

# The top performing stock of 2017

## Looking beyond share price to gauge the Stock of the Year

With the year coming to an end, I thought it would be a fun experiment to see which Bowser recommendation has performed the best in 2017. Most investors think that market value is the easiest way to judge a stock's performance, but this doesn't take into account value creation and other important fundamentals.

With my background being in both fundamental and technical analysis, I'll be using both methods to breakdown the top three best performing Bowser recommendations to narrow down the one with the best performance in 2017.

### Fundamentals

From a fundamental perspective, the easiest way to see if a company has been surpassing expectations is to look at year-over-year top line and bottom line growth. However, fundamental analysis doesn't just revolve around growth.

Many of the Companies of the Month are also value investments that offer a unique valuation within their industries and sectors. The price-to-book (P/B) ratio, price-to-sales (P/S) ratio and price-to-earnings (P/E) ratio are the selected valuation metrics that I will use to show how the companies have created value throughout 2017.

The P/B ratio shows how the market value of a stock compares to its book value. The lower the ratio, the better. The P/S and P/E ratios are good representations of how much value is placed on the company's sales and earnings. Investors want these ratios to be lower than the industry average to indicate undervaluation.

### Technicals

Most investors just take the shortcut of using a stock's YTD price performance to indicate strong technical performance. However, one percentage doesn't tell the full story just like one financial metric doesn't give you a good idea of the company's financial state.

The stock's position and trend strength are a couple of other great ways to rank technical performance. The position is a more complicated way of analyzing where the price has moved relative to its all-time highs and lows.

Trend strength is measured by using simple

moving averages. The higher the price is above its simple moving averages, the stronger the trend.

### The Candidates

The candidates for the best performing stock are **Full House Resorts (FLL)**, **Innovative Food Holdings (IVFH)** and **Repro Med Systems (REPR)**. These companies were selected after extensively reviewing the fundamental and technical performance of all Bowser stocks. They're each trading just under their 52-week highs and have performed very well over the past year.

### Best Fundamentals

All 3 companies have had excellent top and bottom line growth over the past few quarters. Below is a breakdown of their FY17 revenue growth:

	FY16	FY17	Change	%
FLL	\$107,804,000	\$123,467,000	\$15,663,000	14.5%
IVFH	\$25,412,000	\$30,494,000	\$5,082,000	20.0%
REPR	\$6,137,000	\$9,188,000	\$3,051,000	49.7%

REPR had the highest growth rate and saw earnings and revenue grow in both quarters. IVFH and FLL both had impressive top line growth rates but did not show year-over-year growth in all quarters.

With respect to valuation, Full House Resorts is the most undervalued. Despite the huge YTD gain, FLL has a P/B ratio of 1.58 versus that of REPR and IVFH, which are in the 4's and 5's, respectively. This may still seem like FLL is overvalued, but in comparison to the industry average of 8.9, FLL's 1.58 P/B shows significant undervaluation.

All things considered, Repro-Med has had the most appealing financial growth and increasing valuation over the past year. REPR has a P/S ratio that is about half of that of the industry average, and the high P/B ratio is typical for its industry. On top of that, the company has achieved many milestones within the past year: launching new international systems, new social media campaigns, a new customer app and even receiving a new 510(k) clearance for the RMS "Integrated Catch-Up Freedom Syringe Driver Infusion System".

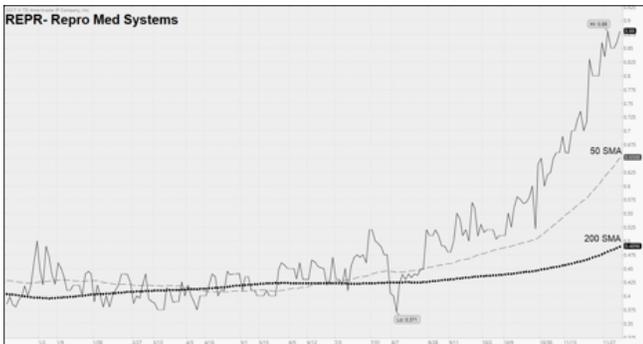
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### Best Technicals

All three stocks had outstanding technical performances in 2017. IVFH had the highest YTD gain of 193% and is still hitting new 52-week highs on a weekly basis. But remember, the stock with the best return does not always mean it has the best technicals.

The best-positioned stock was REPR with IVFH in a close second. REPR has hit a new all-time high every month since February 2017 and has had its fastest yearly rise ever in 2017.

To determine trend strength, I compared the share price to the 50-day simple moving average and 200-day simple moving average. Both FLL and IVFH are about 20-25% above their 50-day moving averages. The REPR share price is 35% above its 50-day SMA, which is 33% above its 200-day SMA.



