

Jeff Cochran has made \$500,000

Subscriber tells his inspirational story with The Bowser Report

Jeff Cochran has been a subscriber to The Bowser Report for well over a decade. Starting with just over \$15,000, he has made more than \$500,000 from our recommendations. Jeff has a simple and successful approach to investing. With the hope of inspiring other subscribers, Editor Faris Sleem and Publisher Thomas Rice spoke with Jeff on January 20, 2018.

Rice: How did you get started investing?

Cochran: I've been investing since 1980, but didn't hear about *The Bowser Report* until 2004. A friend of mine who passed away a few years ago told me about your newsletter and some of your stock recommendations. At the time, he had subscribed for ten years, but hadn't ever bought a recommendation.

In 2004, I started buying one or two of the recommendations a month with just a couple hundred shares depending on how much I liked them. I started with \$15,488 and was actively looking for dividend stocks.

I followed most of the rules in the Game Plan, but some of my highest returns have been from holding onto winners. If the company paid a dividend and had good earnings/revenue outlook, I wouldn't sell it. Usually, if a growing company doubles at a sustainable rate and has a good business model, it's going to keep growing.

For example, I called the CEO of **Riverview Bancorp (RVSB)**. The stock already doubled, but after hearing more about how great the company was doing, I was convinced that I should buy more. I turned around and bought 50,000 more shares.

Rice: One thing that surprises me is the hesitation from your friend who introduced you to the newsletter. Why do you think he

didn't invest?

Cochran: I think that a lot of people have the idea that investing is for rich people who know what they're doing. He loved trying new things, but the stock market was something he didn't know anything about. He was a sharp fellow, and he didn't want to put his money where there could be unforeseen risks. After I bought some of the stocks and profited, he realized that anyone could invest and started taking it seriously.

He was also from a generation that has seen a lot of stock market crashes. People from that generation are fearful of losing it all. I'm fully invested with barely anything in cash and, even if the market did crash, I would be fine because penny stocks don't really move with the market all that much. It's just another reason I love investing in them.

Sleem: Even though you diversify your portfolio, what action would you take if there were another financial crisis?

Cochran: Maybe I'm crazy, but I don't try to time the markets, and I don't get scared when everyone is saying to sell. If everybody is screaming at me to sell because the market will crash lower, I'll probably try to invest more if I have the cash available. There's an old Wall Street saying to be greedy when others are fearful.

I lost 40% of my portfolio in 2008 and held on. I had a co-worker telling me that the global economy would collapse, but I knew there was no way that was going to happen. So, when everyone told me to sell, I bought. Eighteen months later, my portfolio was up 110%.

It's all psychological. I'd rather sit

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through a market downturn fully invested than watch the markets take off while I'm sitting in cash. A lot of investors overthink things and miss out on opportunities by doing so.

Sleem: What kind of advice would you give investors who have yet to overcome the mental obstacle of overthinking the process?

Cochran: Follow the Game Plan. That takes all the emotions out of investing. Diversify like you're creating your own mutual fund and sell when you get a double.

I have broken the rules here or there, but usually it's for good reason because I do more research than the average investor. The numbers in the Game Plan weren't just drawn out of a hat. Max Bowser did the math and tested it many times. It's also simpler for the average investor because they have to work and don't have time to do research and follow the stocks closely.

Rice: There's tremendous value in the Game Plan for those who, as you suggest, are just getting started or don't have time. For others, stepping outside of the guidelines can be beneficial if they know what they're doing. What are some instances where operating outside of the Game Plan has hurt or helped you?

Cochran: Sometimes if a stock drops 50% and I really like the value of the company and the earnings/revenue outlook, I'll hold it. I've lost on a few plays this way, but usually I end up with a positive return, just not as high as some other holdings.

I never sold **OurPet's (OPCO)** because I liked the value and revenue growth, and I think they are doing well in their niche. I'm up 21% on the stock. It's not much compared to

Market Overview

BWSR AVG ↑ 0.6%	NASDAQ ↑ 3.3%	DJIA ↑ 2.9%	S&P 500 ↑ 2.6%	RUS 2000 ↓ 0.1%
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Stocks opened up the New Year with a bang and surged to more all-time highs. Small cap stocks underperformed for the second month in a row, with the Russell 2000 Index closing slightly red. Bowser stocks underperformed large cap stocks but outperformed the Russell 2000 Index. **Smith-Midland (SMID)** was this month's top gainer after announcing the largest J-J Hooks order in the history of the company.

other stocks, but it did recover fully.

It's also helped me with some bank stocks. I do backflips when you recommend them because they usually pay dividends, and the financial sector is going to do well with rising rates. It takes improving outlook like rising interest rates helping banks for me to break the rules and buy more. Of course, the company needs to have good fundamentals, but if you've recommended it, I already know it does.

Rice: Do you have any more words of advice for subscribers that are just starting with *The Bowser Report* or investing?

