



A place for microcap investors

Full-time microcap investor Ian Cassel talks microcaps and his website: MicroCapClub.com

In the August 2009 issue, Max Bowser interviewed Buckaroo and microcap investor, Ian Cassel, about his winning approach to microcap investing. Since 2009, Ian has continued to stay busy in the microcap space, even creating a website dedicated to these small stocks.

On October 25, I had the opportunity to interview Ian over the phone. Below is our conversation:

Rice: When we last interviewed you, you were buying large positions in microcap companies, and even coming on as a consultant in a few cases. Are you still consulting?

Cassel: I actually left the consulting business in 2009, and I've been strictly a private investor since then. However, I invest in the exact same way: 6 to 8 microcap companies, in which I take a meaningful position, get to know the management teams, and then help those companies in any way that I can.

R: What is your approach to investing in microcaps?

C: My investment philosophy blends a bottom-up approach with a top-down approach. What I mean by a top-down approach is that I'm really looking for emerging trends. They could be market trends, consumer trends, etc. I'm looking for the trends that haven't really hit the investment universe of retail investors. That way I'm trying to invest with a tailwind.

R: Do you find this top-down approach difficult?

C: It's hard to find emerging trends, it's hard to find them before anybody else, and it's hard to find those trends that only have a few microcap benefactors. I seem to stumble upon one company a year that meets all of these criteria and also meets the bottom-up strategy.

R: What is the bottom-up strategy?

C: I look for the company to have a solid business model. Hopefully, it's already profitable and seems to have a good share structure. It needs to have insiders with meaningful positions in the company that have reasonable salaries. I also look at the products and services and see that there is a real value to what they're selling.

R: Has your investment strategy changed over the years?

C: I used to always enter my positions all at once. And it worked when it worked, but it didn't work when it didn't work. Now, I buy in thirds. When it passes my initial due diligence, I'll buy a third of a position. Then, after I visit with

the company and get a better feel for the company's vision moving forward, I'll buy a second third, which is purchased a lot of times at a higher price than the first third. Then, I wait 6 to 9 months to see if the management team does what they told me they were going to do. If they do, I'll buy the last third of my position.

R: Is this method in part to temper the inherent volatility in microcap stocks?

C: I think there is always volatility in the microcap space. I recently did a presentation for a college class that contained a chart showing market correlations* for large cap, medium cap, small cap, and microcap stocks. The interesting thing is that microcaps have the least correlation in a negative market environment. It's either 34% or 36% correlated in negative markets. That all lends to the view that microcaps might be a part of a capital preservation strategy, which I don't think that a lot of people think about.

*Market correlation studies the percentage of stocks that are up or down when the S&P or other markets are up or down, respectively, as a whole.

R: What's your view on the current microcap market?

C: I believe the microcap space is one of the last inefficient marketplaces where you can find companies with good management and business models trading at 1/2-1/3 of the multiples of their small-mid-large cap peer groups. This is because investors simply don't know these companies exist. History shows capital eventually finds its way to these inefficient markets. I don't know if it's next year or in five years, but I believe a day is

coming when an influx of capital will enter the microcap arena. This arena is just a \$300 billion market. There are only 4 microcap ETFs in the space, so it's not too farfetched to envision how a minimal amount of capital could raise all tides.

R: You had a site before MicroCapClub.com that you have shut down.

C: I had my own blog for a while and it was open to the public. I would post educational articles, and articles about why I would buy or sell certain stocks. The site continued to blossom, up to the point that whenever I would post about a topic, it would really manipulate the stock. Most people would love to have that type of power, but I viewed it as a liability. That kind of scared me a little bit so I shut the site down.

Continued on next page...



Ian Cassel

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R: What is the main idea behind MicroCapClub.com?

C: What I really enjoy doing is talking to other educated, experienced microcap investors



about issues affecting the microcap space and stock ideas. There were other membership sites, but none that pertained only to microcaps. So, I took ideas that I liked from those sites and combined them with how I thought a microcap site should be run and created MicroCapClub.

R: How is the site structured?

C: It's really focused on the private membership forum. Now we're up to around 150 members. One thing I really enjoy doing is creating educational articles. So, I started writing some of these and doing some interviews. The educational content is accessible to the public on the home page of the site.

R: How can someone access the private membership forum?

C: For those experienced investors who want to join MicroCapClub.com, I have an application section, which is nothing more than a 2-3 page investment thesis on a microcap company that they really like. And, there are some rules that go along with that, like the company needs to be fully reporting. Then, the existing members vote on the application, not necessarily the company, but more on the quality of the report. The other way that membership works is through referrals.

R: Are there different levels of membership?

C: If you were on the site, you'd see on the right side that there is a total members number, which is registered users that are signed up to MicroCapClub. Anyone can sign up for this to get on our email list, which gives updates on new content. The gold members are the ones who have access to the membership-only forum (the backend).

R: Who can create posts in the membership forum?

C: Any members in the backend can post on the site.

R: What topics are discussed in the forum?

C: We talk about a variety of things. The backend is divided into two categories. The first covers broader issues occurring within the microcap space and the second is divided up by market sector. That is where we talk about all of the companies that we feature. I think right now we are discussing about 80 to 90 microcap companies.

R: What do you like most about the membership forum?

C: I think the biggest value of the members forum is just

Market Overview

This month there we made no changes to the **Bowser Microcap Index**. The end of October began earnings season, which started mixed for Bowser stocks. Six companies reported higher earnings, and six reported lower earnings. Typically, markets respond more to negative results and the Bowser Index slid from 678.92 to **661.37*** (down 2.6%).

The Bowser Index was not alone in its slide, however. The other indexes we report on were as follows:

- Dow Jones Industrial Average: down 3.6%
- S&P 500: down 3.2%
- NASDAQ Composite: down 5.3%
- Russell 2000: down 3.6%

*Prices from 11/02/12.

having that network of investors when you're doing due diligence. So, if we had two or three members where a company is located that can go out and meet with the management or try the product or service, I think that's where the value added comes in.

R: Is there anything else that you would like to add about MicroCapClub.com or microcaps in general?

C: About 20% of the microcap companies probably shouldn't be public. And, it's because of this 20% that the media paints the entire microcap picture negatively, when that's not the truth at all. There are extremely investable companies out there and MicroCapClub.com and *The Bowser Report* are dedicated to finding these companies.

→ Anyone interested in MicroCapClub.com can visit the site. We here at *The Bowser Report* view MicroCapClub.com as a great resource.

Earnings season is upon us

The end of October and the first two weeks in November are when third quarter earnings come out. On the Earnings page, you can see the first wave of reports. However, there are many companies that will report just before or shortly after publication. So, they will be in next month's newsletter.

