



NASDAQ's BX Venture Market

A Place for Small and Early Stage Companies

For years, the Over-the-Counter Bulletin Board (OTC BB) and the Pink Sheets have dominated the microcap stock trading marketplace. In large part this is due to their lower listing requirements and fewer regulations. First, there are no revenue or equity requirements; the company must not be a blank check or inactive company. Second, there are no price requirements. And, third, there is a very small required number of shares outstanding. Because of the minimal requirements and restrictions, however, many investors steer clear of the OTC BB and Pink Sheet stocks, fearing these companies to be fraudulent. While this is not entirely true—as we see in many Bowser picks—the ensuing result is diminished volume in these microcaps. To remedy this, NASDAQ OMX Group, Inc. sought out the Securities Exchange Commission's (SEC) approval for the BX Venture Market.

THE NEED FOR THE BX VENTURE MARKET

As mentioned above, the general belief is that microcap stocks that trade on the OTC BB or Pink Sheets are failing stocks, bound to collapse because of their weak or non-existent financials. They trade at lower volumes, and lower prices because of less investor interest in the microcap market.

Nowadays, the stocks featured on these markets are mainly previously higher-priced stocks. As the publisher of MicroCapClub.com, Ian Cassel (who we featured in the August 2009 issue) illustrates, there is a dwindling number of initial public offerings (IPOs) that raise less than \$50 million in gross proceeds. The percentage of IPOs raising this amount has dropped from over 80% in 1991 to just above 10% in 2011, according to the Securities Data Corporation. The decrease in small IPOs reflects the diminishing number of small, start-up companies going public to raise capital.

WHAT EFFECT CAN THE BX VENTURE MARKET HAVE?

According to NASDAQ OMX, the BX Venture Market will provide a place for companies who do not meet the rigorous financial requirements of other national securities exchanges. The ultimate goal is to lower financial requirements, but still maintain the corporate governance requirements of existing national securities exchanges. So, the result would be smaller, but well-regulated companies seeking to attain the capital necessary for growth.

As a result, companies with entrepreneurial ideas can list and acquire the investor capital necessary to turn those ideas into reality. Because of the increased regulations and transparency, investors can be more secure in their investments. The intended result would be improved liquidity in microcap investing with a higher visibility of these companies. Another possibility is the reduction of brokerage

BX Venture Market Listing Requirements*:

- 200,000 publicly held shares
- A market value of listed securities of at least \$2 million for initial listing and \$1 million for continued listing
- Two market makers
- A minimum initial price of \$0.25/share for securities previously listed on a national exchange, and \$1.00 for securities not previously listed on a national exchange
- Maintenance of at least \$0.25/share
- Registration under Section 12(b) of the Securities Exchange Act of 1934
- Current in its periodic SEC filings
- Adopt a code of conduct
- Have at least three independent directors and an independent audit committee
- Shareholder approval for equity compensation arrangements
- Annual shareholders meetings

*This list is not all inclusive; other requirements do apply

firm restrictions on penny stock trading, which currently limits liquidity in a large way.

Senior Vice President of NASDAQ OMX, Bob McCooey, stated, "The BX Venture Market is a new listing alternative that supports capital formation for early stage and smaller companies in a transparent and well-regulated environment." Mr. McCooey also remarked that the BX Venture Market provides venture capitalists with a new way to sell their previous holdings in start-up companies which have facilitated job growth and supported U.S. competitiveness.

FURTHER BX VENTURE BENEFITS

The BX Venture Market will be made available on NASDAQ OMX's INET platform, which provides high quality trading services, including real-time and post-trade market surveillance and other products and services. The INET platform boasts itself as the world's most sophisticated trading technology. INET is the same trading platform our subscribers are already using to trade NASDAQ stocks.

EFFECT ON THE BOWSER REPORT

With the increase in low-priced IPOs, there will be a direct increase in the number of opportunities for Bowser stocks. The information on these stocks will be more readily available, and trading these stocks will be easier. All of the above-mentioned factors have the potential to increase investor interest in small cap stocks. A heightened interest will increase liquidity, and lead to more opportunities for our buckaroos to profit.

WHERE IS THE BX VENTURE MARKET NOW?

The NASDAQ OMX Group received approval from the SEC in May 2011. Although no date has been provided, the market is set to launch at some point in 2012.

Largest ever SEC suspension

379 companies suspended to stymie fraudulent schemers

The Securities Exchange Commission (SEC) cracked down on 379 microcap companies on May 14, suspending their trading as a preventative measure. The companies had been dormant for some time and had been delinquent in their public disclosures. As a result, the SEC took action before the securities fell victim to fraudsters who could use the shell companies to exploit shareholders through reverse mergers or pump-and-dump schemes. The 379 suspensions mark the SEC's largest ever single-day suspensions total, way surpassing September 2005's record of 39 companies.

The effort to expose and purge markets of shell

companies has been titled Operation Shell-Expel and is led by the SEC's Microcap Fraud Working Group. To operate, the group utilizes the Enforcement Division's Office of Market Intelligence's enhanced technology to scrutinize microcap stocks nationwide. Their goal is to prevent fraudulent acts from occurring.

Director of the SEC's Division of Enforcement, Robert Khuzami, noted, "Empty shell companies are to stock manipulators and pump-and-dump schemers what guns are to bank robbers—the tools by which they ply their illegal trade."

Because they have limited assets, are low-priced, and trade in low volumes, these stocks can be manipulated by fraudsters who tout a thinly-traded shell company so that the price appreciates. Once the stock has increased substantially, the schemer sells his or her holdings at a higher price before it collapses.

"The mass trading suspension is an effective and novel way for the SEC to neutralize potential threats to investors," commented Co-National Coordinator of the SEC's Microcap Fraud Working Group, Chris Ehrman.

Federal securities laws allow the SEC to suspend trading in any stock for up to 10 business days. Once suspended, a company cannot be quoted again until it provides updated information, including accurate financial statements.

Market Overview

The Bowser Microcap Index saw yet another change this month due to the recommended sale of New Concept Energy (A:GBR). GBR was replaced by this month's Company of the Month, Goldfield Corporation (N:GV).

The month was a tough one for all markets, including the Bowser Microcap Index. The Bowser Index fell 5% last month, from 650.04 to **618.04**. The Dow Jones Industrial Average, the S&P 500, the NASDAQ Composite, and the Russell 2000 all fell around 8% over the past month.

Jobs data and the ever-looming Euro crisis were the main culprits for the month's poor results.

LRAD CORP (CM:LRAD) reported considerable decreases in both revenues and net income for the quarter ended 3/31/12. Revenues for the quarter were \$2.4 million compared to \$15.5 million in the same quarter last year. The company is attributing the decrease in revenues to the lack of orders replacing the delivery of a \$12.1 million foreign military order in the quarter ended 3/31/11.

As a result of the lower revenues, as well as a lower gross margin, the company reported a net loss of \$292,000 compared to a net income of \$5,704,000 in the same quarter last year.

Because of this poor financial report, LRAD is being moved to category 3. The company's Bowser Rating also changed from an 8 to NR.

