



Price change coming January 1, 2014! See page 8 for details.

Microcap Management

The importance of management in the small, publicly trading company

So much goes into the companies that we deal with. On the surface, there are the companies' technicals: trading price, volume, moving averages, etc. A little further down, there are its fundamentals: revenues, net income, assets, liabilities, etc. Even further down, there's management: CEOs, CFOs, COOs. You name it, there's an executive officer for it. However, in small companies, management teams often consist of only a few officers, but their decisions have the capacity to make or break the companies they manage.

To begin with, the differences between managing a small company and managing a large company are quite striking. First, there's the issue of pay. Managers of small companies certainly will not receive the same compensation as managers of large companies. Quite simply, their firms don't have the financial ability to pay multi-million dollar salaries and enormous bonuses.

Second, there's the intimacy factor. An executive of a small company can walk down the hallway to discuss a change with employees. He or she can also create more personal relationships with shareholders. The bottom line is small company management teams are closer. There are benefits to this (efficiency and accessibility), as well as pitfalls (being held under the microscope).

Third, managers of small companies have fewer or limited resources. Speaking from an assets standpoint, microcap executives have a smaller pool to draw from. So, execution of certain plans is tricky and warrants creativity.

The job of a small company executive is no walk in the park. However, there are certain attributes that separate the successful managers from those who aren't so successful. These characteristics are from an investor's standpoint. So, they are what we look for in a company's management team.

The first attribute is accessibility. The ability to speak with management is a benefit of investing in a small company. Management that lends itself to interviews, questions, explanations is on the right track. Speaking with a chief executive officer, president or other top level executive reveals a lot about where a company is headed. Between the lines, experienced investors can sense passion, confidence and excitement, as well as doubt, confusion and hubris. Speaking with management is a great way to have questions answered, but it is also a great way to gauge its true feelings. This lends itself to the old adage: "it's not what you say, it's how you say it."

The second attribute is confidence. Confidence can come through during a phone call or at a meeting, but

the biggest display of confidence is taking a position in the company. If management believes in what it's doing, why would it not back its confidence with a meaningful position in the company? As we have discussed on many occasions, there are a lot of factors that play into insider ownership. However, under any circumstance, management should have a considerable position in the company. Otherwise, why would you own something management does not even want?

The third attribute is effectiveness. This characteristic is tough to pin point. Basically, management needs to be able to demonstrate that it is able to create and implement a plan to move the company forward. There are two parts to evaluating a management's effectiveness:

1. Planning: What is the plan moving forward? Does it pass the smell test? Meaning is the company within its capacities. For example, a company with \$1 million in revenues likely won't grow to \$100 million in a year. So, what are the company's benchmarks and do they seem realistic given the company's current standing?
2. Execution: After being aware of the benchmarks, did the company achieve any or all of them? This is key because it truly shows a management team's ability to fulfill its goals. If some or all of the goals are met, investor confidence will grow, leading to higher share value.

The importance of effectiveness goes without saying. Simply put, an ineffective management team will lead to a declining share value and vice versa.

The fourth and final attribute is experience. Not all microcap executives have executive experience leading a company. But are they experts in their fields? Have they had success in the past? There is a reason this is last and that's because past experience and success do not always lead to future success; and, the lack of past experience and success does not always lead to future failures. However, having know-how helps.

There's an old saying in the investment world: bet on the jockey, not the horse. This means that investors bet on the management team, not necessarily the company. In most cases, the smaller the company, the truer this saying rings. Stock market and financial success speak for a company. However, behind those successes is a management that is accessible, confident, effective and experienced. In the fragile, volatile world of small stock investing, it's critical to have management on the investors' side. After all, management decisions can make or break a small company.

Innotrac signs merger agreement

Innotrac Corp (CM:INOC) jumped in price following the company's announcement of a pending merger agreement with an affiliate of Sterling Partners. Under the terms of the agreement, the Sterling affiliate will purchase INOC shares for \$8.20 per share. This purchase price represents a 25% premium over the company's October 21, 2013 close, and a 54% premium over November 14, 2013's previous 90 day average closing price.

Sterling's affiliate will promptly commence a tender offer for all shares of Innotrac's common stock. After the closing of this tender offer, any shares not tendered will be acquired in a second-step merger at the same price. The transaction should close in the first quarter of 2014. Following the close of the transaction, Innotrac will be a privately-held company, its stock no longer trading on the Nasdaq.

"This transaction will deliver to Innotrac shareholders a substantial cash premium, certainty of value and immediate liquidity. Innotrac believes that Sterling will be a strong strategic partner to help INOC continue to service its customers with the best-of-breed services they have become accustomed to," commented INOC CEO Scott Dorfman.

Market Overview

This month, there were no changes made to the **Bowser Microcap Stock Index**. The Index dropped slightly, while remaining relatively flat. Last month, the Microcap Index stood at 674.83 on November 8, but this month, that total slipped to **672.72** on December 6. All-in-all, the Index fell just 0.3% month-to-month. This loss marks second straight down month after six straight months of gains. This slight slip comes in yet another month where stocks in the newsletter did considerably well. Twenty-two companies in the newsletter posted gains, 11 of which were in the double digits percentage wise.

For the second month in a row, the Bowser Index was the only index to post a loss. The NASDAQ Composite led the way, with the larger indexes towards to bottom.

•NASDAQ Composite:	UP 3.7%
•Russell 2000:	UP 2.9%
• S&P 500:	UP 2.0%
•Dow Jones Industrial Average:	UP 1.6%

For more frequent index updates, visit thebowserreport.com/blog

SPECULATIVE STOCK ALERT: KonaRed Corp. (QB:KRED)

From time-to-time a company crosses our desk that doesn't quite meet the requirements of a Company of the Month. Often, these companies are very young and moving in the right direction. Recently, our attention fell on **KonaRed Corp (QB:KRED)**, a young company brand new to the public market.

We all have heard of acai berries, pomegranites, blueberries and other "super fruits." We have also all heard of coffee--a drink produced from a ground-up coffee bean. However, surrounding that bean is a fruit, known in the industry as a coffee cherry. In Hawaii alone, a blip on the radar of coffee production, 40 million pounds of coffee cherry are thrown away each year. This is where KonaRed comes in.

President and CEO Shaun Roberts saw the opportunity surrounding coffee cherries. Testing showed this fruit as a super fruit like no other, with 77 times the antioxidants as a pomegranite. And, they are higher quality antioxidants that absorb easier after consumption. Roberts and others figured a way to keep the fruit from fermenting, and convert it into an extract or a powder. The company holds the intellectual property rights to this process.

