

The Bowser Report

September 2011 - Vol. 35, No. 9



Susie Welcomes
JONATHAN BIERNBAUM
TO THE BUCKAROO YOUTH RANKS
See Page 8

The war on small publicly-traded companies

It's one thing to be a successful investor with high-priced stocks and by extension to be wary of penny stocks. But, it is just unfair to be biased against penny stocks based on misinformation.

The Bottom Line Personal is a semi-monthly 16-page quirky publication that's now in its 31st year. It's packed with info about a multitude of subjects--mostly pertaining to health and economics.

In the August 15 issue, a subscriber wrote: "A friend of mine encouraged me to invest in penny stocks. Is this a safe thing to do?"

As is Bottom Line's practice, information on a specific subject is provided by an expert in the area. In this instance, the expert was the Colorado Securities Commissioner, who is also treasurer of the North American Securities Administrators. His answer:

"So-called penny stocks sell for just a few dollars or less per share--some define a penny stock as one costing less than \$5 . . . others say \$1 or less.

"Share prices for some penny stocks could jump at times, but they aren't good investments for most people because there's a great risk that you could lose everything.

"They don't trade on major exchanges, so their share prices are not always readily available. Also, their shares are bought and sold infrequently and/or in low volume.

"In addition, companies whose shares are in pennies, don't publish annual or quarterly financial reports, so investors buy without knowledge of their financial condition. (Emphasis is ours.)

"The companies may not have any assets or revenues. In addition, the stocks are vulnerable to price manipulation. Unscrupulous people may tout the stocks, buy shares to drive up prices and sell their holdings before prices collapse, leaving ordinary investors in the lurch."



MARTHA, FALSEHOODS
WEAKEN AN ARGUMENT

Editor's Note

The only part of the above tirade that is correct is the commissioner's definition of small stocks and his statement that some of them are subject to manipulation.

We mailed Bottom Line a copy of the newsletter and our Database, pointing out that the latter has almost 300 penny stocks, with each entry including the company's phone number. Thus, at random, they can be contacted to verify that they issue reports required by the U.S. Securities & Exchange Commission.

We occasionally will have one of our stocks trade on the New York Stock Exchange. Most of them are on the Nasdaq or the Amex. Thus, they do trade on major exchanges.

In our latest book, "You Can Be A Winner With Our Penny Stock Plan," we have a chapter on fraud and a detailed description of how some penny stocks are manipulated--more commonly called "pump-and-dump."

Also, in the newsletter we have written about the threat of manipulation which comes when you deal in companies with little revenue and no net income. All of our Bowser Stocks are profitable and are valid corporations. . . . In our letter to Bottom Line, we made these observations:

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The case against small-cap stocks

The Charles Schwab brokerage firm prints a publication called "Schwab Investing Insights." Senior V-P Greg Forsythe, CFA, earlier this year had a piece with our above headline title.

With reference to the Forsythe article, Buckaroo Ralph Mancusi, Fleming Island, FL. wrote: "Send him a copy of The Bowser Report. This came across my desk, right after I finished reading--you guessed it--the latest Bowser Report." . . . Some excerpts:

"The stock market has disappointed many investors over the past 10 years and it's not hard to understand why. The S&P has delivered a cumulative total return of only 38.3% over the 10-year period ending March 31.

"However, the past decade has been much kinder to investors in smaller companies. The Russell 2000 Index of small-market capitalization stocks returned 114% over the same period, beating the S&P 500 in

eight of the past 10 years and again in the first quarter of 2011.

"When you couple these impressive statistics with the fact that small-cap stocks have outperformed large caps over the 85-year history for which we have reliable data, you might be tempted to sell your large-cap holdings and focus your portfolio on small-caps. We advise against it--especially now.

"Small-caps typically have greater price volatility than large-caps. The volatility reflects the greater business risk of smaller firms. Market theorists would argue that the higher historic returns of small-caps relative to large-caps are directly proportional to their higher risk. In other words, small-cap investing provides no free lunch in the form of higher risk-adjusted returns.

"From a behavioral standpoint, the greater vola-

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Featuring blue chip penny stocks

THE WAR ON SMALL-CAPS

"Penny stocks provide an opportunity for thousands of investors with limited capital to participate in the stock market. Two hundred shares of a \$50 stock costs \$10,000 plus commission. Two hundred shares of a \$2 stock costs \$400 plus commission.

"The big negative that is always cited about penny stocks is that they are 'risky.' Of course they are if you buy shares of companies with little revenue and are consistently losing money or you don't diversify. It does not take much analysis to weed them out. We recommend profitable stocks."

As we've pointed out, Bottom Line Personal is different in that its content is not written by their staff. Instead, each item is prepared by an expert on the subject being written about. Consequently, in the long time we have subscribed to the publication, we haven't seen any corrections. Apparently, an expert will not admit that he or she is wrong.

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CASE AGAINST SMALL-CAPS

tility inherent in small-cap investing tends to make it more difficult to hold on through the sharp downturns that occur every market cycle.

"Perhaps the driver of small-cap outperformance over the past two years has been superior earnings growth. According to the Leuthold Group, they outperformed the 50 largest 'mega-cap' companies for four straight quarters--the best showing since 2004."

Editor's Note

It seems that a discussion of small stocks has to include the admonition, "They're risky," implying that higher-priced issues always go up--never down --or go out of business.

The Russell 2000 Index certainly does not concentrate on penny stocks. The last time we checked the issues in the Russell 2000, most of them were on the New York Stock Exchange. And they and Analyst Forsythe probably consider a \$30 stock as being low-priced.

Charles Schwab is telling its clients to get out of small stocks when they start going down, which is not a smart move as we prove with our own portfolio on page 7.

The brokerage doesn't give the same advice on higher-priced major corporation issues. That is

where they make their money.

Again, we have a major brokerage lumping all small-caps together, rather than analyzing them separately and pointing out their strong/weak aspects. Small companies take it on the chin again.

GSE SYSTEMS CEO GIVES PROGRESS REPORT

Jim Eberle, chief executive officer of GVP:

"Although revenues declined quarter-over-quarter primarily due to unanticipated delays associated with achieving final agreement on certain overseas projects, gross margins improved by 2.4% from the same period last year, reflecting higher margins generated at GSE EnVision and lower revenue from the Slovakian contract.

"We continued to service our backlog, including projects at two nuclear plants in Japan with backlog of \$6.6 million at June 30. Our financial position at June 30 included cash and cash equivalents of \$18.6 million, working capital of \$28.6 million and no long-term debt.

"We have closed our first commercial contract associated with our new 3D Visualization capabilities and believe it can be leveraged throughout all of our business. Additionally, we have launched MAAP-HD, an offering to meet the training and simulation needs associated with severe accidents, such as those experienced at the Fukushima nuclear power plants."

