

## Automating the investment process *Different order types make investing more efficient*

The Bowser Game Plan is the bread and butter of our newsletter. It allows Bowser Buckaroos to remain disciplined and realistic throughout the investment process. The Game Plan consists of a basic diversification strategy, a buying plan, a selling plan and a simple method for portfolio evaluation. Since we have received many inquiries on how to properly manage a portfolio and record portfolio performance, this article will provide a more in-depth look into the process.

### **AUTOMATING ORDERS**

By utilizing different order types, you can automate your entry and exit points for different stocks. Your two types of orders will be stop-losses and limit orders. It's important to call your broker prior to using these orders as they can sometimes have higher fees. Stop-losses allow you to set a sell order below your entry price or a buy order above your entry price. For the Game Plan, you will use a trailing stop-loss to avoid losing more than you are willing to risk.

Limit orders allow you to preset the price at which your buy and sell orders execute so that you can exit your position after hitting your intended gain. Limit orders allow you to set a sell order above your entry price or a buy order below your entry price.

Neither of these orders are guaranteed to fill if the stock is moving quickly, so safety isn't certain. However, they most always work and will allow you to automate the investment process with by presetting orders.

### **STOP ORDERS**

The only way to truly eliminate downside risk is to place a stop-loss on your positions. Stop orders allow you to eliminate risk and remove the guess work from investing altogether. They work as a safety net for any type of a selloff.

The only risk is that if a stock sells off with an abundance of momentum, it may skip over your preset order. Stop orders work as market orders once your preset price hits. For example, if you enter a stock at a price of \$1.50 and set a trailing stop-loss at \$1.00, then it will sell the stock when it hits that price. Since the bid/ask spread for some of these stocks may be over 1%, your sell order could fill at \$0.98 instead of \$1.00. Regardless, this is rarely the case and your orders should fill in a timely manner.

The two options that most brokers use are "stop on quote" or "stop on %." That means that you can enter a specific price or set a specific maximum percentage loss so that you don't have to calculate every exit point. In order to avoid downside risk most effectively, you will be using a "trailing stop on %" order (also known as a trailing stop-loss).

### **EXECUTION**

The following simple three-step system will help you automate the Bowser Game Plan.

1. Protect yourself from any downside risk by placing a "trailing stop on %" order at 50%. This fulfills the sell all of your shares "if the stock drops 50% without doubling, sell all shares" portion of the Game Plan.
2. Set a price alert through your order entry platform for a 100% share price increase from your entry. This will alert you whenever the stock doubles from your purchase price.
3. If your price alert notifies you, then sell half of your shares and set a "trailing stop on %" order at 25% for the remainder of your shares. This will automatically sell your remaining holdings of that stock when the price drops 25% from its most recent high.

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Since you cannot place a limit order and a stop-loss at the same time, you need to pick one. Obviously, you want to protect yourself first, rather than locking in profits. So set the trailing stop-loss at 50% immediately.

You then need to set a price alert in anticipation of the stock doubling so that you are notified as soon as you need to sell. If you're unsure of how to do this through your platform, please email me at [faris@thebowserreport.com](mailto:faris@thebowserreport.com) or call your broker. There are different ways to set this up online but the easiest way is to simply set it up using the same platform that you place your orders with. Be aware, however, that an alert is not an order!

Lastly, if the price of the stock doubles, place an order to sell half of your shares after receiving the notification from your alert. Then place a trailing stop-loss at 25% in order to protect yourself from the downside risk once again.

Many of our subscribers have used this system very successfully in managing their portfolios. Doing so allows you to automate your orders and save time, money and plenty of sleep in the long run.

#### EXAMPLE – CEMTrex, INC (CETX)

Cemtrex, Inc. was recommended in the May 2016 newsletter at a price of \$1.97 per share. Pulling from the process above, the first step of the automation requires a “trailing stop on %” order to be placed at 50% or a “trailing stop on quote” order to be placed at \$0.99 (half of the price paid). Again, this limits your losses by setting the maximum that you are willing to lose (i.e. half your initial investment).

The next step requires you to set a price alert at a 100% share price increase from your entry of \$1.97, which would be a price target

## Market Overview

BWSR AVG ↑ 2.6%	S&P 500 ↑ 3.9%	RUS 2000 ↑ 1.6%	NASDAQ ↑ 0.6%	DJIA ↓ 0.3%
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Major indices pushed higher following the jobs report on the first Friday of September. Nonfarm payrolls missed estimates, making a September rate hike unlikely. Bowser stocks managed to outperform the Russell 2000 with **Nova Lifestyle, Inc. (NVFY)** gaining over 100% for the month. The stock did not have a major catalyst in play.

of \$3.94. The stock had a huge gain from our recommendation, and ended up hitting \$3.94 prior to \$0.99. Therefore, a notification would've been prompted, letting you know that it's time to set a limit order at \$3.94. This results in a 100% gain on half of your shares.

