



Growing companies now on sale *Price drops reveal minipriced bargains*

Each month, our highlighted stock is a growing company that the market undervalues. Often, our recommendations are undervalued because they are relatively unknown. After all, once the market discovers a company, the price soars and the value opportunity slips away. **FONAR Corp (FONR)** is a great example, it took off after the general investing public caught wind of its tremendous upside.

There are many examples of companies that continue to produce quality financials, but are not rewarded by the market. This month, we published the earnings reports of 20 companies on page four. Of those 20 reports, 10 featured growth in both sales and earnings. Despite growth in those two main areas, seven of those 10 are down in price over the past three months:

- **Alpha Pro Tech (APT):** -2.6%
- **CPS Technologies (CPSH):** -3.3%
- **DLH Holdings Corp (DLHC):** -37.8%
- **Innovative Food Holdings (IVFH):** -13.9%
- **LRAD Corp (LRAD):** -4.7%
- **Newtek Business Services (NEWT):** -5.5%
- **Wireless Telecom Group (WTT):** -31.9%

The market takes into consideration more than just revenue and earnings growth. However, these price drops create value opportunities, particularly for those companies that lost 10% or more.

DLH HOLDINGS CORP (DLHC)



DLH Holdings had a great run right after we recommended it in January 2014. Since then, the stock has cooled off considerably. While the stock has fallen, the company's financials have continued upward. Most recently, the company reported \$14,475,000 in quarterly revenues, a 13.4% increase

year-over-year. The company also reported a \$197,000 net income versus a \$109,000 loss for the same period last year.

The company's balance sheet has remained in tact, with an improving current assets-to-liabilities ratio of right around 1 and a growing book value of \$0.91. DLH Holdings also has no long-term debt.

After a near 38% price drop over the past three months, the price currently sits around \$1.50/share, which is about the same price as at the time we recommended DLHC. At this level, we consider the company very attractive.

INNOVATIVE FOOD HOLDINGS (IVFH)

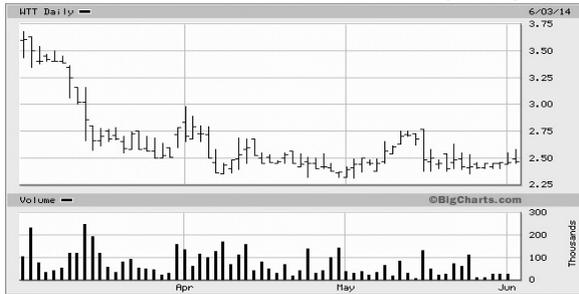


Unlike DLH Holdings, Innovative Food has had a bumpy ride financially since we recommended the company in October 2013, with back-to-back losses in the third and fourth quarters of 2013. However, the company was back to positive earnings in 1Q 2014, reporting a \$188,706 net income, a 532% increase year-over-year. Revenues also grew, up 6% year-over-year.

IVFH's balance sheet has also been up and down, but the company boasts minimal long-term debt. There is room for improvement in the working capital and book value areas, but overall the balance sheet is in decent shape.

Currently around \$1.30/share, Innovative Food is still slightly higher than its price when we recommended it. However, this is one to watch if the price continues to slide. If the company posts a second straight solid quarter, the market should reward stockholders.

WIRELESS TELECOM GROUP (WTT)



Like DLH Holdings, Wireless Telecom has consistently produced quality quarterly results. At least the past four earnings reports have included double digit percentage gains in quarterly revenues (year-over-year). The most recent quarter included a 35% spike in revenues, and a 27% spike in net income.

Talking balance sheet, WTT is in tremendous shape. The company has \$33.1 million in current assets to just \$3.3 million in current liabilities. To go along with that, Wireless Telecom has a dwindling long-term debt of a mere \$29,000, and a growing book value currently at \$1.70/share.

While the current price of around \$2.50/share is more than double WTT's price when we recommended it, we still think this company is a great value because of its consistent growth fundamentally. Unlike the previous two companies, Wireless Telecom remained relatively flat over the past couple months after sliding considerably in March. Here is a situation where investors can benefit from continued financial success.

There is speculation with any investment, but improving financials, coupled with falling share prices, typically hint at a valuation gap. In the case of the three companies above, we certainly think the market has not been kind when considering the most recent financial reports. However, that is the nature of minipriced companies. As investors, we can only hold on to our seats and hope the market rewards continual successes.

For more details on earnings, see the Earnings page. Charts from BigCharts.com.

Market Overview

This month, there were no changes made to the **Bowser Microcap Stock Index**. Over the past month, the Index slid from 649.21 on May 2 to **641.32** on June 6. That dip represents a 1.2% drop in value, reflecting the recent slow down in the microcap stock marketplace.

In comparison to other indexes, the Bowser Index was the only index down over the given period. The NASDAQ Composite led the way, up almost 5%. Meanwhile, the other indexes were scattered about, all gaining over 2%.

Bowser picks have had it tough recently, but hopefully they'll turn around as we enter summer.

•NASDAQ Composite:	UP 4.8%
•S&P 500:	UP 3.6%
•Russell 2000:	UP 3.2%
•Dow Jones Industrial Average:	UP 2.5%

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

WFCF offers gluten-free certification

Where Food Comes From (WFCF) is capitalizing on a growing trend: gluten-free products. Recently, the company announced its latest certification offering, ICS Gluten-Free®, which was developed by its International Certification Services subsidiary. The company indicated that demand for this newest certification is rapidly increasing. And, how appropriate that the company announced the service during Celiac Awareness Month.

Gluten is a grain-based protein that more and more consumers are discovering sensitivity to. Reactions to gluten can range from minor to severe, with the severe reactions deemed as Celiac Disease.