VERSAR, INC (A:VSR) announced the completion of the company's acquisition of Charron Construction Consulting, Inc., a national construction management firm. The agreement was first announced May 10. The deal was valued between \$3.0 million and \$3.5 million. VSR expects that the acquisition will result in over \$4.5 million in annualized gross

revenue and a contracted backlog of over \$8.8 million.

Tony Otten, CEO of Versar: "The acquisition of Charron Construction Consulting is a great strategic fit for Versar and will immediately strengthen our construction management capabilities."

After its most recent closing low of \$2.31/share on April 30, 2012, VSR rebounded to \$3.10/share on June 1, 2012.

EVOLVING SYSTEMS (CM:EVOL) paid a special dividend of \$2.00/share in the first quarter of 2012, and recently declared another special dividend of \$1.70/share to be paid in the second quarter of 2012. The company reported \$34.3 million in cash for the quarter ended 12/31/11. Its trailing twelve month earnings per share (EPS) is a noteworthy \$2.86. The special dividend was paid on May 29, 2012.

EVOL CEO Thad Dupper: "This will be our second special dividend paid in 2012 underscoring the board of directors' commitment to return value to stockholders."

Editor's Note: We assume that with no long-term debt, the company is using its large cash position to facilitate these large dividend payments.

The Bowser Game Plan

1. **DO NOT PAY** more than \$3/share for a stock.
2. **CREATE A PORTFOLIO** of 12 to 18 stocks.
3. **DO NOT SELL** when a stock goes above \$3/share 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 the remainder after the stock drops 25% from its most recent high. If the stock drops 50% before it has doubled, sell all shares.
6. **RECORD** proceeds from sales.
7. **PORTFOLIO EVALUATION** = Current value of portfolio + Proceeds from sale.

COMPANY OF THE MONTH

Business

Goldfield Corporation operates through two segments: electrical construction and real estate development.

Electrical Construction

The electrical construction business is headed by Southeast Power Corporation, a subsidiary of Goldfield. Southeast Power engages in a number of services that all fall under the electrical construction segment. They include the construction of transmission lines, concrete foundations, distribution systems and substations, and other electrical installation services, as well as fiber optic cable installation.

Southeast Power generally supplies the management, labor, equipment and tools, while the customers typically supply the required materials. However, this is not always the case as the specifics vary from contract to contract.

The majority of the company's electrical construction work takes place in the southeastern portion of the United States, although the company does perform tasks across the country. Construction takes place seasonally as customers generally try to have the required service done between peak times. Therefore, most of Southeast Power's contracts take place in the first two quarters of the fiscal year. The region is also affected by hurricanes in the third quarter, which can lead to necessary storm restoration work.

The electrical construction segment made up about 97% of the company's total revenues for the quarter ended 03/31/12.

Real Estate Development

The real estate development segment is headed by Bayswater Development Corporation, a subsidiary of Goldfield. Bayswater engages in the acquisition, development, management and disposition of residential condominium and single family homebuilding projects along the east coast of Central Florida.

Over the past several years, Bayswater has completed five condominium projects, including Pineapple House—an eight-story building with thirty-three luxury river-view condos in Melbourne, FL. Only two units have not sold as of December 31, 2011.

The company generally purchases land and pays for architectural, engineering and other costs with its cash reserves. Construction costs are funded by bank funding. Currently, the company owns two vacant properties on which two condominium buildings will be built at some point when the real estate market turns around.

Real estate development only accounted for 3% of the company's total revenues for the quarter ended 03/31/12.

Financials

Goldfield recently turned in stunning results for the first quarter of 2012. The company reported revenues of \$17.7 million compared to \$8.9 million in the same quarter a year ago. Over the same time period, the company reported a net income of \$2.7 million compared to a net loss of \$11,260. Even more impressive, the company notes that its backlog is quite extensive with \$55 million expected to be filled in 2012. This backlog will be a part of the upcoming three quarters' revenues. The company reported \$77.8 million in total backlog as of 02/27/12.

In the most recent quarter, GV's profit margin was about 15%. The profit margin for the 2011 fiscal year was just 3%.

The company maintains a decent balance sheet with a current assets-to-liabilities ratio of about 1.8 and a growing book value. The company's total assets are double its total liabilities (\$33.5 million compared to \$15.5 million). The company's return on equity (ROE) for the quarter ended 03/31/12 was 15%. GV has a decreasing amount of long-term debt (currently \$4,875,000), although it does represent more than 10% of the company's trailing twelve month revenue.

GOLDFIELD CORPORATION

NYSE:GV
BOWSER RATING: 8
Last 12 Months—
\$0.24-1.98

	2010	2011	2012(A)
REVENUES	\$33,368,000	\$32,831,000	\$17,744,000
INCOME(LOSS)	(\$253,000)	\$874,000	\$2,650,000
WORKING CAPITAL	\$7,200	\$8,049	\$7,960
BOOK VALUE	\$0.57	\$0.60	\$0.71
TOTAL SHARES	25,451,354	25,451,354	25,451,354
FLOAT	N/A	N/A	19,370,000
(A) THREE MONTHS ENDING 3/31/12			

Management

John H. Sottile is Goldfield's chief executive officer (CEO) and president. Mr. Sottile has been with the firm since 1971, and has held his current positions since 1983. He owns 1,676,392 shares of common stock.

Between the two of them, directors Jeffrey E. Eberwein and David P. Bicks purchased a total of 90,000 shares of GV common stock on June 1, 2012.

In total, insiders own about 23.6% of the company's common stock. The largest owner of stock is Value Fund Advisors, LLC, which owns 3,036,634 shares.

Goldfield has 163 full-time employees.

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ITERIS, INC announced the receipt of a contract to design, implement, operate and maintain the first ever integrated travel information and navigation service in the Middle East. The contract, awarded by the Abu Dhabi Department of Transportation is valued at \$2.45 million.

Work has begun and the system is expected to be fully operational by early 2013.

ITI also received a deal from the city of Oxnard, CA, valued at \$1.4 million to fulfill an Intelligent Transportation Systems Integration Services contract.