After selling the first half, you will have another half of your initial position size remaining. On these remaining shares, set another “trailing stop on %” order at 25% of the recent high, which was \$4.05 on June 22, 2016. That equates to a trigger price of \$3.03, which would have sold automatically the remainder your holdings a few days later on June 27, 2016.

#### CONCLUSION

Again, automating the investment process saves you time, money and encourages a more disciplined investment process. Presetting orders also takes away the guess work and even makes it so that you don't need to track stock prices on a frequent basis.

In next month's newsletter, we will cover how to track your performance and record your proceeds properly. As you'll see, our process for tracking performance best illustrates how your past and present holdings have impacted your portfolio's performance. And, the best part is, it's quick and easy!

If you have any questions about preset orders or automating the investment process, please contact us via email.

## 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

**Socket Mobile, Inc. (SCKT)** sells cordless barcode scanners that consist of two dimensional (2D) and linear (1D) scanners in durable cases. These scanners connect over Bluetooth with smartphones, tablets, mobile computers and near field communications data capture products through radio frequency identification.

Its other products consist of computers and accessories such as charging cradles, plug-in scanners, durable cases and near field communications data readers. The company markets its products through a network of distributors, developers and resellers. It has a network of over 1,400 developers registered to use its software developer's kit.

## INCREASING VALUATION

In FY2013, the company had a book value of \$0.02 and was not trading on a major U.S. stock exchange. As of June, SCKT uplisted to the Nasdaq and has a current book value of \$0.83.

In order to maintain its impressive sales, earnings, and book value trend, the company has been concentrating on maintaining relationships with developers and customers. It has an impressive list of customers like Verizon, Facebook, Google, Apple and more. With sustainable profitability, new additions to the management team and new products being released frequently, there's no doubt that the board is doing everything in their power to continue increasing valuation.

## FINANCIAL TURNAROUND

Financials have been weak in the past due to the struggling industry and the fact that the company is fairly young. In FY2013, Socket Mobile reported a net loss of \$620,493. Now, SCKT has formed a remarkable earnings trend. Revenue is also consistently increasing, due to its aforementioned ability to maintain relationships with customers and developers.

Total current assets have increased 45% in the past two years, and total current liabilities have decreased 23%. In addition, cash flow has increased from \$52,214 to \$1,352,976 in the past year alone. The company is consistently paying off debt, which in turn will decrease interest expense. With its current trend, Socket Mobile should continue to impress long-term shareholders.

## RISKS

The lack of institutional investors and a recent up-listing is usually cause for celebration as this is appealing

to smart money. However, the lack of liquidity is worrisome for larger firms. At this point, SCKT will only attract growth investors. In addition, with a worsening industry outlook, buying pressure will be minimal if the company does not continue to report strong top line results.

SCKT currently has an increasing cash position, but as the industry is forced to continue to advance, it may need to invest in research and development. The company needs to grow more prior to making such an investment as it doesn't have the financial stability to support a large capital spend.

Regardless, SCKT is one of the few company's within its industry that is frequently releasing quality products. Its most recent product, the DuraScan D750, focuses on durability. Even with little capital, the company is still able to release innovative products.

## INDUSTRY OUTLOOK

Honeywell dominates the barcode scanning industry and has made synergistic acquisitions in order to continue moving forward. There are a few other big players within the industry, but it has been declining as

a whole in the past years. The industry is still expected to see a 30% increase over the next two years.

SCKT could be a buyout target for larger companies with its proprietary products/technology and a low valuation. In fact, a buyout within the next few years is not

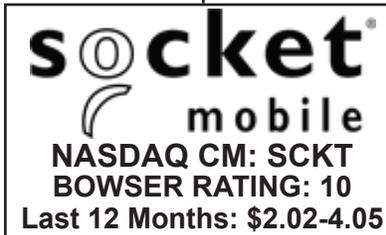
out of the question. Overall, the industry is starting to lag and companies without a proprietary product and steady growth will fall. Either way, there is either more market share for SCKT to take or a potential buyout offer from one of the industry leaders.

## CONCLUSION

Despite the mediocre industry outlook, Socket Mobile keeps reporting strong top line results and an increasing valuation. This makes it vital to continue reporting solid financials as a breakdown of the earnings and sales trends will drive away any potential investors.