A few of the companies that we are watching particularly closely are:

1. Majesco Entertainment (CM:COOL)
2. Perma-Fix Environmental (CM:PESI)
3. Spine Pain Management (QB:SPIN)

A turnaround could result in positive movement, while a poor report could result in continued negative trending.

The Bowser Game Plan

1. **DO NOT PAY** more than \$3/share for a stock.
2. **CREATE A PORTFOLIO** of 12 to 18 stocks.
3. **DO NOT SELL** when a stock goes above \$3/share and is moved to page 5.
4. **DO NOT SELL** when a stock moves to a lower category.
5. **SELLING PLAN:** Sell half of your holdings when the stock doubles from your purchase price. Sell the remainder after the stock drops 25% from its most recent high. If the stock drops 50% before it has doubled, sell all shares.
6. **RECORD** proceeds from sales.
7. **PORTFOLIO EVALUATION** = Current value of portfolio + Proceeds from sale.

COMPANY OF THE MONTH

Business

Camco Financial Corporation is a bank holding company that acts as a financial services company through its wholly-owned subsidiary, Advantage Bank. The company engages in a number of financial activities including lending, deposits and investments. The company's lending activities include: commercial real estate loans, business loans, consumer loans, residential loans, and refinancing activities. The loan breakdown for the full year ended 12/31/11 was as follows:

Residential	48.6%
Commercial	25.1%
Multi-Family	13.5%
Industrial	5.9%
Construction	3.7%
Land	2.7%
Consumer	0.5%
Total	100.0%

Since 2009, the company has seen a reduction in delinquent loans (15 days or more past due). On December 31, 2011, only 3.7% of the company's total loan portfolio value was delinquent compared to 5.0% in 2010 and 6.4% in 2011.

The primary source of lending for CAFI's operations is bank deposits. The company offers interest and non-interest bearing checking accounts, money market deposit accounts, savings accounts, health savings accounts, term certificate accounts and retirement savings plans. For the year ended 12/31/11, the company had \$629,259,000 in deposits. The deposit breakdown by account is as follows:

Certificate accounts	54.9%
Money market demand accounts	18.2%
Interest bearing accounts	10.2%
Non-Interest bearing accounts	10.0%
Savings accounts	6.7%
Total	100.0%

Federal regulations allow Camco to make various investments. In December 2011, the company had securities investments totaling \$20,980,000 in fair value, based on an amortized cost of \$20,947,000.

Financials

CAFI has seen a reduction in total interest income (total revenues) due to a decline in the company's loan portfolio and total earning asset balances. However, due to a reduction in the cost of deposits and borrowed funds, the company reported an increase in its net interest income—interest income after interest expenses. Moving forward, the company is looking to further decrease non-core deposits and

increase core deposits, which will continue to result in lower costs and higher profitability.

The company has also lessened its provision for loan losses by reducing its classified loans, which include substandard, doubtful and loss loans. CAFI management plans on continuing to strengthen the company's financials by improving loan quality. To date, management has improved the quality of its loan portfolio, cutting classified loans by 12.4% since 06/30/12.

Camco Financial has been profitable for 8 straight quarters, including the company's most recent quarter. For the quarter ended 09/30/12, it reported a \$484,000 gain compared to a \$163,000 gain in the same quarter last year. This 197% increase is attributable to a decrease in interest and non-interest expenses along with an increase

in non-interest income.

Camco maintains a solid balance sheet with no long-term debt and a \$6.35 book value—representing a 253% premium over the company's price listed in the newsletter.

With only 7.5 million shares outstanding, this company has a float of 5.8 million shares. Institutions own about 27.3% of the company, and insiders about 8.0%.

Management

Camco Financial's chief executive officer, president and chairman, James Huston, owns 492,923 shares of common stock. Mr.

Huston was named to his current position in December 2008 after an extensive career in the financial industry.

Other notable insider shareholders include: David Caldwell (49,643 shares)—Senior Vice President in charge of Retail Banking and Financial Services of Advantage Bank; Jeffrey Tucker (55,811 shares)—director; and Edward Goodyear (52,251 shares)—director.

Office: 814 Wheeling Ave., Cambridge, OH 43725, Tel: 740/435-2020, www.camcofinancial.com. There are 205 full-time employees.

Recent News

Recently, Camco Financial issued a rights offering. It was set to expire on October 31, but was extended to November 1 due to complications from Hurricane Sandy. As of November 2, the company was still processing rights subscriptions.

Also, on November 2, CAFI launched the public phase of the offering to ensure that it is fully subscribed. The company has processed \$9.4 million of a potential \$10 million, and it believes that it will reach the full \$10 million without further soliciting public investors.

As a result of the offering, the company will begin issuing shares of common stock and warrants as soon as possible after November 7, 2012.



NASDAQ:CAFI
BOWSER RATING: 8
Last 12 Months—
\$1.15-\$3.37

	2010	2011	2012(A)
REVENUES	\$40,821,000	\$36,237,000	\$24,114,000
INCOME(LOSS)	(\$14,559,000)	\$214,000	\$1,379,000
WORKING CAPITAL	\$0	\$0	\$0
BOOK VALUE	\$6.40	\$6.33	\$6.32
TOTAL SHARES	7,205,595	7,205,595	7,465,563
FLOAT	N/A	N/A	5,770,000

