SEC says that anything below \$5 a share is a penny stock.

**T: What is your counter-argument against the stigma you just described?**

M: As with any equities, penny stocks have to be researched. You have to know what they are. So many people buy these low-priced stocks based on a story...*Continued on next page.*

Featuring blue chip penny stocks

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**Continued from front page...**

In other words, they'll say, "Here's a company losing money right now but they have a cure for baldness, and as soon as that hits the market, this stock will take off." They're buying a story. There is no performance. They're losing money. In evaluating stocks, the story does play a role. In other words, we like to know what business they're in and what's their future. However, we also like to see profitable companies. That's the key point. That's the factor separating the weak from the strong.

**T: So the stocks you recommend are profitable. However, there is still something keeping them under \$3/share. What holds them below this price, and what causes them to break that \$3 barrier and keep climbing?**

M: These stocks aren't very well known in the investment community. There are hardly any analysts analyzing them. And, while they may be profitable, they may not have been profitable for too long a period of time. Consequently, when they start producing more profits, quarter after quarter, that's when they really take off.

**T: Then your goal is to essentially pick a stock between when it turns to profits and when it turns in profits consistently?**

M: Yes, and we certainly aren't always successful.

**T: Would you suggest penny stocks as a primary means of investment, rather than other methods of investing?**

M: If you follow our Game Plan and develop a skill in investing in these low-priced stocks, why shouldn't you put your money in them; unless you have \$500 million to invest. If you are a normal person with \$5,000 or \$10,000 in discretionary income that you can invest, why not do it? Many of our subscribers do that.

**T: So you'd recommend penny stock investing for the average investor?**

M: Yeah.

**T: A big concern that many people have about penny stocks is a collapse into bankruptcy or a general collapse. Are these companies, the Bowser recommended stocks, more likely to collapse than a big firm? This is especially relevant because of the recent collapse of companies such as Bear Stearns during the current recession.**

M: The answer is no, they are not more likely to collapse. In 2008, we lost Bear Stearns, a huge financial corporation, as you mentioned. It turns out they didn't have a viable business. Most of the stocks that we recommend have a viable business plan, and as I keep saying, they operate a niche in the market. It is not as though they are selling something in a store at every corner in the United States or overseas.

**T: So what does this niche do for these stocks? Is operating within a niche a positive or negative aspect of the company when it comes to investor interest and stock appreciation?**

M: No, what keeps them down is all of the propaganda about them being such poor stocks. When I first started, we had several stocks that shot up to \$50 a share. Right now, we're lucky to see a stock go up to \$18 or \$19 a share. Many of them still double, and then go up some more.

**T: Is there anything else that you'd like to add about penny stocks?**

M: Of course I'm bias, but I think it's a sort of fun form of investing because you're able to diversify and become acquainted with so many different companies in so many different industries that you normally wouldn't think about. My favorite example is a company that makes a very good living collecting used motor oil (Vertex Energy). Normally you wouldn't think of that as a very viable business.

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## **Changes at The Bowser Report**

*As we mentioned briefly in last month's newsletter and on the front page this month, we are making some minor changes at The Bowser Report to accommodate the 21<sup>st</sup> century way of doing things. For example, last month was the first newsletter that The Bowser Report has published without the use of a typewriter. Below is a description of some more of the changes that we are currently undergoing. As always, our Buckaroos are extremely important to us, and we welcome feedback on these changes, as well as any other suggestions.*

### **Digital Copy of the Newsletter**

We have received many requests for an online version of the newsletter, and we are glad to say that it is in the works. The digital newsletter will be emailed out via a password-protected PDF attachment. Right now, we are still in the preparation stages of development. However, we will soon begin running test emails. Once those are successful, we will begin making the option available to our Buckaroos. In the meantime, if you wish to receive the electronic version when it is available, send an email to [ministocks@aol.com](mailto:ministocks@aol.com) with "Request for Online Copy of The Bowser Report" in the subject line.

### **A New Bowser Website**

Talks have begun with a web designer on a new website that will enhance the Buckaroo experience. The new website will feature all of the information that is currently on the website plus a new design and features. The new additions will include the "Buckaroo Blog," which will be an interactive blog space that features daily posts from *The Bowser*

*Report*. On the blog site, followers will be able to post responses to the articles.

### **A More Frequently Updated Index**

The Bowser Microcap Index, which is currently featured in the Bowser Database and on our website, will be updated every Friday, beginning on February 10, 2012. Prior to this date, the Index was updated once a month.

### **The Bowser Dividend Stocks Listing**

At the request of Brian Yates, we have compiled the Bowser Dividend Stocks Listing, which is now part of the Bowser Database. This new listing features only those Bowser/Database stocks that offer a dividend, and includes information such as the dividend's annual amount and yield (%), the company's annual earnings per share (EPS), the most recent or upcoming payout, the company's Bowser Rating, and other information. The Bowser Database, complete with this feature, is available for \$20.00.

*\*Feedback can be emailed to [ministocks@aol.com](mailto:ministocks@aol.com)*

# COMPANY OF THE MONTH

Atlantic American is a holding company that operates through its many subsidiaries as an insurance provider in the life and health & property and casualty industries. Atlantic American has no significant business operations of its own, and relies instead on fees, dividends and other distributions from its operating subsidiaries as the principal sources of cash flow.

AAME is comprised of two major subsidiaries with roles in different insurance industries: American Southern Insurance Company and American Safety Insurance Company (together forming American Southern) operate in the property and casualty industry, and Banker Fidelity Life Insurance Company operates in the life and health insurance industry. Atlantic American's goal through these subsidiaries is to focus on well-defined geographic, demographic and/or product niches in the insurance marketplace.

**American Southern** operates as the company's property and casualty subsidiary. Its product lines include business, automobile insurance, general liability insurance, property insurance, and surety bonds. The majority of American Southern's premiums are derived from the automobile insurance segment, which for the fiscal year ended 12/31/10 accounted for about 41% of American Southern's premiums. Beyond automotive, however, the subsidiary receives premiums from personal property, inland marine, and general liability policies.

**Bankers Fidelity** operates as the company's life and health subsidiary. The subsidiary offers products that include ordinary and term life insurance, Medicare supplement, and other accident and health insurance products. The health segment accounted for 82% of Bankers Fidelity's total premiums in 2010. The majority of the health segment's premiums (which totaled \$51.4 million) were derived from the Medicare supplement premiums (accounting for \$46.9 million) for fiscal year 2010.

