



January was down, now what?

The January indicator hints at a slow 2014 for the market, but what about Bowser companies?

There are so many market theories out there that keeping track is a difficult task. At the end of January, Mark Hulbert wrote an article for the *Wall Street Journal* titled, "When the January Indicator Says 'Sell.'" With what was a rough month for indexes across the board, investors are rattled, wondering what to do next.

WHAT IS THE JANUARY INDICATOR?

According to Hulbert's article, Yale Hirsch's *Stock Trader's Almanac* first mentioned the January indicator in 1972. How the market, using the S&P 500, performs in January hints at how it will perform for the next 11 months, says the indicator.

To provide some statistical backing, over the past 20 years, when the S&P 500 was up during January, the index rose an average of 10.2% over the next 11 months. When the S&P 500 was down in January, the next 11 months averaged just a 3.1% gain.

Because January is down, doesn't mean the year will finish down. In Hulbert's article, Sam Stovall of S&P Capital IQ stated that since 1945, the S&P 500 has risen a majority (56%) of the time after down Januarys.

DOES IT APPLY TO SMALL STOCKS?

All this talk about the S&P 500, and we follow exclusively small stocks! So, we used the Russell 2000* to better illustrate the January indicator in smaller companies.†

Over the last 20 years, when the Russell 2000 was up in January, the index averaged an 8.2% gain over the next 11 months. When it was down in January, it averaged a 9.2% gain over the next 11 months. The Russell 2000 was up 66.7% of the time following a positive January. Following a negative January,

the index was up 54.5% of the time. As a result, when January was down, the index was down the next 11 months less than half of the time (45.5%).

Both indexes have been up a majority of the time following down Januarys--the Russell 2000 up 55% of the time and the S&P 500 up 56% of the time. Unlike the S&P 500, which showed significantly better results following a positive January, the Russell 2000, which is more indicative of small stocks, actually performed better after negative Januarys.

This past month, both indexes were down. The S&P 500 reported a 2.7% loss, and the Russell 2000, a 1.7% loss.

WHAT ABOUT BOWSER STOCKS?

The type of companies that we follow, itsy bitsy "nanocaps," typically do not trend with the major market. They operate in their own little world without much attention from the large institutions that run the overall market. That said, in general, Bowser companies do their own thing *individually*.

As a group, however, it's more likely that they behave in an overall pattern. As we have discussed before, historically speaking, micro and nanocap stocks tend to outperform positive markets and underperform negative markets. However, given what we saw in the Russell 2000 with regards to small stocks, the January indicator appears to have no real implications for your Bowser portfolio.

So, no matter what the overall market is doing, follow the Game Plan! It's the best chance to be up in positive markets and **up** in negative markets.

For our full results on the January indicator and the Russell 2000 index, visit our website and check out our "Blog" page.

*The Russell Microcap Index follows the smallest 1,000 companies from a capitalization standpoint in the Russell 2000 Index, plus 1,000 more small companies. The Index excludes OTC-listed and pink sheet companies.

†We would have rather used the Russell Microcap Index, but could not find data going back far enough to get an accurate representation.

A long overdue introduction

Cindy talks about Thomas, The Bowser Report's current editor-in-chief

A little over two years ago my dad, R. Max Bowser, passed away. He is surely missed by those who knew him whether in person or through *The Bowser Report*. He left behind a big legacy, not the least of which was how to invest in minipriced stocks using the Bowser Game Plan.

He was also a great source of inspiration. One of those he inspired, and then mentored, was the newsletter's current publisher and editor, Thomas Rice. Thomas came to us through Christopher Newport



Thomas Rice

University, which is right down the road from the old Bowser Report World Headquarters in Newport News, VA. He graduated with a degree in English, which has become a true asset for the newsletter.

Of course, writing an investment newsletter also means you have to study the stock market and, in our particular case, small stocks. For this part of his education, he worked several years learning the

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investment ropes in general, and assisting Dad analyze which stocks to make a Company of the Month. Through this hands-on method, Thomas discovered that he loved the world of investing and *The Bowser Report*.

Since I am well into retirement age, it was a natural progression for Thomas to gradually take over the helm. And, he has been writing the newsletter single-handedly since January 2012, choosing the Companies of the Month as well.

How has he done? As I write this, the statistics speak for themselves. Including last month's pick, he has made 25 selections. Of these, ten have doubled, and just three were recommended for sale. Only four have dropped 50% or more after recommendation (including the 3 that we said to sell). Seventeen of the 22 picks left are trading higher than their price at recommendation.

I think Dad would be mighty proud of his prodigy, and equally as proud of Thomas' integrity. Dad, who was above reproach in that area, didn't have to mentor Thomas on this one. Thomas is from a very loving and amazing family of six children with strong values. Having known and worked with him for over four years, I having nothing but respect for his work ethic and his respect for the Buckaroos and the goal of the newsletter--to give the best analysis of minipriced stocks.

Since taking over, Thomas has brought the newsletter into the 21st century through his online version, blog and social media additions. Still, it's been a learning experience in trying some new ideas for the newsletter, and in trying to add to our subscriber base. Some efforts have worked better than others. Dad also went through those experiences, even up to the end. The newsletter is constantly evolving. One thing I notice both Thomas and Dad have in common is the ability and intelligence to be constantly thinking about ways to improve the newsletter and the Bowser Game Plan.

Please remember that writing a newsletter takes communication. Thomas can have all the determination in the world, coming up with ideas, but if they don't work for you, our subscribers, and you don't let him know, he can't keep the newsletter viable and worthwhile. So, if you get the chance and have the inclination, please drop a line over the phone, online or through an email to make suggestions. Give a compliment, or just plain complain. Your comments help us advance and, hopefully, grow.



Market Overview

This month, there was one change to the Bowser Microcap Stock Index. As a result of Innotrac (INOC) being acquired, we replaced INOC with SPAR Group (SGRP), which is in the same marketing/wholesale sector.

The past month was a rather rough month for the Bowser Index, partly because of the change and partly because of the market conditions. The Index slipped from 689.26 on January 3 to **654.31** on February 10, a loss of 5.1%.

All other indexes we report on were down as well, except for the NASDAQ Composite, which rose a slight 0.4%. The Bowser Index lost the most, with the Dow Jones Industrial Average losing the second most--down 4.1%. The table below shows four indexes' results from January 3 to February 10.

