

# The Bowser Report

November 2011 - Vol. 35, No. 11



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## Spreading the word on Bowser stocks

After we recommend a stock, we are interested in that company getting as much exposure as possible in the investment community. The Dick Davis Digest serves that purpose, with its compilation of stocks that trade at various prices.

Since 1983, the Dick Davis Digest has introduced many Bowser stocks to individuals who don't subscribe to The Bowser Report. (The better known a stock is, there will be that many more potential buyers of the issue.)

Last month, Chloe Lutts, the Digest editor, interviewed the 87-year-old Dick Davis, who sold his newsletter some time ago and is now retired. But, the interview exposes us to one of the country's sharpest investment minds.

Actually, there are two publications, The Dick Davis Dividend Digest and The Dick Davis Investment Digest. Both are published online. They are now owned by Cabot Heritage Corp., with corporate offices in Salem, MA.

**Lutts:** When did you start publishing the Dick Davis Digest?

**Davis:** In June of 1982.

**Q:** Why did you decide to found it at that time?

**A:** Because, in my experience, the way to succeed in any business venture is to find a need and fill it. At that point in time, there was no newsletter that offered the investor a cross-section of opinions on the overall market and on individual securities from the advisors and analysts with the best track records.

**Q:** What do you think are the advantages of a digest-style publication, compared to portfolio-based newsletters?

**A:** Each one has its place. A portfolio-based newsletter that monitors and recommends a specific portfolio can serve a useful purpose, providing that whoever is providing the ideas has demonstrated an ability to outperform his peers--not the market--on a consistent basis. His excellence, his wisdom and expertise have been demonstrated over a long period of time.

**Q:** Are you an advocate of diversification?

**A:** There's a certain amount of safety and a limitation of error that you get through diversification. I also feel that nobody can predict the market--since the market is unpredictable and unknowable and random and perverse.

**Q:** Can you tell me about your overall investing philosophy, and if it has changed since you founded the Digest?

**A:** My investment philosophy has been confirmed over the past few years. It hasn't changed.

**Q:** Tell us about your three "Ls."

**A:** Luck, loot and longevity. And, by far, the most

In the early 1980s, we had the privilege of talking on the phone with Mr. Davis. We had been selling subscriptions four years at that time and he wanted some advice on the mechanics of publishing a newsletter.

Another major investment digest is The Bull & Bear Financial Report. In March 2008, we interviewed David J. Robinson, the editor/publisher.

Prior to founding the Digest, Dick Davis worked at Merrill Lynch, where he began a prolific career as a stock market commentator for radio, TV and newspapers. His daily TV market report was the first of its kind, laying the groundwork for shows like PBS' Nightly Business Report.

After leaving The Digest, he wrote a book, "The Dick Davis Dividend: Straight Talk on Making Money for 40 years on Wall Street." The book is still available on the Internet. . . . Following is the interview by Ms. Lutts with Mr. Davis:

important is luck. . . . When discussing the success of a particular advisor or portfolio manager, luck is never given the due that it deserves.

**Q:** Why "loot?"

**A:** Loot is an obvious one: the more money you have, the more you can implement the wise things to do. Deep pockets are always an advantage. If you are right, you'll be more right with more money.

**Q:** How about "longevity?"

**A:** The stock market has had an unwavering upward course over the past 100 years. However, in the past 10-12 years, it has become obvious that it now is going to take a longer time for the historical returns

of the market to play out.

**Q:** What is your definition of long-term investing?

**A:** Long-term investing used to mean three, five or maybe eight years, but now we have to expand it, maybe to 15 or 20 years.

**Q:** What do we learn from longevity?

**A:** The implication is that the stock market is basically a young person's game. (I'm 83, so to me young people are anybody who's under 50.) The

"young" person has enough time in front of him to make all kinds of mistakes and for the market to have all kind of bad declines and for him to still come out ahead.

**Q:** What role does emotion play?

**A:** The way most investors act, they're not buying when their stocks are out of popularity or when stocks in general are unpopular. It's always hard to buy when nobody else is buying. Most of us are not built to succeed in the market because we're too emotionally oriented.

-- continued on next page

## DICK DAVIS DIGEST

Investment Ideas From The Best Minds On Wall Street

NEXT COMPANY OF MONTH RECORDING

PHONE: 757/877-5979

FRIDAY, DEC. 9, AFTER 4 PM ET

RECORDING ON FOR ENTIRE WEEKEND

\*\*\*\*\*

Featuring blue chip penny stocks

DICK DAVIS INTERVIEW

Q: Is there anything in the market that doesn't change?

A: There are very few absolutes, very few things that happen all the time. But, because there are so few of them, the ones that are there should be religiously observed and all investors should be aware of them.

Q: How many absolutes are there?

A: I have six of them. Number one is that nobody knows the answers. Because of the unpredictability, randomness & perversity of the market it is impossible to predict what is going to happen.

Q: The second absolute?

A: There is always an exact opposite. I don't care how savvy and astute and experienced and wise an advisor is, is another one who's wiser. The investor has to be aware of that. When he buys or sells a stock based on the opinion of an analyst or advisor, it behooves him to know that there is someone out there with an exactly opposite opinion. Being aware of that opposite opinion and the reason for it prevents surprise.

Q: The third one?

A: The third thing for all investors to know is that we're all predisposed to fail in the market, but we're not predestined to fail. Emotionally, human nature-wise, we all have a DNA that predisposes us toward buying when we should be selling and selling when we should be buying. However, we are not predestined to do that. We have the ability, if we can develop the discipline, to put the odds in our favor. So it's not hopeless.

Q: We can't wait to learn about the fourth absolute.

A: There is symmetry in the market. Over a period of time there is rhythm--bull markets are followed by bear markets, which are followed by bull markets. That's a symmetry that never changes. The market goes to extremes. It always goes to extremes and sometimes goes to extreme extremes. But, there is an underlying inexorable trend toward correcting those excesses and moving toward the median.

Q: The fifth one must be interesting.

A: The market is king. That means that the market will do what it will do. And, it will do it, sometimes, in its own sweet time. For example, right now we may be in the process of correcting the excesses of the last historic bull market, where the Dow Jones Industrial Average exceeded 14,000 and the S&P 500 exceeded 1,500. And, when the market corrects these excesses, they're explained by news, but the news is irrelevant. What's relevant is that the market is doing what it had to do and we only know it after the fact. We're observers. The market is king.

Q: We're looking forward to your sixth absolute.  
A: Something that I don't hear or read about--that's the persistence of major trends. The durability of major trends is simply not recognized--it's underestimated. Invariably, trends last longer and go further than widely anticipated. Once a trend is entrenched, it is extremely difficult to reverse. For example, for the past two to three years, at least, we've been hearing about the inevitability of interest rates going up. And, yet interest rates continue to stay low. Of course, at some point, trends do reverse, but invariably it takes longer than people expect.