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

Made Original Appearance on List & Market	Issue/Trading Symbol	Principal Business	Price 06/05/12	Long-Term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
CATEGORY ONE: OUR EBST PICKS								
# 12/11(A)	AMER SHARED HOSP (AMS)	TURNKEY TECHNOLOGY SOLUTIONS Office: 4 Embarcadero Ctr., Ste. 3700, San Francisco, CA 94111, Tel: 415/788-5300, www.ast.com	2.98	\$0.000	\$22.2	\$1.499	4.6	8
02/12(GM)	ATLANTIC AMERICAN (AAME)	INSURANCE CARRIER	2.80	\$0.000	\$124.8	\$4.478	23.7	8
06/10(OB)	BULLION MONARCH (BULM)	ROYALTIES ON GOLD MINING	0.95	\$0.000	\$6.2	(\$0.057)	39.2	8
05/11(N)	DOVER DOWNS (DDE)	CASINO/HOTEL MANAGEMENT	2.83	\$64.500	\$244.6	\$7.768	31.7	8
# 06/08(A)	FLEXIBLE SOLUTIONS (FSI)	SPECIALTY CHEMICALS	1.35	\$1.654	\$16.3	\$0.048	13.2	8
# 12/07(A)	FULL HOUSE RESORTS (FLH)	MANAGES GAMING FACILITIES Office: 4670 South Ft. Apache Rd., Ste. 190, Las Vegas, NV 89147, Tel: 702/221-7800, www.fullhouseresorts.com	2.97	\$0.000	\$130.5	\$36.405	18.7	8
06/12(N)	GOLDFIELD CORP (GV)	ELECTRICAL CONSTRUCTION	1.58	\$4.875	\$41.6	\$3.535	25.5	8
# 12/06(A)	ITERIS INC (ITI)	OUTDOOR MACH VISION SYS/SENSORS	1.38	\$0.000	\$27.7	\$2.514	34.3	8
04/11(OB)	LIBERATOR MEDICAL (LBMH)	MEDICAL SUPPLIES FOR SENIORS	0.97	\$0.000	\$57.3	\$1.271	48.1	8
04/11(CM)	MAJESCO ENTERTAIN (COOL)	DIGITAL ENTERTAINMENT	2.07	\$0.000	\$143.0	\$7.796	39.7	8
07/10(CM)	R.F. MONOLITHICS (RFMI)	WIRELESS SOLUTIONS/COMPONENTS	1.76	\$2.980	\$32.9	\$0.016	11.2	8
# 11/10(OP)	SONO-TEK CORP (SOTK)	LIQUID SPRAY PRODUCTS	1.06	\$0.000	\$12.1	\$1.432	14.4	9
10/11(A)	VER SAR INC (VSR)	NOW ABOVE \$3 A SHARE; SEE PAGE 5 (Follow-Through)						
# 06/11(OB)	VERTEX ENERGY (VTNR)	PROCESS/RECYCLE INDUST. WASTE	1.65	\$0.000	\$124.2	\$6.132	9.4	9
CATEGORY TWO: WORTHY OF CONSIDERATION								
12/10(A)	DIGITAL POWER (DPW)	SWITCHING POWER SUPPLIES	1.23	\$0.000	\$10.4	\$1.029	6.8	8
08/11(A)	GSE SYSTEMS (GVP)	SERVICES NUCLEAR & PETRO IND.	2.22	\$0.000	\$52.2	\$2.318	18.4	8
11/11(A)	GLOBAL-SCAPE (GSB)	FILE TRANSFER SOFTWARE	2.02	\$0.000	\$21.7	\$0.323	18.3	8
# 03/11(A)	INTELLIGENT SYSTEMS (INS)	VENTURE CAPITAL FIRM	1.69	\$0.000	\$16.9	\$0.755	9.0	8
01/12(CM)	PERMA-FIX ENVIRON(PESI)	NUCLEAR WASTE MANAGEMENT	1.16	\$3.487	\$133.1	\$13.413	56.1	8
# 06/08(A)	TENGASCO INC (TGC)	DOMESTIC OIL/GAS OPERATIONS	0.74	\$13.741	\$18.5	\$5.199	60.7	8
CATEGORY THREE: VERY SPECULATIVE								
04/09(A)	COVER-ALL TECH (COVR)	PROPERTY/CASUALTY INSURANCE	1.47	\$0.000	\$16.0	(\$1.481)	25.9	NR
# 10/09(CM)	LRAD CORP (LRAD)	SOUND ACOUSTIC TECH.	1.36	\$0.000	\$14.8	(\$0.304)	32.4	NR
# 02/10(CM)	MANHATTAN BRIDGE (LOAN)	SHORT-TERM COMMERCIAL LOANS	1.04	\$0.500	\$1.5	\$0.291	3.9	8
# 09/11(A)	NEW CONCEPT ENERGY (GBR)	SELL RECOMMENDATION; SEE BELOW						
# 08/10(OB)	OUR PET'S CO (OPCO)	ACCESSORY & CONSUMABLE PET ITEMS	0.42	\$0.225	\$20.1	(\$0.033)	16.4	NR
# 07/10(OP)	REPRO-MED SYSTEMS (REPR)	DESIGN/PRODUCTION OF MED PROD	0.22	\$0.003	\$6.4	\$0.816	38.6	8
# 02/04(CM)	TII NETWORK TECH (TIII)	OVERVOLTAGE DETECTION SERVICES	2.09	\$0.000	\$54.2	(\$3.794)	14.1	NR

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.

SELL RECOMMENDATION

This month we are recommending the sale of **New Concept Energy** (A:GBR). Last month, we discussed the company's poor financial results for the year ended 12/31/11. In that write-up, we noted that the company lost a substantial amount of money for the year, but the loss was mainly due to a one-time bad debt expense. As a result, we moved the company from Category 1 to Category 3.

GBR's most recent results show a loss of \$1,267,000 for the quarter ended 03/31/12 compared with a gain of \$97,000 for the same quarter last year. In its quarterly report, the company cites the drop in natural gas prices as the main reason for the subpar quarter. GBR remarks that it cannot foresee a rise in price any-time soon because of a surplus of natural gas in the market. As a result of this dour outlook, coupled with the company's recent poor results, New Concept should be sold.

CATEGORY CHANGES

Several companies reported their quarterly results this month, good and bad. Some companies' earnings warrant a shift in category. The first of these companies is **Liberator Medical** (OB:LBMH). In its most recent quarter, LBMH reported a 16% increase in revenues and a 117% increase in net income. The company cites its direct response advertising campaign and customer service as the reasons for the increase in sales, which directly influenced the increase in earnings. LBMH is the only

company moving up a category this month, all the rest are moving down.

Digital Power Corp (A:DPW) reported a 25% decrease in sales and a 56% decrease in earnings. The company mainly attributes these decreases to its European operations which suffered due to the credit crisis. As a result of the decreases, DPW has moved from Category 1 to Category 2. *For more, see the Earnings page in the Supplement.*

GlobalSCAPE (A:GSB) reported a \$253,000 loss in its most recent quarter despite a considerable increase in revenues. While the company cites this loss as a one-time occurrence, the company has moved from Category 1 to Category 2. *For more, see the Earnings page.*

GSE Systems (A:GVP) has moved from Category 1 to Category 2 because of its 48% decrease in net income. *For more, see the Earnings page.*

Perma-Fix Environmental (CM:PESI), despite a substantial increase in sales (61%), reported a \$994,000 loss for the quarter. Higher expenses drove the income down. Because of the loss, PESI has moved from Category 1 to Category 2.

Cover-All Tech (A:COVR) reported a 32% decrease in sales and a 221% decrease in earnings. As a result, COVR has moved from Category 2 to Category 3.