This shows that REPR has the strongest short-term and long-term trends due to the huge move it has

### RBPA Acquisition receives approval

Royal Bancshares of Pennsylvania (RBPA) announced that Bryn Mawr Bank (BMT) received regulatory approval to acquire RBPA.

Kevin Tylus, President and CEO of RBPA commented, "Royal Bank is extremely pleased that final approval for the Merger has been received. Moving forward means that our shareholders, customers and many employees will have the opportunity to join the much admired Bryn Mawr Trust organization."

The merger, expected to close in December 2017, following this final approval, is valued at \$127.7 million, or approximately \$4.56 per share.

## Market Overview

BWSR AVG ↑ 0%	DJIA ↑ 3.7%	RUS 2000 ↑ 2.8%	S&P 500 ↑ 2.5%	NASDAQ ↑ 0.7%
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Major indices continued to all-time highs on the Tax Bill headlines and saw a short-lived spike in volatility. The Nasdaq was the only laggard due to money flowing out of the technology sector. Bowser stocks closed even on the month due to significant drops from some of last month's leaders. **The ONE Group Hospitality (STKS)** was the top gainer after announcing extensive expansions into Mexico and Dubai.

made over the past few months.

### Conclusion

While we've had some great performers over the past year, one stands out among the rest. Repro-Med has had outstanding top and bottom line growth and achieved major milestones over the past few months. It has been a slow and steady climb for long-term holders, but the stock has soared recently and is up 95% YTD. Fueled by the rapid growth of late, REPR has a strong short-term trend.

Overall, REPR might not have been the top gainer for 2017, but it has taken the spotlight as one of the strongest Bowser performers in quite some time. Repro-Med Systems is 2017's Stock of the Year.

### Noble Roman's expands

Noble Roman's (NROM) opened a second location of the company's new-generation, stand-alone pizzeria concept dubbed Noble Roman's Craft Pizza & Pub. The newest location is in Whitestown, IN, just off I-65 in Anson Village. Following the opening of the new location, NROM announced that it significantly exceeded its opening 7-day net sales target, matching the results from the first unit which opened earlier this year.

Noble Roman's also announced the hiring of Michael Lingor as Vice President of Development to work exclusively on franchise sales for this new segment.

## 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

**Leatt Corp. (LEAT)** designs, develops, markets and distributes personal protective equipment for participants in motor sports including motorcycles, bicycles, snowmobiles and ATVs. The company is renowned for the award-winning Leatt-Brace®, a patented injection molded neck protection system. LEAT has since extended its range to include helmets, body armor, knee braces, elbow guards, hydration systems and other cutting-edge products.

Research and Development takes place in Cape Town, South Africa, and production is based predominantly in China. LEAT has warehouses and a distribution office in California for the North American market, as well as a worldwide network of distributors. The company's main focus is to prevent injuries and its proprietary products are a result of Dr. Chris Leatt's medical knowledge.

## Unique Products

Leatt markets and distributes high-quality products based off of its Leatt-Brace® system at price points higher than the industry average. Its helmets and neck braces have the highest margins and can cost up to \$450, while the low-ticket products can cost as low as \$15. Below are some of the high-ticket products such as body armor, hydration packs, helmets, protective pants and neck braces:



Below are two of the low-ticket products, which include shirts and gloves:



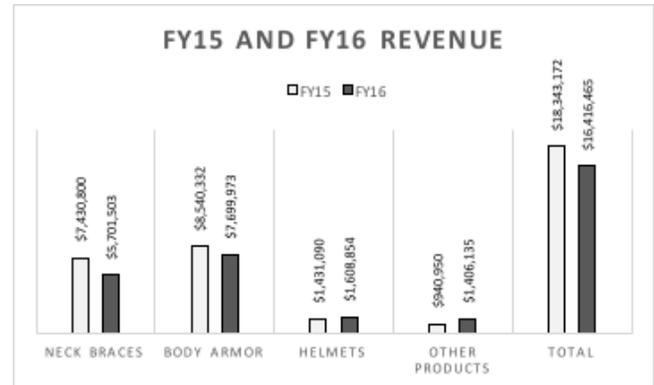
It's important to note that there is a license agreement between LEAT and Xceed Holdings, a company owned and controlled by the company's chairman and founder, Dr. Leatt.

Each of these products has a sleek design and is well-known due to the company's high brand awareness. The various testimonials and proprietary design show that there is a strong demand in the current market state.

