



The Bowser Ratings system

Simplifying the analysis of microcap companies

Because of the earnings that we are reporting in this issue, many of our ratings have changed. So much of the Bowser Game Plan relies on our companies' Bowser Ratings. For example, in order to be considered for Company of the Month, a stock must be an 8 or above; or in order to be added to the *Bowser Database*, a company must be a 5 or above. As a result, we felt this might be a good month for a refreshment course on how the Bowser Ratings work.

The information that we consider for our Ratings can be split into three categories: general and trading information, balance sheet analysis and income statement analysis. There are 12 factors for a total of thirteen points (current earnings has a potential of 2 points).

General Information

One of the first things that we look at, and the most general, is the company's **principal business**. What industry does the company operate in? What services/products does it provide within that industry? As long as the company does not operate within a dramatically failing industry, it gets a point for this factor.

We also consider the company's **52-week high share price**. In years past, we looked at the two-year high. What this shows is the company's ability to move the price of the stock. If the 52-week high is 2x the current trading price or greater, the company gets a point.

Daily volume is another trading factor that we consider. This is how many shares trade on a daily basis. Since the companies we deal with are so small, many of them do not trade at high volumes—some only trade around 1,000 shares/day. As long as the company averages at least 600 shares/day over the past 3 months, we give it a point.

We also consider **dividends** while compiling our ratings, but only loosely. Dividends are not for every company, especially those with net losses or miniscule earnings per share (EPS). Most companies get a point for this factor even if they do not offer a dividend for not diluting their EPS figure by doling out extra cash that can be put back into the company.

Share structure can make or break a company, so we consider **shares outstanding** when doing our ratings. Too many shares dilute a company's financial metrics (earnings per share, sales per share, book value, etc.). So typically the fewer the better—although the fewer shares a company has the lower the trading volume will be. Different criteria for shares outstanding depend on the amount of the company's

sales. If the company meets the share requirement for its allotted sales, then it gets a point. See the chart below:

Sales	Shares Outstanding
\$5 million to \$10 million	2,000,000 to 2,500,000
\$10 million to \$30 million	2,500,000 to 3,000,000
\$30 million and above	No more than 10% of sales

*Note this is different than in *Making Dollars with Pennies*

Balance Sheet Analysis

A company's **book value** is its total assets minus its total liabilities (shareholder equity) divided by the company's common shares outstanding. (If it has preferred shares, subtract those from the total number of shares outstanding before dividing.) Book value is a stable ratio that illustrates the strength and stability of a company's balance sheet. If the book value is higher than the current share price, then a point is awarded.

Another balance sheet measurement is a company's **total current assets-to-liabilities ratio**. To determine this figure, take the company's total current assets and divide that number by the company's total current liabilities—the higher the ratio the better. This number directly reflects a company's working capital or its operating liquidity. Working capital is the difference between current assets and current liabilities. In order to receive a point in the category, the company must have a ratio of 1.8 or higher, although a ratio of 2 or higher is preferred—for every dollar in current liabilities the company has two dollars in current assets.

A company is severely limited if it carries an enormous amount of **long-term debt**. Debt obligations can weigh down a company because they accrue interest and eat away at the balance sheet. If long-term debt is no more than 10% of its annual sales, we do not consider it too much of a threat and consequently give the company a point for this factor.

Income Statement Analysis

Many companies that are traded publicly have annual sales of less than \$5 million. A good amount of sales with an efficient business can generate a solid net income, which increases investment value. Without sufficient sales, however, even a highly profitable business cannot sustain value. Therefore, in order to receive a point for this factor, a company must have annual sales of \$5 million or greater.

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When dealing with small companies, growth is the key. To factor this into our ratings, we examine a company's **current sales**—the total revenues in its most recent quarter. If the revenues are higher than they were for the same quarter last year, the company gets a point for showing sales progress.

We also consider two measures of a company's earnings. The first is its **long-term earnings growth**. Does the company have a positive earnings trend of at least two years? If the answer to that question is yes, the company receives a point. To measure this, we see if the most recent trailing twelve month net income is higher than the fiscal earnings results from two years ago. While the earnings might have dipped in-between, the upward trend in earnings growth is likely there and a point is given.

The second measure of earnings growth is worth two points instead of one. **Current earnings** are essential to rating a company because they illustrate whether net income has grown when compared to the same time period the previous year. This measurement is more up-to-date and reflects a company's recent changes and efficiencies. If the current earnings are higher than the earnings for the same quarter the previous year (even if it is a negative figure), it receives two points.

Innotrac announces online increase

Innotrac Corporation (CM:INOC) announced a 77% increase in orders shipped between Thanksgiving Day and Cyber Monday compared to last year. This year's total of 888,000 orders broke INOC's previous record and soared above last year's total of 501,000 orders. And, this number only includes INOC's direct-to-consumer eCommerce orders.

Innotrac's chief operating officer, Robert Toner, commented, "We work with a strong group of brands, and they all had a great start to the 2012 holiday shopping season. With the shopping season expanded to include Thanksgiving night, we expected a big season. We knew scalability would be critical, and have great teams in each facility focused on supporting our clients. This means exceeding order expectations with every package shipped whether in or outside of the peak holiday season."

Management also noted that INOC typically sees a 3 to 5 times increase in orders during the holiday season. This shopping period, some of Innotrac's clients saw online sales increase over 250%, according to Senior VP of Client Services Larry Hanger.

Market Overview

This month there is one change to the **Bowser Microcap Index**. Because IRIS International was acquired by Danaher Corp., we took it out and added **Innotrac Corporation** (CM:INOC). While making this change, we also noticed an error in our past calculations that resulted in quite a big shift in the Index's value. The error was corrected on Monday, December 3. *For more on this see page 8.*

From Monday, December 3 to Friday, December 7, the Index was up a slight 0.3%—from 492.73 to **494.38**. Over that same period, the major indexes were as follows:

Dow Jones Industrial Average:	Up 1.5%
S&P 500:	Up 0.6%
NASDAQ Composite:	Down 1.0%
Russell 2000:	Up 0.2%

FLL announces construction

Rising Sun/Ohio County First, Inc. and the Rising Sun Regional Foundation, Inc. have begun construction on a 104-room hotel on land that was previously owned by **Full House Resorts** (A:FLL). Construction should be completed in the fourth quarter of 2013.