Because of the growing interest in limiting gluten consumption, many brands are looking to eliminate the protein from certain products, including the first brand to enroll in WFCF's Certified ICS Gluten-Free certification, Premium Gold Flax.

"There is nothing like working with a dedicated and knowledgeable staff that can provide all of the services we need under one roof," commented Deborah Miller, co-owner of Premium Gold Flax.

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

We originally recommended **Dynasil Corporation of America (DYSL)** in August 2009 when the company was trading at a similar level. After recommending it, the stock climbed to above \$5/share in October 2010 before bottoming out around \$0.50 close to a year ago.

We never put a sell recommendation on DYSL, but instead removed it from the newsletter in August 2011, when the stock slid back below \$3/share.

From September 30, 2010 to September 30, 2013, earnings fell from a profit of \$3.2 million to a loss of \$8.7 million. However, over the past few months, the company has turned around its financial situation and now stands poised for a turnaround.

BUSINESS

Dynasil Corp operates through a number of business segments providing specialized technology that has a number of applications. Put simply, the company develops and manufactures optical components that are used in detection and analysis end markets. The company's technologies service the homeland security, medical and industrial markets.

Over the past many months, Dynasil has sold its lesser performing businesses to focus on its more fruitful businesses. The sales included substantially all of its instrumentation segment, which resulted in \$1.2 million reported under income from operations for the current fiscal year.

After the sale of its instruments segment, the company is left with three operating segments: contract research, optics and biomedical. The biomedical segment only accounted for \$3,729 of the companies \$10.4 million in the most recent quarter ended March 31, 2014. So, the company really only has two major operating segments.

Contract research develops advanced technology in materials, sensors and prototype instruments that detect, use or measure radiation, light, magnetism or sound. These technologies are used in security, medical and industrial applications. This segment accounted for 54% of DYSL's second quarter 2014 revenues.

The optics segment supplies materials used for a number of applications, including baggage scanners, medical imaging systems, optical instruments, lasers, automotive components, etc. This segment accounted for 46% of the company's second quarter 2014 revenues.

FINANCIALS

While the sale of the instrumentation segment did result in the loss of a revenue stream, the company has been able to mostly offset that loss with increases from the two major remaining segments. And, a welcome result of the sale has been increased profitability. In the most recent quarter, revenues decreased just 0.8%, but earnings increased from a net loss of \$7,241,730 to a net income of \$253,295.

The company has also reduced its debt considerably, paying down debt with the proceeds from the instrumentation sale. As a result, Dynasil's balance sheet has improved dramatically, now showing a working capital of \$4.5 million and growing shareholders' equity.

While the company's balance sheet is on the mend, there is certainly room for improvement. The company's book value is just \$0.82/share, and its current assets-to-liabilities ratio is 1.5-to-1 (\$1.50 in current assets for every \$1 of current liabilities).

MANAGEMENT

Peter Sulick became interim CEO to head the company's turnaround in June 2012. Mr. Sulick owned 1,501,660 shares of common stock as of December 2013.

Other large insider shareholders include former director and employee, Dr. Gerald Entine (3,434,325 shares), and Director Craig Dunham (1,960,715 shares). Altogether, insiders own 43.9% of the company's common stock.

THE BOTTOM LINE

Here is a company that we originally liked that did well for our subscribers. The company hit a rough patch financially, and the stock tumbled because of its poor performance. However, recently, the company has succeeded in measures to reduce its debt and return to profitability.

As focus continues to be on the two major business segments, Dynasil should be able to capitalize on its unique technologies, offsetting the revenue lost with the sale of the unprofitable instrumentation segment. As the company remains profitable, debt should continue to dwindle and the balance sheet will continue to improve as a result.

Office: 44 Hunt St., Watertown, MA 02472, Tel: 617/668-6855, Fax: 617/668-6890, www.dynasilcorp.com



NASDAQ CM:DYSL
BOWSER RATING: 8
Last 12 Months:
\$0.50-2.24

	2012	2013	2014 (A)
REVENUES	\$47,887,150	\$42,752,832	\$21,117,986
INCOME(LOSS)	(\$4,303,766)	(\$8,727,171)	\$1,729,265
WORKING CAPITAL	(\$1,736,785)	(\$3,298,681)	\$4,466,100
BOOK VALUE	\$1.27	\$0.72	\$0.84
TOTAL SHARES	14,811,294	14,812,858	15,102,023
FLOAT	N/A	N/A	8,300,000
(A) SIX MONTHS ENDED 03/31/14			

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 06/06/14	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	2.26	\$0.000	\$44.4	\$2.333	18.6	11
03/14(A)	COMMAND SECURITY (MOC)	SECURITY PERSONNEL/SERVICES	1.76	\$0.000	\$156.1	\$0.829	9.2	11
04/14(QB)	CPS TECHNOLOGIES (CPSH)	ADVANCED MATERIAL SOLUTIONS	2.76	\$0.000	\$22.4	\$1.213	13.1	9
09/13(QB)	CREATIVE LEARNING (CLCN)	EDUCATIONAL PROGRAMS FOR KIDS	2.40	\$0.000	\$6.8	\$1.507	11.8	11
01/14(CM)	DLH HOLDINGS (DLHC)	GOVERNMENT SERVICES SOLUTIONS	1.50	\$0.000	\$56.8	\$0.408	9.6	9
06/14(A)	DYNASIL CORP (DYSL)	OPTICAL COMPONENTS	1.55	\$3.674	\$42.8	\$0.624	15.1	8
# 10/09(CM)	LRAD CORP (LRAD)	SOUND ACOUSTIC TECHNOLOGY	2.01	\$0.000	\$20.2	\$2.481	33.1	9
# 02/10(CM)	MANHATTAN BRIDGE (LOAN)	SHORT-TERM COMMERCIAL LOANS	2.29	\$0.000	\$2.4	\$0.618	4.3	9
# 08/12(CM)	NEWTEK BUSINESS (NEWT)	SMALL/MEDIUM BUSINESS SOLUTIONS	2.71	\$95.013	\$140.2	\$7.467	37.0	8
# 02/13(A)	WIRELESS TELECOM (WTT)	WIRELESS TELECOM SOLUTIONS	2.45	\$0.000	\$33.8	\$3.842	23.9	10