(A) NINE MONTHS ENDING 09/30/12

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

Made Original Appearance on List & Market	Issue/Trading Symbol	Principal Business	Price 11/01/12	Long-Term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
CATEGORY ONE: OUR BEST PICKS								
# 12/11(A)	AMER SHARED HOSP (AMS)	TURNKEY TECHNOLOGY SOLUTIONS	2.92	\$0.000	\$22.3	\$1.454	4.6	8
02/12(GM)	ATLANTIC AMERICAN (AAME)	INSURANCE CARRIER	2.92	\$0.000	\$130.7	\$5.067	21.3	9
11/12(GM)	CAMCO FINANCIAL(CAFI)	BANK HOLDING COMPANY	1.80	\$0.000	\$32.7	\$2.241	7.5	8
# 02/11(CM)	CENTURY CASINOS (CNTY)	INT'L CASINO ENTERTAINMENT	2.84	\$3.298	\$79.3	\$4.294	24.1	8
06/12(N)	GOLDFIELD CORP (GV)	ELECTRICAL CONSTRUCTION	1.96	\$4.457	\$52.6	\$5.944	25.5	9
09/12(CM)	INNOTRAC CORP (INOC)	ORDER PROCESSING/FULFILLMENT	2.00	\$0.757	\$92.2	\$0.690	13.0	8
# 12/06(A)	ITERIS INC (ITI)	OUTDOOR MACH VISION SYS/SENSORS	1.59	\$0.000	\$29.2	\$2.333	33.6	8
08/12(CM)	NEWTEK BUSINESS (NEWT)	SMALL/MEDIUM BUSINESS SOLUTIONS	1.98	\$57.430	\$128.4	\$7.970	35.2	8
CATEGORY TWO: WORTHY OF CONSIDERATION								
12/10(A)	DIGITAL POWER (DPW)	SWITCHING POWER SUPPLIES	1.16	\$0.000	\$10.1	\$1.099	6.9	8
# 05/11(N)	DOVER DOWNS (DDE)	CASINO/HOTEL MANAGEMENT	2.35	\$61.500	\$245.2	\$9.866	31.7	NR
08/11(A)	GSE SYSTEMS (GVP)	SERVICES NUCLEAR & PETRO IND.	1.76	\$0.000	\$54.1	\$2.720	18.4	10
10/12(QB)	INTEGRATED MGMT (WFCF)	FOOD VERIFICATION SERVICES	1.49	\$0.364	\$4.9	\$1.039	21.1	8
04/11(QB)	LIBERATOR MEDICAL (LBMH)	MEDICAL SUPPLIES FOR SENIORS	0.71	\$0.000	\$59.0	\$1.857	48.1	8
# 10/09(CM)	LRAD CORP (LRAD)	SOUND ACOUSTIC TECH.	1.14	\$0.000	\$15.6	\$0.580	32.4	9
07/12(QB)	SPINE PAIN MGMT (SPIN)	SPINE INJURY SOLUTIONS	0.80	\$0.503	\$5.3	\$0.805	17.9	7
# 06/08(A)	TENGASCO INC (TGC)	DOMESTIC OIL/GAS OPERATIONS	0.69	\$14.124	\$18.9	\$5.299	60.8	8
# 06/11(QB)	VERTEX ENERGY (VTNR)	PROCESS/RECYCLE INDUST. WASTE	2.10	\$0.000	\$127.7	\$4.505	10.1	8
CATEGORY THREE: VERY SPECULATIVE								
04/09(A)	COVER-ALL TECH (COVR)	PROPERTY/CASUALTY INSURANCE	1.21	\$0.000	\$16.4	(\$2.201)	25.9	NR
# 06/08(A)	FLEXIBLE SOLUTIONS (FSI)	SPECIALTY CHEMICALS	1.41	\$1.604	\$16.2	(\$0.626)	13.2	7
11/11(A)	GLOBALSCAPE (GSB)	FILE TRANSFER SOFTWARE	2.06	\$5.064	\$21.7	(\$0.288)	18.3	NR
# 03/11(A)	INTELLIGENT SYSTEMS (INS)	VENTURE CAPITAL FIRM	1.55	\$0.000	\$16.7	(\$0.147)	9.0	NR
04/11(CM)	MAJESCO ENTERTAIN (COOL)	DIGITAL ENTERTAINMENT	0.95	\$0.000	\$132.6	\$2.820	39.9	7
# 02/10(CM)	MANHATTAN BRIDGE (LOAN)	SHORT-TERM COMMERCIAL LOANS	1.06	\$0.500	\$1.7	\$0.349	4.3	8
01/12(CM)	PERMA-FIX ENVIRON(PESI)	NUCLEAR WASTE MANAGEMENT	0.86	\$13.814	\$138.2	\$7.809	56.1	7
07/10(QB)	REPRO-MED SYSTEMS (REPR)	DESIGN/PRODUCTION OF MED PROD	0.21	\$0.000	\$7.2	\$0.941	35.5	9
# 11/10(QB)	SONO-TEK CORP (SOTK)	LIQUID SPRAY PRODUCTS	0.65	\$2.051	\$11.0	\$0.598	14.5	NR

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

CATEGORY CHANGES

This month we have two category changes. First, **Dover Downs Gaming and Entertainment** (N:DDE), in its latest quarterly earnings, reported an 8.7% decrease in revenues and a 43.7% decrease in earnings.

Management points its finger at the growing gaming scene in neighboring Maryland. However, CEO Denis McGlynn remains confident that working within the means of the law will keep DDE growing. He noted, "Earlier in the year, we worked with the administration and the legislature to pass the only comprehensive internet gaming legislation on the East Coast. We look forward to continued cooperation with the State as we roll out our internet gaming offerings early next year and make our case for a review of revenue distribution when the legislature reconvenes in January."

Second, **Integrated Management Information** (QB:WFCF) reported a 73% decrease in net earnings despite an increase in net revenues. The decrease is attributable to a significant increase in selling, general and administrative costs, which management cites as being an investment for the company's long-term growth. While we believe management, we are moving the company to Category 2.

For more on DDE and WFCF, see the *Earnings* page.

AMS receives firm financing commitment

American Shared Hospital Services (A:AMS) received a firm financing commitment for the MEVION S250™ Proton

Therapy System that the company will supply at the MD Anderson Cancer Center in Orlando, Florida. American Shared Hospital is a 1% owner of Mevion Medical Systems—the company that develops the MEVION S250 device.

The MD Anderson Cancer Center is developing the first proton center in Central Florida. The cost of the new center is approximately \$25 million, and the center should start treating patients in early 2014.

American Shared Hospital is also currently developing proton centers in Boston, MA, and Long Beach, CA, along with a two room proton center in Dayton, OH.

CNTY agrees to increase ownership

Century Casino's (CM:CNTY) subsidiary, Century Casinos Europe GmbH, signed an agreement with LOT Polish Airlines to acquire an additional 33.3% ownership interest in Casinos Poland Ltd. The agreement will not be finalized until the Polish Minister of Finance and Polish Airports—the co-shareholder in Casinos Poland—agree to the deal. Following it's approval and closing, CNTY will own two-thirds of Casinos Poland.

Currently, Casinos Poland owns and operates eight casinos in Poland. The company claims a 46% stake of the Polish casino market. Over the last 12 months ending 6/30/12, Casinos Poland generated \$46.5 million in revenues, on which the company earned \$1.7 million (based on the average conversion rate from Polish zlotys to US dollars).

