



Lessons learned from the Terrible Ten *Looking back on a profitable and educational project*

Five years ago marked the end of one of Max Bowser's clever and highly profitable ideas: the Terrible Ten. When the market bottomed out in March 2009, Max decided that rather than run from the market, he would play the low. His "project": identify the companies trading on the New York Stock Exchange for less than \$0.75 a share. He would then invest in ten of these companies, buying 200 shares each. This project turned out to be not only profitable, but also educational, reinforcing many of *The Bowser Report's* principles that hold true to this day.

Of the 19 NYSE companies under \$0.75 a share, Bowser chose to invest in the following ten:

1. **Alesco Financial (AFN)**: a real estate investment trust (REIT);
2. **Anthracite Capital (AHR)**: another REIT;
3. **Intertape Polymer (ITP)**: a polyolefin tape and packaging company;
4. **Guaranty Financial (GFG)**: a subsidiary of Guaranty Bank;
5. **Journal Communications (JRN)**: a newspaper, television and radio company;
6. **LL&E Royalty Trust (LRT)**: a petroleum royalty company in the U.S.;
7. **Nautilus Inc. (NLS)**: a fitness equipment company;
8. **Phoenix Companies (PNX)**: an insurance and asset management company;
9. **Unisys Corp. (UIS)**: a tech services company; and
10. **Verso Paper Corp. (VRS)**: a coated paper company.

The average annualized revenue of these companies was \$1.2 billion. Each of the firms was reporting a loss, with the exception of LRT, which posted a \$232,260 trailing twelve month (ttm) net income. Lastly, all of the securities had traded at least three times higher than \$0.75 in the two years prior to the project's start. Bowser Ratings were not used because of the lack of profitability.

The table was set. Two hundred shares of each company were purchased. The Game Plan was followed. And, the profits poured in.

During the first month (from March 6, 2009 to April 3, 2009), the portfolio soared from its initial value of \$778 to \$1,680.* By September 30, 2009, just shy of

*Bowser did not account for the Game Plan in his reporting of the Terrible Ten. He just posted the values of 200 shares of each company.

seven months after the portfolio's inception, its value rose to \$4,026, a 418% gain.

Eight of the ten companies doubled or more from their original value, and only one was down (GFG). Notable gainers included:

- PNX up 1,021%;
- VRS up 731%;
- UIS up 709%;
- ITP up 657%; and
- JRN up 651%.

After September 30, 2009, the portfolio shrunk slightly in value. *The Bowser Report* last featured the Terrible Ten portfolio in February 2010 with a value of \$3,801, for a final gain of 389% in just 11 months.

WHERE ARE THE TERRIBLE TEN NOW?

AFN: In December 2009, Alesco merged with Cohen Brothers, LLC, changing its name and ticker symbol to Cohen & Company Inc. (COHN). At the same time, the company enacted a 1-for-10 reverse stock split. The company now trades under the company name and symbol Institutional Financial Markets (IFMI) around \$1.50 a share.

AHR: Anthracite joined the Pink Sheets in late 2009, only to file bankruptcy later.

ITP: Intertape now trades on the OTC Market with the ticker symbol ITPOF. The company trades around \$15 a share.

GFG: Guaranty Financial "bit the dust" pretty early, as federal regulators seized the banking unit in August 2009, selling it to a Spanish bank. What was left of GFG filed for bankruptcy.

JRN: Journal Communications still trades on the NYSE, now around \$10 a share—a big price considering this puppy was under \$0.75 a share less than six years ago.

LRT: LL&E now trades on the OTC Market with the symbol LRTR. The stock trades around \$1 a share.

NLS: Nautilus still trades on the NYSE, but now for over \$14 a share—quite the jump from its Terrible Ten days.

PNX: Phoenix is another company still on the NYSE, and my has it soared! PNX now trades for over \$60 a share.

UIS: Unisys also still trades on the NYSE, and it too has appreciated a great deal since being cast as one of the Terrible Ten, now trading for over \$20 a share.

VRS: Verso remains on the NYSE and trades around \$2 a share.

LESSONS LEARNED FROM THE TERRIBLE TEN

The Terrible Ten was a unique idea that came to Max, but it is not a regular feature of *The Bowser Report*. Despite its brief time in the newsletter, there are many lessons to be learned from the project.

1. Diversify: While nine of the Terrible Ten appreciated, owning all ten yielded considerable gains. Purchasing a variety of stocks protects against losses and increases the odds for an enormous gain—like PNK or UIS, for example.