•Dow Jones Industrial Average:	UP 2.8%
•Russell 2000:	UP 2.2%
•NASDAQ Composite:	UP 1.7%
• S&P 500:	UP 1.5%

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

ADDvantage subsidiary sells assets

ADDvantage Technologies (AEY) is selling the majority of the net assets and operations of its subsidiary, Adams Global Communications. Acquiring the assets and operations is Adams Cable Equipment, a supplier of customer premise equipment (CPE) and other cable television products. The purchase price is set at \$2 million in cash.

David Humphrey, AEY's president and CEO: "ADDvantage feels that this deal is a strategic decision as it will help to better focus on core competencies, which entail selling headend and access and transport equipment on a commercial scale to cable companies and larger MSOs. Since a large portion of Adams Global Communications concentrates on the 'in-home' CPE business, including the sale of set-top boxes and modems, we welcomed this opportunity to sell a major portion of the subsidiary and align our remaining businesses more effectively."

Mr. Humphrey also added that Adams Global Communications and Adams Cable Equipment are stronger together, as Adams Global will be able to benefit from Adams Cable Equipment's volume, capacity and proper resources.

After the sale, ADDvantage will retain the Adams Global Communications facility.

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

Arotech Corporation (ARTX) is a defense and security products and services company. The company provides interactive simulation for military, law enforcement and commercial markets; and batteries and charging systems for the military. To provide these services and systems, ARTX operates through two major business segments:

TRAINING AND SIMULATION

This is the larger of the two segments. The training and simulation division develops, manufactures and markets solutions for use-of-force training and driver training of professional personnel. The company divides its training and simulation products into three product areas:

- *Vehicle simulation*, which includes simulator, systems engineering and software products. These simulations cover a variety of vehicles, including trucks, automobiles, subway trains, buses, fire trucks, police cars, ambulances, etc. In January 2008, the company added Realtime Technologies Inc to this segment.

- *Military operations*, which develops analytical models and simulations of tactical air and land warfare systems for all branches of the DoD and related industrial contractors.

This product area comprises the majority of the company's training and simulations revenues.

- *Use of force*, which provides interactive training products to a wide customer base spread across twenty countries.

The training and simulation segment accounted for 76% of the company's revenues for the three months ended September 30, 2013.

BATTERY AND POWER SYSTEMS

Smaller of the two segments, it manufactures and sells Lithium and Zinc-Air batteries. Products include the Soldier Wearable Integrated Power Equipment System (SWIPES™). The company also produces lifejacket lights. The battery and power systems segment accounted for 24% of the company's revenues for the three months ended September 30, 2013.

SALE OF ARMOR DIVISION

In June 2012, Arotech sold its armor division. Through this division, the company manufactured military and paramilitary armored vehicles, and produced aviation armor. The company sold this segment to focus on the more profitable and growth-oriented segments: training and simulation, and battery and power systems.

FINANCIALS

Over the past year, Arotech Corp has turned around its financials in a major way. Over the past nine months, revenues grew 16.8%. And, the company reported \$2.7 million in

positive earnings over the past nine months, compared to a \$2.5 million loss over the same nine months last year. For the most recent quarter, ended September 30, 2013, ARTX reported \$23.2 million in revenues and \$861,575 in earnings, marking the fifth consecutive quarter of profits.

While the company has been growing in terms of revenues and earnings, its balance sheet has improved as well. Arotech's current assets have grown from \$36.4 million in December 2012 to \$39 million in September 2013. Over the same period, current liabilities have dropped from \$26.5 million to \$19.4 million. As a result, the company has grown its working capital, and improved its current ratio. Book value has also improved, increasing from \$2.61 to \$2.98.

ARTX reported a backlog of \$74.4 million for the most recent quarter, ended September 30, 2013.

MANAGEMENT

Robert S. Ehrlich is Arotech Corp's chairman since 1993 and chief executive officer since 2002. Prior to holding his current positions, Mr. Ehrlich was the company's vice chairman from 1991 to 1993, its chief financial officer from 1991 to 2002 and president from 2002 to 2005. As of September 18 2013, Mr. Ehrlich owned 1,409,643 shares of common stock.

Steven Esses is the company's executive vice president since 2003 and president since 2005. He was also ARTX's chief operating officer from 2003 to 2012. Mr. Esses has been a director since 2002, when he first joined the company. As of September 18, 2013, he owned 995,480 shares of

common stock.

As a group, insiders owned 3.3 million shares as of September 18, 2013.

THE BOTTOM LINE

Since the company decided to sell its less profitable armor division, its financials have shown very good progress. Revenues have continued to grow, and the company has hit profits and maintained them. Despite the tough government environment, Arotech has continued to win contracts, keeping a high backlog (\$74.4 million).

One thing to watch with this company in the future is dilution. In September, the company issued 3,428,571 shares of common stock in a public offering. Then, in October 2013, it issued another 514,285 shares. The offerings resulted in almost \$7 million in aggregate proceeds. While there are still just about 16 million shares, we are not worried at this point. Further dilution is something to keep an eye on.

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NASDAQ:ARTX
BOWSER RATING: 11
Last 12 Months:
\$1.00-3.98

	2011	2012	2013 (A)
REVENUES	\$62,135,578	\$80,050,434	\$67,637,517
INCOME(LOSS)	(\$11,527,005)	(\$3,016,677)	\$2,742,759
WORKING CAPITAL	\$10,220,549	\$9,909,690	\$19,603,490
BOOK VALUE	\$2.94	\$2.61	\$2.98
TOTAL SHARES	14,011,566	14,713,583	15,951,602
FLOAT	N/A	N/A	12,400,000
(A) NINE MONTHS ENDED 09/30/13			

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; (NR) NOT RATED; #-PREVIOUSLY APPEARED ON LIST, BUT WAS REMOVED BECAUSE IT HAD RISEN ABOVE \$3.00/SHARE; FIGURES IN PARENTHESIS ARE LOSSES; C-CANADIAN DOLLARS.