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 11/01/12 PLUS THE CURRENT BOWSER RATING. COLUMN 2 IN THE FIRST LIST BELOW INCLUDES THE MONTH/YEAR WE ORIGINALLY RECOMMENDED THE ISSUE, THE PRICE PER SHARE THEN AND THE BOWSER RATING. (NR=not rated)

FOLLOW-THROUGH

<u>ISSUE/EXCHANGE SYMBOL</u>	<u>1</u>	<u>2</u>	<u>ISSUE/EXCHANGE SYMBOL</u>	<u>1</u>	<u>2</u>
AVALON HOLDINGS (A:AWX)	\$3.95(8)	05/11 \$2.90(9)	FULL HOUSE RESORTS (A:FLL)	\$3.10(8)	12/07 \$2.80(8)
CIMATRON LTD (CM:CIMT)	\$4.15(8)	02/08 \$2.75(8)	GOLDEN ENTERPRISES (GM:GLDC)	\$3.49(7)	02/09 \$2.35(9)
CVD EQUIPMENT (CM:CVV)	\$10.25(8)	07/05 \$2.03(9)	IEC ELECTRONICS (A:IEC)	\$7.17(8)	07/08 \$1.99(8)
DGSE COMPANIES (A:DGSE)	\$7.43(8)	12/03 \$2.05(8)	INVENTURE FOODS (CM:SNAK)	\$6.44(9)	09/00 \$2.56(8)
EVOLVING SYSTEMS (CM:EVOL)	\$6.86(8)	05/09 \$3.68(8)	KEY TRONIC (GM:KTCC)	\$10.83(10)	11/08 \$1.57(10)
*Price adjusted: 1-for-2 rev. split 07/09			METROPOLITAN HEALTH (N:MDF)	\$11.00(8)	01/08 \$2.36(9)
FEMALE HEALTH CO (CM:FHCO)	\$6.98(9)	10/07 \$2.32(9)	PARAMETRIC SOUND (CM:PAMT)	\$5.27(8)	06/07 \$4.30(NR)
FIELDPOINT PETROLEUM (A:FPP)	\$4.20(8)	10/08 \$2.24(8)	*Price adjusted: 1-for-5 rev. split 03/12; spin-off from LRAD Corp.		
FONAR CORP (CM:FONR)	\$5.11(8)	03/12 \$1.97(8)	SIMULATIONS PLUS (CM:SLP)	\$4.59(9)	05/10 \$2.46(9)
FOOD TECH SERVICE (CM:VIFL)	\$6.18(8)	01/07 \$2.50(8)	VERSTAR INC (A:VSR)	\$3.79(10)	10/11 \$2.76(10)

THE FOLLOWING WE SAID SHOULD BE SOLD

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

BRIDGELINE DIGITAL (CM:BLIN)	\$1.55(NR)	12/11 \$0.59(NR)	NEW CONCEPT ENERGY (A:GBR)	\$0.97(NR)	06/12 \$1.30(NR)
CHINA PHARMA HOLDINGS (A:CPIH)	\$0.32(NR)	11/11 \$0.90(NR)	OUR PET'S CO (QB:OPCO)	\$0.44(NR)	08/12 \$0.46(NR)
ENVIROSTAR INC (A:EVII)	NOW IN BOWSER DATABASE		WELLS GARDNER (A:WGA)	NOW IN BOWSER DATABASE	
FORTUNE INDUSTRIES (A:FFI)	\$0.19(NR)	04/12 \$0.27(NR)			

BRIEFS

Old Republic General Insurance Corp. selected three **COVER-ALL TECH** (A:COVR) services: Policy Administration, Bureau Products and Test Studio. . . . **EVOLVING SYSTEM**'s (CM:EVOL) *Dynamic SIM Allocation*TM was selected by a tier 1 operator in China. EVOL was Colorado's fastest growing public company based on its 573% growth in earnings from 2009 to 2011. . . . **FIELDPOINT PETROLEUM** (A:FPP) appointed Nancy Stephenson to the company's board of directors, effective October 1. . . . **GLOBALSCAPE** (A:GSB), for the fourth year in a row, was named one of San Antonio's top employers by Top Workplaces based on feedback from employee surveys. . . . **GSE SYSTEMS** (A:GVP) received a \$650,000 foreign military contract to provide initial staff training on complex power plant function and fundamentals. . . . **INTEGRATED**

MANAGEMENT INFORMATION's (QB:WFCF) board of directors approved an amendment to the company's articles of incorporation that will change the company's name to Where Food Comes From, Inc. . . . **INVENTURE FOODS** (CM:SNAK) was awarded a "Best New Product Award" by *Convenience Store News* for the company's Nathan's Famous Honey Mustard Crunchy Crinkle Fries. The nominated products were selected based on taste, value, convenience, healthfulness, quality ingredients, preparation requirements, appearance and packaging. . . . **KEY TRONIC CORP** (GM:KTCC) selected Patrick Sweeney as the company's new chairman of the board. Mr. Sweeney has been on the board of directors since July 2000 and served as the company's chairman of the audit committee since 2001. . . . **LRAD CORP** (CM:LRAD) announced that former Assistant Secretary of Defense Paul

McHale will remain as a consultant. . . . **MAJESCO ENTERTAINMENT** (CM:COOL) released *Sci-Fi Heroes* and *Legends of Loot* for iPhone, iPad and iPod Touch devices over the past month. The company also released *Hello Kitty Picnic with Sanrio Friends* for the Nintendo 3DSTM and *Zumba Fitness Core* for WiiTM and Xbox 360[®] KinectTM. . . . **NEWTEK BUSINESS SERVICES** (CM:NEWT) stands ready to assist small businesses with their needs in response to Hurricane Sandy. The company offers SBA Disaster Loan Financing, examination of insurance policies, data back-up planning and cloud computing solutions. . . . **SIMULATIONS PLUS** (CM:SLP) will participate in the European Union Oral Bioavailability Tools (OrBiTo) project. SLP is the only non-European company that was invited to participate. . . . **SPINE PAIN MANAGEMENT**'s (QB:SPIN) John Talamas resigned from the board of directors for personal reasons on October 19.

<u>INSIDER TRADING</u>	<u>NAME</u>	<u>BUY/SELL</u>	<u>DATE</u>	<u>PRICE</u>	<u>HOLDINGS</u>	
Food Tech Services	Ft. Ashford Hldgs(B/O)	B-33,306	9/28/12	\$6.23	802,914	
	Richard Hunter(P)	PS-70,791	9/27/12	\$6.50	0	
Inventure Foods	Mark S. Howells(D)	AS-5,078x	10/01/12	\$5.69	358,125x	
	"	"	AS-5,078x	10/02/12	\$5.76	353,047x
	"	"	AS-5,078x	10/03/12	\$5.77	347,969x
	"	"	AS-5,078x	10/04/12	\$5.81	342,891x
	"	"	AS-5,078x	10/05/12	\$6.00	337,813x
	"	"	AS-5,078x	10/08/12	\$5.93	332,735x
	"	"	AS-5,078x	10/09/12	\$6.00	327,657x
	"	"	AS-5,078x	10/10/12	\$5.95	322,579x
	"	"	AS-5,078x	10/11/12	\$6.00	317,501x
	"	"	AS-5,078x	10/12/12	\$5.97	312,423x
	"	"	AS-5,078x	10/15/12	\$6.01	307,345x
	"	"	AS-5,078x	10/16/12	\$5.99	302,267x
	"	"	AS-5,078x	10/17/12	\$6.04	297,189x
	"	"	AS-5,078x	10/18/12	\$6.00	292,111x
	"	"	AS-5,078x	10/19/12	\$5.93	287,033x
"	"	AS-5,078x	10/22/12	\$5.93	281,955x	
"	"	AS-5,078x	10/23/12	\$5.90	276,877x	
"	"	AS-5,078x	10/24/12	\$5.93	271,799x	
"	"	AS-5,078x	10/25/12	\$5.97	266,721x	
Sono-Tek Corp	Donald Mowbray(D)	B-20,000	9/10/12	\$0.25	45,000	
	Joseph Reimer(D)	B-5,000	10/10/12	\$0.69	85,225	
	"	"	B-5,000	10/11/12	\$0.70	90,225
	"	"	B-5,000	10/14/12	\$0.66	95,225
Wells Gardner	James F. Brace(CEO)	S-1,825	9/27/12	\$2.22	94,056	

