



Buying highly rated stocks at a discount *Nova Lifestyle illustrates the value of buying stocks “on sale”*

Nova Lifestyle, Inc. (NVFY) increased 1,250% in just over three months and currently has a Bowser Rating of 8. Although that is not the highest potential Bowser Rating, the stock was trading at a discount at its 52-week low of \$0.38 per share.

Bowser stocks like NVFY are typically undervalued and have a lot of potential, but often times it can be difficult to spot discounted share prices.

DETERMINING BOOK VALUE

If the markets were efficient, then it would be virtually impossible to find a stock trading at such undervalued levels. One of the most important parts of the Bowser Rating System is whether or not a stock is trading above its book value. Sticking with the above example, Nova Lifestyle's book value of \$2.36 per share was a clear sign that the stock was trading much cheaper than it should have been.

In order to calculate the book value, divide the total stockholders' equity by the total number of shares outstanding. This information can be found in a company's quarterly and annual financial statements.

Once you determine the book value, you can calculate a market-to-book ratio, which is essentially just the price per share of the stock divided by its book value per share. A ratio of one means that a company is trading at book value. A ratio of less than one means a company is trading less than book. NVFY was trading at a ratio of 0.16, showing a huge undervaluation.

USING BOWSER COMMUNICATIONS

A Bowser Rating of 8 or higher means it is an exceptional stock. The daily alerts highlight different factors that could increase or decrease a stock's rating, making it vital to keep up with

our emails.

The weekly updates allow you to gain a better understanding of recent headlines and investor sentiment. The sale of NVFY's China subsidiaries was great for investors as worries of the demand in China lowered the stock price.

By utilizing the different updates and Bowser Rating, you can understand why you're buying and selling the stock opposed to just blindly following our investment recommendations.

APPYLING THE GAME PLAN

Recently, we have drawn a lot of attention to the Bowser Game Plan because investing can be tricky. Regardless of the stock, buying and selling at the right times is extremely important. The unnatural part of investing is buying on weakness and selling into strength. A high Bowser Rating removes that factor altogether because you know that you are buying a quality stock regardless.

For buying Bowser stocks at a discount, it's important to focus on consistency and undervaluation. The aforementioned market-to-book ratio is crucial, but consistency is what attracts long-term investors.

NVFY typically gets the majority of its revenue and earnings beats during the second half of the fiscal year. Since the company was trading at lows with an earnings miss, you would naturally draw the conclusion that the stock would drop more.

However, with the outlook remaining consistent and an earnings trend having been formed for a few years, investors should've seen that this stock was discounted and started accumulating shares after the release.

The stock was trading twice its average

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volume months before its rapid ascent due to the consistency of the company in reporting strong numbers later in the year. That is why the Bowser Rating incorporates sales, earnings and the trends when attempting to find the most consistent companies.

We do not recommend buying stocks at their lows unless they have a high Bowser Rating and a clear undervaluation. Once you buy, make sure to sell half when the stock doubles and then the remaining shares when it drops 25% from its most recent high.

CONCLUSION

Nova Lifestyle shares recently spiked to a 52-week high of \$5.15. Understanding the catalysts can be tough, but we provide you with plenty of updates so you can keep up with your long-term

Market Overview

BWSR AVG ↑ 3.8%	NASDAQ ↑ 0.8%	S&P 500 ↓ 1.2%	RUS 2000 ↓ 1.2%	DJIA ↓ 1.4%
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Stocks dropped over the past month despite the Federal Reserve leaving rates unchanged. Nonfarm payrolls indicated that a December rate hike is still likely. Bowser stocks continued to push higher with **Nova Lifestyle, Inc. (NVFY)** gaining 206% for the month. The company announced the sale of its China subsidiaries for \$8.5 million.

investments.

An impressive Bowser Rating can give you plenty of opportunities to buy stocks at a cheap share price, but it's tough to actually find a good entry point and justify your investment. Try to stick to the Game Plan and take into account different valuation measures when searching for other undervalued Bowser Stocks like NVFY and you may hit more home runs than you think!

Tracking your portfolio's performance

Managing a portfolio is tough, but tracking your trades can make the process a little bit easier. Most online brokers allow you to track your portfolio, but they also overlook some tough investment decisions. How do you know your overall level of diversity? How do you know what position size you should take for the next Bowser recommendation? How much of your profits are being eaten up by commissions? Tracking your portfolio can help you answer these questions.