## Sales Breakdown

LEAT shares are down 26% from their 52-week high due to

misleading sales. The company reported a 10% decrease in annual sales from FY15 to FY16, but actually made some meaningful advancements in the right markets. Below is a sales breakdown for each product segment for the two years:



**LEATT**  
**OTC QB: LEAT**  
**BOWSER RATING: 10**  
**Last 12 Months: \$1.60-2.60**

At a glance, it would seem that the decreases in neck braces and body armor are damaging, but the shift towards improving helmets and other product revenue is very beneficial. The company currently has over a 60% market share in the neck braces segment and saw a decrease in sales due to LEAT's largest

European customers having less purchasing power. This lack of purchasing power was a result of the decline of the EURO in comparison to the US Dollar. The EUR/USD exchange rate is up about 11% YTD and was down about 5% for FY16.

It's also likely that since neck braces had outstanding sales in the prior year, there were fewer recurring customers as the gear is high quality and lasts longer. To tackle this issue, LEAT intends to have the award-winning Leatt 3.5 Neck Brace range in stores by 1Q FY18. This new range of neck braces is the lightest and most affordable ever produced by the company.

The increase in helmets sales is noteworthy as that is one of the more difficult markets to penetrate and has a high profit margin. The increase in other products was due to the initial shipment of the GPX and DBX apparel lines for off-road motorcycle and bicycle use.

If neck brace sales bounce back and the helmet segment improves moving forward, sales will improve and potentially hit record-highs. Either way, the recent

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	2015	2016	2017(A)
REVENUES	\$18,343,172	\$16,416,465	\$14,783,154
INCOME (LOSS)	\$418,351	(\$455,237)	\$344,186
WORKING CAPITAL	\$5,960,706	\$5,929,996	\$5,893,111
BOOK VALUE	\$1.42	\$1.35	\$1.44
TOTAL SHARES	5,216,483	5,310,966	5,366,382
FLOAT	N/A	N/A	3,350,000
(A) FIRST NINE MONTHS ENDED 09/30/17			

