



Capturing all of our picks since 1976

The 2017 Annual Historical Review details how each pick has performed

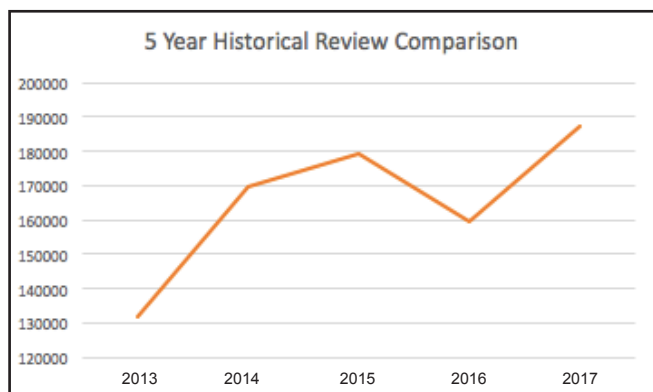
The time has come again for us to publish the Annual Historical Review, covering each and every pick that we've made since 1976. Below is a brief summary of the full document that covers the highs, the lows and everything in between.

Overview

This year we added 12 more companies, bringing the total number of recommendations up to 646. Adding up all of the plusses and minuses for those 646 companies gives you a total of 187,416, or an average gain of 290%.

Compared to last year, both the total plus/minus and the average gain climbed considerably. Last year's total was 159,370, for an average gain of 251%. This year added 28,036 to last year's total, contributing to the 39% increase in average gain. See the chart below for a five year comparison:

Of the 646 companies, 286 (44%) are currently up (based on March 3, 2017 prices), 352 (55%) are currently down and 6 (1%) are flat or have no pricing information.



The majority of those currently up are trading at more than double their original price. In fact, 189, or 29%, of the 646 total picks are more than double their price at recommendation. The table below shows the percentage of increase by category:

	# of picks	% of picks up
+1-99%	97	34%
+100-499%	115	40%
+500-999%	35	12%
+1,000% and up	39	14%
Total	286	100%

Just because a stock is currently down does

not mean that it has been falling from the beginning. In fact, 593 (92%) of our selections gained at least a penny after our recommendation. More impressively, 412 (64%) doubled or more after we recommended them. Lastly, of those currently worth nothing, 107 at least doubled after being chosen as a Company of the Month.

Top Gainers

Every year we look at the cream of the crop, those that have far exceeded the norm. The top five Bowser picks of all time based on current prices are:

- **MICROS Systems (MCRS)**¹ (11/81) +23,348%
- **Smithfield Foods (SFD)**² (07/77) +22,567%
- **MICROS Systems (MCRS)**¹ (10/84) +21,150%
- **Semtech Corp. (SMTC)** (06/86) +12,344%
- **Mesa Labs (MLAB)** (04/91) +5,340%

¹Tendered at \$68/share in 2014

²Acquired by Shuanghui for \$34/share in 2013

While the top four remain the same as last year, Mesa Labs replaced Inamed Corp. for the fifth spot.

The leaderboard changes a bit if you use highs after recommendation, although the results are the same as last year. The top five Bowser gainers based on high after recommendation are:

- **Semtech Corp. (SMTC)** +43,767%
- **Smithfield Foods (SFD)** +25,900%
- **MICROS Systems (MCRS)** +23,348%
- **MICROS Systems (MCRS)** +21,150%
- **Hallwood Group (HWG)** +21,100%

Seventy-six (12%) picks gained over 1,000% after we recommended them. That's three more than last year.

Buyout Deals

Buyout deals are very common among our picks. In fact, 250 (39%) of our Companies of the Month have been acquired, merged, tendered, privatized or bought out in some other form.

Buyouts are typically beneficial for our subscribers, with 174 of the 250 (70%) going for more than the price at which we recommended them. The average buyout premium is 541%, which includes our current top three gainers, skewing the results a little.