DIVERSIFICATION

With any investment, you're looking for minimal risk and maximum reward. Diversifying with the recommended 12 to 18 Bowser Companies of the Month with equal share or dollar amounts can limit your risks.

Beyond number of companies, it's a good practice to ensure that you are not investing in overlapping areas by noting each recommendation's industry.

POSITION SIZES

When investing in Bowser stocks, it's best to have a pre-determined position size based on the amount

of capital that you are comfortable investing.

If you divide your allocated capital by your total number of desired positions, then you'll have your ideal average position size. For example, if you'd like to build a \$5,000 portfolio with 18 companies, your ideal position size is \$275 or 100 to 200 shares per stock.

Also, remember to take into account the time to grow your portfolio to the desired number of holdings to take advantage of the most recent stock picks. Always have a plan that involves some level of cash until your portfolio becomes self-funding.

PROFITS AND LOSSES

Calculating profits and losses is simple, but very important. Keep track of your entry price, total shares purchased and fees incurred for each issue. When you sell, note the proceeds from the sale less commissions. Keep track of all of this because it plays a vital role in tracking your portfolio's growth.

For an example of portfolio management and tracking, see the Beginner's Portfolio on page 7. It's updated monthly to follow the Bowser Game Plan.

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

Koss Corp. (KOSS) designs, manufactures and sells stereo headphones and related accessory products. The company was founded in 1953 and started to gain traction in 1958 when John C. Koss teamed up with Martin Lange, Jr. to develop a portable stereo phonograph player with side-wing speakers.

KOSS has come a long way since then and currently offers high-fidelity headphones, wireless Bluetooth headphones and speakers, computer and telecommunications headsets, active noise canceling headphones and compact disc recordings of American Symphony Orchestras.

The company sells its products through national retailers, international distributors, audio specialty stores, the Internet, direct mail catalogs, regional department store chains, discount department stores, grocery stores, electronics retailers, military exchanges and prisons under the Koss name. The company is headquartered in Milwaukee, Wisconsin and currently has 48 full time employees.

STRONG FUNDAMENTALS

Koss is an impressively healthy company from a financial standpoint. In terms of liquidity, working capital has increased 30% in the past year. Total assets outweigh total liabilities 6:1, with total liabilities decreasing about 35% over the past two years. The company does not currently have any long-term debt.

Revenue has been steadily rising. Despite the recent miss on fourth quarter earnings, sales were \$7,238,684, up from \$5,718,865 for the same three months in the prior year.

The recent increase in sales is attributed to a new partnership with a Pan-Asian distributor. If sales continue to grow at this rate, earnings should surpass expectations in the upcoming quarter. Earnings still had a positive impact on share price, and increasing sales with low cost of revenue should continue to resonate with investors. With increasing liquidity and sales, KOSS is in a good position to grow in international markets and expand over the coming years.

UNDERVALUATION

With 7,382,706 shares outstanding and stockholders' equity of \$18,186,194, the company currently has a book value of \$2.46. With a share price about 15% lower than that value, KOSS is clearly undervalued.

There are a limited number of competitors within the industry so there are only a few potential comparisons for an accurate valuation. Its price-to-earnings ratio is 11.1, which is significantly lower than the industry average of 14. Its price-to-sales ratio is even more impressive at 0.60 in comparison to the 2.1 industry average. This perfectly exemplifies the strong fundamentals of the company with the potential for the stock to gradually move towards its deserved share price. All three of these key metrics have dropped heavily over the past five years, with share price dropping about 50%. This widens the gap between its valuation and market value, making the imbalance more and more appealing to long-term investors.

Lastly, it's apparent that the increasing book value over the past three years has given shareholders an incentive

to accumulate shares for the move back up to its correct valuation.

MAJOR HOLDERS

Any negative articles about Koss have shown a complete misunderstanding of the major holders of the company. Investors worry about insiders' outstanding options. With strike prices twice as high as the current share price, it would take a dramatic increase in share price for insiders to have the ability to exercise these options.