THE CHLOE LUTTS FILE

Chloe Lutts is the editor of both Digest publications. She is the third generation of the Lutts Family to join the business. Her father, Timothy, is president of Cabot Heritage.



Prior to joining the Digest, she was a financial reporter for the Debtwire, a division of the Financial Times. Before that she reported on global debt markets for Institutional Investor.

Chloe operates out of New York City. She holds a B.A. in International Relations from Brown University and also studied in Beijing and Paris.

MANHATTAN BRIDGE--WHO IS NOT LENDING?

LOAN CEO Assaf Ran noted that in the past two months his firm has experienced an unusually high rate of loan returns. His customers find it is easier to sell their investment properties since customers are being readily approved for low mortgage rates.

In fact, he found out that it became as easy as before the 2008 financial meltdown for a low-income home buyer to arrange a good mortgage in New York City. In many cases they are FHA government-backed loans.

Another indication that conventional banks are more open to lending is that Manhattan Bridge is seeing a significant increase in paying off short-term loans. Therefore, LOAN received a high amount of cash in the past two months. As a result, it began an advertising campaign and has hired some brokers and sales people in order to redeploy the returned funds.

VERSAR INC. announced that it is a member of the Parsons Brinckerhoff winning team, one of several teams awarded the Commonwealth of Virginia Emergency Services contract. The mission is to support the Commonwealth with equipment, goods and services in response to natural or manmade disasters or terrorist events.

The contract allows the Parsons Brinckerhoff team to provide support to local and county municipalities and educational systems under a local or state declaration of emergency. The contract consists of a three-year base ordering period with three one-year options.

COVER-ALL TECHNOLOGIES: XL Group (NYSE:XL), a provider of global insurance and reinsurance coverage, has purchased select features of COVR's NexGen Business Intelligence Solution and consulting services to support enterprise business intelligence.

LRAD CORPORATION: Thailand's Dept. of Disaster Response has ordered LRAD 100X and LRAD 500X to support their flood relief efforts. Thailand is experiencing its worst flooding in decades after three months of heavy rains. The order is being shipped immediately.

CEO Tom Brown: "From Hurricane Katrina to the 2010 Haitian earthquake and this year's earthquake and tsunami in Japan, LRAD systems have proven they can bridge communications gaps during catastrophes."

# COMPANY OF THE MONTH

The Cheap Investor(847/697-5666) has recommended GlobalSCAPE Inc. A high tech company, this is the way Bill Mathews, editor/publisher, describes the company's business:

"GSB develops, distributes and maintains secure managed file transfer software that enables individuals and business users to exchange information over the Internet, as well as wide-area file system collaboration and continuous data protection software.

"The company offers file transfer protocol(FTP) client programs, including Cutest, which permits a user to request a file from or send a file to an FTP server or host computer; and Cutest Pro, a program that incorporates various standards for encrypting data during transport and at rest, accelerating transfer of large files and automating common file transfer tasks.

"It also provides file transfer servers, such as Enhanced File Transfer Server--which provides digital certificate management, remote management capability and ability to manage user accounts with settings for security and control; and Enhanced File Transfer Server Enterprise--an enterprise file server that supports enterprise installation.

"In addition, the company offers data replication products, including Wide Area File Services, which deliver a file access system, instant file sharing, and server-to-server mirroring; and continuous backup software delivering real-time continuous data protection."

Adding to this description, the company notes: "Our products and services ensure the privacy of critical information--such as financial data, medical records, customer files and other sensitive documents. These solutions ensure compliance with many government and commercial regulations related to information protection, while also allowing customer users to reduce IT costs, increase efficiency and automate processes."

Among many GlobalSCAPE customers are the U.S. Army, U.S. Navy, Lockheed Martin, General Dynamics, Northrop Grumman, Raytheon and the Cisco Technology Developer Program.

Its customer list continues to grow. For example, earlier this year, Advanced Micro Devices (NYSE:AMD) deployed GSB's Enhanced File Transfer to centralize, automate and manage files exchanged internally and externally with global business partners.

## Awards

This company is unusual in the number of awards it receives for its efforts--reflecting very well on management.

GlobalSCAPE received a Technology Superstar Award from SATAI--a technology acceleration and commercialization center that is also based in San Antonio, TX, where GSB has its headquarters.

Management announced that Network Products

Guide, the industry's leading information technology research and advisory guide, named the company's Enhanced File Transfer Server a winner of the 2010 Product Innovation Awards for Managed File Transfer.

In June, Computerworld Magazine named GlobalSCAPE as one of the "100 Best Places to Work in IT" for the second consecutive year. In 2009, it was named to Deloitte's Technology Fast 500.

The San Antonio Express, for the third year, honored the company as a top workplace. The San Antonio Business Journal also chose GSB as one of the "Best Places to Work."

## Management

James R. Morris, 59, is the chief executive officer and president. He, along with other insiders, is a large holder of the common--which has resulted in a comparatively small float.

The company has a very respectable balance sheet as represented by the fact that there is no long-term bank debt and \$12.6 million in cash.

In April, William E. Buie, 55, was hired as executive vp of sales. He is an accomplished high-tech industry executive with nearly 30 years of sales and marketing management experience. And, prior to joining GlobalSCAPE, Mr. Buie was a senior vp with Fujitsu--a global IT services, hardware and software provider.

During May, Randall Hawkins was made CFO. Before, he was vp-finance with Keystone Directories LLC--a capital investment firm/portfolio company--and Int'l Finance Manager for Cooper Industries--a Fortune 100 multinational manufacturing con-

## GlobalSCAPE

NYSE Amex: GSB

BOWSER RATING: 9

Last 24 Months--  
\$0.50 to \$2.82

	2009	2010	2011(A)
REVENUE	\$16,451,418	\$18,565,000	\$10,354,000
NET INCOME(LOSS)	\$ 1,399,937	\$ 881,000	\$ 531,000
WORKING CAPITAL	\$ 5,537,356	\$ 8,607,000	\$10,133,000
BOOK VALUE	\$0.56	\$0.65	\$0.72
TOTAL SHARES	17,686,000	18,346,982	18,502,122
FLOAT	N/A	N/A	10,100,000
(A) 6 MONTHS ENDING 6/30/11.			

glomerate.

## Current Developments

In the press release announcing June 30 quarterly results, CEO Jim Morris noted:

"Revenue was \$5.7 million for the quarter, an increase of 28% when compared with \$4.5 million in the same quarter last year. Net income was \$471,000--a jump of 251% over last year's figures.