"With the Rising Star Casino Resort Hotel operating at or near capacity the majority of the time, the addition of a new 104-room hotel in the community will allow the Rising Star team to have access to accommodations for those customers who would like to, but were unable to, stay overnight," remarked FLL's CEO, Andre Hillou. He continued, "The additional hotel rooms will also aid in protecting the future revenue stream of the city and Foundation from an increasingly competitive marketplace."

IEC Electronics receives order

One of **IEC Electronic's** (A:IEC) military customers awarded the company with an order that is valued at approximately \$5.1 million. The company will begin delivery during the second quarter of 2013 and continue into its fiscal 2014.

IEC Chairman and CEO W. Barry Gilbert: "Our customer is a well-known, top 20 prime defense contractor supplying several innovative communication platforms, national security solutions and electronic systems support for the military. We appreciate their continued confidence in IEC and we view this award as a statement of our solid relationship."

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

Joe's Jeans is a company that has been in the *Bowser Database* for quite some time. Recently, a Buckaroo called the company to our attention, asking us to look it over. We looked at JOEZ, and liked what we saw.

Joe's is an apparel company. It does not *manufacture* clothing, but instead designs, develops and markets its Joe's® brand worldwide. The Joe's® brand covers a vast expanse of products, including both women's and men's jeans, pants, shirts, sweaters and jackets; as well as handbags, children's apparel and goods, shoes, belts and leather goods. The company's product lines offer a variety of fits, fabrics, washes and details, which Joe's believes give it an edge.

An in-house design team leads Joe's development. They develop four main product lines—one for each season—while maintaining some consistent designs throughout. Various third party manufacturers produce the designed apparel in Mexico, China, the U.S., Hong Kong, Peru and Korea. Warehousing and distribution is done internally from Joe's California headquarters.

Finished products hit the shelves either through wholesale to third party retailers or through Joe's full price and outlet stores. Wholesale accounted for 81% of the company's 2012 nine-month revenues, while direct retail sales accounted for just 19%. With two new retail locations having opened since the beginning of November, this brings Joe's total retail locations to 28 (the majority of which are outlet stores).

The two new retail stores are boutiques in Costa Mesa, CA, and in Paramus, NJ. By continuing to open full retail locations and outlet stores, the company believes that it can increase margins through direct sales.

In 2011, the company began to cohesively brand its products under the Joe's label. The belief is that supplementing non-denim apparel/accessories with denim apparel will enhance Joe's Jeans' overall sales.

Joe's financial results are seasonal with the majority of the revenues being realized in the third and fourth quarters, when the company makes its shipments.

Financials

Joe's Jeans' financials are what caused us to give this company a closer look. After a poor 2011 fiscal year, the company has strung together three quarters of higher revenue and earnings growth in 2012. Revenues are up 21% for the nine-months ended August 31, 2012 compared to the nine-months ended August 31, 2011. Over that same period, net earnings are up 428%.

The main catalyst for this spike in net income is a 3% growth in gross margins coupled with just a slight 3% increase in expenses. The result is a 1,010% increase in pre-tax income.

For the most recent quarter ended August 31, 2012, JOEZ reported \$30,304,000 in revenues, compared to \$24,151,000 for the same quarter last year. The company reported a net income of \$1,390,000 last quarter compared to a net loss of \$2,038,000 in the same period last year.

Joe's also has a stellar balance sheet with a total current assets-to-liabilities ratio of 2.7 and no long-term debt. The company reported a \$1.06 book value in its most recent quarter, which represents a 15% premium over its December 7 closing price.

With 65.7 million shares outstanding, the company has a poor share structure. However, as of October 9, 2012, insiders owned 24.7% of the common stock. Institutions currently own 11.8%. This *might* be a situation where a reverse stock split could help the company enhance its shareholder value.

JOEZ looks to be on a turnaround track if it can keep up the positive momentum.

Management

Marc B. Crossman is chief executive officer and president. As of October 9, 2012, Mr. Crossman owned 2,338,406 shares of common stock, representing 3.48% of the total shares outstanding. He has been the company's CEO since January 2006, president since September 2004 and a board member since January 1999. He has also served as the company's CFO. Before coming to JOEZ, Mr. Crossman held various positions throughout the financial industry.

JOEZ Creative Director, Joseph M. Dahan, owns 11,615,884 shares, or 17.35%, of the common stock. Mr. Dahan is the largest shareholder. He has held his position since 2001, when his design business was acquired by JOEZ. Prior to running his own business, Mr. Dahan was the head designer for Azteca Production Int'l.

Chairman of the board, Samuel J. Furrow, owns 1,926,173 shares, or 2.87%. Mr. Furrow has been chairman since October 1998, and also had a brief stint as the company's CEO.

Chief financial officer, Hamish Sandhu, owns 113,992 shares.

Office: 2340 South Eastern Avenue, Commerce, CA 90040, Tel: 323/837-3700, www.joesjeans.com. There are 187 full-time employees.



NASDAQ:JOEZ
BOWSER RATING: 10
Last 12 Months—
\$0.51-\$1.56

	2010	2011	2012(A)
REVENUES	\$98,176,000	\$95,420,000	\$84,906,000
INCOME(LOSS)	\$2,601,000	(\$1,365,000)	\$3,602,000
WORKING CAPITAL	\$27,706,000	\$27,398,000	\$30,968,000
BOOK VALUE	\$1.04	\$1.01	\$1.06
TOTAL SHARES	62,362,000	64,001,000	65,319,000
FLOAT	N/A	N/A	49,430,000
(A) NINE MONTHS ENDING 08/31/12			