That being said, in the rare situation where an insider cashes in options of a significantly undervalued company, shareholders would be rewarded with well over a 100% ROI. The Bowser Game Plan would indicate a sell of half of your position at that point, at least covering your costs before any negative catalysts could come into play.

Over 80% of shares are held by insiders, but there have not been any major insider sales for years, and as previously stated, the share price is too low for the family to exercise options. There are 18 institutional holders and there have not been

any recent major liquidations. Institutional buying is always a good sign for micro caps.

OUTLOOK

Outlook for the industry is great, but Koss Corporation has been struggling with domestic sales for quite some time. This is due to the domination of Beats by Dre in the United States market, forcing KOSS to expand its distribution internationally.

KOSS has not had trouble internationally and is doing everything in its power to diversify its product-line to appeal to American consumers. Beats by Dre has little room to be creative with its product line, which could potentially hurt its growth. The other main competitor for KOSS was Skull

Candy, Inc., which was bought out recently at a huge premium for shareholders.

With major holders and institutions locking down the majority of the shares, speculation is setting in that the company may be bought out. A buyout would most likely result in considerable upside for shareholders. With KOSS succeeding in areas that industry leaders struggle, this is a big possibility.

CONCLUSION

Koss is an extremely undervalued stock with an abundance of positive catalysts that could drive the share price higher. The stock does not show signs of large price fluctuations despite its low float, providing Bowser subscribers with an ideal risk/reward scenario. Accumulation is being driven by buyout speculation and a strong financial base that has been formed over the years.

With institutional investors flocking to the stock, this issue can be overlooked as it is clearly no longer a threat to major holders. Steady increases in international sales should continue and any uptick in domestic sales would cause the price per share to jump.

Office: 4129 Northport Washington Avenue, Milwaukee, WI, 53212, Phone: 414-964-5000, www.koss.com.