Over the last year, there were a number of buyouts. These include (from highest premium to lowest premium based on price at recommendation):

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- **Hallwood Group (HWG)** +1,552%
- **Golden Enterprises (GLDC)** +411%
- **Furmanite Corp. (FRM)** +170%
- **Alliance Fiber Optics (AFOP)** +84%
- **Cobra Electronics (COBR)** +72%
- **Smartpros Inc. (SPRO)** +55%
- **Fortune Industries (FDVF)** +16%
- **American Independence (AMIC)** -59%

Recent Additions

As mentioned previously, we added twelve new stocks to the Annual Historical Review. They are the twelve most recent recommendation, seen in the table below:

Date	Company	Gain/Loss
Mar. 2016	Broadway Financial (BYFC)	+8%
Apr. 2016	GigPeak (GIG)	+6%
May 2016	Cemtrex (CETX)	+87%
Jun. 2016	Sunworks (SUNW)	-20%
Jul. 2016	LRAD (LRAD)	-12%
Aug. 2016	Full House Resorts (FLL)	+25%
Sep. 2016	Socket Mobile (SCKT)	+74%
Oct. 2016	Koss (KOSS)	+8%
Nov. 2016	China New Borun (BORN)	-7%
Dec. 2016	Franklin Wireless (FKWL)	0%
Jan. 2017	One Hospitality Group (STKS)	-18%
Feb. 2017	Precision Auto Care (PACI)	+19%
	Average Gain	14.2%

These twelve picks are doing quite well, with seven up and one flat. While none are currently trading at or above 100%, Cemtrex gained 329% before pulling back to its current levels on unethical trading practices accusations.

Comparisons to Last Year

As already mentioned, the total gain is up substantially compared to last year, as is the average gain. Seventeen more companies are up, while seven fewer are down. The same number are flat.

When considering the overall market, these results are not too astonishing. The S&P 500 has gained 19% over the past year and is now trading at all-time highs. The Russell 2000, the benchmark for small stocks, climbed even higher, posting a 27% increase.

Lessons Learned

Every year, this is the part of this article where we start to

Market Overview

BWSR AVG ↑ 1.0%	DJIA ↑ 4.6%	S&P 500 ↑ 3.7%	NASDAQ ↑ 3.6%	RUS 2000 ↑ 1.2%
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Major indices continued to hit all-time highs but the Russell 2000 Index lagged. Bowser stocks had similar performance to that of the Russell 2000 Index, but were offset by two big losers. Despite closing the month out in the black, most stocks showed huge volatility. The most noteworthy headline was that **GigPeak (GIG)** was acquired for \$3.08 per share, providing shareholders with a large premium.

sound like a broken record. However, I feel that lessons gleaned from the data are far more important than the data itself. So, here are the biggest takeaways from this year's Historical Review:

First, and perhaps most importantly, stick to the GamePlan. The fact that two-thirds of our recommendations have doubled or more is impressive. However, over all most of the companies we've recommended (55% to be exact) are now trading at a loss.

The Game Plan protects profits earned on those that have doubled, and limits the losses on those that haven't. Despite our picks' high average gain, you'll want to hang your hat on a sound investment strategy that's a little more modest.

Second, it's important to buy as many picks as you can. Of the past twelve picks, seven are up, one is flat and four are down. Those that are up more than make up for those that are down, evident in the fact that a portfolio of these picks would be up over 14%. Not too bad in less than a year.

Third, patience is absolutely crucial to your success. This is investing. Real, sustainable gains take time, and they're worth it in the end.

In our continued effort to move digital, we will not be printing hard copies of the Historical Review this year. Instead, email customerservice@thebowserreport.com to request your copy and we will reply with a PDF attachment.

GigPeak to be acquired

GigPeak (GIG) signed a definitive agreement to be acquired by Integrated Device Technology (IDTI) for \$250 million, or \$3.08 per share, which is a 22% premium on GigPeak's February 10, 2017 closing price.

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

Central Federal Corporation (CFBK) is the holding company for CFBank and it provides various financial products and services in the United States. The company offers deposit products including savings accounts, retail and business checking accounts, money market accounts and certificates of deposits. It also offers various commercial and consumer loans. CFBK's Internet banking, mobile banking, remote deposit and corporate cash management systems allow it to compete with larger banks.

CFBK has four locations in Ohio and was founded in 1892. It currently has 45 employees and is headquartered in Worthington, Ohio.

Financial Stability

Central Federal has dramatically improved its financial situation over the past few years. Net income and revenues have trended higher over time.