Ed's Note: Although GVP reported lower revenue and a loss of \$244,000, we noted in last month's GSE Systems Company of the Month writeup: "Each simulator is a high-cost item. Consequently, orders can be sporadic, and quarterly results may vary considerably."

METROPOLITAN HEALTH HOLDERS APPROVE ACQUISITION OF CONTINUCARE

MDF's management announced that shareholders voted to approve the \$416 million purchase of Continucare Corp., a physician outsourcing firm. The deal, first undertaken in June, is expected to be completed by the end of this month.

The combined company will run 31 primary-care practices and provide care for 68,000 Florida Medicare Advantage and Medicaid customers in 18 Florida counties. It said it will have about \$660 million in annual revenue after the acquisition is complete. The company will pay \$6.45 per share for Continucare--\$6.25 in cash and 0.0414 shares of MDF stock. Also, Levy Harkins & Co. took a 5.4% position.

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.

COMPANY OF THE MONTH

This is a company of contrasts. We were initially attracted to New Concept Energy Inc. by the small number of shares outstanding--only 1,947,000 and a float of just 843,320. Consequently, it will be easy for these shares to double.

With our Bowser Rating System, one of the 12 items is the Number of Shares Outstanding, which calls for no more than two million if the annual sales are \$10 million or less. Some critics of this feature wonder if we ever have had a stock that meets this requirement. Now we do.

Although GBR's corporate headquarters is in Dallas, TX, it has operating units in Ohio, West Virginia and Oregon.

In September 2008, New Concept acquired Carl E. Smith, Inc. out of bankruptcy. With it came 94 producing gas wells, 121 non-producing wells and mineral leases covering 20,000 acres in Athens and Meigs Counties in Ohio, as well as Calhoun, Jackson and Roane Counties in West Virginia.

In addition to the wells and mineral leases, the acquisition included a complex covering 41 acres with 8,000 sq. ft. of office and and storage buildings and adjacent was a 12 acre site with a 24-stall horse barn, machinery and equipment in excess of the needs of the gas operation, plus \$1.5 million in cash. (The horse barn has been sold.)

For all of this, GBR paid all existing debt to third parties of \$5 million, plus cash of \$7.3 million to certain shareholders and paid, or will pay, \$1.6 million in fees and bankruptcy-related costs.

GBR leases and operates Pacific Pointe Retirement Inn in King City, Oregon. It began operations in 1993. And has room for 114 residents.

The Inn provides community living with basic services such as meals, housekeeping, laundry, 24/7 staffing, transportation and social and recreational activities.

The Inn sold a 25% portion of its cash flow to an unrelated party for a cash payment of \$750,000 for a 60-month period ending January 2012. For the period January 2012 through January 2022, the buyer will receive 10% of the cash flow.

Management

Gene S. Bertcher, 62, is the chairman, chief executive officer, president, chief financial officer and treasurer.

There is an advantage in one individual filling all of these positions. It certainly reduces overhead costs. However, if Mr. Bertcher has an emergency so that he can't fulfill his obligations, then the company would be almost rudderless.

The only other person in the executive suite is Oscar Smith, 68, vice president and secretary. However, there are supportive personnel who are available.

CEO Bertcher is not taking financial advantage of his position. He only owns 40,811 of the out-

standing shares and he's paid less than \$200,000 in salary per year, according to figures available to us.

As of Dec'10, the company employed 52 people in all its segments (26 full-time and 26 part-time). None of them belong to a union.

As for future plans, CEO Bertcher notes:

"We intend to continue to pursue acquisition of undervalued or distressed oil/gas related businesses. The company may choose to develop or resell some of the acquired acreage.

"We intend to maintain our interest in the retirement center. However, for the foreseeable future, management intends to focus its efforts on oil and gas."

Finance

The company has been in existence for many years. For example, a number of years ago, the company owned or leased assisted living communities throughout the U.S. The property in Oregon is a holdover from that time period.

Recently, revenue from the retirement facility was \$2.9 million annually and it was more profitable than the energy operation.

The company, formerly known as CabeTel Int'l Corp., was incorporated in 1991. It changed its name in May'08 to New Concept Energy.

As of March 30, 2011, a group of entities owned and controlled 53% of the outstanding common. This group has the power to block any attempted change in control.

In Jan'06, the company acquired a 5% interest in two gas wells being drilled and

operated by Chesapeake Operating. The two companies became engaged in litigation concerning the finances of the deal. Chesapeake received a favorable court award, which New Concept is challenging. The amount involved is \$556,217.

We began this write-up by noting that this is a company of contrasts. But, considering all of the financial maneuvering GBR has undergone, it has come out of it all in good shape. As a result, we gave it a Bowser Rating of 9.

Its long-term debt is manageable. Working capital is on the weak side. However, the book value of \$9.47 per share is the highest of any company we are currently following in the newsletter and in our Database.

Office: 1755 Wittington Place, Ste. 340, Dallas, TX 75234, 972/407-8400, www.newconceptenergy.com.

SIMULATIONS PLUS INC. 's subsidiary, Words+, launched EyePro GS, a new product designed and manufactured in-house that allows a person to operate an augmentative communication system or computer by simply looking at the screen. Words+ President Jeff Dahlen: "We've been working on this proprietary design for about two years."

NEW CONCEPT ENERGY, INC

NYSE Amex: GBR

BOWSER RATING: 9

Last 24 Months--

\$1.73 to \$5.40

	2009	2010	2011(A)
REVENUE	\$4,098,000	\$4,213,000	\$2,022,000
NET INCOME(LOSS)	\$(2,210,000)	\$ (11,000)	\$ 163,000
WORKING CAPITAL	\$(1,132,000)	\$ 144,000	\$ 21,000
BOOK VALUE	\$9.38	\$9.38	\$9.47
TOTAL SHARES	1,947,000	1,947,000	1,947,000
FLOAT	N/A	N/A	843,320
(A) 6 MONTHS ENDING 6/30/11.			

MINIPRICED STOCKS IN BUYING RANGE

SYMBOLS: (N) NEW YORK STOCK EXCHANGE; (A) NYSE AMEX; (GM) NASDAQ GLOBAL MARKET, WAS NATIONAL MARKET; (CM) NASDAQ CAPITAL MARKET, WAS THE SMALLCAP MARKET; (GS) GLOBAL SELECT MARKET; (OP) PINK SHEETS; (OB) BULLETIN BOARD; (ADR) AMER. DEPOSITORY RECEIPTS; (NR) NOT RATED. #- PREVIOUSLY APPEARED ON 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.

