



Next Company of the Month Recording:

Friday, Nov. 10, After 4 PM EST
Recording on for entire weekend

Phone: (757) 877-5979

Shelf life of a recommendation

Recognizing stale stocks and their effects on a portfolio

“Stale” stocks are slower moving, low volume holdings that could potentially impact a portfolio’s performance. Subscriber David Heinsohn recently contacted us to inquire about the effects of these stocks, and whether he should diversify differently to avoid a negative effect.

Stocks will go stale every now and then, but analysis shows that if an investor sticks to the Game Plan, a portfolio should have a similar growth rate to that of the Beginner’s Portfolio over time. The most important factor to limit negative effects is diversification.

Stale Bowser Stocks

These stocks can be defined as mediocre performers, not necessarily weak, but more flat. Two current Bowser stocks meet this description: **International Baler (IBAL)** and **Atlantic American (AAME)**. In the past, there have been recommendations that have flattened out, but they are infrequent. Even though they are slow moving, we don’t recommend a stock be sold because it’s stale. The buy or sell recommendations are based on a company’s fundamentals and the Game Plan.

It’s important to be aware of stale stocks, but there are so few that they should not alter your portfolio management style. Out of the 49 Bowser stocks currently in the newsletter, just two are stale, and they are easily recognized by large price swings and low average volume (both IBAL and AAME and average less than 2,000 shares traded per day).

Spotting a Flatliner

We try to avoid recommending stocks that lack a short-term or long-term upward trend. The Bowser Rating System also helps select companies with positive earnings and sales trends, both of which attract buying pressure. Still, a stock will go stale every now and then. What cases it to flatline?

A good investment should incentivize its investors. In other words, there should be a strong and simple answer to the following question: Why invest in this stock? Whether it’s growing financials, uplisting to a better exchange or paying a dividend, there has to be some motivation to invest. A company with no attractive aspects is difficult for any individual to be excited about and will likely flat line.

The most important factor that improves awareness and demand is public relations, which allows a company to control its message. The frequency of meaningful press releases is important to remind

investors of why they should invest in a company. If there is no news, investors will lose interest. Same goes if there is too much news. Press releases should always relate back to the “why invest” question.

The stock market is based on supply and demand. To gauge demand, examine a stock’s price and volume, two technical factors that show interest in a stock. As long as price and/or volume are increasing, there is strong demand and a stock will not go flat.

Limiting the Effect of Stale Stocks

Fortunately with the Bowser Rating System and Game Plan, protection from stale stocks is inherent. Two factor of our system mitigate the risk of flat performers: (1) the analysis we perform on the Companies of the Month and (2) diversification. Of these two, diversification is the best way you can protect yourself by holding between 12 and 18 Company of the Month recommendations.

The primary negative impact of stale stocks on an investor’s portfolio is situational, going back to the weighting of the stocks in a portfolio and the total number of holdings. For example, a stale stock will slow the portfolio growth of a subscriber with 12 holdings more than that of a subscriber with 18 holdings as it will carry a heavier weighting. Here is an example using a 12-stock portfolio (Portfolio A) and an 18-stock portfolio (Portfolio B) of randomly-selected Bowser recommendations:

Portfolio A

Portfolio B

Stock	1 Year Return	Portfolio Weighting	Stock	1 Year Return	Portfolio Weighting
DYSL	31%	8.33%	BYFC	31%	6.25%
BYFC	48%	8.33%	SGRP	8%	6.25%
MKRS	74%	8.33%	MKRS	74%	6.25%
STKS	-33%	8.33%	STKS	-33%	6.25%
FSI	-24%	8.33%	FSI	-24%	6.25%
GV	119%	8.33%	GV	119%	6.25%
IBAL	-3%	8.33%	IBAL	-3%	6.25%
REPR	21%	8.33%	REPR	21%	6.25%
WFCF	6%	8.33%	WFCF	6%	6.25%
LPTH	47%	8.33%	LPTH	47%	6.25%
KOSS	-25%	8.33%	KOSS	-25%	6.25%
VIRC	36%	8.33%	SCTT	42%	6.25%
			VTSI	32%	6.25%
			EMMS	-14%	6.25%
			ELMD	50%	6.25%
			SLGD	91%	6.25%
			MOC	19%	6.25%
			VIRC	36%	6.25%
Portfolio Return	24.75%		Portfolio Return	28.72%	

International Baler (IBAL) is the stale stock in each, weighing down the portfolio regardless of its performance because the other holdings have performed better.