KonaRed then sells the extract and powder and

produces beverages of its own. So, producers can add the coffee cherry extract to their products, and consumers can purchase KonaRed coffee cherry beverages, extracts and powders.

KonaRed began with retail space in most beverage retailers in Hawaii, including Kroger and Walmart. Some other retailers include Walgreens and Wholefoods. Jamba Juice tested a KonaRed flavor in 32 stores and recently announced a 750 location rollout. Conceptually, the company is beginning to build considerable tailwind.

However, fundamentally, the company has some progress to make. Revenues have declined over the past year as the company pulled back on marketing in order to drive towards profitability. As retail exposure builds, and new products (nutraceuticals) roll out, KonaRed should see revenues grow considerably.

KRED is also not quite profitable, although it has been making strides toward profitability, reporting a loss of \$257,480 in its most recent quarter, compared to a loss of \$671,529 in the same quarter a year ago.

As a result of its method of going public, there are flaws in the company's share structure. KonaRed came to the

See KONARED on page 7...

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

XRS Corporation (CM:XRSC) provides hardware and software solutions to the commercial trucking industry, through on-board computer systems and mobile applications. XRS's solutions address the regulatory requirements within the trucking industry. XRS cites a market opportunity of 3.1 million trucks that would most benefit from its solutions, only 115,000 of which are currently subscribed to an XRS solution. In August 2012, the company changed its name from Xata Corporation to reflect a change in its business model.

Initially, the trucking industry used large hardware systems to transmit information to dispatchers and fleet owners. These systems were invasive, requiring holes to be drilled, dashboards to be pulled apart and bulky equipment to be installed. These installations cost thousands of dollars.

XRS Corp offers two of these older systems: XataNet and MobileMax. However, the company now focuses on Software as a Solution (SaaS) products, rather than hardware sales. In 2009, XRS acquired Turnpike, providing the company with its first generation mobile solution.

Recently, the company announced XRS, its next-generation mobile fleet optimization and compliance solution. This solution involves a small box that connects to a truck's engine bus, and then transmits the truck's data to the driver's mobile device via a wireless, Bluetooth connection. The data is observable by the driver, dispatchers and fleet owners.

The focus of the new XRS solution is to integrate information, cloud, mobile and social aspects, allowing customers to access anything (information) at anytime (cloud), anywhere (mobile). Customers can also share that information with anyone (social).

Both mobile solutions are monthly subscription options with no up-front costs charged to the customer. XRS has over 1,400 customers including big names, like Sysco with 10,000 trucks. In 2013, XRS added 322 new mobile customers, as mobile software sales grew 20% year-over-year.

FINANCIALS

Revenues have been in decline as the result of the company changing its revenue model. While subscription revenues provide a recurring source of revenue, there are no up-front charges. As a result, revenues will decline until the company acquires enough monthly customers to offset the declining hardware sales. This transition is already underway as software sales accounted for 75% of revenues in 2012 and 81% in 2013, while hardware sales accounted for 22% of revenues in 2012 and 17% in 2013.

Another upside to the change in revenue models is

the higher profitability of the subscription revenues. In 2013, gross margins for the software segment were 73%, and just 18% for the hardware segment. As a result of this, the company achieved an \$866,000 net income in 2013, compared to a \$10 million loss in 2012 and many years of losses before.

The company operates with a solid balance sheet. Its current assets-to-liabilities ratio is 2.3 to 1, with \$11.7 million in working capital. XRS also has a book value of \$3.62, which represents a 45% premium over its share price.

One negative is the company's 28.8 million diluted shares, leaving about 18 million shares that could increase the number of basic shares in the future.



MANAGEMENT

John J. Coughlan joined XRS Corp in October 2006 as the company's chairman, president and CEO. Mr. Coughlan has many years of experience in the software industry, bringing his expertise to XRS as it transitions to a software company. Previously, he served as president and CEO of Lawson Software, Minnesota's largest software company. He

owns 540,520 common shares.

Michael W. Weber is the company's CFO, and has been since October 2012. He is not listed on the company's insider holdings roster.

James F. DeSocio is executive vice president of field operations for XRS. Prior to joining XRS, in January 2013, he was the executive VP of sales and business development at Antenna Software, Inc, a cloud-based mobility software company. Mr. DeSocio is not listed on the company's insider holdings roster.

	2011	2012	2013 (A)
REVENUES	\$63,031,000	\$63,089,000	\$56,196,000
INCOME(LOSS)	(\$2,798,000)	(\$10,286,000)	\$866,000
WORKING CAPITAL	\$11,767,000	\$8,060,000	\$11,730,000
BOOK VALUE	\$4.45	\$3.59	\$3.62
TOTAL SHARES	10,488,000	10,734,000	10,844,000
FLOAT	N/A	N/A	7,850,000
(A) FISCAL YEAR ENDED 09/30/13			

THE BOTTOM LINE

At the 4th Annual Craig-Callum Alpha Select Conference, President and CEO John Coughlan noted that both a carrot and a stick will drive truckers to its solution. The carrot is the cost savings. Drivers and fleet managers will be able to see where they are most efficient on the road, adjusting to save time and fuel. Savings also stem from the lack of large installation fees related to the older hardware solutions.

The stick is the Moving Ahead for Progress in the 21st Century Act (MAP-21), which passed in July 2012. Part of the bill requires the Federal Motor Carry Safety Administration (FMCSA) to write a rule requiring all drivers meeting certain driving parameters to use electronic logging devices. The FMCSA was required to pass the rule in October 2013.

There is a tailwind building for XRS, who stands to benefit with a simple, inexpensive, effective technology. In the meantime, XRS is financially stable, turning to profits with a solid ratio and book value.