LRAD Corp (CM:LRAD) has moved from Category 2 to Category 3 due to substantial losses. *For more detail on the losses, see page 2.*

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 06/05/12 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>
AMER SHARED HOSP (A:AMS)	NOW \$2.98; SEE PAGE 4	
AVALON HOLDINGS (A:AWX)	\$3.54(8)	05/11 \$2.90(9)
CENTURY CASINOS (CM:CNTY)	NOW IN BOWSER DATABASE	
CIMATRON LTD(CM:CIMT)	\$3.93(8)	02/08 \$2.75(8)
CVD EQUIPMENT(CM:CVV)	\$13.09(8)	07/05 \$2.03(9)
DGSE COMPANIES(A:DGSE)	\$7.43(8)	12/03 \$2.05(8)
EVOLVING SYSTEMS(CM:EVOL)	\$5.47(8)	05/09 \$3.68(8)
*Price adjusted: 1-for-2 rev. split 07/09		
FEMALE HEALTH CO(CM:FHCO)	\$5.40(9)	10/07 \$2.32(9)
FIELDPOINT PETROLEUM(A:FPP)	\$3.41(8)	10/08 \$2.24(8)
FONAR CORP (CM:FONR)	\$3.72(8)	03/12 \$1.97(8)
FOOD TECH SERVICE(CM:VIFL)	\$6.65(8)	01/07 \$2.50(8)

<u>ISSUE/EXCHANGE SYMBOL</u>	<u>1</u>	<u>2</u>
FULL HOUSE RESORTS (A:FLL)	NOW \$2.97; SEE PAGE 4	
GOLDEN ENTERPRISES(GM:GLDC)	\$3.37(9)	02/09 \$2.35(9)
IEC ELECTRONICS(A:IEC)	\$6.17(8)	07/08 \$1.99(8)
INVENTURE FOODS(CM:SNAK)	\$6.11(8)	09/00 \$2.56(8)
KEY TRONIC(GM:KTCC)	\$9.04(8)	11/08 \$1.57(10)
METROPOLITAN HEALTH(N:MDF)	\$8.34(8)	01/08 \$2.36(9)
PARAMETRIC SOUND (CM:PAMT)	\$5.90(NR)	06/07 \$4.30(NR)
*Price adjusted: 1-for-5 rev. split 03/12; spin-off from LRAD Corp.		
PIZZA INN(CM:PZZI)	NOW IN BOWSER DATABASE	
RICHMONT MINES(A:RIC)	\$6.37(9)	10/98 \$2.56(8)
SIMULATIONS PLUS(CM:SLP)	\$3.99(9)	05/10 \$2.46(9)
VERSAR INC (A:VSR)	\$3.08(10)	10/11 \$2.76(10)

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)	\$2.41(NR)	12/11 \$0.59(NR)	GIGA-TRONICS INC (CM:GIGA)	\$1.07(NR)	03/11 \$1.28(NR)
CHINA PHARMA HOLDINGS(A:CPHI)	\$0.30(NR)	11/11 \$0.90(NR)	RELM WIRELESS CORP(A:RWC)	\$1.53(NR)	05/11 \$1.45(NR)
ENVIROSTAR INC(A:EVI)	\$1.29(NR)	07/11 \$1.25(NR)	WELLS GARDNER(A:WGA)	\$2.05(NR)	06/11 \$2.10(NR)
FORTUNE INDUSTRIES (A:FFI)	\$0.18(NR)	04/11 \$0.27(NR)			

BRIEFS

AMERICAN SHARED HOSPITAL's Gamma Knife® Perfexion™ system at the Florence Nightingale Hospital in Istanbul has begun to treat patients. This installation is AMS's 13th overall and its first outside of the US. MEVION's S250 Proton Therapy System received FDA 510(k) marketing approval which should accelerate AMS's own proton therapy development. . . . **COVER-ALL TECH:** Novarica, a research and advisory firm focused on insurance technology strategy, included COVR in a report that profiled insurance policy administration. . . . **CVD EQUIPMENT** received a multi-million dollar aerospace order to design a Chemical Vapor Deposition System scale up solution. Further details of the order have not been released. . . . **DGSE COMPANIES** submitted a plan to the NYSE Amex in order to regain compliance with the exchange's listing requirements. The exchange accepted the plan, including an extension until October 31, 2012, to meet the listing requirements. Additionally, DGSE changed its independent

accounting firm to Whitley Penn, LLP. . . . **FIELDPOINT PETROLEUM** increased its borrowing base under its bank line of credit to \$11 million. **INVENTURE FOODS** announced the release of two non-fat Greek yogurt smoothie flavors: Pomegranate Pick-Me-Up™ and Acai Super-Antioxidant™. . . . **LRAD CORP** received new orders from the U.S. Military totaling \$1.1 million and the Asian maritime security totaling \$1.7 million. The U.S. Military orders are scheduled to ship this quarter, and the Asian orders are also scheduled to ship this quarter and continue throughout the rest of the fiscal year. LRAD's "sonic gun" technology will be used at the London 2012 Summer Olympics as a non-lethal weapon intended to disperse crowds and stop boats on the Thames. . . . **METROPOLITAN HEALTH NETWORKS'** CEO Michael Earley, was named a finalist in Florida's Ernst & Young Entrepreneur of the Year program. Additionally, MDF's acquisition of Continucare Corp. was recognized as the "Transaction of the Year" by the Association for Corporate Growth's South Florida Chapter. . . . **PARAMETRIC SOUND** signed a letter of intent

with Epsilon Electronics that will license PAMT's Hypersound™ technology to Epsilon. . . . **PIZZA INN** named Clinton J. Coleman as interim CEO following the departure of former CEO Charlie Morrison. . . . **RICHMONT MINES** appointed Paul Carmel as the company's new president and CEO effective May 22, 2012. The company also appointed Christian Pichette as the new executive vice president. . . . **SIMULATIONS PLUS** released two new products: MedChem Studio 3.0 and MedChem Designer 2.0. . . . **VERSAR** elected Joshua J. Izenberg to the positions of executive vice president, general counsel, and corporate compliance officer.

<u>INSIDER TRADING</u>	<u>NAME</u>	<u>BUY/SELL</u>	<u>DATE</u>	<u>PRICE</u>	<u>HOLDINGS</u>
CVD Equipment	Kelly Scott Walters (D)	S-500	5/31/12	\$11.89	1,500
	" "	S-500	6/01/12	\$11.64	1,000
Giga-Tronics	Lutz P. Henckels (D)	B-2,860	3/02/12	\$1.30-1.34	17,860
	" "	B-2,683	3/05/12	\$1.30-1.35	20,543
	" "	B-1,000	3/06/12	\$1.32	21,543
GSE Systems	Philip J. Deutch (B/O)	AB-3,500	5/10/12	\$2.50	2,420,425
	" "	AB-22,222	5/11/12	\$2.48-2.50	2,442,647
	" "	AB-25,617	5/14/12	\$2.50	2,468,264
	" "	AB-9,439	5/15/12	\$2.50	2,477,703
	" "	AB-138,822	5/16/12	\$2.38-2.50	2,616,525
LRAD Corp	Thomas R. Brown (D)	B-9,896	5/16/12	\$1.35-1.37	37,400
	Katherine McDermott (CFO)	B-3,500	5/18/12	\$1.25	14,300
	" "	B-3,500	5/21/12	\$1.26	17,800
Manhattan Bridge	Lyron L. Bentovim (D)	B-5,000	5/14/12	\$1.08	10,358
Pizza Inn	Clinton J. Coleman (D)	B-7,665	5/30/12	\$2.41-2.46	63,418
	" "	B-4,585	5/31/12	\$2.38-2.46	68,003
	" "	B-7,800	6/01/12	\$2.42-2.46	75,803
Wells-Gardner	James F. Brace (CFO)	S-886	5/29/12	\$1.96	98,256
	" "	S-700	5/30/12	\$1.95	97,556

AB-Automatic Buy; B/O-Large Shareholder; CFO-Chief Financial Officer; D-Director.