Date of Recommend & Market	Issue/Trading Symbol	Principle Business	Price 02/07/14	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	2.07	\$0.000	\$43.3	\$0.905	19.0	11
02/14(GM)	AROTECH CORP (ARTX)	DEFENSE/SECURITY PRODUCTS	2.66	\$1.859	\$89.8	\$3.189	16.0	11
09/13(QB)	CREATIVE LEARNING (CLCN)	EDUCATIONAL PROGRAMS FOR KIDS	1.72	\$0.000	\$4.8	\$0.948	11.7	9
08/13(QB)	DIRECT INSITE CORP (DIRI)	E-INVOICING SOLUTIONS	1.25	\$0.049	\$9.3	\$0.522	12.5	8
01/14(CM)	DLH HOLDINGS (DLHC)	GOVERNMENT SERVICES SOLUTIONS	2.47	\$0.000	\$52.0	\$0.102	9.5	9
10/13(QB)	INNOVATIVE FOOD (IVFH)	SPECIALTY FOOD PROVIDER	1.75	\$0.585	\$19.5	\$0.091	6.5	8
# 10/09(CM)	LRAD CORP (LRAD)	SOUND ACOUSTIC TECHNOLOGY	2.00	\$0.000	\$15.8	\$1.113	33.0	8
# 02/10(CM)	MANHATTAN BRIDGE (LOAN)	SHORT-TERM COMMERCIAL LOANS	1.81	\$0.000	\$2.2	\$0.557	4.3	9
# 08/12(CM)	NEWTEK BUSINESS (NEWT)	SMALL/MEDIUM BUSINESS SOLUTIONS	2.94	\$82.820	\$139.9	\$7.191	35.3	8
Office: 212 West 35th St., 2nd Fl., New York, NY 10001, Tel: 212/356-9500, www.thesba.com								
02/13(A)	WIRELESS TELECOM GRP (WTT)	NOW ABOVE \$3; SEE FOLLOW-THROUGH (Page 5)						
12/13(CM)	XRS CORP (XRSC)	MOBILE SOLUTIONS FOR TRUCKERS	2.71	\$0.000	\$55.3	\$0.638	10.9	8
CATEGORY TWO: WORTHY OF CONSIDERATION								
03/13(GM)	ADDVANTAGE TECH (AEY)	CABLE TV EQUIPMENT	2.63	\$1.319	\$33.4	\$1.670	10.1	8
# 12/11(A)	AMER SHARED HOSP (AMS)	NOW ABOVE \$3; SEE FOLLOW-THROUGH (Page 5)						
05/13(QB)	ENSERVCO CORP (ENSV)	OIL/GAS WELL SITE SERVICES	2.18	\$9.139	\$42.7	\$3.805	32.3	7
# 03/11(A)	INTELLIGENT SYSTEMS (INS)	VENTURE CAPITAL FIRM	2.00	\$0.000	\$17.2	\$0.935	9.0	10
# 12/06(A)	ITERIS (ITI)	OUTDOOR MACH VISION SYS/SENSORS	2.11	\$0.000	\$66.5	\$1.415	32.7	8
12/12(CM)	JOE'S JEANS INC (JOEZ)	WOMEN'S/MEN'S APPAREL	1.23	\$0.000	\$123.4	(\$3.539)	67.4	NR
07/13(CM)	LIGHTPATH TECH (LPTH)	OPTICAL COMPONENTS	1.44	\$0.011	\$11.7	(\$0.309)	13.6	NR
06/13(GS)	RIVERVIEW BANCORP (RVSB)	NOW ABOVE \$3; SEE FOLLOW-THROUGH (Page 5)						
04/13(CM)	SPAR GROUP (SGRP)	MERCHANDISING AND MARKETING	1.98	\$0.129	\$119.7	\$2.004	20.5	7
CATEGORY THREE: VERY SPECULATIVE								
# 06/08(A)	FLEXIBLE SOLUTIONS (FSI)	SPECIALTY CHEMICALS	0.94	\$1.238	\$16.2	(\$0.931)	13.2	7
# 06/12(A)	GOLDFIELD CORP (GV)	ELECTRICAL CONSTRUCTION	1.99	\$15.007	\$92.7	\$6.628	25.5	8
08/11(A)	GSE SYSTEMS (GVP)	SERVICES NUCLEAR & PETRO IND	1.81	\$0.000	\$48.0	(\$10.679)	18.1	7
12/13(QB)	KONARED CORP (KRED)	COFFEE FRUIT BEVERAGES	0.95	\$0.000	\$0.9	(\$0.576)	71.4	NR
07/10(QB)	REPRO-MED SYSTEMS (REPR)	DESIGN/PRODUCTION OF MED PROD	0.23	\$0.000	\$8.1	\$0.555	36.7	8
07/12(QB)	SPINE PAIN MGMT (SPIN)	SPINE INJURY FINANCING SOLUTIONS	0.43	\$0.985	\$3.2	(\$0.554)	18.5	9
10/12(QB)	WHERE FOOD CMS FRM (WFCF)	FOOD VERIFICATION SERVICES	2.66	\$0.171	\$5.4	\$0.126	21.9	7

We recommend only purchasing companies rated 8 or higher. If a company's rating drops do not sell. For when to sell, refer to the Game Plan on page 2.

CATEGORY CHANGE

This month we have one company moving from Category 2 to Category 1: **LRAD Corp (LRAD)**. The company's stock has performed well recently following continued contract wins and a good earnings report, in which revenues increased 28.3% and earnings went from a \$100,000 loss to a \$132,000 gain. For more, see the Earnings page.

Direct Insite expands sales through partnership

Direct Insite Corp (DIRI) signed a partnership with Phoenix Fire Inc to bring DIRI's e-invoicing solutions to new channel resellers and customers.

"Phoenix Fire enables Direct Insite to increase its sales footprint with new strategic channel partners offering complementary solutions and services," said DIRI's president and CEO, Matthew E. Oakes. "Their expertise in building partner ecosystems will help Direct Insite quickly expand its sales channels with strategic partners that are well positioned to meet the growing global demand for accounts payable and accounts receivable e-invoicing solutions."

Iteris enters partnership with Tinga

Iteris Inc (ITI) and Tinga, Inc entered into an agreement through which Tinga will provide Iteris' products on its AIR Exchange™ (AIREX™). The AIREX™ is the first and only cloud-based independent marketplace that gives investors on-demand access to financially actionable information and reports.

Featured on the AIREX™ are Iteris's traffic and weather information products and services. These products and services will be available to asset managers, hedge funds, registered investment advisors, and other investment professionals.

"The partnership with Tinga demonstrates the need for Iteris's traffic and weather solutions outside of just transportation markets," said Tom Blair, senior vice president of iPerform at Iteris. "Soon, global investors who seek relevant information to make important investment decisions will have direct access to purchase Iteris products and services through the Tinga AIR Exchange online marketplace. We are looking forward to working with Tinga and being the first in the traffic and weather management market to leverage their services."