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 12/07/12	Long-Term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating	
CATEGORY ONE: OUR BEST PICKS									
	02/12(GM)	ATLANTIC AMERICAN (AAME)	2.94	\$0.000	\$135.2	\$4.447	21.3	8	
	11/12(GM)	CAMCO FINANCIAL(CAFI)	2.08	\$0.000	\$32.7	\$2.241	7.5	9	
	06/12(N)	GOLDFIELD CORP (GV)	1.84	\$14.649	\$67.3	\$9.353	25.5	9	
	09/12(CM)	INNOTRAC CORP (INOC)	2.99	\$0.651	\$98.4	\$2.285	13.1	9	
#	12/06(A)	ITERIS INC (ITI)	1.71	\$0.000	\$29.2	\$2.333	33.6	9	
	12/12(CM)	JOE'S JEANS INC (JOEZ)	0.92	\$0.000	\$110.3	\$3.334	65.3	10	
	08/12(CM)	NEWTOK BUSINESS (NEWT)	1.85	\$57.430	\$128.4	\$7.970	35.2	8	
CATEGORY TWO: WORTHY OF CONSIDERATION									
#	12/11(A)	AMER SHARED HOSP (AMS)	2.74	\$0.000	\$17.3	\$1.112	4.6	7	
#	02/11(CM)	CENTURY CASINOS (CNTY)	2.72	\$3.322	\$80.0	\$4.057	24.1	8	
	12/10(A)	DIGITAL POWER (DPW)	0.68	\$0.000	\$8.8	\$0.144	6.9	9	
#	05/11(N)	DOVER DOWNS (DDE)	2.01	\$61.500	\$245.2	\$9.866	31.7	NR	
	08/11(A)	GSE SYSTEMS (GVP)	2.05	\$0.000	\$54.5	\$2.678	18.4	9	
	04/11(QB)	LIBERATOR MEDICAL (LBMH)	0.70	\$0.000	\$59.0	\$1.857	48.1	9	
#	10/09(CM)	LRAD CORP (LRAD)	0.96	\$0.000	\$14.8	\$1.462	32.4	10	
#	06/08(A)	TENGASCO INC (TGC)	0.60	\$11.513	\$20.3	\$5.342	60.8	8	
#	06/11(QB)	VERTEX ENERGY (VTNR)	NOW ABOVE \$3/SHARE; See Page 5 (Follow-Through)						
	10/12(QB)	WHERE FOOD COM FRM (WFCF)	1.30	\$0.364	\$5.0	\$1.039	21.1	8	
CATEGORY THREE: VERY SPECULATIVE									
	04/09(A)	COVER-ALL TECH (COVR)	SELL RECOMMENDATION; See below						
#	06/08(A)	FLEXIBLE SOLUTIONS (FSI)	1.25	\$1.626	\$15.9	(\$0.992)	13.2	NR	
	11/11(A)	GLOBALSCAPE (GSB)	SELL RECOMMENDATION; See below						
#	03/11(A)	INTELLIGENT SYSTEMS (INS)	1.44	\$0.000	\$15.9	(\$0.790)	9.0	7	
	04/11(CM)	MAJESCO ENTERTAIN (COOL)	0.90	\$0.000	\$143.0	\$7.796	39.7	8	
#	02/10(CM)	MANHATTAN BRIDGE (LOAN)	1.09	\$0.500	\$1.7	\$0.349	4.3	9	
	01/12(CM)	PERMA-FIX ENVIRON(PESI)	SELL RECOMMENDATION; See below						
	07/10(QB)	REPRO-MED SYSTEMS (REPR)	0.25	\$0.000	\$7.2	\$0.941	35.5	10	
#	11/10(QB)	SONO-TEK CORP (SOTK)	0.53	\$2.051	\$11.0	\$0.598	14.5	7	
	07/12(QB)	SPINE PAIN MGMT (SPIN)	0.56	\$1.304	\$4.5	\$0.186	18.0	NR	

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

SELL RECOMMENDATIONS

An earnings report can drastically change the way an investor views a stock. This month, we had 32 companies report their earnings—some good, some bad. Rarely do we recommend selling multiple stocks, yet three reported earnings that were discouraging.

First, sell **Cover-All Technologies** (A:COVR). COVR has been in the newsletter since April 2009. The company climbed to \$2.80/share in June 2011, but has since fallen to just above \$1/share. COVR has reported three straight quarterly losses, and is on track to report a loss for the 2012 fiscal year. It has been unable to take advantage of slight increases in revenues over the past two fiscal years because of rising expenses. We don't see this stock making forward progress.

Second, sell **GlobalSCAPE, Inc** (A:GSB). This stock has been in the newsletter for just over a year, but has not been able to make any sort of sustained positive movement. While we like to give our recommendations time to appreciate, this company has been unable to maintain financial stability, reporting loss after loss. The most recent quarterly report cited a \$2.7 million loss. This company is also on track to report a full year loss for 2012. We hate to part with companies so early, but the results have not only been absent for GSB, but don't look to improve anytime soon.

Third, and finally, sell **Perma-Fix Environmental** (CM:PESI). Not even with us a year, PESI has had recent trouble finding a footing. When we recommended the company, it was wildly profitable and growing fast, but recently it has begun to slide backwards. Management cites government cutbacks as the main reason, and we don't see that improving in the future.

CATEGORY CHANGES

Because of the number of earnings this month, we also have a number of category changes to report. Two stocks have moved from Category 1 to Category 2, and one has moved from Category 2 to Category 3.

American Shared Hospital (A:AMS) reported a 54% decrease in net sales and a 64% decrease in net income. As a result, the company is now "NR" and has slid to Category 2. While we are not moving it to Category 3, we will keep a close eye on it.

Century Casinos (CM:CNTY) has a Bowser Rating of 8, but has been moved from Category 1 to Category 2. The company reported higher revenues but also a slight slip in net income this quarter.

Spine Pain Management (QB:SPIN) has moved from Category 2 to Category 3. After last quarter, we were watching SPIN closely, and again the company reported a decrease in revenues and a decrease in net income—although it is back to profitability.