To get any statistically significant answers to see whether a stock severely impacts a portfolio, we used more than one randomized Bowser portfolio with IBAL featured as the stale stock. The results showed an average gain of 21% for the 12-stock portfolios and 24% for the

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18-stock portfolios. Although this may not seem like a huge difference, 3% per year can add up. Overall, poor portfolio weighting by being inadequately diversified is the main factor that could negatively impact your long-term performance if it is riddled with stale stocks.

Managing a Stale Stock in Your Portfolio

The lower Bowser Rating, limited number of holdings for diversification and slower price movement makes entering new positions in stale stocks of little concern for subscribers. However, from time-to-time a subscriber will get stuck with one. What should you do?

The simple goal of an efficient portfolio management style is to allocate capital where it will bring the highest return on investment in as little time as possible. While they can be frustrating, long-term investors should embrace slower moving stocks as they are easier to track and show true, sustainable growth in value, not just pumps in share price. If a company's fundamentals are moving in the right direction, you should not be concerned.

When it comes to whether or not to sell a stale stock, always refer to the Game Plan. Over time, this investment strategy will weed out these companies inherently. If a company lacks promise, we'll recommend it be sold in the newsletter. Otherwise, the best thing to do is be patient. If you have doubts, send us an email (customerservice@thebowserreport.com). We'll provide our two cents, which will hopefully shed some light on the situation.

Galaxy Gaming receives approval

Galaxy Gaming (GLXZ) shares hit an all-time high following approval by the Nevada Gaming Control Commission to manufacture and distribute gaming products. This will allow for more market penetration and expansion down the line.

The company also refinanced its long-term loan within the past year to supplement this expansion. GLXZ gained 75% due to these two catalysts and managed to close the week out at its all-time-high. Price per share increased over the past four weeks, with a 100% increase in average volume over the past two weeks.

Market Overview

BWSR AVG	RUS 2000	DJIA	S&P 500	NASDAQ
↑ 9.8%	↑ 7.8%	↑ 4.5%	↑ 3.5%	↑ 3.0%

The stock market had one of its strongest months year-to-date. The Russell 2000 Index bounced back from last month's sell-off and recorded almost an 8% gain. Bowser stocks significantly outperformed major indices and had their best month of the year. **Galaxy Gaming (GLXZ)** gave that average a boost after gaining 75% on news that the company can now manufacture and distribute gaming products in the state of Nevada.

Conclusion

Stale stocks may have a negative connotation, but long-term investments require patience. Stale stocks are not frequently recommended, but can be a problem for the average investor.

Even though there was a difference between the 12-stock and 18-stock portfolios, mediocre performers still deliver results as long as there is some long-term goal that the company is working towards. If you find yourself questioning a company, regardless of whether or not it's a Bowser stock, try to use some of the aforementioned tips to spot flatlining before it becomes a problem. All in all, if you stick to the Game Plan and remain up-to-date on your holdings, stale stocks should not significantly impact your returns.

Sunworks wins major contract

Sunworks (SUNW) was awarded its largest contract ever to build an 8.5-megawatt solar power project in collaboration with ForeFront Power. CEO Chuck Cargile did not provide the dollar value of the contract but mentioned the location is in Northern California.

SUNW will design, engineer, procure and install a combination of parking canopy and ground mount solar solutions at multiple locations. The projects are expected to result in reduced energy costs while establishing a definitive, long-term pricing structure for the customer.

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

Innovative Food Holdings (IVFH) is one of our past recommendations that has made a great comeback as was called to our attention in part by subscriber Lee Bresmon. The company provides perishables, specialty food products and healthcare products to a wide variety of clientele. Its main food products consist of seafood, domestic and imported meats, exotic poultry, artisanal cheeses, produce and prepared meals. Its customers include restaurants, hotels, country clubs, national chain accounts, casinos, hospitals and catering houses.

IVFH operates through 10 wholly-owned subsidiaries:

- (1) *The Haley Group*, a food service consulting and advisory firm that works closely with companies to access private label and manufacturers' label food service opportunities;
- (2) *Organic Food Brokers* and
- (3) *Oasis Sales*, outsourced national sales and brand management teams for emerging organic and specialty consumer packaged food companies;
- (4) *Gourmet Food Group*, focused on expanding the company's program offerings;
- (5) *US Foods*, providing premium restaurants with fresh origin-specific perishables and healthcare products;
- (6) *Artisan*, a supplier of over 1,500 niche gourmet products to over 500 customers in the greater Chicago area and a national fulfillment center for the company's other subsidiaries;
- (7) *4 (For) the Gourmet*, online sales of gourmet food products;
- (8) *Food New Media Group*, intellectual property rights related to Artistre® line of molecular gastronomy products;
- and (9) *Good Foodservice Warehouse* and (10) *Food Innovations*, basic operations of the company.