If these trends remain intact, we will see a bettering liquidity situation, which could bring in speculative buying pressure as SCKT may become a buyout candidate. Either way, the company's proprietary products and its rapid growth should allow it to continue to capture more market share.

Office: 39700 Eureka Drive, Newark, CA, 94560, Tel: (800) 552-3300, [www.socketmobile.com](http://www.socketmobile.com).



	2014	2015	2016 (A)
REVENUES	\$17,020,754	\$18,400,182	\$10,255,528
INCOME(LOSS)	\$432,117	\$1,817,672	\$1,065,252
WORKING CAPITAL	(\$2,854,515)	(\$742,085)	\$784,175
BOOK VALUE	\$0.21	\$0.60	\$0.84
TOTAL SHARES	5,005,579	5,554,541	5,733,267
FLOAT	N/A	N/A	5,090,000
(A) SIX MONTHS ENDED 06/30/16			

# MINIPRICED STOCKS IN BUYING RANGE

SYMBOLS: (A) NYSE MKT; (CM) NASDAQ CAPITAL MARKET, WAS THE SMALL CAP MARKET; (GM) NASDAQ GLOBAL MARKET, WAS NATIONAL MARKET; (N) NEW YORK STOCK EXCHANGE; (NR) NOT RATED; (QB) OTC QB MARKET; (QX) OTC QX MARKET; # PREVIOUSLY APPEARED ON LIST, BUT WAS REMOVED BECAUSE IT HAD RISEN ABOVE \$3.00/SHARE; FIGURES IN PARENTHESIS ARE LOSSES.