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 12/07/12 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)	\$3.89(9)	05/11 \$2.90(9)	GOLDEN ENTERPRISES (GM:GLDC)	\$3.34(8)	02/09 \$2.35(9)
CIMATRON LTD (CM:CIMT)	\$4.74(8)	02/08 \$2.75(8)	IEC ELECTRONICS (A:IEC)	\$6.80(7)	07/08 \$1.99(8)
CVD EQUIPMENT (CM:CVV)	\$8.46(NR)	07/05 \$2.03(9)	INVENTURE FOODS (CM:SNAK)	\$6.54(10)	09/00 \$2.56(8)
DGSE COMPANIES (A:DGSE)	\$5.50(10)	12/03 \$2.05(8)	KEY TRONIC (GM:KTCC)	\$9.87(11)	11/08 \$1.57(10)
EVOLVING SYSTEMS (CM:EVOL)	\$6.30(8)	05/09 \$3.68(8)	METROPOLITAN HEALTH (N:MDF)	\$11.23(10)	01/08 \$2.36(9)
*Price adjusted: 1-for-2 rev. split 07/09			PARAMETRIC SOUND (CM:PAMT)	\$5.11(NR)	06/07 \$4.30(NR)
FEMALE HEALTH CO (CM:FHCO)	\$6.82(10)	10/07 \$2.32(9)	*Price adjusted: 1-for-5 rev. split 03/12; spin-off from LRAD Corp.		
FIELDPOINT PETROLEUM (A:FPP)	\$3.91(7)	10/08 \$2.24(8)	SIMULATIONS PLUS (CM:SLP)	\$4.43(10)	05/10 \$2.46(9)
FONAR CORP (CM:FONR)	\$4.99(8)	03/12 \$1.97(8)	VERSTAR INC (A:VSR)	\$3.73(11)	10/11 \$2.76(10)
FOOD TECH SERVICE (CM:VIFL)	\$4.83(NR)	01/07 \$2.50(8)	VERTEX ENERGY (QB:VTNR)	\$3.40(10)	06/11 \$1.95(9)
FULL HOUSE RESORTS (A:FLL)	\$3.05(9)	12/07 \$2.80(8)			

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)	\$1.68(NR)	12/11 \$0.59(NR)	NEW CONCEPT ENERGY (A:GBR)	\$1.15(NR)	06/12 \$1.30(NR)
CHINA PHARMA HOLDINGS (A:CPhi)	NOW IN BOWSER DATABASE		OUR PET'S CO (QB:OPCO)	\$0.42(NR)	08/12 \$0.46(NR)
FORTUNE INDUSTRIES (A:FFI)	\$0.15(NR)	04/12 \$0.27(NR)			

BRIEFS

ATLANTIC AMERICAN CORP (GM:AAME) partnered with nonprofit association BetterInvesting to better reach retail investors. The company also declared a special cash dividend

of \$0.05/share to be paid on 12/27/12 to shareholders of record on 12/14/12. . . . **COVER-ALL TECH's** (A:COVR) Cover-All Policy was selected by Mountain West Farm Bureau Mutual Insurance Company to expand and transform the company's commercial lines operation. See *COVR's sell recommendation on page 4*. . . .

EVOLVING SYSTEMS (CM:EVOL) declared a special cash dividend of \$0.15/share to be paid on 12/26/12 to shareholders of record on 12/20/12. . . .

FLEXIBLE SOLUTIONS (A:FSI) announced that the American Arbitration Assn. ended a dispute against the company on 11/05/12. Petitioners sought \$25 million from FSI, who paid nothing upon the termination. . . . **FULL HOUSE RESORTS** (A:FLL) completed the acquisition of Silver Slipper Casino Venture, LLC. . . .

GLOBALSCAPE (A:GSB) updated its consumer FTP client offering to include the award-winning CuteFTP® software. GSB also declared a \$0.07 special cash dividend to be paid on 12/27/12 to shareholders of record on 12/17/12. See *GSB's sell recommendation on page 4*. . . .

INNOTRAC CORP (CM:INOC) was selected by *dots*, a fashion retail company, to provide eCommerce fulfillment and call center solutions. . . .

PERMA-FIX ENVIRONMENTAL (CM:PESI) has 180 days from 12/07/12 to regain compliance with the NASDAQ's minimum bid price requirement or it will face delisting. See *PESI's sell recommendation on page 4*.

<u>INSIDER TRADING</u>	<u>NAME</u>	<u>BUY/SELL</u>	<u>DATE</u>	<u>PRICE</u>	<u>HOLDINGS</u>
DGSE Companies	C. Brett Burford(CFO)	B-2,000	11/16/12	\$5.35	2,000
	James D. Clem(COO)	B-2,650	11/16/12	\$5.35-\$5.36	47,925
	NTR Metals, LLC(B/O)	B-98,200	11/15/12	\$5.68-\$7.25	5,023,442
	" "	B-3,000	11/16/12	\$5.48	5,026,442
	" "	B-4,000	11/19/12	\$5.34	5,030,442
Giga-tronics	" "	B-2,000	11/20/12	\$5.36	5,032,442
	" "	B-2,200	11/21/12	\$5.35	5,034,642
	Joseph W. Thompson(D)	B-620	11/12/12	\$1.35	620
	" "	B-600	11/13/12	\$1.35	1220
	" "	B-2,000	11/14/12	\$1.44	3,220
IEC Electronics	" "	B-3,400	11/15/12	\$1.48	6,620
	Barry W. Gilbert(CH)	S-4,000x	11/27/12	\$6.90	121,782x
Inventure Foods	" "	S-500x	11/29/12	\$6.88	121,282x
	Mark S. Howells(D)	AS-5,078x	10/26/12	\$6.01	261,643x
	" "	AS-5,078x	10/31/12	\$5.96	256,565x
	" "	AS-5,078x	11/01/12	\$6.38	251,487x
	" "	AS-5,078x	11/02/12	\$6.37	246,409x
	" "	AS-5,078x	11/05/12	\$6.14	241,331x
	" "	AS-5,078x	11/06/12	\$6.14	236,253x
	" "	AS-5,078x	11/07/12	\$6.03	231,175x
	" "	AS-5,078x	11/08/12	\$6.00	226,097x
	" "	AS-5,078x	11/09/12	\$6.05	221,019x
	" "	AS-5,078x	11/12/12	\$6.15	215,941x
	" "	AS-5,078x	11/13/12	\$6.18	210,863x
	" "	AS-5,078x	11/14/12	\$6.16	205,785x
	" "	AS-5,078x	11/15/12	\$6.06	200,707x
	" "	AS-5,078x	11/16/12	\$6.03	195,629x
	" "	AS-5,078x	11/19/12	\$6.14	190,551x
	" "	AS-5,078x	11/20/12	\$6.15	185,473x
	" "	AS-5,078x	11/21/12	\$6.13	180,395x
	" "	AS-5,078x	11/23/12	\$6.16	175,317x
	" "	AS-5,078x	11/26/12	\$6.24	170,239x
Manhattan Bridge	" "	AS-5,078x	11/27/12	\$6.26	165,161x
	" "	AS-5,078x	11/28/12	\$6.31	160,083x
	" "	AS-5,078x	11/29/12	\$6.57	155,005x
	" "	AS-5,078x	11/30/12	\$6.47	149,927x
Metro Health	Lyron L. Bentovim(D)	B-7,600	11/01/12	\$1.07	21,598
	Gemma Rosello(P)	S-54,067x	11/12/12	\$11.16	0x