IVFH distributes over 7,000 perishable and specialty food products and is well-known for high product quality and unique customer service, which is made up of a team of chefs.

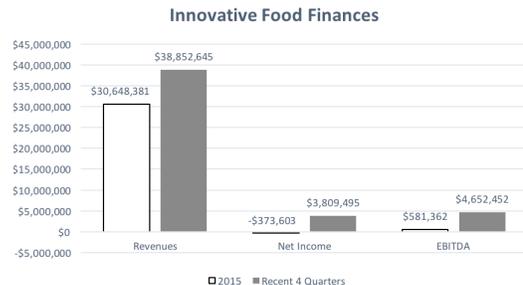
Comeback

Innovative Food was originally recommended in October 2013, and was recommended to sell in November 2015, after sales were improving but the bottom line declined for a significant period of time. Net income started sliding after the Fresh Diet acquisition, which is no longer an issue.

IVFH sold The Fresh Diet, Inc. to New Fresh LLC in March 2016. Since the announcement, the stock price

	2015	2016	2017(A)
REVENUES	\$30,648,381	\$35,172,388	\$19,998,000
INCOME (LOSS)	(\$373,603)	\$2,816,405	\$1,940,000
WORKING CAPITAL	N/A	\$772,386	\$3,252,792
BOOK VALUE	\$0.00	\$0.10	\$0.19
TOTAL SHARES	22,996,003	25,071,025	29,043,341
FLOAT	N/A	N/A	26,450,000
(A) FIRST THREE MONTHS ENDED 06/30/17			

has increased 70%. Below is a comparison of its finances in 2015 (which include The Fresh Diet) versus the four quarters after the sale of The Fresh Diet:

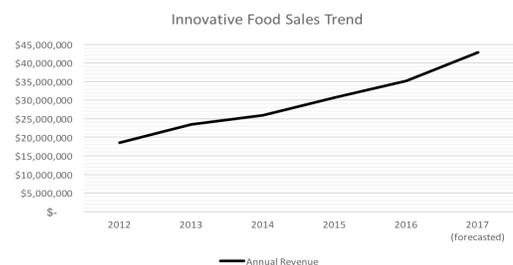


The most noteworthy increase came from the bottom line, with the company reporting net income of almost \$4 million in comparison to a net loss in the prior year. The poor decision to buy The Fresh Diet drove the majority of investors away. However, management then made the wise decision to sell, immediately affecting financials in a positive way.

Sales Breakdown

Innovative Food has historically sold the majority of its products through a distributor relationship between Food Innovations and U.S. Foods. These sales amounted to \$7,514,783 (71% of total sales) and \$5,942,466 (72% of total sales) for the three months ended June 30, 2017 and 2016, respectively.

Because revenue is increasing both with through the relationship with US Foods and in other sales channels, IVFH is on track for record revenues in 2017. Below is the company's sales trend from 2012 to 2017's forecast:



The forecast for 2017 is based on the revenue growth rates for the first and second quarter this year. Overall, strong revenue and an improving bottom line following the sale of Fresh Diet is a recipe for a promising financial future.

Chart Analysis

For long-term investments, it's important to focus on fundamentals and take only a few technical aspects into account. From a technical perspective, IVFH has great short-term and long-term trends, showing that investors are starting to discover the value of this stock. The one-