Made Original Appearance on List & Market	Issue/Trading Symbol	Principal Business	Price 8/31/11	Long-Term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating	
CATEGORY ONE: OUR BEST PICKS									
	05/11(A)	AVALON HOLDINGS(AWX)	WASTE MANAGEMENT	2.70	\$0.000	\$44.3	(\$0.806)	\$3.80	8
	06/10(OB)	BULLION MONARCH (BULM)	ROYALTIES ON GOLD MINING	1.16	\$0.000	\$6.2	\$2.417	38.5	8
#	02/11(CM)	CENTURY CASINOS (CNTY)	INT'L CASINO ENTERTAINMENT	2.79	\$10.668	\$71.2	\$1.407	23.8	8
	04/09(A)	COVER-ALL TECH (COVR)	PROPERTY/CASUALTY INSURANCE	2.06	\$0.000	\$19.2	\$3.552	25.1	8
	12/10(A)	DIGITAL POWER (DPW)	SWITCHING POWER SUPPLIES	1.65	\$0.000	\$12.5	\$0.830	6.7	8
#	08/06(A)	FLEXIBLE SOLUTIONS (FSI)	SPECIALTY CHEMICALS	2.70	\$2.162	\$13.6	\$0.341	13.2	8
	07/11(A)	FORTUNE INDUSTRIES (FFI)	PROFESSIONAL SERVICES/BUSINESSES	0.55	\$0.042	\$62.3	\$0.700	12.2	8
	08/11(A)	GSE SYSTEMS (GVP)	SERVICES NUCLEAR & PETRO IND.	2.09	\$0.000	\$47.2	(\$0.547)	19.2	8
	04/11(OB)	LIBERATOR MEDICAL (LBMH)	MEDICAL SUPPLIES FOR SENIORS	1.08	\$0.000	\$58.7	(\$1.106)	48.0	8
	09/11(A)	NEW CONCEPT ENERGY (GBR)	OIL & GAS/RETIREMENT PROPERTY	1.96	\$1.367	\$4.1	\$0.163	2.0	9
	07/10(CM)	R.F. MONOLITHICS (RFMI)	WIRELESS SOLUTIONS/COMPONENTS	1.00	\$3.015	\$32.9	\$0.126	10.9	8
#	02/04(CM)	TII NETWORK TECH (TIII)	OVERVOLTAGE DETECTION SERVICES	2.21	\$0.000	\$61.8	\$2.753	13.7	9
CATEGORY TWO: WORTHY OF CONSIDERATION									
#	10/08(A)	FIELDPOINT PETROLEUM (FPP)	OPERATION/DEV OF U.S. OIL/GAS	2.35	\$6.740	\$7.1	\$0.702	8.1	8
#	12/07(A)	FULL HOUSE RESORTS (FLL)	NOW ABOVE \$3 A SHARE; SEE PAGE 5 (FOLLOW-THROUGH)						
#	03/11(A)	INTELLIGENT SYSTEMS (INS)	VENTURE CAPITAL FIRM	1.78	\$0.000	\$14.7	\$1.419	9.0	8
	10/09(CM)	LRAD CORP (LRAD)	SOUND ACOUSTIC TECHNOLOGIES	2.25	\$0.000	\$25.3	\$5.666	32.3	8
#			Office: 15378 Avenue of Sciences, Ste.100, San Diego, CA 92128, Tel: 858/676-1112, www.atcsd.com						
	06/07(OB)	Parametric Sound (PAMT)	HSS Technology	1.24	Spin-off from LRAD				
#	08/10(OB)	OUR PET'S CO (OPCO)	ACCESSORY & CONSUMABLE PET ITEMS	0.71	\$0.562	\$19.0	\$0.990	19.5	8
	06/07(CM)	PIZZA INN (PZZI)	PIZZA INN RESTAURANTS	2.96	\$0.566	\$41.8	\$0.999	8.0	8
#	11/10(OP)	SONO-TEK CORP (SOTK)	LIQUID SPRAY PRODUCTS	1.28	\$0.000	\$10.6	\$1.117	14.4	9
	09/10(CM)	VALPEY FISCHER (VPF)	CRYSTAL OSCILLATOR MANUFACTURER	2.53	\$0.000	\$14.7	\$0.743	4.3	8
CATEGORY THREE: VERY SPECULATIVE									
	01/10(CM)	BRIDGELINE DIGITAL (BLIN)	WEB APPLICATION MANAGEMENT	0.83	\$0.000	\$19.1	(\$6.883)	12.3	NR
#	10/10(A)	CHINA PHARMA HLDGS(CPHI)	BIOPHARMACEUTICAL PRODUCTS	1.82	\$0.000	\$80.4	\$22.651	43.3	8
	02/05(CM)	GIGA-TRONICS INC (GIGA)	INSTRUMENTS, DEFENSE; TELECOMM	1.52	\$0.000	\$19.9	(\$0.020)	4.9	NR
#	12/06(A)	ITERIS INC (ITI)	OUTDOOR MACH VISION SYS/SENSORS	1.17	\$0.000	\$58.9	(\$4.315)	34.4	NR
#	02/10(CM)	MANHATTAN BRIDGE (LOAN)	SHORT-TERM COMMERCIAL LOANS	1.09	\$0.500	\$1.2	\$0.191	3.3	8
#	07/10(OP)	REPRO-MED SYSTEMS (REPR)	DESIGN/PRODUCTION OF MEDICAL PROD	0.36	\$0.483	\$4.9	\$0.704	34.3	8
#	06/08(A)	TENGASCO INC (TGC)	DOMESTIC OIL/GAS OPERATIONS	0.80	\$4.321	\$15.5	(\$0.346)	59.2	8
	09/07(A)	XFONE INC (XFN)	COMMUNICATIONS SERVICE PROVIDER	0.58	\$28.050	\$58.3	(\$5.704)	21.1	NR

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

CATEGORY CHANGE

MANHATTAN BRIDGE CAPITAL: Move from Cat 2 to Cat 3. When someone new joins our ranks and asks, "What stocks should I buy?", we suggest that he or she pick from categories one or two.

And, even though we just moved LOAN in July to Cat 2 from Cat 1, we don't think the company qualifies for a beginner's portfolio. The firm's progress has pretty much stalled. Additionally, although it does produce some profits, the top line is expanding at a snail's pace.

The market doesn't like this situation. The stock trades at about the same price that it was in Feb'10 when it was our Company of the Month.

BLOGGER LIKES FLEXIBLE SOLUTIONS

Robert Holmes, writing for *The Street* on Aug. 31, identified his "Best Performing Stocks Under \$5 in 2011." One of them was Flexible Solutions, which he identified as making specialty chemicals that produce water evaporation from lakes, ponds, reservoirs and swimming pools. He wrote:

"Shares of FSI ramped higher in each month since April, hitting a 52-week high of \$3.39

in July. In early April, the company said revenue rose 29% in the first quarter, which pushed the stock higher. The shares climbed higher again in May after FSI announced full first-quarter results.