2. Stick to a plan: While some of the companies are still up considerably, some are no longer trading or down considerably. For that reason, invest with a plan! The Bowser Game Plan is a tried and true method that has yielded many investors profits over the years.

3. Don't give up on the market: Perhaps the biggest lesson of the Terrible Ten is to buy low and sell high. In March 2009, most investors had lost hope. However, wise investors saw the low as an opportunity to buy. Those that did, profited in a major way! **Dips in the market create unique, profitable opportunities.**

Seeking unique and profitable opportunities is what *The Bowser Report* is all about. While the Terrible Ten bent and even broke some of the newsletter's rules, the idea behind the project was the same: bringing to light undervalued companies. That's what it's all about.

The next time the market collapses, the Terrible Ten will make a comeback. Until that time, take to heart the lessons this Terrible Ten taught and apply them to your everyday investing.

What's going on with Creative Learning?

We have had a number of subscribers recently contact us concerning **Creative Learning Corp. (CLCN)**. And, rightfully so! The company's price has dropped considerably over the past few months, and there has also been some concern over CLCN's 10-K filing. So, the million dollar question is: what's going on?

In April 2014, Creative Learning hit its all-time high of just over \$3 a share. Since then, however, the share price has slid rather consistently. Reference the chart to the right.

Market Overview

This month there were no changes to the **Bowser Microcap Stock Index**. The Index closed Friday, February 6, at **557.93**, a gain of 11.59 points, or 2.1%, from January 2's close of 546.34.

Indicated by the Index, small stocks had a good month. The larger indexes did not fair quite as well. The Dow Jones Industrial Average (DJI) was down 0.05%, while the S&P 500 (GSPC) fell 0.13%. The NASDAQ Composite index grew 0.37%. The Russell 2000 rose 0.56%, to further illustrate the outperformance of small stocks.

Throughout the newsletter, our picks did well overall. A number of companies rose, some considerably. See page 8 for the top gainers this month.

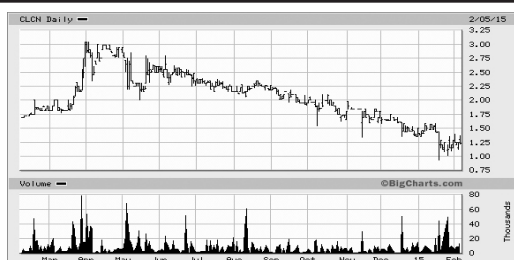


Chart from bigcharts.com.

A major reason for the more recent drop in price is the company's late filing of its 10-K to the Securities and Exchange Commission. Companies with a market cap of less than \$75 million have 90 days from the end of their fiscal year to file this document. CLCN's deadline was up December 29, 2014. Creative Learning filed its 10-K on January 15, only to claim that its independent accountant had not approved the filing. So, CLCN filed an amended 10-K on February 2. *Details of the company's financials are on page 7.*

For now, hold on to CLCN, unless it has met one of the sell parameters of the Game Plan. Creative Learning is continuing to grow its franchise concepts profitably. The company also recently announced a 100,000 share repurchase plan, which is likely an attempt by management to restore shareholder confidence. With over \$3 million in cash, this is something that CLCN can easily afford. **In light of recent activity, we are moving Creative Learning to Category 2 on page 4.**

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

Nova Lifestyle (NVFY) is a furniture company that we discovered while searching for companies to add to the January 2015 *Database*. We were impressed with the company's growth in sales and earnings, along with its low share price.

BUSINESS

Nova Lifestyle manufactures contemporary-styled residential furniture. The company has a number of different brands, including Diamond Sofa, Colorful World, Giorgio Mobili and Bright Swallow, which NVFY acquired in April 2013.

Under these brands, the company manufactures and sells a variety of products. These products consist mainly of sofas, cabinets and dining tables, which accounted for 37%, 17% and 16% of FY 2013's sales, respectively.

The company sells its products through stores and Internet sales in China, North America and other international markets. In the most recent quarter, ended September 30, 2014, North American sales accounted for 71% of total revenues. Over the same three month period, Chinese sales comprised 17%; European sales, 8%; and other international sales, just 4%.

RECENT DEVELOPMENTS

Recently, Nova Lifestyle announced a couple of expansions that should aid in continuing the company's tremendous growth.

First, the company announced the opening of seven franchise stores in China. The stores, which range in square footage from 1,938 ft² to 4,628 ft², will open between May and November 2015. To open a franchise, the franchisee pays a desposit of RMB 30,000 (or \$4,802). The franchisee then orders products from Nova Lifestyle, which are sold in the store.