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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 10/06/17	Long-term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
CATEGORY ONE: BEST COMPANIES (RATED 10+)								
# 05/16(CM)	CEMTREX, INC. (CETX)	ELECTRONIC MANUFACTURING	2.91	\$9.669	\$124.5	\$5.044	10.3	11
Office: 19 Engineers Ln., Farmingdale, NY 11735, Tel: (631) 756-9116, www.cemtrex.com								
03/17(CM)	CENTRAL FEDERAL (CFBK)	BANK HOLDING COMPANY	2.49	\$0.000	\$11.8	\$3.810	16.3	11
11/16(N)	CHINA NEW BORUN (BORN)	CORN PRODUCTS IN CHINA	1.33	\$294.000	\$330.9	\$86.000	25.7	10
12/16(QB)	FRANKLIN WIRELESS (FKWL)	WIRELESS SOLUTIONS	2.39	\$0.000	\$60.6	\$1.856	10.5	12
10/17(QB)	INNOVATIVE FOOD (IVFH)	FOOD PRODUCTS AND SERVICES	0.94	\$0.973	\$38.9	\$2.934	31.5	10
06/17(QB)	MIKROS SYSTEMS (MKRS)	ADVANCED MAINTENANCE PRODUCTS	0.54	\$0.000	\$5.8	\$0.171	35.5	10
08/17(CM)	NATIONAL HOLDINGS (NHLD)	INVESTMENT BANKING	2.68	\$0.000	\$188.8	\$3.457	12.4	10
11/15(QX)	OURPET'S COMPANY (OPCO)	PET SUPPLIES	1.87	\$0.673	\$27.4	\$2.262	15.2	10
09/17(QX)	VIRTRA (VTSI)	LAW ENFORCEMENT TRAINING SYSTEMS	2.83	\$0.023	\$15.5	\$1.729	15.9	10
CATEGORY TWO: GOOD COMPANIES (RATED 8-9)								
03/16(CM)	BROADWAY FINANCIAL (BYFC)	BANK HOLDING COMPANY	2.50	\$0.000	\$13.1	\$4.293	18.7	8
07/17(GS)	EMMIS COMMUNICATIONS (EMMS)	NOW ABOVE \$3/SHARE; SEE PAGE 5						
12/14(QB)	INT'L BALER CORP. (IBAL)	BALING EQUIPMENT	2.01	\$0.000	\$18.5	\$0.901	5.2	9
07/13(CM)	LIGHTPATH TECH (LPTH)	OPTICAL COMPONENTS	2.80	\$10.069	\$28.4	\$7.704	24.3	9
04/17(QB)	MAMAMANCINI'S (MMMB)	FOOD PRODUCTS	1.08	\$0.443	\$19.5	\$0.366	28.9	9
01/15(N)	NEVADA GOLD & CASINOS (UWN)	GAMING OPERATIONS	2.40	\$16.231	\$72.7	\$0.744	17.8	8
11/14(QB)	NOBLE ROMAN'S (NROM)	PIZZA FRANCHISES AND LICENSES	0.53	\$2.497	\$8.3	\$0.632	20.8	8
01/17(CM)	ONE GROUP HOSPITALITY (STKS)	GLOBAL RESTAURANT OPERATIONS	1.70	\$12.031	\$70.6	\$1.103	25.1	8
04/15(QB)	SCOTT'S LIQUID GOLD (SLGD)	HOUSEHOLD AND BEAUTY PRODUCTS	2.35	\$0.944	\$37.8	\$2.179	11.9	9
04/13(CM)	SPAR GROUP (SGRP)	MERCHANDISING AND MARKETING	1.05	\$0.004	\$152.1	\$0.818	20.7	8
# 10/12(QB)	WHERE FD CMS FROM (WFCF)	FOOD VERIFICATION SERVICES	2.50	\$0.170	\$12.2	\$0.461	24.7	8
CATEGORY THREE: SPECULATIVE COMPANIES (RATED 7 AND BELOW AND/OR NON-PROFITABLE)								
# 03/13(GM)	ADVANTAGE TECH (AEY)	CABLE TV EQUIPMENT	1.47	\$10.360	\$46.2	(\$0.031)	10.2	9
# 05/14(CM)	CPS TECHNOLOGIES (CPSH)	ADVANCED MATERIAL SOLUTIONS	1.13	\$0.000	\$12.8	(\$1.329)	13.2	NR
06/14(A)	DYNASIL CORP. (DYSL)	OPTICAL COMPONENTS	1.43	\$1.507	\$40.2	\$3.366	17.0	NR
# 06/08(A)	FLEXIBLE SOLUTIONS (FSI)	SPECIALTY CHEMICALS	1.72	\$0.250	\$16.6	\$4.010	11.5	7
08/16(CM)	FULL HOUSE RESORTS (FLL)	CASINO OPERATIONS	2.85	\$98.654	\$159.2	(\$4.490)	22.9	8
05/17(QB)	GALAXY GAMING (GLXZ)	GAMING INDUSTRY PRODUCTS	1.40	\$9.692	\$12.9	\$1.499	39.4	NR
# 12/15(A)	INFUSYSTEM HOLDINGS (INFU)	MEDICAL INFUSION PUMPS	2.20	\$28.957	\$68.7	(\$3.000)	22.7	NR
10/16(CM)	KOSS CORPORATION (KOSS)	STEREO ACCESSORIES	1.57	\$0.000	\$24.1	(\$0.964)	7.4	8
07/16(CM)	LRAD CORP (LRAD)	ACOUSTIC SYSTEMS	2.14	\$0.000	\$18.5	(\$0.752)	31.8	10
02/15(GM)	NOVA LIFESTYLE INC. (NVFY)	FURNITURE MANUFACTURING/SALES	1.64	\$0.000	\$88.0	(\$1.180)	27.1	10
07/10(QB)	REPRO MED SYSTEMS (REPR)	DESIGN/PRODUCE MED PRODUCTS	0.52	\$0.000	\$12.6	(\$0.076)	37.8	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 Change

