



# Transparency and liquidity

## *The OTC Markets Group's effort to improve the over-the-counter marketplace*

Over the last twelve months, we have recommended a number of OTC companies. The OTC Markets Group has put together a reliable, growing marketplace for non-major exchange-listed companies. They have formed a tier system and created a quotation system in an effort to boost transparency and liquidity. The OTC Markets' efforts have led to a fast growing marketplace, containing many winners yet to be discovered by the vast investing public.

### HISTORY

The OTC Markets Group was founded in 1904. In 1997, the company purchased the Pink Sheets from the National Quotation Bureau. With the advent of the Internet, the goal quickly became bringing investors reliable, real-time information on off-exchange companies.

This gave way to [www.otcmarkets.com](http://www.otcmarkets.com) (the company's website) and, in 2003, the electronic platform OTC Link® ATS. Now, the OTC Markets Group's platform contains over 10,000 securities, and trades billions of shares each day.

### MARKETPLACES

To create the greatest transparency possible, OTC Markets organized its securities into three marketplaces. They are OTC QX, OTC QB and OTC Pink. The companies fall into these categories based on the "quality and quantity of information" available.

#### OTC QX

Starting at the top, the OTC QX contains companies that meet the highest financial standards, are current in their financial reporting and have a professional third-party advisor sponsorship. Investors looking in the QX marketplace have access to the information they need to make informed investments.

#### OTC QB

Next in the lineup is the QB marketplace, which features "smaller or developing companies." In order to be included on the QB, these small and developing companies must be current in their reporting to a U.S. regulator (SEC, bank or insurance). There are no minimum financial standards.

All of the Bowser OTC Companies are in the OTC QB category.

#### OTC Pink

As the third and final tier, the OTC Pink offers a place for companies that are current in their information, have limited information or have no information at all. It provides a place for public companies that are somehow restricted in

reporting.

### TRADING OTC MARKETS COMPANIES

Trading for investors is no different than trading major exchange-listed companies. Investors buy and sell these companies through a broker, just like they would other companies. Some brokers may restrict or limit the trading of OTC Markets securities, but most should allow it.

There is one major difference, however: the OTC Markets Group does not center around an exchange. That simply means brokers must communicate with one another in order to execute trades. To make this process easier, the OTC Markets Group created an Inter-dealer Quotation System called the OTC Link® ATS. This system allows brokers to post their quotes for other brokers to see, simplifying communication between the two parties.

### WHY OTC MARKETS?

The OTC Markets Group has been committed to boosting investor confidence by promoting transparency and liquidity. Their mantra is "Open, Transparent, Connected." Before the OTC Markets, investors had difficulty finding financial information, so they stayed away. Brokers had difficulty making trades, so they stayed away. Difficulties kept liquidity out of non-major exchange-listed issues, but OTC Markets' commitment has sparked a turnaround.

It's now easier for investors. The three tiers (QX, QB and Pink) give them a comfortable place to start prior to looking into specific companies. These companies are in the QX marketplace? They're current and have met certain financial standards. In the QB marketplace? Current, but could be a shell companies without financials. Investors are generally aware of where companies stand.

Knowing that a company is not current in its financial statements is big. Knowing that a company meets certain financial standards is big. When analyzing companies, there is much to know. By grouping them together based on certain criteria the OTC Markets simplifies the research process.

It's also now easier for brokers. Before the OTC Markets, the biggest fear of non-exchange listed companies was liquidity. However, with the OTC Link® ATS, it's easier for brokers to facilitate trades in these companies. Easier trades mean more liquidity. So, investors now have an easier time buying and selling their shares of OTC Markets companies.

The OTC Market Group has created a place for companies to grow, and investors to find the next big winner.

## Cimatron and MachineWorks sign agreement

**Cimatron Ltd (CM:CIMT)** signed an agreement with MachineWorks Ltd to integrate Polygenica into the next version of CimatronE.

“Enabling the integration of the Polygenica technology into CimatronE is yet another step in strengthening CIMT’s partnership with MachineWorks,” remarked Danny Haran, Cimatron’s CEO. “Polygenica’s state-of-the-art mesh-based modeling can bring added value to CAD and NC users.”

## LightPath to increase molding capacity

**LightPath Technologies (CM:LPTH)** reported an increase in demand for its molded aspheric lenses. The company noted that the increase has taken place in both North American and Asian markets. The molded aspheric lenses result in end products that include laser tools, telecommunications, digital projectors, industrial equipment, medical instruments and green laser diodes.

As a result of the increased demand, which should phase in over the next three quarters, LightPath announced that it is building 12 new molding stations for its China operations. These 12 new stations will increase capacity and production capabilities by over 45%. The company, in turn, expects a 15% or more increase in annualized revenues from the heightened demand.

Commenting on this development, Chief Executive Officer Jim Gaynor stated, “This growth is driven by four market themes which all require more bandwidth and thus expansion of optical networks. These market drivers, combined with the excellent value proposition that LPTH brings to its customers, are the reason why management believes LPTH is experiencing this increase in demand.”

## Spine Pain announces new revenue source

**Spine Pain Management (QB:SPIN)** officially launched a second revenue stream: selling the Quad Video Halo™ System through “outside” commercial sales. SPIN’s other revenue source is permitting affiliate centers to internally use the QVH as a value-added feature

Recently, third party medical device representatives expressed interest in promoting the QVH to non-affiliate medical facilities nationwide. As a result, SPIN engaged Joe Foley, a managing partner of Leading Edge Medical Partners, to initiate an outside sales campaign.

We reached out to Spine Pain’s management team to discuss how this announcement would affect the company moving forward, but they did not respond to our inquiry.

# Market Overview

This month, there were no changes made to the **Bowser Microcap Stock Index**. Over the past month, the Index continued its historic run upward, rising from September 6’s close of 628.74 to October 4’s close of **\$674.89**. That’s a gain of 46.15 points, or 7.3%.

Continuing to fuel the Index upward is Alliance Fiber Optics (AFOP). AFOP executed a 2-for-1 stock split on September 16. Adjusting for the split, the company’s shares rose 7.5% from September 6 to October 4.

Compared to major indexes, the Bowser Microcap Stock Index did very well, posting the largest gain again. Smaller indexes performed better, with the Russell 2000 finishing in second, showing a still strong small stock marketplace.

•Russell 2000:	<b>UP 4.7%</b>
•NASDAQ Composite:	<b>UP 4.0%</b>
•S&P 500:	<b>UP 2.1%</b>
•Dow Jones Industrial Average:	<b>UP 1.0%</b>

For more frequent index updates, visit [thebowserreport.com/blog](http://thebowserreport.com/blog)

## Creative Learning sells master franchise

**Creative Learning Corporation (QB:CLCN)** sold a Bricks for Kids® Master Franchise for all of Hong Kong to Blockheads Limited.