NASDAQ CM: KOSS
BOWSER RATING: 9
Last 12 Months: \$1.51-2.96

	2014	2015	2016 (A)
REVENUES	\$23,840,882	\$24,230,056	\$26,001,346
INCOME(LOSS)	(\$5,553,554)	\$482,613	\$1,389,000
WORKING CAPITAL	\$9,455,501	\$7,812,980	\$10,158,030
BOOK VALUE	\$1.51	\$1.58	\$2.46
TOTAL SHARES	7,382,706	7,382,706	7,382,706
FLOAT	N/A	N/A	1,440,000
(A) TWELVE 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 10/07/16	Long-term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
CATEGORY ONE: BEST COMPANIES (RATED 10+)								
08/16(CM)	FULL HOUSE RESORTS (FLL)	CASINO OPERATIONS	1.75	\$65.149	\$127.5	\$0.108	19.0	10
07/13(CM)	LIGHTPATH TECH (LPTH)	OPTICAL COMPONENTS	1.78	\$0.179	\$17.3	\$1.415	15.7	11
03/15(A)	NETWORK-1 TECH. (NTIP)	INTELLECTUAL PROPERTY	2.75	\$0.000	\$25.3	\$0.526	10.4	10
11/14(QB)	NOBLE ROMAN'S (NROM)	PIZZA FRANCHISES AND LICENSES	0.50	\$0.924	\$7.5	\$0.471	20.8	10
04/15(QB)	SCOTT'S LIQUID GOLD (SLGD)	HOUSEHOLD AND BEAUTY PRODUCTS	1.23	\$0.000	\$29.2	\$4.780	11.7	10
09/16(CM)	SOCKET MOBILE (SCKT)	DATA CAPTURE PRODUCTS	2.82	\$0.301	\$20.2	\$2.553	5.8	10
# 10/12(QB)	WHERE FD CMS FROM (WFCF)	FOOD VERIFICATION SERVICES	2.38	\$0.022	\$11.1	\$0.592	23.9	10
CATEGORY TWO: GOOD COMPANIES (RATED 8-9)								
07/14(QB)	FITLIFE BRANDS (FTLF)	NUTRITIONAL SUPPLEMENTS	1.83	\$0.644	\$25.3	\$0.526	10.4	8
# 06/08(A)	FLEXIBLE SOLUTIONS (FSI)	SPECIALTY CHEMICALS	2.15	\$0.503	\$16.3	\$1.743	11.4	9
04/16(A)	GIGPEAK, INC. (GIG)	SEMICONDUCTORS AND SOFTWARE	2.60	\$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
10/16(CM)	KOSS CORPORATION (KOSS)	STEREO ACCESSORIES	2.11	\$0.000	\$26.0	\$1.390	7.4	9
07/16(CM)	LRAD CORP (LRAD)	ACOUSTIC SYSTEMS	1.72	\$0.000	\$14.3	\$7.847	31.8	8
01/15(N)	NEVADA GOLD & CASINOS (UWN)	GAMING OPERATIONS	1.82	\$16.231	\$72.7	\$0.744	17.8	8
02/15(GM)	NOVA LIFESTYLE INC. (NVFY)	NOW ABOVE \$3 A SHARE; SEE PAGE 5						
# 10/14(GM)	ROYAL BANCSHARES (RBPAA)	BANK HOLDING COMPANY	2.37	\$0.000	\$29.2	\$11.591	30.1	8
07/10(QB)	REPRO MED SYSTEMS (REPR)	DESIGN/PRODUCE MED PRODUCTS	0.43	\$0.000	\$12.6	\$0.614	38.0	8
# 06/16(A)	SUNWORKS, INC. (SUNW)	SOLAR ENERGY SYSTEMS	2.92	\$0.815	\$88.1	\$2.948	19.8	9
CATEGORY THREE: SPECULATIVE COMPANIES (RATED 7 AND BELOW AND/OR NON-PROFITABLE)								
# 03/13(GM)	ADVANTAGE TECH (AEY)	CABLE TV EQUIPMENT	1.86	\$3.691	\$38.5	\$0.696	10.1	7
03/16(CM)	BROADWAY FINANCIAL (BYFC)	BANK HOLDING COMPANY	1.58	\$0.000	\$17.1	\$8.407	21.4	NR
# 03/14(A)	COMMAND SECURITY (MOC)	SECURITY PERSONNEL/SERVICES	2.65	\$0.000	\$135.8	(\$3.823)	9.8	8
# 05/14(CM)	CPS TECHNOLOGIES (CPSH)	ADVANCED MATERIAL SOLUTIONS	1.56	\$0.000	\$21.7	\$0.574	13.2	7
08/13(QB)	DIRECT INSITE CORP. (DIRI)	E-INVOICING SOLUTIONS	0.40	\$0.000	\$7.3	\$0.515	13.0	7
06/14(A)	DYNASIL CORP. (DYSL)	OPTICAL COMPONENTS	1.03	\$0.988	\$43.7	\$0.340	16.8	7
# 09/14(CM)	INFOSONICS CORP. (IFON)	MOBILE DEVICES PROVIDER	0.60	\$0.000	\$42.7	(\$2.678)	14.4	9
# 12/15(A)	INFUSYSTEM HOLDINGS (INFU)	MEDICAL INFUSION PUMPS	2.75	\$33.482	\$70.6	\$4.594	22.6	NR
11/15(QX)	OURPET'S COMPANY (OPCO)	PET SUPPLIES	0.84	\$3.998	\$24.3	\$1.391	17.6	NR
08/14(QB)	SONO-TEK CORP. (SOTK)	ULTRASONIC NOZZLES	1.09	\$1.147	\$11.2	\$0.451	15.0	7
04/13(CM)	SPAR GROUP (SGRP)	MERCHANDISING AND MARKETING	1.06	\$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

This month, only **Virco Manufacturing (VIRC)**, which is on page 5, had a Bowser Rating change. VIRC dropped one point, from 9 to 8.

NVfy to sell Chinese subsidiaries

Nova LifeStyle (NVFY) signed an agreement with Kuka Design Limited to sell NOVA BVI and its subsidiaries, which consists of NVFY's manufacturing operations in mainland China.

With the slow-down of the Chinese economy and a significant increase in labor and other costs for manufacturing facilities in China, the sale of NOVA BVI allows NVFY to transition to a "light-asset" business model with greater flexibility and scalability. Nova Lifestyle will also focus its operations on designing, developing, branding, marketing and distributing furniture products in North America, Asia

and around the world.

The purchase price is set at \$8.5 million, and the transaction should close by October 30, 2016.