"Total return for Flexible in 2011 so far has been 111%. Only one firm, Taglich Brothers, follows FSI, rating the stock as 'neutral,' with a \$3.20 price target.

"However, *The Street Ratings* recently upgraded Flexible Solutions to "buy" from "hold," calling attention to the company's robust revenue growth, largely sold financial position with reasonable debt levels, solid stock price performance and expanding profit margins."

LRAD CORP., which bills itself as "the world's leading provider of acoustic hailing devices," received a LRAD-RX systems order to remotely secure multiple offshore oil platforms.

The remotely operated LRAD-RX, integrated with high power spotlights and sensors, will be utilized to keep security threats, fishermen and birds away from the unmanned platforms. The systems will also protect divers working on the oil rigs from fishing trawlers that penetrate the security zones.

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 08/31/11 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
ACCEL8(A:AXK)	\$3.32(8)	01/11 \$0.95(9)
CIMATRON LTD (CM:CIMT)	\$3.86(8)	02/08 \$2.75(8)
CVD EQUIPMENT(CM:CVV)	\$18.24(8)	07/05 \$2.03(9)
DGSE COMPANIES(A:DGSE)	\$8.57(8)	12/03 \$2.05(8)
EVOLVING SYSTEMS(CM:EVOL)	\$6.55(8)	05/09 \$3.68(8) *
*Price adjusted: 1-for-2 rev. split 7/09		
EXPRESS-1 EXPEDITED (A:XPO)	NOW IN BOWSER DATABASE	
FEMALE HEALTH CO(CM:FHCO)	\$4.31(9)	10/07 \$2.32(9)
FOOD TECH SERVICE(CM:VIFL)	\$6.58(8)	01/07 \$2.50(8)
FULL HOUSE RESORTS(A:FLL)	\$3.39(8)	12/07 \$2.80(8)

ISSUE/EXCHANGE/SYMBOL	1	2
GOLDEN ENTERPRISES(GM:GLDC)	\$3.40(9)	02/09 \$2.35(9)
IEC ELECTRONICS(A:IEC)	\$5.44(8)	07/08 \$1.99(8)
INVENTURE FOODS(CM:SNAK)	\$4.04(8)	09/00 \$2.56(8)
KEY TRONIC(GM:KTCC)	\$3.96(8)	11/08 \$1.57(10)
LRAD CORP (CM:LRAD)	NOW \$2.25; SEE PAGE 4	
METROPOLITAN HEALTH(A:MDF)	\$5.13(8)	01/08 \$2.36(9)
RICHMONT MINES(A:RIC)	\$10.90(9)	10/98 \$2.56(8)
SIMULATIONS PLUS (CM:SLP)	\$3.23 (9)	05/10 \$2.46(9)
VERTEX ENERGY (OB:VTNR)	\$3.35 (9)	06/11 \$1.95 (9)

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)	\$1.16(6)	03/11 \$1.46(7)	RELM WIRELESS CORP (A:RWC)	\$1.07(NR)	05/11 \$1.45(NR)
DAC TECHNOLOGIES (OP:DAAT)	\$0.20(NR)	02/11 \$0.42(NR)	TURBOSONIC TECH (OB:TSTA)	\$0.40(NR)	04/11 \$0.43(NR)
ENVIROSTAR INC (A:EVJ)	\$1.25(NR)	07/11 \$1.25(8)	WELLS GARDNER (A:WGA)	\$2.06(NR)	06/11 \$2.10(NR)

ACCEL8 & NOVARTIS

Accel8 is fortunate to have Novartis as a partner in its program to reduce hospital infections. AXK has a current agreement to share research with Novartis. The huge corporation received a favorable review in the current Kiplinger's Personal Finance as follows:

"Novartis is the world's third-largest pharmaceutical company and a member of S&P's Europe 350 Dividend Aristocrats Index.

"It is well diversified, with a broad portfolio of prescription drugs, over-the-counter medicines and eye-care products. Returns on Novartis' shares have trounced those of U.S. and other European drug giants over the past five years. And, the company has been able to raise its dividend 19%

annually over that half decade. Its location (in Basel, Switzerland) means U.S. investors benefit from the super-strong Swiss franc."

BRIEFS

CIMATRON LIMITED(CIMT) declared a cash dividend of NIS 0.80 (US\$0.23) per share on outstanding shares, representing a total outlay of \$2.2 million. The dividend was payable on Sept. 12 to holders of record on Aug. 24. . . . BULLION MONARCH MINING (BULM): Exploration results showed a visible gold particle count in the sampling program at its Bom Jardim project in Brazil. . . . ITERIS(ITI): The board has authorized the repurchase of up to \$3 million of its common over the next 12 months. CEO Abbas Mohaddes: "The recent divestiture of our Vehicle Sensors business has further strengthened the balance sheet and provided us with multiple options to drive shareholder value. . . . ENCISION(ECIA) appointed Fred Perner as its new president and CEO, succeeding Jack Serino, who is stepping down to pursue other interests. Mr. Perner, 57, has over 30 years in healthcare, including marketing experience in electrosurgery and endoscopy technologies. . . . BRIDGELINE DIGITAL(BLIN)'s iAPPS Product Suite has been named a Trend Setting Project for the second consecutive year by KMWorld Magazine, which has over 45,000 subscribers. . . . FULL HOUSE RESORTS(FLL) has commenced its previously announced five-year lease agreement with Hyatt's Grand Lodge Casino. FLL will pay a monthly rent of \$125,000.

PZZI HAS SWEEPSTAKES WINNER

Eugene Pangilinan, Ruston, Louisiana, last month was declared the winner of Pizza Inn's national sweepstakes. The winner has until Dec. 21 to accept the seven-day/six-night Caribbean cruise, which includes all food and round-trip air transportation to and from the port of departure. One entry per week was allowed during the contest, which ran May 30 through July 31. The winner can take three guests.