AS – Automatic sale; B/O – Large shareholder; CEO – Chief executive officer; D – Director; P – President; PS – Private sale; x – indirect holdings.

BOWSER BUCKAROOS SPEAK

DISAPPOINTED

I have been getting The Bowser Report for some time now [11 years], but am no longer doing well with it.

It is my perception that investors are looking for companies with dividends and stable growth of earnings. Not finding that with the Bowser stocks at this time.

My stock website (www.stockpriceprediction.com) searches for stocks beating earnings expectations for 4 consecutive quarters. The Bowser stocks don't meet that criteria, so no data is printed.

I currently own MCD, BMY, EBF and SWRL (a Bowser stock). I just sold SOTK after another earnings miss by them.

--Todd Robertson, Concord, MA

Sorry to hear that you have not been doing well with the Report. Although it's a tough economic climate, because we choose our stocks based on fundamentals, we fully believe that they can weather whatever the economic climate is over the long-run. This is especially true if you follow our Game Plan. And, remember that few of these microcap babies pay dividends and they do take a while to mature (double).

NOT DISAPPOINTED

Please renew my subscription to The Bowser Report for one year. Enclosed is my check and keep up the good work!

--Michael Waldtrip, Metairie, LA

I can't believe I was able to even get close to picking the actual Company of the Month. Over the phone with you, you asked me to guess what the next Company of the Month might be. I mentioned a few I thought might perhaps work as the October pick---DRRX, LTON, MNI and WFCF. A Buckaroo can, I suppose, get lucky.

What's so "cool," is I already purchased 200 shares of each of those companies and today I will purchase another 200 shares of WFCF.

Thank you for providing us with the knowledge and a Game Plan to follow in minipriced stocks.

--Ed Kaulbars, Naples, FL

Ed is an example of someone who uses the Report to its full potential. He usually gets a Bowser Database each month and treats his investments like a hobby. In fact, he just bought a subscription for his 13-year old twin grandsons to help them with their financial education.

WARRANTS VS. OPTIONS

It's your ole confused Buckaroo again. I was going to take the plunge into warrants. When I went to my stock account, I couldn't find warrants. I did find options. Are they the same as warrants?

--Clark Gottschalk, Tampa, FL

We are about ready to put Clark on the payroll. Once again, he has asked a question that probably many of our subscribers might have wondered about.

Because stock options and warrants share the same leverage characteristics, they have been commonly assumed to be the same instrument called by different names. They are actually fundamentally different instruments. The following comparison is taken from a rundown by optiontradingpedia.com:

1) **Contracting parties:** Stock options are contracts between a person or institution owning a stock or willing to buy a stock and another person who either wants to buy or sell that stock at a specific price. Stock warrants, on the other hand, are contracts between investors and the bank or financial institution issuing those warrants on behalf of the company whose stock those warrants are based on. When you buy warrants, it is these financial institutions selling it to you and when you sell warrants, it is the same financial institutions buying it from you.

2) **Customizability of Terms of Issue:** Standardized stock options are issued with a fixed structure and framework with a common method of calculation, standardized policy of strike difference, standardized contract size and standardized terms of exercise/delivery. This standardization is necessary as stock options are contracts between individual investors who may not be professional institutions. Warrants are highly customized as the issuer (the company) crafts the terms of each new issue according to their needs at that point in time—this includes the "conversion ratio."

3) **Shorting:** Options may be shorted. Warrants may not. *[As a general rule this holds true, but there are some exceptions; for example, if the issuing company is a large cap company and chooses to allow it.]

4) **Trading strategies:** As options can be bought or shorted, there are a myriad of hedging and trading strategies that can be used. As warrants can only be bought (not usually shorted), they can be traded like stocks but without the flexibility/versatility of options.

5) **Conclusion:** Even though warrants share the same trading characteristics of options, they are really totally unique trading instruments. In short, warrants are a form of exotic option that are capable of being traded publicly.

	STOCK WARRANTS	STOCK OPTIONS
Contract terms:	Defined by issuer	Standardized by exchange
Trading:	Cannot be shorted*	Can be shorted
Strike Prices:	Only those issued	More prices/expiration
Delivery:	By issuer	By investors

PDF VERSION

I like the PDF version since it's like the Report I have been getting for decades [28 years to be exact].

--Dennis Kay, West Bend, WI

This is our intention with the PDF version, providing online subscribers with the same format while not having to wait to receive the Report in the mail.

Beginner's Portfolio Up 178%

BOUGHT: WFCF @ \$1.49/share plus \$10 commissions = \$159

SOLD: PESI @ \$0.80/share minus \$10 commissions = \$70 (50% rule)

	Cost	11/01/12		Cost	11/01/12	Cost	11/01/12	
*MDF	239/Mar '08	550	DDE	289/May '12	235	FSI	145/Aug '12	141
LOAN	120/Mar '10	106	GV	168/June '12	196	ITI	162/Aug '12	159
CNTY	270/Mar '11	284	VTNR	175/June '12	210	NEWT	187/Sep '12	198
GVP	210/Sep '11	176	AMS	308/June '12	292	DPW	145/Sep '12	116
GSB	181/Nov '11	206	INS	179/June '12	155	INOC	233/Oct '12	200
AAME	280/Mar '12	292	SPIN	125/July '12	80	WFCF	159/Nov '12	149
								3,745
Cost for all stocks: \$4,766 *50 shares								Proceeds from Sales: 9,499
								Current Value of Portfolio: 13,244

Gain: 13,244 minus \$4,766 = 8,478

Percentage of gain: 8,478 divided by \$4,766 x 100 = 177.9

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

NEWT launches "The Newtek Advantage"

On November 14, **Newtek Business Services** (CM:NEWT) will officially launch "The Newtek Advantage" cloud-based operating platform for small and medium-sized businesses. The Newtek Advantage is a revolutionary all-in-one application that puts a business's transactions, economic data, eCommerce data and website statistics all in one place. The program can be installed on a mobile device, tablet, laptop or PC.