CATEGORY TWO: WORTHY OF CONSIDERATION

# 12/11(A)	AMERICAN SHARED HSPT (AMS)	TURNKEY TECHNOLOGY SOLUTIONS	2.44	\$30.765	\$17.0	(\$0.433)	4.6	NR
05/13(A)	ENSERVCO CORP (ENSV)	NOW ABOVE \$3; SEE PAGE 5 (Follow-Through)						
10/13(QB)	INNOVATIVE FOOD (IVFH)	SPECIALTY FOOD PROVIDER	1.40	\$0.543	\$23.9	(\$1.327)	8.0	8
# 12/06(A)	ITERIS (ITI)	OUTDOOR MACH VISION SYS/SENSORS	1.79	\$0.000	\$66.5	\$1.415	32.7	8
07/13(CM)	LIGHTPATH TECH (LPTH)	OPTICAL COMPONENTS	1.36	\$0.008	\$11.9	(\$0.659)	14.3	NR
# 04/14(CM)	SMARTPROS INC (SPRO)	PROFESSIONAL LEARNING SERVICES	2.92	\$0.000	\$16.6	\$0.115	4.7	8
Office: 12 Skyline Dr., Hawthorne, NY 10532, Tel: 914/345-2620, www.smartpros.com								
04/13(CM)	SPAR GROUP (SGRP)	MERCHANDISING AND MARKETING	1.54	\$3.679	\$115.0	\$2.937	20.7	7
# 12/13(CM)	XRS CORP (XRSC)	MOBILE SOLUTIONS FOR TRUCKERS	2.65	\$0.000	\$53.6	(\$0.269)	11.1	7
Office: 965 Prairie Center Dr., Eden Prairie, MN 55344, Tel: 952/707-5600, www.xata.com								

CATEGORY THREE: VERY SPECULATIVE

# 03/13(GM)	ADVANTAGE TECH	CABLE TV EQUIPMENT	2.79	\$1.319	\$33.1	(\$0.152)	10.0	NR
Office: 1221 East Houston St., Broken Arrow, OK 74012, Tel: 918/251-9121, www.advantagetech.com								
08/13(QB)	DIRECT INSITE CORP (DIRI)	E-INVOICING SOLUTIONS	0.63	\$0.029	\$8.6	(\$0.006)	12.8	NR
# 06/08(A)	FLEXIBLE SOLUTIONS (FSI)	SPECIALTY CHEMICALS	0.60	\$0.922	\$15.1	\$1.600	13.2	7
# 06/12(A)	GOLDFIELD CORP (GV)	ELECTRICAL CONSTRUCTION	1.80	\$19.700	\$88.6	\$2.323	25.5	NR
08/11(A)	GSE SYSTEMS (GVP)	SERVICES NUCLEAR & PETRO IND	1.76	\$0.000	\$43.9	(\$11.380)	17.9	NR
# 03/11(A)	INTELLIGENT SYSTEMS (INS)	VENTURE CAPITAL FIRM	1.60	\$0.000	\$16.0	\$0.358	9.0	7
12/12(CM)	JOE'S JEANS INC (JOEZ)	WOMEN'S/MEN'S APPAREL	0.98	\$89.969	\$158.1	(\$3.104)	68.1	NR
12/13(QB)	KONARED CORP (KRED)	COFFEE FRUIT BEVERAGES	0.57	\$0.000	\$1.1	(\$5.486)	75.5	NR
07/10(QB)	REPRO-MED SYSTEMS (REPR)	DESIGN/PRODUCTION OF MED PROD	0.25	\$0.000	\$8.7	\$0.703	36.7	8
# 10/12(QB)	WHERE FOOD CMS FRM (WFCF)	FOOD VERIFICATION SERVICES	2.05	\$0.169	\$5.9	(\$0.109)	22.7	8

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 CHANGES

As is typical in newsletters containing quite a few earnings reports, there are a few category changes to make.

Two companies are moving down as a result of their earnings:

- **Direct Insite (DIRI)** slides from Category 2 to Category 3. The company reported decreased sales and earnings. DIRI lost a major customer and has not yet been able to offset the revenue lost as a result. At this point, whether the company can win enough business to replace this customer is unknown.

- **Intelligent Systems (INS)** is also falling from Category 2 to Category 3. INS's revenues fell over 10%, while the company's net loss grew from just \$69,000 to \$762,000. Management places the financial stress on an arbitration proceeding that resulted in a settlement.

AMS to sell Gamma Knife business in Turkey

American Shared Hospital (AMS) agreed to sell its Gamma Knife and radiation therapy services business in Turkey to Euromedic Cancer Treatment Centers BV. Euromedic will pay AMS in cash, which it will use to pay down debt.

"We have decided to focus on the development of our far larger domestic Gamma Knife business and the exciting growth opportunity in proton therapy. We anticipate that the earn-out portion of the transaction may generate considerable returns for AMS over the next few years," stated CEO Ernest A. Bates, M.D.

LRAD Corp (LRAD) announced LRAD Mobile Sound Barrier, a vehicle mounted speaker system to create a 360* deterrent zone to safely and effectively warn and ward off threats.