<u>INSIDER TRADING</u>	<u>NAME</u>	<u>BUY/SELL</u>	<u>DATE</u>	<u>PRICE</u>	<u>HOLDINGS</u>
Alliance Fiber Optics	Yeh, James (D)	S-3,000	08/10/11	\$8.00	0
	Lee, Gwong Yih (D)	S-2,000	08/15/11	\$8.09	4,000
Community Bankers Trust	Dozier, Glenn J. (D)	B-4,000	08/09/11	\$1.27	39,120
	" "	B-2,000	08/12/11	\$1.29-1.30	41,120
	Williams, Robin T. (D)	B-1,000	08/09/11	\$1.18	27,986
CVD Equipment	Strobl, Karlheinz (VP)	B-1,000	08/18/11	\$12.00	6,021
DGSE Companies	NTR Metals, LLC (B/O)	B-2,000	08/12/11	\$8.18-8.21	3,413,500
	" "	B-200,000	08/15/11	\$6.00	3,613,500
	" "	B-1,000	08/16/11	\$8.43	3,614,500
	Smith, L. S. (CH)	S-100,000	08/01/11	\$6.00	2,647,938
" "	S-200,000	08/16/11	\$6.00	2,447,938	
Express-1 Expedited	Taylor, Jay N. (D)	S-2,000	8/23/11	\$2.85	163,800
Giga-Tronics	Wilson, Robert C. (D)	S-2,000	8/16/11	\$1.60	0
IEC Electronics	Moulton, Eben S. (D)	B-300	8/16/11	\$5.00	315,895
	" "	B-7,100	08/18/11	\$4.98	322,995
	" "	B-9,000	08/19/11	\$4.88	331,995
	" "	B-800	08/22/11	\$4.86	332,795
	" "	B-2,800	08/25/11	\$5.00	335,595
	Tait, Amy (D)	B-15,000	08/25/11	\$5.00	56,571
	Topel-Samek, Susan (CFO)	B-10,000	08/22/11	\$4.95-5.09	10,000
Iteris	McKhann, Gregory (SR VP)	B-8,000	8/09/11	\$1.09-1.10	34,666
	Miele, James (CFO)	AS-2,350	08/11/11	\$1.13	6,900
	Miller, Lloyd I. III (B/O)	B-5,150x	08/19/11	\$1.07	106,063x
Metropolitan Health Net	Earley, Michael M. (CH)	AS-3,400	08/10/11	\$4.94	475,156
	Guethon, Jose Alberto (P)	AS-2,016	08/09/11	\$5.00	289,525
	Palenzuela, Roberto L. (S)	AS-806	08/09/11	\$5.00	152,914
	Sabo, Robert J. (CFO)	AS-1,365	08/11/11	\$4.95	277,120
Pizza Inn	Jobe, Madison (COO)	B-1,345	8/18/11	\$2.85	21,000
	Morrison, Charles R. (CEO)	B-500	08/16/11	\$2.85	14,500
	" "	B-8,171	8/18/11	\$2.85	22,671
	" "	B-1,900	08/26/11	\$3.00	24,571

AS-Automatic Sale; B/O-Large Shareholder; CEO-Chief Executive Officer CFO-Chief Financial Officer; CH-Chairman of the Board; COO-Chief Operating Officer; D-Director; P-President; S-Secretary; SR VP-Senior Vice President; VP-Vice President; x-indirect holdings

BOWSER BUCKAROOS SPEAK

A HAPPY BUCKAROO

I've only been a subscriber for a few years. Your report has paid for itself at least 20 times over! Thank you.

--Gary E. Smith, Flushing, NY

AN APPREHENSIVE BUCKAROO

I sold most of my stock recently.

I listened to a guy named Bob Brinker on the radio. He stated a few weeks ago that he thought the stimulus was the only thing keeping the Gross Domestic Product (GDP) from going negative.

When I read on Yahoo! that the GDP for the first and second quarters was down, I dumped my stocks.

--Todd Robertson, Concord, MA

Bob Brinker is on our local radio. He is an entertaining commentator. But, basically, he believes that individuals are too dumb to own individual stocks. His entire approach is based around mutual funds.

Todd has been with us for 10 years, which means he survived the 2008 Bear Market that we write about on page 7. But, when you link our small, niche firms with the overall economic situation, you anticipate that their stock prices will be hurt. And, later they will benefit from better times. Consequently, we think now is the time to buy, unless you think that the U.S. as a country is about to disappear.

Todd's problem is a matter of timing--when to get back in--a procedure that can be associated with getting out at a low point (with his recent sales) and buying at a higher price in the future.

OUR PET'S COMPANY

"Your Final Thoughts" on page 5 of last month's edition were both timely and important in terms of investor perspective.

Attached is a 2011 Second Quarter Facts Sheet for OPCO. Net revenue increased 16% for the quarter and income from operations increased 30%. There is a concerted effort underway to improve operating leverage as management scales the business for anticipated growth.

Although income tax expense nearly doubled from the prior year, net income was up 10% for the quarter. Earnings per share were 2¢ vs. 1¢ a year ago. (See earnings in Supplement.)

--Robert Lentz, Hilliard, OH

Bob is the financial public relations representative for OurPet's. (More on these gentlemen in "Notes by the Editor.")

Last month, CEO Dr. Steve Tsengas issued a press release on the SmartScoop Litter Box, which automatically scoops cat waste without the need for daily human interaction. It has survived challenges on its patent and is a major product for the company.

This device automatically places the waste into a storage compartment where odor doesn't stand a chance against the activated carbon filter. And, the storage compartment is lined with waste bags,

so owners just have to dispose of the bag when it's full.

The SmartScoop is large enough for a multi-cat home. And, it runs 15 minutes after the cat makes a deposit, leaving the box clump-free for the next use. It sells for \$149.99 and is available online (www.smartscoop.com) and with retailers nationwide.

SOUNDS LIKE FUN

Just received The Bowser Report and immediately put a check for \$59 in the mail. Sounds like fun. But, what really got me to subscribe was the fact that a guy who's been doing this for 35 years still doesn't have a website where I can subscribe online. . . Sounds a lot like me.

--John Thomas Dzialo, Santa Ana, CA

John is a distinguished attorney. And, with his other titles, he has now become a Buckaroo!

In defense of our poor website, if you want more info (such as a sample copy of the newsletter) you can do that via our site. Or, if you are a person of action, as is Counselor Dzialo, you can email us a check.

GARY ENDS RUSSIAN VISIT

I arrived in Paris on August 2nd, ending my three month visit to Russia and the Ukraine. My life changed as a result of being there and I will definitely go back.

My experience with the Russians was extremely positive even though there is major corruption and graft in the country.

Nevertheless, my new Russian friends are generous and very curious about America. Most want to go to the U.S. to live and work.

--Gary Swett, Everett, WA

Through Gary, we have learned about an informal program called "Couchsurfing." It operates through the Internet and is an international non-profit network that connects travelers with locals in over 230 countries/territories. Since 2004, members have been using the system to come together for cultural exchange, friendship, and learning experiences. Gary used CouchSurfing on his trip.

It is funded entirely by donations of its members and is run according to guiding principles. Every month, thousands of CouchSurfers support the community by getting verified--an identity check that includes a donation. Other members can choose to make independent or additional donations. For more information, click on: www.couchsurfing.org.