Cochran: Start buying the companies that are being recommended. There are plenty of excuses to not start doing something, but the only way you really profit is by taking action.

Also, they don't have to be large investments. I started with one or two hundred shares of each Company of the Month. If I like one company better, I'll buy more shares. Sometimes, I'll wait to buy one if I want the company to do something differently.

The bottom line is everybody starts somewhere, so you just need to just get started.

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

Altigen Communications (ATGN) provides cloud-based IP communications and contact center solutions. The company also designs, delivers and supports Voice over Internet Protocol (VoIP) phone systems and call center solutions. Its communications solutions are built on Microsoft Windows-based applications and focus on the convergence of voice and data communications. The company was founded in 1994 and currently has 36 full-time employees.

Business Transition

As of 2015, Altigen made the strategic decision to transition from a hardware company to leverage its cloud-based offerings. The cloud-based business is more scalable and profitable, which inevitably contributes to long-term bottom line growth. The following table shows a revenue breakdown by business segment over the past 3 years:

	2015	2016	2017
Hosted and Service Support	50%	67%	81%
Software	28%	21%	13%
Hardware and Other	22%	12%	6%

ATGN has significantly shifted away from the Hardware and Other segment as it has been weighing the company down for some time. The hosted enterprise cloud communications services improves profitability by reducing monthly costs, lowering total cost of ownership and simplifying maintenance and support.

This business transition is what put ATGN on our radar, and we'd like to see the company continue to focus on the Hosted and Service Support segment moving forward.

Sales and Net Income

At a glance, it seems as if the ATGN top line has struggled annually. However, Altigen just reported year-over-year revenue growth of 10% in the first quarter of 2018, reaching its highest quarterly sales since 2015. The revenue growth resulted in a new 52-week high since this is the first decent quarter since the transition began a few years back.

Almost all of the company's sales are made in North America, with just 1% of its total revenue coming from Europe. These sales are through 100 authorized resellers that are reviewed on a quarterly basis to potentially discontinue distribution for those who do not meet the technical standards.

The improvement in sales is great, but the

long-term plan is to improve profitability. Net income was misleading in FY16 as the company had to pay a one-time legal fee of \$725,000, resulting in a net loss of \$835,000 for the year. The lack of legal fees and shift towards a more profitable business model has resulted in trailing twelve month earnings of \$632,000. The first quarter net income of \$338,000 was a year-over-year quarterly net income increase of 300% and was the highest quarterly net income the company has delivered in decades.

Annual expenses have lowered in almost all categories with the decline in litigation expenses leading the way. Although we are pushing for bottom line growth, ATGN still needs to invest more in R&D and marketing, in order to capture more market share. Since the communication equipment industry is highly competitive, it's vital that the company works to improve its edge by investing more in itself.

Valuation and Financials

The financials are slightly misleading because it's in an industry that lacks fundamental stability. The communications equipment industry has a P/E ratio of about 39, with annual EPS and revenue growth of 32% and 3.8%, respectively. ATGN's trailing twelve month P/E ratio has dropped to 17.3, which shows significant undervaluation in comparison to the industry average of 39.

The company also has a P/S ratio of 1.1, which is also lower than the industry average of 2.5. The only downside to its current valuation is that the market value is much higher than the book value. We're expecting its book value to increase as the bottom line improves.

ATGN does not have a balance sheet that is impressive, but it still has strong fundamentals. Its current assets outweigh its current liabilities 1.4:1, and the company has no long-term debt. Its lack of long-term debt and capital raising through the issuance of more shares is a great sign for long-term

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	2015	2016	2017
REVENUES	\$9,800,000	\$8,431,000	\$ 8,388,000
INCOME (LOSS)	\$644,000	(\$835,000)	\$379,000
WORKING CAPITAL	\$1,550,000	\$1,104,000	\$1,534,000
BOOK VALUE	\$0.06	\$0.04	\$0.06
TOTAL SHARES	22,798,683	22,798,683	22,798,683
FLOAT	N/A	N/A	18,120,400