Next, NVFY announced four new products hitting IKEA stores in China. The new products, which join existing Nova Lifestyle product lines in China, should bring an additional \$4-6 million in annual revenues, according to company estimates.

These two announcements come as the company is trying to expand its Chinese presence because of the country's growing middle class. "China, due to the tremedous growth of the middle class with expendable income, is one of the fastest-growing markets for modern, LifeStyle furniture," remarked Jeffrey Wong, NVFY's chief

executive officer.

FINANCIALS

Nova Lifestyle is a growing company. Annual revenues have grown from \$28.8 million in FY 2010 to \$78.4 million in FY 2013. The company has reported \$69.7 million for the nine months ended September 30, 2014. Trailing twelve month sales are \$91.6 million.

For the most recent three month period, ended September 30, 2014, NVFY generated \$25.9 million in revenues, a 16% year-over-year increase. The higher sales resulted from a 6% increase in sales volume. North American sales jumped 45%, while sales internationally, including China, grew marginally.

After a hiccup in earnings growth during FY 2013,* Nova Lifestyle is back to growing profits in FY 2014. For the first nine months of the fiscal year, net income was up 89%. Earnings for the most recent three months, ended September 30, 2014, were up 156% compared to the same period last year.

NVFY boasts a strong balance sheet to support its growing financials. Since December 31, 2013, current assets have grown 40%. Over the same period, current liabilities have also grown (up 117%). However, despite the transfer of the company's line of credit from a non-current liability to a current liability, the company has a total current assets-to-liabilities ratio of 2.7-to-1, and \$33.4 million in working capital.

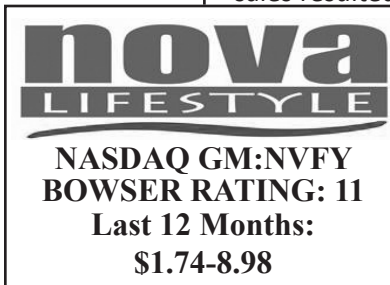
Nova Lifestyle has no long-term debt and a book value of \$2.40, which is right around the company's price-per-share (PPS).

BOTTOM LINE

Less than a year ago, NVFY was trading above \$8 per share. However, due to fiscal 2013's drop in earnings, the company's share price slid. At the current share price, Nova Lifestyle is undervalued with a price-to-earnings ratio of 6.1, which is one of the lowest in its industry. As the company's financials continue to grow, its stock price should rapidly increase; especially if its profit margin holds or even expands.

Office: 6565 East Washington Blvd., Commerce, CA 90040, Tel: 323/888-9999, Fax: 323-888-9908, www.novalifestyle.com

*Earnings slid in 2013 due to an increase in costs of revenue and operating expenses. Over the years, the company's profit margins have fallen. A true test for NVFY will be to continue growing sales while leveling off or increasing profit margins, something the company has managed to do the past two quarters.



	2012	2013	2014 (A)
REVENUES	\$66,297,498	\$78,256,493	\$69,708,982
INCOME(LOSS)	\$5,433,883	\$4,867,461	\$6,776,890
WORKING CAPITAL	\$16,543,553	\$28,894,282	\$33,367,765
BOOK VALUE	\$1.64	\$2.05	\$2.47
TOTAL SHARES	18,530,591	18,876,052	20,133,976
FLOAT	N/A	N/A	10,510,000
(A) NINE MONTHS ENDED 09/30/14			