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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 12/06/13	Long- term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
CATEGORY ONE: OUR BEST PICKS								
11/13(A)	ALPHA PRO TECH (APT)	BUILDING/MEDICAL SUPPLIES	2.06	\$0.000	\$43.3	\$0.905	19.0	11
09/13(QB)	CREATIVE LEARNING (CLCN)	EDUCATIONAL PROGRAMS FOR KIDS	1.82	\$0.000	\$4.7	\$0.888	11.6	9
08/13(QB)	DIRECT INSITE CORP (DIRI)	E-INVOICING SOLUTIONS	1.50	\$0.049	\$9.3	\$0.522	12.5	8
10/13(QB)	INNOVATIVE FOOD (IVFH)	SPECIALTY FOOD PROVIDER	1.75	\$0.585	\$19.5	\$0.091	6.5	8
04/11(N)	LIBERATOR MEDICAL (LBMH)	NOW ABOVE \$3; SEE FOLLOW-THROUGH (Page 5)						
# 02/10(CM)	MANHATTAN BRIDGE (LOAN)	SHORT-TERM COMMERCIAL LOANS	1.75	\$0.000	\$2.2	\$0.557	4.3	9
# 08/12(CM)	NEWTEK BUSINESS (NEWT)	SMALL/MEDIUM BUSINESS SOLUTIONS	2.82	\$82.820	\$139.9	\$7.191	35.3	8
02/13(A)	WIRELESS TELECOM GRP (WTT)	WIRELESS TELECOM SOLUTIONS	2.39	\$0.000	\$32.5	\$3.499	24.0	10
12/13(CM)	XRS CORP (XRSC)	MOBILE SOLUTIONS FOR TRUCKERS	2.50	\$0.000	\$56.2	\$0.866	10.8	10
CATEGORY TWO: WORTHY OF CONSIDERATION								
03/13(GM)	ADDVANTAGE TECH (AEY)	CABLE TV EQUIPMENT	2.62	\$1.411	\$34.8	\$1.973	10.0	9
# 12/11(A)	AMER SHARED HOSP (AMS)	TURNKEY TECHNOLOGY SOLUTIONS	2.65	\$0.000	\$17.9	\$0.163	4.6	8
05/13(QB)	ENSERVCO CORP (ENSV)	OIL/GAS WELL SITE SERVICES	1.45	\$9.139	\$42.7	\$3.805	32.3	7
# 03/11(A)	INTELLIGENT SYSTEMS (INS)	VENTURE CAPITAL FIRM	1.54	\$0.000	\$17.2	\$0.935	9.0	10
# 12/06(A)	ITERIS (ITI)	OUTDOOR MACH VISION SYS/SENSORS	2.14	\$0.000	\$63.9	\$2.274	32.6	10
12/12(CM)	JOE'S JEANS INC (JOEZ)	WOMEN'S/MEN'S APPAREL	1.13	\$0.000	\$123.4	(\$3.539)	67.4	NR
07/13(CM)	LIGHTPATH TECH (LPTH)	OPTICAL COMPONENTS	1.25	\$0.011	\$11.7	\$0.034	13.6	7
# 10/09(CM)	LRAD CORP (LRAD)	SOUND ACOUSTIC TECHNOLOGY	1.92	\$0.000	\$15.0	\$0.881	32.4	8
06/13(GS)	RIVERVIEW BANCORP (RVSB)	SAVINGS/LOAN HOLDING COMPANY	2.77	\$0.000	\$30.5	\$4.754	22.4	7
04/13(CM)	SPAR GROUP (SGRP)	MERCHANDISING AND MARKETING	1.89	\$0.129	\$119.7	\$2.004	20.5	7
01/13(A)	TUCOWS INC (TCX)	NOW ABOVE \$3; SEE FOLLOW-THROUGH (Page 5)						
CATEGORY THREE: VERY SPECULATIVE								
# 06/08(A)	FLEXIBLE SOLUTIONS (FSI)	SPECIALTY CHEMICALS	0.84	\$1.238	\$16.2	(\$0.931)	13.2	7
# 06/12(A)	GOLDFIELD CORP (GV)	ELECTRICAL CONSTRUCTION	2.05	\$15.007	\$92.7	\$6.628	25.5	8
08/11(A)	GSE SYSTEMS (GVP)	SERVICES NUCLEAR & PETRO IND	1.71	\$0.000	\$48.0	(\$10.679)	18.1	7
12/13(QB)	KONARED CORP (KRED)	COFFEE FRUIT BEVERAGES	0.76	\$0.000	\$0.9	(\$0.576)	71.4	NR
07/10(QB)	REPRO-MED SYSTEMS (REPR)	DESIGN/PRODUCTION OF MED PROD	0.22	\$0.000	\$8.0	\$0.449	36.7	7
07/12(QB)	SPINE PAIN MGMT (SPIN)	SPINE INJURY FINANCING SOLUTIONS	0.57	\$0.985	\$3.2	(\$0.554)	18.5	9
10/12(QB)	WHERE FOOD CMS FRM (WFCF)	FOOD VERIFICATION SERVICES	1.82	\$0.171	\$5.4	\$0.126	21.9	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 CHANGES

There are a couple of category changes this month as a result of the recent earnings reports. **ENSERVCO Corp (QB:ENSV)** is moving down from Category 1 to Category 2. ENSV operates a very reasonable business. While the company has been growing considerably in on-quarters, it's yet to be seen if the company can continue to grow in off-quarters.

LRAD Corp (CM:LRAD) is moving up from Category 3 to Category 2. The company showed bounce back ability by increasing revenues by 60% and earnings by 136% in 4Q 2013. As a result, the company recorded over half of its fiscal 2013 revenues (51%) during the fourth quarter. International sales grew considerably, reaching almost \$10 million, over half (58%) of the company's net revenues

Creative Learning continues growing

Creative Learning Corp (QB:CLCN) announced new franchises across the globe over the past month. CLCN first announced the sale of master franchises in Thailand and Indonesia, which "will add 28 new franchises in aggregate in both countries

over the next five years," according to Brian Pappas, the company's CEO. Next, the company announced franchise sales in Romania and the Czech Republic. The franchises in those two countries expand Creative Learning's European footprint to four countries (the other two being Austria and Poland), and its global footprint to 18 countries. Finally, the company announced its 446th franchise on December 2--430 of which are Bricks 4 Kids® franchises, leaving 16 Challenge Island® franchises.

CLCN also announced \$900,000 in franchise sales for November. "November was a record-breaking month for CLCN, which included sales in seven new countries including Thailand, Indonesia, Egypt, the UK, Romania, Nigeria and the Czech Republic," stated Pappas. "With such a strong November, and December looking very good also, which historically has been Creative Learning's slowest month, we expect first quarter revenue to be around \$1.7 million--more than double last year's first quarter revenue. We attribute this to the continued high demand for franchise concepts, and franchisees' performance."