"Our second quarter performance was very strong across the board. And, while I do not expect these sorts of increases every quarter, the results reinforce our prior expectations for another record-setting year.

"During the quarter, we announced two additional customer deployments in the United Kingdom, which means that we now have over 2,000 European customers. Approximately 32% of sales come from outside the U.S."

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*My parents had only one argument in 45 years. It lasted 43 years.*  
--Cathy Ladman

## 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 THIS LIST, BUT WAS REMOVED BECAUSE IT HAS RISEN ABOVE \$3.00 A SHARE; @- FROM CONTINUOUS OPERATIONS; FIGURES IN PARENTHESIS ARE LOSSES. C- CANADIAN DOLLARS.

Market	Issue/Trading Symbol	Principal Business	Price 11/2/11	Long-Term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
<b>CATEGORY ONE: OUR BEST PICKS</b>								
	05/11(A) AVALON HOLDINGS(AWX)	WASTE MANAGEMENT	2.24	\$0.000	\$44.3	(\$0.806)	\$3.80	8
	06/10(OB) BULLION MONARCH (BULM)	ROYALTIES ON GOLD MINING	0.94	\$0.000	\$6.2	\$2.417	38.5	8
#	02/11(CM) CENTURY CASINOS (CNTY)	INT'L CASINO ENTERTAINMENT	2.49	\$10.668	\$71.2	\$1.407	23.8	8
	04/09(A) COVER-ALL TECH (COVR)	PROPERTY/CASUALTY INSURANCE	1.71	\$0.000	\$19.2	\$3.552	25.1	8
	12/10(A) DIGITAL POWER (DPW)	SWITCHING POWER SUPPLIES	1.85	\$0.000	\$12.5	\$0.830	6.7	8
#	08/06(A) FLEXIBLE SOLUTIONS (FSI)	SPECIALTY CHEMICALS	2.65	\$2.162	\$13.6	\$0.341	13.2	8
	07/11(A) FORTUNE INDUSTRIES (FFI)	PROFESSIONAL SERVICES/BUSINESSES	0.53	\$0.042	\$64.4	\$1.851	12.3	8
	11/11(A) GLOBAL-SCAPE (GSB)	FILE TRANSFER SOFTWARE	1.71	\$0.000	\$19.7	\$0.972	18.5	9
	08/11(A) GSE SYSTEMS (GVP)	SERVICES NUCLEAR & PETRO IND.	1.73	\$0.000	\$47.2	(\$0.547)	19.2	8
	09/11(A) NEW CONCEPT ENERGY (GBR)	OIL & GAS/RETIREMENT PROPERTY	2.29	\$1.367	\$4.1	\$0.163	2.0	9
	07/10(CM) R.F. MONOLITHICS (RFMI)	WIRELESS SOLUTIONS/COMPONENTS	0.69	\$2.400	\$32.5	\$0.228	10.9	8
#	11/10(OP) SONO-TEK CORP (SOTK)	LIQUID SPRAY PRODUCTS	1.30	\$0.000	\$12.0	\$1.572	14.4	9
	10/11(A) VERSAR INC (VSR)	NOW ABOVE \$3 A SHARE; SEE PAGE 5						
#	06/11(OB) VERTEX ENERGY (VTNR)	PROCESS/RECYCLE INDUSTRIAL WASTE	2.80	\$0.000	\$97.0	\$3.283	8.5	9
<b>CATEGORY TWO: WORTHY OF CONSIDERATION</b>								
#	10/08(A) FIELDPOINT PETROLEUM (FPP)	OPERATION/DEV OF U.S. OIL/GAS	2.98	\$6.740	\$7.1	\$0.702	8.1	8
#	12/07(A) FULL HOUSE RESORTS (FLL)	MANAGES GAMING FACILITIES	2.93	\$0.000	\$55.9	\$7.193	18.2	8
#	03/11(A) INTELLIGENT SYSTEMS(INIS)	VENTURE CAPITAL FIRM	1.72	\$0.000	\$14.7	\$1.419	9.0	8
	04/11(OB) LIBERATOR MEDICAL (LBMH)	MEDICAL SUPPLIES FOR SENIORS	1.04	\$0.000	\$58.7	(\$1.106)	48.0	8
#	10/09(CM) LRAD CORP (LRAD)	SOUND ACOUSTIC TECHNOLOGIES	1.95	\$0.000	\$25.3	\$5.666	32.3	8
	06/07(OB) Parametric Sound (PAMT)	HSS Technology	0.63	Spin-off from LRAD				
#	08/10(OB) OUR PET'S CO (OPCO)	ACCESSORY & CONSUMABLE PET ITEMS	0.60	\$0.562	\$19.0	\$0.990	19.5	8
#	05/10(CM) SIMULATIONS PLUS (SLP)	NOW ABOVE \$3 A SHARE; SEE PAGE 5						
	09/10(CM) VALPEY FISCHER (VPF)	CRYSTAL OSCILLATOR MANUFACTURER	2.57	\$0.000	\$14.7	\$0.743	4.3	8
<b>CATEGORY THREE: VERY SPECULATIVE</b>								
	01/10(CM) BRIDGELINE DIGITAL (BLIN)	WEB APPLICATION MANAGEMENT	0.70	\$0.000	\$19.1	(\$6.883)	12.3	NR
#	10/10(A) CHINA PHARMA HLDGS(CPHI)	SELL; SEE PAGE 5						
	02/05(CM) GIGA-TRONICS INC (GIGA)	INSTRUMENTS, DEFENSE; TELECOMM	1.27	\$0.383	\$19.3	(\$0.229)	5.0	NR
#	12/06(A) ITERIS INC (ITI)	OUTDOOR MACH VISION SYS/SENSORS	1.30	\$0.000	\$60.9	(\$3.005)	34.4	8
#	02/10(CM) MANHATTAN BRIDGE (LOAN)	SHORT-TERM COMMERCIAL LOANS	1.01	\$0.500	\$1.2	\$0.191	3.3	8
#	07/10(OP) REPRO-MED SYSTEMS (REPR)	DESIGN/PRODUCTION OF MEDICAL PROD	0.33	\$0.483	\$4.9	\$0.704	34.3	8
#	06/08(A) TENGASCO INC (TGC)	DOMESTIC OIL/GAS OPERATIONS	0.73	\$4.321	\$15.5	(\$0.346)	59.2	8

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

### CATEGORY CHANGES

**LIBERATOR MEDICAL HOLDINGS:** Move from Cat 1 to Cat 2. . . This is a management that emphasizes the top line, while neglecting the bottom line.

This was evident in the June 30 quarterly report. Compared to a year ago, sales were up 25%, while net income was down 97%.