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 02/06/15	Long-term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
CATEGORY ONE: OUR BEST PICKS								
01/14(CM)	DLH HOLDINGS (DLHC)	GOVERNMENT SERVICES SOLUTIONS	2.33	\$0.000	\$61.7	\$5.358	9.6	9
06/14(A)	DYNASIL CORP. (DYSL)	OPTICAL COMPONENTS	1.34	\$3.377	\$42.2	\$2.003	16.3	8
07/14(QB)	FITLIFE BRANDS (FTLF)	NUTRITIONAL SUPPLEMENTS	2.33	\$1.568	\$21.5	\$1.931	8.2	10
12/14(QB)	INT'L BALER CORP. (IBAL)	BALING EQUIPMENT	2.35	\$0.028	\$19.8	\$0.715	5.2	8
# 04/11(A)	LIBERATOR MEDICAL (LBMH)	NOW ABOVE \$3/SHARE; SEE PAGE 5						
# 10/09(CM)	LRAD CORP. (LRAD)	SOUND ACOUSTIC TECHNOLOGY	2.67	\$0.000	\$25.2	\$3.702	33.2	10
01/15(N)	NEVADA GOLD & CASINOS (UWN)	GAMING OPERATIONS	1.28	\$9.875	\$63.1	\$1.213	16.2	10
11/14(QB)	NOBLE ROMAN'S (NROM)	PIZZA FRANCHISES AND LICENSES	2.45	\$1.723	\$7.8	\$0.231	19.9	8
02/15(GM)	NOVA LIFESTYLE INC. (NVFY)	FURNITURE MANUFACTURING/SALES	2.41	\$0.000	\$91.6	\$8.059	20.8	11
10/14(GM)	ROYAL BANCSHARES (RBPA)	BANK HOLDING COMPANY	1.81	\$118.200	\$32.3	\$5.492	37.8	8
08/14(QB)	SONO-TEK CORP. (SOTK)	ULTRASONIC NOZZLES	1.16	\$1.355	\$10.6	\$0.518	14.7	8
# 02/13(A)	WIRELESS TELECOM (WTT)	NOW ABOVE \$3/SHARE; SEE PAGE 5						
CATEGORY TWO: WORTHY OF CONSIDERATION								
03/14(A)	COMMAND SECURITY (MOC)	SECURITY PERSONNEL/SERVICES	2.24	\$0.000	\$150.6	\$1.494	9.7	9
# 05/14(CM)	CPS TECHNOLOGIES (CPSH)	ADVANCED MATERIAL SOLUTIONS	2.85	\$0.000	\$22.3	\$0.660	13.1	8
		Office: 111 South Worcester St., Norton, MA 02766, Tel: 508/222-0614, www.alsic.com						
09/13(QB)	CREATIVE LEARNING (CLCN)	EDUCATIONAL PROGRAMS FOR KIDS	1.17	\$0.005	\$7.3	\$1.260	11.8	8
08/13(QB)	DIRECT INSITE CORP. (DIRI)	E-INVOICING SOLUTIONS	0.74	\$0.016	\$8.3	(\$0.064)	12.8	10
# 06/08(A)	FLEXIBLE SOLUTIONS (FSI)	SPECIALTY CHEMICALS	1.16	\$0.967	\$15.4	\$2.789	13.2	10
# 06/12(A)	GOLDFIELD CORP. (GV)	ELECTRICAL CONSTRUCTION	2.35	\$16.282	\$92.7	\$2.695	25.5	NR
10/13(QB)	INNOVATIVE FOOD (IVFH)	SPECIALTY FOOD PROVIDER	1.86	\$1.883	\$28.0	(\$1.124)	20.7	NR
07/10(QB)	REPRO-MED SYSTEMS (REPR)	DESIGN/PRODUCTION OF MED PROD	0.41	\$0.000	\$10.4	\$0.831	38.1	8
04/13(CM)	SPAR GROUP (SGRP)	MERCHANDISING AND MARKETING	1.41	\$4.120	\$121.7	\$3.696	20.6	10
# 10/12(QB)	WHERE FOOD CMS FRM (WFCF)	FOOD VERIFICATION SERVICES	2.80	\$0.026	\$7.6	\$0.153	23.7	10
CATEGORY THREE: VERY SPECULATIVE								
# 03/13(GM)	ADVANTAGE TECH (AEY)	CABLE TV EQUIPMENT	2.30	\$5.240	\$35.9	(\$0.007)	10.0	8
# 12/11(A)	AMERICAN SHARED HSPT (AMS)	TURNKEY TECHNOLOGY SOLUTIONS	2.65	\$17.865	\$15.4	(\$1.092)	5.4	7
# 05/13(A)	ENSERVO CORP. (ENSV)	OIL/GAS WELL SITE SERVICES	1.85	\$14.574	\$53.5	\$2.583	37.1	8
09/14(CM)	INFONONICS CORP. (IFON)	MOBILE DEVICES PROVIDER	1.41	\$0.000	\$42.1	(\$0.344)	14.4	8
# 12/06(A)	ITERIS (ITI)	OUTDOOR MACH VISION SYS/SENSORS	1.82	\$0.000	\$71.8	(\$0.454)	32.6	8
12/12(CM)	JOE'S JEANS INC. (JOEZ)	SELL; SEE BELOW						
07/13(CM)	LIGHTPATH TECH (LPTH)	OPTICAL COMPONENTS	1.23	\$0.106	\$11.6	(\$0.812)	14.3	NR

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.

Command Security wins big contracts

Command Security Corp. (MOC) shares jumped 96% from January 5's close of \$1.81 to January 6's intraday high of \$3.55. The wild appreciation and volume spike (6 million shares in one day) is attributable to its premarket announcement of \$250 million in United States Postal Service (USPS) contracts.