Barry Sloane, NEWT's president and CEO: "We believe that mobile applications hosted in the Cloud will continue to proliferate and become the standard for independent business owners. Newtek is excited to launch its first in a series of cloud-based platforms and applications for independent small businesses across the United States. We have spent years developing this platform internally and have recently filed a patent application with the US Patent office on this state-of-the-art business system."

Unrelated to "The Newtek Advantage," NEWT assumed the servicing of a loan portfolio that Aurora Bank FSB originated. Each loan in the portfolio is a SBA 7(a) loan and is in a securitization trust established in 2006. There are currently 64 loans with a total outstanding balance of \$30.4 million. The Small Business Administration and US Bank have already approved the transaction between Newtek and Aurora.

Sloane commented, "We are continuing to evidence our capability and appreciate the agreement with Aurora. Our current rating by Standard & Poor's is as a 'select servicer' for small balance commercial loans. Creating recurring revenue from servicing small balance commercial loans, and supporting our lending platform, is consistent with our goal of being the premier provider to small and medium-sized businesses nationwide."

PAMT enters strategic partnership

Parametric Sound Company (CM:PAMT) entered into a strategic partnership with Four Winds Interactive—a provider of digital communications software—for the distribution of PAMT's HyperSound directed audio products. As a result, Four Winds will now offer PAMT's products as a compliment to its existing solutions.

"We expect this partnership with an industry leader like Four Winds to help accelerate the adoption of our HyperSound technology in the digital signage sector. We have demonstrated forward momentum on our distribution and sales strategy and continue to see progress on our licensing discussions currently underway," noted Parametric Sound Executive Chairman Kenneth F. Potashner.

Metropolitan Health to be acquired

Metropolitan Health Networks (N:MDF) and Humana Inc. recently entered into a definitive agreement. Under the agreement, Humana will acquire MDF in a deal that totals \$850 million plus transaction costs. Each shareholder will receive \$11.25/share in cash. Humana will also pay off all of MDF's outstanding debts. So far, both companies' boards of directors have approved this deal.

Metropolitan Health Chairman and CEO Michael Earley made the following comments concerning the acquisition agreement: "In addition to providing significant value to our shareholders, this agreement is an important next step for the very talented and determined team of individuals in our wholly-owned business units. As a partner to Humana for over 13 years, Metropolitan has experienced incredible growth and success in providing healthcare solutions for customers in the Medicare and Medicaid markets. Joining forces with Humana will provide us with the resources to more rapidly expand while continuing to provide the highest quality care to our patients."

While both companies have agreed to the deal, it still requires MDF shareholder approval. Other customary closing conditions must also still be met, including the expiration of the Hart-Scott-Rodino anti-trust waiting period. The acquisition is expected to close by the end of the first quarter 2013. Humana plans on financing the deal through cash and debt.

Two companies declare dividends

The following are Bowser companies that have declared quarterly dividends so far this reporting period:

- **Dover Downs Gaming** (N:DDE): \$0.02/share on 12/10/12 (must be on record 11/10/12); and
- **Simulations Plus** (CM:SLP): \$0.05/share on 11/13/12 (must be on record 11/08/12).

NOTES BY THE EDITOR

The main story in the news at the time of this writing is **Hurricane Sandy**. Here at The Bowser Report World Headquarters, we experienced cold rain and blustery wind. However, we did not experience any major damage.

The odd super storm that was Sandy tore through the East Coast, making its effects known. The New York Stock Exchange closed on October 29 and 30 because of the storm—the first two day closure due to weather since 1888. Stocks began trading on Halloween (October 31) after their unexpected long weekend.

The hurricane further affected stocks by causing the postponing of earnings reports. We had a few companies postpone earnings releases, including Newtek Business Technologies (CM:NEWT).

The toll of Sandy is estimated to be somewhere in the billions of dollars. The storm not only affected physical property, but cyber property as well. Our website was slow to respond and experienced server glitches after the storm rolled through. These were quickly resolved.

Sandy left stock prices hanging in the balance for days. But more importantly, it left lives hanging in the balance. **We sincerely hope that all of our subscribers in the affected areas are okay. As the cleanup from this brutal storm continues, we will keep all of you in our thoughts and prayers.**

DGSE Companies (A:DGSE) halted trading on April 16, 2012 as a result of spotting accounting irregularities. On October 31, the company reported its restated financial statements for the full year ended 12/31/11, along with its quarterly results for the quarters ending 03/31/12 and 06/30/12 (see *the Earnings sheet*).

For the full year ended year ended 12/31/11, the company reported \$149,627,353 in net sales compared to \$82,567,921 for the full year ended 12/31/10. Net earnings for 2011 were \$1,013,535, down from \$10,741,202 for 2010.

DGSE's management listed 3 reasons why the inaccuracies in prior reportings took place:

1. Inadequacies in DGSE's internal processes and controls;
2. Inappropriate set-up and implementation of the company's AccountMate Enterprise Resource

FIVE BOWSER STOCKS UP OR DOWN LAST MONTH

EVOLVING SYS	UP	13%	MAJESCO ENT	DOWN	26%
METRO HEALTH	UP	12%	SPINE PAIN	DOWN	21%
INVENTURE	UP	11%	PARAMETRIC	DOWN	20%
CENTURY CSNO	UP	08%	SONO-TEK	DOWN	19%
CIMATRON LTD	UP	08%	PERMA-FIX	DOWN	18%

Planning system; and

3. Previous adjustments to the company's ledger.

All management that served prior to December 20, 2011 was removed. DGSE realized errors going back beyond 2009, but accounted for those adjustments in the 2009 financial statements. The restated earnings resulted in a \$24.2 million reduction in retained earnings from 2009 and before, but an addition of \$5.9 million for 2010.

With the company back fully reporting, its management—now led by Chairman, CEO and President James Vierling—expects to regain compliance with the New York Stock Exchange's listing requirements.

Companies in the bottom sell section of Page 5's Follow-Through will now be put in the *Bowser Database* after being on this list for a full year. After a year, all Buckaroos who purchased the stock should be aware of the sell rating.

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- Fast access to our newsletter
- A growing database of archived newsletters
- Company of the Month profiles for the companies in the most current newsletter



Experience these benefits at www.thebowserreport.com!