“Blockheads purchased a franchise in Hong Kong in December of 2012, and has now purchased the Master Franchise for all of Hong Kong. Creative Learning is now operating in fourteen countries plus Puerto Rico,” stated Brian Pappas, CEO of CLCN. “The company is in negotiations with prospective franchisees and Master Franchisees in Egypt, Brazil, Indonesia, Thailand and Saudi Arabia.”

Through a master franchise, a master franchisee, such as Blockheads, provides services to the franchises within a certain area (i.e. Hong Kong). The way these typically work is that the master franchisee takes control of recruiting, training and support of new franchises within the area. The ideal result is a more focused approach to growing franchises in certain localities.

Beyond the master franchise, CLCN announced the opening of its 380th franchise, located in Minneapolis, MN.

On that subject, Pappas said, “Creative Learning is delighted with all of its new owners and to close the fiscal year on such a high note. October is already shaping up to be a very strong month too.”

# The Bowser Game Plan

1. **DO NOT PAY** more than \$3/share for a stock.
2. **CREATE A PORTFOLIO** of 12 to 18 stocks. *Diversification is important.*
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% without doubling, sell all shares.
6. **RECORD** proceeds from sales.
7. **PORTFOLIO EVALUATION** = current value of portfolio + proceeds from sales

# COMPANY OF THE MONTH

## BUSINESS

Innovative Food Holdings is a specialty food provider, operating within a growing industry: specialty foods. One year ago, we recommended **Where Food Comes From (WFCF)**, which verifies food sources. Innovative Food operates differently by providing specialty food products to various customers in a timely manner. IVFH does business through its subsidiaries:

1. *Food Innovations*, which provides restaurants with fresh origin-specific perishables, specialty food products and healthcare products shipped directly from vendors within 24 – 72 hours;
2. *For The Gourmet*, which provides consumers with gourmet food products shipped directly from vendors within 24 – 72 hours; and
3. *Gourmet Foodservice Group*, which holds all of the companies' intellectual property.

Innovative Food receives orders from its customers, and then works with suppliers to have the orders shipped quickly. IVFH chooses its suppliers based on quality, uniqueness, reliability and access to overnight courier services.

Innovative distributes over 7,000 perishable and specialty food products. Some of the company's bestsellers include: Alaskan wild king salmon, American kurobuta pork prime rib, free range and organic chicken, wild boar sausage, various produce, certain mushroom varieties and cheeses.

IVFH also has a unique customer service department that includes six full-time chefs and culinary experts. These experts provide information regarding (1) flavor profile and eating qualities, (2) recipe and usage ideas, (3) origin, seasonality, and availability, and (4) cross utilization ideas and complementary uses of products.

The company's biggest client is U.S. Foods, which the company has a contract with through December 31, 2013. However, the company notes that the business through U.S. Foods is contingent on the actual performance and quality of products, rather than the contract itself. For the fiscal year ended December 31, 2012, sales to U.S. Foods accounted for 76% of the company's total sales, compared to 93% of total sales in fiscal 2011. The number has gone down as sales volume to other customers has increased.

## FINANCIALS

Innovative Food Holdings has shown an impressive growth trend from a revenue and earnings standpoint. For fiscal 2012, the company reported \$18.6 million in revenues, which represents an 88% increase from the company's fiscal 2010 sales. Additionally, IVFH's earnings grew from a \$2.1 million loss in fiscal 2010 to a \$2 million gain in fiscal 2012. And, so far

in fiscal 2013, this upward trend has continued. Most recently, the company reported \$5.5 million in quarterly sales, compared to \$4.4 million a year ago--a 25% increase. The company also reported a slight loss (\$92,482), compared to a \$989,622 loss one year ago. Despite reporting this loss, the company has a trailing twelve month net income of \$3.6 million.

IVFH has solid margins. The company converted about 28% of its trailing twelve month sales into gross profit. The company's profit margin is around 16%.

It currently has a slight working capital deficit, resulting in a current ratio of just under 1. IVFH has very little long-term debt--\$514,000.

## MANAGEMENT

Sam Klepfish is Innovative Food's chief executive officer, a position he has held since 2007. Prior to becoming the CEO at IVFH, Klepfish held many upper management positions, including managing partner at ISG Capital and managing director of Technoprises, Ltd. As of the company's 10-K, filed in March 2013, he owned 961,843 shares of common stock, or 14% of the shares outstanding.

Justin Wiernasz has been the company's president since July 31, 2008. Before joining Innovative Food, Wiernasz was employed by U.S. Foods for 13 years. As of March 2013, Wiernasz owned 360,000 or 6%, of the shares outstanding.

As a group, the company's officers and directors owned 4,236,819 shares as of March 2013. Dilution is inevitable with this company, as it possesses about 14 million warrants and exercisable options.

## THE BOTTOM LINE

Despite trading closer to its 52-week high than its 52-week low, Innovative Food Holdings is still very undervalued. As a means of comparison, consider a similar company, The Chefs' Warehouse, Inc. (CHEF). CHEF is larger than IVFH with well over \$400 million in sales and over \$14 million in earnings for the fiscal year ended December 31, 2012. Even so, the company's ratios are not in line with Innovative Food's. CHEF trades at 31.8 times its trailing twelve month earnings per share. The food wholesale industry trades at 20 times earnings. On the other hand, IVFH trades at just 3 times its ttm earnings. Apply those figures to IVFH and the company is trading over \$7/ share.

Will Innovative hit this price-to-earnings level? Probably not within the near future. However, the company is consistently growing, which is attracting investors and more customers. As these increase, the price will appreciate.

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**OTC QB:IVFH**  
**BOWSER RATING: 10**  
**Last 12 Months:**  
**\$0.20-\$1.24**

	2011	2012	2013 (A)
REVENUES	\$11,552,813	\$18,610,487	\$11,126,270
INCOME(LOSS)	\$1,490,117	\$2,030,494	(\$62,634)
WORKING CAPITAL	(\$3,390,013)	\$908,587	(\$171,430)
BOOK VALUE	(\$0.77)	\$0.21	\$0.20
TOTAL SHARES	4,382,459	5,698,434	6,284,658
FLOAT	N/A	N/A	2,850,000
(A) SIX MONTHS ENDING 06/30/13			