Date of Recommend & Market	Issue/Trading Symbol	Principal Business	Price 09/02/16	Long-term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
<b>CATEGORY ONE: BEST COMPANIES (RATED 10+)</b>								
08/16(CM)	FULL HOUSE RESORTS (FLL)	CASINO OPERATIONS	1.87	\$65.149	\$127.5	\$0.108	19.0	10
07/13(CM)	LIGHTPATH TECH (LPTH)	OPTICAL COMPONENTS	1.94	\$0.214	\$17.0	\$0.716	15.5	11
03/15(A)	NETWORK-1 TECH. (NTIP)	INTELLECTUAL PROPERTY	2.71	\$0.000	\$25.3	\$0.526	10.4	10
11/14(QB)	NOBLE ROMAN'S (NROM)	PIZZA FRANCHISES AND LICENSES	0.56	\$0.924	\$7.5	\$0.471	20.8	10
04/15(QB)	SCOTT'S LIQUID GOLD (SLGD)	HOUSEHOLD AND BEAUTY PRODUCTS	1.34	\$0.000	\$29.2	\$4.780	11.7	10
02/16(QX)	SMITH-MIDLAND CORP. (SMID)	<b>NOW ABOVE \$3; SEE PAGE 5 (FOLLOW-THROUGH)</b>						
09/16(CM)	<b>SOCKET MOBILE (SCKT)</b>	<b>DATA CAPTURE PRODUCTS</b>	<b>2.59</b>	<b>\$0.301</b>	<b>\$20.2</b>	<b>\$2.553</b>	<b>5.8</b>	<b>10</b>
# 10/12(QB)	WHERE FD CMS FROM (WFCF)	FOOD VERIFICATION SERVICES	2.40	\$0.022	\$11.1	\$0.592	23.9	10
<b>CATEGORY TWO: GOOD COMPANIES (RATED 8-9)</b>								
07/14(QB)	FITLIFE BRANDS (FTLF)	NUTRITIONAL SUPPLEMENTS	1.90	\$0.644	\$25.3	\$0.526	10.4	8
# 06/08(A)	FLEXIBLE SOLUTIONS (FSI)	SPECIALTY CHEMICALS	2.09	\$0.503	\$16.3	\$1.743	11.4	9
04/16(A)	GIGPEAK, INC. (GIG)	SEMICONDUCTORS AND SOFTWARE	1.95	\$0.000	\$48.2	\$1.833	65.5	8
12/14(QB)	INT'L BALER CORP. (IBAL)	BALING EQUIPMENT	2.11	\$0.000	\$18.5	\$0.901	5.2	9
07/16(CM)	LRAD CORP (LRAD)	ACOUSTIC SYSTEMS	1.83	\$0.000	\$14.3	\$7.847	31.8	8
01/15(N)	NEVADA GOLD & CASINOS (UWN)	GAMING OPERATIONS	2.03	\$16.839	\$70.3	\$1.301	17.8	8
02/15(GM)	NOVA LIFESTYLE INC. (NVFY)	FURNITURE MANUFACTURING/SALES	1.25	\$6.331	\$108.7	\$0.126	25.1	8
# 10/14(GM)	ROYAL BANCSHARES (RBPAA)	BANK HOLDING COMPANY	2.47	\$0.000	\$29.2	\$11.591	30.1	8
07/10(QB)	REPRO MED SYSTEMS (REPR)	DESIGN/PRODUCE MED PRODUCTS	0.45	\$0.000	\$12.6	\$0.614	38.0	8
# 06/16(A)	SUNWORKS, INC. (SUNW)	SOLAR ENERGY SYSTEMS	2.88	\$0.815	\$88.1	\$2.948	19.8	9
Office: 1010 Winding Creek Rd., Ste. 100, Roseville, CA 95678, Tel: (916) 409-6900, www.sunworksusa.com								
<b>CATEGORY THREE: SPECULATIVE COMPANIES (RATED 7 AND BELOW AND/OR NON-PROFITABLE)</b>								
# 03/13(GM)	ADVANTAGE TECH (AEY)	CABLE TV EQUIPMENT	1.96	\$3.691	\$38.5	\$0.696	10.1	7
03/16(CM)	BROADWAY FINANCIAL (BYFC)	BANK HOLDING COMPANY	1.71	\$0.000	\$17.1	\$8.407	21.4	NR
# 03/14(A)	COMMAND SECURITY (MOC)	SECURITY PERSONNEL/SERVICES	2.63	\$0.000	\$135.8	(\$3.823)	9.8	8
# 05/14(CM)	CPS TECHNOLOGIES (CPSH)	ADVANCED MATERIAL SOLUTIONS	1.39	\$0.000	\$21.7	\$0.574	13.2	7
08/13(QB)	DIRECT INSITE CORP. (DIRI)	E-INVOCING SOLUTIONS	0.47	\$0.000	\$7.3	\$0.515	13.0	7
06/14(A)	DYNASIL CORP. (DYSL)	OPTICAL COMPONENTS	1.09	\$0.988	\$43.7	\$0.340	16.8	7
# 09/14(CM)	INFOSONICS CORP. (IFON)	MOBILE DEVICES PROVIDER	0.59	\$0.000	\$42.7	(\$2.678)	14.4	9
# 12/15(A)	INFUSYSTEM HOLDINGS (INFU)	MEDICAL INFUSION PUMPS	2.81	\$33.482	\$70.6	\$4.594	22.6	NR
11/15(QX)	OURPET'S COMPANY (OPCO)	PET SUPPLIES	0.82	\$3.998	\$24.3	\$1.391	17.6	NR
08/14(QB)	SONO-TEK CORP. (SOTK)	ULTRASONIC NOZZLES	1.05	\$1.147	\$11.2	\$0.451	15.0	7
04/13(CM)	SPAR GROUP (SGRP)	MERCHANDISING AND MARKETING	1.00	\$4.027	\$116.6	\$0.827	20.6	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/RATING CHANGES

Again this month there were quite a few category changes in the table above.

Those moving up are: **FitLife Brands (FTLF)** (which hit positive ttm earnings) climbing from Category 3 to Category 2; and **Noble Roman's (NROM)** (BR from 9 to 10) climbing from Category 2 to Category 1.

Those moving down are: **SunWorks (SUNW)** (BR from 10 to 9) from Category 1 to Category 2; and **Direct Insite (DIRI)** (BR from 9 to 7), **Dynasil (DYSL)** (BR from 9 to 7) and **InfuSystem (INFU)** (BR from 8 to NR) from Category 2 to Category 3.

**LightPath to acquire ISP Optics**  
**LightPath Technologies, Inc. (LPTH)** executed a definitive agreement to acquire ISP Optics

Corporation for \$18 million, of which \$12 million will be payable in cash with the balance in the form of a note issued to the sellers.

ISP is a premier manufacturer of advanced infrared optical components, coatings, and optical sub-systems with 2015 revenues of \$12.1 million and net income of \$1.5 million.

**Dynasil subsidiary receives grant**  
**Dynasil Corporation (DYSL)** announced that its contract research subsidiary, RMD Inc., has received grants totaling \$1.86 million under the U.S. Department of Energy's Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs.

The SBIR and STTR programs represent funding for the principal R&D effort, with awards up to \$1 million over two years.