RICHMONT REPORTS ON MONIQUE PROJECT

RIC provided updated drill results from the completed 8,117 metre exploration drill program on the G and J zones of the Monique project, located near Val-d'Or.

CEO Martin Rivard: "Our 2011 exploration of Monique has yielded favorable results that further support our goal of assessing the viability for a small open-pit operation."

Also, a drilling program on the Wasamac property is producing good results.



Beginner's Portfolio Up 170%

SOLD: DYSL 50 shares @ \$2.85 less \$10 commissions = \$133
BOUGHT: GVP 100 shares @ \$2.05 plus \$10 commissions = \$210

	Cost	9/1/11		Cost	9/1/11		Cost	9/1/11	
*VIFL	286/Feb '07	330	COVR	108/May '09	199	BULM	75/Sep'10	117	Proceeds from Sales
TIII	252/Feb '07	219	*KTCC	220/Oct '09	199	OPCO	100/Dec'10	71	
XFN	285/Oct '07	57	*GIGA	192/Nov '09	75	*AXK	100/Feb'11	161	9,477
PZZI	281/Dec '07	292	*LRAD	140/Jan '10	113	CNTY	270/Mar'11	280	KTCC
MDF	239/Mar '08	484	LOAN	120/Mar'10	111	LBMH	151/Apr'11	102	GIGA
TGC	163/Aug '08	84	RFMI	127/Aug'10	95	FFI	61/Aug'11	55	GVP
						GVP	210/Sep'11	210	DYSL
								3,254	133
									9,606
									9,606

Cost for all stocks: \$4,766

* 50 shares

Proceeds from sales: 9,606
Current Value of Portfolio: 12,860

Gain: 12,860 minus \$4,766 = \$8,094
Percentage of gain: 8,094 divided by \$4,766 X 100=169.8

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 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.

The Bear Market Challenge

There are three conditions that spell misery for 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.

Nevertheless, there are those who say that,

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

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."

In 2008, we had a genuine bear market. Many Buckaroos will remember it. In Aug'08, we had a front-page article proclaiming its arrival.

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." One even quoted the omnipresent Warren Buffett, who said, "History will look back on the 2008 situation and note: 'What a tremendous buying opportunity.'"

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.

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

SUMMARY

COST \$11,620.46
SALES \$23,049.34
PROFIT \$11,428.88
UP 98.4%

NOTES BY THE EDITOR

How many penny-stock aficionados are there? Our estimate is that they number in the thousands. These buyers of low-priced equities are the first part of a triple play.

Second, are the companies themselves. And, third, there is the group that brings these penny buyers and the companies together--investment newsletters, brokers and financial public relation practitioners.

It's the financial public relation folks who fascinate us. When we mentioned Bob Lentz on the Buckaroos Speak page, we're reminded that they all seem to have gregarious, likeable personalities. For example, Mike Porter of the great Porter, LeVay and Rose in New York City and John Nesbitt, Int'l Marketing Services in New Canaan, CT. All three are Buckaroos, so they know our modus operandi.

In our book, "You Can Be A Winner With Our Stock Plan," we give chief executive officers low marks as promoters of their stock. But, we must admit that they are the subject of various scams, since not many analysts follow these small stocks.

For instance, a guy will call and say, "If you give me \$20,000, I'll make certain that one thousand small-stock buyers will jump on your stock. Or, I will promote your company, if you give me 5,000 of your shares." Etc.

We became aware of this once more when Devin Sullivan of Equity Capital gave us a ring. He represents GSE Systems. It seems that CEO Jim Eberle asked, "Who is this guy Bowser who is calling me and sending faxes?" Devin assured Jim that The Bowser Report is a legitimate operation. (Once more a financial-relationer proved his worth.)

* * *

We are excited about a new program for young Buckaroos that we will unveil next month. We were inspired by the subscription of Jonathan Biernbaum, Dardenne Prairie, MO, a high-school student.

* * *

We survived Hurricane Irene with minimum inconvenience. Only lost electricity for part of a day. Cindy, our associate editor, who lives in Williamsburg, VA, was without power for a week and their house suffered minor storm damage.

We appreciate the call from Chuck Bostrom, Lewis-town, MT, who wanted to know how Irene affected us.

FIVE BOWSER STOCKS UP OR DOWN LAST MONTH

INTELLIGENT SYS	UP 21%	XFN	DOWN 38%
DIGITAL POWER	UP 14%	GIGA-TRONICS	DOWN 23%
PIZZA INN	UP 13%	BRIDGELINE	DOWN 21%
FULL HOUSE RE	UP 10%	LIBERATOR MED	DOWN 20%
AVALON HOLDINGS	UP 3%	CHINA PHARMA	DOWN 14%

Chuck was our very first Investor of the Year and his own home was flooded twice this year. Also, Dr. Charley Cardwell, a fellow newsletter publisher, e-mailed his concern for us.

* * *

As we mentioned on page 7, the market has undergone some violent corrections. One was August 8, when it was down 614 points. The next morning, we just happened to be speaking with Ben Cowart, CEO of Vertex Energy. With justifiable pride, he noted that VTNR shares rose the day before despite the debacle.

That prompted us to see if other Bowser stocks had moved up. Of the 34 Bowser issues we own, three others on Aug. 8 were on the upside--China Pharma, OurPet's and Food Tech Service. Intelligent Systems was unchanged.

* * *

In July, in this space, we noted that because of ineffective accounting, many small Chinese companies that trade in this country were able to hide the fact they were actually scams. And, these Chinese small-caps continue to get bad press. The New York Times had an article headed: "Chinese Reverse-Merge Companies draw lawsuits."

The September SmartMoney had an article entitled "For Small Manufacturers, China Increasingly Isn't The Bargain It Once Was." . . . The Wall Street Journal told its readers, "Recent accounting blow-ups have forced everyone from day traders to hedge-fund managers to rethink Chinese stocks." The Journal also wrote that many of these stocks are guilty of not disclosing their accounting tricks.

INTERESTING TIDBITS

During the roaring 20s, the Dow Jones Industrial Average reached a high of 381.17 on Sept. 3, 1929. But, during the Depression years of the 30s, the DJIA slipped down to 41.22, despite President Roosevelt's New Deal efforts.

The economy rose during World War II under the pressure of munitions manufacturing. Nevertheless,

Database

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

while the Dow did move up, it did not reach the previous high of 381 until November 23, 1954.

On wife Rosalynn: I've never won an argument with her; and the only times I thought I had I found out the argument wasn't over yet.

--Jimmy Carter

The Bowser Report

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LAST MONTH
only
S&W SEED CO.
SHOWED A GAIN
UP 1.4%

WARRANT REGISTER

Homeowners offers insurance in Florida

Homeowners Choice Inc. is a Florida-based holding company, headquartered in Tampa. Through its subsidiaries, it provides property and casualty insurance for homeowners, condominium and individual tenants' coverage.