# 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 Small cap 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

Date of Recommend & Market	Issue/Trading Symbol	Principle Business	Price 10/04/13	Long- term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
<b>CATEGORY ONE: OUR BEST PICKS</b>								
09/13(QB)	CREATIVE LEARNING (CLCN)	EDUCATIONAL PROGRAMS FOR KIDS	1.76	\$0.000	\$4.7	\$0.888	11.6	9
08/13(QB)	DIRECT INSITE CORP (DIRI)	E-INVOICING SOLUTIONS	1.45	\$0.116	\$9.4	\$0.610	12.5	9
05/13(QB)	ENSERVO CORP (ENSV)	OIL/GAS WELL SITE SERVICES	1.44	\$9.542	\$43.1	\$4.252	32.1	9
<b>10/13(QB)</b>	<b>INNOVATIVE FOOD (IVFH)</b>	<b>SPECIALTY FOOD PROVIDER</b>	<b>1.10</b>	<b>\$0.514</b>	<b>\$22.0</b>	<b>\$3.563</b>	<b>6.3</b>	<b>10</b>
04/11(QB)	LIBERATOR MEDICAL (LBMH)	MEDICAL SUPPLIES FOR SENIORS	2.09	\$0.000	\$68.2	\$5.037	51.8	10
# 02/10(CM)	MANHATTAN BRIDGE (LOAN)	SHORT-TERM COMMERCIAL LOANS	1.99	\$0.000	\$2.1	\$0.525	4.3	9
08/12(CM)	NEWTEK BUSINESS (NEWT)	<b>NOW ABOVE \$3/SHARE; See Page 5 (Follow-Through)</b>						
06/13(GS)	RIVERVIEW BANCORP (RVSB)	SAVINGS/LOAN HOLDING COMPANY	2.59	\$0.000	\$30.5	\$6.053	22.4	9
02/13(A)	WIRELESS TELECOM GRP (WTT)	WIRELESS TELECOM SOLUTIONS	1.92	\$0.000	\$31.1	\$3.264	23.9	10
<b>CATEGORY TWO: WORTHY OF CONSIDERATION</b>								
03/13(GM)	ADDVANTAGE TECH (AEY)	CABLE TV EQUIPMENT	2.48	\$1.365	\$33.5	\$1.749	10.0	7
# 12/11(A)	AMER SHARED HOSP (AMS)	TURNKEY TECHNOLOGY SOLUTIONS	2.60	\$0.000	\$17.7	\$0.488	4.6	8
# 03/11(A)	INTELLIGENT SYSTEMS (INS)	VENTURE CAPITAL FIRM	1.52	\$0.000	\$16.7	\$0.535	9.0	9
# 12/06(A)	ITERIS (ITI)	OUTDOOR MACH VISION SYS/SENSORS	1.81	\$0.000	\$29.7	\$2.345	32.5	8
12/12(CM)	JOE'S JEANS INC (JOEZ)	WOMEN'S/MEN'S APPAREL	1.18	\$0.000	\$124.3	(\$1.862)	67.1	NR
07/13(CM)	LIGHTPATH TECH (LPTH)	OPTICAL COMPONENTS	1.35	\$0.004	\$11.8	\$0.215	13.0	8
04/13(CM)	SPAR GROUP (SGRP)	MERCHANDISING AND MARKETING	1.89	\$0.150	\$117.3	\$2.340	20.5	7
01/13(A)	TUCOWS INC (TCX)	VARIOUS INTERNET SERVICES	2.44	\$0.000	\$120.2	\$2.468	40.3	NR
<b>CATEGORY THREE: VERY SPECULATIVE</b>								
# 06/08(A)	FLEXIBLE SOLUTIONS (FSI)	SPECIALTY CHEMICALS	1.12	\$1.247	\$16.8	(\$0.707)	13.2	10
# 06/12(A)	GOLDFIELD CORP (GV)	ELECTRICAL CONSTRUCTION	1.73	\$16.575	\$88.5	\$7.961	25.5	8
08/11(A)	GSE SYSTEMS (GVP)	SERVICES NUCLEAR & PETRO IND	1.58	\$0.000	\$49.1	(\$8.868)	18.3	NR
# 10/09(CM)	LRAD CORP (LRAD)	SOUND ACOUSTIC TECHNOLOGY	1.36	\$0.000	\$14.0	(\$0.420)	32.4	7
07/10(QB)	REPRO-MED SYSTEMS (REPR)	DESIGN/PRODUCTION OF MED PROD	0.24	\$0.000	\$8.0	\$0.709	36.7	NR
07/12(QB)	SPINE PAIN MGMT (SPIN)	SPINE INJURY FINANCING SOLUTIONS	0.45	\$0.962	\$3.2	(\$0.581)	18.4	9
10/12(QB)	WHERE FOOD CMS FRM (WFCF)	FOOD VERIFICATION SERVICES	2.09	\$0.178	\$5.5	\$0.207	21.6	7

**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 CHANGE

**LightPath Technologies (CM:LPTH)** is making its way from Category One to Category Two, following a fourth quarter loss. The company reported a net loss of \$243,765, compared to a \$195,864 net income last year.

Despite ending the year with a quarterly loss, fiscal 2013 was a strong year for LPTH. The year included its first fiscal year positive earnings ever, a 4% increase in net sales and a 36% increase in shareholders' equity. So, while LightPath is moving down a category, there is still much to like about this company.

## Joe's Jeans completes acquisition

**Joe's Jeans Inc (CM:JOEZ)** completed the previously-announced acquisition of Hudson Clothing Holdings, a leading designer and marketer of premium branded denim apparel. The total purchase price was \$97.6 million, which was funded through a \$50 million revolving credit facility and \$60 million senior term loan.

Through this acquisition, JOEZ hopes to realize significant savings across all aspects of making jeans by leveraging its greater purchasing authority with current and

future vendors.

"We look forward to capitalizing on the numerous opportunities created by the partnership," commented Joe's Jeans President and CEO Marc Crossman. "The combination of these two organizations, which doubles the size of JOEZ's business, significantly enhances the prospects for growth."

## WFCF announces marketing agreement

**Where Food Comes From (QB:WFCF)** announced a marketing agreement through which the company will assume the management of Micro Technologies' process verification program. The two companies will also collaborate on creating new solutions for the beef industry. Micro Technologies provides technology solutions to the beef industry.

The agreement provides WFCF with verification audits for around 1,000 new customers that were previously audited by Micro Technologies. These new audit customers will result in additional annual revenues of approximately \$700,000.

John Saunders, chairman and CEO of WFCF: "Where Food Comes From is looking forward to working with Micro on initiatives to innovate and integrate new verification programs and advanced management systems that add value to the entire beef supply chain."