CFBK reported earnings per share ranging from -\$7 to -\$13 per share for the fiscal years of 2009 to 2011, but has made a turnaround for the better since the financial crisis. Many banks went under, but CFBK stayed afloat due to its efficiency after selling shares of common stock. Continued share offerings are unlikely because the company has dug itself out of the hole. Return on equity has increased from 1% to just over 12% since 2014.

CFBK's cash and cash equivalents is a huge number for a penny stock, totaling \$63,570,000. This gives the company cash per share of about \$4.00. A large cash position is common among banks because current liabilities are usually high. Central Federal does not have any outstanding long-term debt.

	2014	2015	2016 (A)
REVENUES	\$9,393,000	\$12,103,000	\$13,753,000
INCOME (LOSS)	(\$918,000)	\$479,000	\$505,000
WORKING CAPITAL	N/A	N/A	N/A
BOOK VALUE	\$1.44	\$2.17	\$2.44
TOTAL SHARES	15,857,127	15,857,127	16,003,636
FLOAT	N/A	N/A	12,039,000
(A) THREE MONTHS ENDED 09/30/16			

Creating Value

Central Federal's book value has increased by about 170% in the past couple of years and surpassed its price per share in 2014. This has primarily been a result of its increase in various loans, resulting in more revenues and higher net income. By rapidly growing the top and bottom lines while not issuing more shares, book value has jumped.

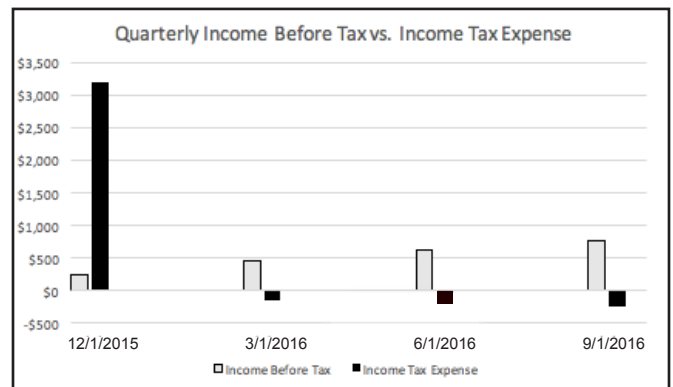
However, the company currently has just a little under 500,000 outstanding Series B preferred shares and outstanding warrants as well. If these Series B preferred shares are converted, then it will dilute the outstanding shares by adding 6,859,200 shares into the mix. The warrants will increase the outstanding shares as well, giving a total share count of 23,362,836. At a closing price per share of \$1.80, that's a market capitalization of \$42,053,104.

The current market-to-book ratio is 0.73. Since this figure is less than one, we can conclude that the stock is undervalued.

With the above market capitalization taking into account potential dilution from preferred shares, we can get a better feel for the true value of the company. This updated market capitalization shows that the company may not be as undervalued

as most investors believe, but is actually a larger player in the industry than initially observed.

Net income and earnings per share have been offset recently by a large deferred tax reversal in 2015. Since the company has not reported financial results for the most recent fiscal year, the 2015 figures can be deceiving. The table below shows net income and income tax expenses for the past four quarters (12/31/15-9/30/16).



This chart shows just how much the deferred tax reversal in the fourth quarter of 2015 offset the company's net income. So far, CFBK has \$505,000 in net income for the first three quarters of 2016, surpassing 2015's \$427,000 excluding the deferred tax reversal by a long shot.

Takeover Candidate

Multiple Bowser stocks have been acquired in the past year, and two have been acquired in the past two months. Many larger banks are looking to improve their lending departments and Central Federal has been