...CONTINUED ON PAGE 7

AS – Automatic sale; B/O – Large shareholder; CEO – Chief executive officer; CFO – Chief financial officer; CH – Chairman; COO – Chief operating officer; D – Director; P – President; SVP – Senior vice president. x – indirect holdings.

BOWSER BUCKAROOS SPEAK

FROM THE BUCKAROO MAILBAG

One potential problem with renewing online is that I noticed renewals are to be done using PayPal. I do not like PayPal and will not use it. Is there another option for online subscribers for renewing?

--Lee Mapes, St. Augustine, FL

Subscribers always have the option to call in renewals to our office (757/877-5979). Also, we send out renewal notices starting two months before the subscription expires, which include a subscription card and a postage-paid return envelope. We continue to do this for our online subscribers as well.

However, we are also working on placing a secure credit card processing option (Authorize.net) on the website for other subscribers who are not keen on using PayPal.

I am a new Buckaroo and am having a hard time figuring everything out. I am very excited about your program. I have read both the October and November Reports all the way through. Some things I get and others NOT.

My main question is, I read somewhere which online or discount broker you suggest for a beginner like me to use. Since my finances are limited, the most inexpensive broker would be good for me.

--Rod Catenacci, Roseville, CA

We use Scottrade (scottrade.com). They are user-friendly, the \$7 online trades are hard to beat and they even have regional offices where you can speak to a real person if any problems arise. We have used them for several years and cannot think of one problem on their part.

*I wonder if you can help me. I'm getting quite desperate. My US broker, E*Trade, is closing down its accounts for non-US residents. Do you know of any brokers I could contact? Obviously, I do not have a Social Security number. I only have until the first week of January to do this.*

--Brian L. Howard, Gloucestershire, England

Brian let us know that Scottrade does not "entertain Limeys." He is currently looking into TD Ameritrade. If any of our other non-resident foreign subscribers might have a solution for Brian, you can email him at blhoward49@yahoo.co.uk.

The new Company of the Month (in November) Camco Financial, says they are issuing 10 million new shares. Is this a good thing for investors or just a way to raise more capital?

--Ed Kaulbars, Naples, FL

Essentially, this is a means to raise capital. However, the company currently has only 7.5 million shares outstanding. So, even with the new shares, CAFI will still have a good share structure.

I bought a stock for \$1.30 and it closed at \$2.60 today. But, the bid price that I could sell it for is \$2.50

--Steve Mandak, Bremerton, WA

Steve, we recommend selling at the double. We suggest you put a stop limit order in (good-till-cancel) to sell at \$2.60. That way, it should sell automatically at that price.

Sorry I'm so late getting my renewal back to you. I like the new format very much. Have a very Happy Holiday and Great New Year.

--Lou Snipes, Chesapeake, VA

Lou is in his thirtieth year as a Buckaroo.

EYES GLAZED OVER

I eagerly read the Bowser newsletter, but my eyes glazed over on page 6 of the November issue at "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." Zzzzz. Max never wrote stuff like this. I miss him more than ever.

--David Mendenhall, Pomona, NY

NOBODY misses Max as much as we do. It has been just a little over eleven months since his passing and he is missed everyday still. Obviously, we can never replace him, but we try our best to keep his mission in mind—providing individual investors with a way to make money in microcap and penny stocks. As we have said many times in these pages, we want to know how we're doing, both the good and the bad. So, many thanks to this 18-year subscriber for his honesty.

STOCK CERTIFICATES IN BELGIUM

Many thanks for the article. Those paper shares (stock certificates) were really immensely popular in Belgium. As the article said, people avoided inheritance taxes with them, which, like all taxes here, were very high. Since the inheritance tax was lowered a few years ago, the bearer shares became less popular. I still own a few of them that are practically worthless because they are a nice reminder.

--Wim Sanders, Nederhasset, Belgium

We sent Wim an article from the November 9 *Wall Street Journal* entitled, "In Belgium, Some Paper Fans Shirk the Shredder." Basically, it

discussed a process called "dematerialization," with the goal of digitalizing all paper stock certificates. Starting from 2016 on, the face value of the paper will depreciate 10% each year. The overseeing staff had to check each one of 44 million pieces, which took 20 people nine months. At the end, there was one share too many (a railroad company in Africa).

The then-CEO bought it with his own money so there would not have to be a recount! Many Belgians are opposed to it since the certificates are very pretty (like the share shown here from 1898 Congo), and they often have important signatures.