## Finances

As mentioned above, the main share of Atlantic American's revenues are derived from subsidiaries' insurance premiums. In the most recent quarter ended 9/30/11, premiums accounted for 88% of AAME's total revenues (\$30.8 million), a 13% increase year-over-year. Of those revenues, American Southern generated 33% and Bankers Fidelity generated 66%. The other 1% was derived from corporate entities.

Third quarter net income is up 204% year-over-year, \$1,704,000 vs. \$525,000. The increase can mainly be attributed to decreased commissions and underwriting expenses combined with the higher total revenues.

AAME's yearly income statement has shown slight growth over the past 3 years (as the table below displays). The nine-month net income is almost as much as that for all of fiscal 2010 and the revenues are also on track for improvement over 2010.

As for Atlantic American's balance sheet, they boast no long-term debt and a high book value. The current book value is \$4.25, which is more than double the current share price of \$2.05. The higher book value is a result of a 15% jump in shareholders' equity quarter-over-quarter. This can be attributed to increases in retained earnings, and accumulated other comprehensive income.

Atlantic American has 22,372,000 shares outstanding. Of these shares, 81.3% are held by insiders and institutions. This high percentage of insider holdings leaves a low amount of float.

## ATLANTIC AMERICAN

NASDAQ: AAME  
BOWSER RATING: 8  
Last 12 Months—  
\$1.26-2.25

## Management

President and Chief Executive Officer is Hilton H. Howell, Jr., 49. Actively involved in the insurance industry throughout his career, Mr. Howell has been with Atlantic American since 1992, when he came on board as executive vice president. He has been president and CEO since May 1995. And, in February 2009, he also took on the role of chairman. Currently, Mr. Howell is a director of Gray Television, Inc. Mr. Howell holds 589,573 shares of the common stock.

J. Mack Robinson represents the largest shareholder of the company's common stock, accounting for 15,047,834 common shares. Mr. Robinson served as president and CEO from 1988 to 1995. He currently serves

as a director, a position that he has held since 1974. Harriet J. Robinson, his wife, also serves as a director and holds 8,704,344 shares of common stock.

## Recent News

The Bankers Fidelity subsidiary has announced the launch of a new worksite marketing program. It will target small workplaces that have been identified as a niche market and have 500 or fewer employees. It's a turnkey solution for employers seeking to cope with rising expenses and regulatory mandates by giving employees options for their own supplemental benefits plans.

**Office:** 4370 Peachtree Road NE, Atlanta, GA 30319, Tel: 404/266-5500, Fax: 404/266-5596, www.atlam.com. The company currently employs 115 people on a full-time basis.

In consideration of the fact that this month's issue is devoted mostly to Max Bowser, it should be noted that this was one of the last stocks he was looking at to recommend before he passed away.

	2009	2010	2011(A)
REVENUES	\$102,710,000	\$109,201,000	\$87,928,000
INCOME (LOSS)	(\$1,207,000)	\$2,493,000	\$2,365,000
WORKING CAPITAL	\$0	\$0	\$0
BOOK VALUE	\$3.46	\$3.71	\$4.25
TOTAL SHARES	22,307,000	22,281,000	22,372,000
FLOAT	N/A	N/A	6,980,000
(A) NINE MONTHS ENDING 9/30/11.			

# 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) AMER. DEPOSITORY RECEIPTS; (NR) NOT RATED; #-PREVIOUSLY APPEARED ON LIST, BUT WAS REMOVED BECAUSE IT HAD RISEN ABOVE \$3.00/SHARE; @-FROM CONTINUOUS OPERATIONS; FIGURES IN PARENTHESIS ARE LOSSES; C-CANADIAN DOLLARS