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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 03/03/17	Long-term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
CATEGORY ONE: BEST COMPANIES (RATED 10+)								
03/17(CM)	CENTRAL FEDERAL (CFBK)	BANK HOLDING COMPANY	1.80	\$0.000	\$11.8	\$3.810	16.3	11
02/15(GM)	NOVA LIFESTYLE INC. (NVFY)	FURNITURE MANUFACTURING/SALES	1.76	\$0.000	\$114.8	\$0.449	26.6	11
11/15(QX)	OURPET'S COMPANY (OPCO)	PET SUPPLIES	1.28	\$0.703	\$27.0	\$2.146	17.7	10
02/17(QX)	PRECISION AUTO CARE (PACI)	AUTOMOBILE MAINTENANCE CENTERS	0.99	\$1.093	\$28.4	\$1.189	22.7	10
04/15(QB)	SCOTT'S LIQUID GOLD (SLGD)	HOUSEHOLD AND BEAUTY PRODUCTS	1.45	\$0.000	\$29.2	\$4.780	11.7	10
CATEGORY TWO: GOOD COMPANIES (RATED 8-9)								
# 03/13(GM)	ADDVANTAGE TECH (AEY)	CABLE TV EQUIPMENT	1.85	\$3.466	\$38.7	\$0.294	10.1	9
11/16(N)	CHINA NEW BORUN (BORN)	CORN PRODUCTS IN CHINA	1.20	\$0.000	\$350.4	\$16.960	25.7	9
06/14(A)	DYNASIL CORP. (DYSL)	OPTICAL COMPONENTS	1.21	\$1.545	\$41.4	\$6.060	16.8	8
07/14(QB)	FITLIFE BRANDS (FTLF)	NUTRITIONAL SUPPLEMENTS	0.70	\$0.507	\$24.4	(\$0.218)	10.5	8
12/14(QB)	INT'L BALER CORP. (IBAL)	BALING EQUIPMENT	2.14	\$0.000	\$18.5	\$0.901	5.2	9
10/16(CM)	KOSS CORPORATION (KOSS)	STEREO ACCESSORIES	2.28	\$0.000	\$26.3	\$1.328	7.4	8
07/13(CM)	LIGHTPATH TECH (LPTH)	OPTICAL COMPONENTS	2.40	\$0.144	\$18.1	\$0.712	15.7	9
01/15(N)	NEVADA GOLD & CASINOS (UWN)	GAMING OPERATIONS	2.05	\$16.231	\$72.7	\$0.744	17.8	8
01/17(CM)	ONE GROUP HOSPITALITY (STKS)	GLOBAL RESTAURANT OPERATIONS	1.75	\$12.031	\$70.6	\$1.103	25.1	8
# 10/12(QB)	WHERE FD CMS FROM (WFCF)	FOOD VERIFICATION SERVICES	2.30	\$0.000	\$11.6	\$0.433	23.9	8
CATEGORY THREE: SPECULATIVE COMPANIES (RATED 7 AND BELOW AND/OR NON-PROFITABLE)								
03/16(CM)	BROADWAY FINANCIAL (BYFC)	BANK HOLDING COMPANY	1.64	\$0.000	\$15.3	\$3.480	19.0	NR
# 03/14(A)	COMMAND SECURITY (MOC)	SECURITY PERSONNEL/SERVICES	2.72	\$0.000	\$152.9	(\$0.965)	9.9	10
# 05/14(CM)	CPS TECHNOLOGIES (CPSH)	ADVANCED MATERIAL SOLUTIONS	1.53	\$0.000	\$15.4	(\$0.454)	13.2	NR
# 06/08(A)	FLEXIBLE SOLUTIONS (FSI)	SPECIALTY CHEMICALS	1.57	\$0.402	\$15.9	\$1.834	11.5	7
12/16(QB)	FRANKLIN WIRELESS (FKWL)	WIRELESS SOLUTIONS	2.70	\$0.000	\$54.8	\$1.763	10.5	7
08/16(CM)	FULL HOUSE RESORTS (FLL)	CASINO OPERATIONS	2.27	\$65.149	\$136.2	(\$2.062)	19.0	7
04/16(A)	GIGPEAK, INC. (GIG)	NOW ABOVE \$3 PER SHARE; SEE PAGE 5 (FOLLOW-THROUGH)						
# 12/15(A)	INFUSYSTEM HOLDINGS (INFU)	MEDICAL INFUSION PUMPS	2.30	\$31.356	\$67.0	\$3.512	22.7	NR
07/16(CM)	LRAD CORP (LRAD)	ACOUSTIC SYSTEMS	1.62	\$0.000	\$16.5	(\$1.715)	31.8	8
11/14(QB)	NOBLE ROMAN'S (NROM)	PIZZA FRANCHISES AND LICENSES	0.56	\$0.576	\$7.6	(\$0.535)	20.8	9
08/13(QB)	PAYBOX CORP. (PBOX)	E-INVOICING SOLUTIONS	0.32	\$0.000	\$7.3	\$0.515	13.0	7
07/10(QB)	REPRO MED SYSTEMS (REPR)	DESIGN/PRODUCE MED PRODUCTS	0.40	\$0.000	\$12.6	(\$0.076)	37.8	7
08/14(QB)	SONO-TEK CORP. (SOTK)	ULTRASONIC NOZZLES	1.15	\$1.075	\$10.1	\$0.035	15.0	NR
04/13(CM)	SPAR GROUP (SGRP)	MERCHANDISING AND MARKETING	1.09	\$4.027	\$116.6	\$0.827	20.6	7
# 06/16(A)	SUNWORKS, INC. (SUNW)	SOLAR ENERGY SYSTEMS	1.90	\$1.062	\$85.3	(\$4.541)	20.9	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.