Beginner's Portfolio Up 178%

BOUGHT: CAFI @ \$2.08/share plus \$10 commissions = \$218
 LRAD @ \$0.96/share plus \$10 commissions = \$106

SOLD: GSB @ \$1.57/share minus \$10 commissions = \$147 (sell rec)
 SPIN @ \$0.56/share minus \$10 commissions = \$46 (50% rule)
 DPW @ \$0.68/share minus \$10 commissions = \$58 (50% rule)

	<u>Cost</u>	<u>12/07/12</u>		<u>Cost</u>	<u>12/07/12</u>		<u>Cost</u>	<u>12/07/12</u>	Proceeds
									From Sales
*MDF	239/Mar '08	562	GV	168/June '12	184	NEWT	187/Sep '12	185	
LOAN	120/Mar '10	109	VTNR	175/June '12	340	INOC	233/Oct '12	299	9,499
CNTY	270/Mar '11	272	AMS	308/June '12	274	WFCF	159/Nov '12	130	147
GVP	210/Sep '11	205	INS	179/June '12	144	CAFI	218/Dec '12	208	46
AAME	280/Mar '12	294	FSI	145/Aug '12	125	LRAD	106/Dec '12	96	58
DDE	289/May '12	201	ITI	162/Aug '12	171	BLANK			(218)
									(106)
								3,799	
									9,426
									9,426
									13,225

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

Gain: 13,225 minus \$4,766 = 8,459

Percentage of gain: 8,459 divided by \$4,766 x 100 = 177.5

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.**

BEGINNER'S PORTFOLIO EXPLANATION

This month we had three sales: **GlobalSCAPE** (A:GSB), **Spine Pain Management** (QB:SPIN), and **Digital Power Corp.** (A:DPW). GSB we sold based on the sell recommendation on page 4. It had been in the portfolio since November 2011.

SPIN and DPW we sold because they fell 50% without doubling. We added SPIN to the portfolio in July, and DPW in September—both had fairly short tenures. For each, recent financial results were the catalysts for their price plummets.

This month we added last month's Company of the Month, **Camco Financial Corp.** (GM:CAFI) at \$2.08/share. **LRAD Corp.** (CM:LRAD) is back in the portfolio after we had success with it in the past. We sold 50 shares of the stock in June 2012 after it dropped 25% since doubling, resulting in a decent profit.

We left one spot blank so that we can add another company as it becomes available (we do not want to front-run the current company of the month). This addition will take place in the coming issue.

The result of all this business is just a 0.4% decrease in the portfolio's value. **Vertex Energy** (QB:VTNR) was the biggest gainer this month, soaring about 62%. The company's total gain is now up 94% since we added it to the portfolio.

Soon, **Metropolitan Health Networks** (N:MDF) will be out of the portfolio because of its pending acquisition. The

acquisition, in which Humana will acquire all of MDF, is expected to close sometime before the New Year. MDF shareholders are scheduled to meet on December 21, 2012, to vote on the pending transaction.

Century Casinos to build in Calgary

Century Casinos' (CM:CNTY) subsidiary, Century Casinos Europe GmbH (CCE), signed credit and management agreements with United Horseman of Alberta (UHA) in connection with the development of a proposed race track and entertainment center in Balzac (northern Calgary, Alberta).

Under the credit agreement, CNTY's subsidiary will loan United Horseman of Alberta approximately \$13 million to be used exclusively for the development of the race track and entertainment facilities. This loan does have a LIBOR interest rate, and a term of 5 years. As part of the terms, Century Casinos Europe can convert the loan into a 60% stake in United Horseman of Alberta.

The management agreement stipulates that once the facility is completed, Century Casinos Europe will receive 60% of United Horseman of Alberta's net profit *before taxes* as a management fee. However, if CCE converts the loan into ownership of UHA, there will be no management fee.

Both agreements are still subject to Alberta Gaming and Liquor Commission approval. The Commission is currently reviewing the applications.

The project itself would be a massive undertaking that would result in Calgary's only race track, along with a Racing Entertainment Centre that would include 625 gaming machines, a bar and lounge, restaurants, a betting area, and an entertainment area.

The facilities would be in an ideal location less than 1 mile north of Calgary's city limits, and 4.5 miles from the Calgary International Airport.

...CONTINUED FROM PAGE 5

<u>INSIDER TRADING</u>	<u>NAME</u>	<u>BUY/SELL</u>	<u>DATE</u>	<u>PRICE</u>	<u>HOLDINGS</u>
Perma-Fix Env	Louis Centofanti(CEO)	B-7,000	11/12/12	\$0.76	662,024
	" "	B-5,000	11/13/12	\$0.75	667,024
	" "	B-5,000	11/15/12	\$0.78	672,024
Sono-Tek Corp	Stephen Harshbarger(P)	B-15,000	11/08/12	\$0.62	15,000
	Joseph Reimer(D)	B-5,000	11/04/12	\$0.66	100,225
	" "	B-10,000	11/12/12	\$0.54	110,225
	" "	B-6,800	11/20/12	\$0.53	117,025
Spine Pain Mgmt	John Bergeron(CFO)	B-10,000	11/25/12	\$0.60	160,000
	William Donovan(CEO)	B-35,000	11/15/12	\$0.60-\$0.64	6,731,368
	" "	B-5,000	11/18/12	\$0.49	6,736,368
	" "	B-10,000	11/20/12	\$0.58	6,746,368
Versar Inc	Joshua J. Izenberg(SVP)	B-1,000	11/13/12	\$3.51	9,234
	Anthony L. Otten(CEO)	B-2,000	11/13/12	\$3.48	127,919
	Jeffrey Wagonhurst(P)	B-1,370	11/16/12	\$3.71	68,931

AS – Automatic sale; B/O – Large shareholder; CEO – Chief executive officer; CFO – Chief financial officer; CH – Chairman; COO – Chief operating officer; D – Director; P – President; SVP – Senior vice president. x – indirect holdings.

NOTES BY THE EDITOR

As we mentioned on page 2, we realized an error in the **Bowser Microcap Index**. It turns out that two of the companies had the wrong market capitalization numbers, which threw off the entire Index.

As we have described before, the Bowser Microcap Index is a weighted index, meaning that each company is represented as a percentage of the total market capitalization of the Index. When we have the wrong market capitalization, it skews the percentages and results in a miscalculation of the Index's total value.

We have gone back and fixed these errors, replacing the incorrect market caps with the correct figures and then re-totaling the total market cap of the Index and its percentages.

The result of our corrections is a lower total index value, which is not ideal. However, we feel that being honest and upfront is the best policy, and would rather call our mistake to your attention than lead you on to think that everything was correct.