Under one contract, MOC will provide security services at 50 USPS locations in 18 states, along with Puerto Rico and Washington D.C. The terms give Command Security \$20 million a year for four years plus three two-year options.

The USPS also awarded the company with a \$5 million per year contract to operate its National Law Enforcement Communication Centers in Northern Virginia and Fort Worth, Texas.

However, because of protests filed by ABM

Security Services seeking to overturn the contracts, the USPS delayed MOC's operational start dates. The USPS denied ABM's protests, but ABM filed an action with the U.S. Court of Federal Claims seeking to stop the transition of the contracts to MOC.

At this time, when and if Command Security will begin work on these contracts is uncertain. However, MOC plans to defend its rights to the contracts.

Marc Crossman, CEO of Joe's Jeans, resigns

Marc Crossman tendered his resignation as president and chief executive officer of Joe's Jeans (JOEZ). For now, Samuel Joseph Furrow, Jr. will serve as the company's interim CEO.

For those who have been following the company, Joe's Jeans had a rough 2014, and the stock plummeted in November. Recent developments have made it hard to believe in JOEZ moving forward. As a result, **SELL JOEZ.**

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 02/06/15 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)

<u>ISSUE/EXCHANGE SYMBOL</u>	<u>1</u>	<u>2</u>	<u>ISSUE/EXCHANGE SYMBOL</u>	<u>1</u>	<u>2</u>
ATLANTIC AMERICAN (GM:AAME)	\$3.99(7)	02/12 \$2.05(8)	MANHATTAN BRIDGE CAPITAL (CM:LOAN)	\$3.73(8)	02/10 \$1.10(9)
CIMATRON LIMITED (CM:CIMT)	\$8.83(9)	02/08 \$2.75(8)	NEWTEK BUSINESS SERVICES (CM:NEWT)	\$14.51(11)	08/12 \$8.50(8)
CPS TECHNOLOGIES (QB:CPSH)	NOW \$2.85; SEE PAGE 4		*Price adjusted: 1-for-5 reverse split 10/14		
EVOLVING SYSTEMS (CM:EVOL)	\$8.97(10)	05/09 \$3.68(8)	RIVERVIEW BANCORP (GS:RVSB)	\$4.45(10)	06/13 \$2.30(9)
*Price adjusted: 1-for-3 reverse split 07/09			SIMULATIONS PLUS (CM:SLP)	\$6.43(8)	05/10 \$2.46(9)
GOLDEN ENTERPRISES (GM:GLDC)	\$3.89(9)	02/09 \$2.35(9)	TUCOWS INC. (CM:TCX)	\$18.55(10)	01/13 \$6.00(8)
IEC ELECTRONICS (A:IEC)	\$4.25(9)	07/08 \$1.99(8)	*Price adjusted: 1-for-4 reverse split 12/13		
INVENTURE FOODS (CM:SNAK)	\$10.20(9)	09/00 \$2.56(8)	VERSAR INC. (A:VSR)	\$3.31(12)	10/11 \$2.76(10)
KEY TRONIC CORPORATION (GM:KTCC)	\$9.66(8)	11/08 \$1.57(10)	WIRELESS TELECOM (A:WTT)	\$3.11(8)	02/13 \$1.21(10)
LIBERATOR MEDICAL (A:LBMH)	\$3.53(9)	04/11 \$1.41(9)			

THE FOLLOWING WE SAID SHOULD BE SOLD

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

GSE SYSTEMS (A:GVP)	\$1.68(NR)	12/14 \$1.56(NR)	SMARTPROS INC (CM:SPRO)	\$1.52(NR)	\$1.85(11/14)
INTELLIGENT SYSTEMS (A:INS)	\$2.20(NR)	12/14 \$1.69(NR)	SPINE PAIN MGMT (QB:SPIN)	\$0.30(NR)	\$0.24(04/14)

BRIEFS

American Shared Hospital (AMS) supplied a Gamma Knife® Perflexion™ system to PeaceHealth Sacred Heart Medical Center at RiverBend in Springfield, OR. This system is now treating patients. . . . **CPS Technologies (CPSH)** uplisted its shares to the NASDAQ Capital Market. The uplisting took effect on January 15. . . . **ENSERVCO Corp. (ENSV)** appointed Robert Herlin and William Jolly to the company's board of directors. . . . **Evolving Systems (EVOL)** received a further U.S. patent for important extensions to the key technology of its Dynamic SIM Allocation™. . . . **FitLife Brands (FTLF)** commenced a stock repurchase program that allows the company to buyback up to \$25,000 of common stock each month. . . . **InfoSonics Corp. (IFON)** launched the *verykool*® S5015 (Spark II), with a dual flash 8 megapixel rear camera and a 5 megapixel front camera with an LED flash. . . . **Innovative Food Holdings (IVFH)** announced Bryan Janeczko as chief executive officer of the company's subsidiary, The Fresh Diet. . . . **Iteris Inc. (ITI)** entered into an agreement with chemical company BASF that will leverage ITI's