LightPath Technologies (LPTH) is the only category change this month, rising from Category 3 to Category 2. LPTH's Bowser Rating rose from a 7 to a 9, as its sales jumped 90% and its earnings, 1,820%.

VirTra awarded new contracts

VirTra (VTSI) won three new contracts with Australian law enforcement agencies totaling \$750,000, and renewed a \$2.6 million contract with the U.S. Dept. of Homeland Security. VTSI is the only company in the world to serve seven law enforcement agencies in Australia.

VTSI has issued five press releases in the past month. The other noteworthy press release stated that the company applied for an uplisting to the Nasdaq

and will be looking to raise \$5-\$10 million in a stock offering down the road. These concrete steps towards healthy growth are exactly what we mentioned in our recommendation of the stock in September.

Network-1 settles another patent suit

Network-1 Technologies (NTIP) agreed to settle its patent litigation against Avaya, Inc. for infringement of Network-1's Remote Power Patent. As part of the settlement, Avaya has entered into a non-exclusive license agreement for the full term of the Remote Power Patent, which expires in March 2020.

NTIP later announced that the USPTO issued a new patent to the company. The claims in the newly issued patent are generally directed towards methods of content identification and performance of actions following therefrom.

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 10/06/17 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)	\$3.40(9)	02/12 \$2.05(8)	MEET GROUP (CM:MEET)	\$3.64(8)	10/15 \$1.62(10)
CEMTREX, INC. (CM:CETX)	NOW \$2.91; SEE PAGE 4		NETWORK-1 TECHNOLOGIES (A:NTIP)	\$4.00(7)	03/15 \$2.29(10)
COMMAND SECURITY (A:MOC)	\$3.20(7)	03/14 \$1.92(11)	PLANET PAYMENT (CM:PLPM)	\$4.39(9)	07/15 \$2.42(10)
DLH HOLDINGS (CM:DLHC)	\$6.65(8)	01/14 \$1.53(9)	RIVERVIEW BANCORP (GS:RVSB)	\$8.76(9)	06/13 \$2.30(9)
ELECTROMED (A:ELMD)	\$7.19(10)	09/15 \$1.64(10)	ROYAL BANCSHARES OF PA (GM:RBPA)	\$4.52(7)	10/14 \$1.65(9)
EMMIS COMMUNICATIONS	\$3.56(8)	07/17 \$2.92(8)	SIMULATIONS PLUS (CM:SLP)	\$16.45(10)	05/10 \$2.46(9)
GOLDFIELD CORP. (A:GV)	\$6.10(NR)	06/12 \$1.58(8)	SMITH-MIDLAND (QX:SMID)	\$8.20(10)	02/16 \$2.38(10)
ITERIS (A:ITI)	\$7.43(7)	12/06 \$2.21(8)	SOCKET MOBILE (CM:SCKT)	\$4.11(8)	09/16 \$2.59(10)
MANHATTAN BRIDGE CAPITAL (CM:LOAN)	\$5.90(10)	02/10 \$1.10(9)	VIRCO MANUFACTURING (GM:VIRC)	\$5.85(8)	06/15 \$2.51(11)

THE FOLLOWING WE SAID SHOULD BE SOLD

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

FITLIFE BRANDS (QB:FTLF)	\$0.32	09/17 \$0.32(NR)	INFOSONICS (CM:IFON)	\$0.33	12/16 \$0.39(8)
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BRIEFS

Centrex (CETX) released comments relating to the potential value of the exchange offer for Key Tronic (KTCC). . . .