We were hoping that CEO Mark A. Libratoro could duplicate his success with Liberty Medical Supply, which he founded and eventually sold. It became the nation's largest direct-to-customer diabetic supplier, with its omnipresent TV ads featuring Wilford Brimely.

Liberty eventually had a roster of 650,000 active customers. The same marketing techniques are being used with LBMH, but the emphasis is not on diabetes.

Obviously, the market has noticed the company's weak earnings. In April, when it was the Company of the Month, it traded at \$1.41. Now, it is down to \$1.03.

**SONO-TEK CORPORATION:** Move from Cat 2 to Cat 1. Despite having to bear the burden of being on the Pink Sheets, SOTK is turning in a remarkable financial performance. As a result, the stock is trading 34% higher than when it was our Company of the Month in November 2010.

In each of the three quarters on which we have reported, both the sales and net income were higher. (In May, we shifted SOTK from Cat 1 to Cat 2 because of the lack of certain information.)

In another respect, Dr. Christopher L. Coccio, CEO, is leading a company that's unusual because it doesn't have direct competition with its patent-protected proprietary ultrasonic atomizing system that it has pioneered since 1975.

Ultrasonic nozzle systems pulverise low-to-medium viscosity liquids by converting electrical energy into mechanical motion in the form of high-frequency ultrasonic vibrations that break liquids into minute drops which can be applied to surfaces at low velocity.

The principal advantage of this system is that much less liquid is used to attain required coatings on glass, textiles, food packaging, circuit boards, medical devices, etc.

**METROPOLITAN HEALTH NETWORKS** had three of its centers recognized by the industry's National Committee for Quality Assurance (NCQA). . . . selected for patient-centered medical home efforts.

"Achieving NCQA recognition is a significant benchmark for quality in a primary care organization, such as ours," commented President Jose Guethon.

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 11/2/11 PLUS THE CURRENT BOWSER RATING. COLUMN 2 IN THE FIRST LIST BELOW INCLUDES THE MONTH/YEAR WE ORIGINALLY RECOMMENDED THE ISSUE, THE PRICE PER SHARE THEN AND THE BOWSER RATING. (NR = Not rated)

## FOLLOW-THROUGH

ISSUE/EXCHANGE/SYMBOL	1	2	ISSUE/EXCHANGE/SYMBOL	1	2
CIMATRON LTD (CM:CIMT)	\$4.20(8)	02/08 \$2.75(8)	IEC ELECTRONICS(A:IEC)	\$5.816(8)	07/08 \$1.99(8)
CVD EQUIPMENT(CM:CVV)	\$16.91(8)	07/05 \$2.03(9)	INVENTURE FOODS(CM:SNAK)	\$4.16(8)	09/00 \$2.56(8)
DGSE COMPANIES(A:DGSE)	\$8.09(8)	12/03 \$2.05(8)	KEY TRONIC(GM:KTCC)	\$4.32(8)	11/08 \$1.57(10)
EVOLVING SYSTEMS(CM:EVOL)	\$6.90(8)	05/09 \$3.68(8)	METROPOLITAN HEALTH(A:MDF)	\$6.99(8)	01/08 \$2.36(9)
*Price adjusted: 1-for-2 rev. split 7/09			PIZZA INN (CM:PZZI)	\$4.29(8)	06/07 \$2.65(8)
FEMALE HEALTH CO(CM:FHCO)	\$4.34(9)	10/07 \$2.32(9)	RICHMONT MINES(A:RIC)	\$12.15(9)	10/98 \$2.56(8)
FOOD TECH SERVICE(CM:VIFL)	\$7.15(8)	01/07 \$2.50(8)	SIMULATIONS PLUS (CM:SLP)	\$3.09(9)	5/10 \$2.46(9)
GOLDEN ENTERPRISES(GM:GLDC)	\$3.60(9)	02/09 \$2.35(9)	VERSAR INC (A:VSR)	\$3.29(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)

ALPHA PRO TECH (A:APT)	NOW IN BOWSER DATABASE	TURBOSONIC TECH (OB:TSTA)	04/11 \$0.43(NR)		
ENVIROSTAR INC (A:EVII)	\$1.27(NR)	07/11 \$1.25(8)	WELLS GARDNER (A:WGA)	\$2.44(NR)	06/11 \$2.10(NR)
RELM WIRELESS CORP (A:RWC)	\$0.98(NR)	05/11 \$1.45(NR)	XFONE INC (A:XFN)	\$0.41(NR)	10/11 \$0.43(NR)

### SELL CHINA PHARMA HOLDINGS

This is an unusual situation. CPHI continues to report good earnings. But, as we have frequently commented, the investment community does not trust the figures being reported by small Chinese companies that trade in the U.S.

Bob Willens, a prominent money manager, was quoted in the October 24 Barron's as follows:

"I'm choosing not to invest in U.S.-listed Chinese stocks, because there is no way to have any confidence in what they're reporting. And, now U.S. auditing firms are precluded from auditing these companies, even through their Chinese affiliates."

After China Pharma was our Company of Month in October 2010, its stock price rose above \$3. However, in July when we moved CPHI from Category 2 to Category 3, the stock was trading at around \$2.40 a share. Now it is less than \$1.00. Most Buckaroos who follow our 50% rule--sell when it is down 50% from the purchase price--are out of these shares.

### FULL HOUSE EXPECTS WEAK QUARTER

FLL will have a third quarter non-cash goodwill impairment charge of \$4.5 million (\$2.7 million on an after-tax basis) related to its Stockman's Casino.

The charge is being recognized due to a decline in operating results at Stockman's, resulting from the weak economic conditions in Northern Nevada and slower-than-expected improvement from changes made in marketing programs.

In addition, FLL anticipates recording a valuation fee against its remaining tribal receivables in the amount of \$420,000 (\$257,000 on an after-tax basis) as a result of slower-than-expected progress by the Nambe Pueblo in securing financing for their proposed casino facility.

Full House announced that Rising Sun/Ohio First and the Rising Sun Regional Foundation have teamed up to develop a new 100-room hotel on land currently owned by the company at its Rising Star Casino Resort. Construction is expected to start in December and be completed in the fourth quarter of 2012.

"The current casino hotel operates near capacity the majority of the time and the new hotel will make the property more competitive, providing much-needed jobs to the local economy and protect the future revenue stream to the city and foundation," said CEO Andre Hilliou.