ClearAg weather information. . . . **LightPath Technologies (LPTH)** received \$1.3 million in gross proceeds through a private placement with Pudong Investment. LPTH also announced the transition to a technical sales process that leverages its existing demand-creation model. The company also appointed Dr. Xudong Zhu to its board of directors, replacing Gary Silverman, who passed away in November 2013. . . . **LRAD Corp. (LRAD)** announced follow-on orders totalling \$2.4 million from multiple Asian customers. The orders include LRAD 1000Xi, 100X, 500 and 360X devices. These devices will ship during the first and second quarters of 2015. . . . **Manhattan Bridge Capital (LOAN)** rang the NASDAQ opening bell in Times Square on Tuesday, January 20. . . . **Repro-Med Systems (REPR)** appointed Karen Fisher as the company's chief financial officer. . . . **Simulations Plus (SLP)** distributed a cash dividend of \$0.05 per share on February 2 to shareholders of record as of January 26. . . . **Sono-Tek Corp. (SOTK)** sold a precision ultrasonic coating system to Advanced Animal Diagnostics in Durham, NC. The company also signed an exclusive distribution agreement

INSIDER TRANSACTIONS IN JANUARY

<u>COMPANY</u>	<u>SHARES TRADED</u>	<u># OF TRADES</u>	<u>PRICE RANGE</u>
Direct Insite	A-135,136	4	\$0
ENSERVCO	S-3,500,000	1	\$1.38
FitLife Brands	D-75,000	1	\$0
	S-13,447	7	\$2.40-2.50
IEC Electronics	D-17,557	2	\$4.59-4.68
	A-40,000	1	\$1.88
Liberator Medical	S-225,000	3	\$3.15-3.27
Manhattan Bridge	OE-4,000	1	\$1.01
Noble Roman's	B-533,921x	5	\$2.08-2.18
	S-200,000	3	\$2.01-2.12
Royal Bancshares	A-22,946	4	\$1.71-1.76
Tucows	S-12,829	2	\$18.50

A-Acquisition (Non Open Market), B-Bought, D-Disposition (Non Open Market), OE-Option Exercise, S-Sold, x-indirect holdings. Information obtained from Nasdaq.com

with Mercer Group Limited. The agreement gives meat processors in New Zealand and Australia access to the full range of SOTK's antimicrobial spray coating systems. . . . **Where Food Comes From (WFCF)** announced its new vice president of global alliances, James Riva. . . . **Versar Inc. (VSR)**, through its joint venture with Johnson Controls Federal Systems, received a \$2 million sustainment, restoration and modernization acquisition task order contract from the Air Force Civil Engineer Center. The contract covers construction services at Camp Arifjan in Kuwait, lasting for 20 months.

THIS MONTH'S
BIGGEST GAINER
HENNESSY ACQUISITION
UP 43%

WARRANT REGISTER

Associated to acquire Ahmann & Martin
Associated Banc-Corp (ASB-WS) is to acquire Ahmann & Martin Co., a Minnesota-based leading risk and consulting firm. Under the acquisition deal, Ahmann & Martin will merge with and into Associated Financial Group, a subsidiary of ASB.

The current price of the transaction is valued at \$48 million. However, that price is subject to an \$8 million increase if certain contingencies are met over a defined period of time. The acquisition should close in March 2015.

BioAmber announces new CFO

BioAmber Inc. (BIOA-WT) announced the retirement of Andrew Ashworth as the company's chief financial officer. Succeeding Ashworth is Francois Laurin, former CFO of the exploration and development stage company, Alderon Iron Ore Corp.

BioAmber also announced the resignation of board member Denis Lucquin, who has been on BIOA's board since 2009. Lucquin's company has a policy that board members step down after a company's initial public offering, which is the reason Lucquin resigned.

Hennessy Capital extends warrant offer

Hennessy Capital Acquisition (HCACW) extended its previously announced offer to exchange up to 5,750,000 warrants for shares of the company's common stock at

an exchange ratio of 10 warrants for 1 share of common stock. HCACW extended the offer from February 6 to February 13.