Category Changes

This month there are three category changes. **Dynasil (DYSL)** is the only company moving up, climbing from 3 to 2. **Franklin Wireless (FKWL)** slid from 1 to 3, and **Where Food Comes From (WFCF)** dropped from 1 to 2.

Noble Roman's beats sales target

Noble Roman's (NROM) announced that the first of its new-generation, stand-alone pizzerias, known as Noble Roman's Craft Pizza & Pub, exceeded its opening week net sales target by 53%. Opening January 31, 2017, the first seven days' net sales were \$38,283 versus a projected opening volume of \$25,000. Total gross sales before grand opening promotional discounts were \$41,796.

President Scott Mobley added that the company does not normally discuss individual sales volumes during the first year of a new unit's operation due to

the natural swings in the data caused by the grand opening grace period, but determined that this situation was unique and wanted to provide some guidance as to the initial reception of its next generation, traditional pizzeria.

Planet Payment launches DCC

Planet Payment (PLPM) and Worldpay US, a global leader in payments processing technology and solutions, will launch Planet Payment's Dynamic Currency Conversion (DCC) at ATMs solution across 70,000 Worldpay ATMs in the United States.

DCC at ATMs enables international travelers to the U.S. to withdraw local currency from an ATM while seeing the amount debited from their account in their own currency. International cardholders using Worldpay US ATMs will now have the ability to instantly view, select and better understand the conversion to their home currency of the US dollar amount dispensed at participating ATMs.

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 03/03/17 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)	\$3.75(7)	02/12 \$2.05(8)	NETWORK-1 TECHNOLOGIES (A:NTIP)	\$3.80(9)	03/15 \$2.29(10)
CEMTREX, INC. (CM:CETX)	\$3.67(11)	05/16 \$1.96(8)	PLANET PAYMENT (CM:PLPM)	\$4.26(8)	07/15 \$2.42(10)
DLH HOLDINGS (CM:DLHC)	\$5.12(8)	01/14 \$1.53(9)	RIVERVIEW BANCORP (GS:RVSB)	\$7.76(9)	06/13 \$2.30(9)
ELECTROMED (A:ELMD)	\$4.89(8)	09/15 \$1.64(10)	ROYAL BANCSHARES OF PA (GM:RBPA)	\$4.10(8)	10/14 \$1.65(9)
GIGPEAK, INC. (A:GIG)	\$3.07(7)	04/16 \$2.90(9)	SIMULATIONS PLUS (CM:SLP)	\$9.90(10)	05/10 \$2.46(9)
GOLDFIELD CORP. (A:GV)	\$7.85(9)	06/12 \$1.58(8)	SMITH-MIDLAND (QX:SMID)	\$6.00(10)	02/16 \$2.38(10)
ITERIS (A:ITI)	\$4.91(9)	12/06 \$2.21(8)	SOCKET MOBILE (CM:SCKT)	\$4.50(10)	09/16 \$2.59(10)
MANHATTAN BRIDGE CAPITAL (CM:LOAN)	\$6.05(9)	02/10 \$1.10(9)	VIRCO MANUFACTURING (GM:VIRC)	\$4.25(11)	06/15 \$2.51(11)
MEETME INC. (CM:MEET)	\$4.81(10)	10/15 \$1.62(10)			