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 12/06/13 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)	\$4.02(10)	02/12 \$2.05(8)	IEC ELECTRONICS (A:IEC)	\$4.39(8)	07/08 \$1.99(8)
AVALON HOLDINGS (A:AWX)	\$5.15(12)	05/11 \$2.90(9)	INNOTRAC CORP (CM:INOC)	\$8.18(10)	09/12 \$1.71(8)
CAMCO FINANCIAL (GM:CAFI)	\$6.44(8)	11/12 \$1.80(8)	INVENTURE FOODS (CM:SNAK)	\$12.98(11)	09/00 \$2.56(8)
CENTURY CASINOS (CM:CNTY)	\$5.05(7)	02/08 \$2.57(8)	KEY TRONIC CORPORATION (GM:KTCC)	\$10.57(8)	11/08 \$1.57(10)
CIMATRON LIMITED (CM:CIMT)	\$6.79(10)	02/08 \$2.75(8)	LIBERATOR MEDICAL HLDGS (N:LBMH)	\$3.63(10)	04/11 \$1.41(9)
EVOLVING SYSTEMS (CM:EVOL)	\$9.79(NR)	05/09 \$3.68(8)	PARAMETRIC SOUND (CM:PAMT)	NOW IN BOWSER DATABASE	
*Price adjusted: 1-for-3 reverse split 07/09			*Price adjusted: 1-for-5 reverse split 03/12; spin-off from LRAD Corp		
FEMALE HEALTH COMPANY (CM:FHCO)	\$9.03(7)	10/07 \$2.32(9)	SIMULATIONS PLUS (CM:SLP)	\$5.37(7)	05/10 \$2.46(9)
FIELDPOINT PETROLEUM (A:FPP)	\$4.08(9)	10/08 \$2.24(8)	TUCOWS INC (A:TCX)	\$3.11(8)	01/13 \$1.50(8)
FONAR CORPORATION (CM:FONR)	\$18.02(9)	03/12 \$1.97(8)	VERSAR INC (A:VSR)	\$4.77(9)	10/11 \$2.76(10)
FOOD TECHNOLOGY SERVICE (CM:VIFL)	\$7.13(9)	01/07 \$2.50(8)	VERTEX ENERGY (CM:VTNR)	\$3.04(9)	06/11 \$1.95(9)
GOLDEN ENTERPRISES (GM:GLDC)	\$3.85(10)	02/09 \$2.35(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)	NOW IN DATABASE		MAJESCO ENTERTAINMENT (CM:COOL)	\$0.60(NR)	04/13 \$0.72(NR)
DIGITAL POWER CORP (A:DPW)	\$0.67(8)	04/13 \$0.60(NR)	PERMA-FIX ENVIRONMENTAL (CM:PESI)	NOW IN DATABASE	
DOVER DOWNS (N:DDE)	\$1.45(NR)	05/13 \$1.72(NR)	SONO-TEK CORP (QB:SOTK)	\$0.94(NR)	02/13 \$0.68(7)
GLOBALSCAPE (A:GSB)	NOW IN DATABASE		TENGASCO INC (A:TGC)	\$0.41(NR)	09/13 \$0.42(NR)

OPEN MARKET INSIDER TRANSACTIONS

COMPANY	INSIDER	BUY/SELL	DATE	PRICE
Alpha Pro Tech (APT)	Russell Manock (D)	S-30,000	11/21/13	\$1.82-1.98
Camco Financial (CAFI)	Laurence Stanley Christ (O)	OE-25,000x	11/14/13	\$2.10
	" "	OE-37,500	11/21/13	\$2.10
	Troy Douglas Greenwalt (O)	S-4,805x	11/12/13	\$6.21
	" "	S-28,500	11/21/13	\$6.20
	" "	OE-7,126x	11/26/13	\$2.10
	James Huston (O)	S-187,053	11/14/13	\$6.22
	" "	OE-187,053	11/14/13	\$2.15-2.51
ENSERVCO Corp (ENSV)	Michael D. Herman (O)	OE-2,111,000	11/12/13	\$0.55
Evolving Sys (EVOL)	Richard Ramlall (D)	OE-4,375	11/20/13	\$5.45-6.63
Inventure Foods (SNAK)	Larry R. Polhill (B/O)	S-15,000	11/17/13	\$6.55-7.21
	" "	S-1,241	11/22/13	\$12.02
	" "	S-1,219	11/25/13	\$12.50
	" "	S-1,501	11/26/13	\$12.50
	" "	S-11,821	11/27/13	\$12.56
Key Tronic Corp (KTCC)	Yacov A. Shamash (D)	OE-15,000	11/06/13	\$5.89
	Philip Scott Hochberg (O)	B-100x	11/06/13	\$10.75
Liberator Med (LBMH)	Millenium Partners, LP (B/O)	S-50,000	11/22/13	\$3.20
	" "	S-130,000	11/25/13	\$3.20
	" "	S-75,000	11/29/13	\$3.65
LRAD Corp (LRAD)	Thomas R. Brown (O)	OE-66,770	11/26/13	\$0.48
	" "	S-66,770	11/26/13	\$1.76
	" "	OE-68,952	11/27/13	\$0.48
	" "	S-68,952	11/27/13	\$1.76-1.77
	Katherine H. McDermott (O)	OE-36,796	11/25/13	\$0.48
	" "	S-27,596	11/15/13	\$1.85-1.89
Newtek (NEWT)	Sam Kirschner (D)	B-5,000	11/27/13	\$2.69
	Salvatore Francis Mulia (D)	OE-5,000x	11/05/13	\$0.91
	" "	OE-22,780	11/05/13	\$0.91
	" "	B-2,000x	11/08/13	\$2.97
	" "	B-4,000	11/13/13	\$2.80
SPAR Group (SGRP)	William H. Bartels (O)	S-3,100	11/06/13	\$2.05
	" "	S-1,985	11/07/13	\$2.05
	Robert G. Brown (O)	S-5,000	11.06/13	\$2.01
Tucows (TCX)	Rawleigh Hazen Ralls IV (D)	S-80,000x	11/19/13	\$3.00
		S-105,100x	11/20/13	\$2.88
		S-64,900x	11/21/13	\$2.77
		S-103,000x	11/25/13	\$3.12
		S-68,000x	11/26/13	\$3.11
		S-4,000x	11/27/13	\$3.10
Versar (VSR)	Robert L. Durfee (D)	OE-2,903	11/18/13	\$3.10
	Paul J. Hoepfer (D)	OE-2,903	11/18/13	\$3.10