### BRIEFS

GIGA-TRONICS(GIGA): Alara Capital Partners are investing \$2.2 million in GIGA by purchasing 9,997 shares of common. And, upon closing Alara will receive warrants to purchase 848,684 shares of common. As part of the investment, GIGA has agreed to expand its board to seven members. Also, Mark Elo will join the company as vp of marketing. Formerly he was with Hewlett-Packard/Agilent Technologies and Keithley Instruments. . . . EVOLVING SYSTEMS (EVOL): A major wireless carrier in Russia is implementing EVOL's Dynamic SIM Allocation solution, which will personalize the carrier's subscriber services plus delivering an enhanced and differentiated user experience. . . . RF MONOLITHICS(RFMI) instituted a substantial price reduction for their ultra low-power Wi-Fi module. The pre-certified module comes with full function, ready to use firmware at \$39 each. Volume discounts are also available. The price reduction was possible through improved manufacturing and increased volume. . . . INVENTURE FOODS(SNAK) is being recommended by Small CapInvestor (866/447-8625). . . . FIELDPOINT PETROLEUM(FPP) has survived critical appraisal by Konnie Kuhn, editor/publisher of The KonLin Letter (631/744-8536). His ultimate target for the stock is between \$7 and \$8 a share. . . . ACCEL8 TECHNOLOGY (AXK) is no longer expecting funding from Novartis, the Swiss-based pharma giant. Accel8 has been in discussion with other companies for BACcel applications that compliment clinical diagnostics. With the expiration of restrictive terms in the prior Novartis agreement, management is now opening discussions with clinical diagnostics companies. AXK's stock continues to trade between \$2.75 and \$3.00 a share. . . . VERSAR(VSR) has been awarded a General Services Administration professional engineering services contract. It is for five years, plus option periods of five years each. . . . XFONE(XFN) successfully raised \$6 million in a previously announced rights offering. Taking into account the oversubscription rights, there was demand for 96% of the offered shares. . . . XPO LOGISTICS(XPO) was named one of the 2011 Top 100 Motor carriers by Inbounds Logistics magazine for the quality service provided by its Express-1 unit. It's the second consecutive year the former Express-1 has been named to the list, which recognizes providers of supply chain and logistics services in the motor transportation sector. . . . TII NETWORK TECH(TIII) appointed Stacey L. Moran a vp, chief financial officer and treasurer. Most recently, Ms. Moran was

# BOWSER BUCKAROOS SPEAK

## REVIEWING A 14-STOCK PORTFOLIO

Enclosed find a listing of 14 Bowser stocks that I currently own and their cost per share. All of your picks are in the red, except one, which is even.

What is going on? Each month, you tell readers, like myself, that your system is making money for small investors like myself, when, in fact, your picks are all losers.

Yes, I know, I don't follow the rules precisely. And, I don't check my portfolio every day.

--Clark Gottschalk, Tampa, FL

Clark, your letter puzzles us.

According to our records, you have been with us for 18 years. But, in the chart that you enclosed, your oldest purchase was in 2010. What happened the previous 16 years?

You challenge us with: "You tell your readers that your system is making money for small investors." . . . In response, we would like point out that in the 35 years we've been publishing The Bowser Report, we back up that claim by reporting on our own personal results and the testimonials of our subscribers.

Again, we have noted that we purchase each new Company of the Month and that during the bear market of 2008-2009, we eventually made a profit of \$11,428 on stocks that cost us \$11,620. (See page 7.) But, then, we do follow our rules precisely.

Interestingly, in the month since Clark wrote to us, four of his stocks are now higher than their purchase price and one is even.

## BELGIUM FRIES

Many thanks for your letter with the front-page article about Belgium fries that appeared in The Wall Street Journal.

This is truly a tradition over here and most people eat them once a week. Honestly, I don't know anyone who doesn't like eating them.

To give you an idea, I have attached two photos. The first one is a traditional "frikot" on the street, where people can eat fries and the second one shows two beauties and how they are eaten.

Just by writing about it, I can't wait until the next time I eat them.

--Wim Sanders, Meldert, Belgium

What Wim is talking about is what we call "French fries," which seem to be popular just about everywhere. . . . though maybe not in Asia.

His photos are interesting. The first shows a roadside stand with outdoor tables. The second shows two teenage girls gleefully devouring the fries,

which look exactly like the ones available at any McDonald's. However, a difference is that the Belgium fries are eaten with mayonnaise instead of ketchup.

Wim is well-known among long-time Buckaroos. As an astute number crusher, he voluntarily compiles for us the status of all the major stock indexes in the world and how the Bowser Microcap Index compares. As of the last compilation, we were 10th from the top.

## SPREADSHEET

Several years ago, you had the format for a spreadsheet to track purchases, proceeds, etc. Can I get a copy of that format?

--James Jones, Norfolk, VA

Jim was our distinguished Investor of the Year in 2003.

The spreadsheet to which Jim refers was devised by a Buckaroo, who gave us a copy and offered to share it with our other subscribers.

However, we made a complete search of our records and have not been able to find the copy, which was prepared by Dr. John H. Bauman, who is no longer with us.

Consequently, if any of you has a workable spreadsheet and would like to share it with Jim and our other Buckaroos, please let us know.



THE "OCCUPY WALL STREET PROTESTORS"  
CONCEPTION OF A FINANCIAL TITAN

## HEALTH PROBLEMS

My eyesight is falling and more cancer surgeries are due. . . . My son is helping me and he does not believe in warrants or investment newsletters.

Please cancel my subscription. I'm also returning the warrant booklet and the Company of the Month booklet. . . . God Bless Max and all of you and your families.

--Gerald Percival, Bellevue, WA

Here's wishing the best for Gerald in a very bad situation.

## COVER-ALL GIVEN HIGH MARKS

COVR, a provider of technology solutions for the property/casualty insurance industry, received a favorable review by the independent analyst firm Celent. The Celent report describes My Insurance Center NexGen as "one of the most advanced and configurable systems available in the market."

The Celent evaluation profiled over 50 policy administration systems in use for commercial lines. Also, other factors were considered, such as the number of clients in production and testimonials.

President Manish Shah: "We are pleased with the recognition, however we view it as a lagging indicator as we have enhanced our processes. Our customers are enjoying dynamic growth while we continue to innovate."