Command Security (MOC) was awarded a five-year contract to provide armed security services for the Department of State at the U.S. Mission, Tegucigalpa, Honduras. Total revenues associated with this award are estimated to be approximately \$11.0 million over the one-year base period and the four one-year option years that follow. . . .

CPS Technologies (CPSH) announced the appointment of Sales and Service Inc. as its exclusive sales representative in California, with additional territory responsibility for Arizona and Mexico. . . .

Dynasil (DYSL) announced that Xcede Technologies, Inc. has completed the bulk of the required ISO 10993-1 Testing Program for the Xcede Hemostatic Patch. . . .

The Goldfield Corp. (GV) announced substantially all of its power line construction personnel and related equipment from its Florida and Texas

operations are committed to storm restoration work in Florida as a result of Hurricane Irma. . . . **Iteris (ITI)** confirmed a \$5.5 million initial contract for its role on the I-405 Improvement project for one of the busiest freeway segments in the nation, located in Orange County. . . . **LRAD Corp. (LRAD)** announced six contracts over the past month from the U.S. military and other customers in varying locations. These contracts varied between \$600,000 and \$6 million, with the total adding up to \$10,600,000. . . . **MamaMancini's (MMMB)** Beef and Turkey Stuffed Meatballs were voted by the QVC Shopping Network audience as the #1 product in the "Quick and Easy Meals" category during QVC's 2017 Audience Choice Awards Program. . . . **Manhattan Bridge Capital (LOAN)** announced a cash dividend of \$0.1025 per share that will be paid to all shareholders of record as of October 10, 2017. The dividend will be paid on October 16, 2017. . . . **The Meet Group (MEET)** executed a definitive agreement to acquire LOVOO, a social dating app, for \$70 million in cash, inclusive of a \$5 million

contingent earn-out. MEET was later named a finalist in both Philadelphia and San Francisco for the "Best Technology Workplace for Diversity" category at the Second Annual Timmy Awards. . . . **Noble Roman's (NROM)** received a \$4.5 million loan with a 5-year maturity. The interest rate will be LIBOR plus 4.25%, and the refinancing will save the company \$150,000 per month. NROM later signed leases and began development on two additional Noble Roman's Craft Pizza & Pub locations that will be company-owned and operated. . . . **Nova LifeStyle (NVFY)** announced that US News Express selected Diamond Sofa, a Nova LifeStyle company, as one of the top 5 Asian-American Brands. . . . **Riverview Bancorp (RVSB)** announced a quarterly cash dividend of \$0.0225 per share. The dividend will be payable on October 24, 2017, to shareholders of record as of October 13, 2017. . . . **Smith-Midland (SMID)** updated investors on its project at the Calpine's York 2 Energy Center in Peach Bottom Township, PA. . . . **SPAR Group (SGRP)** announced the appointment of John E. Dilts as Vice President of Business Development. . . . **Where Food Comes From (WFCF)** announced that it has been chosen as the exclusive provider of third-party, onsite verifications for Canine Care Certified.

INSIDER TRANSACTIONS

COMPANY	SHARES TRADED	# OF TRADES	PRICE RANGE
CPS Technologies	A-1,000	1	\$1.17
DLH Holdings	OE-225,000	1	\$1.39
	D-57,407	1	\$6.16
	S-33,860x	1	\$6.11
	S-16,140	1	\$6.11
Dynasil Corp.	A-26,000	4	\$1.25
	A-5,000x	1	\$1.25
Electromed	S-271,460	4	\$7.40-\$7.55
	S-37,928x	2	\$7.49
Full House Resorts	S-22,000	1	\$2.50
InfuSystem	A-22,5000	1	\$2.00
	B-19,982	1	\$2.00
Iteris	S-380,205x	4	\$6.12-\$6.31
	S-40,000	2	\$6.13-\$6.19
	OE-40,000	1	\$1.81
The Meet Group	A-17,000	1	\$0.00
Network-1 Tech.	S-10,000	2	\$4.00-\$4.01
Noble Roman's	B-169,000x	2	\$0.60-\$0.62
Simulations Plus	S-18,500	1	\$15.45
Smith-Midland	S-7,000x	7	\$7.40-\$8.00
Socket Mobile	OE-884,768	2	\$1.25
Sono-Tek	OE-20,000	1	\$0.61
	D-9,037	1	\$1.35

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

Tracking portfolio progress

I am replicating the Beginner's Portfolio to track my portfolio performance. How do you calculate the original cost for all stocks? Also, what were the calculations to get the Compound Annual Growth Rate?