BRIEFS

American Shared Hospital Services (A:AMS) announced the final Centers for Medicare and Medicaid Services 2014 payment schedules, which increase Gamma Knife reimbursement to \$3,592. . . . **Century Casinos (CM:CNTY)** will operate three additional cruise ship casinos under its agreement with Windstar Cruises. . . . **FieldPoint Petroleum (A:FPP)** announced a plan to drill up to 12 horizontal wells in the Serbin Field located in Lee and Bastrop Counties, TX. The company will share revenues and expenses with Riley Exploration Group of Blanchard, OK. Riley will own a 75% stake, and FPP, a 25% stake. . . . **Inventure Foods (CM:VIFL)** completed its acquisition of the assets of Fresh Frozen Foods, LLC on Friday, Nov. 8. . . . **Iteris (A:ITI)** appointed Walter "Chuck" McBride as the company's CFO, effective Dec. 3. . . . **Liberator Medical Holdings (N:LBMH)** will pay a \$0.03 per share cash dividend on Jan. 10, 2014 to shareholders of record on Dec. 26, 2013. . . . **LRAD Corp (CM:LRAD)** announced two new orders for the LRAD 1000X totalling \$1.8 million. The orders are for a national police force in Southeast Asia and a Latin American police agency. Both are scheduled to ship this quarter. . . . **Versar (A:VSR)** was awarded an \$8.8 million subcontract extension from HDR Environmental, Operations & Construction, Inc. The extension continues construction management and quality assurance operations for the Air Force's construction responsibilities in Afghanistan through July 2014. . . . **Vertex Energy (CM:VTNR)** closed a secondary offering of its common stock, through which the company sold 3,392,800 shares at \$2.80/share. The shares sold in the offering include the underwriter's full exercise of their over-allotment option. VTNR intends to use the net proceeds from the offering for general corporate purposes, including potential acquisitions.

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

BOWSER BUCKAROOS SPEAK

MANHATTAN BRIDGE FALLING DOWN

First, congratulations on two more doubles, Liberator Medical Holdings (LBMH) and Tucows Inc (TCX).

I saw that Manhattan Bridge Capital (LOAN) is sliding back, any reason to be concerned?

--Ed Kaulbars, Naples, FL

What Ed is referring to is LOAN's fall from \$2.23 on November 1 to around \$1.70 on November 27. See the chart below.



Ed, first we should congratulate you on the doubles! After all, we pick them so our subscribers can make money.

Second, regarding LOAN, there is nothing fundamentally wrong going on, despite this 23% slide. The company reported great third quarter earnings: a 19% increase in revenues year-over-year and a 20% increase in net income. The company also announced a \$0.01/share cash dividend.

Other than those announcements, there was nothing stewing. So, it appears that this is a nasty correction (when a stock pulls back after recording a high). What does this mean for investors? Most often, corrections provide a great buying opportunity. The company has the same financials and prospects, but a lower, bargain price.

LOAN is still on page 4, with a Bowser Rating of 9. Those with cash in their portfolios can take advantage here, entering a new position, or averaging down a current LOAN position. Of course, the decision is yours, but know that LOAN's slide is not a result of anything fundamental.

ALPHA PRO TECH EXECUTIVE COMPENSATION

I went back to the March 2011 issue of the newsletter and reviewed the reasons for the recommendation to sell APT at that time. One of the reasons mentioned was that top executives were entitled to obscene bonuses equal to 5% of pretax earnings. This was not mentioned in the write-up on page 3 of the Nov. '13 issue. Has this situation been resolved?

--George Barney, Mundelien, IL

Executives are still entitled to the 5% bonus. However, when we wrote that sell recommendation, the company was down 40% in sales and 91% in net income.

Since then, the company has turned around those figures. They turned around performance so much, in fact, that the performance now overshadows the bonuses, as we said was the case with CNTY and EDUC in the same article where we recommended selling APT in 2011. And, CNTY and EDUC have done very well.

APT has been returning value to its shareholders through share buybacks, and improving financial results. And, the company's officers only receive this bonus as incentive of

the company's performance (NOTE: When the company was not doing well, management opted to not claim its bonuses).

There is an argument that the company has been buying back shares to offset management exercising stock options. However, management has less than 1,000,000 options outstanding (some of which were recently exercised because of their 09/10/13 expiration date). The company has bought back over that amount and recently expanded the repurchase plan even more (\$2 million).

After looking back over APT after having recommended selling it, we think it is a solid buy in spite of executive compensation. These compensation plans were set forth in management's contracts and have not been increased via amendment. So, they appear to have it under control.

CHUCK'S BREAKING THE RULES

I broke one of the most important rules of all: sell half when it doubles.

Last spring, Liberator Medical announced a quarterly dividend of \$0.01/share, which calculated out to be about 4% per year as the stock was trading at a buck/share at the time. If a dollar stock can afford a dividend, I assumed it must be in very good shape financially. I started buying and have purchased some 2,000 shares at about \$1.05 on average. The company raised its dividend to \$0.02/share and then \$0.03/share.

About that time, the stock began to climb and doubled. I didn't sell half because of the dividend. Then the company announced its move to the NYSE MKT. My guess was that the stock price would appreciate further. Now, it's above \$3.00. I still haven't sold. Maybe I will after the next dividend is paid.

--Chuck Bostrom, Lewistown, MT

The issue with our Game Plan and dividends is that the amount of cash you get from dividends depends on the number of shares you have. If you sell half your shares, you get half the cash from the dividend. That is the trouble that Chuck expresses.

The sell half rule was put in place to protect your profits. By selling half when the company doubles, you cover your initial cost, leaving only profits on the table. By choosing to not sell half at the double, there is the risk of losing your initial investment, plus any potential profits.

Chuck had a plan when it came to LBMH, and was aware of the risk associated with not selling half. However, he made the decision to opt for the dividend payout. This is NOT for every Buckaroo!

Where Food Comes From (QB:WFCF) announced that Gerber Poultry is utilizing the Where Food Comes From® labeling program on its Amish Farm Chicken® products. The labeling program is only available at Heinen's Fine Foods stores in Ohio and Illinois.

"With Gerber's Amish Farm Chicken now added to the growing list of products at Heinen's stores approved through WFCF's industry-leading third party source-verification program, Tom and Jeff Heinen have proven their dedication to not only sourcing the best products for their customers, but also telling the story behind them," noted WFCF CEO John Saunders.

Beginner's Portfolio Up 213%

BOUGHT: None this month

SOLD: None this month

	Cost	12/06/13		Cost	12/06/13		Cost	12/06/13	Proceeds
LOAN	120/Mar '10	175	FSI	145/Aug '12	84	LRAD	106/Dec '12	192	From Sales
*CNTY	270/Mar '11	253	ITI	162/Aug '12	214	JOEZ	117/Jan '13	113	10,793
GVP	210/Sep '11	171	NEWT	187/Sep '12	282	*LBMH	83/Jan '13	182	
AAME	280/Mar '12	402	*INOC	233/Oct '12	409	WTT	189/Apr '13	239	
AMS	308/June '12	265	WFCF	159/Nov '12	182	SGRP	178/Apr '13	189	
INS	179/June '12	167	*CAFI	218/Dec '12	322	AEY	248/May '13	262	
								4,103	
	Original cost for all stocks: \$4,766		*50 Shares					10,793	
								14,896	

Gain: 14,762 minus 4,766 = 10,130

Percentage of gain: 10,130 divided by 4,766 x 100 = 212.6

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

The Beginner's Portfolio continued its trend upward, climbing to a 213% lifetime gain. With no sales this month, the current holdings value rose 3.4%.