## Beginner's Portfolio Up 240%

	Cost	11/2/11		Cost	11/2/11		Cost	11/2/11		
*VIFL	286/Feb '07	358	*KTCC	220/Oct '09	216	OPCO	100/Dec'10	60	Proceeds	
TIII	252/Feb '07	180	*GIGA	192/Nov '09	64	*AXK	100/Feb'11	142	from	
PZZI	281/Dec '07	429	*LRAD	140/Jan '10	129	CNTY	270/Mar'11	249	<u>Sales</u>	
*MDF	239/Mar '08	350	LOAN	120/Mar'10	101	LBMH	151/Apr'11	104	9,433	
TGC	163/Aug '08	73	RFMI	127/Aug'10	96	FFI	61/Aug'11	53	MDF	<u>3,500</u>
COVR	108/May '09	171	BULM	75/Sep'10	94	GVP	210/Sep'11	173	12,933	
						GBR	206/Oct'11	<u>229</u>		
								3,271		

Cost for all stocks: \$4,766

\* 50 shares

Proceeds from sales: 12,933

Current Value of Portfolio: 16,204

Gain: 16,204 minus \$4,766 = \$11,438  
 Percentage of gain: 11,438 divided by \$4,766 X 100=240.0

**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 only \$200 to \$300 a monthly 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.

## Making money in a bear market

The following material appeared in our September edition, But we are reprinting it because it offers a strong message--that if you buy during a down market, you are acquiring stocks at bargain prices and you can cash in when the market recovers. Also, the material in September was not presented in a very well organized manner.

There are three conditions that spell misery for the the equity player--bear markets, recessions and market corrections.

A bear market comes into existence when the overall market drops 20% from its most recent high.

A recession is determined if the overall economy deteriorates to the point that there are two consecutive quarters of decline in the nation's gross national product(GNP). The latest recession ended June 2009. Since 1973 we've had six recessions.

A correction is the most benign of the three. It is the market self-correcting itself during an upward movement. This action gives birth to the statement: "No market goes straight up."

Although we officially do not currently have a bear market nor are we in a recession, the corrections are violent. Nevertheless, there are stocks that do manage to record gains.

Our Bowser Microcap Stock Index August 1 was up 3.7%, while the Dow Jones Industrial was down 3.6% and the Russell 2000 slipped 5.6%.

In its money section, USA Today has a chart that shows the biggest gainers and the biggest losers

in the previous day. There are always winners. However, there are those who say that, with all of the turbulence in the market, I'm going to get out now and get back in when things are calmer. This can turn out to be a classic "selling low and buying high."

The next month we had an article titled "Gloom, Doom and Happiness," in which we quoted one Buckaroo who reported that of his 30 Bowser stocks, 27 were lower than the price he paid for them. Nevertheless, he wasn't selling and was "holding on for better things."

In Oct'08, we convened a panel of brokers from smaller firms who actually dealt in low-priced stocks. All but one said "now is the time to buy."

We always buy the new company of the month. The bear market that started in 2008 didn't deter us in that effort. Following are the purchases we made, beginning in Oct'08, and what happened. . . . For this exercise, we haven't tracked the proceeds from sales because we wanted to concentrate on the 12 bear market babies. Brokerage commissions are included.

### The Transactions

10/24/08 FIELDPOINT PET Cost: \$1044.04  
 Sales: 12/1/10 \$824 4/27/11 \$1,075.13

11/25/08 KEY TRONIC Cost: \$544.00  
 Sales: 8/20/09 \$561.99 8/19/10 \$1,032.40

12/29/08 ALLIANCE FIBER Cost: \$644.00  
 Sales: 10/5/09 \$582.23 9/2/10 \$4,030.00

1/20/09 ZAGG Cost: \$1,024.00  
 Sales: 3/30/09 \$1,079.02 8/17/09 \$2,709.35

3/2/09 GOLDEN ENTERPRISES Cost: \$2,059.90  
 Current value: \$3,410

3/23/09 ROCK OF AGES Cost: \$784.00  
 Sales: Jan'11 Purchased by Swenson Granite \$2,100

4/23/09 COVER-ALL TECH Cost: \$1,044.00  
 Sales: 5/11/11 \$975.63 Remainder = \$995.00

6/12/09 EVOLVING SYSTEMS Cost: \$ 784.00  
 Sales: \$1,454.00 1-for-2 Reverse cut holdings

7/6/09 ELECTRONIC GAME Cost: \$1,307.08  
 Sales: 5/24/10 \$18.00

8/12/09 DYNASIL Cost: \$708.00  
 Sales: 8/27/10 \$635.98 3/21/11 \$734.99

10/26/09 AMERICAN TECHNOLOGIES Cost: \$807.40  
 Sales: 2/25/11 \$565.63. Now part of LRAD Corp.

11/25/09 TURBOSONIC TECH Cost: \$746.04  
 Sales: 11/22/10 \$265.99

**CONCLUSION:** Cost: \$11,620.46 Sales: \$23,049.34  
 Profit: \$11,428.88 Up 98.4%

# NOTES BY THE EDITOR

## Good news

We had a wiz-bang month. Note:

- 1 - The Beginner's Portfolio hit an all-time high.
- 2 - The Bowser Microcap Stock Index gained 22%.
- 3 - Of the 30 in Microcap Stocks in Buying Range on page 4, 23 were higher.
- 4 - That investors are tipping their toes in the market was indicated last week when 144 Nasdaq issues reached new highs. Up from only 55 the previous week.

\* \* \*

Two publications prove that microcaps can perform well long term. On November 7, Forbes published its list of the 100 Best Small Companies in America. They were picked for their "remarkable sales and earnings growth." Included were:

No. 3 IEC Electronics(IEC). Company of Month July 2008, \$1.99. Now \$5.81.

No. 7 LSB Industries(LXU). Company of Month September 1985, \$2.25. Now \$34.35.

No. 31 Air Methods(AIRM). Company of the Month October 1992, \$2.69. Now \$79.95.

No. 74 Alliance Fiber Optic Products(AFOP). Company of Month July 2007, \$2.01. Now \$7.45. Had 1-for-5 reverse stock split 8/30/10.

Note: We aren't listing the above as candidates for purchase. Long-time Buckaroos, using our Selling Plan, have collected substantial profits on all of them.

The Seeking Alpha blog issued a report entitled "How To Beat The Market With These 11 Microcaps."

On the list was IEC Electronics, which is becoming a universal favorite, in addition to Metropolitan Health Networks(MDF) and TII Network Tech(TIII).

\* \* \*

George Putnam, III, has a distinguished name in the financial advisory business. His Turnaround Letter (617/573-9550), for 26 years, has been identifying issues that have better days ahead of them. In a current issue, George had some words about volatility:

"For some reason, financial journalists only seem to complain about volatility when the stock market is going down. The market can be just as volatile

### FIVE BOWSER STOCKS UP OR DOWN LAST MONTH

NEW CONCEPT ENER	UP 41%	R.F. MONOLIIT	DOWN 15%
METRO HEALTH	UP 38%	MANHATTAN BR	DOWN 14%
PIZZI INN	UP 32%	COVER-ALL TECH	DOWN 6%
CIMATRON	UP 31%	TII NETWORK	DOWN 5%
INTELLIGENT SYS	UP 27%	PARAMETRIC	DOWN 3%



(meaning that it can have larger than normal daily moves) when it is going up, but that doesn't seem to bother anyone.