# 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 12/08/17	Long-term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
<b>CATEGORY ONE: BEST COMPANIES (RATED 10+)</b>								
03/16(CM)	BROADWAY FINANCIAL (BYFC)	BANK HOLDING COMPANY	2.18	\$0.000	\$13.6	\$4.469	18.7	10
03/17(CM)	CENTRAL FEDERAL (CFBK)	BANK HOLDING COMPANY	2.60	\$0.000	\$11.8	\$3.810	16.3	11
12/16(QB)	FRANKLIN WIRELESS (FKWL)	WIRELESS SOLUTIONS	1.80	\$0.000	\$60.6	\$1.856	10.5	12
10/17(QB)	INNOVATIVE FOOD (IVFH)	FOOD PRODUCTS AND SERVICES	1.32	\$0.919	\$40.3	\$3.600	32.6	10
12/17(QB)	<b>LEATT CORP.</b>	<b>PERSONAL PROTECTIVE EQUIPMENT</b>	<b>1.92</b>	<b>\$0.000</b>	<b>\$18.1</b>	<b>(\$0.252)</b>	<b>5.4</b>	<b>10</b>
06/17(QB)	MIKROS SYSTEMS (MKRS)	ADVANCED MAINTENANCE PRODUCTS	0.41	\$0.000	\$5.8	\$0.171	35.5	10
08/17(CM)	NATIONAL HOLDINGS (NHLD)	INVESTMENT BANKING	2.44	\$0.000	\$188.8	\$3.457	12.4	10
11/15(QX)	OURPET'S COMPANY (OPCO)	PET SUPPLIES	1.31	\$0.673	\$27.4	\$2.262	15.2	10
# 09/17(QX)	VIRTRA (VTSI)	LAW ENFORCEMENT TRAINING SYSTEMS	2.75	\$0.023	\$17.2	\$1.729	15.9	10
		Office: 7970 South Kyrene R.d, Tempe, AZ 85284, Tel: (480) 968-1488, www.virtra.com						
<b>CATEGORY TWO: GOOD COMPANIES (RATED 8-9)</b>								
# 05/16(CM)	CEMTREX, INC. (CETX)	ELECTRONIC MANUFACTURING	2.68	\$9.669	\$120.6	\$4.390	10.2	9
# 06/08(A)	FLEXIBLE SOLUTIONS (FSI)	SPECIALTY CHEMICALS	1.69	\$0.201	\$16.7	\$3.652	11.5	8
12/14(QB)	INT'L BALER CORP. (IBAL)	BALING EQUIPMENT	2.02	\$0.000	\$18.5	\$0.901	5.2	9
11/17(CM)	LANTRONIX (LTRX)	DATA ACCESS AND MANAGEMENT	1.90	\$0.044	\$44.4	(\$0.814)	17.9	8
07/13(CM)	LIGHTPATH TECH (LPTH)	OPTICAL COMPONENTS	2.35	\$9.771	\$30.9	\$7.781	24.5	9
		Office: 2603 Challenger Tech Ct., Ste. 100, Orlando, FL 32826, Tel: (407) 382-4003, www.lightpath.com						
04/17(QB)	MAMAMANCINI'S (MMMB)	FOOD PRODUCTS	1.15	\$0.443	\$19.5	\$0.366	28.9	9
01/15(N)	NEVADA GOLD & CASINOS (UWN)	GAMING OPERATIONS	2.65	\$16.231	\$72.7	\$0.744	17.8	8
11/14(QB)	NOBLE ROMAN'S (NRDM)	PIZZA FRANCHISES AND LICENSES	0.60	\$6.396	\$9.3	(\$0.663)	20.8	8
01/17(CM)	ONE GROUP HOSPITALITY (STKS)	GLOBAL RESTAURANT OPERATIONS	2.41	\$12.031	\$70.6	\$1.103	25.1	8
07/10(QB)	REPRO MED SYSTEMS (REPR)	DESIGN/PRODUCE MED PRODUCTS	0.88	\$0.000	\$12.3	\$0.408	37.9	9
04/15(QB)	SCOTT'S LIQUID GOLD (SLGD)	HOUSEHOLD AND BEAUTY PRODUCTS	2.49	\$0.556	\$41.6	\$4.272	11.9	9
04/13(CM)	SPAR GROUP (SGRP)	MERCHANDISING AND MARKETING	1.06	\$0.033	\$175.9	\$0.435	20.6	8
# 10/12(QB)	WHERE FD CMS FROM (WFCF)	FOOD VERIFICATION SERVICES	2.85	\$0.046	\$13.6	\$0.488	24.7	9
<b>CATEGORY THREE: SPECULATIVE COMPANIES (RATED 7 AND BELOW AND/OR NON-PROFITABLE)</b>								
# 03/13(GM)	ADVANTAGE TECH (AEY)	CABLE TV EQUIPMENT	1.48	\$10.360	\$46.2	(\$0.031)	10.2	9
11/16(N)	CHINA NEW BORUN (BORN)	CORN PRODUCTS IN CHINA	1.23	\$43.332	\$308.6	\$11.910	25.7	NR
# 03/14(A)	COMMAND SECURITY (MOC)	SECURITY PERSONNEL/SERVICES	2.92	\$0.000	\$177.0	(\$2.510)	9.9	7
		Office: 512 Herndon Pkwy, Ste. A, Herndon, VA 20170, Tel: (703) 464-4735, www.commandsecurity.com						
# 05/14(CM)	CPS TECHNOLOGIES (CPSH)	ADVANCED MATERIAL SOLUTIONS	1.46	\$0.000	\$13.7	(\$1.177)	13.2	8
06/14(A)	DYNASIL CORP. (DYSL)	OPTICAL COMPONENTS	1.21	\$1.507	\$40.2	\$3.366	17.0	NR
08/16(CM)	FULL HOUSE RESORTS (FLL)	<b>NOW ABOVE \$3/SHARE; SEE PAGE 5</b>						
05/17(QB)	GALAXY GAMING (GLXZ)	GAMING INDUSTRY PRODUCTS	1.28	\$8.764	\$14.2	\$0.166	39.6	NR
# 12/15(A)	INFUSYSTEM HOLDINGS (INFU)	MEDICAL INFUSION PUMPS	2.35	\$28.957	\$68.7	(\$3.000)	22.7	NR
10/16(CM)	KOSS CORPORATION (KOSS)	STEREO ACCESSORIES	1.58	\$0.000	\$24.1	(\$0.964)	7.4	8
07/16(CM)	LRAD CORP (LRAD)	ACOUSTIC SYSTEMS	2.23	\$0.000	\$18.5	(\$0.752)	31.8	10
# 03/15(A)	NETWORK-1 TECH (NTIP)	INTELLECTUAL PROPERTY	2.65	\$0.000	\$19.5	\$4.801	24.1	7
		Office: 445 Park Ave., Ste. 912, New York, NY 10022, Tel: (212) 829-5770, www.network-1.com						
02/15(GM)	NOVA LIFESTYLE INC. (NVFY)	FURNITURE MANUFACTURING/SALES	1.95	\$0.000	\$88.0	(\$1.180)	27.1	10
08/14(QB)	SONO-TEK CORP. (SOTK)	ULTRASONIC NOZZLES	1.68	\$1.002	\$10.0	\$0.056	15.0	7
# 06/16(A)	SUNWORKS, INC. (SUNW)	SOLAR ENERGY SYSTEMS	1.00	\$1.415	\$76.6	(\$7.457)	22.5	9

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

As a result of a busy earnings season, we have a few changes to the category designations above. Two companies are moving down: **Cemtrex (CETX)** is moving from Cat. 1 to Cat. 2; and **China New Borun (BORN)** from Cat. 1 to Cat. 3.