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The Bowser Database

- ✓ Replaces our Directory of Small Stocks.
- ✓ Not available by yearly subscription. Single copy only.
- ✓ Constantly updated. New stocks added, others deleted.
- ✓ Except for Company of the Month issues, all stocks above \$5 a share are removed.
- ✓ Each entry is given a Bowser Rating.
- ✓ Thirteen fields of information are included on each stock.
- ✓ Newly added Dividend Stock Listing included, plus the updated Bowser Microcap Index.
- ✓ \$20 a copy. Free Shipping.

The Bowser Report

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WARRANT REGISTER

LAST MONTH'S
BIGGEST GAINER
CHINA HYDROELECTRIC
UP 100%

FieldPoint Petroleum warrants added

This month, we are adding FieldPoint Petroleum's (N:FPP) warrants to our list in light of last month's surprise expiration of the Flatworld Acquisition warrants. We recommended FieldPoint Petroleum as a Company of the Month in October of 2008 at \$2.24 a share. Now on page 5, the company's common stock trades at \$4.20, too high to buy under Bowser rules. However, this past March, the company issued a warrant offering.

A couple of highlights re this offering:

- **Strike price:** the warrants have a strike price of \$4.00/share and are thus already "in-the-money." Being in-the-money often draws investor interest, spiking the warrant price higher.
- **Expiration date:** the warrants will expire six years from their issue date on 03/26/18, leaving plenty of time for them to appreciate.

Because the warrants are already in-the-money, it can be argued that they have already appreciated sufficiently. However, the call price isn't until \$6.00/share, and the stock is just above \$4.00. So, while the common is already above the strike price, there is still room for movement.

FieldPoint has a Bowser Rating of 8. The company is rapidly expanding into new wells, and reported a 49% increase in revenues and a 92% increase in net income for the most recent quarter ended June 30, 2012.

We first mentioned the FieldPoint warrant offering in the

March 2012 issue on page 5. Buckaroo Bose Agnew recently recalled the warrants to our attention.

Citigroup's CEO steps down

Following a clash between Citigroup (N:C) CEO Vikram Pandit and the company's board, Pandit stepped down as chief executive officer. The company's president and chief operating officer, John Havens, also stepped down.

Citigroup offered no explanation, but named Michael Corbat as Pandit's replacement. Corbat joined Citigroup right after graduating from Harvard in 1983.

ASSOCIATED BANC-CORP (GS:ASBC) donated \$250,000 to Marshfield Clinic for a new mobile mammography unit that will launch in 2013. The unit will help provide breast cancer detection services to 10,000 Wisconsin women annually.

CHINA HYDROELECTRIC (N:CHC) entered into an agreement to sell its Yuheng hydroelectric power project. The 30 megawatt project, located in the Fujian province of China, will sell for approximately \$44.3 million. The deal is expected to close in early 2013.

CHC also appointed Dr. You-Su Lin as the company's interim CEO and Amit Gupta as the company's chairman of the board. Other management changes took place as well.

FAIRPOINT COMMUNICATIONS (CM:FRP) now offers green retail energy options to customers located in Maine and New Hampshire. The company established a partnership with Crius Energy to market FairPoint Energy.

Company	Market/Symbol	Principle Business	Warrant				Bowser Rating		
			Stock Price 11/01/12	Price 11/01/12	Conv. Ratio	Exer. Price			
Associated Banc-Corp 1200 Hansen Rd., Green Bay, WI 54304, Tel: 920/491-7000, www.associatedbank.com	GS:ASBCW	Bank holding company	13.15	1.35	1.00	19.77	11/21/18	4.0M	7
CALL TERMS: Not callable									
Bank of America Bank of Amer. Corp. Center, 100 N Tryon St., Charlotte, NC 28255, Tel: 704/386-5681, www.bankofamerica.com	N:BAC-WTB	Banking and financial services	9.74	0.75	1.00	30.79	10/28/18	121.8M	9
CALL TERMS: Not callable									
China Hydroelectric 420 Lexington Ave., Ste. 860, New York, NY 10170, Tel: 646/467-9800, www.chinahydroelectric.com	N:CHC-WT	Hydroelectric power in China	1.81	0.02	1.00	3.45	12/31/13	6.0M	7
CALL TERMS: \$23.00 for 20 out of 30 days									
Citigroup 399 Park Ave., New York, NY 10043, Tel: 212/559-1000, www.citigroup.com	N:C-WTA	Investment Banking	37.95	0.41	1.00	106.10	01/04/19	2.6M	8
CALL TERMS: Not callable; exercise price adj. for dividends above \$.01									
Combimatrix 6500 Harbour Heights Pkwy, Ste. 303, Mukilteo, WA 98275, Tel: 425/493-2000, www.combimatrix.com	CM:CBMXW	Biotech development	0.45	0.04	1.00	9.00	05/01/14	1.1M	6
CALL TERMS: 250% of exercise price for 20 days									
FairPoint Comm 521 E. Morehead St., Ste. 250, Charlotte, NC 28202, Tel: 704/344-8180, www.fairpoint.com	OTC:FRPZW	Communications in New England	7.11	0.25	1.00	48.81	01/24/18	3.6M	7
CALL TERMS: Not callable									
FieldPoint Petroleum 1703 Edelweiss Dr., Cedar Park, TX 78613, Tel: 512/250-8692, www.fppcorp.com	N:FPP-WT	Oil/gas operations in the US	4.20	0.95	1.00	4.00	03/26/18	8.0M	8
CALL TERMS: 150% of strike price									
Ford Motor Co. One American Rd., Dearborn, MI 48126, Tel: 313/322-3000, www.ford.com	N:F-WT	Motor vehicles	11.25	2.28	1.00	9.20	01/01/13	362.0M	8
CALL TERMS: Not callable									
Homeowner's Choice 145 NW Central Park Plaza, Ste. 115, Port St. Lucie, FL 34986, Tel: 772/204-9394, www.hcpci.com	GM:HCIW	Property/casualty insurance in FL	21.96	6.45	0.50	9.10	07/31/13	6.7M	8
CALL TERMS: \$11.38 for 10 out of 20 days									
Iridium Communications 1750 Tysons Blvd., Ste. 1400, McLean, VA 22102, Tel: 703/287-7400, www.iridium.com	GS:IRDMZ	Mobile voice/data communications	6.91	1.23	1.00	11.50	02/05/15	14.0M	9
CALL TERMS: \$18.00 for 20 out of 30 days									
Microvision Inc 6222 185 th Ave. N.E., Richmond, WA 98052, Tel: 425/415-6847, www.mvis.com	CM:MVISW	Miniature images and displays	2.21	0.08	1.00	3.60	07/23/13	0.6M	6
CALL TERMS: If common averages \$7.20 for 20 days									
Owens Corning One Owens Corning Pkwy, Toledo, OH 43659, Tel: 419/248-8000, www.owenscorning.com	N:OC-WTB	Building materials worldwide	34.07	0.78	1.00	45.25	10/31/13	7.8M	6
CALL TERMS: Not callable									
Resolute Energy 1000 Crescent Ct., Ste. 1200, Dallas, TX 75201, Tel: 214/615-2300, no website	N:REN-WT	Petroleum/natural gas	8.69	0.65	1.00	13.00	09/25/14	1.7M	NR
CALL TERMS: \$18.00 for 20 out of 30 days. Was Hicks Acquisition									
Retail Opportunity Invest 3 Manhattanville Rd., 2 nd Fl., Purchase, NY 10577, Tel: 914/272-8080, www.roireit.net	GS:ROICW	Commercial real estate investment	12.75	0.95	1.00	12.00	10/23/14	44.0M	8
CALL TERMS: \$18.75 for 20 out of 30 days									
S&W Seed Company 2552 S. Butte Ave., Five Points, CA 93624, Tel: 599/884-2535, www.swseedco.com	CM:SANWW	Agricultural products	8.37	1.67	1.00	7.15	05/03/15	1.0M	8
CALL TERMS: \$8.80 for 5 consecutive days/\$0.25									
TCF Financial 200 Lake Street East, Wayzata, MN 55391, Tel: 952/745-2760, www.tcfbank.com	N:TCB-WT	Bank holding company	11.71	1.78	1.00	16.93	11/14/18	3.2M	NR
CALL TERMS: Not callable									
U-Swirl Inc. 1075 American Pacific, Ste. C, Henderson, NV 89074, Tel: 702/448-5301, www.healthyfastfood.com	OTC:SWRLW	U-Swirl frozen yogurt	0.28	0.003	1.00	5.10	03/19/13	5.6M	7
CALL TERMS: 120% of ex. price for 5 days/\$0.25. Was Healthy Fast Food									