Founded in 2006, the company serves 59,000 policy holders in Florida, representing \$130 million in annualized premiums.

The 6.11 million shares of common trade on the Nasdaq Global Select Market under the symbol HCCI. They are included in the Russell Microcap Index. The warrants trade on the same market. And, its Series A convertible preferred (1,247,700 shares) are on the Nasdaq Capital Market, with the symbol HCIIP.

Net income for the second quarter ending June 30 was \$1,940,000 compared with \$1,282,000 a year ago. CEO Paresh Patel notes this is the 15th consecutive profitable quarter.

There is no long-term bank debt. Stockholders' equity is consistently climbing. It is now \$9.35 a share.

AD-CARE CALLING WARRANTS

AdCare Health Systems is exercising its option to call for redemption 100% of the outstanding warrants sold in its initial public offering Nov'06 and those sold in a private place placement in Dec'09. A call notice was mailed on Aug. 17 to warrant holders of record.

Holder of the warrant will have until Sept. 19 to exercise each warrant for 1.05 shares of common at \$2.38 per share. Any warrants not exercised

within the call exercise period will automatically expire and AdCare will remit to the registered holders of the expired warrants 10¢ per warrant.

If all outstanding warrants are exercised within the call exercise period, AdCare will issue 2,116,608 shares of common and receive proceeds of \$5,038,000.

If you are a holder of these warrants and they are held in a brokerage account, you are advised to contact your broker regarding how to exercise the warrants.

UNITED INSURANCE's net income for the quarter ending June 30 was \$89,000 vs. \$195,000 for the same period last year. Net premiums earned increased to \$22.3 million from \$16.3 million during this period. Net investment income and other revenues decreased to \$1.7 million compared to \$3.1 million in the prior year's quarter.

NEO-STEM: The Dept. of Defense has awarded NBS \$1,780,049 to be applied towards funding the company's VSEL Technology. These funds will support an investigation of Very Small Embryonic-Like stem cells that have bone building and regenerative effects in the treatment of osteoporosis.

COMBI-MATRIX received a clinical laboratory permit from the NY State Dept. of Health. This allows the company to receive specimens for DNAarray Postnatal Development testing, thus providing physicians with genomic evaluation for disorders ranging from autism to mental retardation and birth defects. The company now has clinical lab licenses from California, Florida, Pennsylvania, Maryland and Rhode Island, as well as CLIA and CAP accreditations.

Company	Market/Symbol	Principle Business	Stock Price 8/29/11	Warrant Price 8/29/11	Conv. Ratio	Exer. Price	Expire Date	No. Wts	Bowser Rating
AdCare Health Systems	A:ADK-WT	Long-term care facilities	5.00	2.66	1.00	2.50	12/11	1.40M	7
5057 Troy Rd., Springfield, OH 45502, Tel: 937/964-8974, www.adcarehealth.com									
CALL TERMS: \$6.00 for 10 days/\$0.10									
Caliper Life Sciences	GM:CALPW	EXPIRED							
Elm St., Hopkinton, MA 01748, Tel: 508/435-9500, www.caliperis.com									
CALL TERMS: Not Callable									
China Hydroelectric	N:CHC-WT	Hydroelectric power in China	2.65	0.14	1.00	15.00	01/25/14	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	NSYE:C-WTA	Investment banking	31.29	0.53	1.00	106.10	01/04/19	2.55M	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 \$.01									
Combimatrix	CM:CBMXW	Biotech development	2.74	0.18	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	Contacting energy services	2.20	0.25	1.00	5.00	08/29/11	20.70M	7
2450 1st Ave., Huntington, WV 25703, Tel: 304/528-2791, www.energyservicesofamerica.com									
CALL TERMS: \$8.50 for 20 out of 30 days									
Free Seas Inc.	GM:FREEZ	EXPIRED							
89 Akti Miaoli & 4 Maurokordatou St. Piraeus, 185-38, Greece, Tel:30-210-45-28-770, www.freeseas.gr									
CALL TERMS: \$7.50/20 out of 30 days, 1-for-5 rev 10/10									
Hicks Acquisition Company	OB:HKACW	Seeking combination with another cc	9.59	0.45	1.00	12.00	01/01/16	21.7M	NR
100 Crescent Ct., Ste. 1200, Dallas, TX 75201, Tel: 214/615-2300, no web site									
CALL TERMS: Not Callable									
Homeowner's Choice	GM:HCCIW	Property/casualty insurance in FL	6.24	0.47	0.50	9.10	07/31/13	1.7M	8
145 NW Central Park Plaza, Ste. 115, Port St. Lucie, FL 34986, Tel: 772/204-9394, www.hcpici.com									
CALL TERMS: \$11.38 for 10 out of 20 days									
Microvision Inc	CM:MVISW	Miniature images and displays	0.93	0.31	1.00	3.60	07/23/13	6.7M	6
6222 185th 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	0.71	0.06	1.00	6.00	07/16/12	.6M	6
420 Lexington Ave., Ste. 450, New York, NY 10170, Tel: 212/584-4180, www.neostem.com									
CALL TERMS: \$8.00 for 20 days									
Seanergy Maritime Hldgs	GM:SHIPW	Shipping/dry bulk carriers	3.70	0.01	1.00	6.50	09/24/11	38.00M	7
1-3 Patriarchou, Glyfada, Athens 166-74, Greece, Tel: 30-210-96-38-461, www.seanergymaritime.com									
CALL TERMS: \$14.25/20 out of 30 trading days. NOTE: 1-for-15 rev 6/11.									
Stream Global	A:SGS-WT	Business process outsourcing	2.75	0.01	1.00	6.00	10/17/11	20.1M	7
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	5.05	0.72	1.00	7.15	05/03/15	1.40M	8
2552 S. Butte Ave., Five Points, CA 93624, Tel: 599/884-2535, www.swseedco.com									
CALL TERMS: \$8.80 for 5 consecutive days/\$0.25									
U-Swirl Inc.	PK:SWRLW	U-Swirl frozen yogurt	0.32	0.02	1.00	5.10	03/19/13	1.0M	7
1075 American Pacific, Ste. C, Henderson, NV 89074, Tel: 702/448-5301, www.healthyfastfood.com									
CALL TERMS: 120% of ex price/5 days/\$0.25. Was Healthy Fast Food									
United Insurance Holdings	OB:UHCW	Homeowners/small bus. Insurance	4.25	0.01	1.00	6.00	10/04/11	5.63M	6
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	1.83	0.19	1.00	2.20	12/31/11	7.28M	7
100 Deerfield Lane, Ste. 140, Malvern, PA 19355, 610/989-0340, www.usatech.com									
CALL TERMS: Not Callable									