MeetMe to repurchase shares

MeetMe's (MEET) board of directors approved a one year share repurchase program that enables the company to purchase up to \$15 million of its shares of common stock. Share purchases will be funded through cash from operations.

"With significant free cash flow being generated through our successful business model, we believe MEET's stock is undervalued and the repurchase of shares is an efficient use of excess capital that will enhance shareholder value," said Geoff Cook, CEO of MEET. "The strength of our balance sheet gives us confidence and flexibility to execute this program and the Skout acquisition."

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 **10/07/16** 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)	\$3.33(NR)	02/12 \$2.05(8)	MEETME INC. (CM:MEET)	\$5.65(10)	10/15 \$1.62(10)
CEMTREX, INC. (CM:CETX)	\$4.01(NR)	05/16 \$1.96(8)	NOVA LIFESTYLE INC. (GM:NVFY)	\$3.83(8)	02/15 \$2.41(11)
DLH HOLDINGS (CM:DLHC)	\$4.74(10)	01/14 \$1.53(9)	PLANET PAYMENT (CM:PLPM)	\$3.51(8)	07/15 \$2.42(10)
ELECTROMED (A:ELMD)	\$4.74(10)	09/15 \$1.64(10)	RIVERVIEW BANCORP (GS:RVSB)	\$5.50(10)	06/13 \$2.30(9)
GOLDEN ENTERPRISES (GM:GLDC)	ACQ'D BY UTZ QUALITY FOODS		SIMULATIONS PLUS (CM:SLP)	\$8.41(10)	05/10 \$2.46(9)
GOLDFIELD CORP. (A:GV)	\$3.03(8)	06/12 \$1.58(8)	SMITH-MIDLAND (QX:SMID)	\$3.58(10)	02/16 \$2.38(10)
ITERIS (A:ITI)	\$3.70(7)	12/06 \$2.21(8)	VIRCO MANUFACTURING (GM:VIRC)	\$4.31(8)	06/15 \$2.51(11)
MANHATTAN BRIDGE CAPITAL (CM:LOAN)	\$7.12(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)

ISSUE/EXCHANGE SYMBOL	1	2	ISSUE/EXCHANGE SYMBOL	1	2
AMERICAN SHARED HOSPITAL (A:AMS)	\$3.11	12/15 \$1.62(NR)	INNOVATIVE FOOD HOLDINGS (QB:IVFH)	NOW IN BOWSER DATABASE	
ENSERVCO (A:ENSV)	NOW IN BOWSER DATABASE		WIRELESS TELECOM GROUP (A:WTT)	\$1.69	12/15 \$1.53(NR)
FEMALE HEALTH COMPANY (CM:FHCO)	\$1.18	04/16 \$1.27(11)			

BRIEFS

Cemtrex (CETX) fully integrated its acquisition of Periscope, an electronics manufacturing company in Germany. . . **DLH Holdings (DLHC)** completed its rights offering. The company raised the \$2.65 million by selling 710,455 common shares at \$3.73 per share. Through this offering, DLHC repaid \$2.5 million of subordinated debt. . . **FitLife (FTLF)** reached an exclusive endorsement agreement with the current and four-time World's Strongest Man, Brian Shaw. . . **Full House Resorts (FLL)** commenced a \$5,000,000 rights offering. . . **GigPeak (GIG)** announced the availability of wider-base customer sampling of its latest dual channel linear TIA/VGA trans-impedance amplifier. . . **Iteris (ITI)** signed a subscription-based licensing deal with Proagrica to integrate ClearAg data into the Proagrica data and analytics platform. ITI was also awarded a 5-year contract to provide systems and services on 650 snow plows throughout Nebraska. Lastly, a couple of law firms are investigating potential claims against ITI's board of directors, concerning stock options that were granted to certain executives and board members. . . **Manhattan Bridge Capital (LOAN)** announced a cash dividend of \$0.10 per share. . . **MeetMe (MEET)** announced