Remember, we recommend trading warrants as you would common stock, following the Bowser Game Plan. Any offer to exchange warrants for common stock does not fall into the Game Plan. So, as long as the warrants continue to trade, which HCAC warrants have, continue to hold them.

NXT-ID's Wocket named top product

NXT-ID, Inc.'s (NXTDW) Wocket™ smart wallet was named one of the "11 Hot Products at CES" by Wired.com and one of the "5 Best Products Launched at CES So Far" by Newseveryday.com. CES is the Consumer Electronics Show, where the Wocket was launched. The show ran January 6 to January 9 this year, in Las Vegas.

xG Technology receives FCC certification

xG Technology (XGTIW) received certification from the U.S. Federal Communications Commission for its xMax CN1300 Access Point. The certification allows xG Tech. to begin shipments of the product to its current and prospective customers in the U.S.

As can be seen below, **Iridium Communications (IRDMZ)** warrants have expired. As a result, they are now worthless and will exit the *Warrant Register* next month. Be aware that **Valley National's (VLY-WT)** warrants expire in June.

Company	Market/Symbol	Principle Business	Stock Price 02/06/15	Warrant Price 02/06/15	Conv. Ratio	Exer. Price	Expire Date	No. Wts	Bowser Rating
Associated Banc-Corp 1200 Hansen Road., Green Bay, WI 54304, Tel: (920) 491-700, www.associatedbank.com	N:ASB-WS	Bank holding company	18.42	2.80	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	16.49	0.66	1.00	30.79	10/28/18	121.8M	10
CALL TERMS: Not callable									
BioAmber Inc. 1250 Rene Levesque 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	9.17	1.74	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	49.14	0.70	0.10	106.10	01/04/19	2.6M	8
CALL TERMS: Not callable; exercise price adj. for dividends above \$.01									
Dynege, Inc. 601 Travis St., Ste. 1400, Houston, TX 77002, Tel: 713/507-6400, www.dynege.com	N:DYN-WT	Electric energy/related services	27.38	3.22	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	15.47	0.02	1.00	48.81	01/24/18	3.6M	8
CALL TERMS: Not callable									
FieldPoint Petroleum 1703 Edelhweiss Dr., Cedar Park, TX 78613, Tel: 512/250-8692, www.fppcorp.com	N:FPP-WT	Oil/gas operations in the US	1.96	0.25	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	9.65	0.57	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	EXPIRED							
Nxt-ID, Inc. One Reservoir Corporate Centre, Ste. 402, Shelton, CT 06484, Tel: 203/242-3076, www.nxt-id.com	CM:NXTDW	Biometric solutions	2.60	0.99	1.00	3.00	01/13/19	1.4M	6
CALL TERMS: Not callable									
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	1.84	0.0145	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	15.85	2.62	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	0.18	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	0.42	0.18	1.00	6.87	07/22/18	0.7M	8
CALL TERMS: \$13.75 for 20 consecutive days									

Beginner's Portfolio Up 219%

BOUGHT: None this month

SOLD: None this month

BOUGHT: None this month			SOLD: None this month					Proceeds From Sales	
Cost	02/06/15		Cost	02/06/15		Cost	02/06/15		
AAME	280/Mar '12	399	SGRP	178/Apr '13	141	DYSL	185/Aug '14	134	11,459
AMS	308/June '12	265	AEY	248/May '13	230	IFON	190/Oct '14	141	
ITI	162/Aug '12	182	IVFH	134/Jan '14	186	RBPA	188/Nov '14	181	
†NEWT	187/Sep/'12	290	MOC	209/May '14	224	DIRI	75/Dec '14	74	
WFCF	159/Nov '12	280	DLHC	210/May '14	233	FSI	122/Dec '14	116	
WTT	189/Apr '13	311	CLCN	224/Aug '14	117	NROM	216/Dec '14	245	
							3,749		
Original cost for all stocks: \$4,766			*50 Shares			Proceeds from Sales:		11,459	
			†20 Shares			Current Value of Portfolio:		15,208	

Gain: 14,982 minus 4,766 = 10,442

Percentage of gain: 10,442 divided by 4,766 x 100 = 219.1

Compound Annual Growth Rate: 8.92%

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

The Beginner's Portfolio current holdings had a great month. The current holding's value increased 6.4%, led by several companies that made decent gains over the past month, including IVFH (+43%), MOC (+28%), IFON (+22%), DLHC (+20%), WTT (+19%), NROM (+19%) and RBPA (+11%).