THE FOLLOWING WE SAID SHOULD BE SOLD

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

FEMALE HEALTH COMPANY (CM:FHCO)	\$1.00	04/16 \$1.27(11)	INFOSONICS (CM:IFON)	\$0.59	12/16 \$0.39(8)
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BRIEFS

Electromed (ELMD) entered into an agreement with Monaghan Medical to distribute and sell the Aerobika® Oscillating Positive Expiratory Pressure (OPEP) Device in the United States homecare market. . . . **Flexible Solutions' (FSI)** Taber Alberta plant caught fire. The building and contents are a total loss. Insurance was in place. One employee suffered very minor burns. Sales of products from this plant were between \$600,000 and \$800,000 annually meaning that the effect on revenue will be about \$150 thousand to \$200 thousand per quarter until operations are resumed. . . . **Manhattan Bridge Capital (LOAN)** approved and will issue a quarterly dividend of \$0.10 per share on April 17,2017 to all shareholders of record as of April 10, 2017. . . . **MeetMe (MEET)** announced its CEO Geoff Cook has been named to the Global Dating Insights 2017 Power Book list of the most influential and powerful players in the online dating industry. MEET also has begun rolling out new functionality that enables

the user bases of its two primary apps, MeetMe and Skout, to chat with each other seamlessly. . . . **Nova LifeStyle (NVFY)** announced that during the month of February, over 1,000 customers and student members paid for and completed training on the company's site, "Nova-Mart," an online transactional platform for consumers and merchants to offer products and business services. . . . **OurPet's Company (OPCO)** retained the Alpha IR Group to enhance its engagement strategy with the investment community, as well as provide ongoing communications support and consulting services. . . . **Socket Mobile (SCKT)** announced the expansion of its DuraScan product line with the D600 Contactless Reader/Writer. . . . **Smith-Midland (SMID)** will widen 5 miles of I-81 between US 11 in West Virginia and MD 63/MD 68 in Williamsport, Washington County, and reconstruct the four bridges within the project limits.

Cemtrex responds to blog post

Cemtrex (CETX) issued a response on behalf of its shareholders in relation to a malicious blog post containing false and misleading information published by short sellers on *Seeking Alpha*. CETX is preparing to take rapid legal action and asks that the SEC investigate these short sellers and their associates for stock manipulation and illicit gains.

Cemtrex also announced that the preferred shares (CETXP) and warrants (CETXW), which the Company issued in its recent rights offering, commenced trading on February 17, 2017 on the NASDAQ Capital Markets.

INSIDER TRANSACTIONS IN MARCH

COMPANY	SHARES TRADED	# OF TRADES	PRICE RANGE
Dynasil	A-16,250	1	\$1.19
Iteris	S-82,925	4	\$4.90-\$5.35
	S-2,000x	1	\$5.05
	OE-50,000	1	\$1.41
	OE-20,000x	1	\$1.10
Network-1 Tech.	A-40,500	3	\$0
	OE-15,000	1	\$1.40
Repro-Med Systems	B-40,000x	3	\$0.38-\$0.40
	A-33,965	5	\$0
Socket Mobile	A-11,448	3	\$1.08-\$3.04
	D-4,648	2	\$4.10-\$4.31
	S-6,800	1	\$4.30

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

Source for researching warrants?

I want to continue investing in warrants. Where can I research them? From time to time, could I present new warrant opportunities in the Buckaroos Speak section?

--Gary Swett, Everett, WA

Researching warrants can be very difficult if you don't use a paid investment platform or actively manage a portfolio. The best resources that I have used are *Investors Business Daily* and *The Wall Street Journal*. Both require small payments but may be worth it if you actively invest in warrants.

There are also many paid databases, but you can always compile your own database of warrants that are undervalued.

As always, we welcome any beneficial research and stock/warrants recommendations in the monthly newsletter. We are looking forward to

seeing some of your recommendations!

How to play Cemtrex (CETX)?

I am one of the Bowser Game Planners long out of my Cemtrex (CETX) position; but what are your thoughts on considering a new position in CETX at its current above-\$3 share price?