We apologize for this error, and will continue to do our best to faithfully represent our data, continuing to back check our own work to ensure it is correct.

The Bowser Report has moved its World Headquarters to Williamsburg, Virginia—about 20 miles from Newport News. As a result, we are reporting a change of address, which is now PO Box 5156, Williamsburg, Virginia 23188. Our phone and fax numbers remain the same.

The Newport News address (PO Box 6278, Newport News, VA 23606) will continue to be in use until all of our printed materials showing this address are used up. So, if you send a letter to the Newport News address, we will still receive it.

Being in a new location after over 30 years is a strange feeling, but not having to travel the interstate is a lot more convenient. If you have any questions about this change, please do not hesitate to let us know.

It's the holiday season once more! We here at *The Bowser Report* would like to wish our wonderful Buckaroos a very happy holiday season.

Regardless of which holiday you celebrate, please have a safe and happy one.

FIVE BOWSER STOCKS UP OR DOWN LAST MONTH

VERTEX ENERGY	UP	62%	DIGITAL POWER	DOWN	41%
INNOTRAC CORP	UP	50%	SPINE PAIN	DOWN	30%
REPRO-MED SYS	UP	19%	DGSE COMPNIES	DOWN	26%
GSE SYSTEMS	UP	17%	FOOD TECH SRV	DOWN	22%
CAMCO FINANCE	UP	16%	CVD EQUIPMENT	DOWN	18%

As our own way of saying thank you and to give something to you, all Bowser books and products (except for the newsletter) are 25% off for the month of December. So, while you are doing your holiday shopping, stop by thebowserreport.com/shop/ and pick up a *Bowser Database* or other Bowser product for yourself or someone special. You can also give us a call (757/877-5979) or mail us to place an order.

This month marks the twelfth issue since R. Max Bowser, founder, publisher and editor of *The Bowser Report*, passed away, as we noted on page 6. We know you're missing our end-of-year photo in this issue. But, if you look top right on page 1, you'll see Max wearing his Santa hat to thank all of our current subscribers for being so supportive during this past year's transition. We value each and every one of you and your input.

The Bowser Report online member benefits:

- 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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E-mail address: ministocks@aol.com, Website: www.thebowserreport.com

PUBLISHED THE SECOND THURSDAY OF EACH MONTH.

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WARRANT REGISTER

**LAST MONTH'S
BIGGEST GAINER
COMBIMATRIX
UP 125%***

*Accounting for 1-for-10 reverse split
(see below)

CombiMatrix forms strategic partnership

CombiMatrix and Pathology, Inc. have joined together in an agreement by which Pathology, Inc. will market and distribute CBMX's chromosomal microarray tests for the Products of Conception (POC) testing market. Pathology has exclusive marketing and distribution rights for the next two years. The marketing and distribution will be focused in California, Nevada, St. Louis and Chicago.

"Working closely with Pathology, Inc. allows us to immediately expand our marketing efforts in the prenatal market for POC testing. Furthermore, this will improve our speed of access to Pathology, Inc.'s established customer base of OB/GYNs," noted CBMX CEO R. Judd Jessup.

POC testing allows OB/GYNs and other women's health clinicians to better determine if there is a genetic cause behind a miscarriage or other events.

The company also appointed Jeremy M. Jones to its board of directors. Mr. Jones has worked in the healthcare sector for over 35 years. Currently, he is the chairman of On Assignment Inc. and on the advisory board of MedidaMetrics.

CBMX underwent a 1-for-10 reverse stock split that was effective December 5, 2012. As a result, the warrants split as well, multiplying each warrant's value by 10, while reducing the total warrants outstanding by 10.

FairPoint to sell operations, wins contract

FairPoint Communications has agreed to sell the capital stock of its Idaho operations to Blackfoot Telecommunications

Group for \$30 million in cash. Currently, FRP's operations serve more than 5,000 customers, and generate \$8 million in revenues.

The transaction is set to close in early 2013.

Unrelated to the sale agreement, FairPoint has won a four-year contract valued at more than \$16 million. Under the contract, FRP will support the needs of the New England Telehealth Consortium, providing Carrier Ethernet Service to over 400 healthcare sites.

Iridium signs agreement

Iridium Communications and NAV CANADA finalized an agreement regarding Aireon LLC. The two are joining together to allow air traffic management agencies around the world to continuously track air traffic anywhere on the globe.

In order to do so, Aireon will use Iridium NEXT, which is a unique "constellation" of 66 cross-linked Low Earth Orbit satellites. This project's completion will mark the first time ever that air navigation service providers will be able to track aircraft from pole-to-pole in all regions. Probable benefits of this venture include fuel savings, reduction in greenhouse gas emissions and enhanced safety and efficiency.

Resolute Energy entered into a \$120 million agreement with a private party to acquire oil assets, including existing production and undeveloped acreage in the Permian Basin of Texas and New Mexico. The transaction is expected to close around December 21, 2012 and will be financed with debt.

Company	Market/Symbol	Principle Business	Stock Price 12/07/12	Warrant Price 12/07/12	Conv. Ratio	Exer. Price	Expire Date	No. Wts	Bowser Rating
Associated Banc-Corp 1200 Hansen Rd., Green Bay, WI 54304, Tel: 920/491-7000, www.associatedbank.com	GS:ASBCW	Bank holding company	12.71	1.27	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	10.64	0.72	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	1.92	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	37.64	0.37	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	8.60	0.90	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	7.50	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	3.91	0.79	1.00	4.00	03/26/18	8.0M	7
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	11.48	2.53	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	WARRANTS CALLED OCTOBER 2012							
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	6.07	1.50	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	2.06	0.05	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	33.59	0.65	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	8.52	0.58	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	12.80	0.87	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.swweedco.com	CM:SANWW	Agricultural products	7.20	1.20	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	11.55	2.10	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	0.18	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