BOWSER BUCKAROOS SPEAK

*In the December newsletter under **Flexible Solutions (FSI)**, you state that the balance sheet strengthened as current liabilities rose and current assets fell leading to an increase in working capital. How is this possible?*

--Dale M. Schnarr, Stillwater, MN

Dale caught an error of ours. It should read the opposite: current **assets** rose and current **liabilities** fell, which led

to FSI's increased working capital.

*Do you have any advice regarding the **Hennessy Capital (HCACW)** warrant exchange?*

--Richard Johnston, Huntley, IL

We recommend following the Game Plan when it comes to warrants. We would not recommend exchanging warrants for common stock.

	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
DLH Holdings Corp. (DLHC)	12/31/14	\$15,682,000	\$14,477,000	\$134,000	\$133,000	
Golden Enterprises (GLDC)	11/28/14	\$32,029,326	\$33,486,323	\$40,727	\$26,196	
International Baler Corp. (IBAL)	10/31/14	\$4,178,711	\$3,736,648	\$84,927	\$524,659	(A)
Iteris Inc. (ITI)	12/31/14	\$17,540,000	\$16,548,000	(\$98,000)	\$238,000	(B)
Key Tronic Corp. (KTCC)	12/27/14	\$114,311,000	\$78,250,000	\$1,626,000	\$3,144,000	(C)
LightPath Technologies	12/31/14	\$3,352,958	\$2,907,869	\$141,213	(\$202,033)	
LRAD Corp. (LRAD)	12/31/14	\$4,385,000	\$3,823,000	\$506,000	\$132,000	
Repro-Med Systems (REPR)	11/30/14	\$2,655,155	\$2,179,921	\$92,692	\$161,954	(D)
Riverview Bancorp (RVSB)	12/31/14	\$9,467,000	\$9,057,000	\$1,149,000	\$801,000	
Royal Bancshares of PA (RBPA)	12/31/14	\$7,976,000	\$9,627,000	\$982,000	\$2,238,000	(E)
Simulations Plus (SLP)	11/30/14	\$4,086,192	\$2,641,000	\$528,904	\$685,155	
Sono-Tek Corp. (SOTK)	11/30/14	\$7,906,332	\$7,561,998	\$384,100	\$350,424	
Versar Inc. (VSR)	12/26/14	\$34,162,000	\$28,037,000	\$277,000	\$100,000	

(A) *IBAL's higher revenues and gross profits were offset by the company's higher administrative expenses, which grew due to increased legal fees and other liabilities.*

(B) *ITI's loss is due to investments in iPerform.*

(C) *The drop in Key Tronic's net income was partially due to a \$1.5 million tax benefit in 2013, which KTCC did*

not have in 2014.

(D) *REPR's decrease in earnings resulted from a \$581,413 spike in costs and expenses, offsetting the \$475,234 gain in revenues.*

(E) *RBPA's lower net income was due to the sale of two company-owned buildings in 4Q 2013. The company made no gains on property sales in 4Q 2014.*

NOTES BY THE EDITOR

The past month has been kind to our recommendations in the newsletter. Twelve companies posted double digit percentage gains, while only 5 posted double digit percentage losses. As you probably have noticed, this month there is no supplement to the newsletter. Instead, we have integrated that content into the regular newsletter to make it more cost effective. While this resulted in the loss of some content, we took great care to not exclude too much.

The section taking the biggest hit was Buckaroos



Speak, which we will try to incorporate into the rest of the newsletter. The front page, the Company of the Month write-up and pages four and five have remained unchanged.

Last month there was a bit of a boo-boo. The January newsletter was mailed out late by our new printer. As a result, print subscribers received their copies later than usual. For this, we are terribly sorry. However, we discussed with the printer the importance of timeliness in an effort to ensure that you will receive your newsletter on time from now on. Thank you for your patience and understanding last month.

Don't forget about the latest issue of the *Bowser Database*. The January 2015 issue (Vol. 2, No. 1) published in the middle of January and is now available to all those who wish to receive it. The cost is \$25 for a single issue, or \$79 for a year's subscription (4 issues).

FIVE BOWSER STOCKS UP AND DOWN

INNOVATIVE FOOD	UP	43%	INVENTURE FDS	DOWN	18%
LIGHTPATH TECH.	UP	38%	CREATIVE LEARN	DOWN	15%
COMMAND SEC.	UP	28%	IEC ELECTRONICS	DOWN	13%
INFOSONICS CORP.	UP	23%	MANHATTAN BRG	DOWN	11%
DLH HOLDINGS	UP	20%	FITLIFE BRANDS	DOWN	10%