The growth in current holdings was fueled by considerable gains from Liberator Medical Holdings (LBMH), up 51%, LRAD Corp (LRAD), up 26% and Wireless Telecomm (WTT), up 26%.

KONARED, continued from front page

public market in October after TeamUpSports Inc acquired it. KRED has 71.4 million shares outstanding, which is a bit much. However, on a positive note, management owns 60% of the shares outstanding.

Balance sheet-wise, KonaRed is operating at a working capital deficit of \$741,717, but has no long-term debt.

KonaRed came to the public market to raise funds and gain exposure. The company does note that further funds will need to be raised in 2014 through private placements of common shares and shareholder advances from management.

On the front page, we talked about the importance of management. KonaRed's management reached out to us, willing to share its story and answer any of our questions. As we discussed in the front page article, effectiveness is a large part of management. As seen through recent press releases, KonaRed is gaining momentum, coming to the public market to achieve access to the funding necessary to facilitate further growth, participating in Kroger's "Taste of Tomorrow" program, launching its products in Canada and, most recently, sponsoring the 2014 and 2015 World Championships of Paddleboarding.

Everything that we, at *The Bowser Report*, do is in the best interest of our subscribers. KonaRed has a great concept in a niche market and a management team that is moving the company forward. But, because of its financials it is very, very speculative. KonaRed will now be in Category 3 of the newsletter for your benefit, but remember, while it will be on page 4, we recommend not investing in a company with a Bowser Rating below 8.

Liberator Medical uplists to NYSE MKT

Liberator Medical Holdings (N:LBMH) began trading on the NYSE MKT on November 20, 2013. Shares of LBMH are no longer quoted on the OTC Markets.

Commenting on the uplisting, Mark Libratore, LBMH's CEO, stated, "We are looking forward to listing on the NYSE MKT. This is a major milestone and marks an important step in Liberator's ongoing efforts to maximize shareholder return. We are confident that LBMH's leading market positions and strong customer relationships, combined with the increased visibility of being listed on the NYSE MKT, will help enhance value for all stakeholders."

The company's symbol remains "LBMH."

SPAR Group switches management

SPAR Group (CM:SGRP) appointed Jill Blanchard as the company's president and chief executive officer. Blanchard takes the reigns from Gary Raymond, who will remain with SGRP in an advisory capacity prior to his retirement.

Before joining SPAR Group on December 2, Ms. Blanchard was the senior vice president at HAVI Global Solutions, a provider of managed services and solutions across the global business supply chain. Before that, she served as vice president of business development at Nielsen, a billion dollar global marketing research company.

"I am deeply honored and excited to be given this opportunity. SPAR Group is an excellent company with great global recognition and a strong and seasoned leadership team. Together with the board, we will build upon SGRP's strong foundation, leverage compatible global opportunities and improve on the value the company already delivers to its growing client base," remarked Ms. Blanchard.

Spine Pain Management (QB:SPIN) announced a marketing partnership distribution agreement with Med X Change, Inc. Under the agreement, Med X Change will afford a private labeling of its Evolution™ Surgical Video Recording system to SPIN's QVH Technology. This will allow surgeons to leverage off the QVH while integrating the QVH Technology into surgical endoscope and microscopic operating equipment systems.

NOTES BY THE EDITOR

There are a two big announcements coming to *The Bowser Report* beginning in 2014.

The first announcement is a price change. Increasing our price is never something that we enjoy doing. However, recent increases in printing costs and postage costs have forced our hand. As a result, the following price structure will go into effect January 1, 2014.

- **Online subscription: \$64/year**
- **Print subscription: \$69/year**
- **Both online and print subscription: \$74/year**

We will honor all subscription cards that are still out there. That means that if you have a card stating the \$59/year price, send it back with your \$59 dollars, and we will honor that price. Again, we never seek a price increase, but there are times that we must adjust our price in order to continue to provide you with a quality investment newsletter. And, we are still one of the lowest priced investment newsletters around.

Foreign subscription (outside US and Canada) prices are as follows:

- Online subscription: \$69/year
- Print subscription: \$79/year
- Online and print subscription: \$84/year

If you have any questions regarding the price changes, please let us know.

The second announcement is a change to the Bowser Database. Starting January 1, you can purchase a quarterly subscription to the *Bowser Database* for \$79/year. Quarterly issues will be published on April 15, July 15, October 15 and January 15.

The Database will no longer be available monthly. However, single issues of the quarterly editions will be available for \$25/issue. The main reason for this change is because the Database reports quarterly changes to companies, meaning the majority of the information is on a quarterly basis.

Look at FONAR Corp (CM:FONR) go! The company hit a new high of \$22.34 on November 25, before closing the day at \$18.94. Recommended in March 2012 at \$1.97 per share, FONAR reached a 1000% gain after bounding above \$19.70 on November 21.



FONAR jumped above \$3 per share quickly after recommendation, causing a few of our subscribers to miss out. And, it's been a bumpy ride since recommendation, after the company slid 25%. Nonetheless, FONAR with its recent run became my first 1000% pick.

I have to say, it feels good to see stocks succeed for one reason: our subscribers are making money! Max was dedicated to his subscribers doing well with our stocks. Hearing your success stories and seeing our picks appreciate, I know why. There is nothing more fulfilling than making you money, and I mean that.

It has been two years since Max published his last issue in December 2011. However, with your support, we have kept Max's legacy alive by continuing to report on his beloved minipriced stocks. So, as we head into the holiday season, a few weeks after Thanksgiving, I would like to thank each one of our subscribers for their support!

It was another great month for stocks in the newsletter. Twenty-two were up, three stayed the same and 11 were down. Of those up, 11 posted double digit gains, 7 over 20%!

Happy Holidays!

from The Bowser Report

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FIVE BOWSER STOCKS UP AND DOWN

FONAR CORP	UP	58%	FIELDPOINT PET	DOWN	15%
LIBERATOR MED	UP	51%	MANHATTAN BRG	DOWN	11%
LRAD CORP	UP	26%	FLEXIBLE SOL	DOWN	11%
WIRELESS TELE	UP	26%	DIRECT INSITE	DOWN	9%
INNOVATIVE FOOD	UP	25%	LIGHTPATH TECH	DOWN	6%

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PUBLISHED THE SECOND THURSDAY OF EACH MONTH

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THIS MONTH'S
BIGGEST GAINER
COMBIMATRIX
UP 194%

WARRANT REGISTER

Indium stockpiler replaces expired OC warrants
SMG Indium Resources Limited (QB:SMGIW) purchases and stockpiles a specialty metal known as indium. The company then benefits from the price appreciation of the metal. As of December 31, 2012, SMGI stockpiled 47 metric tons of indium, which is insured and stored in reputable third-party locations.