EARNINGS

	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
DGSE Companies (DGSE)	6/30/12	\$28,584,697	\$30,642,620	(\$2,407,532)	\$237,969	(A)
Dover Downs Gaming (DDE)	9/30/12	\$52,606,000	\$56,178,000	\$1,147,000	\$2,039,000	(B)
Golden Enterprises (GLDC)	8/31/12	\$34,683,455	\$33,245,190	\$670,136	\$699,571	(C)
Integrated Mgmt Info (WFCF)	9/30/12	\$1,545,161	\$1,250,071	\$73,968	\$203,950	(D)
Inventure Foods (SNAK)	9/29/12	\$46,601,332	\$37,518,334	\$1,739,648	(\$190,812)	(E)
Iteris, Inc. (ITI)	9/30/12	\$15,504,000	\$14,393,000	\$550,000	\$1,310,000	(F)
Key Tronic Corp (KTCC)	9/29/12	\$97,508,000	\$69,761,000	\$3,744,000	\$1,247,000	(G)
Manhattan Bridge Capital (LOAN)	9/30/12	\$491,310	\$351,041	\$161,000	\$97,062	(H)
Newtek Business Services (NEWT)	9/30/12	\$33,458,000	\$30,657,000	\$1,465,000	\$837,000	(I)
OurPet's Company (OPCO)	9/30/12	\$4,269,952	\$4,516,078	(\$130,097)	(\$285,055)	(J)
Repro-Med Systems (REPR)	8/31/12	\$1,951,608	\$1,362,217	\$350,644	\$118,073	
Sono-Tek Corp (SOTK)	8/31/12	\$5,230,809	\$6,139,028	\$70,836	\$676,120	(K)

(A) - As the result of DGSE's current management noticing accounting irregularities pertaining to previously-filed financial statements, the company hired forensic accountants to examine the past statements. As a result, DGSE ceased trading on 04/16/12, and held the release of current financial statements until the investigation was completed. **For more on DGSE, see page 8.**

(B) - President and CEO Denis McGlynn: "Gaming expansion in Maryland is having a significant impact on us—but it is simply part of a new reality that we need to address head on. DDE's goal is to stay one step ahead of the competition and to continue offering our patrons the region's finest amenities and richest gaming experiences."

(C) - Commodity costs are a concern going forward for GLDC due to recent drought conditions affecting corn and refinery issues, leading to higher fuel costs.

(D) - Despite the increase in revenues, WFCF's net income slid mainly because of a 49% increase in SG&A costs. Integrated's CEO and chairman, John Saunders, remarked, "Although a higher expense base impacted our bottom line in the third quarter, we are confident that the investments we are making in International Certification Services (ICS) and various marketing programs are strengthening our foundation and better positioning WFCF for long-term, profitable growth."

(E) - "Continuing the success realized during the first half of 2012, we are pleased to report our ninth consecutive quarter of double digit growth in year-over-year revenues and record third quarter earnings per share," noted SNAK CEO Terry McDaniel.

(F) - "The increase in total revenues is largely the result of continued penetration within the fast-growing areas of the intelligent traffic management market by ITI's Transportation Systems and iPerform segments," commented CEO Abbas Mohaddes. "With total backlog at a record \$41.2 million, we are encouraged about the prospect of continued growth."

(G) - At the end of the first quarter in fiscal 2013, KTCC was generating 168 separate programs from 51 distinct customers compared to 135 programs and 36 customers at the same time last year.

(H) - "With the support of the line of credit from Sterling National Bank, we presented a very impressive increase in revenue and net earnings. To date, we have not experienced any defaults on our loan portfolio. We look forward to continuing improvement of our performance," said Assaf Ran, CEO of Manhattan Bridge Capital.

(I) - Barry Sloane, Newtek's president and CEO: "Our business model of positioning NEWT as 'The Small Business Authority®' has taken hold and is evidenced by our strong financial performance. Also, our pipeline of products and business opportunities remains strong, and we continue to experience improvement in our business metrics, notably our website statistics and total referrals. We expect to continue to deliver strong financial results, and look forward to outperforming expectations for all of our stakeholders."

(J) - "While our third quarter has historically been a little slower than other quarters, the net revenue decrease of approximately 5.5% from the same period a year ago is primarily due to a large club sale that occurred during the third quarter of 2011 that we did not have this year," explained OPCO CEO Dr. Steven Tsengas. He noted that Cosmic Catnip™ sales are up 33%; SmartScoop® sales are up over 66%; and Play-N-Squeak™ sales are up 43% compared to the same nine-month period a year ago.

(K) - SOTK CEO Dr. Christopher L. Coccio stated, "This year continues to be one in which customers in some global locations are slower to place orders, due to uncertainty in their home economies. There has also been some reduction in our solar energy business, as governments reduce research and development (R&D) funding. In response, we recently consolidated our management organization and reduced costs in case the current sales levels persist beyond this quarter."