--Michael Poppers, Elizabeth, NJ

In accordance with the Game Plan, we never recommend purchasing a stock over \$3 per share. Plus, as for reinvesting in previously held Companies of the Month, avoid that as well. Each month, a new recommendation is made for you to invest in.

With specific regard to CETX, the company has responded to the accusations, calling the article false and misleading and taking up legal action.

However, even if Cemtrex imparted in no foul play, the stock has a black cloud surrounding it. For now, stay away until the dust settles.

COMPANY OF THE MONTH... CONTINUED

...CONTINUED FROM PAGE 3

increasing its lending over the past few years. **Royal Bancshares of Pennsylvania (RBPAA)** was one of our past recommendations that was acquired for that exact reason. With lending rates increasing, smart money has been flowing into the financial sector for almost three months now.

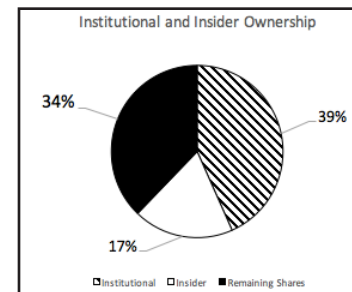
A bank's ability to cover withdrawals made by its customers is always an issue when lending increases quickly. This scares larger banks away from making synergistic acquisitions. An 80% loan-to-deposit ratio is considered ideal. This implies that for every \$1 in deposits, the bank loans 80 cents.

Central Federal's total loans receivable have increased 10% in the past three quarters to \$331,842,000. Total deposits are currently \$345,854,000, giving a loan-to-deposit ratio of 95%, which is well above the standard.

Without taking into account the company's other strengths, a larger bank would want to acquire a company that is lending such a huge amount of money in comparison to its deposits. Its high book value and low market value is also attractive as the acquiring firm will not have to pay an unusually high premium.

Ownership

Most small banks don't attract a lot of institutional investors. With four locations, a strong financial foundation and its recent turnaround, CFBK is appealing to large investors. The chart to the right shows the current institutional and insider ownership of the stock.



There are currently 19 institutional holders, totaling just over 6,000,000 shares. The two newest positions are an \$835,000 stake by Ancora Advisors, LLC and a \$4,000 stake by UBS Group AG.

As for insider activity, there have been 11 direct buys or acquisitions within the past 3 months. The total accumulation has been a little under 200,000 shares. Within the past year, there have been 15 transactions, which were also all direct buys or acquisitions.

Conclusion

Central Federal has made an impressive comeback in the past five years. Insider and institutional accumulation is up as a result.

A steady increase in revenues and total loans coupled with limited dilution should result in a much higher valuation. These metrics and promising lending outlook will drive buyout speculation. This is primarily a value investment but the takeover speculation could be the cherry on top.

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Beginner's Portfolio Up 243%

BOUGHT: PACI (200 Shares) @ \$0.99 plus \$10 commissions = \$208

SOLD: PBOX (100 Shares) @ \$0.38 less \$10 commissions = \$28

	<u>Cost</u>	<u>03/03/17</u>		<u>Cost</u>	<u>03/03/17</u>		<u>Cost</u>	<u>03/03/17</u>	Proceeds
AAME	280/Mar '12	375	RBPA*	188/Nov '14	205	PLPM†	590/Jan '16	852	From Sales 10,761 28 (208) 10,581
ITI*	162/Aug '12	246	NTIP	235/Apr '15	380	SMID†*	540/Mar '16	600	
SGRP	178/Apr '13	109	UWN	180/Jul '15	205	BYFC†	398/Apr '16	328	
AEY	248/May '13	185	SLGD	122/ Jul '15	145	SUNW†	482/Jul '16	380	
MOC	209/May '14	272	OPCO†	196/Dec '15	256	FLL†	384/Sep '16	454	
DYSL	185/Aug '14	121	INFU†	608/Jan '16	460	PACI†	208/Mar '17	198	

Current Holdings Value: 5,591

Original cost for all stocks: \$4,766

*Half of original holdings

Proceeds from Sales: 10,581

†Bought 200 Shares

Total Value of Portfolio: 16,172

Gain: 16,172 minus 4,766 = 11,406

Percentage of gain: 11,406 divided by 4,766 x 100 = 239.3

Compound Annual Growth Rate: 8.20%

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

PayBox Corp. (PBOX), formerly Direct Insite (DIRI), dropped 50% from its purchase price this month. Replacing PBOX is the February 2017 Company of the Month, **Precision Auto Care (PACI)**.