There are several benefits to indium, including low melting point, lead and mercury-free, cold welding ability, ability to bond glass, quartz and ceramics, electrical conductability and malleability. These benefits lead to its primary use in the liquid crystal display (LCD) industry. Demand for the metal is expected to grow considerably over the next few years.

Manufacturers in the flat panel display, LCD, personal digital assistant, light emitting diode and copper indium gallium selenide fields are increasingly using indium, which provides competition for indium supply. About 670 metric tons of indium were mined worldwide in 2012. The average price per kilogram of indium was \$528 in 2012, compared to \$696 in 2011.

In July 2013, the company began selling portions of its stockpile, most recently resulting in quarterly sales of \$6.4 million in the quarter ending September 30, 2013. The company's current indium inventory is approximately \$6.2 million. SMGI also reported a 21% increase in net income year-over-year. Complementing the company's growing revenues and earnings is a strong balance sheet, with a current asset-to-liabilities ratio of 13 to 1; and a book value of \$3.10, a 15% premium over its current trading price.

SMGI's warrants are currently trading at below \$0.10 per warrant. They are exercisable at \$5.75 per share. The warrants expire on May 4, 2016, except for 240,000 warrants underlying the public offering, which expire on May 4, 2015.

CombiMatrix enters agreement

CombiMatrix (CM:CBMXW) entered into a contractual agreement with Blue Cross and Blue Shield of Kansas City. Blue Cross and Blue Shield Kansas City (Blue KC) will cover CombiMatrix's diagnostic laboratory services under the agreement. Blue KC is the largest non-profit health insurer provider in Missouri, and extends CombiMatrix's suite of molecular diagnostic solutions and comprehensive clinical support to its more than 800,000 members.

TCF Bank has regulatory order lifted

TCF National Bank (N:TCB-WT) had its regulatory order lifted by the Office of the Comptroller of the Currency. The regulatory order was put in place after there were deficiencies in TCB's Bank Secrecy Act compliance program.

William A. Cooper, TCF chief executive officer. "TCF has made significant investments to create a best-in-class BSA program and the company now has improved systems, training and processes to detect and report potential financial crimes. We will continue to work with law enforcement to protect the public interest and partner with the OCC to enhance the safety and security of the banking system."

The company also appointed Mark Bagley as its chief credit officer. Bagley was most recently the chief credit officer for State Farm Bank F.S.B.

Company	Market/Symbol	Principle Business	Stock Price 12/06/13	Warrant Price 12/06/13	Conv. Ratio	Exer. Price	Expire Date	No. Wts	Bowser Rating
Associated Banc-Corp	GS:ASBCW	Bank holding company	17.32	2.35	1.00	19.77	11/21/18	4.0M	8
1200 Hansen Road., Green Bay, WI 54304, Tel: (920) 491-700, www.associatedbank.com			CALL TERMS: Not callable						
Bank of America	N:BAC-WTB	Banking and financial services	15.56	0.86	1.00	30.79	10/28/18	121.8M	10
Bank of Amer. Corp. Center, 100 N Tryon St., Charlotte, NC 28255, Tel: 704/386-5681, www.bankofamerica.com			CALL TERMS: Not callable						
China Hydroelectric	N:CHC-WT	Hydroelectric power in China	2.56	0.01	1.00	3.45	12/31/13	6.0M	9
420 Lexington Ave., Ste. 860, New York, NY 10170, Tel: 646/467-9800, www.chinahydroelectric.com			CALL TERMS: \$23.00 for 20 out of 30 days						
Citigroup	N:C-WTA	Investment banking	51.49	0.67	1.00	106.10	01/04/19	2.6M	8
399 Park Ave., New York, NY 10043, Tel: 212/559-1000, www.citigroup.com			CALL TERMS: Not callable; exercise price adj. for dividends above \$.01						
CombiMatrix	CM:CBMXW	Biotech development	3.00	1.00	1.00	9.00	05/01/14	1.1M	7
6500 Harbour Heights Pkwy, Ste. 303, Mukilteo, WA 98275, Tel: 425/493-2000, www.combimatrix.com			CALL TERMS: 250% of exercise price for 20 days						
Crumbs Bake Shop, Inc	CM:CRMBW	Sale of baked goods	0.74	0.09	1.00	11.50	05/05/16	5.5M	7
110 West 40th St., Ste. 2100, New York, NY 10018, Tel: 877/278-6270, www.crumbs.com			CALL TERMS: \$17.50 for 20 out of 30 days						
Dynegy, Inc	N:DYN-WT	Electric energy/related services	21.93	1.27	1.00	40.00	10/02/17	15.6M	9
601 Travis St., Ste. 1400, Houston, TX 77002, Tel: 713/507-6400, www.dynegy.com			CALL TERMS: Not callable						
FairPoint Communications	OTC:FRPZW	Communications in New England	9.60	0.04	1.00	48.81	01/24/18	3.6M	8
521 E. Morehead St., Ste. 250, Charlotte, NC 28202, Tel: 704/344-8180, www.fairpoint.com			CALL TERMS: Not callable						
FieldPoint Petroleum	N:FPP-WT	Oil/gas operations in the US	4.08	0.60	1.00	4.00	03/26/18	8.0	7
1703 Edelweiss Dr., Cedar Park, TX 78613, Tel: 512/250-8692, www.fppcorp.com			CALL TERMS: 150% of strike price						
Iridium Communications	GS:IRDMZ	Mobile voice/data communications	5.73	0.74	1.00	11.50	02/05/15	14.0M	8
1750 Tysons Blvd., Ste. 1400, McLean, VA 22102, Tel: 703/287-7400, www.iridium.com			CALL TERMS: \$18.00 for 20 out of 30 days						
Resolute Energy	N:REN-WT	Petroleum/natural gas	8.65	0.28	1.00	13.00	09/25/14	1.7M	6
1000 Crescent Ct., Ste. 1200, Dallas, TX 75201, Tel: 214/615-2300, no website			CALL TERMS: Not callable						
Retail Opportunity Invest	GS:ROICW	Commerical real estate investment	14.82	2.84	1.00	12.00	10/23/14	44.0M	6
3 Manhattanville Rd., 2nd Fl., Purchase, NY 10577, Tel: 914/272-8080, www.roireit.net			CALL TERMS: \$18.75 for 20 out of 30 days						
SMG Indium Resources	QB:SMGIW	Indium stockpiler/seller	2.75	0.07	1.00	5.75	05/04/16	6.8M	10
100 Park Ave., 16th Fl., New York, NY 10017, Tel: 212/984-0635, www.smg-indium.com			CALL TERMS: \$8.00 for 20 out of 30 days						
TCF Financial	N:TCB-WT	Bank holding company	15.96	2.86	1.00	16.93	11/14/18	3.2M	8
200 Lake Street East, Wayzata, MN 55391, Tel: 952/745-2760, www.tcfbank.com			CALL TERMS: Not callable						
Valley National Bancorp	N:VLY-WT	Bank holding company	10.08	0.57	1.2155	15.64	06/30/15	0.9M	8
1455 Valley Rd., Wayne, NJ 07470, Tel: 973/305-8800, www.valleynationalbank.com			CALL TERMS: Not callable						