	<u>Quarter Ended</u>	<u>Current Sales</u>	<u>Same Period Last Year</u>	<u>Current Earnings</u>	<u>Same Period Last Year</u>	<u>Comments</u>
American Shared Hospital (AMS)	9/30/12	\$4,236,000	\$9,148,000	\$192,000	\$534,000	
Atlantic American Corp (AAME)	9/30/12	\$35,302,000	\$30,800,000	\$1,084,000	\$1,704,000	
Avalon Holdings Corp (AWX)	9/30/12	\$13,230,000	\$15,835,000	\$87,000	\$304,000	
Century Casinos, Inc (CNTY)	9/30/12	\$21,008,000	\$20,344,000	\$1,186,000	\$1,423,000	
Cimatron Limited (CIMT)	9/30/12	\$9,463,000	\$9,619,000	\$538,000	\$21,000	
Cover-All Technologies Inc (COVR)	9/30/12	\$3,269,723	\$3,383,949	(\$1,515,392)	(\$710,462)	(A)
CVD Equipment Corp (CVV)	9/30/12	\$4,696,000	\$8,844,000	\$180,000	\$1,238,000	
DGSE Companies, Inc (DGSE)	9/30/12	\$28,975,063	\$44,014,649	(\$535,890)	(\$884,047)	
Digital Power Corp (DPW)	9/30/12	\$1,679,000	\$3,024,000	(\$467,000)	\$488,000	
Evolving Systems, Inc (EVOL)	9/30/12	\$6,834,000	\$4,270,000	\$1,238,000	\$18,204,000	(B)
Female Health Company (FHCO)	9/30/12	\$9,911,701	\$7,109,050	\$8,185,205	\$4,514,718	
FieldPoint Petroleum (FPP)	9/30/12	\$2,303,986	\$1,736,227	\$302,405	\$385,405	
Flexible Solutions Int'l (FSI)	9/30/12	\$3,598,032	\$3,861,195	(\$458,085)	(\$92,293)	(C)
FONAR Corp (FONR)	9/30/12	\$9,511,000	\$9,608,000	\$1,778,000	\$1,772,000	
Food Technology Service (VIFL)	9/30/12	\$925,654	\$1,011,650	\$206,487	\$259,625	
Fortune Industries, Inc (FFI)	9/30/12	\$13,760,000	\$15,795,000	\$808,000	\$730,000	
Full House Resorts (FLL)	9/30/12	\$30,133,606	\$33,467,911	\$2,084,731	\$1,483,758	
GlobalSCAPE, Inc (GSB)	9/30/12	\$6,078,000	\$5,417,000	(\$2,714,000)	\$611,000	(D)
Goldfield Corporation (GV)	9/30/12	\$19,678,416	\$5,015,363	\$2,614,566	(\$794,583)	
GSE Systems, Inc (GVP)	9/30/12	\$13,009,000	\$12,549,000	\$816,000	\$858,000	
IEC Electronics Corp (IEC)	9/30/12	\$37,062,000	\$34,941,000	\$2,001,000	\$2,631,000	
Innotrac Corporation (INOC)	9/30/12	\$25,694,000	\$19,517,000	\$1,105,000	(\$490,000)	
Intelligent Systems Corp (INS)	9/30/12	\$4,075,000	\$4,930,000	\$57,000	\$700,000	(E)
LRAD Corporation (LRAD)	9/30/12	\$5,619,351	\$6,416,475	\$1,239,586	\$357,841	
New Concept Energy, Inc (GBR)	9/30/12	\$976,000	\$1,003,000	\$1,520,000	(\$57,000)	
Parametric Sound Corp (PAMT)	9/30/12	\$74,782	\$79,617	(\$1,262,380)	(\$298,437)	(F)
Perma-Fix Environmental (PESI)	9/30/12	\$29,128,000	\$32,787,000	(\$404,000)	\$6,011,000	(G)
Pizza Inn Holdings, Inc (PZZI)	9/30/12	\$10,438,000	\$11,147,000	(\$58,000)	\$313,000	
Simulations Plus, Inc (SLP)	8/31/12	\$1,639,926	\$1,427,111	\$348,953	\$185,525	
Spine Pain Management (SPIN)	9/30/12	\$946,614	\$1,770,508	\$104,376	\$723,115	(H)
Tengasco, Inc (TGC)	9/30/12	\$5,813,000	\$4,357,000	\$1,219,000	\$1,186,000	
Versar, Inc (VSR)	9/28/12	\$23,551,000	\$33,284,000	\$845,000	\$824,000	
Vertex Energy, Inc (VTNR)	9/30/12	\$36,195,570	\$30,301,326	\$2,105,668	\$1,028,225	

(A) - "Our backlog for professional services has grown to more than \$3 million, work we will be beginning in the fourth quarter of 2012 and continuing into 2013," said COVR CEO John Roblin.

(B) - Last year's earnings included \$18,320,000 for discontinued operations. Income from continuing operations this period was \$1,238,000 vs. (\$116,000).

(C) - CEO, Daniel O'Brien stated, "Considering the performance of the global economy, we are pleased with our financial progress. Much of Europe is in, or close to, recession and the United States is experiencing sluggish growth. So far this year, FSI's revenue remains positive." Loss in the current quarter was partly due to a 32% hike in operating expenses.

(D) - GSB realized a \$3,264,000 affiliated entity asset impairment additional expense. Explaining this, CEO Jim Morris noted, "While we regret the circumstances surrounding the impairment of our investment in CorTrace Corporation, we are pleased to have

generated significant cash flow from operations and positive operating results exclusive of that event."

(E) - "License revenue from new software contracts was lower in both the quarter and year-to-date periods of 2012 than last year," noted INS CEO J. Leland Strange.

(F) - For the full year ended 9/30/12, PAMT's expenses rose 276%, resulting in a considerable net loss. On a positive note, revenues for the fiscal 2012 were up 196%.

(G) - Dr. Louis F. Centofanti, PESI CEO: "We continue to feel the effects of delayed government spending in both our treatment and services segments. The larger contracts we are bidding on continue to be delayed. We remain focused on generating positive cash flow, reducing debt, controlling our costs and growing our revenue."

(H) - While SPIN saw decreases in both revenues and net income compared to last year's same quarter, the company did return to profitability. Another positive note is the company's balance sheet—a 67% increase in current assets, a 49% decrease in current liabilities, and a 64% increase in book value.