BOWSER BUCKAROOS SPEAK

MEMORIES

Thank you for sending me a copy of Penny Stock Winners. I will enjoy reading it. I was surprised I have been a subscriber for 20 years. I have learned a lot about the stock market and investing from The Bowser Report.

I still remember subscribing. I read a story about penny stocks in a newspaper and they mentioned The Bowser Report and a phone number. I called and Max took my info.

You are probably wondering how my Bowser portfolio is doing. I read the Report for many years and never bought any stocks. Every month I would think that the Company of the Month wasn't going anyplace. Then one day I went over several years of the Report and noticed that a lot of those stocks were going up in price. So, I started buying. I bought only a few in the first year and it was a disaster. But, I was determined to stay with it. The next year, one of my stocks doubled and I was hooked.

--Anonymous, Mesa, AZ

This letter is probably representative of many of our subscribers. He goes on to say that he sold all of his Bowser stocks in 2008 when the market was down to buy the then-cheap blue chip stocks that paid dividends (remember our Terrible Ten?). But, lately, he's itching to get back and build a new Bowser portfolio. By the way, we send out *Penny Stock Winners* to our subscribers who have reached their 20th year with us.

USING "BUCKAROOS"

Just thought you'd appreciate this picture of me and your Dad. Also, I think the newsletter (since Max's passing) has been pretty good but one critique. . . . I know you want to keep Max's feel but my personal opinion is



that you are using the term "buckaroos" way too much. I do miss your Dad's wit on the phone and on page 8.

--Paul Kamke, West Nyack, NY

Paul has been a subscriber for 31 years and, as you can see from this photo, he was just a wee boy when he started with us. Paul happened to be in Newport News when Max was ill and was one of the last "buckaroos" (sorry Paul) to see him. His support has meant a lot to us.

He's also right that we have been getting carried away with the term "buckaroo." It was used 12 times in last month's issue, 7 of them being on this page ☺. We will try to restrain ourselves. **We also urge any of you who have suggestions on how to make the newsletter better to contact us. We are always open to your comments and concerns.**

EMAIL VERSION

I am not sure how things are progressing with the email version of the newsletter, but I have a question. When would it be sent out? Would it be after the market close on that Friday after publication (2nd Thursday of the month) or would it be a later date like the Monday after?

--Jane Allen, Eugene, OR

That Jane is one sharp cookie (as Max would say). She is always coming up with some good questions. The email version is still in the works. We are hoping for it to be ready by the July issue to make a combined launch with our new website. We plan to send out the email version on that Friday after the market closes (like we have been doing with the recorded message when we get the date right! (See *Notes by the Editor*). That way we ensure our subscribers receiving the print version are not at a disadvantage. **So, if you are interested in the email version, please let us know sometime this month if you haven't already. We need the name your subscription is under and your email address.**

MAJESCO ENTERTAINMENT

This was posted today on Motley Fool (contrary to their mantra of staying away from under five dollar stocks).

--Robert Schwind, Buenos Aires, Argentina

Following is the *Motley Fool* write-up on COOL (our April 2012 Company of the Month) by Rick Aristotle Munarritz:

I haven't been a fan of the video game industry in recent years. The trends are working against the companies during these disruptive times. This doesn't mean that there won't be a few winners along the way.

Majesco is a small publisher that is best known for its Zumba Fitness and Cooking Mama video game franchises. It has an interesting title coming out later this year—NBA Baller Beats—that's a rhythmic dribbling and ball-handling game using a real ball.

Sure it sounds like a recipe for disaster between iffy floor surfaces and loose ball fouls, but it's also unique enough to stand out in what has been a stagnant market for three years.

Along the way, buyers are getting a profitable and growing company fetching just six times this year's projected earnings and a mere five times next year's fiscal target. Whether it succeeds on its own or is an accretive acquisition for a larger, desperate rival, Majesco's a win-win deal in a losing industry.

We recommended COOL because of its solid financials and willingness to go beyond typical video-game conventions and that appears to be what this article is referencing as well. Page 7 this month has a full discussion of what is happening with this company.

Bob has been a great supporter of *The Bowser Report* and keeps us alerted to anything he feels we will find of interest. He is also responsible for giving us the heads-up on the FONAR glitch mentioned this month on Page 8.

Beginner's Portfolio Up 175%

BOUGHT: GV @ 158 plus \$10 commissions = 168;
 VTNR @ 1.65 plus \$10 commissions = 175;
 AMS @ 298 plus \$10 commissions = 308;
 INS @ 169 plus \$10 commissions = 179.

SOLD: TGC @ 74 less \$10 commissions = 64;
 COVR @ 74 less \$10 commissions = 64;
 KTCC @ 452 less \$10 commissions = 442;
 LRAD @ 68 less \$10 commissions = 58;
 GBR @ 130 less \$10 commissions = 120.

	Cost	06/05/12		Cost	06/05/12		Cost	06/05/12	
*VIFL	286/Feb '07	333	CNTY	270/Mar '11	268	COOL	258/Apr '12	207	Proceeds From Sales
TIII	252/Feb '07	209	LBMH	151/Apr '11	97	DDE	289/May '12	283	
*MDF	239/Mar '08	417	GVP	210/Sep '11	222	GV	168/June '12	158	9,393
LOAN	120/Mar '10	104	GSB	181/Nov '11	202	VTNR	175/June '12	165	748
RFMI	127/Aug '10	176	PESI	180/Mar '12	116	AMS	308/June '12	298	(830)
BULM	75/Sep '10	95	AAME	280/Mar '12	280	INS	179/June '12	169	9,311
								3,799	
								9,311	
								13,110	

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

Gain: 13,110 minus \$4,766 = 8,344

Percentage of gain: 8,344 divided by \$4,766 x 100 = 175.1

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.

Majesco Entertainment releases game lineup for 2012

May was a down month for Majesco Entertainment (CM:COOL). Between the May and June newsletters, the price dropped from \$2.27/share to \$2.07/share—a 9% decrease in share price. Despite this decline, COOL's public relations team has been hard at work pumping out press releases detailing the company's upcoming video game releases, as well as its new corporate identity.

When Majesco was first introduced as April's Company of the Month, we noted their reformatted business plan for success in the video game market. Key points are developing new franchises, continuing existing franchises, and introducing innovative games. With the announced upcoming releases, Majesco is attempting to stay true to this business plan.