Original Appearance on List & Market	Issue/Trading Symbol	Principal Business	Price 02/03/12	Long-Term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
<b>MADE</b>								
<b>CATEGORY ONE: OUR EBST PICKS</b>								
12/11(A)	AMER SHARED HOSP (AMS)	TURNKEY TECHNOLOGY SOLUTIONS	2.79	\$36.910	\$21.9	\$0.464	4.6	8
<b>02/12(GM)</b>	<b>ATLANTIC AMERICAN (AAME)</b>	<b>INSURANCE CARRIER</b>	<b>2.05</b>	<b>\$0.000</b>	<b>\$117.0</b>	<b>\$3.840</b>	<b>22.4</b>	<b>8</b>
05/11(A)	AVALON HOLDINGS (AWX)	NOW ABOVE \$3 A SHARE; SEE PAGE 5						
06/10(OB)	BULLION MONARCH (BULM)	ROYALTIES ON GOLD MINING	0.78	\$0.000	\$6.3	\$0.600	41.8	8
# 02/11(CM)	CENTURY CASINOS (CNTY)	INT'L CASINO ENTERTAINMENT	2.57	\$9.394	\$73.6	\$2.509	23.8	8
04/09(A)	COVER-ALL TECH (COVR)	PROPERTY/CASUALTY INSURANCE	1.51	\$0.000	\$19.7	\$3.052	25.1	NR
12/10(A)	DIGITAL POWER (DPW)	SWITCHING POWER SUPPLIES	1.85	\$0.000	\$13.3	\$1.176	6.7	8
# 06/08(A)	FLEXIBLE SOLUTIONS (FSI)	SPECIALTY CHEMICALS	2.31	\$2.162	\$14.8	\$0.249	13.2	NR
07/11(A)	FORTUNE INDUSTRIES (FFI)	PROFESSIONAL SERVICES/BUSINESSES	0.56	\$0.042	\$64.4	\$1.851	12.3	8
11/11(A)	GLOBAL-SCAPE (GSB)	FILE TRANSFER SOFTWARE	1.69	\$0.000	\$20.6	\$1.291	18.1	9
08/11(A)	GSE SYSTEMS (GVP)	SERVICES NUCLEAR & PETRO IND.	1.81	\$0.000	\$47.8	(\$0.301)	18.9	8
09/11(A)	NEW CONCEPT ENERGY (GBR)	OIL & GAS/RETIREMENT PROPERTY	2.19	\$1.390	\$4.0	\$0.100	2.0	9
01/12(CM)	PERMA-FIX ENVIRON(PESI)	NUCLEAR WASTE MANAGEMENT	1.60	\$3.487	\$110.8	\$9.801	56.0	8
07/10(CM)	R.F. MONOLITHICS (RFMI)	WIRELESS SOLUTIONS/COMPONENTS	1.05	\$2.900	\$32.4	\$0.144	10.9	8
# 11/10(OP)	SONO-TEK CORP (SOTK)	LIQUID SPRAY PRODUCTS	0.95	\$0.000	\$13.8	\$2.009	14.1	9
# 10/11(A)	VER SAR INC (VSR)	GLOBAL PROJECT MANAGEMENT	3.00	\$0.000	\$141.6	\$3.732	9.4	10
		Office: 6850 Versar Center, Springfield, VA 22151, Tel: 703/750-3000, www.versar.com						
# 06/11(OB)	VERTEX ENERGY (VTNR)	PROCESS/RECYCLE INDUST. WASTE	2.20	\$0.000	\$114.0	\$4.102	9.2	9
<b>CATEGORY TWO: WORTHY OF CONSIDERATION</b>								
# 12/07(A)	FULL HOUSE RESORTS (FLL)	MANAGES GAMING FACILITIES	2.98	\$0.000	\$80.8	\$3.717	18.7	8
# 03/11(A)	INTELLIGENT SYSTEMS (INS)	VENTURE CAPITAL FIRM	1.51	\$0.000	\$15.6	\$2.028	9.0	8
# 12/06(A)	ITERIS INC (ITI)	OUTDOOR MACH VISION SYS/SENSORS	1.46	\$0.000	\$60.9	(\$3.005)	34.4	8
04/11(OB)	LIBERATOR MEDICAL (LBMH)	MEDICAL SUPPLIES FOR SENIORS	1.10	\$0.048	\$52.7	\$.259	53.6	8
# 10/09(CM)	LRAD CORP (LRAD)	SOUND ACOUSTIC TECH.	1.54	\$0.000	\$26.5	\$5.023	31.8	8
06/07(OB)	Parametric Sound (PAMT)	HSS Technology	0.90	\$0.000	\$0.1	(\$1.689)	17.0	NR
# 08/10(OB)	OUR PET'S CO (OPCO)	ACCESSORY & CONSUMABLE PET ITEMS	0.50	\$0.630	\$19.2	\$0.670	18.0	NR
<b>CATEGORY THREE: VERY SPECULATIVE</b>								
02/05(CM)	GIGA-TRONICS INC (GIGA)	INSTRUMENTS, DEFENSE; TELECOMM	1.31	\$0.383	\$19.3	(\$0.229)	5.0	NR
# 02/10(CM)	MANHATTAN BRIDGE (LOAN)	SHORT-TERM COMMERCIAL LOANS	1.09	\$0.500	\$1.3	\$0.231	3.3	8
# 07/10(OP)	REPRO-MED SYSTEMS (REPR)	DESIGN/PRODUCTION OF MED PROD	0.26	\$0.483	\$6.9	\$0.970	38.6	8
# 06/08(A)	TENGASCO INC (TGC)	DOMESTIC OIL/GAS OPERATIONS	0.92	\$4.321	\$16.6	\$0.854	59.2	8
# 02/04(CM)	TII NETWORK TECH (TIII)	OVERVOLTAGE DETECTION SERVICES	1.74	\$0.000	\$61.1	\$3.328	13.8	8

**NOTE: We've assembled, in a bound booklet, a reproduction of the original company of the month write-ups for each of the above stocks. This *Company of the Month* booklet is available for \$10.**

## GlobalSCAPE in the finals

Two GlobalSCAPE (A:GSB) products, Mail Express™ and TappIn™, are among the finalists for the Info Security 2012 Global Excellence Awards. Mail Express is receiving recognition in the Email Security and Management category, while TappIn is receiving recognition in the SaaS/Cloud Solution category. This marks the second year in a row that GSB has been named a Global Excellence Award finalist (GSB's Managed Informations Xchange Solution™ won the award for the SaaS/Cloud Solution category in 2011).

"Being named an award finalist this year for both Mail Express and TappIn is a great testimony to our successful drive to develop market-leading solutions," said GlobalSCAPE CEO, Jim Morris.

Global Excellence Award winners will be announced in San Francisco, California on February 29, 2012.

## Perma-Fix receives \$1.5 million

In an update concerning the recently completed acquisition of Safety & Ecology Holdings Corporation (SEHC) and its subsidiaries, Perma-Fix Solutions (CM:PESI) announced that SEHC was in material breach of certain representations and warranties contained in the purchase agreement.

At the closing of the purchase, PESI deposited \$2 million in an escrow account, which represented a portion of the purchase price, to satisfy claims that Perma-Fix has or may have against SEHC. SEHC furthered that if certain conditions were not met by 12/31/2011 Perma-Fix could withdrawal \$1.5 million from the account. On January 10, 2012, PESI received \$1.5 million from the escrow account.

According to PESI CEO, Dr. Louis Centofanti, "The receipt of these funds relates to a contract of SEHC, identified prior to the close of the acquisition that did not renew prior to December 31, 2011. This contract has been extended through June 30, 2012. The \$1.5 million payback is being recognized by Perma-Fix as a reduction to the purchase price."

**ITERIS, INC.** (A:ITI) received an order for \$706,000 from Comet Electric, Inc. to provide video detection systems and related communication equipment for the Omnitrans sbX Bus Rapid Transit (BRT) project. The provided Vantage® video detection system will cover a 15.7 mile corridor across San Bernardino and Loma Linda, CA.

The sbX project is the beginning of an intermodal public transit system in the San Bernardino Valley that aims to reduce vehicle congestion and provide a cost effective, efficient, and environmentally friendly alternative to using personal vehicles.