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 06/06/14 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
ADVANTAGE TECH (GM:AEY)	NOW \$2.79; SEE PAGE 4		INVENTURE FOODS (CM:SNAK)	\$12.71(11)	09/00 \$2.56(8)
AROTECH CORP (GM:ARTX)	\$4.16(11)	02/14 \$2.66(11)	KEY TRONIC CORPORATION (GM:KTCC)	\$10.57(7)	11/08 \$1.57(10)
ATLANTIC AMERICAN (GM:AAME)	\$3.65(9)	02/12 \$2.05(8)	LIBERATOR MEDICAL HLDGS (N:LBMH)	\$3.85(10)	04/11 \$1.41(9)
AVALON HOLDINGS (A:AWX)	\$4.32(8)	05/11 \$2.90(9)	RIVERVIEW BANCORP (GS:RVSB)	\$3.71(7)	06/13 \$2.30(9)
CIMATRON LIMITED (CM:CIMT)	\$6.49(10)	02/08 \$2.75(8)	SIMULATIONS PLUS (CM:SLP)	\$6.10(8)	05/10 \$2.46(9)
ENSERVO CORP (A:ENSV)	\$3.00(9)	05/13 \$1.28(8)	SMARTPROS INC (CM:SPRO)	NOW \$2.92; SEE PAGE 4	
EVOLVING SYSTEMS (CM:EVOL)	\$8.08(NR)	05/09 \$3.68(8)	TUCOWS INC (CM:TCX)	\$13.72(8)	01/13 \$6.00(8)
*Price adjusted: 1-for-3 reverse split 07/09			*Price adjusted: 1-for-4 reverse split 12/13		
FEMALE HEALTH COMPANY (CM:FHCO)	DOWN 25%; NOW IN DATABASE		VERSAR INC (A:VSR)	\$3.22(7)	10/11 \$2.76(10)
FIELDPOINT PETROLEUM (A:FPP)	\$5.58(8)	10/08 \$2.24(8)	VERTEX ENERGY (CM:VTNR)	\$9.50(9)	06/11 \$1.95(9)
GOLDEN ENTERPRISES (GM:GLDC)	\$4.32(10)	02/09 \$2.35(9)	XRS CORP (CM:XRSC)	NOW \$2.65; SEE PAGE 4	
IEC ELECTRONICS (A:IEC)	\$4.50NR	07/08 \$1.99(8)			

THE FOLLOWING WE SAID SHOULD BE SOLD

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

SPINE PAIN MGMT (QB:SPIN)	\$0.30(NR)	\$0.24(04/14)	TENGASCO INC (A:TGC)	\$0.43(NR)	09/13 \$0.42(NR)
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BRIEFS

Alpha Pro Tech (APT) expanded its current share repurchase program by an additional \$2 million, giving the company \$2.1 million to purchase its shares. . . . **Arotech Corp (ARTX)** subsidiary, FAAC Inc, filled orders this spring for new and upgraded transit driver simulators from agencies in six locations across the country. . . . **Creative Learning Corp (CLCN)** was given a \$3.33 price target from SeeThruEquity, who just initiated coverage on the company. . . . **Direct Insite Corp (DIRI)** announced self-service procurement tool, Vendor Lynx Express, along with a strategic partnership with Global Edge, LLC. . . . **Evolving Systems (EVOL)** launched a new Smartphone App Promotions and Loading module within the Dynamic SIM Allocation™ solution. . . . **Female Health Company (FHCO)** repurchased 35,000 shares of common stock under its stock repurchase plan, which has a cap of 3 million shares and expires on 12/31/14. So far, the company has purchased 2.1 million shares of the 3 million available for purchase. . . . **IEC Electronics (IEC)**

promoted Michael T. Williams to vice president of finance and CFO, replacing Vincent A. Leo, who is returning to his CPA consulting firm. . . . **Innovative Food Holdings (IVFH)** extended notes held by institutional investors to 12/31/15 with an interest rate of 1.9%. The agreement also included a three month extension available to IVFH. . . . **KonaRed Corp (KRED)** appointed Michael Halsey as vice president and COO. The company also raised \$500,000 from its \$12 million equity line with Lincoln Park Capital Fund. . . . **Liberator Medical Holdings (LBMH)** announced its sixth consecutive quarterly cash dividend, a \$0.03/share payment on 07/10/14 to shareholders of record on 06/26/14. . . . **Newtek Business Services (NEWT)** hired Susan Streich as the company's chief risk officer and chief compliance officer. Newtek also hired Harold Gartner as president and COO of Newtek Business Credit, Richard Ribetti as president and COO of Newtek Technology Services and Bruce Hopkins as president of Newtek Merchant Solutions. . . . **Simulations Plus (SLP)** released version 4.0 of MedChem Studio™ and version

3.0 of MedChem Designer™. The company also announced an agreement with TSRL, Inc which terminates a previous software licensing agreement. . . . **SPAR Group (SGRP)** expanded its relationship with Staples, through eight new categories in Staples retail stores. . . . **Versar Inc (VSR)** was named as one of nine companies competing for projects under a U.S. Department of State engineering services contract with a maximum capacity of \$100 million. . . . **Where Food Comes From (WFCF)** verified food is now available at the newest Heinen's Grocery Store, located in Illinois.