Two companies are moving up from Cat. 3 to Cat. 2: **Flexible Solutions (FSI)**--sales +7%-- and **Repro-Med Systems (REPR)**--sales +22% and earnings up over \$400,000 for the quarter.

## The ONE Group expands to Mexico

The ONE Group Hospitality (STKS) signed a licensing agreement with Grupo Restaurantero Dinar to open four locations in Mexico. The first two locations are expected to open in Mexico City and Guadalajara in late 2018.

The third and fourth restaurants are expected to open in Monterrey and Cabo. STK Mexico City is expected to have indoor and terrace seating for 175 guests, while STK Guadalajara will seat 150 between the restaurant and the terrace.

# 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 **12/08/17** 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)	\$3.45(10)	02/12 \$2.05(8)	NETWORK-1 TECHNOLOGIES (A:NTIP)	<b>NOW \$2.65; SEE PAGE 4</b>	
COMMAND SECURITY (A:MOC)	<b>NOW \$2.92; SEE PAGE 4</b>		PLANET PAYMENT (CM:PLPM)	\$4.49(9)	07/15 \$2.42(10)
DLH HOLDINGS (CM:DLHC)	\$6.44(7)	01/14 \$1.53(9)	RIVERVIEW BANCORP (GS:RVSB)	\$9.04(9)	06/13 \$2.30(9)
ELECTROMED (A:ELMD)	\$5.52(10)	09/15 \$1.64(10)	ROYAL BANCSHARES OF PA (GM:RBPAA)	\$4.49(8)	10/14 \$1.65(9)
EMMIS COMMUNICATIONS (GS:EMMS)	\$3.58(8)	07/17 \$2.92(8)	SIMULATIONS PLUS (CM:SLP)	\$15.95(9)	05/10 \$2.46(9)
GOLDFIELD CORP. (A:GV)	\$5.00(NR)	06/12 \$1.58(8)	SMITH-MIDLAND (QX:SMID)	\$6.35(10)	02/16 \$2.38(10)
ITERIS (A:ITI)	\$6.95(7)	12/06 \$2.21(8)	SOCKET MOBILE (CM:SCKT)	\$3.44(8)	09/16 \$2.59(10)
LIGHTPATH TECHNOLOGIES (CM:LPTH)	<b>NOW \$2.35; SEE PAGE 4</b>		VIRCO MANUFACTURING (GM:VIRC)	\$5.28(8)	06/15 \$2.51(11)
MANHATTAN BRIDGE CAPITAL (CM:LOAN)	\$5.80(10)	02/10 \$1.10(9)	VIRTRA (QX:VTSI)	<b>NOW \$2.75; SEE PAGE 4</b>	
MEET GROUP (CM:MEET)	<b>NOW IN BOWSER DATABASE</b>				

## 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)	\$0.28	09/17 \$0.32(NR)	INFOSONICS (CM:IFON) (1-for-5 rev. split Oct. '17)	\$1.48	12/16 \$1.95(8)
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## BRIEFS

**Atlantic American (AAME)** appointed J. Ross Franklin to serve as vice president, CFO and corporate secretary. . . . **CPS Tech. (CPSH)** announced MC Sales Solution as its exclusive sales representative in Texas, with additional territory responsibility for Arkansas, Louisiana, Oklahoma and Missouri. CPSH also announced that a jointly-developed integrated armor solution incorporating CPS' HybridTech Armor® is now undergoing sea trials for a key U.S. Navy requirement. . . . **Innovative Food (IVFH)** announced Nathaniel Klein as an independent director of its board. . . . **Iteris (ITI)** was awarded a \$1.5 million contract for a traffic-signal upgrade project from the City of Abilene, TX. ITI is also one of 10 firms to be awarded the Texas Department of Transportation's Wave 4 Traffic Engineering contract, a two-year commitment with a potential value of up to \$2 million. . . . **Lantronix (LTRX)** launched its xPico® 200 embedded IoT gateways. LTRX was also named to CRN®'s 2017 Internet