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 02/07/14 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
AMERICAN SHARED HOSP (A:AMS)	\$3.10(8)	12/11 \$2.45(8)	IEC ELECTRONICS (A:IEC)	\$3.99(NR)	07/08 \$1.99(8)
ATLANTIC AMERICAN (GM:AAME)	\$3.93(10)	02/12 \$2.05(8)	INNOTRAC CORP (CM:INOC)	ACQUIRED JAN. 6, 2014	
AVALON HOLDINGS (A:AWX)	\$5.43(12)	05/11 \$2.90(9)	INVENTURE FOODS (CM:SNAK)	\$11.82(11)	09/00 \$2.56(8)
CAMCO FINANCIAL (GM:CAFI)	\$6.43(7)	11/12 \$1.80(8)	KEY TRONIC CORPORATION (GM:KTCC)	\$9.93(7)	11/08 \$1.57(10)
CENTURY CASINOS (CM:CNTY)	\$6.72(7)	02/08 \$2.57(8)	LIBERATOR MEDICAL HLDGS (N:LBMH)	\$4.75(10)	04/11 \$1.41(9)
CIMATRON LIMITED (CM:CIMT)	\$8.92(10)	02/08 \$2.75(8)	NEWTEK BUSINESS SERVICES (CM:NEWT)	NOW \$2.94; SEE PAGE 4	
EVOLVING SYSTEMS (CM:EVOL)	\$9.16(NR)	05/09 \$3.68(8)	RIVERVIEW BANCORP (GS:RVSB)	\$3.23 (7)	06/13 \$2.30(9)
*Price adjusted: 1-for-3 reverse split 07/09			SIMULATIONS PLUS (CM:SLP)	\$5.57(8)	05/10 \$2.46(9)
FEMALE HEALTH COMPANY (CM:FHCO)	\$7.00(7)	10/07 \$2.32(9)	TUCOWS INC (CM:TCX)	\$12.44(8)	01/13 \$6.00(8)
FIELDPOINT PETROLEUM (A:FPP)	\$4.41(9)	10/08 \$2.24(8)	*Price adjusted: 1-for-4 reverse split 12/13		
FONAR CORPORATION (CM:FONR)	NOW IN BOWSER DATABASE		VERSAR INC (A:VSR)	\$4.63(9)	10/11 \$2.76(10)
FOOD TECHNOLOGY SERVICE (CM:VIFL)	\$7.15(9)	01/07 \$2.50(8)	VERTEX ENERGY (CM:VTNR)	\$3.40(9)	06/11 \$1.95(9)
GOLDEN ENTERPRISES (GM:GLDC)	\$4.10(10)	02/09 \$2.35(9)	WIRELESS TELECOM GRP (A:WTT)	\$3.40(10)	02/13 \$1.21(10)

THE FOLLOWING WE SAID SHOULD BE SOLD

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

DIGITAL POWER CORP (A:DPW)	\$0.66(8)	04/13 \$0.60(NR)	SONO-TEK CORP (QB:SOTK)	NOW IN BOWSER DATABASE	
DOVER DOWNS (N:DDE)	\$1.49(NR)	05/13 \$1.72(NR)	TENGASCO INC (A:TGC)	\$0.42(NR)	09/13 \$0.42(NR)
MAJESCO ENTERTAINMENT (CM:COOL)	\$0.54(NR)	04/13 \$0.72(NR)			

BRIEFS

Century Casinos (CNTY) received master site development plan approval and the development permit from Rocky View County for the Century Downs Racetrack and Casino. As a result, construction at the site may start any time going forward, with stripping and grading beginning within the next few weeks. . . . **Direct Insite (DIRI)** announced that the private investment partnership, Metropolitan Venture Partners II, extended the term of its partnership with DIRI for over two years. MVP II is now under new management, and holds a 12.4% stake in DIRI's common stock. In other news, Direct Insite announced solutions and services to help current customers and suppliers of JPMorgan's Xign buyer network make a seamless transition to its own Invoices On-Line™ network. . . . **ENSERVCO Corp (ENSV)** reported its preliminary fourth quarter and full year 2013 results. The company's fourth quarter revenues are expected to be \$15 million--a 33% increase compared to the same quarter last year. Full year revenues are expected to be \$46.3

million, a \$14.8 million--47%--increase over 2012's full year results. The company's audited full year results should be out mid-March. . . . **Evolving Systems (EVOL)** announced four new Dynamic SIM Allocation™ (DSA) operator customers, which is a one year record. During the two-week holiday season, over 4 million DSA-enabled SIM cards were activated, representing another record. And, a DSA carrier customer activated 247,000 times in one-day, marking yet another record for the company's Dynamic SIM Allocation. . . . **Goldfield Corp (GV)** entered into a master loan agreement with Branch Banking & Trust (BB&T) that replaces all previous loan agreements between the two companies. This new agreement restates the loan agreement made on December 16, 2013, adds C and C Power Line as a party to the agreement and adds a \$10 million equipment loan and a \$3.5 million acquisition loan. . . . **Liberator Medical Holdings (LBMH)** announced yet another dividend payment coming to its shareholders. This payment is for \$0.03 per share in cash, which the company will pay on April 10, 2014 to shareholders of record as of the close of business on March 26, 2014. . . . **Newtek Business Services (NEWT)** debuted its newest magazine: *Newtek, The Small Business Authority Online Magazine* for 2013-2014. This latest magazine is a look at the issues small businesses will face over the next year and how to address them. The magazine is available from the company's website (www.thesba.com). . . . **Simulations Plus (SLP)** announced a quarterly dividend of \$0.05 per share in cash. SLP will distribute the dividend on February 24, 2014 to shareholders of record as of February 17, 2014. . . . **Spine Pain Management (SPIN)** Director William A. Lawrence resigned from the board for personal reasons. . . . **Vertex Energy's (VTNR)** Chief Executive Officer Benjamin P. Cowart rang the NASDAQ closing bell on January 17, 2014.

OPEN MARKET INSIDER TRANSACTIONS

COMPANY	INSIDER	BUY/SELL	DATE	PRICE
Camco Financial	Norman G. Cook (D)	B-989x	01/31/14	\$6.47
	Edward D. Goodyear (D)	B-471x	01/31/14	\$6.47
	James Paul Spragg (D)	B-896x	01/31/14	\$6.47
	Jeffrey T. Tucker (D)	B-621x	01/31/14	\$6.47
	John Timothy Young (D)	B-117x	01/31/14	\$6.47
ENSERVCO Corp	Cross River Capital (B/O)	S-500,000	01/02/14	\$1.75
FONAR Corp	Robert J. Janoff (D)	S-1,000	01/09/14	\$26.32
IEC Electronics	Donald S. Doody (O)	S-7,664x	01/02/14	\$6.84-6.94
	Edward William Kay, Jr. (D)	B-2,000	01/03/14	\$6.80
Iteris Inc	Lloyd I. Miller III (B/O)	S-200,000x	01/16/14	\$2.20
	" "	S-111,818x	01/21/14	\$2.37
	" "	S-8,182x	01/22/14	\$2.40
	" "	S-2,100x	01/29/14	\$2.35
	" "	S-26,857x	01/31/14	\$2.25
SPAR Group Inc	Williams H. Bartels (O)	S-2,500	01/27/14	\$2.03
	Robert G. Brown (O)	S-5,000	01/27/14	\$2.00
Tucows Inc	Michael Cooperman (O)	OE-30,000	01/30/14	\$3.40

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

BOWSER BUCKAROOS SPEAK

GETTING STARTED WITH A COUPLE QUESTIONS

As probably is the case with most non-professional investors, the most be-deviling question for me is entry and exit price points. At what price range is something a value, and at what price is it overpriced?