OPEN MARKET INSIDER TRANSACTIONS IN APRIL

COMPANY	SHARES TRADED	# OF TRADES	PRICE RANGE
Arotech Corp	AS-11,500	2	\$3.45
	OE-4,000	1	\$0.00
Evolving Systems	B-3,200	1	\$8.10
	OE-3,000	1	\$4.11-5.45
Female Health Co	S-203,936	1	\$6.05
FieldPoint Petroleum	B-1,000	1	\$5.16
Inventure Foods	OE-20,000	1	\$3.44-4.16
	S-2,000	1	\$12.55
Newtek Business	B-32,100	9	\$2.59-2.78
	S-248	1	\$2.64
Riverview Bancorp	B-15,000	2	\$3.60-3.77
Tucows Inc	OE-9,375	1	\$2.24

AS-Automatic Sale, B-Bought, OE-Option Exercise, S-Sold, x-indirect holdings. Info from Yahoo! Finance

BOWSER BUCKAROOS SPEAK

MORE QUESTIONS ABOUT WARRANTS

How do you know if a stock has available warrants?

--Vincent Della Mura, Mount Vernon, NY

There are a few services out there dedicated to stock warrant research. One of the best sources of information is a website called stockwarrants.com. We use this site for research contained in our newsletter.

To see if a specific company has available stock warrants, check their 10-K filing with the SEC. This document is their annual report, and will include any information on the company's warrants (if it has them).

I have a couple of questions regarding warrants:

1. How do you purchase them?
2. Does Scottrade charge an interest fee for holding them?

--Ed Kaulbars, Naples, FL

You purchase warrants the same way that you would purchase a company's common stock. Place a purchase order, and the brokerage will fill it.

Scottrade does not charge an interest fee for holding warrants. While we would assume that this would be the case for most brokerages, please don't take our word for it. Check with your specific brokerage to find out what, if any, fees are attached to warrants.

WHAT TO DO WITH DIRECT INSITE CORP (DIRI)

In my portfolio of small stocks, I have Direct Insite Corp. DIRI has lost 60% of its value, would you recommend selling it?

--Frank Champagne, Saginaw, MI

The most recent change to the Bowser Game Plan was the addition of the 50% rule. This rule states that when a stock drops 50% from your purchase price without doubling, you sell all shares. This rule was meant to be a "cut your losses" deal so that you aren't tempted to ride a company down to zero.

So, following that rule, you would sell DIRI, or any company, that fell 50% or more. We will update specific sell recommendations in the newsletter.

For more information on Direct Insite, see the Category Changes on page 4, and the Earnings page.

SMALL STOCK BROKERAGE

Where can I get a hold of a brokerage to purchase small stocks?

--Jason Frayne, Forest, Ontario

At *The Bowser Report*, we have stood by Scottrade when it comes to dealing with small stocks. Max Bowser recommended Scottrade for the following reasons:

- Low cost-per-trade: most online trades are just \$7 per trade although certain trades (like purchases of companies less than \$1/share) can raise the price;

- Local offices: with local offices, you have the benefit of dealing with a familiar face in person or familiar voice over the phone.

The number one rule when selecting a brokerage is to ask questions. A brokerage is a personal decision, so make sure the brokerage suits you!

FURTHER SMALL STOCK EDUCATION

How can I become more educated on minipriced stocks? I have been subscribing to The Bowser Report for three years now and have yet to buy a single pick. Can you help get me started?

--Joshua Ortega, San Jose, CA

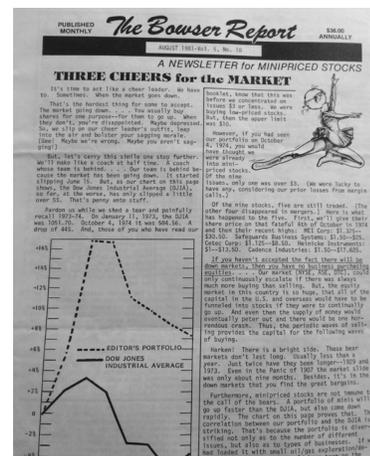
In addition to the newsletter, perhaps the best source for minipriced stock-specific information are Max Bowser's books, with *Making Dollars with Pennies* at the top of the list. If you don't have a copy of this, let us know and we can get one to you.

Also, we would recommend the same books that we suggested in last month's newsletter: *The Intelligent Investor* by Benjamin Graham and *The Hidden Stock Market* by Ira Cobleigh.

However, perhaps the best way to learn about investing is to invest. Purchasing your first stock is nerve-racking to say the least, and it is easy to put off. But, if you follow the Game Plan, we are sure that you will succeed, and learn a lot along the way!

UNCOVERING HISTORICAL NEWSLETTERS

While examining the apartment of a client of mine who recently passed away, I found this:



That issue (August 1981) was published the year I met Max Bowser. I was a senior at the University of Virginia.

--Paul Kamke, West Nyack, NY

This email from Paul amazed us! The reach that Max had was phenomenal. His knowledge of penny stocks was nothing short of tremendous, and we are glad he was able to help so many investors. Great find, Paul!

Beginner's Portfolio Up 210%

BOUGHT: None this month

SOLD: None this month

	Cost	06/06/14	Cost	06/06/14	Cost	06/06/14	Proceeds From Sales	
LOAN	120/Mar '10	229	NEWT	187/Sep/'12	271	SGRP	178/Apr '13	154
GVP	210/Sep '11	176	WFCF	159/Nov '12	205	AEY	248/May '13	279
AAME	280/Mar '12	365	LRAD	106/Dec '12	201	IVFH	134/Jan '14	140
AMS	308/June '12	244	JOEZ	117/Jan '13	98	APT	232/Mar '14	226
INS	179/June '12	160	*LBMH	83/Jan '13	193	MOC	209/May '14	176
ITI	162/Aug '12	179	WTT	189/Apr '13	245	DLHC	210/May '14	150
							3,691	
Original cost for all stocks: \$4,766			*50 Shares		Proceeds from Sales:		11,069	
							Current Value of Portfolio:	14,760

Gain: 14,760 minus 4,766 = 9,994

Percentage of gain: 9,994 divided by 4,766 x 100 = 209.7

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

For the second straight month, the Beginner's Portfolio slid a bit, losing 0.7%. Half of the portfolio's holdings were up over the past month, while eight were down and one--**Liberator Medical (LBMH)**--remained flat. A few companies performed rather poorly: **DLH Holdings (DLHC)** -25%, **SPAR Group (SGRP)** -19%, and **ADDvantage Tech (AEY)** -14%.