# FOLLOW-THROUGH AND STOCKS TO SELL

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 10/04/13 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)

ISSUE/EXCHANGE SYMBOL	1	2	ISSUE/EXCHANGE SYMBOL	1	2
ATLANTIC AMERICAN (GM:AAME)	\$4.03(10)	02/12 \$2.05(8)	GOLDEN ENTERPRISES (GM:GLDC)	\$4.05(10)	02/09 \$2.35(9)
AVALON HOLDINGS (A:AWX)	\$5.10(9)	05/11 \$2.90(9)	IEC ELECTRONICS (A:IEC)	\$3.81(8)	07/08 \$1.99(8)
CAMCO FINANCIAL (GM:CAFI)	\$4.04(9)	11/12 \$1.80(8)	INNORTRAC CORP (CM:INOC)	\$5.08(9)	09/12 \$1.71(8)
CENTURY CASINOS (CM:CNTY)	\$5.98(7)	02/08 \$2.57(8)	INVENTURE FOODS (CM:SNAK)	\$10.65(7)	09/00 \$2.56(8)
CIMATRON LIMITED (CM:CIMT)	\$6.09(9)	02/08 \$2.75(8)	KEY TRONIC CORPORATION (GM:KTCC)	\$9.99(8)	11/08 \$1.57(10)
EVOLVING SYSTEMS (CM:EVOL)	\$10.48(NR)	05/09 \$3.68(8)	NEWTEK BUSINESS SERVICES (CM:NEWT)	\$3.01(8)	08/12 \$1.70(8)
*Price adjusted: 1-for-3 reverse split 07/09			PARAMETRIC SOUND (CM:PAMT)	\$11.90(NR)	06/07 \$4.30(NR)
FEMALE HEALTH COMPANY (CM:FHCO)	\$9.85(7)	10/07 \$2.32(9)	*Price adjusted: 1-for-5 reverse split 03/12; spin-off from LRAD Corp		
FIELDPOINT PETROLEUM (A:FPP)	\$4.55(7)	10/08 \$2.24(8)	SIMULATIONS PLUS (CM:SLP)	\$4.80(10)	05/10 \$2.46(9)
FONAR CORPORATION (CM:FONR)	\$8.59(7)	03/12 \$1.97(8)	VERSAR INC (A:VSR)	\$4.44(8)	10/11 \$2.76(10)
FOOD TECHNOLOGY SERVICE (CM:VIFL)	\$5.28(9)	01/07 \$2.50(8)	VERTEX ENERGY (CM:VTNR)	\$3.07(9)	06/11 \$1.95(9)

## THE FOLLOWING WE SAID SHOULD BE SOLD

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

COVER-ALL TECHNOLOGY (A: COVR)	\$1.28(NR)	12/12 \$1.10(NR)	MAJESCO ENTERTAINMENT (CM:COOL)	\$0.59(NR)	04/13 \$0.72(NR)
DIGITAL POWER CORP (A:DPW)	\$0.69(8)	04/13 \$0.60(NR)	PERMA-FIX ENVIRONMENTAL (CM:PESI)	\$0.67(7)	12/12 \$0.76(7)
DOVER DOWNS (N:DDE)	\$1.38(NR)	05/13 \$1.72(NR)	SONO-TEK CORP (QB:SOTK)	\$0.90(NR)	02/13 \$0.68(7)
GLOBALSCAPE (A:GSB)	\$1.52(7)	12/12 \$1.57(NR)	TENGASCO INC (A:TGC)	\$0.42(NR)	09/13 \$0.42(NR)

## BRIEFS

OPEN MARKET INSIDER TRANSACTIONS					
COMPANY	INSIDER	BUY/SELL	DATE	PRICE	
American Shared Hspit Century Casinos	American Shared Hospital (D)	B-8,000	09/10/13	\$2.68	
	Robert S Eichberg (D)	S-10,000	09/26/13	\$6.00	
	Gottfried Schellmann (D)	S-200	09/05/13	\$5.80	
	" "	S-200	09/10/13	\$5.90	
	" "	S-200	09/13/13	\$6.00	
Creative Learning	" "	S-200	09/19/13	\$6.10	
	" "	S-10,500	09/26/13	\$5.90-6.10	
	Mary Michelle Cote (D)	S-150,000x	09/13/13	\$0.58	
	Brian Pappas (O)	S-150,000x	09/13/13	\$0.58	
	Direct Insite	Arnold P Leap (O)	S-2,958	09/12/13	\$1.45
" "		S-1,206	09/13/13	\$1.45	
Matthew Ettinger Oakes (O)		OE-172,500	09/05/13	\$1.15	
ENSERVCO	Michael D Herman (O)	S-2,376,000	09/23/13	\$1.25	
	" "	S-1,508,953	09/27/13	\$1.30	
	Liberator Medical	Robert Joseph Davis (O)	OE-37,000	09/24/13	\$1.00
Millenium Partners, LP (B/O)		S-215,000	09/17/13	\$2.25	
Joseph J Gaynor, Jr (O)		OE-3,158	09/23/13	\$0.87	
LightPath Technologies LRAD Corp		Thomas R Brown (O)	OE-54,008	09/04/13	\$0.48
		" "	S-54,008	09/04/13	\$1.50-1.54
	" "	OE-54,294	09/05/13	\$0.48	
	" "	S-54,294	09/05/13	\$1.48-1.51	
Riverview Bancorp	" "	OE-75,000	09/11/13	\$0.48	
	Laura Clague (D)	OE-30,000	09/04/13	\$0.48	
	" "	S-9,400	09/04/13	\$1.54	
	David A Dahlstrom (O)	S-1,000	09/03/13	\$2.70	
	" "	S-3	09/04/13	\$2.70	
Simulations Plus SPAR Group	" "	S-1,700	09/06/13	\$2.70	
	" "	S-62	09/09/13	\$2.70	
	Harold Wayne Rosenberger (D)	OE-3,000	09/03/13	\$1.80	
	Williams H Bartels (O)	S-9,500	09/05/13	\$1.90	
	" "	S-9,425	09/09/13	\$1.95	
Tucows	Robert G Brown (O)	S-2,013	09/04/13	\$2.00	
	Eugene Lucas Fiume (D)	OE-20,000x	09/09/13	\$0.48	
	Joichi Ito (D)	OE-25,000	09/11/13	\$0.31	
	Allen Karp (D)	OE-37,500	09/04/13	\$0.48	
	Jeffrey Nathan Schwartz (D)	OE-18,000	09/09/13	\$0.48	
Versar	Stanley Stern (D)	OE-27,500	09/04/13	\$0.48	
	James L Gallagher (D)	OE-2,903	09/24/13	\$3.10	
	Amorette M Hoeber (D)	OE-2,903	09/25/13	\$3.10	
	Anthony L Otten (O)	B-1,500	09/06/13	\$4.73	
	Vertex Energy	David L Phillips (D)	OE-81,297	09/06/13	N/A

B-Bought, B/O-Beneficial Owner, D-Director, O-Officer, OE-Option exercise, S-Sold, x-indirect holdings. Info from Yahoo!Finance