The first release, which was discussed in these pages last month, is *NBA Baller Beats*, a basketball game in cooperation with the National Basketball Association (NBA). Recently, COOL has partnered with Spalding—the official basketball provider for the NBA—and Panini America—a trading card manufacturer. Under the agreements, *NBA Baller Beats* will sell as a package with a Spalding basketball and the game will feature Panini NBA HOOPS digital trading cards as unlockable features in game play.

COOL also announced two extensions to the existing and best-selling *Zumba® Fitness* franchise. The first announcement was the release of two style packs for *Zumba Fitness Rush*: the Bollywood Style Pack and the Wear Avatar Collection. The Bollywood Style Pack features three new Bollywood songs. The Wear Avatar Collection allows users to customize their on screen Avatar wardrobe.

The second announcement was the new *Zumba Fitness Core* video game. This new video game is specifically designed to target the abdominal muscles through Zumba's typical workout dance choreography. The new game features 40 new songs and 30 international dance styles along with new venues. It is slated for release this upcoming fall.

Zumba is not the only Majesco franchise to receive additions. *Cooking Mama*, another successful COOL franchise,

will get three new expansion packs: *Mama's Combo Pack Volume 1*, *Mama's Combo Pack Volume 2*, and *Mama's 2-Pack*. Combo Pack 1 combines the original game with *Camping Mama: Outdoor Adventures*, while Combo Pack 2 combines *Cooking Mama 2: Dinner* and *Crafting Mama*. The two combo packs will be available for the handheld Nintendo DS™ gaming platform in August.

Mama's 2-Pack will be available for the Nintendo Wii™, and includes *Cooking Mama Cook Off* and *Cooking Mama World Kitchen*. The 2-Pack will also be available in August.

Finally, COOL announced its intention to release a new potential franchise in *Hello Kitty Picnic with Sanrio Friends*. The game, developed with Chaotic Moon, will bring the well known Hello Kitty character to the Nintendo 3DS™ for the holiday season. The game will feature 10 mini-games that center on a picnic theme.

Through these announcements, it appears that Majesco is keeping with its business plan of building on past successes (*Zumba* and *Cooking Mama*), while expanding into new franchises (*Hello Kitty*), and maintaining an innovative edge (*NBA Baller Beats*). The results of these efforts are yet to be seen as most of the games are set to be released between August and the holiday season. In the meantime, development costs may affect earnings, making it essential for the company to continue selling the games that are currently on the shelves. *See page 6 for more info.*

BEGINNER'S PORTFOLIO EXPLANATION: The following stocks were sold because they dropped at least 25% since doubling: COVR, KTCC, and LRAD. TGC was sold because it fell 50% from its purchase price of \$1.53/share. Finally, GBR was sold because of the sell recommendation in this month's newsletter.

The replacement stocks include the new Company of the Month, GV, as well as three other stocks from Page 4: VTNR, AMS, INS. We opted not to replace one of the stocks, but we feel that the portfolio is still well diversified at 18 stocks.



Majesco's new corporate identity

TII NETWORK TECH BUYOUT

TII Network Technologies' (CM:TIII) board of directors approved a buyout deal in which Kelta Inc. would pay \$2.15/share for TIII's common stock. The deal, valued at about \$33 million, represents a 48% premium on the stock's closing price before the deal was announced on May 14, 2012. It is expected to be finalized during this year's third quarter. Prior to being finalized, the deal must meet shareholder approval.

Kelta plans to fund the acquisition through a combination of existing cash and funds available under Kelta's current credit facilities.

TIII's President and CEO, Brian Kelley, made the following remarks: *Not only does this merger provide our stockholders with a significant premium to the market price*

of our stock, it also represents a significant benefit to our customers and employees. We have had a positive, long-term working relationship with Kelta, the contract manufacturer of our products. With Kelta's financial and other resources and capabilities, TIII will be better able to develop and produce new and improved products to meet the ever-changing technology requirements of our Telco customers.

Recently, TIII's operating results have been subpar. For the quarter ending 12/31/11, the company reported a loss of \$5,596,000. As a result, TIII reported a loss of \$3,133,000 for the 2011 fiscal year compared to a gain of \$2,230,000 for the 2010 fiscal year. In the most recent quarter that ended 03/31/12, net income fell 84% and total revenues fell 14%. So, with its financial situation in mind, this appears to be a great deal for TIII shareholders.

NOTES BY THE EDITOR

In the newsletter industry every word is important. Meaning can be altered through a simple reordering of a phrase or selecting a different word. *The Bowser Report* has made its fair share of mistakes in the past and in the present (*see below*). In the last month, it came to our attention that a fellow colleague of ours, *The Investor's Digest of Canada*, reworded our write-up of FONAR Corporation, and that their write-up led to some confusion. We just wanted to make sure that we are understood correctly.

In our Company of the Month write-up, we said: "Results for the quarter ended December 31, 2011, show that FONAR has sold 150 of these special MRI scanners and installed them worldwide." This passage meant that, as of 12/31/11, the company had sold 150 total. In *The Investor's Digest of Canada* write-up, it left their readers thinking that FONAR had sold 150 scanners in just the one quarter.

Speaking of mistakes, we had a doozy last month, for which, **we apologize profusely**. In the May issue, on the front page, as we always do, we noted that the Company of the Month recording would go on June 8 after 4 PM ET. This should have said **June 13**. We always publish the second Thursday of the month, with the recording coming on the Friday after. Most of the time, it is the second Friday of the month. But, in June, it happened to fall on the third Friday of the month. We realize it must have been very frustrating for

FIVE BOWSER STOCKS UP OR DOWN LAST MONTH

BRIDGELINE	UP	93%	CHINA PHARMA	DOWN	42%
TII NETWORK	UP	42%	AVALON HLDGS	DOWN	36%
VERSAR	UP	28%	FLEXIBLE SOL	DOWN	31%
IEC ELECTRONIC	UP	23%	KEY TRONIC	DOWN	31%
GLOBAL-SCAPE	UP	14%	COVER-ALL	DOWN	29%

our subscribers to call and not hear what the new recommendation was.

There's really no excuse for this blatant blunder, except for that old saw about being human. Once we post the recommendation online, maybe this will be a harder mistake to make.

As we mentioned last month, *The Bowser Report* is now on Twitter. Follow us there (@thebowserreport) or on Facebook for updates between newsletters. If you are not on Twitter or Facebook, we can be reached via phone or email.

FOR THOSE SUBSCRIBERS WHO WOULD LIKE TO HAVE THE NEWSLETTER ONLINE, PLEASE LET US KNOW THE NAME YOUR SUBSCRIPTION IS UNDER. THANKS.

The Bowser 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 the Month issues, all stocks above \$5 a share are removed.
- ✓ Each entry is given a Bowser Rating.
- ✓ Thirteen fields of information are included on each stock.
- ✓ Newly added Dividend Stock Listing included, plus the updated Bowser Microcap Index.
- ✓ \$20 a copy. Free Shipping.