Arotech announces new orders

Arotech Corp (ARTX) received \$3.5 million in new orders through its Training and Simulation Division. Two particular awards highlighted these orders:

- Nashville Metropolitan Authority purchased FAAC Incorporated's industry-leading MB-2000-V8 bus driving simulator; and

- The University of South Wales placed an order for twelve networked research simulators. These simulators will be installed at campus locations at University New South Wales and Sydney University.

"It's encouraging to see continued customer support for legacy product lines, such as transit training applications, while at the same time, simulators are selected for use on leading edge research applications," stated Arotech Training and Simulation vice president, Kurt Flosky.

SPAR Group offers "green" option

SPAR Group (SGRP) turned the focus of its latest innovations to sustainability and green initiatives through its proprietary global end-to-end paperless merchandising process.

This process automates the entire merchandising operation from recruiting to reporting. Each step of the process is enabled in a paperless fashion.

"There are estimated to be over 3 trillion pages printed annually worldwide from digital hardcopy devices. A company of SGRP's size prints 4.5 million pages annually. This is why it is of critical importance to utilize

technological capabilities to seize this big opportunity and contribute to a more sustainable environment," described Chief Information Officer Panos Mastrogiannis.

SNAK signs licensing agreement

Inventure Foods (SNAK) and TGI Friday's agreed to terms on a new long-term licensing agreement that will further expand the TGI Friday's snack line. The expanded product line will include new product categories and international distribution. The long-term deal extends the partnership through 2024.

"TGI Friday's has been a valued partner of ours since 2000. This new agreement sets the stage for additional growth as it will result in great tasting new products, new product categories and expanded distribution," explained Terry McDaniel, CEO.

Creative Learning announces 550th franchise

Creative Learning Corp (CLCN) announced its 550th franchise, located in Mexico City, Mexico.

"April was one of the company's strongest months with 25 Bricks 4 Kidz® franchises and three Challenge Island® franchises awarded. May is shaping up to be another great month with at least 20 new franchises being awarded," remarked CEO Brian Pappas.

KonaRed available through Nature's Best

KonaRed Corp (KRED) On-the-Go Packets and 100% CoffeeBerry® Powder in 16oz. Tubs will now be available through Nature's Best - The Natural Products Distributor®.

"Nature's Best is the best in the Natural Products Industry, providing products to retail stores throughout the U.S. and Asia," said Shaun Roberts, CEO.

NOTES BY THE EDITOR

As we mentioned on the front page, the majority of the companies in the newsletter reported their earnings over the past month. Earnings reports are status updates on the companies that we recommend, straight from the source (the company). So, we take them quite seriously.

To give an overall snapshot of how our recommendations are doing fundamentally, we compiled a few statistics from the recent earnings reports:

- Thirty companies reported their earnings since we last published;
- Of those 30, 19 (63%) reported higher revenues, while 16 (53%) reported higher earnings;
- The average revenue increase/decrease percentage was +9.5%. The company with the largest increase in revenues was **Creative Learning Corp (CLCN)**-+85.9%;
- The average net income increase/decrease percentage was +394.8%. The company with the largest increase in net income was **CPS Technologies (CPSH)**--+9,387.3%;
- Thirteen companies reported double digit percentage increase in sales; and
- Eight companies reported triple digit percentage increases in net income.

We could on for a while listing statistics about our picks' financials. However, those above show a theme: Bowser companies are doing well fundamentally. A majority posted sales and earnings increases, with quite a few reporting considerable increases in sales and/or earnings.

Because of the volatile nature of minipriced stocks, stop orders are a great tool for the investor. We have discussed trailing stops in the past. A brief definition is: They are an order the investor places on a stock that will automatically buy/sell shares based on a set price or % gain/loss.



These orders make it so the investor doesn't have to keep a constant watch on his or her holdings. However, there are limitations to these orders that should make the investor keep a close watch:

1. Trailing stop orders cannot be placed on OTC Markets-listed companies. We checked with a few brokerages and this was the case with all of them. We do recommend OTC companies, so they need to be watched;
2. Glitches can occur, dreaded flash crashes can cause a stop order to execute when it shouldn't (this is rare, but was called to mind by a *Wall Street Journal Article* by Simon Constable); and
3. When the conditions are met, the order is filled at market price, meaning that the stop price doesn't always equal the trade price (also called to mind by the same *WSJ* article).

So, while the latter two instances are rare, keeping an eye on your investments is wise!

In the last few weeks, we published a couple of blog posts. Those interested should check them out:

- "A down market creates buying opportunity," published 05/19/14.

This article talks about the state of the current small stock market, and provides details on **Atlantic American Corp (AAME)**, a company posting good earnings that is not performing well in the market. This post is similar to our front page article this month.

- "Takeovers of minipriced stocks," published 05/29/14.

It discusses the recent increase in the number of small companies being taken over. We also mention the Bowser recommendations that have been taken over recently, as well as the largest Bowser takeovers of all time.

To read these articles, head to: www.thebowserreport.com/blog/ and click on the link for the article you wish to read.