**Direct Insite Corp's (QB:DIRI)** chief financial officer, secretary and treasurer, Jeff Yesner, resigned from the company to take a position with another company. He will remain with DIRI through October 2013. . . . **Evolution Systems, Inc (CM:EVOL)** negotiated an enterprise pricing structure for its Dynamic SIM Allocation™ that will allow companies to license the solution at pre-negotiated rates. EVOL also announced that a major mobile network operator selected its Tertio® Service Activation solution, and one of the leading mobile operators in India selected its Dynamic SIM Allocation™ solution. . . . **Female Health Co (CM:FHCO)** announced a \$0.07/share cash dividend that's payable on November 6, 2013 to shareholders of record on October 30, 2013. . . . **FieldPoint Petroleum (A:FPP)** provided the details of a hedging agreement that will be in place for the next six months to protect against dramatic crude oil price reductions. Under the agreement, the company put in place a costless collar with an \$87 floor and a \$108 ceiling. The company will hedge 200 barrels per day. . . . **FONAR Corp (CM:FONR)** reported its preliminary fiscal 2013 earnings. FONR reported revenues of \$49.1 million (up 25% compared to 2012) and net income of \$10.3 million (up 49% compared to 2012). The Russell Microcap Index also added FONR. . . . **Innotrac Corp (CM:INOC)** announced that Shopko selected Innotrac and MICROS as its new eCommerce solution. . . . **LRAD Corp (CM:LRAD)** announced that an LRAD system is on board an Australian guided missile frigate deploying to the Middle East. The system broadcasts hails, commands and warnings to potential vessel threats of 3 kilometers and beyond. . . . **Parametric Sound Corp (CM:PAMT)** received clearance on September 5 from the United States Federal Trade Commission to proceed with the previously-announced Turtle Beach merger.

More insider trading on page 7...

# BOWSER BUCKAROOS SPEAK

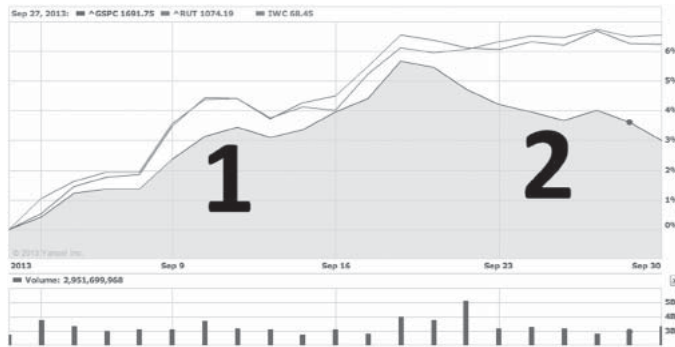
## TAKING OUR ANALYSIS A STEP FURTHER

*Excellent analysis of the relation of micro-caps to overall market over time and the potential “blip” or change in character that is occurring presently. It would be interesting to carry this analysis further to see if it could be somewhat of a predictive tool for how the major averages will perform based on changes evident in microcaps. Wish I could clone myself so I could have the time to take on the study myself. Keep up the great job!*

*--Paul Kamke, West Nyack, NY*

We appreciate the compliments from Paul. We too think that it would be interesting to carry this study forward. Although, it's hard to say if this observation could predict how the major averages will perform. One thing is clear, there was a significant flow of capital into smaller stocks, and despite a few downtrends, we have yet to see this capital exit.

Since we published the story in last month's newsletter, the trend has continued. As seen in the chart below, the two smaller indexes--Russell 2000 (RUT) and Russell Microcap (IWC)--outperformed the S&P 500 during the upswing (1), and continued to outperform through the recent downtrend (2).



## QUESTIONS ABOUT RENEWING

*I do not see where I can renew my subscription on-line. Do I have to do it by snail mail?*

*--Kenneth Adler, Rollinsville, CO*

Our online system has changed a bit. Now, instead of going to the “Shop” to purchase a subscription, you go the the “Subscribe” page (<http://thebowserreport.com/subscribe/>). Scroll down to review subscription options. To renew:

**Online subscribers**, go to your “Profile” page. To do so, log in and then click “Your Profile” in the top right-hand corner of the website. Then, on the right hand side, you’ll see a “Renew Your Membership” button. Click that, and then click the PayPal button on the next page to check out.

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an automatically recurring subscription with PayPal unless your current subscription has expired. That way, confusion is avoided and you don't lose any issues of the newsletter.

Of course, if you do not wish to renew online, you still have the option of sending back the subscription card and payment information included in our mailed renewal notices. Or, to avoid “snail mail” and the Internet, give us a call (757/877-5979) with credit card information handy, or even fax your subscription and payment information to 757/595-0622.

Call us with any questions!

## BOWSER COMPANIES PERFORMING WELL

*I have been subscribed about six months. I own ten Bowser companies and eight are currently up. I'm working on my second double, and made my subscription price back in the first month.*

*I haven't been able to purchase the September 2013 Company of the Month until yesterday's dip. It's up 15% today. Great pick! Be patient.*

*--Philip Lupi, Clearwater, FL*

We just cannot hear enough success stories! Nothing lights up the office more. Max Bowser put in place a system for investing in penny stocks that works, and we love hearing about it working for you.

In Philip's case, he subscribed, jumped right in to Bowser stocks and is now seeing the pay off. Of course, all of the stocks that are up have not doubled, BUT they are on their way. Now, patience is key!

Philip did it right by waiting to purchase the Company of the Month. The excitement generated from our recommendation often sends the latest Company of the Month up the Monday following publication. Plenty of subscribers are buying. A few wait until the stock settles back down, purchasing the company at a lower price. Again, and as Philip says himself, patience is key!

Congratulations to Philip and all of our subscribers doing well. May the profits continue.

## THE HIDDEN STOCK MARKET

*I have attached two pages from Ira Cobleigh's The Hidden Stock Market.*

*--Ed Kaulbars, Naples, FL*

*The Hidden Stock Market* and Ira Cobleigh helped to inspire the Bowser philosophy. After talking with Ed about just how much he could see Cobleigh's influence, he decided to send us a few pages that really show it.

A Cobleigh quote that reinforces something we have been discussing lately: “Low-priced stocks often have relatively few shares outstanding, so that the injection of substantial new buying power against a limited floating supply automatically causes them to go up even though they evidence no fundamental improvement.” This confusing quote simply means, microcaps are so small that more money coming in results in stock prices rocketing upward.