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, Web site: www.thebowserreport.com

PUBLISHED THE SECOND THURSDAY OF EACH MONTH.

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WARRANT REGISTER

LAST MONTH'S
BIGGEST GAINER
HOMEOWNER'S CHOICE
UP 60%

MicroVision teams with Pioneer Corporation

Under a recent agreement, MicroVision, Inc. and Pioneer Corporation have teamed up to manufacture, distribute, license, and supply MicroVision's HD PicoP® Gen2 display engine technology. As per the agreement, Pioneer will produce and distribute the PicoP Gen2 technology, providing MicroVision with royalties from the technology's sales. Pioneer will also manufacture and supply display engine subsystems to MicroVision for multiple applications.

The collaboration of these two tech companies benefits each, leveraging Pioneer's advanced operational technologies and product distribution networks to promote its automotive aftermarket products, and simultaneously supporting MicroVision's transition to an "Image by PicoP" brand model.

Pioneer will use MicroVision's PicoP Gen2 technology to boost its automotive aftermarket displays. The first products are expected to be released later this year.

"We are delighted to have reached these agreements with Pioneer whose cooperation on this PicoP Gen 2 solution has been outstanding," stated MicroVision's President and CEO Alexander Tokman. "We are on track with our plan to make available our PicoP Gen2 display technology this year."

S&W continues to expand stevia production

After the successful propagation of several million stevia plants in S&W Seed's greenhouse program, the company has decided to dedicate all 156 acres of its newly leased farmland to stevia production. Originally, the company had planned to use 80 to 150 acres of the farmland.

The land is tilled and pre-irrigated and has excellent soil conditions for growing stevia. Access to necessary water is nearby. In 45 days, S&W Seed plans to initiate planting what it believes are improved stevia varieties on this second generation field.

Mark Grewal, CEO of S&W Seed: "We are accelerating our stevia program. The decision to plant approximately 156 acres of stevia more than doubles our current stevia acreage (114 acres in Chowchilla, CA). We expect to harvest stevia from this land for the four-year term of the lease. The initial investments being made today should provide a long-term payback as we obtain the traits and yields that we expect."

COMBIMATRIX CORP has added multiple members to its management team over the past two months. The additions include: Dr. Richard J. Wapner to the Scientific Advisory Board, Dr. Richard Hockett as Medical Director, with Richard Ding and Dr. Joseph M. Limber to the board of directors. The new appointees bring many years of medical experience to the company's staff.

ASSOCIATED BANC-CORP added a new office to its Commercial Real Estate branch in the Detroit area. Located in Birmingham, MI, it will be headed by Don Heath, senior vice president and team leader, and Kathy Bozek, customer ready environment (CRE) relationship manager. Both are seasoned veterans in the Southeastern Michigan market.

FAIRPOINT COMMUNICATIONS appointed Tony Tomae as the company's executive vice president and chief revenue officer, in charge of sales, marketing, and development.

Company	Market/Symbol	Principle Business	Warrant				No. Wts	Bowser Rating	
			Stock Price 05/02/12	Price 05/02/12	Conv. Ratio	Exer. Price			
Associated Banc-Corp 1200 Hansen Rd., Green Bay, WI 54304, Tel: 920/491-7000, www.associatedbank.com	GS:ASBCW	Bank holding company	13.28	1.89	1.00	19.77	11/21/18	4.0M	9
				CALL TERMS: Not callable					
Bank of America 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	8.16	0.89	1.00	30.79	10/28/18	121.8M	9
				CALL TERMS: Not callable					
China Hydroelectric 420 Lexington Ave., Ste. 860, New York, NY 10170, Tel: 646/467-9800, www.chinahydroelectric.com	N:CHC-WT	Hydroelectric power in China	1.30	0.04	1.00	3.45	12/31/13	6.0M	7
				CALL TERMS: \$23.00 for 20 out of 30 days					
Citigroup 399 Park Ave., New York, NY 10043, Tel: 212/559-1000, www.citigroup.com	NYSE:C-WTA	Investment Banking	32.69	0.41	1.00	106.10	01/04/19	2.6M	8
				CALL TERMS: Not callable; exercise price adj. for dividends above \$.01					
Combimatrix 6500 Harbour Heights Pkwy, Ste. 303, Mukilteo, WA 98275, Tel: 425/493-2000, www.combimatrix.com	CM:CBMXW	Biotech development	1.05	0.19	1.00	9.00	05/01/14	1.1M	6
				CALL TERMS: 250% of exercise price for 20 days					
FairPoint Comm 521 E. Morehead St., Ste. 250, Charlotte, NC 28202, Tel: 704/344-8180, www.fairpoint.com	OB:FRPZW	Communications in New England	4.98	0.15	1.00	48.81	01/24/18	3.6M	7
				CALL TERMS: Not callable					
Flatworld Acquisition Palm Grove House, Road Town, Tortola VG1110, BVI, Tel: +1(284) 545-6127, www.flatworldcapital.com	OB:FOWLWF	Seeking to buy another company	9.81	0.27	1.00	11.00	12/15/15	67.0M	NR
				CALL TERMS: \$16.50 for 20 out of 30 days					
Ford Motor Co. One American Rd., Dearborn, MI 48126, Tel: 313/322-3000, www.ford.com	NYSE:F-WT	Motor vehicles	11.10	2.31	1.00	9.20	01/01/13	362.0M	8
				CALL TERMS: Not callable					
Homeowner's Choice 145 NW Central Park Plaza, Ste. 115, Port St. Lucie, FL 34986, Tel: 72/204-9394, www.hcpici.com	GM:HCIW	Property/casualty insurance in FL	14.76	2.99	0.50	9.10	07/31/13	6.7M	8
				CALL TERMS: \$11.38 for 10 out of 20 days					
Microvision Inc 6222 185 th Ave. N.E., Richmond, WA 98052, Tel: 425/415-6847, www.mvis.com	CM:MVISW	Miniature images and displays	1.83	0.09	1.00	3.60	07/23/13	0.6M	6
				CALL TERMS: If common averages \$7.20 for 20 days					
NeoStem Inc 420 Lexington Ave., Ste. 450, New York, NY 10170, Tel: 212/584-4180, www.neostem.com	A:NBS-WT	Stem cell distribution	0.38	0.04	1.00	6.00	07/16/12	38.0M	6
				CALL TERMS: \$8.00 for 20 days					
Owens Corning One Owens Corning Pkwy, Toledo, OH 43659, Tel: 419/248-8000, www.owenscorning.com	NYSE:OC-WTB	Building materials worldwide	35.46	2.41	1.00	45.25	10/31/13	7.8M	8
				CALL TERMS: Not callable					
Resolute Energy 1000 Crescent Ct., Ste. 1200, Dallas, TX 75201, Tel: 214/615-2300, no website	NYSE:REN-WT	Petroleum/natural gas	10.67	1.08	1.00	13.00	09/25/14	1.7M	NR
				CALL TERMS: \$18.00 for 20 out of 30 days. Was Hicks Acquisition					
Retail Opportunity Invest 3 Manhattanville Rd., 2 nd Fl., Purchase, NY 10577, Tel: 914/272-8080, www.roireit.net	GS:ROICW	Commercial real estate investment	12.39	1.10	1.00	12.00	10/23/14	44.0M	8
				CALL TERMS: \$18.75 for 20 out of 30 days					
S&W Seed Company 2552 S. Butte Ave., Five Points, CA 93624, Tel: 599/884-2535, www.sweedco.com	CM:SANWW	Agricultural products	6.23	1.14	1.00	7.15	05/03/15	1.0M	8
				CALL TERMS: \$8.80 for 5 consecutive days/\$0.25					
TCF Financial 200 Lake Street East, Wayzata, MN 55391, Tel: 952/745-2760, www.tcfbank.com	NYSE:TCB-WT	Bank holding company	11.59	2.25	1.00	16.93	11/14/18	3.2M	6
				CALL TERMS: Not callable					
U-Swirl Inc. 1075 American Pacific, Ste. C, Henderson, NV 89074, Tel: 702/448-5301, www.healthfastfood.com	PK:SWRLW	U-Swirl frozen yogurt	0.30	0.01	1.00	5.10	03/19/13	5.6M	7
				CALL TERMS: 120% of ex. price for 5 days/\$0.25. Was Healthy Fast Food					