FIVE BOWSER STOCKS UP AND DOWN

ENSERVCO CORP	UP	44%	DIRECT INSITE	DOWN	48%
AROTECH CORP	UP	23%	DLH HOLDINGS	DOWN	25%
REPRO-MED SYS	UP	19%	SPAR GROUP	DOWN	19%
VERTEX ENERGY	UP	17%	SMARTPROS INC	DOWN	15%
MANHTTAN BRDG	UP	14%	ADVANTAGE	DOWN	14%

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THIS MONTH'S
BIGGEST GAINER
DYNEGY, INC
UP 73%

WARRANT REGISTER

MicroVision issues new warrants

MicroVision, Inc (MVIS) was on the *Warrant Register* just a few months ago. The company made its way off the list in July 2013. Buckaroo Bose Agnew, however, alerted us that this past March, the company announced a public offering that included 7,160,000 units. Each unit consisted of one share of common stock and **one warrant**, giving the holder the right to buy 0.3 shares of common stock at a \$2.47 exercise price. They expire five years after the date of issuance.

The reason these warrants are not back on the list is because we could not find any trading info on the warrants yet. But, we will keep our eyes open for further information, adding the warrants back to the list once this information becomes available.

Bank of America helps veterans

Bank of America (BAC-WTB) brought back its "Express Your Thanks" campaign, honoring current and former members of the U.S. Military. Through the campaign, the Bank of America Charitable Foundation will donate up to \$1 million to the Welcome Back Veterans and Wounded Warriors Project® non-profit organizations.

Through these organizations, the funds will go towards service member employment, education and wellness programs that help service members succeed at home.

FairPoint upgrades services to clients

FairPoint Communications (FRPZW) has the availability of

Ethernet-based bandwidth and transport capacity of up to one gigabit per second for business, government and education customers. Over 35,000 eligible service locations in 32 markets across ME, NH and VT can utilize this service.

FRP also upgraded its network infrastructure in southern NH, increasing the Internet speed of more than 58,000 business and residential customers with fiber service capabilities.

Retail Opportunity acquiring shopping center

Retail Opportunity Investments (ROICW) entered a binding contract to acquire Fallbrook Shopping Center in West Hills, California, for \$210 million in cash. The mall, located in the Los Angeles metropolitan area, has approximately 1.1 million square feet of gross leasable space. The transaction should close sometime during the second quarter.

Valley National Bank acquires Florida bank

Valley National Bank (VLY-WT) will acquire 1st United Bank for 0.89 VLY shares per share of 1st United, for a total value of \$312 million. The deal is subject to certain closing conditions, including an adjustment in the event Valley's average stock price falls below \$8.09 or rises above \$12.13 prior to closing.

1st United has approximately \$1.7 billion in assets, \$1.2 billion in loans, and \$1.4 billion in deposits, as well as 21 branches. This branch network covers urban banking markets, including locations throughout southeast Florida, the Treasure Coast, central Florida and central Gulf Coast regions.

Company	Market/Symbol	Principle Business	Warrant				Exer. Price	Expire Date	No. Wts	Bowser Rating
			Stock Price 06/06/14	Price 06/06/14	Conv. Ratio					
Associated Banc-Corp 1200 Hansen Road., Green Bay, WI 54304, Tel: (920) 491-700, www.associatedbank.com	GS:ASBCW	Bank holding company	17.91	2.08	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	15.59	0.73	1.00	30.79	10/28/18	121.8M	10	
			CALL TERMS: Not callable							
BioAmber Inc 1250 Rene Lesvesque West, Ste. 4110, Montreal, QC H3B 4W8, Canada, Tel: 514/844-8000, www.bio-amber.com	N: BIOA-WT	Produces and sells bio-succinic acid	9.51	2.60	1.00	11.00	05/09/17	8.0M	7	
			CALL TERMS: Not callable							
Citigroup 399 Park Ave., New York, NY 10043, Tel: 212/559-1000, www.citigroup.com	N:C-WTA	Investment banking	48.93	0.64	0.10	106.10	01/04/19	2.6M	8	
			CALL TERMS: Not callable; exercise price adj. for dividends above \$.01							
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	0.27	0.04	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	34.96	4.68	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	14.39	0.02	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	5.58	1.58	1.00	4.00	03/26/18	8.0M	7	
			CALL TERMS: 150% of strike price							
Hennessy Capital Acquisition 10 South Wacker Dr., Ste. 3175, Chicago, IL 60606, Tel: 713/300-8242, No website	CM:HCACW	Acquisition company	9.67	0.55	0.50	5.75	01/23/19	11.5M	NR	
			CALL TERMS: N/A							
Iridium Communications 1750 Tysons Blvd., Ste. 1400, McLean, VA 22102, Tel: 703/287-7400, www.iridium.com	GS:IRDMZ	Mobile voice/data communications	8.09	0.34	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	8.52	0.04	1.00	13.00	09/25/14	1.7M	NR	
			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	16.00	4.12	1.00	12.00	10/23/14	44.0M	NR	
			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	2.05	0.05	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	16.39	2.88	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	10.04	0.40	1.2155	15.64	06/30/15	0.9M	8	
			CALL TERMS: Not callable							
xG Technology 240 South Pineapple Ave., Cte. 701, Sarasota, FL 34236, Tel: 941/953-9035, www.xgtechnology.com	CM:XGTIW	Wireless network communications	1.84	0.90	1.00	6.87	07/22/18	0.7M	8	
			CALL TERMS: \$13.75 for 20 consecutive days							