the completion of its acquisition of Skout. The company also announced preliminary revenue results for its third quarter of 2016, totalling \$17.2 million. In addition, MEET now displays ads to international users. . . **Network-1 Technologies (NTIP)** agreed to settle its patent litigation against Polycom for infringement of the Remote Power Patent. . . **Noble Roman's (NRDM)** secured a location for its new-generation, stand-alone pizzeria concept. NRDM also signed an agreement with TMC Franchise Corp. to become a Preferred Supplier for Circle K®, Kangaroo Express® and On the Run® convenience store brands, which total approximately 800 locations. . . **Nova Lifestyle (NVFY)** regained compliance with the Nasdaq's \$1.00 per share minimum closing bid price requirement, and entered into employment agreements with three designers, who will receive 120,000 restricted shares per year to each. . . **OurPet's (OPCO)** licensed its Patent No. US 8,973,529 B1 to another licensee, who will pay a royalty to OPCO for each bowl sold in the United States. . . **Planet Payment (PLPM)** joined the UATP network to give airline merchants access to a wider portfolio of alternative forms of payment. . . **Riverview Bancorp (RVSB)** will acquire MBank. RVSB also announced a quarterly cash dividend of \$0.02 per share. . . **Simulations Plus (SLP)** released preliminary revenues for 4Q 2016 and FY2016 with revenues up 4.4% and 8.6%, respectively. . . **Smith-Midland (SMID)** completed two projects in Virginia and signed a third. . . **Socket Mobile (SCKT)** announced that it continues to maintain full compatibility of its Capture SDK software with operating system updates from Apple®, Android and Windows®. . . **SPAR Group (SGRP)** has taken a majority position in a newly created joint venture, New Momentum and New Momentum Services. . . **Sunworks (SUNW)** will allow certain homeowners the ability to revert back to a full credit Net Metering rate structure, creating the opportunity to help nearly 15,000 eligible Nevada residents acquire a premium solar system. SUNW also finalized a strategic supply relationship with SolarEdge Technologies.

INSIDER TRANSACTIONS IN SEPTEMBER

COMPANY	SHARES TRADED	# OF TRADES	PRICE RANGE
Direct Insite Corp.	A - 17,361	3	\$0.00
DLH Holdings Corp.	OE - 151,093	7	\$1.88-\$3.73
	OE - 219,787	1	\$3.73
International Baler	B - 8,500	2	\$2.05
InfuSystem Holdings	B - 57,171x	6	\$2.82-\$2.88
	B - 4,600	2	\$2.83-\$2.85
Iteris	B - 281,100x	4	\$3.63-\$3.78
	S - 5,000	1	\$3.68
	OE - 5,000	1	\$2.54
	A - 2,605	1	\$0.00
OurPet's Company	B - 12,378x	3	\$0.86
	B - 10,000	1	\$0.87
Repro-Med Systems	A - 53,574	6	\$0.00
	B - 136,248x	2	\$0.42-\$0.45
	A - 1,746	1	\$0.00

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

HOW ONE BUCKAROO AUTOMATES

I enjoyed the article on automation and practice automating with slight differences. When a stock approaches a double I place a "one triggers another" order. First is a limit order at the double price. Second is a trailing stop order at 25%. When the first order is filled, it automatically triggers the second order, thus automating the Bowser Game Plan.

Another conditional order is a "one cancels another." If there are two or three stocks I would like to buy, but I only have funds for one, I place a "one cancels another" consisting of limit orders for both. When one order is executed, it automatically cancels the other.

I still enjoy and prosper from the Bowser Plan

after about 23 years.

Elmer Mulhausen, Clifton, TX

The wonderful thing about the Bowser Game Plan is that it is completely adaptable in how you apply it. We proposed one method of automation in last month's newsletter, but Elmer found success using his own method.

Another great aspect of the Game Plan is that it provides the framework, but those with experience are able to adjust based on their own personal observations. For example, Elmer states, "I no longer use stop orders on losers. I lost a couple of stocks that I wanted to keep because someone offered a ridiculously low price on a slow day, and the stop limit was mysteriously executed."

the Bowser Report's

October 2016, Vol. 23, No. 10

WARRANT REGISTER

THIS MONTH'S
BIGGEST GAINER
CELLECTAR BIO
UP 30%

WARRANT BRIEFS

Associated Bank (ASB-WS) rebranded its HR, risk and insurance services business unit to Associated Benefits and Risk Consulting. . . . **BioAmber (BIOA-WT)** completed the first two phases of the \$360 million U.S. DOE loan process. BIOA was selected for the next phase in which it will negotiate the terms and conditions of the potential guarantee and work to validate the information submitted in the previous phases. . . . **Blue Bird (BLBDW)** has begun shipping its all-new, gasoline-powered Type C buses to customers, and over 400 of these buses will be sold prior to its fiscal year end in September. . . . **Dynegy**