# 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 09/02/16 PLUS THE CURRENT BOWSER RATING. COLUMN 2 IN THE FIRST LIST BELOW INCLUDES THE MONTH/YEAR WE ORIGINALLY RECOMMENDED THE ISSUE, THE PRICE PER SHARE THEN AND THE BOWSER RATING. (NR=not rated)

ISSUE/EXCHANGE SYMBOL	1	2	ISSUE/EXCHANGE SYMBOL	1	2
ATLANTIC AMERICAN (GM:AAME)	\$3.64(NR)	02/12 \$2.05(8)	MEETME INC. (CM:MEET)	\$5.90(10)	10/15 \$1.62(10)
CEMTREX, INC. (CM:CETX)	\$4.90(NR)	05/16 \$1.96(8)	PLANET PAYMENT (CM:PLPM)	\$3.79(8)	07/15 \$2.42(10)
DLH HOLDINGS (CM:DLHC)	\$4.76(10)	01/14 \$1.53(9)	RIVERVIEW BANCORP (GS:RVSB)	\$5.24(10)	06/13 \$2.30(9)
ELECTROMED (A:ELMD)	\$5.39(10)	09/15 \$1.64(10)	SIMULATIONS PLUS (CM:SLP)	\$9.02(10)	05/10 \$2.46(9)
GOLDEN ENTERPRISES (GM:GLDC)	\$11.98(10)	02/09 \$2.35(9)	SMITH-MIDLAND (QX:SMID)	\$3.59(10)	02/16 \$2.38(10)
GOLDFIELD CORP. (A:GV)	\$3.05(8)	06/12 \$1.58(8)	SUNWORKS, INC. (A:SUNW)	<b>NOW \$2.88; SEE PAGE 4</b>	
ITERIS (A:ITI)	\$3.72(7)	12/06 \$2.21(8)	VIRCO MANUFACTURING (GM:VIRC)	\$4.19(9)	06/15 \$2.51(11)
MANHATTAN BRIDGE CAPITAL (CM:LOAN)	\$6.19(9)	02/10 \$1.10(9)			

## THE FOLLOWING WE SAID SHOULD BE SOLD

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

AMERICAN SHARED HOSPITAL (A:AMS)	\$2.67	12/15 \$1.62(NR)	FEMALE HEALTH COMPANY (CM:FHCO)	\$1.31	04/16 \$1.27(11)
ENERJEX RESOURCES (A:ENRJ)	<b>NOW IN BOWSER DATABASE</b>		INNOVATIVE FOOD HOLDINGS (QB:IVFH)	\$0.46	11/15 \$0.70(NR)
ENSERVCO (A:ENSV)	\$0.65	11/15 \$0.62(NR)	WIRELESS TELECOM GROUP (A:WTT)	\$1.65	12/15 \$1.53(NR)

## BRIEFS

**Cemtrex Inc. (CETX)** filed a registration statement for a rights offering to existing stockholders, under which the company will distribute non-transferable rights to purchase units. . . . **DLH Holdings Corp. (DLHC)** set the close of trading on Friday, August 19, 2016 as the record date for its rights offering of common stock at \$3.73 per share. DLHC existing stockholders will be able purchase up to \$2.65 million of its common stock, for the issuance of up to 710,455 shares of common stock. . . . **Dynasil Corporation (DYSL)** announced that its contract research subsidiary, RMD Inc., was selected as a finalist for the R&D 100 awards. . . . **Manhattan Bridge Capital, Inc. (LOAN)** closed its previously announced public offering of 672,269 common shares at a price of \$5.95 per share. On August 29, 2016, Aegis Capital Corp., the sole underwriter of the previously announced public offering elected

to fully exercise its over-allotment option for an additional 100,840 common shares. . . . **MeetMe, Inc. (MEET)** reiterated its financial guidance for the third quarter and full year of 2016. Revenue for the quarter is expected to be in the range of \$17.0 million and \$17.5 million, representing growth of between 19% and 22% year-over-year. The company also reaffirmed its commitment to industry leading user safety for its more than five million monthly active users. . . . **Nevada Gold & Casinos, Inc. (UWN)** increased the size of its Board of Directors from five to seven members. . . . **Planet Payment, Inc. (PLPM)** and Network International launched Pay in Your Currency®, in Bahrain, with Ahli United Bank (AUB), Bahrain's leading bank. . . . **Simulations Plus, Inc. (SLP)** announced that it has released version 1.0 of PKPlus, its next-generation software for analysis of preclinical and clinical trial data. . . .