Also, are you familiar with any software programs that you feel are worth a look? I'm looking for screening ability.

--David Cannon, Central, SC

True value of companies is a very tricky thing. Of course, there are a number of ways to assess value: price compared to book value; earnings per share; price compared to sales. And, there are many outlets that will tell you what they think the value of a company is.

We don't deal with valuations so much. In our newsletter, we don't publish entry or exit prices. Instead, we rely on our Rating System to tell us what companies are worth purchasing, and what companies are not.

For some, relying on an objective system may seem too simple, but that was the goal of the Bowser Rating: simplify company analysis. And, it works! Otherwise, we wouldn't continue to stand by it after almost 40 years of scrutinizing minipriced companies.

As for screeners, we use a number of them. By far the most comprehensive screener we have seen is Financial Visualization's screener, which can be found on their website: finviz.com. This screener allows users to filter information on stocks based on over 60 different criteria.

Also, we did a review of popular screeners on our website: thebowserreport.com/financial-news/finding-next-winner-stock-screener-reviews/.

DLH HOLDINGS AND DILUTION

I am intrigued by DLH Holdings (DLHC), January's Company of the Month, but I'm spooked by the rapid increase in shares outstanding from about 5.0 million in 2010 to 9.3 million now. Is more dilution on the horizon?

--George Barney, Mundelien, IL

As we have said a number of times, share structure is a critical part of a publicly trading company. So, George is on point by looking into what is going on with DLHC's common shares.

On DLH Holding's financial report, there are just a few thousand more diluted shares than basic shares. So, there could be future dilution, as the company looks to raise funds, or as management/holders exercise options.

In any case, there is a very small float of just 3.5 million shares available on the public market. And, insiders own a good portion of the company (17%). The increase in shares is something to watch as the company continues to grow, but there is no red flag as of now.

ACHIEVING NEW YEAR'S RESOLUTIONS

My 2013 New Year's Resolution was to invest in stocks for the first time ever. Last year, I invested a little over \$2,600 and ended the year with a market value of close to \$4,400. I strictly

used the Bowser Game Plan and your recommendations.

I'm thrilled with the results of my one-year experiment! Can't stop now. I just sent in my renewal for your newsletter. Thanks for all you do!

--Deirdre Donovan, Winchester, NH

These type of comments are the absolute best! Nothing makes us happier than knowing that we have helped someone make a little, or a lot, of money. And, the cherry on top is that Deirdre was a first time investor. In 2013, she saw her portfolio rise around 69%!

This just goes to show that the Bowser System works. If followed, an investment beginner can find success. Even experienced investors can gain something from Max Bowser's investment philosophy. While we can't guarantee that every year will be as great as Deirdre's was, we can tell you that success is certainly achievable no matter your experience.

KONARED CONCERNS

I have seen comments online referring to KonaRed (KRED) as a pump and dump. Has your position changed as I purchased a few shares, but am contemplating selling?

--Dennis Todric, Ann Arbor, MI

There was some crazy volume with KonaRed over the past month. An investor relations campaign was implemented, alerting investors to the company's public status, and customers to its expanding products.

In what was a questionable marketing decision, we endorsed the campaign. In short, we liked the company's prospects and liked the company's management. So, we said why not? Well, we didn't think the decision all the way through, as we became part of the pump and dump talks. We understand this looks bad. For more see page 8.

Now, addressing Dennis's question: is KonaRed a pump and dump? We would not have written it up, or endorsed the campaign if we thought so. As we said before, we truly believe management has its company moving forward (and at an alarming rate). Just consider everything the company has done since we last published:

- Announced ABC Stores carrying its Green Tea;
- Secured Greenwell Farms' coffee fruit for the next five years;
- Announced its product availability in Hawaiian commissaries;
- Released new bottle designs;
- Closed a \$1 million private placement;
- Resigned 10-time paddle board champion, Jamie Mitchell, as a company ambassador;
- Entered into a licensing agreement with VDF FutureCeuticals; and
- Entered into a \$12 million purchase agreement with Lincoln Park Capital Fund, LLC.

We admit, there has been some manipulation of the stock price going on with all of the recent interest. However, there is a rapidly growing company behind whatever the market does to the stock price.

When we originally wrote up KonaRed, we said the company is very, very speculative (too speculative for Company of the Month consideration). Without adequate financials, the company remains so. However, the company is real, and growing. That much we know.

Beginner's Portfolio Up 224%

BOUGHT: None this month

SOLD: None this month

	Cost	02/07/14		Cost	02/07/14		Cost	02/07/14	Proceeds
LOAN	120/Mar '10	181	FSI	145/Aug '12	94	JOEZ	117/Jan '13	123	From Sales
*CNTY	270/Mar '11	336	ITI	162/Aug '12	211	*LBMH	83/Jan '13	238	11,069
GVP	210/Sep '11	181	NEWT	187/Sep/ '12	294	WTT	189/Apr '13	340	
AAME	280/Mar '12	393	WFCF	159/Nov '12	266	SGRP	178/Apr '13	198	
AMS	308/June '12	310	*CAFI	218/Dec '12	322	AEY	248/May '13	293	
INS	179/June '12	200	LRAD	106/Dec '12	200	IVFH	134/Jan '14	175	
								4,355	
	Original cost for all stocks: \$4,766		*50 Shares			Proceeds from Sales:		11,069	
						Current Value of Portfolio:		15,424	

Gain: 15,424 minus 4,766 = 10,658

Percentage of gain: 10,658 divided by 4,766 x 100 = 223.6

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 up 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

Despite a down January across the market, the Beginner's Portfolio performed very well. There were no changes to the Index this month after tendering **Innotrac (INOC)** last month, and replacing it with **Innovative Food (IVFH)**. The current holdings value rose 12% since last month. The Portfolio has gained 224% since it began in September 2001.