of Things 50 list. . . **LightPath Tech. (LPTH)** completed its manufacturing facilities expansion in Latvia. LightPath also expanded its operations in China with the addition of 1,200 square meters of manufacturing space, upgrades to coating facilities, increased machine shop space for a significant cost reduction in parts and enlarged dicing and assembly production areas. . . . **LRAD Corp. (LRAD)** received a \$1.1 million border and maritime security order for LRAD 500X and LRAD 1000X from Southeast Asia. LRAD also announced a \$1.5 million follow-on LRAD 360XT systems order from one of the largest oil and gas companies in Eurasia. . . . **National Holdings (NHLD)** added three new key employees to National Securities Corp. and National Asset Management. . . . **Network-1 Tech. (NTIP)** announced that the U.S. Patent and Trademark Office issued them U.S. Patent Nos. 9,824,098 and 9,832,266. . . . **Nova LifeStyle (NVFY)** provided financial guidance for the fourth quarter ending December 31, 2017 of net income around \$1 million per month. . . . **The ONE Group Hospitality (STKS)** closed a strategic financing with Elevated Returns, Argyle Street Management and another accredited investor to further strengthen the company's balance sheet and fund strategic initiatives. STKS also opened a STK at the Rixos Premium Dubai at the Jerimiah Beach Residences. . . . **Repro-Med (REPR)** announced that the FDA officially notified REPR that the Warning Letter issued on February 26, 2016 has been closed. This was mainly as a result of a comprehensive "Integrated Catch-Up Freedom Syringe Driver System" 510(k) K162613. . . . **Simulations Plus (SLP)** released version 8.5 of its best-in-class molecular property prediction program, ADMET Predictor™. . . . **SPAR Group (SGRP)** promoted Gerry Marrone to chief revenue officer. . . . **VirTra (VTSI)** announced that Missouri's O'Fallon Police Department has installed a VirTra V-300™ simulator. VTSI also announced a new series of training cartridges for the AXON X2 and X26P TASER handles.

## INSIDER TRANSACTIONS

COMPANY	SHARES TRADED	# OF TRADES	PRICE RANGE
<b>Broadway Financial</b>	D-56,294	32	2.17-2.48
<b>CPS Technologies</b>	A-1,000	1	1.36
	D-14,421	1	1.15
<b>DLH Holdings</b>	A-93,125	7	0.00
<b>Dynasil</b>	A-96,930x	1	0.00
	D-96,930	1	0.00
<b>Electromed</b>	A-10,000	5	0.00
<b>Full House Resorts</b>	S-68,015	4	3.45-3.71
<b>InfuSystem Holdings</b>	B-102,602	5	2.04-2.30
<b>Iteris</b>	OE-37,500	1	1.87
	S-37,500	1	6.10
<b>Lantronix</b>	A-23,329	4	1.02-1.06
	D-19,299	1	2.01
	OE-47,500	3	0.00
<b>LightPath Tech</b>	OE-15,000	1	3.05
<b>Network-1 Tech</b>	S-200,000x	1	2.60
<b>Riverview Bancorp</b>	S-39,778x	3	8.54-8.60
<b>Simulations Plus</b>	AS-18,500	1	15.78
<b>Sono-Tek</b>	D-3,000	1	0.00
	S-74,335	3	1.41-1.45
<b>Sunworks</b>	B-20,000	1	1.01

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.

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# BUCKAROOS SPEAK

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## GETTING STARTED

*I am just starting. How many shares of a stock should I purchase? Should I just pick from from Cat. 1 and 2 stocks listed on page 4 or is there a starter list that is preferred?*

*--Doug Cromes*

The number of shares you purchase is 100% based on your comfort level and the amount of capital you have to invest. You want to be able to split your available capital over 12 to 18 companies by purchasing an equal number of shares or investing in equal dollar amounts of each Company of the Month. Many subscribers start with 100-200 shares per company.

Start with Cat. 1 on page 4. Try to find

companies in that list that interest you. You can also dip into Cat. 2. However, don't feel obligated to fill a portfolio right away, as you'll want to save room/capital to invest in new Companies of the Month as they are recommended.

## PUMP AND DUMP OR LEGIT STOCK?

*How can I tell if this stock is legit or a pump & dump?*

*--Mike Levine*

At times it can be hard, but Cleveland.com lays out some good rules of thumb: (1) there's a lot of hype; (2) frequent changes in company names and industries; (3) what promoters tell investors doesn't match what they say to regulators; (4) regulators have no record of the company; and (5) people promoting the product/stock aren't licensed brokers.

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# COMPANY OF THE MONTH... CONTINUED

3Q FY17 year-over-year revenue increase of 18% and EBITDA increase of 231% shows that the 2016 sales figures are misleading and that the top line is improving.

## Financials and Valuation

LEAT is appealing as both a growth and value investment. In terms of growth, the company is structured to be able to scale out its business. It currently has \$1,234,872 in cash and no long-term debt, which minimizes risk for long-term investors. It also has an assets-to-liabilities ratio of 2.3-to-1 and under \$60,000 in short-term debt. These are signs of a strong financial foundation and give the company the ability to take on debt if it decides to significantly expand.