**Smith-Midland Corporation (SMID)** subsidiary, Easi-Set Worldwide, updated shareholders on various projects, highlighting that the company is meeting deadlines despite multiple overwhelming obstacles over the past few months. . . . **Sono-Tek Corporation (SOTK)** held its annual shareholders meeting and confirmed second quarter fiscal 2017 sales guidance. . . . **SPAR Group, Inc. (SGRP)** announced the appointment of R. Scott Popaditch as president and CEO effective September 6, 2016. . . . **Sunworks, Inc. (SUNW)** received coverage from Loop Capital with a Buy opinion.

## INSIDER TRANSACTIONS IN JULY

COMPANY	SHARES TRADED	# OF TRADES	PRICE RANGE
CPS Technologies	A - 2,000	1	\$1.53
	D - 10,000	1	\$1.34
Dynasil Corp.	A - 32,323	5	\$1.19-\$1.42
	S - 5,869	1	\$1.42
International Baler Iteris	B - 1,500	1	\$2.05
	OE - 17,500	2	\$2.54
	OE - 75,000x	1	\$1.18
MeetMe	D - 4,243	1	\$3.30
	S - 931,709	6	\$4.70-\$7.35
	OE - 754,308	6	\$0.83-\$4.24
Command Security	OE - 10,000	1	\$2.67
Network-1 Tech.	S - 10,000	2	\$2.67-\$2.71
Repro-Med Systems	B - 69,000x	4	\$0.43-\$0.44
	A - 60,000	2	\$0.00
Sunworks	S - 89,321	6	\$3.03-\$3.33

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.

# BUCKAROOS SPEAK

## INSIDER TRADING TERMS EXPLAINED

*Insider Trading uses terms that are unfamiliar to me, including "direct acquisition," "direct option executions," "dispositions," "direct automatic buy & sell." A glossary of terms used would be helpful.*

-Mike Birmingham, Kinderhook, NY

To help those with the same question as Mike, we'll explain some of these less familiar terms. If you still have questions about a particular word or phrase, please let us know.

• **Acquisition vs. disposition:** Acquisitions and dispositions are essentially buys/sells except these are often not made on the open market. An example would be if an insider gifted shares to some, the transaction would be a non-open market

disposition.

• **Automatic buy or sell:** An automatic buy or sell is exactly how it sounds, an insider has elected to or been required to automatically buy or sell shares at a certain price.

• **Direct vs. indirect:** At times, a shareholder may hold shares "indirectly," which means they are held through a company, a trust, etc. If a shareholder buys or sells these "indirect" shares, we'll note it as an indirect buy or sell. If a shareholder owns the shares him or herself, the transactions are direct.

• **Option executions:** We've touched on this before, but insiders can hold options in a company. When they execute these options to common stock, it's reported as an option execution.

the Bowser Report's

September 2016, Vol. 23, No. 10

THIS MONTH'S  
BIGGEST GAINER  
FIELDPOINT PETRO  
UP 120%

# WARRANT REGISTER

## WARRANT BRIEFS

**Associated Banc-Corp (ASB-WS)** reported that Scott S. Hickey, executive vice president and chief credit officer, has announced his plans to retire in the second quarter of 2017.

... **BioAmber Inc. (BIOA-WT)** announced today that its joint venture with Mitsui & Co. has achieved the final operational milestone set out in a CAD\$20 million commercial loan that the joint venture drew down in 2015. ... **Blue**

**Bird Corporation (BLBDW)** rejected the July 20, 2016 acquisition proposal from American Securities LLC. . . . **Dynegy (DYN-WT)** was named the top retail electricity supplier in Ohio according to J.D. Power's 2016 Retail Electric Provider Residential Customer Satisfaction Study<sup>SM</sup>. . . . **TCF Financial Corporation (TCB-WT)** announced improvements to its free, online financial education program for adults including a new name, new courses and new action plans.