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 02/03/12 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

<u>ISSUE/EXCHANGE SYMBOL</u>	<u>1</u>	<u>2</u>
AVALON HOLDINGS (A:AWX)	\$3.57(8)	05/11 \$2.90(9)
CIMATRON LTD(CM:CIMT)	\$3.45(8)	02/08 \$2.75(8)
CVD EQUIPMENT(CM:CVV)	\$14.83(8)	07/05 \$2.03(9)
DGSE COMPANIES(A:DGSE)	\$7.50(8)	12/03 \$2.05(8)
EVOLVING SYSTEMS(CM:EVOL)	\$5.25(8)	05/09 \$3.68(8)
*Price adjusted: 1-for-2 rev. split 07/09		
FEMALE HEALTH CO(CM:FHCO)	\$5.36(9)	10/07 \$2.32(9)
FIELDPOINT PETROLEUM(A:FPP)	\$4.90(8)	10/08 \$2.24(8)
FOOD TECH SERVICE(CM:VIFL)	\$6.39(8)	01/07 \$2.50(8)
GOLDEN ENTERPRISES(GM:GLDC)	\$3.33(9)	02/09 \$2.35(9)

<u>ISSUE/EXCHANGE SYMBOL</u>	<u>1</u>	<u>2</u>
IEC ELECTRONICS(A:IEC)	\$5.15(8)	07/08 \$1.99(8)
INVENTURE FOODS(CM:SNAK)	\$4.00(8)	09/00 \$2.56(8)
KEY TRONIC(GM:KTCC)	\$9.00(8)	11/08 \$1.57(10)
METROPOLITAN HEALTH(N:MDF)	\$8.61(8)	01/08 \$2.36(9)
PIZZA INN(CM:PZZI)	\$5.57(8)	06/07 \$2.65(8)
RICHMONT MINES (A:RIC)	\$11.98(9)	10/98 \$2.56(8)
SIMULATIONS PLUS(CM:SLP)	\$3.30(9)	05/10 \$2.46(9)
VALPEY FISCHER(CM:VPF)	<b>ACQUIRED;SEE BELOW</b>	
VERSTAR INC(A:VSR)	<b>NOW \$3.00;SEE PAGE 4</b>	

### THE FOLLOWING WE SAID SHOULD BE SOLD

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

BRIDGELINE DIGITAL(CM:BLIN)	\$0.70(NR)	12/11 \$0.59(NR)	RELM WIRELESS CORP(A:RWC)	\$1.22(NR)	05/11 \$1.45(NR)
CHINA PHARMA HOLDINGS(A:CHPI)	\$0.10(NR)	11/11 \$0.90(NR)	WELLS GARDNER(A:WGA)	\$2.30(NR)	06/11 \$2.10(NR)
ENVIROSTAR INC(A:EVI)	\$1.34(NR)	07/11 \$1.25(NR)	XFONE INC(A:XFN)	<b>NOW IN BOWSER DATABASE; SEE BELOW</b>	

### BRIEFS

**AMERICAN SHARED HOSPITAL:** The United States Patent Office has granted a patent on a variety of technologies to AMS and NBBJ LP, a global architecture and design firm, that are designed to increase efficiency and improve patient outcomes in the operating room. . . **COVER-ALL TECH:** Multinational Insurance Company, located in Puerto Rico, will leverage COVR's My Insurance Center NexGen for Policy Administration. . . **RF MONOLITHICS:** At RFMI's Annual Meeting of Stockholders, the shareholders elected William L. Eversole, Farlin A. Halsey, Rick L. Herrman, and Jonathan W. Ladd as directors of the company. They also ratified the selection of McGladrey & Pullen LLP as the company's independent auditors for the current fiscal year. . . **FULL HOUSE RESORTS:** announced the 100-room hotel to be built by the Rising Sun/Ohio County First and the Rising Sun Regional Foundation on FLL-owned land at its Rising Star Casino Resort has been delayed due to zoning issues. Alternative options are being reviewed. . . **PARAMETRIC SOUND:** PAMT announced upgrades to its HSS-3000 product line that include new DSP and software enhancements. Concept 101, an AT&T Authorized Licensee, showcased PAMT's HSS technology in CES's Central Hall C206 show from January 10 to the 13. . . **MANHATTAN BRIDGE CAPITAL:** LOAN received a purchase offer from Capstone Equities, LLC and G Asset Management LLC for \$5.62 million, or about \$1.30/share. . . **TII NETWORK TECH:** On January 11, TII appointed Christopher James as vice president of operations, in charge of purchasing, inventory management, and manufacturing control. Mr. James has manufacturing and operational experience in the United States, Europe, Mexico and several South East Asian countries. . . **DGSE**

**COMPANIES:** a wholly owned subsidiary of DGSE, Southern Bullion Coin & Jewelry, announced the grand opening of two new stores in Daphne, Alabama and Anderson, South Carolina. A third store set to open in Destin, Florida this month, will mark their 25<sup>th</sup> national location. . . **FEMALE HEALTH COMPANY:** FHCO's board of directors has declared a \$0.05 quarterly cash dividend. The company's quarterly Earnings/Share is \$0.10 for the quarter ended 12/31/11. The dividend is payable on February 9 to shareholders of record as of February 1. . . **FIELDPOINT PETROLEUM:** FPP has completed a full month of production from its East Lusk Federal 15 well #1 in Lea County, New Mexico. As of January 17, oil production was 735 BOPD and natural gas production was 588 MCFPD. . . **PIZZA INN HOLDINGS:** Pie Five Pizza Co. announced the grand opening of its fifth restaurant, located in North Dallas. . . **RICHMONT MINES:** RIC has appointed Bob Buchan to the board of directors, where he will serve as vice chairman. Mr. Buchan and Richmond have also executed a non-binding term sheet for Mr. Buchan to subscribe for a CAN\$10 million convertible debenture of Richmond.

### Valpey-Fisher Acquisition Complete

On January 25, CTS Corporation (N:CTS) announced that the acquisition of Valpey-Fisher had been completed. The two companies signed the initial definitive agreement on November 17, 2011.

Under the agreement, CTS purchased 100% of Valpey-Fisher's equity for approximately \$18 million, or \$4.15/share.

**CVD EQUIPMENT:** CVV received \$36 million in new orders for 2011, a 44% increase over the \$25 million of new orders in 2010. The majority of the new sales—\$30.5 million—were for the CVD/FN division of production and research systems.

The SDC division increased 78% in comparison to 2010 due to further research and development market expansion throughout the world.

<u>INSIDER TRADING</u>	<u>NAME</u>	<u>BUY/SELL</u>	<u>DATE</u>	<u>PRICE</u>	<u>HOLDINGS</u>
Century Casinos	Corbaci, Dinah(D)	S-3,955	1/13/12	\$2.60	37,500
Vertex Pharm	Kelly, Lisa(SVP)	AS-10,166	1/19/12	\$37.00	26,542
	Smith, Ian F.(CFO)	AS-6,042	1/19/12	\$37.00	21,751
	Sachdev, Amit(SVP)	AS-4,066	1/19/12	\$37.00	35,008
	Wysenski, Nancy(EVP)	AS-6,042	1/19/12	\$37.00	21,893

**XFONE INC:** XFN changed its name Feb. 1 to NTS, Inc.(NYSE-Amex) with the symbol "NTS." It's meant to reflex their business strategy focused on the build out of its high-speed, fiber to the premise network.