Although LEAT has a trailing twelve-month net loss, any improvement in either of the four product segments should result in additional shareholder value. The price-to-book ratio of 1.3 shows that the company is fairly valued, but still has a strong valuation in comparison to the industry average of 3.2. This means that the average competitor is valued almost 3 times more than LEAT.

Valuation metrics are tough to generalize, but industry comparisons give a good idea of whether or not the company has a competitive advantage. The price-to-sales ratio is a good representation of the value placed on each dollar of the company's sales. LEAT's price-to-sales ratio (market capitalization divided by trailing twelve-month sales) of \$0.57 is 30% lower than the industry average of \$0.80, which is yet another sign of undervaluation.

## Management

LEAT's small team of 44 employees out of Cape Town, South Africa, is led by Founder Dr. Chris Leatt, CEO Sean Macdonald and Director Jeffrey Guzy. Dr. Leatt studied medicine at the University of Cape Town and held positions in general surgery and general medicine before becoming a General Medical Practitioner and chairman of Eerste River Independent Practitioners Association. He later resigned from his post in neurosurgery to develop a

neck protection system. This medical background led the development of the Leatt-Brace® and has allowed LEAT to gain a competitive edge.

Sean Macdonald has been a director since 2010 and has handled the duties of CFO since 2009. Prior to getting his CPA and working for LEAT, Macdonald was the CFO of the largest bicycle retailer in South Africa for 5 years. Not only is this experience great for any CEO, but it's also industry-specific.

Jeffrey Guzy has a unique background in international expansion and was the founder and EVP of Sales, Marketing, Product and Business Development of FaciliCom International, a \$500 million international carrier. Mr. Guzy has had key executive positions at several large carriers, including Comsat International, Sprint and Bell Atlantic.

## Risks and Conclusion

The main risk associated with LEAT is the recent decline in sales. It's crucial that the company improves its top line, specifically for its neck braces and helmets. The recent small price increases seemed to have a negative impact, which could lead to long-term revenue decay. However, price increases are usually a temporary setback.

The low float is a small risk as it can result in high relative volatility. For more volatile stocks, consider waiting for the stock to settle down after the recommendation or use a limit order.

LEAT offers a unique opportunity at the current price. The stock is down 26% from its 52-week high and 64% from its 3-year high. It is undervalued in comparison to competitors and there is an opportunity to buy the dip. Its proprietary system and unique products indicate that it will maintain its market share and improve its top line. Overall, LEAT is a unique growth and value investment with exciting products and a promising management team.

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## Beginner's Portfolio Up 256%

**BOUGHT:** VTSI @ \$2.75 plus \$10 commissions = \$560  
 IVFH @ \$1.32 plus \$10 commissions = \$274  
 LTRX @ \$1.90 plus \$10 commissions = \$390

**SOLD:** FLL @ \$3.84 (100 shares) less \$10 commissions = \$374  
 ITI @ \$6.13 (50 shares) less \$10 commissions = \$297  
 SMID @ \$6.75 (100 shares) less \$10 commissions = \$665  
 SUNW @ \$1.21 (200 shares) less \$10 commissions = \$232

BOUGHT			SOLD			Current Holdings			Proceeds
Symbol	Cost	12/08/17	Symbol	Cost	12/08/17	Symbol	Cost	12/08/17	From Sales
AAME	280/Mar '12	345	UWN	180/Jul '15	265	MKRS†	114/Jul '17	82	
SGRP	178/Apr '13	106	OPCO†	196/Dec '15	262	EMMS†	560/Aug '17	716	10,419
AEY	248/May '13	148	PLPM†	590/Jan '16	898	NHLD†	546/Sep '17	488	374
MOC	209/May '14	292	BYFC†	398/Apr '16	436	VTSI†	560/Dec '17	550	297
DYSL	185/Aug '14	121	FLL†*	384/Sep '16	385	IVFH†	274/Dec '17	264	665
RBPA*	188/Nov '14	225	MMMB†	200/Jun '17	230	LTRX†	390/Dec '17	380	232
						<b>Current Holdings Value:</b>	6,193		(560)
Original cost for all stocks: \$4,766						*Half of original holdings	<b>Proceeds from Sales:</b>	10,773	(264)
Gain: 16,966 minus 4,766 = 12,200						†Bought 200 Shares	<b>Total Value of Portfolio:</b>	<b>16,966</b>	<b>(390)</b>
									<b>10,773</b>
Percentage of gain: 12,200 divided by 4,766 x 100 = 256.0						<b>Compound Annual Growth Rate:</b>	8.13%		

**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

There were many changes this month as two companies dropped 25% from their most recent highs after doubling: **Iteris (ITI)** fell below \$6.13; and **Smith-Midland (SMID)** fell below \$6.75. **Sunworks (SUNW)** fell 50% without doubling. **Full House Resorts (FLL)** doubled.