## Beginner's Portfolio Up 205%

**BOUGHT:** None this month

**SOLD:** INOC (50 shares) @ \$4.66 less \$10 commissions = \$223

	Cost	10/04/13	Cost	10/04/13	Cost	10/04/13	Proceeds		
LOAN	120/Mar '10	199	FSI	145/Aug '12	112	LRAD	106/Dec '12	136	From Sales
*CNTY	270/Mar '11	299	ITI	162/Aug '12	181	JOEZ	117/Jan '13	118	10,570
GVP	210/Sep '11	158	NEWT	187/Sep '12	301	*LBMH	83/Jan '13	105	223
AAME	280/Mar '12	403	*INOC	233/Oct '12	254	WTT	189/Apr '13	192	10,793
AMS	308/June '12	260	WFCF	159/Nov '12	209	SGRP	178/Apr '13	189	
INS	179/June '12	152	*CAFI	218/Dec '12	202	AEY	248/May '13	248	
								3,718	
Original cost for all stocks: \$4,766			*50 Shares			<b>Proceeds from Sales:</b>		10,793	
							<b>Current Value of Portfolio:</b>		14,511

Gain: 14,511 minus 4,766 = 9,745

Percentage of gain: 9,745 divided by 4,766 x 100 = 204.5

**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

After another solid month, the Beginner's Portfolio broke above a 200% gain since its inception in September 2001. It has now been 12 years since we founded the Portfolio, which has averaged just over 17% a year.

We made one sale this month: **Innotrac (INOC)**, which doubled from its purchase price of \$2.33. Of the 18 companies in the portfolio, 13 are higher than their purchase price.

### WFCF acquires controlling interest

**Where Food Comes From (QB:WFCF)** acquired a 60% interest in the auditing business of Validus Ventures, LLC, an independent certifier of socially responsible production practices covering pork, poultry and dairy products. Based in Urbandale, IA, Validus provides audits/assessments to producers, verifying responsible animal welfare, environmental, on-farm security and worker care production practices.

Validus provides its services to over 3,000 producer and food-related customers throughout the U.S. The company is also the exclusive third-party verifier for the National Dairy FARM Animal Care program, and the exclusive auditor for the United Egg Producers' 5 Star Food Safety Program. In addition, Validus audits and verifies about 50% of the pork industry's market pigs.

"This strategic acquisition puts Where Food Comes From at the forefront of food verification in the beef, pork, poultry, dairy and organic industries," explained John Saunders, WFCF's CEO. "The tremendous synergies between Validus and Where Food Comes From will translate into added value for combined customer bases and a comprehensive services portfolio that enables us to bundle solutions to keep costs competitive."

As a result of the acquisition, the assets of Validus's auditing operations were transferred into a new company--Validus Verification Services, LLC. Validus's consulting and planning divisions are now called Praedium Ventures, LLC. The two companies will continue normal operations.

### SNAK to acquire frozen veggies processor

**Inventure Foods, Inc (CM:SNAK)** signed a letter of intent to acquire substantially all of Fresh Frozen Foods, LLC--a full-service processor and supplier of more than 60 varieties of frozen vegetables and fruits to retail outlets throughout the southeast U.S. and Caribbean. Fresh Frozen Foods reported gross revenues of over \$60 million during the most recent twelve month period.

The letter of intent is non-binding and is subject to certain closing conditions. The letter contemplates a purchase price of \$38 million at closing, which will be funded through a new senior syndicated credit facility. The two parties expect the transaction to close on or around November 1, 2013.

"This acquisition allows SNAK to add uniquely positioned frozen vegetables to its healthy/natural portfolio for the first time. Both Fresh Frozen operations allow SNAK to leverage its business and support future growth," stated Terry McDaniel, CEO.

### Parametric Sound enters retail banking sector

**Parametric Sound Corp's (CM:PAMT)** proprietary audio technology is being marketed to and evaluated by banks and hardware providers/consultants in the retail banking sector.

PAMT's technology will allow banks to transform branches by enhancing digital media with customized audio. HyperSound digital signage can be placed around the branches to engage banking customers.

"Enhancing digital signage with directional audio offers a compelling product bundle," commented Todd Savitt, Parametric Sound's vice president of sales and marketing. "Focus on the banking sector follows positive reception PAMT received in retail and restaurant sectors."

#### OPEN MARKET INSIDER TRANSACTIONS (continued from Page 5)

COMPANY	INSIDER	BUY/SELL	DATE	PRICE
Vertex Energy	David L Phillips (D)	S-4,673	09/12/13	\$3.35
	" "	S-21	09/16/13	\$3.35
	" "	S-19,600	09/17/13	\$3.17
	" "	S-640	09/18/13	\$3.15
	" "	S-2,531	09/20/13	\$3.13
	" "	S-100	09/27/13	\$3.07

B-Bought, B/O-Beneficial Owner, D-Director, O-Officer, OE-Option exercise, S-Sold, x-indirect holdings. Info from Yahoo/Finance

# NOTES BY THE EDITOR

The government shutdown can't escape the news, yet stocks have been fairly resilient, only posting small losses. The government officially shutdown on October 1. Since then, the S&P 500 has fallen a mere 0.3%, while the Russell 2000 has fallen 0.8% and the Russell Microcap, 0.9%.

To paint a better picture, an email from the MidSouth Investors Fund shows the following:

- Since Sep. 1976, the government has shutdown 17 times (not including the current shutdown).
- On average the shutdowns lasted 3 days, which the current shutdown has already passed.
- The S&P 500 was down an average of 0.1% while the government was shut down.
- One month after the shutdown ended, the S&P averaged a gain of 0.7%.

So, what this data shows is to expect the S&P to remain down slightly for the duration of the shutdown, but recover within a month after the shutdown has ended.

More important than the government shutdown's effects on the market, however, is its effect on your individual portfolio. Of course, at this point, everything is pure speculation. We don't know when the shutdown will end. We don't know how it will end. And, it's hard to be certain of the full effect of the shutdown.

What we can say is that Bowser companies that work through government contracts will likely continue to do business. Where they are affected is when the government comes into play. As long as the federal government is shut down, these companies, like **Versar (VSR)**, will be prevented from winning new contracts and winning extensions on existing contracts. It's also possible that certain contractors will not receive payment during the shutdown.

This shutdown has left many scratching their heads, trying to figure out what exactly is going on. Investors and the companies they invest in are certainly part of that group. As always, we will keep you informed of any new information concerning our recommendations.

Just because our newsletter only comes out once a month doesn't mean that's all the information we put out. Nowadays,

with the Internet, we are able to keep you more informed on a regular basis. A great source of information is our Blog, where we continually publish articles that pertain to the small stock investor.

Our Blog can be seen by going to our website ([thebowserreport.com](http://thebowserreport.com)) and clicking the Blog button in the top navigation bar. Or, you can enter [thebowserreport.com/blog/](http://thebowserreport.com/blog/) into your web browser's address bar.

We published the following articles since the last newsletter:

-“The Bowser Game Plan for Penny Stock Investing” (posted Sep. 13);

-“Choosing the Right Penny Stock Brokerage for You” (posted Sep. 19);

-“Infamous Penny Stock Pump-and-Dumps” (posted Sep. 25);

-“The Bowser Microcap Stock Index continues to soar” (posted Sep. 26).