AS-Automatic Sale; CFO-Chief Financial Officer; D-Director; EVP-Exec. Vice Pres.; SVP-Senior Vice Pres.



# ***BOWSER BUCKAROOS SPEAK***

*That Dad was a truly remarkable man was definitely borne out from all the emails, letters, cards and phone calls we received from our Buckaroos. Thomas and I would also like to thank so many of you for the messages of encouragement and support in carrying on The Bowser Report.*

*This month we are doing a two-page version of Bowser Buckaroos Speak to share some of those heartfelt remembrances and condolences, all of which were very appreciated even though they were a double-edged sword. I loved reading each and every one of them and knowing how much Dad was respected and, even more, how much he contributed to your lives—both personally and professionally. It's a great way to be remembered and Dad would be (and I'm sure he is) relishing every moment of it.*

*On the other hand, they brought tears to my eyes because they touched on how much he is missed. Thomas, Jeanine and I walk into the office each day knowing he will no longer be sitting at his big, teak desk and it's a much lonelier space for his absence. He was one of a kind, which the following messages convey. We only wish we had the space to print all the responses we received in their entirety. Again, sincere thanks from all of us here at Bowser Report Headquarters.*

Having Max visit my school in West Yellowstone, sit at our kitchen table for dinner during his visit and through our communication via phone and letters and even an on-site visit at your office, I have complete confidence in his ability to teach others (you two for example) the principles of mini-priced stock selection that have been his signature for decades

Knowing Max personally was a highlight of my life. I am much richer because of that relationship. There are several observations that seem very valid about life and living well. People are important and relationships between and among individuals need to be cultivated. This takes time and Max always exemplified this character quality. Humor usually pulls the plug on many tense situations and we always had a few laughs, especially on the phone.

-Chuck Bostrom

He did indeed leave an excellent legacy to the investment community as well as mankind. In my 20+ years of searching for an honest publication that actually cares about and helps the small investor along the path to financial freedom, *The Bowser Report* is one of a kind and the only one I trust.

-Kirk Ziegler

He had a wit like no one I knew and always loved to tell me jokes when we would go to lunch and on the times I'd get serious on some market question or my opinion on how off the political system was. He always found a way to make it into a wry joke.

It was your dad who really got me going with investments and, in many ways, when my dad died, Max was a surrogate father.

-Paul Kamke

I was very saddened to hear of Max's passing. It seems he lived a full life. My belief is that the measure of a man is not in the treasures he has stored up, but in the number of people that treasure him. I can truly say that Max was a treasured man.

-Corey Best

He paved an indelible path in my life of inspiration, education and entertainment. He was indeed a remarkable man.

-Jane Allen

He demystified stocks and made it fun.

-Mike Reim

I had come to know Max as not only a terrific investment advisor, but also as a friend. He would exchange brief notes with me from time to time or publish one of my comments in the newsletter.

-Dean Shelato

In thinking about your dad, I wanted to pass along a funny story. In 1983, I took over the helm of the UMASS Investment Club. We were trying to find speakers to address the group and I invited Max to speak and he graciously accepted.

I wanted the school paper to cover the event and the turnout was fantastic. As we were ready to introduce your dad, the reporter came up to me and asked where Bowser from Sha Na Na was. I looked at him like he was nuts. This was R. Max Bower, not a cult/music performer.

What may have been Max's greatest legacy was the way he made investing simple to understand.

-Steve Kohl

Max had a long, rich life. I never met him personally, but enjoyed our correspondence and phone conversations. I profited from his advice in the newsletter.

-Elmer Mulhausen

I never met him, nor spoke to him, yet I considered him my friend through *The Bowser Report*.

Guess the Lord needed a good stock picker!

-Ed Serafin

Max gave me a start many years ago. More than a few of those \$3 clunkers made me lots of money. You'll be missed.

-Paul Reiche

*Continued on next page.*

*Continued from page 6...*

I have long felt Max was a man of integrity and honesty that outshone most publishers of his kind. He was not always right but he would be the first to admit it and would recommend when it was time to bail out.

-Joe Butler

Although I have only been a subscriber for a little over 2 years, I have learned a lot from Max and the newsletter, as many others have. I look forward to this learning process in the years to come.

-Bryan Simms

I always anticipate getting *The Bowser Report* and thought of Max as a friend. I made a considerable amount of money from his reports, especially with Telefonos de Mexico.

-Col. Philip Freund (Ret)

I got to know your Dad at the gym and he was the "Energizer Bunny." We got to talking about the stock market and I told him what little bit I had in stocks I'd sold 2 years previously. After listening to him about ministocks, I was back in. But, the real reason I got back in was so I could pick his brain as he was great to talk to.

-Jimmy Hughes

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*In addition to our wonderful subscribers, Dad also made friends over the years with others in the world of stocks, as well as in the newsletter publishing business. Following are some of their reflections:*

I was saddened to learn of Max's passing. He was "one of a kind" and there are very few left or many coming "up."

-Thomas Geimer, CEO, Accler8 Technology

Max may not have made 100, but he did function as a financial editor until he died at 95 with all his faculties and wonderful sense of humor intact. That is remarkable! I cannot think of Max without smiling. No matter what the current situation, he always looked ahead with courage and optimism.

-Robert Flaherty, Editor, *Flaherty Financial News*

Max made the lives of a great many people brighter. He did that for me. I feel lucky to have befriended him. I will sorely miss him.

-George Wein, Stockfocus.com

As the founder of an investor relations firm, I live in a world where clients are constantly forced to apologize about their small size. Max championed them. He had no hidden agenda, but rather stuck to a sensible, no nonsense checklist for his readership. He challenged me whenever I called him on a company, but was confident enough to compliment me when I had found a match for him. I always hung up the phone feeling better than before we spoke. He had an innate ability to uplift and inspire.

-John Nesbitt, Pres., IMS

Since I read your e-mail this morning, I haven't been feeling well and I'm deeply saddened about the news. I'm very glad I've gotten to know Max as an enthusiastic, insightful and funny man. I only regret that I've never actually met him.