EARNINGS

	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
Alpha Pro Tech(APT)	6/30/11	10,278,000	11,221,000	304,000	372,000	
Avalon Holdings Corp(AWX)	6/30/11	11,375,000	12,051,000	77,000	(12,000)	
Bridgeline Digital Inc(BLIN)	6/30/11	6,532,000	5,800,000	(246,000)	35,000	
Bullion Monarch Mining(BULM)	4/30/11	1,738,128	1,283,636	469,316	(436,388)	
Century Casinos Inc(CNTY)	6/30/11	18,002,000	14,940,000	644,000	(259,000)	(A)
China Pharma Holdings(CPHI)	6/30/11	19,600,852	16,631,354	5,069,070	6,083,254	
Cimatron Ltd(CIMT)	6/30/11	9,975,000	8,399,000	882,000	274,000	(B)
Cover-All Technologies(COVR)	6/30/11	4,995,592	4,694,997	681,380	565,616	(C)
CVD Equipment Corporation(CVV)	6/30/11	7,508,000	3,381,000	778,000	(126,000)	(D)
Digital Power Corporation(DPW)	6/30/11	3,172,000	2,171,000	408,000	103,000	(E)
Evolving Systems Inc(EVOL)	6/30/11	4,445,000	5,988,000	15,312,000	1,442,000	(F)
Express-1 Expedited(XPO)	6/30/11	44,094,000	40,340,000	914,000	1,504,000	(G)
Female Health Company(FHCO)	6/30/11	3,517,439	1,754,211	416,667	75,159	(H)
Fieldpoint Petroleum(FPP)	6/30/11	1,916,749	1,769,673	410,929	394,366	
Flexible Solutions Int'l(FSI)	6/30/11	3,930,075	2,833,552	174,734	(133,590)	
Food Technology Service(VIFL)	6/30/11	910,707	761,230	226,077	173,124	(I)
Full House Resorts(FLL)	6/30/11	31,124,170	8,058,467	1,396,520	1,471,115	(J)
GSE Systems Inc(GVP)	6/30/11	11,257,000	11,773,000	(244,000)	370,000	
IEC Electronics Corporation(IEC)	7/01/11	34,626,000	26,095,000	1,333,000	1,238,000	(K)
Intelligent Systems(INS)	6/30/11	4,157,000	4,608,000	637,000	298,000	(L)
Key Tronic Corporation(KTCC)	7/02/11	66,044,000	61,864,000	1,537,000	2,311,000	
Liberator Medical Holdings(LBMH)	6/30/11	13,309,000	10,619,000	138,000	3,945,000	(M)
LRAD Corporation(LRAD)	6/30/11	2,382,000	2,930,000	(684,000)	68,000	
Manhattan Corporation(LOAN)	6/30/11	341,609	315,029	87,101	154,941	(N)
Metropolitan Health Networks(MDF)	6/30/11	97,320,000	92,567,000	5,926,000	5,762,000	(O)
OurPet's Company(OPCO)	6/30/11	5,179,580	4,477,863	322,129	292,911	
Richmont Mines Inc(RIC)	6/30/11	29,412,000C	20,648,000C	5,013,000C	312,000C	(P)
Tengasco Inc(TGC)	6/30/11	4,800,000	3,300,000	1,000,000	700,000	(Q)
Valpey Fisher Corporation(VPF)	7/03/11	3,885,000	3,799,000	191,000	136,000	
Vertex Energy Inc(VTNR)	6/30/11	27,790,860	15,867,061	1,410,739	282,557	(R)
Wells-Gardner Electronics(WGA)	6/30/11	13,150,000	15,388,000	600,000	441,000	
XFONE Inc(XFN)	6/30/11	14,099,156	14,429,559	(817,767)	132,851	(S)

(A) - "Each of CNTY's operations posted increases in revenue and Adjusted EBITDA," said co-CEOs Erwin Haitzmann and Peter Hoetzing.

(B) - Danny Haran, pres.: "Given the typical seasonality in our business, where the second half of the year is usually stronger, we are optimistic for CIMT for the rest of 2011."

(C) - COVR's balance sheet remains strong with stockholders' equity at a record \$17.4 million as of June 30, 2011. The first half was completed with \$4 million in cash, \$5.6 million in working capital and no long-term debt.

(D) - During this quarter, CVV raised approximately \$10,000,000 from the successful public offering of common. Also, on Aug. 5, the company entered into a \$7 million revolving credit line with HSBC Bank.

(E) - Pres. Amos Kohn, "After many months of intense design, test and qualification, DPW has been rewarded with purchase orders for unique solutions in broadcast applications, medical instruments as well as Uninterruptible Power Supplies for aircraft carriers in the UK."

(F) - EVOL recognized an income tax benefit of approximately \$15.4 million related to the release of the valuation allowance on its deferred tax asset, consisting mostly of federal net operating losses.

(G) - Gross margin of \$7,180,000 declined 1.6 percentage points year-over-year to 16.3%, reflecting a choppy environment for XPO's Express-1 business unit.

(H) - FHCO has encountered additional bureaucratic delays: 20 million units by the Brazilian Ministry of Health and a South African tender for up to 11 million units.

(I) - CEO Dr. Richard Hunter: "VIFL expanded its processing capacity through the purchase of additional Cobalt during the second quarter."

(J) - As of June 30, 2011, FLL had \$11.5 million in cash, \$31.4 million in outstanding debt (inclusive of swap agreement liability) and approximately \$4.8 million available on its revolving credit facility.

(K) - IEC's organic growth was 14% compared to last year's same quarter.

(L) - Contributing to INS' current quarter and year-to-date results is non-recurring income of \$450,000 related to a legal settlement.

(M) - CEO Mark Libratoro: "While operating income decreased from last year, we have substantially increased LBMH's infrastructure and implemented additional technology and resources."

(N) - Assaf Ran, CEO: "During the second quarter, LOAN increased its leverage position and revenue and steadily kept the growth of shareholders' equity. Relocation to offices outside of NYC and other measures should reduce costs."

(O) - MDF's Medicare Advantage customers decreased to around 34,000 at June 30, 2011 compared to 35,200 for the same period last year.

(P) - Figures shown are in Canadian dollars.

(Q) - Increase in TGC's revenues was due mainly to a 6 MBbl increase in sales volumes as well as a \$24.68 per barrel increase in Kansas oil.

(R) - Benjamin P. Cowart, CEO: "We will continue to exploit VTNR's competitive advantage in the combination of used oil aggregation and TCEP operations."

(S) - Now XFN is the only provider of subscription, non-satellite video in Levelland, Littelfield, Morton and Colorado City, Texas.