**We made a change to the Bowser Database.** Previously, the Database featured OTC Markets companies on a separate page. However, beginning with the August 2013 edition, we began integrating them with the rest of the companies. We feel that the OTC Markets Group has done a great job bringing liquidity and transparency to these companies, and by having them not on their own page, we can fit more in the Database.



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### FIVE BOWSER STOCKS UP AND DOWN

WHERE FOOD	UP	66%	LIGHTPATH TECH	DOWN	16%
FONAR CORP	UP	62%	FOOD TECH SERV	DOWN	15%
SPINE PAIN MGMT	UP	41%	PARAMETRIC SND	DOWN	9%
EVOLVING SYS	UP	25%	ENSERVCO CORP	DOWN	9%
INNOTRAC CORP	UP	19%	VERSAR INC	DOWN	6%

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PUBLISHED THE SECOND THURSDAY OF EACH MONTH

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THIS MONTH'S  
BIGGEST GAINER  
RESOLUTE ENERGY  
UP 50%

# WARRANT REGISTER

## Bank of America completes merger

**Bank of America (N:BAC)** completed its merger with Merrill Lynch & Co. This merger will not effect Merrill Lynch's name or brand, and will not effect the company's customers or clients.

Under the merger, Bank of America assumed all of Merrill Lynch & Co., Inc.'s obligations, including its outstanding U.S. and non-U.S. debt securities, its outstanding trust-preferred securities, and its guarantees of both outstanding non-U.S. debt securities and trading contracts issued by subsidiaries. After the merger, Merrill Lynch will no longer file separate reports with the U.S. Securities and Exchange Commission.

The merger took effect on October 1, 2013.

## CHC establishes committee

**China Hydroelectric (N:CHC)** recently announced a non-binding proposal letter in which NewQuest Capital Partners expressed an interest in acquiring CHC's ordinary shares. We reported on this proposal last month.

In response to NewQuest's proposal, China Hydroelectric created a special committee consisting of three directors of the company, who are not affiliated to NewQuest. The committee will evaluate the NewQuest proposal and other strategic alternatives.

As of yet, the company has not made any decision regarding NewQuest's proposal. The company stresses there can be no assurance that NewQuest or any other person will make an offer, that an agreement will be executed, or that the proposed transaction will be approved or consummated

## Citigroup teams with Freddie Mac

**Citigroup (N:C)** and Freddie Mac reached an agreement under which Citigroup will pay Freddie Mac \$395 million to resolve potential future repurchase claims. These claims could take place due to breaches of representations and warranties on 3.7 million loans that Citi sold to Freddie Mac between 2000 and 2012. Citi will pay the \$395 million through its existing mortgage repurchase reserves as of June 30, 2013.

Jane Fraser, CEO of CitiMortgage, said, "Today's agreement with Freddie Mac marks another important milestone in successfully resolving Citi's remaining legacy mortgage issues."

**CombiMatrix (CM:CBMX)** entered into a contractual agreement with the health insurer, Three Rivers Provider Network, for coverage of its diagnostic laboratory services.

**FairPoint Communications (CM:FRP)** added an additional carrier Ethernet connection hub in New York City featuring one-stop access to FairPoint's footprint in Maine, New Hampshire and Vermont.

**Retail Opportunity Investments (GS:ROICW)** committed \$186.2 million in shopping center acquisitions. As of recently, ROIC acquired three separate grocery-anchored shopping centers for a total of \$153.7 million, and currently has a contract to acquire a fourth center for \$32.5 million. This year, ROIC has committed \$368 million in acquiring ten such centers.

**Valley National Bancorp (N:VLY-WT)** commenced a public offering of its subordinated debentures, intending to use the proceeds to redeem \$131.3 million outstanding principal.

Company	Market/Symbol	Principle Business	Stock Price 10/04/13	Warrant			Exer. Price	Expire Date	No. Wts	Bowser Rating
				Price 10/04/13	Conv. Ratio					
<b>Associated Banc-Corp</b> 1200 Hansen Road., Green Bay, WI 54304, Tel: (920) 491-700, www.associatedbank.com	GS:ASBCW	Bank holding company	15.66	1.80	1.00	19.77	11/21/18	4.0M	8	
CALL TERMS: Not callable										
<b>Bank of America</b> 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	14.05	0.78	1.00	30.79	10/28/18	121.8M	10	
CALL TERMS: Not callable										
<b>China Hydroelectric</b> 420 Lexington Ave., Ste. 860, New York, NY 10170, Tel: 646/467-9800, www.chinahydroelectric.com	N:CHC-WT	Hydroelectric power in China	2.48	0.02	1.00	3.45	12/31/13	6.0M	9	
CALL TERMS: \$23.00 for 20 out of 30 days										
<b>Citigroup</b> 399 Park Ave., New York, NY 10043, Tel: 212/559-1000, www.citigroup.com	N:C-WTA	Investment banking	49.14	0.71	1.00	106.10	01/04/19	2.6M	8	
CALL TERMS: Not callable; exercise price adj. for dividends above \$.01										
<b>Combimatrix</b> 6500 Harbour Heights Pkwy, Ste. 303, Mukilteo, WA 98275, Tel: 425/493-2000, www.combimatrix.com	CM:CBMXW	Biotech development	2.79	0.30	1.00	9.00	05/01/14	1.1M	7	
CALL TERMS: 250% of exercise price for 20 days										
<b>Crumbs Bake Shop, Inc</b> 110 West 40th St., Ste. 2100, New York, NY 10018, Tel: 877/278-6270, www.crumbs.com	CM:CRMBW	Sale of baked goods	1.08	0.11	1.00	11.50	05/05/16	5.5M	7	
CALL TERMS: \$17.50 for 20 out of 30 days										
<b>Dynegy, Inc</b> 601 Travis St., Ste. 1400, Houston, TX 77002, Tel: 713/507-6400, www.dynegy.com	N:DYN-WT	Electric energy/related services	19.37	1.23	1.00	40.00	10/02/17	15.6M	9	
CALL TERMS: Not callable										
<b>FairPoint Communications</b> 521 E. Morehead St., Ste. 250, Charlotte, NC 28202, Tel: 704/344-8180, www.fairpoint.com	OTC:FRPZW	Communications in New England	9.35	0.04	1.00	48.81	01/24/18	3.6M	8	
CALL TERMS: Not callable										
<b>FieldPoint Petroleum</b> 1703 Edelweiss Dr., Cedar Park, TX 78613, Tel: 512/250-8692, www.fppcorp.com	N:FPP-WT	Oil/gas operations in the US	4.55	0.75	1.00	4.00	03/26/18	8.0	7	
CALL TERMS: 150% of strike price										
<b>Iridium Communications</b> 1750 Tysons Blvd., Ste. 1400, McLean, VA 22102, Tel: 703/287-7400, www.iridium.com	GS:IRDMZ	Mobile voice/data communications	6.67	0.75	1.00	11.50	02/05/15	14.0M	8	
CALL TERMS: \$18.00 for 20 out of 30 days										
<b>Owens Corning</b> One Owens Corning Pkwy, Toledo, OH 43659, Tel: 419/248-8000, www.owenscorning.com	N:OC-WTB	Building materials worldwide	36.92	0.04	1.00	45.25	10/31/13	7.8M	11	
CALL TERMS: \$18.00 for 20 out of 30 days. Was Hicks Acquisition										
<b>Resolute Energy</b> 1000 Crescent Ct., Ste. 1200, Dallas, TX 75201, Tel: 214/615-2300, no website	N:REN-WT	Petroleum/natural gas	9.55	0.33	1.00	13.00	09/25/14	1.7M	6	
CALL TERMS: Not callable										
<b>Retail Opportunity Invest</b> 3 Manhattanville Rd., 2nd Fl., Purchase, NY 10577, Tel: 914/272-8080, www.roireit.net	GS:ROICW	Commercial real estate investment	13.70	2.20	1.00	12.00	10/23/14	44.0M	6	
CALL TERMS: \$18.75 for 20 out of 30 days										
<b>TCF Financial</b> 200 Lake Street East, Wayzata, MN 55391, Tel: 952/745-2760, www.tcfbank.com	N:TCB-WT	Bank holding company	14.87	2.45	1.00	16.93	11/14/18	3.2M	8	
CALL TERMS: Not callable										
<b>Valley National Bancorp</b> 1455 Valley Rd., Wayne, NJ 07470, Tel: 973/305-8800, www.valleynationalbank.com	N:VLY-WT	Bank holding company	9.92	0.78	1.2155	15.64	06/30/15	0.9M	8	
CALL TERMS: Not callable										