Company	Market/Symbol	Principle Business	Stock Price 09/02/16	Warrant Price 09/02/16	Conv. Ratio	Exer. Price	Expire Date	No. Wts	Bowser Rating
<b>Associated Banc-Corp</b> 1200 Hansen Road., Green Bay, WI 54304, Tel: (920) 491-700, www.associatedbank.com	N:ASB-WS	Bank holding company	19.81	2.15	1.00	19.77	11/21/18	4.0M	8
CALL TERMS: Not callable									
<b>Bank of America</b> Bank of Amer. Corp. Center, 100 N Tryon St., Charlotte, NC 28255, Tel: 704/386-5681, www.bankofamerica.com	N:BAC-WTB	Banking and financial services	16.00	0.14	1.00	30.79	10/28/18	121.8M	10
CALL TERMS: Not callable									
<b>BioAmber Inc.</b> 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	4.03	0.49	1.00	11.00	05/09/17	8.0M	7
CALL TERMS: Not callable									
<b>Blue Bird Corporation</b> 10 South Wacker Dr., Ste. 3175, Chicago, IL 60606, Tel: 713/300-8242, No website	CM:BLBDW	Manufacture and sale of buses	14.52	1.60	0.50	5.75	01/23/19	11.5M	NR
CALL TERMS: Not callable									
<b>Cellectar Biosciences</b> 3301 Agriculture Dr., Madison, WI 53716, Tel: 608/441-8120, www.cellectar.com	CM:CLRBW	Biopharmaceuticals	2.16	0.20	0.10	46.80	08/20/19	0.4M	6
CALL TERMS: Not callable									
<b>Citigroup</b> 399 Park Ave., New York, NY 10043, Tel: 212/559-1000, www.citigroup.com	N:C-WTA	Investment banking	47.51	0.07	0.10	106.10	01/04/19	2.6M	8
CALL TERMS: Not callable; exercise price adj. for dividends above \$.01									
<b>Dynegy, Inc.</b> 601 Travis St., Ste. 1400, Houston, TX 77002, Tel: 713/507-6400, www.dynegy.com	N:DYN-WT	Electric energy/related services	12.47	0.19	1.00	40.00	10/02/17	15.6M	9
CALL TERMS: Not callable									
<b>FairPoint Comm.</b> 521 E. Morehead St., Ste. 250, Charlotte, NC 28202, Tel: 704/344-8180, www.fairpoint.com	OTC:FRPZW	Communications in New England	14.21	0.01	1.00	48.81	01/24/18	3.6M	8
CALL TERMS: Not callable									
<b>FieldPoint Petroleum</b> 1703 Edelweiss Dr., Cedar Park, TX 78613, Tel: 512/250-8692, www.fppcorp.com	N:FPP-WT	Oil/gas operations in the US	0.65	0.022	1.00	4.00	03/26/18	8.0M	7
CALL TERMS: 150% of strike price									
<b>NXT-ID, Inc.</b> One Reservoir Corporate Centre, Ste. 402, Shelton, CT 06484, Tel: 203/242-3076, www.nxt-id.com	CM:NXTDW	Biometric solutions	0.44	0.19	1.00	3.00	01/13/19	1.4M	6
CALL TERMS: Not callable									
<b>TCF Financial</b> 200 Lake Street East, Wayzata, MN 55391, Tel: 952/745-2760, www.tcfbank.com	N:TCB-WT	Bank holding company	14.77	1.70	1.00	16.93	11/14/18	3.2M	8
CALL TERMS: Not callable									
<b>xG Technology</b> 240 South Pineapple Ave., Cte. 701, Sarasota, FL 34236, Tel: 941/953-9035, www.xgtechnology.com	CM:XGTIW	Wireless network communications	0.53	0.47	1.00	82.44	07/22/18	0.1M	8
CALL TERMS: \$13.75 for 20 consecutive days									

## Beginner's Portfolio Up 231%

**BOUGHT:** FLL (200 Shares) @ \$1.87 plus \$10 commissions = \$384

**SOLD:** MEET (50 Shares) @ \$6.08 less \$10 commissions = \$304.

	<u>Cost</u>	<u>09/02/16</u>		<u>Cost</u>	<u>09/02/16</u>		<u>Cost</u>	<u>09/02/16</u>	<u>Proceeds</u>
AAME	280/Mar '12	364	RBPA	188/Nov '14	247	INFU†	608/Jan '16	562	<b>From Sales</b>
ITI*	162/Aug '12	186	DIRI	75/Dec '14	47	PLPM†	590/Jan '16	758	10,227
SGRP	178/Apr '13	100	NTIP	235/Apr '15	271	SMID†	540/Mar '16	718	304
AEY	248/May '13	196	UWN	180/Jul '15	203	BYFC†	398/Apr '16	342	(384)
MOC	209/May '14	263	SLGD	122/ Jul '15	134	SUNW†	482/Jul '16	576	<b>10,147</b>
DYSL	185/Aug '14	109	OPCO†	196/Dec '15	164	FLL†	384/Sep '16	374	

**Current Holdings Value:** 5,614

Original cost for all stocks: \$4,766

\*Half of original holdings

**Proceeds from Sales:** 10,147

†Bought 200 Shares

**Total Value of Portfolio:** 15,761

Gain: 15,761 minus 4,766 = 10,995

Percentage of gain: 10,995 divided by 4,766 x 100 = 230.7

**Compound Annual Growth Rate:** 8.30%

**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

This month, MEET dropped 25% from its most recent high. Congratulations to all of those subscribers who walked away with a good profit from this pick. To replace MEET, we purchased 200 shares of the most recent Company of the Month: FLL.