	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
American Shared Hospital (AMS)	09/30/13	\$4,396,000	\$4,236,000	(\$133,000)	\$192,000	(A)
Atlantic American Corp (AAME)	09/30/13	\$43,247,000	\$35,302,000	\$2,680,000	\$1,084,000	
Avalon Holdings Corp (AWX)	09/30/13	\$16,386,000	\$13,230,000	\$415,000	\$87,000	
Century Casinos, Inc (CNTY)	09/30/13	\$28,826,000	\$18,723,000	\$1,105,000	\$1,186,000	
Cimatron Limited (CIMT)	09/30/13	\$10,301,000	\$9,463,000	\$964,000	\$538,000	
Digital Power Corp (DPW)	09/30/13	\$2,087,000	\$1,679,000	(\$252,000)	(\$467,000)	
Direct Insite Corp (DIRI)	09/30/13	\$2,078,000	\$2,168,000	\$4,000	\$92,000	(B)
ENSERVCO Corp (ENSV)	09/30/13	\$4,803,503	\$5,204,348	(\$919,420)	(\$472,204)	(C)
Evolving Systems (EVOL)	09/30/13	\$6,069,000	\$6,834,000	\$920,000	\$1,238,000	
Female Health Company (FHCO)	09/30/13	\$4,789,187	\$9,911,701	\$6,590,172	\$8,185,205	
FieldPoint Petroleum (FPP)	09/30/13	\$2,582,675	\$2,303,986	\$367,899	\$302,405	
Flexible Solutions (FSI)	09/30/13	\$2,980,999	\$3,598,032	(\$681,900)	(\$458,085)	(D)
FONAR Corp (FONR)	09/30/13	\$16,831,000	\$9,511,000	\$3,620,000	\$1,778,000	
Food Technology Service (VIFL)	09/30/13	\$1,027,510	\$915,654	\$218,630	\$206,487	
Goldfield Corp (GV)	09/30/13	\$23,308,530	\$19,127,906	\$1,281,657	\$2,614,566	(E)
GSE Systems (GVP)	09/30/13	\$11,883,000	\$13,009,000	(\$995,000)	\$816,000	(F)
Innotrac Corp (INOC)	09/30/13	\$29,755,000	\$25,694,000	\$18,456,000	\$1,106,000	
Innovative Food Holdings (IVFH)	09/30/13	\$6,005,091	\$5,130,418	(\$337,758)	\$1,600,903	(G)
Intelligent Systems (INS)	09/30/13	\$4,574,000	\$4,075,000	\$457,000	\$57,000	
LightPath Technologies (LPTH)	09/30/13	\$2,809,712	\$2,891,054	(\$80,345)	\$101,221	(H)
LRAD Corp (LRAD)	09/30/13	\$9,533,000	\$5,970,000	\$2,931,000	\$1,240,000	(I)
Simulations Plus (SLP)	08/31/13	\$1,568,000	\$1,640,000	\$245,000	\$349,000	
SPAR Group (SGRP)	09/30/13	\$27,753,000	\$25,357,000	\$523,000	\$859,000	
Tengasco, Inc (TGC)	09/30/13	\$4,034,000	\$5,806,000	\$481,000	\$1,219,000	
Tucows Inc (TCX)	09/30/13	\$35,637,085	\$29,246,069	\$2,593,360	\$1,635,000	
Where Food Comes From (WFCF)	09/30/13	\$1,470,162	\$1,545,161	(\$7,371)	\$73,968	(J)
Wireless Telecom Group (WTT)	09/30/13	\$8,791,000	\$7,385,000	\$1,090,000	\$855,000	

(A) "The increase in third quarter revenue, despite the reduction in Medicare reimbursement for Gamma Knife services in 2013, is a noteworthy accomplishment for AMS that reflected higher patient volume at a number of established sites," commented CEO Ernest A. Bates.

(B) "DIRI on-boarded two new clients during the third quarter," stated CEO, Matthew E. Oakes. "As recurring revenue from these clients ramps up, it will offset the loss of revenue from the customer roll-off previously disclosed."

(C) ENSV President Rick Kasch noted, "The third quarter was accompanied by some unavoidable operational challenges that ranged from historic flooding to a customer transition. However, the quarter was also marked by important strategic developments that strengthened ENSV's business and positioned the company for continued growth."

(D) "The reduced revenue in Q3 was a temporary reduction in orders from a large customer," explained FSI CEO Daniel B. O'Brien. "We expect this to be a one-time event."

(E) John H. Sottile, president and CEO: "The steadily increasing revenues reflect the inherent strength of GV's electrical construction operation. The challenge is to avoid the sort of special charges that have dampened results."

(F) "GSE has experienced a significant slowdown in its operator

training simulator markets in 2013 for both nuclear and fossil," remarked Jim Eberle, GSE's CEO.

(G) IVFH's operating expenses grew 41% year-over-year, while income expense also grew considerably.

(H) "New orders received in the 1Q 2014 recovered from the 4Q 2013 to \$3.5 million. This strong order performance increased 12-month backlog as of 09/30/13 to \$4.4 million," said Jim Gaynor, president and CEO of LPTH.

(I) Tom Brown, LRAD president and CEO: "Emphasis on growing international markets proved successful as international revenues grew 84%, representing over 58% of net revenues."

(J) "SGRP management expects to capitalize on the numerous growth opportunities ahead, as the company increases overall profitability during the fourth quarter, traditionally SGRP's strongest period," forecasted CEO Gary Raymond.

(K) "WFCF was profitable prior to incurring significant legal and advisory costs associated with the Validus acquisition," commented John Saunders, the company's CEO. "The Validus and Micro transactions, which should bring in an additional \$2 million in annual revenues, put us in a strong position to achieve profitable growth in 2014 and beyond."