EARNINGS

	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
Female Health Company(FHCO)	03/31/12	7,831,364	4,287,245	1,904,429	80,998	(A)
Flexible Solutions Int'l Inc(FSI)	12/31/11	15,518,635	11,491,401	182,990	(190,080)	(B)
Food Technology Service Inc(VIFL)	12/31/11	962,297	771,991	(176,011)	312,820	(C)
Golden Enterprises Inc(GLDC)	03/04/12	34,429,717	34,085,864	592,960	414,975	
Key Tronic Corporation(KTCC)	03/31/12	95,527,000	63,424,000	3,394,000	724,000	(D)
New Concept Energy(GBR)	12/31/11	876,000	1,046,000	(11,687,000)	116,000	(E)
RF Monolithics Inc(RFMI)	02/28/12	8,060,000	7,587,000	(51,000)	77,000	(F)
Simulations Plus Inc(SLP)	02/29/12	2,789,226	2,621,686	838,577	907,480	(G)
Tii Network Technologies(TIIL)	12/31/11	13,123,000	17,785,000	(5,652,000)	766,000	(H)

- (A) - *"The exceptional increase in earnings and operating cash flow has enabled FHCO to expend FC2 production capacity to provide protection for even more women. The expansion will be funded from cash on hand, which increased 48% to \$6.3 million during the first six months of fiscal 2012. Our solid financial results and positive outlook have also permitted FHCO to increase its cash dividend," noted CEO O.B. Parrish.*
- (B) - *Daniel B. O'Brien, CEO: "We are very pleased to announce record revenue. For fiscal 2011, revenue was 35% higher than the 2010 period and is expected to continue growing in 2012 at a rate of 20-30%. Cash flow from operations increased by 50% in 2011. This allowed FSI to expand its working capital through lines of credit at very attractive rates." The NanoChem Division continues to be the dominant source of revenue and cash flow.*
- (C) - *This is a decrease of approximately 20% and is a result of accounting requirements for deferred tax credits. In fiscal 2010, VIFL increased the estimated benefit of deferred tax credits. The estimated benefit was not changed in fiscal 2011, which can make comparisons to prior year operations difficult. To facilitate such comparisons, the Company had income before taxes of \$1,433,145 in 2011 compared to income before taxes of \$1,094,946 in 2010—an increase of around 30.9%.*
- (D) - *"We're very pleased with our strong growth in revenue and earnings for this quarter, driven primarily by the rapid production ramp up for new customer programs," said CEO Craig Gates. "Our gross margin and operating margin were up approximately 9% and 5% respectively. KTCC continues to diversify its future revenue base by winning new programs involving transportation management, medical and consumer*

- electronic devices."*
- (E) - *The most significant components for the fiscal year 2011 loss were bad debt expense of \$10 million and an impairment expense of \$1.4 million for GBR's oil and gas properties, due to the decline in natural gas prices. For more information, see pages 4 and 6.*
- (F) - *RFMI's CEO Farlin Halsey: "We are pleased with the sales increase in comparison to last year and the fact that our normal sales decrease from our first quarter to our second quarter was less than we have experienced in recent years."*
- (G) - *CFO Momoko Beran: "Nonrecurring charges and other elements of the increased Selling, General & Administrative expenses (SG&A) had a significant impact on gross profit and pretax earnings." CEO Walt Woltoz added: "Actual sales of software licenses and consulting services increased more than the 6.4% top-line revenue increase would indicate because last year SLP had grant revenue of \$65,000 during the second quarter, and this year, the company had none. Revenues from software licensing during the current quarter increased \$256,000 (10.7%), offsetting the \$65,000 reduction in grant income as well as adding new business."*
- (H) - *The decrease in revenues primarily resulted from \$5,281,000 of decreased sales from the Porta Copper Products Division, partially offset by sales of Tii Fiber Optics of \$712,000. The operating loss was due to a charge for the impairment of goodwill of \$4,101,000, a provision for excess and obsolete inventory of \$2,351,000, a charge for accelerated depreciation for equipment taken out of service of \$849,000 and \$527,000 of severance expense relating to the termination of TIIL's former president and CEO.*

FEMALE HEALTH COMPANY (CM:FHCO): Dr. David Holtgrave, Chairman of the Department of Behavior and Society at Johns Hopkins Bloomberg School of Public Health, conducted an economic analysis of the cost-effectiveness of an FC2 HIV/AIDS prevention program in Washington, D.C. During the second quarter, *AIDS and Behavior* magazine featured the study.

The study yielded remarkable results, ultimately showing that the program prevented enough HIV infections to save over \$8 million in future medical care costs. That number is quite staggering considering the \$445,000 cost of the program—illustrating a \$20 savings per \$1 spent.

The results of this study could positively affect the company's FC2 female condom sales.

PERMA-FIX ENVIRONMENTAL SOLUTIONS (CM:PESI): The Department of Energy's Los Alamos National Laboratory selected a Portage, Inc.-led team to carry out two Master Task

Order Agreement clean-ups. Perma-Fix represents a part of Portage's clean-up team.

The first Master Task Order Agreement has a value of \$250 million and will carry on over the next three years. The second Master Task Order Agreement has a lower value of \$200 million, but has the same duration period.

Under the agreements, the selected companies will carry out tasks including waste management, waste treatment, waste transportation, and waste disposal of radioactive and hazardous waste materials from the DOE's Los Alamos Lab. Some of these materials have been building up over the past four decades of research, operations, and clean-up.

CEO Dr. Louis Centofanti: "Perma-Fix has collaborated with DOE, LANS, and Portage over the past several decades to address some of the most problematic waste streams in the DOE complex. This collaboration has resulted in large volumes of wastes to be treated and disposed."