-Wim Sanders, Belgium, smallcaps.us

Sorry to hear about your loss. Max was an outstanding person that I was honored to be associated with.

-Konrad (Konnie) Kuhn, *The KonLin Letter*

Mr. Bowser was a greatly respected man and I appreciated him very much!

-J. Todd Atenhan, Pres., EPOCH Financial Group

He was always a pleasure to work with for the few years I did and he gave your newsletter real personality. He'll be missed by many.

-Chloe Lutts, Editor, *The Dick Davis Digest*

I am co-founder of a small investment partnership which invests primarily in Bowser stocks-OTOOHIP (Our Ticket Out Of Here Investment Partnership). We decided early on that if we ever adopted a uniform, it would include a black brimmed hat in tribute to Max.

We'll miss Max's down-home style of writing and his genuine approachability. He always responded to my periodic emails requesting his opinion.

One week, I went to buy the Company of the Month and realized I'd left my *Bowser Report* at home. "That's okay," I said to my partners jokingly. "I'll just call Max and ask him." "Sure," they said. (I don't think they believed I would actually be able to talk to the real Max Bowser.) I called the office and Max himself picked up the phone. He was so engaging and pleasant during our 20-min. conversation about our families that I almost forgot to ask for the stock pick!

-Roger Otting

We think very highly of Max and cherish his memory. He was a fine man. An example of our industry.

-Vita Nelson, Editor, *The MoneyPaper*



The "Energizer Bunny" at the gym, October 2011. Note his dedication to the Washington Redskins.

## Beginner's Portfolio Up 181%

	Cost	02/01/12		Cost	02/01/12		Cost	02/01/12	
*VIFL	286/Feb '07	306	*KTCC	220/Oct '09	448	OPCO	100/Dec '10	55	Proceeds From Sales 10,026
TIH	252/Feb '07	170	*GIGA	192/Nov '09	66	CNTY	270/Mar '11	256	
*PZZI	281/Dec '07	273	*LRAD	140/Jan '10	70	LBMH	151/Apr '11	110	
*MDF	239/Mar '08	416	LOAN	120/Mar '10	109	FFI	61/Aug '11	54	
TGC	163/Aug '08	88	RFMI	127/Aug '10	105	GVP	210/Sep '11	181	
COVR	108/May '09	151	BULM	75/Sep '10	80	GBR	206/Oct '11	225	
						GSB	181/Nov '11	185	
								3348	
								10,026	
								13,374	

Cost for all stocks: \$4,766 \*50 shares

Gain: 13,374 minus \$4,766 = \$8,608

Percentage of gain: 8,608 divided by \$4,766 x 100 = 180.6

**Comments:** This is a simulated portfolio for those who would like to actively participate in the stock market... They want an approach that will serve as a learning situation... An investment of \$200 to \$300 a month is required... With each new Company of the Month, 100 shares were purchased until we had 18... We use an internet broker... We follow the Bowser Game Plan. Portfolio started Sep. '01.

## NOTES BY THE EDITOR

### What's going on with Key Tronic Corporation (GM:KTCC)?

This technology company was our Company of the Month for November 2008 and is still featured on page 5 in the Follow-Through. On January 3, 2012 (the date of last month's prices), KTCC closed at \$4.72/share. This month (February 3, 2012), the company closed at \$9.00/share. The 91% gain is sure to catch any investor's eye. The question, however, is why the sudden price leap?

We here at *The Bowser Report*, did a little research into this matter and following is what we found:

The company's price consistently rose throughout the month. There were only 6 days that the price closed lower than the day before. Then, on February 1, the volume jumped to 21 times its 3-month average, and the price leapt 43% or \$2.71/share. This appreciation in price coincides with the anticipation and release of the company's second quarter results.

These results (see Earnings page) featured a 38% increase in revenues year-over-year and an 83% increase in net income year-over-year. On top of the enormous gains, Key Tronic reported that it expects even higher revenues of \$92-97 million next quarter to extend its five consecutive quarters of record revenues.

Most often financial performance attracts investors. In this case, tremendous performance yielded high volumes and a sudden jump in share price.

\*\*\*

#### FIVE BOWSER STOCKS UP OR DOWN LAST MONTH

KEY TRONIC	UP	91%	CHINA PHARMA	DOWN	85%
CVD EQUIP	UP	33%	EVOLVING SYS	DOWN	32%
AVALON HLDG	UP	23%	SONO-TEK	DOWN	19%
TENGASCO	UP	23%	COVER-ALL	DOWN	18%
FOOD TECH	UP	23%	OUR PET'S	DOWN	11%

**Buckaroo and friend of *The Bowser Report*, Wim Sanders,** reports his latest annual comparison of the major stock market indexes across the globe, including ours. Here are his results and observations:

"The best performing stock index over the past year was the Dow Jones with a rise of 4.69%. The Bowser Index is found in 13<sup>th</sup> place with a drop of 9.14%. Judging from the order in which the U.S. indexes finished, it's clear that bigger stocks outperformed small caps in 2011. (*Editor's note: This is likely due to the lack of investor confidence in 2011.*)

"More important than the 2011 ranking, however, is the performance of the indexes since 2001 because investing remains a long-term game.

"Since 2001, the Bowser Index finished at a very respectable 9<sup>th</sup> place with an increase of 232.67%, or an annual yield of more than 8.5%. It leads the other U.S. indexes by a significant margin: Russell 2000 (+67.34%), NASDAQ Composite (+53.74%), Dow Jones (+27.24%) and the S&P 500 (+15.14%).

"With the Bowser Index in first and the Russell index in the second place of all U.S. indexes, it again proves that investing in smallcap stocks yields the highest return over a longer period of time. Moreover, it's clear that the Bowser Rating, one of the valuable tools our dear friend Max left us, is able to separate outperforming smallcaps from others."

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**The Bowser Dividend Digest**, which is a listing of all of the Bowser stocks in the Database that currently offer dividends, is now available! It will be featured in the February Database, a copy of which is available for \$20. It can be received via print or email (please specify at the time of purchase). If no specification is made, we will assume print.

*The Bowser Report*

PO Box 6278, Newport News, VA 23606, 757/877-5979, Fax: 757/595-0622, \$59 Yearly

e-mail address: [ministocks@aol.com](mailto:ministocks@aol.com), Web site: [www.thebowserreport.com](http://www.thebowserreport.com)

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# WARRANT REGISTER

LAST MONTH'S  
BIGGEST GAINER  
NEOSTEM INC  
UP 125 %

## Buying Bank of America even cheaper

Bank of America's stock has been in the news quite often lately. The bank's stock price tumbled from around \$15.00/share at the beginning of 2011 to its 52-week low of \$4.92/share. Recently, however, the stock has put together a rally and climbed to \$7.07/share.