-Darlene Sye

Replicating the Beginner's Portfolio with your own holdings is what the Beginner's Portfolio is there for: to provide an example of a true Bowser portfolio. Keeping track of your investments as we do with the Beginner's Portfolio is also part of the Game Plan, allowing you to gauge your performance over time.

Original Cost

The original cost for all stocks is the total amount you have paid for your current holdings plus trade commissions. This is also commonly referred to as your cost-basis.

For example, if you purchased 100 shares of

VirTra (VTSI) for \$2.83 with a \$10 trade commission, your cost-basis would be:

$$100 \times \$2.83 = \$283 + \$10 = \$293$$

Compound Annual Growth Rate (CAGR)

The Compound Annual Growth Rate is a tricky calculation:

$$CAGR = (Ending\ Value/Beginning\ Value)^{(1/Number\ of\ Years)} - 1$$

The CAGR of the Beginner's Portfolio is:

$$CAGR = (\$17,338/\$4,766)^{(1/16.083)} - 1 = 0.0836 \text{ or } 8.36\%$$

This figure may not seem too meaningful at just over 8%, but it is impressive considering the S&P 500's CAGR over the same period is 4.47%. The few calculations in the Beginner's Portfolio are only helpful if you constantly update it! Tracking a portfolio takes time, but it also makes the investment process easier.

COMPANY OF THE MONTH... CONTINUED

year chart in one-day time intervals is pictured below:



The 50-day Simple Moving Average (dotted) and the 200-day Simple Moving Average (bold) are both sloped upward, representing a bullish long-term trend. Since the 50-day SMA is much higher than the 200-day SMA, the stock is in a bullish short-term trend, likely due to the strength from small cap stocks, but also justified by the recent record-setting earnings release.

Outlook

The specialty foods industry hit a record high of \$27.7 billion in sales, according to a Specialty Food Association annual report, and is now a \$127 billion-dollar industry. The major trends driving this growth are the acceleration of online direct-to-consumer sales, millennials purchasing food in retail stores and the shift to sustainable products.

Because Innovative Foods ships from its own warehouses directly to consumers, the company does not rely on third party vendors. Therefore, the structure of the company and tenacity of the management team position IVFH to take advantage of growth opportunities.

Although acquisitions are always a possibility,

it's more likely that IVFH would acquire another company rather than be acquired itself. The Fresh Diet acquisition resulted in a step backward, but the company has a history of making synergistic acquisitions to fuel growth.

Risks

The main potential risk is dilution. Recently, IVFH reduced this risk as a large portion of the warrants were exercised. There are currently 700,000 warrants outstanding and 1,995,000 options outstanding. This potential dilution is not nearly what it was two years ago and represents just a speed bump as long as the company continues adding value for shareholders.

The only other risk is that of a profit margin killing acquisition like that of Fresh Diet. However, the aforementioned track record of synergistic acquisitions speaks for itself.

Conclusion

Innovative Foods is the second food company that we have recommended within the past six months. Although both IVFH and **MamaMancini's (MMMB)** are in the food industry, they have different catalysts other than the booming industry. IVFH has made an incredible comeback since it cut The Fresh Diet loose and is just now starting to get some attention due to its strong financial foundation.

Moving forward, investors should look for a consistently improving bottomline and growth in more than one revenue channel. In conclusion, IVFH is an exciting low-priced specialty food company with appealing upside potential.

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Beginner's Portfolio Up 264%

BOUGHT: None this month

SOLD: None this month

	<u>Cost</u>	<u>10/06/17</u>		<u>Cost</u>	<u>10/06/17</u>		<u>Cost</u>	<u>10/06/17</u>	<u>Proceeds</u>
AAME	280/Mar '12	340	RBPA*	188/Nov '14	226	SUNW†	482/Jul '16	312	From Sales
ITI*	162/Aug '12	372	UWN	180/Jul '15	240	FLL†	384/Sep '16	570	
SGRP	178/Apr '13	105	OPCO†	196/Dec '15	374	MMMB†	200/Jun '17	216	
AEY	248/May '13	147	PLPM†	590/Jan '16	878	MKRS†	114/Jul '17	108	
MOC	209/May '14	320	SMID†*	540/Mar '16	820	EMMS†	560/Aug '17	712	
DYSL	185/Aug '14	143	BYFC†	398/Apr '16	500	NHLD†	546/Sep '17	536	