	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
Alpha Pro Tech (APT)	03/31/14	\$9,956,000	\$9,450,000	\$269,000	\$15,000	
American Shared Hospital (AMS)	03/31/14	\$4,064,000	\$4,668,000	(\$49,000)	\$233,000	(A)
Arotech Corp (ARTX)	03/31/14	\$22,382,800	\$22,053,131	\$1,014,092	\$404,044	
Atlantic American Corp (AAME)	03/31/14	\$41,160,000	\$36,650,000	\$820,000	\$922,000	
Avalon Holdings Corp (AWX)	03/31/14	\$9,983,000	\$14,669,000	(\$700,000)	(\$144,000)	
CPS Technologies Corp (CPSH)	03/29/14	\$5,986,051	\$5,031,078	\$247,619	\$2,610	
Creative Learning Corp (CLCN)	03/31/14	\$2,003,351	\$1,077,427	\$347,686	\$87,442	
Direct Insite Corp (DIRI)	03/31/14	\$1,970,000	\$2,360,000	(\$86,000)	\$84,000	(B)
DLH Holdings Corp (DLHC)	03/31/14	\$14,745,000	\$13,007,000	\$197,000	(\$109,000)	
ENSERVCO Corp (ENSV)	03/31/14	\$25,242,045	\$18,567,166	\$4,185,956	\$3,934,031	
Evolving Systems (EVOL)	03/31/14	\$6,582,000	\$6,669,000	\$651,000	\$1,173,000	
FieldPoint Petroleum (FPP)	03/31/14	\$2,913,165	\$2,488,148	\$307,936	\$543,509	
Flexible Solutions (FSI)	03/31/14	\$3,812,981	\$4,504,536	(\$155,578)	\$65,141	(C)
Goldfield Corp (GV)	03/31/14	\$21,931,245	\$22,526,063	\$335,281	\$1,795,508	(D)
GSE Systems (GVP)	03/31/14	\$8,724,000	\$12,383,000	(\$2,024,000)	(\$1,155,000)	(E)
Innovative Food Holdings (IVFH)	03/31/14	\$5,553,466	\$5,241,674	\$188,706	\$29,848	
Intelligent Systems (INS)	03/31/14	\$3,670,000	\$4,086,000	(\$762,000)	(\$69,000)	(F)
Liberator Medical Holdings (LBMH)	03/31/14	\$17,619,000	\$16,734,000	\$1,613,000	\$1,420,000	
LightPath Technologies (LPTH)	03/31/14	\$3,005,592	\$2,846,718	(\$133,322)	\$217,094	(G)
LRAD Corp (LRAD)	03/31/14	\$5,387,000	\$3,190,000	\$526,000	(\$459,000)	
Manhattan Bridge Capital (LOAN)	03/31/14	\$608,910	\$534,361	\$208,269	\$173,139	
Newtek Business Services (NEWT)	03/31/14	\$36,087,000	\$34,144,000	\$1,367,000	\$1,305,000	
Repro-Med Systems (REPR)	02/28/14	\$2,634,587	\$1,997,771	\$377,412	\$229,256	
SmartPros Limited (SPRO)	03/31/14	\$2,988,003	\$3,218,667	(\$383,961)	(\$356,482)	
SPAR Group (SGRP)	03/31/14	\$28,036,000	\$24,990,000	(\$220,000)	\$213,000	(H)
Tucows Inc (TCX)	03/31/14	\$34,402,394	\$29,985,022	\$476,839	\$76,579	
Versar Inc (VSR)	03/28/14	\$28,225,000	\$30,981,000	(\$131,000)	\$1,042,000	(I)
Vertex Energy (VTNR)	03/31/14	\$47,349,658	\$33,254,801	\$881,146	\$1,090,097	
Wireless Telecom Group (WTT)	03/31/14	\$9,185,000	\$6,797,000	\$440,000	\$346,000	
XRS Corp (XRSC)	03/31/14	\$12,790,000	\$14,496,000	(\$731,000)	\$176,000	(J)

(A) "The decrease in volume for 2014's first quarter was the result of several factors," explained CEO Ernest A. Bates, M.D. "One of our sites was down for five weeks for an upgrade. Two other sites were down for one month each due to equipment and personnel issues. Extreme winter weather reduced volume at several other customer sites."

(B) Direct Insite's president and CEO, Matthew E. Oakes: "The company's focus remains on winning new customers to drive recurring revenue streams and offset the loss of the previously disclosed enterprise customer revenue."

(C) "Q1 was the last quarter that Taber was operational," noted Daniel B. O'Brien, FSI's CEO. "Losses from Taber will decline during Q2 and become nearly zero during Q3."

(D) John H. Sottile, Goldfield's president and CEO, stated, "C&C will provide a platform for future growth. We are also encouraged by the growth of backlog despite the completion of the large STEM project."

(E) "Q1 results reflect that end markets remain challenging as fossil fuel powered utilities delay their capital expenditures due to the economic and regulatory uncertainties of coal-fired power plants in light of low natural gas prices,"

remarked Jim Eberle, CEO of GSE Systems.

(F) An arbitration proceeding was in process over a contract dispute between ChemFree and a third party. "INS reluctantly decided that a settlement was in the company's best interests due to the inherent uncertainty of a binding arbitration process and the potential for an even greater negative impact if the arbitrator's ruling was not in ChemFree's favor," remarked J. Leland Strange, CEO.

(G) "LightPath is expanding its sales and marketing initiatives in the Asia-Pacific region to take advantage of robust manufacturing activity in China," said CEO Jim Gaynor.

(H) Jill Blanchard, SPAR Group CEO: "To counter the decrease in gross profit margins, management is focused on transforming the existing mix of business towards higher margin services as contracts evolve."

(I) "In 3Q, delayed funding for government contracts continued," noted VSR CEO Tony Otten. "Additionally, the integration of GMI continues to progress, but not as quickly as anticipated."

(J) The sales decrease coupled with increased research and development costs accounted for XRSC's net loss.