(DYN-WT) priced an offering of \$750 million in aggregate principal amount of 8.0% senior notes due 2025 in a private placement. . . . **FairPoint (FRPZW)** announced that Maine utility regulators are considering a \$500,000 fine against FRP for failing to meet minimum service standards for landline customers. . . . **NXT-ID (NXTDW)** regained compliance with the Nasdaq's minimum bid price listing requirement. . . . **TCF Financial (TCB-WT)** announced the availability of a new chip-enabled TCF Debit Card with contactless payment capability. . . . **xG Technology (XGTIW)** received a \$3 million award from the Defense Information Systems Agency for Prototype Spectrum Sharing Systems for the 2025-2110 MHz Band.

Company	Market/Symbol	Principle Business	Stock Price 10/07/16	Warrant Price 10/07/16	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	19.61	2.51	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	16.13	0.12	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	4.54	0.49	1.00	11.00	05/09/17	8.0M	7
CALL TERMS: Not callable									
Blue Bird Corporation 10 South Wacker Dr., Ste. 3175, Chicago, IL 60606, Tel: 713/300-8242, No website	CM:BLBDW	Manufacture and sale of buses	14.76	1.71	0.50	5.75	01/23/19	11.5M	NR
CALL TERMS: Not callable									
Cellectar Biosciences 3301 Agriculture Dr., Madison, WI 53716, Tel: 608/441-8120, www.cellectar.com	CM:CLRBW	Biopharmaceuticals	2.67	0.26	0.10	46.80	08/20/19	0.4M	6
CALL TERMS: Not callable									
Citigroup 399 Park Ave., New York, NY 10043, Tel: 212/559-1000, www.citigroup.com	N:C-WTA	Investment banking	49.28	0.07	0.10	106.10	01/04/19	2.6M	8
CALL TERMS: Not callable; exercise price adj. for dividends above \$.01									
Dynegy, Inc. 601 Travis St., Ste. 1400, Houston, TX 77002, Tel: 713/507-6400, www.dynegy.com	N:DYN-WT	Electric energy/related services	12.86	0.12	1.00	40.00	10/02/17	15.6M	9
CALL TERMS: Not callable									
FairPoint Comm. 521 E. Morehead St., Ste. 250, Charlotte, NC 28202, Tel: 704/344-8180, www.fairpoint.com	OTC:FRPZW	Communications in New England	15.47	0.01	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	0.51	0.025	1.00	4.00	03/26/18	8.0M	7
CALL TERMS: 150% of strike price									
NXT-ID, Inc. One Reservoir Corporate Centre, Ste. 402, Shelton, CT 06484, Tel: 203/242-3076, www.nxt-id.com	CM:NXTDW	Biometric solutions	2.57	0.18	1.00	3.00	01/13/19	1.4M	6
CALL TERMS: Not callable									
TCF Financial 200 Lake Street East, Wayzata, MN 55391, Tel: 952/745-2760, www.tcfbank.com	N:TCB-WT	Bank holding company	14.67	1.62	1.00	16.93	11/14/18	3.2M	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	0.35	0.48	1.00	82.44	07/22/18	0.1M	8
CALL TERMS: \$13.75 for 20 consecutive days									

Beginner's Portfolio Up 227%

BOUGHT: None this month.

SOLD: None this month.

	<u>Cost</u>	<u>10/07/16</u>		<u>Cost</u>	<u>10/07/16</u>		<u>Cost</u>	<u>10/07/16</u>	<u>Proceeds</u>
AAME	280/Mar '12	333	RBAAA	188/Nov '14	237	INFU†	608/Jan '16	550	From Sales 10,147
ITI*	162/Aug '12	185	DIRI	75/Dec '14	40	PLPM†	590/Jan '16	702	
SGRP	178/Apr '13	106	NTIP	235/Apr '15	275	SMID†	540/Mar '16	716	
AEY	248/May '13	186	UWN	180/Jul '15	182	BYFC†	398/Apr '16	316	
MOC	209/May '14	265	SLGD	122/ Jul '15	123	SUNW†	482/Jul '16	584	
DYSL	185/Aug '14	103	OPCO†	196/Dec '15	168	FLL†	384/Sep '16	350	