Bank of America's common stock received a Bowser Rating of 9, riding its most recent quarterly results ended 9/30/11. Revenues increased 77.6% to a 12-month high of \$33.8 billion and net income increased from a loss of \$8.826 billion to a gain of \$6.232 billion.

Balance sheet wise, BAC boasts a high book value above \$20/share. However, the company has a large amount of long-term debt—\$127.3 billion—and a low total assets-to-liabilities ratio.

The company's Class B Warrants (BAC-WTB), currently trading at \$0.62/share, are not callable and are set to expire on October 28, 2018. With the stock climbing, BAC's Class B warrants are worthy of consideration as they could appreciate alongside the common.

## Audio and visual leaders combine

**MicroVision, Inc. (GM:MVIS)** and **WOWee ONE**, a leader in ultra-portable speakers, announced their combining of WOWee ONE's Gel-Audio® portable speakers and MicroVision's Picop® portable display engine. This collaborative effort will bring enhanced mobile visual and audio experiences to smartphone and tablet users in over 120

countries, with availability scheduled to begin this quarter.

The combination will deliver device users a large viewing display of up to 200 inches diagonally, with incredible, crisp images and booming sound no matter where they are.

Paul Patterson, Vice President of Business Development, Strategic Marketing and Sales for MicroVision, made the following comments: "We are excited to be teaming up with WOWee ONE. We share a common vision and are thrilled at the possibilities ahead."

**NEOSTEM, INC.:** Amorcyte, LLC, a subsidiary of NeoStem, Inc., announced the enrollment of the first patient in its PreSERVE Phase 2 trial for acute myocardial infarction. The study is a multicenter, randomized, double-blind, placebo-controlled clinical trial to evaluate the safety and efficacy of infarct-related artery infusion of AMR-001, an autologous bone marrow derived cell therapy enriched for CD34+ cells. The study will involve approximately 160 participants. Progenitor Cell Therapy, also a NeoStem company, will support the manufacturing, product supply, and logistics for the trial.

**TCF Financial:** An indirect subsidiary of TCF Financial, TCF Inventory Finance, Inc., announced plans to further expand its floorplan finance offerings into the recreational vehicle industry in the U.S. and Canada. Currently, TCFIF is the preferred lender for Jayco Inc. However, at the recent Louisville, Kentucky RV show, TCFIF met with several RV manufacturers and dealers, and is continuing to initiate discussions with potential customers and secure repurchase agreements from major RV manufacturers.

Company	Market/Symbol	Principle Business	Stock Price 1/30/12	Warrant Price 01/30/12	Conv. Ratio	Exer. Price	Expire Date	No. Wts	Bowser Rating
<b>Associated Banc-Corp</b> 1200 Hansen Rd., Green Bay, WI 54304, Tel: 920/491-7000, www.associatedbank.com	GS:ASBCW	Bank holding company	12.56	1.15	1.00	19.77	11/21/18	4.0M	9
<b>Bank of America</b> Bank of Amer. Corp. Center, 100 N Tryon St., Charlotte, NC 28255, Tel: 704/386-5681, www.bankofamerica.com	N:BAC-WTB	Banking and financial services	7.07	0.62	1.00	30.79	10/28/18	121.8M	9
<b>China Hydroelectric</b> 420 Lexington Ave., Ste. 860, New York, NY 10170, Tel: 646/467-9800, www.chinahydroelectric.com	N:CHC-WT	Hydroelectric power in China	1.27	0.02	1.00	3.45	12/31/13	6.0M	7
<b>Citigroup</b> 399 Park Ave., New York, NY 10043, Tel: 212/559-1000, www.citigroup.com	NYSE:C-WTA	Investment Banking	30.23	0.31	1.00	106.10	01/04/19	2.6M	8
<b>Combimatrix</b> 6500 Harbour Heights Pkwy, Ste. 303, Mukilteo, WA 98275, Tel: 425/493-2000, www.combimatrix.com	CM:CBMXW	Biotech development	1.71	0.15	1.00	9.00	05/01/14	1.1M	6
<b>FairPoint Comm</b> 521 E. Morehead St., Ste. 250, Charlotte, NC 28202, Tel: 704/344-8180, www.fairpoint.com	OB:FRPZW	Communications in New England	4.10	0.18	1.00	48.81	01/24/18	3.6M	7
<b>Flatworld Acquisition</b> Palm Grove House, Road Town, Tortola VG1110, BVI, Tel: +1(284) 545-6127, www.flatworldcapital.com	OB:FOWLWF	Seeking to buy another company	9.87	0.30	1.00	11.00	12/15/15	67.0M	NR
<b>Ford Motor Co.</b> One American Rd., Dearborn, MI 48126, Tel: 313/322-3000, www.ford.com	NYSE:F-WT	Motor vehicles	12.29	3.53	1.00	9.20	01/01/13	362.0M	8
<b>Homeowner's Choice</b> 145 NW Central Park Plaza, Ste. 115, Port St. Lucie, FL 34986, Tel: 72/204-9394, www.hcpci.com	GM:HCIWV	Property/casualty insurance in FL	9.45	0.73	0.50	9.10	07/31/13	6.7M	8
<b>Microvision Inc</b> 6222 185 <sup>th</sup> Ave. N.E., Richmond, WA 98052, Tel: 425/415-6847, www.mvis.com	CM:MMVSW	Miniature images and displays	0.40	0.13	1.00	3.60	07/23/13	0.6M	6
<b>NeoStem Inc</b> 420 Lexington Ave., Ste. 450, New York, NY 10170, Tel: 212/584-4180, www.neostem.com	A:NBS-WT	Stem cell distribution	0.61	0.18	1.00	6.00	07/16/12	38.0M	6
<b>Owens Corning</b> One Owens Corning Pkwy, Toledo, OH 43659, Tel: 419/248-8000, www.owenscorning.com	NYSE:OC-WTB	Building materials worldwide	33.83	2.40	1.00	45.25	10/31/13	7.8M	8
<b>Resolute Energy</b> 1000 Crescent Ct., Ste. 1200, Dallas, TX 75201, Tel: 214/615-2300, no website	NYSE:REN-WT	Petroleum/natural gas	11.10	1.48	1.00	13.00	09/25/14	1.7M	NR
<b>Retail Opportunity Invest</b> 3 Manhattanville Rd., 2 <sup>nd</sup> Fl., Purchase, NY 10577, Tel: 914/272-8080, www.roireit.net	GS:ROICW	Commercial real estate investment	11.79	0.79	1.00	12.00	10/23/14	44.0M	8
<b>S&amp;W Seed Company</b> 2552 S. Butte Ave., Five Points, CA 93624, Tel: 599/884-2535, www.swseedco.com	CM:SANWW	Agricultural products	4.75	0.85	1.00	7.15	05/03/15	1.0M	8
<b>TCF Financial</b> 200 Lake Street East, Wayzata, MN 55391, Tel: 952/745-2760, www.tcfbank.com	NYSE:TCB-WT	Bank holding company	10.34	2.20	1.00	16.93	11/14/18	3.2M	6
<b>U-Swirl Inc.</b> 1075 American Pacific, Ste. C, Henderson, NV 89074, Tel: 702/448-5301, www.healthfastfood.com	PK:SWRLW	U-Swirl frozen yogurt	0.19	0.02	1.00	5.10	03/19/13	5.6M	7