"We don't like to see the market go down either. . . . A funny thing about volatility on the downside is that it scares people away from buying stocks. That doesn't seem very rational to us.

"If you want to buy a car and its price is more than 10% lower today than it was a few months ago, that usually makes you more willing to buy the car, not less. But, for

some reason, most investors react the opposite way when it comes to stocks."

### INTERESTING TIDBIT

#### Unemployment Rate During The Great Depression

2.5% 1926

5% Sept. 1929, just before market crash.

35% 1933, during FDR's first year.

22% 1937, FDR's court-packing crisis.

15% 1941, U.S. enters WW II.

3% 1945, end of WW II.

6% 1947.

(Above compiled by Heritage.org)

We made some minor history this month. We only had one report of insider trading. Brian R. Ervine, CFO of Evolving Systems, sold some of his shares.

As for insider trading, we only attach importance if there is massive selling or buying by major management types. On the other hand, for instance, if a newly-appointed director buys some of the company's stock, that's something we expect.

\* \* \*

We are witnessing the growth of Pizza Inn as CEO Charlie Morrison is providing guidance for some interesting developments. For example, PZZI is expanding into China.

A new location has been opened in the City of Hangzhou in the Zhejiang province as the first of a five-store agreement.

In cooperation with Hangzhou Restaurant Management, Pizza Inn has unveiled a new design--a full-service Chinese facility with high-end decor and a broader menu. Customers can order steak, duck, pasta and other western dishes in addition to a large selection of pizzas.

Winner of PZZI's 2011 National Culinary Contest was a Grilled Cheese Pizza and the Buttered Cinnamon Sugar Pizzert. It is the brainchild of Debbie Seaton, Elizabethton, TN. And, besides the title, Debbie, a veteran Pizza Inn restaurant operator, received \$1,000 in cash.

## The Bowser Report

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# WARRANT REGISTER

## Owens Corning—Fortune 500 firm

A NYSE company, OC is a global producer of residential and commercial building materials, glass fiber reinforcements and engineered materials for composite systems. Their warrants are the latest addition to our list.

Founded in 1938, Owens Corning is an innovator of glass-fiber technology with sales of \$5 billion in 2010 and 15,000 employees in 28 countries on five continents.

The quarter ending September 30 produced the best earnings performance in the company's history. Net income was \$110 million compared to \$44 million in the same quarter a year ago.

OC now has total debt, less cash-on hand, of \$1.96 billion compared with \$1.57 billion at the end of 2010. And, although it has been buying back shares, it still has 123 million outstanding with a float of 106 million.

AD-CARE HEALTH SYSTEMS exercised 99% of its warrants sold in the initial public offering in 2006 and those sold in a private placement in Dec'09. Each exercised warrant was exchanged for 1.05 shares of common at a price of \$2.38 per share.

The firm's publicly-traded warrants ceased trading on Sept. 26. The exercise of these equities raised \$6.9 million.

HICKS ACQUISITION, a blank-check company, has used its funds to purchase Resolute Energy, a Denver petroleum/natural gas company. . . . We have now listed Resolute in place of Hicks. The new warrant terms are shown.

USA TECHNOLOGIES dismissed its CEO for illegally posting information about the company on an on-line

investor forum. CEO Jansen posted 450 comments on Yahoo! under the alias "investor texas" over a period of two months. The board determined the postings were inappropriate.

In a separation agreement, Mr. Jensen was given a lump sum payment of \$410,942, which included one year's base salary, vacation days and auto lease fees, as well as one year's health insurance and previously-awarded company shares. (Stephen Herbert has been named interim CEO.)

USAT's five-year revenue growth of 146% resulted in it again being named to Deloitte's Fast 500 List of fastest-growing tech companies. Mike Lawlor, senior v-p for sales, made a USA Tech presentation at the Atlantic Coast Exposition on October 20-22.

ENERGY SERVICES OF AMERICA's exchange offer for all of its outstanding warrants has expired. 98% of its warrants were tendered in an exchange ratio of 8 1/2 warrants for one share of common.

CHINA HYDROELECTRIC sold 8,662,509 of its ordinary shares (2,887,503 U.S. ADS) to Vicis Capital Master Fund for \$3.45 per each U.S. ADS share. This generated gross proceeds of \$10 million. The purchase was made by way of Vicis exercising some CHC warrants that it held. Terms of the remaining warrants, which are on our list, have been amended.

S&W SEED CO.: CEO Mark Grewal: "Following its 2008/2009 market collapse, the U.S. dairy market is now showing signs of stabilizing, which bodes well for the strong recovery of our market for alfalfa varieties in the U.S. Early indication from int'l distribution channels suggest sales to the Middle East and North Africa should continue to ramp up.