## EARNINGS

	<u>Quarter Ended</u>	<u>Current Sales</u>	<u>Same Period Last Year</u>	<u>Current Earnings</u>	<u>Same Period Last Year</u>	<u>Comments</u>
ADDvantage Technologies (AEY)	06/30/16	\$10,060,242	\$11,902,391	\$316,086	\$637,134	
Atlantic American Corporation (AAME)	06/30/16	\$41,854,000	\$44,772,000	\$241,000	\$3,345,000	
Command Security (MOC)	06/30/16	\$36,336,208	\$33,661,061	\$160,971	\$328,152	(A)
Direct Insite Corp. (DIRI)	06/30/16	\$1,663,000	\$2,065,000	\$25,000	\$110,000	
Dynasil Corporation (DYSL)	06/30/16	\$10,406,000	\$10,239,000	\$216,000	\$365,000	
FitLife Brands, Inc. (FTLF)	06/30/16	\$8,662,760	\$5,027,003	\$1,079,036	\$243,539	(B)
InfuSystem Holdings, Inc. (INFU)	06/30/16	\$19,066,000	\$17,170,000	\$724,000	\$783,000	
Network-1 Technologies, Inc. (NTIP)	06/30/16	\$20,447,000	\$1,747,000	\$8,230,000	(\$220,000)	(C)
Noble Roman's, Inc. (NROM)	06/30/16	\$2,095,785	\$1,940,424	\$135,221	(\$181,949)	
Nova LifeStyle, Inc. (NVFY)	06/30/16	\$23,968,179	\$29,178,229	(\$685,772)	(\$139,529)	(D)
Smith-Midland Corporation (SMID)	06/30/16	\$9,640,019	\$6,897,565	\$418,924	\$244,857	
Sunworks, Inc. (SUNW)	06/30/16	\$31,455,000	\$11,004,000	\$744,000	(\$122,000)	(E)
Where Food Comes From (WFCF)	06/30/16	\$2,799,602	\$2,479,128	\$169,644	\$122,152	

(A) "MOC commenced work on two significant contracts, which will add approximately \$35 million in annual revenues, but tested the company's operations and human resources teams including the onboarding and transition of several hundred new colleagues," explained Craig P. Coy, CEO.

(B) John S. Wilson, CEO of FTLF: "Revenue growth and profitability continue to be more reflective of the fundamentals of our business as we move past the disruptions experienced in 2015."

(C) The increase in NTIP's revenue was due

primarily to a \$17,500,000 settlement of a professional liability claim.

(D) "In the quarter, Chinese franchise retail sales were not immune to broader weakness seen throughout our industry," commented NVFY CEO Jeffrey Wong. "In response, we are making focused efforts on selling to property developers as well as hotels and apartments."

(E) Jim Nelson, SUNW's CEO: "Growth of the commercial business outpaced residential. This trend should continue in the near term as we capitalize on the growing momentum in the commercial market."

## NOTES BY THE EDITOR

This month and the past few newsletters have been breaking down and elaborating on the Bowser Game Plan. October will be more of this content. Many investors overlook having a disciplined investment process or just simply don't have the proper guidelines. By automating the process with preset orders, as described on the front page, you remove emotion and don't have to spend a lot of time by your computer, checking stock prices.



has an abundance of benefits. Next month, I will elaborate on how to keep track of your performance in order to promote a systematic approach to the investment process. This allows for benchmarking and makes sure you are following the Game Plan as closely as possible.

### Recording your portfolio performance also

#### FIVE BOWSER STOCKS UP AND DOWN

NOVA LIFESTYLE	UP	108%	DIRECT INSITE	DOWN	28%
FITLIFE BRANDS	UP	37%	SCOTT'S LIQUID	DOWN	23%
SMITH-MIDLAND	UP	35%	INFOSONICS	DOWN	21%
FLEXIBLE SLTNS	UP	34%	MEETME	DOWN	20%
ELECTROMED	UP	24%	DYNASIL	DOWN	13%

In follow-up to the front page article, I would like to remind you that different order types have different fees. Make sure that you contact your broker prior to placing preset orders so that you do not overpay for simple risk management.

Automating the investment process and utilizing our Game Plan sets you up for success. *The Bowser Report* has been in business for over 40 years. The combination the Bowser Game Plan and our in-depth analysis has proven to outperform the markets time and time again for disciplined investors.