	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
Cover-All Technologies (COVR)	06/30/13	\$4,003,508	\$5,438,346	(\$1,148,999)	(\$39,168)	(A)
Digital Power Group (DPW)	06/30/13	\$2,227,000	\$2,942,000	(\$125,000)	\$478,000	(B)
Dover Downs Gaming (DDE)	06/30/13	\$50,048,000	\$58,355,000	\$491,000	\$1,817,000	(C)
GlobalSCAPE, Inc (GSB)	06/30/13	\$5,925,000	\$5,702,000	\$381,000	(\$140,000)	(D)
Golden Enterprises, Inc (GLDC)	08/30/13	\$35,141,838	\$34,683,455	\$771,528	\$670,136	
LightPath Technologies (LPTH)	06/30/13	\$3,128,986	\$3,104,120	(\$243,765)	\$195,864	(E)
Majesco Entertainment Company (COOL)	07/31/13	\$3,998,000	\$9,145,000	(\$3,644,000)	(\$3,087,000)	(F)
Perma-Fix Environmental (PESI)	06/30/13	\$22,784,000	\$33,698,000	(\$876,000)	(\$1,171,000)	(G)

(A) "Five new contracts this year, including license revenue from four contracts recognized in the first six months of 2013, and increasing demand for professional services drove record revenue for first six months in 2013," commented Manish Shah, Cover-All's president and CEO.

(B) DPW President and CEO Amos Kohn: "We experienced an improvement in revenue and operating income in our results compared to the first quarter ended March 31, 2013 and continue to strategically plan to further develop our domestic product portfolio. Our European operations continued their operating result improvement from the first quarter, primarily as a result of incremental revenues from the defense industry."

(C) "This regional market remains extremely competitive. We are hopeful that the recently formed Lottery & Gaming Study Commission will be productive, educational and beneficial to all industry stakeholders as the gaming industry deals with the changing operational environment," reported DDE's president and CEO, Denis McGlynn. "We are grateful the state has agreed to move forward with this review in light of this dramatically changed marketplace."

(D) Craig Robinson, GlobalSCAPE's president and CEO, noted, "Our revenue and deferred revenue have continued their consistent pattern of growth between comparable periods, which reflects ongoing customer satisfaction with our solutions. We have confidence in our ability to continue driving the business forward for the benefit of our shareholders."

(E) "The company's operating results for fiscal 2013 and fiscal 2012 include the effect of quarterly market-to-market adjustments related to warrants that were issued in connection with our private placement in June of 2012," explained LightPath President and CEO Jim Gaynor. "After adjusting for this warrant expense, non-GAAP\* net income for the fourth quarter of fiscal 2013 was \$259,000, compared to \$92,500 for the fourth quarter of fiscal 2012."

Gaynor further remarked, "Gross margins improved 44% in fiscal 2013 due to the cost reductions we implemented and higher unit volume sales which increased our overhead leverage. For the year, we demonstrated strong operating leverage with increases in both EBITDA\*\* and sales, resulting in **LightPath's first profitable fiscal year!**"

(F) Jesse Sutton, CEO of COOL: "Consistent with the first half of

2013, our third quarter results reflect the ongoing industry transition to next generation console gaming. In light of this transition, we're finding ways to leverage Majesco's core competencies including our industry relationships, distribution reach and sales and marketing prowess."

(G) "Despite one of the most difficult funding environments, we have achieved nearly \$2 million of adjusted EBITDA\*\* for the second quarter," noted Perma-Fix's chairman and CEO, Dr. Louis Centofanti. "Within the Services segment, we have been awarded some initial small contracts, and we are actively bidding on a number of sizable projects. Within the Treatment segment, there is a significant pent up demand within the U.S. Department of Energy."

\*GAAP is an acronym for Generally Accepted Accounting Principles.

\*\*EBITDA is an acronym for Earnings Before Interest, Taxes, Depreciation and Amortization.

## Versar awarded two task orders

**Versar, Inc. (A:VSR)** received two new task orders (orders three and four) under its existing Personal Services Contract in Afghanistan with the U.S. Army Corps of Engineers, Middle East District. Each task order is a year long. Under the orders, Versar will support the Transatlantic Afghanistan District office and the Middle East District Area Office with over 500 Afghan engineers and professionals.

Task orders three and four are worth \$30.5 million and add considerably to Versar's four-year contract with the U.S. Army Corps of Engineers. The contract has a maximum capacity of \$170 million, of which Versar has received \$63.6 million through task order four.

VSR's Chief Executive Officer, Tony Otten: "As the United States Government decreases its footprint in Afghanistan, they have begun to transition more services to Afghan professionals. The continuation and growth of Versar's contract is one of the mechanisms the U.S. Army Corps of Engineers is using to provide long-term and cost-effective engineering oversight at active construction projects."

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