Company	Market/Symbol	Principle Business	Stock Price 10/28/11	Warrant Price 10/28/11	Conv. Ratio	Exer. Price	Expire Date	No. Wts	Bowser Rating
AdCare Health Systems	A:ADK-WT	REDEEMED							
5057 Troy Rd., Springfield, OH 45502, Tel: 937/964-8974, www.adcarehealth.com							CALL TERMS: \$6.00 for 10 days/\$0.10		
China Hydroelectric	N:CHC-WT	Hydroelectric power in China	1.57	0.09	1.00	3.45	12/31/13	6.0M	7
420 Lexington Ave., Ste. 860, New York, NY 10170, Tel: 646/467-9800, www.chinahydroelectric.com							CALL TERMS: \$23.00 for 20 out of 30 days		
Citigroup	NYSE:C-WTA	Investment banking	33.74	0.48	1.00	106.10	01/04/19	2.6M	8
399 Park Ave., New York, NY 10043, Tel: 212/559-1000, www.citigroup.com							CALL TERMS: Not Callable; Exercise price adj. for dividends above \$0.1		
Combimatrix	CM:CBMXW	Biotech development	2.39	0.30	1.00	9.00	05/01/14	1.1M	6
6500 Harbour Heights Parkway, Ste. 303, Mukilteo, WA 98275, Tel: 425/493-2000, www.combimatrix.com							CALL TERMS: 250% of exercise price for 20 days		
Energy Services of America	A:ESA-WT	REDEEMED							
2450 1st Ave., Huntington, WV 25703, Tel: 304/528-2791, www.energyservicesofamerica.com							CALL TERMS: \$8.50 for 20 out of 30 days		
FairPoint Comm	OB:FRPZW	Communications in New England	5.70	0.15	1.00	48.81	01/24/18	3.6M	7
521 E. Morehead St., Ste. 250, Charlotte, NC 28202, Tel: 704/344-8180, www.fairpoint.com							CALL TERMS: Not Callable		
Flatworld Acquisition	OB:FOWLWF	Seeking to buy another company	9.75	0.36	1.00	11.00	12/15/15	67.0M	NR
Palm Grove House, Road Town, Tortola VG1110, BVI, Tel: +1(284) 545-6127, www.flatworldcapital.com							CALL TERMS: \$16.50 for 20 out of 30 days		
Homeowner's Choice	GM:HCIUI	Property/casualty insurance in FL	7.99	0.70	0.50	9.10	07/31/13	6.7M	8
145 NW Central Park Plaza, Ste. 115, Port St. Lucie, FL 34986, Tel: 772/204-9394, www.hcpai.com							CALL TERMS: \$11.38 for 10 out of 20 days		
Microvision Inc	CM:MVISW	Miniature images and displays	0.82	0.24	1.00	3.60	07/23/13	.6M	6
6222 18th Ave. N.E., Richmond, WA 98052, Tel: 425/415-6847, www.mvis.com							CALL TERMS: If common averages \$7.20 for 20 days		
NeoStem Inc	A:NBS-WT	Stem cell distribution	0.69	0.24	1.00	6.00	07/16/12	38.0M	6
420 Lexington Ave., Ste. 450, New York, NY 10170, Tel: 212/584-4180, www.neostem.com							CALL TERMS: \$8.00 for 20 days		
Owens Corning	NYSE:OC-WTB	Building materials worldwide	29.47	1.85	1.00	45.25	10/31/13	7.8M	8
One Owens Corning Parkway, Toledo, OH 43659, Tel: 419/248-8000, www.owenscorning.com							CALL TERMS: Not Callable		
Resolute Energy	NYSE:REN-WT	Petroleum/Natural Gas	9.69	0.45	1.00	12.37	09/25/14	1.7M	NR
100 Crescent Ct., Ste. 1200, Dallas, TX 75201, Tel: 214/615-2300, no web site							CALL TERMS: \$18.00 for 20 out of 30 days. Was Hick Acquisition		
Stream Global	A:SGS-WT	EXPIRED							
20 Williams St., Suite 310, Wellesly, MA 02481, Tel: 781/304-1800, www.stream.com							CALL TERMS: \$11.50 FOR 20 of 30 days		
S&W Seed Company	CM:SANWW	Agricultural products	4.45	0.84	1.00	7.15	05/03/15	1.0M	8
2552 S. Butte Ave, Five Points, CA 93624, Tel: 599/884-2535, www.svseedco.com							CALL TERMS: \$8.80 for 5 consecutive days/\$0.25		
U-Swirl Inc.	PK:SWRLW	U-Swirl frozen yogurt	0.33	0.02	1.00	5.10	03/19/13	5.6M	7
1075 American Pacific, Ste. C, Henderson, NV 89074, Tel: 702/448-5301, www.healthfastfood.com							CALL TERMS: 120% of ex price/5 days/\$0.25. Was Healthy Fast Food		
United Insurance Holdings	OB:UHCW	EXPIRED							
360 Central Ave., Ste. 900, St. Petersburg, FL 33701, Tel: 727/895-7737							CALL TERMS: \$11.50 for 20 out of 30 days		
USA Technologies	CG:USATW	Cashless remote management	1.51	0.11	1.00	2.20	12/31/11	7	
100 Deerfield Lane, Ste. 140, Malvern, PA 19355, 610/989-0340, www.usatech.com							CALL TERMS: Not Callable		

	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
DGSE Companies Inc(DGSE)	6/30/11	33,286,691	20,745,499	568,099	5,644,677	(A)
Fortune Industries (FFI)	6/30/11	16,088,000	15,561,000	614,000	1,170,136	
Giga-Tronics Inc(GIGA)	9/24/11	4,086,000	4,749,000	(287,000)	(78,000)	
Inventure Foods Inc(SNAK)	9/24/11	37,518,334	34,072,238	(190,812)	1,212,517	(B)
Iteris Inc(ITI)	9/30/11	14,393,000	12,466,000	1,310,000	542,000	(C)
RF Monolithics(RFMI)	8/31/11	8,087,000	8,559,000	(81,000)	21,000	(D)
Sono-Tek Corporation(SOTK)	8/31/11	3,149,960	2,432,137	437,526	125,888	(E)

(A) - Net income for the 2010 period included \$8,629,129 in other income related to the conversion and elimination of all debt regarding DGSE's 2007 acquisition of Superior Galleries. Excluding this one-time gain, the net loss for the current quarter was \$3,509,721.

(B) - Terry McDaniel, CEO: "Although our third quarter results delivered negative earnings, we executed a number of significant planned initiatives, which are in line with our expectations. Our decision earlier this year to roll-out SNAK's 'Jamba At-Home Smoothies' nationally has involved the significant strategic expenditures necessary for an effective launch. We also continue to roll-out our most recent flavor--Caribbean Passion--which has met with great response from our retailers. Given this strong retail reception, we will begin shipping our fifth item in the line--Orange Dream Machine--during the fourth quarter. Our 'Jamba Smoothies' were recently recognized in 'Every Day with Rachel Ray' magazine as the best make-at-home smoothie product."

(C) - ITI reported a \$4.3 million pre-tax gain on the sale of the Vehicle Sensors net assets and a provision of \$3.2 million for federal and state income taxes, resulting in a net gain of \$1.1 million. The effective tax rate applicable to the gain was impacted by goodwill of \$4.7 million attributable to the Vehicle Sensors segment for which there is no corresponding tax basis. The company expects to utilize federal net operating loss carry-forwards to substantially offset taxes payable on the transaction.

(D) - CEO Farlin A. Halsey: "We reported net income for the second consecutive year, which confirms our business model can be profitable at a relatively low level of sales. Achieving our sales goals in the future periods should increase profits considerably. Lower fourth quarter sales resulted from a combination of

the effects of the stagnant economy and RFMI's continued challenging--but improving--supply chain production issues. Notwithstanding these two conditions, we would have had a breakeven quarter instead of a modest loss had we not increased our reserve for doubtful receivables because of a single customer."

(E) - CEO Dr. Christopher L. Coccio: "We announced our recent Annual Meeting goal of achieving \$12,000,000 in sales this fiscal year, coupled with a significant increase in profit to \$1,000,000 in net income. SOTK's increasing diversification in both product and market segments, as well as in geographical markets, are now matched by a solid infrastructure of talent, manufacturing capabilities and physical facilities with room for future growth. We have experienced 8 continuing quarter-over-quarter of organic growth in sales, with revenue records for our business."

## Database

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

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