Current Holdings Value: 5,421

Proceeds from Sales: 10,147

Total Value of Portfolio: 15,568

Original cost for all stocks: \$4,766

*Half of original holdings

†Bought 200 Shares

Gain: 15,568 minus 4,766 = 10,802

Percentage of gain: 10,802 divided by 4,766 x 100 = 226.7

Compound Annual Growth Rate: 8.17%

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

After selling **MeetMe (MEET)** and replacing it with **Full House Resorts (FLL)** last month, there were no changes this month. That said, Proceeds from Sales remained at \$10,147, while Current Holdings Value slid \$193, or 3.4%.

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>
Electromed (ELMD)	06/30/16	\$5,693,004	\$5,199,146	\$337,222	\$255,018	(A)
LightPath Technologies (LPTH)	06/30/16	\$4,733,604	\$4,506,548	\$331,467	(\$367,234)	(B)
Nevada Gold & Casinos (UWN)	07/31/16	\$18,296,978	\$15,942,774	(\$99,573)	\$457,996	(C)
Virco Manufacturing (VIRC)	07/31/16	\$61,354,000	\$61,072,000	\$6,886,000	\$7,450,000	(D)

(A) "We are pleased to report our tenth consecutive quarter of year-over-year revenue growth, which reflects our ongoing commitment to delivering the most innovative HFCWO therapy solutions and services in the market. In fiscal 2016, we delivered profitable, organic growth, more than doubling earnings per share and generating \$2.2 million in operating cash flow," stated Kathleen Skarvan, ELMD's CEO. "Our passion for our patients, focus on continuous improvement and emphasis on growing SmartVest's share of an expanding HFCWO market underpin our strong financial results."

(B) LPTH's president and CEO, Jim Gaynor: "In fiscal 2016, we benefited from the successful implementation of our organic growth strategy. The volume of units sold in fiscal 2016 increased by 12% from the

prior year. Financial performance further benefited from a 12% increase in the average price per unit sold."

(C) "UWN's Washington operations struggled with a low hold percentage for the quarter but overall business levels remain strong," said Michael P. Shaunnessy, president and CEO. "We continue to make progress integrating Club Fortune and taking advantage of both revenue and cost opportunities to enhance EBITDA."

(D) VIRC President Doug Virtue explained: "In a compressed and constantly shifting delivery environment like ours, there's no substitute for inventory and operational agility. This is the second summer in a row where we believe our domestic factories and warehouses allowed us to serve educators better than a business model based on imports."

NOTES BY THE EDITOR

Nova Lifestyle, Inc. (NVFY) was the top gainer again this month and continued to rally from its 52-week low. The stock climbed 1,250% in just over three months prior to pulling back this week. When a stock jumps so high, so fast, a pullback is imminent.

It is a common misconception that price momentum is always a good thing for a stock. Despite the positive news release of an asset sale for \$8.5 million, NVFY pulled back \$1.50 in the past week. Although momentum can drive prices



higher, it can drop a stock even faster.

NVFY's recent run should've resulted in plenty of profits for many Bowser subscribers. After such a big run, it's important to review the Game Plan. Make sure to review September's front page article

if you are not sure how to automate this process.

A few of the stocks that we have been researching and are on the verge of recommending have been sent to us by our subscribers. If you feel that you have found a gem, feel free to send it via email to faris@thebowserreport.com or customerservice@thebowserreport.com. Our newsletter acts as an educational resource so we like to see our subscribers bring potential investments to the table.

FIVE BOWSER STOCKS UP AND DOWN

NOVA LIFESTYLE	UP	206%	DIRECT INSITE	DOWN	18%
GIGPEAK	UP	33%	CEMTREX	DOWN	18%
MANHATTAN BRIDGE	UP	16%	ELECTROMED	DOWN	12%
CPS TECHNOLOGIES	UP	12%	NOBLE ROMAN'S	DOWN	9%
SOCKET MOBILE	UP	9%	LIGHTPATH TECH.	DOWN	8%