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>
Broadway Financial (BYFC)	12/31/16	\$4,047,000	\$4,265,000	\$2,201,000	\$5,642,000	(A)
Cemtrex (CETX)	12/31/16	\$29,397,257	\$13,314,693	\$1,405,693	\$692,395	
Command Security (MOC)	12/31/16	\$42,672,114	\$33,541,493	(\$207,574)	(\$672,287)	
CPS Technologies (CPSH)	12/31/16	\$2,873,510	\$5,412,419	(\$253,222)	\$254,751	(B)
DLH Holdings (DLHC)	12/31/16	\$26,111,000	\$16,559,000	\$324,000	(\$116,000)	
Dynasil (DYSL)	12/31/16	\$9,143,000	\$11,204,000	\$2,739,000	\$69,000	(C)
Electromed (ELMD)	12/31/16	\$6,372,243	\$6,262,106	\$443,861	\$1,067,693	(D)
Franklin Wireless (FKWL)	12/31/16	\$14,352,962	\$20,163,481	\$543,538	\$996,060	
Iteris (ITI)	12/31/16	\$22,691,000	\$19,014,000	(\$1,380,000)	(\$10,442,000)	
LRAD (LRAD)	12/31/16	\$2,941,000	\$2,821,000	(\$813,000)	(\$380,000)	(E)
OutPet's Company (OPCO)	12/31/16	\$8,197,370	\$6,648,394	\$1,227,711	\$450,592	
Socket Mobile (SCKT)	12/31/16	\$5,430,000	\$5,391,000	\$10,413,000	\$958,000	(F)
Where Food Comes From (WFCF)	12/31/16	\$3,025,433	\$2,782,133	(\$48,671)	\$188,285	(G)

(A) A loan loss provision recapture of \$2 million positively affected BYFC's results a year ago. This year, BYFC did not realize any loan loss provision recapture.

(B) Grant Bennett, CPSH's president and CEO: "The weakness is centered in major European customers who are experiencing general weakness in demand. In addition, we are adversely impacted by the strength of the U.S. dollar which limits our pricing flexibility, adversely affecting both our unit volume and margins."

(C) DYSL reported a \$2.7 million tax benefit, which greatly affected the company's net income

figure for the quarter.

(D) ELMD's SG&A costs rose 14% year-over-year, which resulted in the lower earnings despite marginally higher sales.

(E) LRAD'S operating expenses jumped 26%, offsetting the company's modest 4% rise in revenues.

(F) SCKT reported a \$9.8 million income tax benefit, drastically affecting the bottom line.

(G) Despite higher sales, WFCF's higher cost of sales and operating expenses hindered net income.

NOTES BY THE EDITOR

The *Warrant Register* has officially been removed from the monthly newsletter. We have received some good feedback on what to replace it with.

The **Company of the Month** analysis will now be more extensive to replace the *Warrant Register*. This will allow me to include more value-added, in-depth information and graphics to enhance the analysis.

I will also make an effort to explain how to calculate the certain valuation metrics



and financial ratios mentioned within the **Company of the Month** analysis. I have received many emails about what these figures represent. With the additional space, I can include explanations within the articles.

GigPeak (GIG) was the second **Bowser stock to be acquired within the past two months**. This month's **Company of the Month**, **Central Federal (CFBK)**, is also a takeover candidate. These are usually great recommendations because speculation of a buyout can drive the stocks higher regardless of any short-term headlines that may be weighing them down.

Congratulations to all shareholders of GIG that received the large premium. For more details on the press release and acquisition, read the daily mover alert that was sent out via email on February 17, 2017.

FIVE BOWSER STOCKS UP AND DOWN

LightPath Technologies	↑	36%	Paybox	↓	42%
OurPet's	↑	33%	Cemtrex	↓	38%
InfoSonics	↑	23%	Noble Roman's	↓	14%
The Goldfield Corp.	↑	22%	Dynasil	↓	13%
Electromed	↑	20%	Sunworks	↓	12%