	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
Female Health Company(FHCO)	12/31/11	8,634,442	3,651,368	2,659,944	386,668	(A)
Golden Enterprises Inc(GLDC)	12/02/11	33,230,663	30,910,393	452,085	541,661	(B)
Key Tronic Corporation(KTCC)	12/31/11	84,454,000	61,038,000	2,671,000	1,640,000	(C)
Liberator Medical Holdings(LBMH)	9/30/11	14,542,000	11,491,000	(72,000)	2,091,000	(D)
Parametric Sound Corporation(PAMT)	12/31/11	64,781	0	(531,017)	(325,940)	(E)
Repro-Med Systems(REPR)	11/30/11	1,501,282	1,254,1989	182,247	168,149	
R.F. Monolithics(RFMI)	11/30/11	8,398,000	8,512,000	76,000	160,000	(F)
Simulations Plus Inc(SLP)	11/30/11	2,247,956	2,050,434	971,021	567,493	(G)
Sono-Tek Corporation(SOTK)	11/30/11	2,944,772	2,587,818	195,803	213,922	(H)

(A) - O.B. Parrish, CEO: "I am pleased with FHCO's outstanding performance for the quarter. The recent orders and record unit sales for this quarter are indicative of the increasing long-term demand for FC2 as governments, public health agencies, donor groups and women's advocacy organizations seek increased access to effective prevention for women in the global battle against HIV/AIDS and other STIs." During this quarter, the company generated positive cash flow from operations, paid of a dividend of \$.05/share and remained debt free.

(B) - Current earnings for GLDC were negatively impacted by increased selling, general and administrative expenses primarily associated with higher fuel costs. Margins, in spite of elevated commodity cost, increased slightly over the same period last year through sales volume and product mix.

(C) - "We're very pleased with our strong growth in revenue and earnings for this second quarter, driven mainly by the rapid production ramp-up for new customer programs," said CEO Craig Gates. "During the quarter, KTCC achieved the highest quarterly revenue in its history and significantly increased its operating efficiencies from recent quarters. The company also continued to diversify its future revenue base by winning new programs involving irrigation equipment, gaming devices, electric transportation and military equipment."

(D) - Net income decreased from \$2.6 million for fiscal year 2010 to \$0.3 million, primarily as a result of increases in cost of sales and advertising expense as a percentage of sales, an increase in non-cash charges attributable to embedded derivative liabilities, and an increase in the provision for income taxes. According to CEO Libratore: "We have experienced substantial growth over the past three fiscal years despite the economic turndown and have increased sales for fourteen consecutive quarters. The outlook for demand continues to be favorable because of a steady increase in newly-diagnosed Baby Boomer patients requiring the medical supplies that we provide."

(E) - Since PAMT is a spin-off of LRAD, there were no comparable revenue figures for the first quarter of last year as the HSS-3000 products were under development at that time. The current loss includes \$196,000 of non-cash based compensation expenses.

(F) - CEO Farlin Halsey: "We are pleased to once again report profitability on a quarterly basis. The Wireless Solutions segment sales increased 6% from both the comparable quarter and the sequential quarter, while its overall sales have remained steady in this soft economic environment. We have made significant progress in solving the production issues in our supply chain as reflected by the sales increase. We are

focused on several product and marketing initiatives that, if successful, will position RFMI for growth."

(G) - CFO Ms. Momoko Bean: "This was a very busy quarter, with increased selling, general & administrative expenses related to the attempted acquisition of assets for Entelos in bankruptcy court as well as the sale of SLP's former Words+ subsidiary." Added CEO Walt Woltosz: "SLP continues to demonstrate sustained strong growth in sales and even stronger sustained growth in net income. We continue to evaluate acquisition opportunities as we identify any that would fit our business model."

(H) - CEO Dr. Christopher L. Coccio: "We are very pleased with these record year-to-date revenues and associated strong profitability. As we look ahead to the end of SOTK's fiscal year in February, we expect to finish the year exceeding our target of \$1 million in net income."

## Cimatron expands in China

Cimatron China, a subsidiary of Cimatron, signed an agreement with Digital China Holdings Ltd. The agreement places Digital China Holdings as the largest reseller of Cimatron's product lines, CimatronE and GibbsCAM.

Cimatron products are now sold at over 20 locations throughout China, taking their brand recognition all new heights among the nation's manufacturers. "This strategic relationship with Digital China will further boost the reach of Cimatron's solutions, as well as increase the high service standard that we offer our customers," noted Ms. Lang Yan, general manager of Cimatron China.

Through the agreement, Digital China Holdings will serve as a sales agent and provide customer support for CimatronE and GibbsCAM products through their regional headquarters in Beijing, Guangzhou, and Shanghai, and nine other offices throughout China.

**EVOLVING SYSTEMS (CM:EVOL):** A European customer of EVOL's has extended the use of the company's Tertio™ Service Activation solution in order to support the launch of quad-play services, which will enable operators to offer TV, phone, internet, and mobile services in a bundled package to customers.

The company will first run an initial pilot version of this service, but the bundled products will be launched upon completion.