Creative Learning expands Challenge Island

Creative Learning Corp (CLCN) finalized the deal on a new Challenge Island® franchise in Manila, located in the Philippines.

"We are truly excited to be working with the new owners in the Philippines. Chesca and Icel are intelligent, creative, incredibly empowered women on the cusp of introducing Challenge Island® to the local children, who will enjoy the benefits for a lifetime," said Jeff Pappas, managing director.

In addition to educating children in science, technology, engineering and math, Challenge Island® integrates social studies, language arts and fine arts into its multifaceted curriculum. The program also fosters imagination, creativity and social skills in kids, while teaching them many of the qualities that are often overlooked in mainstream education, which is constrained by time limits and class size.

LRAD receives two new orders

LRAD Corp (LRAD) received two new orders over the past month. The first order was a \$4 million order for perimeter/ border security LRAD 2000X systems, spare parts and accessories from a Middle Eastern country.

Commenting on this first order, LRAD CEO Tom Brown: "This order represents our most significant order to date for the LRAD 2000X. In the Middle East and Asia, governments are focused on securing their borders and are looking at sensor systems that are effective from a cost and performance standpoint."

The second order was a \$763,000 order for LRAD devices and accessories to be used for bird mitigation and wildlife preservation and control for an international mining concern.

On this order, Brown stated, "The near infinite varieties

of tones and sounds that can be recorded and broadcast through our Long Range Acoustic Devices® prevent birds from becoming habituated to the repetitive noises produced by legacy wildlife control measures."

Both orders are scheduled to ship by June 30, 2014.

Versar receives contract/extension

Versar Inc (VSR) announced a new contract win, as well as a contract extension over the past month. The company first announced a \$2.25 million contract from Frederick County, Maryland. Under this contract, the company will support the County's National Pollutant Discharge Elimination System (NPDES) and Municipal Separate Storm Sewer System (MS4) permit compliance over the next three years.

Next, Versar announced that the United States Army Corps of Engineers, Middle East District, extended its ongoing personal services and support contract in Iraq by six months. The extension has a possible value of \$1.5 million, running through August 6, 2014.

Buckaroo Bob Goodkin lightens the mood

At the end of a phone call with subscriber Bob Goodkin, he told us a couple of jokes. In the spirit of Max Bowser, who always had a tremendous sense of humor and loved jokes, we'll attempt to retell Bob's:

At the Gates of Heaven, sit three men with Albert Einstein. Einstein asks the first man, "What's your IQ?"

"200," said the man.

"Great! Well, let's talk physics," replied Einstein.

He asked the second man the same question, to which he replied, "150."

"Very good. Let's talk religion," replied Einstein.

Einstein asked the third man the same question, and he replied, "Uh, ummm, five?"

Einstein looked at him and said, "How's the market?"

NOTES BY THE EDITOR

It's just about **Historical Review time of year again!** Each February, we work on our Annual Historical Review, which tracks the progress of *every* company we have recommended since 1976.

The document contains the date of recommendation, the price at the time of recommendation, the current price, the high price after recommendation and any news about the company (acquired, merged, bankrupt, etc).

Best of all, the Historical Review is **FREE!** Once published, we can email you a copy, or you can send us a business envelope with \$0.70 postage, and we will send you a hard copy.

While we will announce the release in next month's newsletter, check on our website for a better idea of exactly when the Historical Review is ready for you to read.

What a wild ride DLH Holdings Corp (DLHC) has been on! We recommended the company just last month. At the time, it was trading for just \$1.53 per share. In a rare, sudden post-recommendation pop, DLH Holdings' shares rose to \$3.38 a share on January 22. Then, the shares slid down to \$2.20 on January 31. Since then, the company has been trending up once again.

When a situation like this occurs, it's fairly common, and reasonable, to get questions from Buckaroos who are wondering what to do. In DLHC's case, nothing changed fundamentally to make the share price rise and fall. The quick rise may have led to a double in some subscribers' holdings. The quick slide could have subsequently led some subscribers to sell their remaining shares as the price receded over 25%. Other early buyers were just in for a wild ride.

The slide also presented a buying opportunity for those who missed out originally because of the stock's quick jump. Besides the crazy price fluctuation, everything appears to be going well for the company. (*See the Earnings page for more*).

The Bowser Report has not changed its philosophy since Mr. Bowser passed away. There are a few things that we may do differently now, publishing on a computer versus a typewriter and making the newsletter available online, for example.



But, the core of the publication is the same. And, just like Mr. Bowser, I pride myself on being honest with my subscribers.

That said, trying to expand readership is a tricky task. After we wrote-up **KonaRed (KRED)** in the December newsletter, a marketing company asked if we would endorse an investor relations campaign. We had spoken with KRED's management, thought the company was very speculative, but liked the progress it was making. So, we said sure, and did not accept payment for our endorsement.

Call it inexperience. Call it vulnerability. I didn't know the extent of the campaign. It was intended to generate publicity for the newsletter. However, it ended up appearing as though we lost our way. We seemed to change our very being, straying from Mr. Bowser's very principles. In fact, we were just trying to expand our readership so that more would come to know and love penny stocks the same way we do.

The Bowser Report has a great reputation as an honest, trustworthy newsletter. I am here to tell you that our philosophy has not waived. I am regret to say that I made a poor marketing decision that I will certainly not make again!

I love this newsletter. I love what Mr. Bowser created. And, I love my faithful subscribers. I can't be Mr. Bowser, but I can do everything possible to run the newsletter using his ideals, and that is what I have tried to do. I sincerely apologize for my error in judgement that caused me to stray from this intended path. I appreciate all of those subscribers who have stood by *The Bowser Report!* You truly are why we do what we do each and every day.

On a somewhat related note, in the KonaRed campaign, there was reference to Sambazon, a privately-held organic superfruit juices and foods company. The writer of the campaign's content stated that Sambazon had been purchased by beverage company Anheuser-Busch InBev. *That is not true.* InBev and Sambazon are not affiliated.

Bowser Database subscriptions available!

As we announced in December, the *Bowser Database* is now a quarterly publication. The data used to compile the *Database* is published on a quarterly basis. We also announced that copies could be purchased one-by-one, or as a subscription.

-Single issue: \$25

-One-year subscription: \$79

-Two-year subscription: \$135

Visit our website (thebowserreport.com) or give us a call for more details!