## EARNINGS

	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
Atlantic American (AAME)	09/30/17	\$44,798,000	\$42,447,000	\$747,000	\$149,000	
Cemtrex (CETX)	09/30/17	\$32,919,304	\$36,766,914	\$1,388,172	\$2,040,714	
China New Borun (BORN)	09/30/17	\$68,859,396	\$91,029,576	\$190,949	\$1,213,411	(A)
DLH Holdings (DLHC)	09/30/17	\$30,390,000	\$27,120,000	\$1,040,000	\$2,387,000	
Flexible Solutions (FSI)	09/30/17	\$3,269,386	\$3,117,034	(\$278,924)	\$85,964	(B)
Galaxy Gaming (GLXZ)	09/30/17	\$3,830,420	\$3,191,969	(\$27,930)	\$661,718	(C)
Innovative Foods (IVFH)	09/30/17	\$10,495,637	\$9,094,443	\$1,532,892	\$866,607	
Network-1 Technologies (NTIP)	09/30/17	\$3,237,000	\$34,326,000	\$648,000	\$10,832,000	(D)
Noble Roman's (NROM)	09/30/17	\$2,021,993	\$2,512,921	(\$992,519)	(\$1,176,741)	
Nova Lifestyle (NVFY)	09/30/17	\$33,222,625	\$30,538,918	\$2,956,633	\$301,337	
Repro-Med Systems (REPR)	09/30/17	\$3,849,338	\$3,221,502	\$265,754	(\$153,213)	
Scott's Liquid Gold (SLGD)	09/30/17	\$10,340,600	\$9,936,900	\$1,474,800	\$603,600	
Simulations Plus (SLP)	08/31/17	\$6,265,869	\$3,957,540	\$1,150,243	\$788,975	
SPAR Group (SGRP)	09/30/17	\$48,752,000	\$33,438,000	\$586,000	\$488,000	
Sunworks (SUNW)	09/30/17	\$18,797,000	\$17,557,000	(\$1,959,000)	(\$6,085,000)	
VirTra (VTSI)	09/30/17	\$4,686,445	\$3,041,701	\$742,125	(\$10,083)	

- (A) "Demand remains strong, and we are encouraged by an increase in the average selling price of edible alcohol, which expanded 7% sequentially from that of the second quarter. With our facilities back up to full speed and corn prices stabilizing, we anticipate higher revenue and sequential margin expansion in the fourth quarter of 2017," Jinnmiao Wang, BORN's CEO commented.
- (B) Daniel B. O'Brien, FSI's CEO: "While earnings were less than 2016, the change is attributable to the disruption

- from the fire in February and normal fluctuations in cost of raw materials as well as product mix by market vertical."
- (C) "We have been affected by higher interest expense from the new debt facility completed in third quarter of 2016. However, as has been the case all year, cash flow remains strong," noted Harry Hagerty, CFO of GLXZ.
- (D) Sales for the 3Q 2016 include \$33 million related to patent litigation settlements. Excluding such one-time fees, NTIP's revenue in 3Q 2017 increased 59%.

## NOTES BY THE EDITOR

We are excited to announce an addition to [thebowserreport.com](http://thebowserreport.com). Coming in the New Year, we'll feature a members only forum.

The benefit to such an addition is increased interaction both from subscriber to Bowser Report staff and from subscriber to subscriber. We'll have discussion boards for a variety of topics including Company of the Month recommendations, Bowser success stories, stocks to watch, etc.



We hope this addition will be complete in January, but be sure to check the website every now and again for updates on exact date.

This addition will only be available to subscribers with online access.

**With the new addition, we hope more of our print only subscribers decide to try out the online version of the newsletter.** To get you print only subscribers started, those with print only subscription will receive free online access for the duration of your current subscription.

To take advantage of this offer, email us at [customerservice@thebowserreport.com](mailto:customerservice@thebowserreport.com) with your request. Be sure to include the first and last name your subscription is under.

### FIVE BOWSER STOCKS UP AND DOWN

The ONE Group	UP	59%	LightPath Tech.	DOWN	41%
Repro Med Systems	UP	42%	Network-1 Tech.	DOWN	38%
Full House Resorts	UP	38%	The MEET Group	DOWN	31%
Innovative Food Holdings	UP	33%	Sunworks	DOWN	28%
CPS Technologies	UP	24%	Electromed	DOWN	26%