Current Holdings Value: 6,919

Original cost for all stocks: \$4,766

*Half of original holdings

Proceeds from Sales: 10,419

†Bought 200 Shares

Total Value of Portfolio: 17,338

Gain: 17,338 minus 4,766 = 12,572

Percentage of gain: 12,572 divided by 4,766 x 100 = 263.8

Compound Annual Growth Rate: 8.36%

Comments: This is a simulated portfolio for those who would like to actively participate in the stock market...**They want an approach that will serve as a learning situation...**An investment of up to \$300 a month is required...**With each new Company of the Month, 100 shares were purchased until we had 18...**We use an internet broker...**We follow the Bowser Game Plan. Portfolio started Sep. '01.**

BEGINNER'S PORTFOLIO EXPLANATION

The Beginner's Portfolio surged forward this month, surpassing a 260% lifetime gain mark. Substantial gains from **Emmis Communications (EMMS) +43%**, **Iteris (ITI) +21%** and **Smith-Midland (SMID) +19%** fueled an 11% jump in Current Holdings Value. Twelve of 18 holdings were up in the past month.

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>
LightPath Technologies (LPTH)	6/30/17	\$9,007,380	\$4,733,604	\$6,364,099	\$331,467	(A)
MamaMancini's (MMMB)	6/30/17	\$7,005,434	\$4,138,280	\$24,000	(\$277,000)	(B)
Virco Manufacturing (VIRC)	7/31/17	\$72,636,000	\$61,354,000	\$5,028,000	\$6,886,000	(C)

(A) Jim Gaynor, president and chief executive officer of LPTH, commented, "We experienced strong demand for our industrial tool, telecommunications/data communications and defense products in the 4QFY17. Total bookings were 21% higher in 4QFY17 compared to the 3QFY17, and 66% higher than the fourth quarter of last year. Amid this growth, our overall backlog decreased from the end of the third quarter, as we continued to ship products against some large annual contracts and improved manufacturing efficiencies and yields. As these annual contracts renew, we expect our backlog will increase commensurately, which will be further bolstered by new orders generated from our accelerated sales and marketing initiatives."

(B) "The second quarter was outstanding from a revenue perspective; continuing the growth trajectory of recent quarters," stated Carl Wolf, chief executive officer of MMMB. "This growth stems directly from our strategy of focusing on selling our products into the prepared foods,

ready-to-eat meals and sandwich shop areas located on fresh foods perimeter of the retail grocery store. Progressive retail stores are looking to take advantage of the growing consumer trend toward a broad array of delicious, nutritious, all-natural and easy to prepare products. As a result, we have been able to sell into higher volume per location accounts over the traditional pre-packaged retailer merchandising. We believe this trend is accelerating as evidenced by the recent acquisition of Whole Foods by Amazon."

(C) VIRC Chairman and CEO Robert Virtue was pleased with this summer's performance: "We're best when we're busy, and this was a busy summer. Order rates were good all the way through July. Because our experienced staff has been here before, we were able to accelerate smoothly to higher operating levels. Morale is great and we're looking forward to a solid fall season and an early start to preparations for another big summer next year."

NOTES BY THE EDITOR

This was an outstanding month for Bowser Companies of the Month! On average, our recommendations had their highest monthly gains in over a year.

The unusually good month resulted from a combination of strong markets and great headlines. Many recommendations recorded double-digit gains and there were very few losers.

This month's front page article dives into how stale stocks could potentially negatively impact your returns. There are various tips to make your



returns less vulnerable, but the easiest way is to stick to the Game Plan on page 2.

The best way to efficiently manage a portfolio is to remember the K.I.S.S. method (Keep It Simple, Stupid). Stick to a set of rules, stay up-to-date with headlines and don't second guess

the market.

This month's issue is the second time that I have recommended a past Bowser stock in my time with *The Bowser Report*. Both Publisher Thomas Rice and I have had this stock brought to our attention from subscribers within the past few months.

Previous recommendations are always on our watch list, but we like to hear your thoughts as you keep up with them as well. As always, keep the suggestions coming.

FIVE BOWSER STOCKS UP AND DOWN

Galaxy Gaming	UP	75%	InfoSonics	DOWN	15%
Nova LifeStyle	UP	46%	Cemtrex	DOWN	8%
Emmis Comm.	UP	43%	The Meet Group	DOWN	6%
VirTra	UP	32%	SPAR Group	DOWN	4%
Sono-Tek	UP	22%	Mikros Systems	DOWN	2%