FIVE BOWSER STOCKS UP AND DOWN

DLH HOLDINGS	UP	61%	FEMALE HEALTH	DOWN	17%
WIRELESS TELE	UP	59%	SPINE PAIN MGMT	DOWN	12%
INNOVATIVE FOOD	UP	41%	INVENTURE FDS	DOWN	11%
WHERE FOOD	UP	33%	KEY TRONIC	DOWN	11%
CENTURY CASINO	UP	28%	GOLDFIELD	DOWN	10%



The Bowser Report

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

PUBLISHED THE SECOND THURSDAY OF EACH MONTH

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THIS MONTH'S
BIGGEST GAINER
COMBIMATRIX
UP **133%**

WARRANT REGISTER

Bank of America helps small businesses

Bank of America (BAC-WTB) extended \$10.9 billion in new loans to small businesses in 2013. This amount is 26% more than in 2012. New business loans have increased year-over-year for 36 consecutive months. And, including loan renewals, Bank of America financed more than \$22 billion in small business loans in 2013.

"We are very pleased that for the third consecutive year, Bank of America has increased its new lending to small businesses by more than 20 percent," said Robb Hilson, Bank of America's small business executive. "Continued loan growth shows the commitment BAC has to working with small business owners and helping them grow their businesses."

The company also announced plans to expand its small business presence by hiring more than 200 new small business bankers throughout the nation in 2014. BAC began to expand its presence in late 2010, when it hired 1,000 small business bankers.

Combimatrix announces partnership/contract

Combimatrix (CBMXW) was selected by ProPath® to provide chromosomal microarray analysis testing for miscarriage analysis for ProPath patients. ProPath is a physician-owned pathology services provider.

The company also announced a contract with Galaxy Health Network that will provide coverage for Combimatrix's diagnostic laboratory services. Galaxy's member base has more than 3.5 million covered lives.

Crumbs Bake Shop goes into partnership

Crumbs Bake Shop (CRMBW) announced a licensing agreement with White Coffee to provide Crumbs Bake Shop brand packaged coffees and single-cup coffees to select retail outlets across the country. The coffee will feature five flavor profiles inspired by the company's innovative cupcakes.

In other news, Crumbs announced a \$5 million senior credit facility.

Iridium launches Iridium GO!™

Iridium Communications (IRDMZ) announced the industry's first portable satellite hotspot that connects to any smartphone or tablet, Iridium GO!™. This technology extends voice and data coverage for up to five personal devices when they are out of range of cellular networks through a satellite-backed wi-fi zone anywhere on the planet.

"Iridium GO! enables people to use their own trusted devices--smartphone or tablet--even when they are off the cellular grid. It is also the lowest cost device and service offering that Iridium has ever made, making truly global coverage more affordable than ever," stated Matt Desch, CEO.

Associated Banc-Corp (ASBCW) announced that its customers switching from paper to paperless statements have led to a pledged 113,567 trees that the Arbor Day Foundation will plant in Wisconsin, Illinois and Minnesota. Associated donated \$1 to the Arbor Day Foundation for each of the trees.

FairPoint Communications (FRPZW) expanded broadband services to over 10,400 homes in the state of Maine.

Company	Market/Symbol	Principle Business	Warrant				Exer. Price	Expire Date	No. Wts	Bowser Rating
			Stock Price 02/07/14	Price 02/07/14	Conv. Ratio	Exer. Ratio				
Associated Banc-Corp 1200 Hansen Road., Green Bay, WI 54304, Tel: (920) 491-700, www.associatedbank.com	GS:ASBCW	Bank holding company	16.18	1.95	1.00	19.77	11/21/18	4.0M	8	
CALL TERMS: Not callable										
Bank of America Bank of Amer. Corp. Center, 100 N Tryon St., Charlotte, NC 28255, Tel: 704/386-5681, www.bankofamerica.com	N:BAC-WTB	Banking and financial services	16.82	0.92	1.00	30.79	10/28/18	121.8M	10	
CALL TERMS: Not callable										
China Hydroelectric 420 Lexington Ave., Ste. 860, New York, NY 10170, Tel: 646/467-9800, www.chinahydroelectric.com	N:CHC-WT	Hydroelectric power in China	EXPIRED							
Citigroup 399 Park Ave., New York, NY 10043, Tel: 212/559-1000, www.citigroup.com	N:C-WTA	Investment banking	49.34	0.68	0.10	106.10	01/04/19	2.6M	8	
CALL TERMS: Not callable; exercise price adj. for dividends above \$.01										
Combimatrix 6500 Harbour Heights Pkwy, Ste. 303, Mukilteo, WA 98275, Tel: 425/493-2000, www.combimatrix.com	CM:CBMXW	Biotech development	2.86	1.42	1.00	9.00	05/01/14	1.1M	7	
CALL TERMS: 250% of exercise price for 20 days										
Crumbs Bake Shop, Inc 110 West 40th St., Ste. 2100, New York, NY 10018, Tel: 877/278-6270, www.crumbs.com	CM:CRMBW	Sale of baked goods	0.70	0.06	1.00	11.50	05/05/16	5.5M	7	
CALL TERMS: \$17.50 for 20 out of 30 days										
Dynegy, Inc 601 Travis St., Ste. 1400, Houston, TX 77002, Tel: 713/507-6400, www.dynegy.com	N:DYN-WT	Electric energy/related services	20.65	1.21	1.00	40.00	10/02/17	15.6M	9	
CALL TERMS: Not callable										
FairPoint Communications 521 E. Morehead St., Ste. 250, Charlotte, NC 28202, Tel: 704/344-8180, www.fairpoint.com	OTC:FRPZW	Communications in New England	12.39	0.03	1.00	48.81	01/24/18	3.6M	8	
CALL TERMS: Not callable										
FieldPoint Petroleum 1703 Edelweiss Dr., Cedar Park, TX 78613, Tel: 512/250-8692, www.fppcorp.com	N:FPP-WT	Oil/gas operations in the US	4.41	0.86	1.00	4.00	03/26/18	8.0	7	
CALL TERMS: 150% of strike price										
Iridium Communications 1750 Tysons Blvd., Ste. 1400, McLean, VA 22102, Tel: 703/287-7400, www.iridium.com	GS:IRDMZ	Mobile voice/data communications	6.14	0.67	1.00	11.50	02/05/15	14.0M	8	
CALL TERMS: \$18.00 for 20 out of 30 days										
Resolute Energy 1000 Crescent Ct., Ste. 1200, Dallas, TX 75201, Tel: 214/615-2300, no website	N:REN-WT	Petroleum/natural gas	8.02	0.10	1.00	13.00	09/25/14	1.7M	6	
CALL TERMS: Not callable										
Retail Opportunity Invest 3 Manhattanville Rd., 2nd Fl., Purchase, NY 10577, Tel: 914/272-8080, www.roireit.net	GS:ROICW	Commercial real estate investment	14.24	2.21	1.00	12.00	10/23/14	44.0M	6	
CALL TERMS: \$18.75 for 20 out of 30 days										
SMG Indium Resources 100 Park Ave., 16th Fl., New York, NY 10017, Tel: 212/984-0635, www.smg-indium.com	QB:SMGIW	Indium stockpiler/seller	2.25	0.10	1.00	5.75	05/04/16	6.8M	10	
CALL TERMS: \$8.00 for 20 out of 30 days										
TCF Financial 200 Lake Street East, Wayzata, MN 55391, Tel: 952/745-2760, www.tcfbank.com	N:TCB-WT	Bank holding company	15.72	2.91	1.00	16.93	11/14/18	3.2M	8	
CALL TERMS: Not callable										
Valley National Bancorp 1455 Valley Rd., Wayne, NJ 07470, Tel: 973/305-8800, www.valleynationalbank.com	N:VLY-WT	Bank holding company	9.66	0.53	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
Camco Financial Corp (CAFI)	12/31/13	\$7,144,000	\$7,509,000	\$459,000	\$2,784,000	(A)
Creative Learnings Corp (CLCN)	09/30/13	\$1,344,236	\$1,243,454	\$306,987	\$238,346	(B)
DLH Holdings Corp (DLHC)	12/31/13	\$14,477,000	\$12,994,000	\$133,000	(\$128,000)	(C)
Dover Downs Gaming (DDE)	12/31/13	\$46,592,000	\$48,559,000	(\$418,000)	(\$528,000)	
Female Health Company (FHCO)	12/31/13	\$6,690,195	\$9,910,227	\$1,464,603	\$3,533,846	(D)
IEC Electronic Corp (IEC)	12/27/13	\$32,138,000	\$32,989,000	(\$1,099,000)	(\$101,000)	(E)
Iteris Inc (ITI)	12/31/13	\$16,548,000	\$13,994,000	\$238,000	\$1,097,000	(F)
Key Tronic Corp (KTCC)	12/28/13	\$78,250,000	\$94,567,000	\$3,114,000	\$3,579,000	(G)
LightPath Technologies (LPTH)	12/31/13	\$2,907,869	\$2,916,781	(\$202,033)	\$140,772	(H)
LRAD Corp (LRAD)	12/31/13	\$3,823,000	\$2,980,000	\$132,000	(\$100,000)	
Majesco Entertainment (COOL)	10/31/13	\$10,077,000	\$26,562,000	(\$4,586,000)	(\$2,729,000)	
Repro-Med Systems (REPR)	11/30/13	\$2,179,921	\$2,070,409	\$161,954	\$55,524	
Riverview Bancorp (RVSB)	12/31/13	\$6,673,000	\$8,136,000	\$801,000	\$1,031,000	(I)
Simulations Plus (SLP)	11/30/13	\$2,641,000	\$2,290,094	\$685,155	\$586,986	
XRS Corporation (XRSC)	12/31/13	\$13,297,000	\$14,195,000	\$91,000	\$319,000	(J)

(A) Camco's president and CEO: "The decline in net earnings for the fourth quarter of 2013 compared to a year ago was primarily due to the lower reduction of loan loss reserve, market conditions that adversely impacted gain on sale of loans and valuation of mortgage servicing rights, and a higher provision for income taxes. Credit quality continued to improve during the fourth quarter, reflected in the further decline in classified assets and nonperforming loans. Looking forward, we are working diligently to complete our merger with Huntington Bancshares, Inc, which is expected to close in the first quarter of 2014."

(B) "Results for fiscal 2013 benefitted from a 26% increase in Bricks 4 Kidz® franchise sales, plus sales from Challenge Island® franchises, and a 100% increase in Bricks 4 Kidz® royalties. We attribute this to the continued high demand for our franchise concepts, both domestically and internationally, and our franchisees' performance," stated CEO Brian Pappas.

(C) Zach Parker, DLHC's president and CEO, stated, "These results validate DLH Holdings' strategy for navigating a challenging budgetary environment. We are committed to continuing our efforts to enhance shareholder value through measured growth and quality financial results."

(D) "FHCO sold 31% fewer FC2 Female Condoms during the first three months of fiscal 2014, compared to the same period last year, when a first quarter record 17.1 million units were sold to customers," commented O.B. Parrish, The Female Health Company's chairman. "The decrease in unit sales was due to public sector purchasing patterns and does not reflect any weakening in underlying demand for the product. The company is involved in discussions for potential significant orders."

(E) W. Barry Gilbert, chairman and CEO: "Revenues were down slightly. One of the company's medical customers is on FDA hold and some of our industrial customers are predicting their sales will be flat or possibly down this year as compared to last year. These shifts create mixed

changes."

(F) The decrease in Iteris's net income was due to a \$1,391,000 gain on the sale of discontinued operations last year. This year, the company reported just \$10,000 in the same category. Commenting on the positives of the quarter, CEO Abbas Mohaddes, said, "The 18% revenue growth during the third quarter demonstrates the stability of the overall intelligent transportation market as well as strengthening demand for Roadway Sensors products and Transportation Systems services. During the quarter, we also saw a significant improvement in operating income."

(G) "During the second quarter and moving into the third quarter of fiscal year 2014, many new programs continue to ramp up, despite greater than anticipated reductions in orders from some of the company's large, longstanding customers," said Craig Gates, KTCC's president and CEO.

(H) LightPath reported lower revenues compared to the same period last year. These lower revenues, along with a higher cost of sales and a 10.5% increase in expenses, contributed to the \$202,033 loss.

(I) "The steady economic recovery in Southwest Washington contributed to strong improvements in credit quality. Riverview Bancorp has continued to make meaningful progress in reducing nonperforming and classified assets. As the last remaining community bank headquartered in Southwest Washington, we look forward to the future with confidence," noted Pat Sheaffer, the company's chairman and CEO.

(J) John Coughlan, chairman and CEO: "XRS Corp is committed to the ongoing success in transitioning to the no upfront hardware cost XRS mobile solution. We continue to enhance functionality of our XRS solution, including aligning with strategic third-party providers to meet the integration requirements of larger, more complex fleets. During this time of continued investment in our XRS mobile solution, we are closely controlling costs."