OTC QB: ATGN
BOWSER RATING: 8
Last 12 Months: \$0.20-\$0.54

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 02/02/18	Long-term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
CATEGORY ONE: BEST COMPANIES (RATED 10+)								
03/16(CM)	BROADWAY FINANCIAL (BYFC)	BANK HOLDING COMPANY	2.50	\$0.000	\$13.6	\$4.469	18.7	10
03/17(CM)	CENTRAL FEDERAL (CFBK)	BANK HOLDING COMPANY	2.58	\$0.000	\$11.8	\$3.810	16.3	11
12/16(QB)	FRANKLIN WIRELESS (FKWL)	WIRELESS SOLUTIONS	2.10	\$0.000	\$60.6	\$1.856	10.5	12
10/17(QB)	INNOVATIVE FOOD (IVFH)	FOOD PRODUCTS AND SERVICES	1.04	\$0.919	\$40.3	\$3.600	32.6	10
11/17(CM)	LANTRONIX (LTRX)	DATA ACCESS AND MANAGEMENT	2.19	\$0.028	\$44.5	(\$0.630)	18.2	10
12/17(QB)	LEATT CORP. (LEAT)	PERSONAL PROTECTIVE EQUIPMENT	2.20	\$0.000	\$18.1	(\$0.252)	5.4	10
06/17(QB)	MIKROS SYSTEMS (MKRS)	ADVANCED MAINTENANCE PRODUCTS	0.46	\$0.000	\$5.8	\$0.171	35.5	10
11/15(QX)	OURPET'S COMPANY (OPCO)	PET SUPPLIES	1.43	\$0.673	\$27.4	\$2.262	15.2	10
# 09/17(QX)	VIRTRA (VTSI)	LAW ENFORCEMENT TRAINING SYSTEMS	2.61	\$0.023	\$17.2	\$1.729	15.9	10
CATEGORY TWO: GOOD COMPANIES (RATED 8-9)								
02/18(QB)	ALTIGEN COMMUNICATION (ATGN)	CLOUD-BASED IP SOLUTIONS	0.48	\$0.000	\$8.4	\$0.379	22.8	8
# 05/16(CM)	CEMTREX, INC. (CETX)	ELECTRONIC MANUFACTURING	2.86	\$9.669	\$120.6	\$4.390	10.2	9
# 06/08(A)	FLEXIBLE SOLUTIONS (FSI)	SPECIALTY CHEMICALS	1.53	\$0.201	\$16.7	\$3.652	11.5	8
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	2.22	\$9.771	\$30.9	\$7.781	24.5	9
04/17(QB)	MAMAMANCINI'S (MMMB)	FOOD PRODUCTS	1.46	\$0.000	\$25.1	\$0.351	31.5	9
01/15(N)	NEVADA GOLD & CASINOS (UWN)	GAMING OPERATIONS	2.76	\$16.231	\$72.7	\$0.744	17.8	8
11/14(QB)	NOBLE ROMAN'S (NROM)	PIZZA FRANCHISES AND LICENSES	0.65	\$6.396	\$9.3	(\$0.663)	20.8	8
01/17(CM)	ONE GROUP HOSPITALITY (STKS)	GLOBAL RESTAURANT OPERATIONS	2.22	\$12.031	\$70.6	\$1.103	25.1	8
07/10(QB)	REPRO MED SYSTEMS (REPR)	DESIGN/PRODUCE MED PRODUCTS	1.01	\$0.000	\$12.3	\$0.408	37.9	9
04/15(QB)	SCOTT'S LIQUID GOLD (SLGD)	NOW ABOVE \$3/SHARE; SEE PAGE 5						
01/18(QX)	SINGING MACHINE CO. (SMDM)	KARAOKE AUDIO EQUIPMENT	0.55	\$0.737	\$56.7	\$0.590	38.3	9
04/13(CM)	SPAR GROUP (SGRP)	MERCHANDISING AND MARKETING	1.39	\$0.033	\$175.9	\$0.435	20.6	8
# 10/12(QB)	WHERE FD CMS FROM (WFCF)	FOOD VERIFICATION SERVICES	2.95	\$0.223	\$14.3	\$0.419	24.7	9
Office: 202 6th St., Ste. 400, Castle Rock, CO 80104, Tel: (303) 895-3002, www.wherefoodcomesfrom.com								
CATEGORY THREE: SPECULATIVE COMPANIES (RATED 7 AND BELOW AND/OR NON-PROFITABLE)								
# 03/13(GM)	ADDVANTAGE TECH (AEY)	CABLE TV EQUIPMENT	1.49	\$2.094	\$48.7	(\$0.098)	10.2	7
11/16(N)	CHINA NEW BORUN (BORN)	CORN PRODUCTS IN CHINA	1.44	\$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	1.69	\$0.000	\$13.7	(\$1.177)	13.2	8
06/14(A)	DYNASIL CORP. (DYSL)	OPTICAL COMPONENTS	1.33	\$1.507	\$40.2	\$3.366	17.0	NR
05/17(QB)	GALAXY GAMING (GLXZ)	GAMING INDUSTRY PRODUCTS	1.10	\$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	2.01	\$0.000	\$24.1	(\$0.964)	7.4	8
07/16(CM)	LRAD CORP (LRAD)	ACOUSTIC SYSTEMS	2.38	\$0.000	\$20.3	(\$0.877)	31.9	9
# 03/15(A)	NETWORK-1 TECH (NTIP)	INTELLECTUAL PROPERTY	2.55	\$0.000	\$19.5	\$4.801	24.1	7
02/15(GM)	NOVA LIFESTYLE INC. (NVFY)	FURNITURE MANUFACTURING/SALES	2.32	\$0.000	\$88.0	(\$1.180)	27.1	10
08/14(QB)	SONO-TEK CORP. (SOTK)	ULTRASONIC NOZZLES	1.60	\$1.002	\$10.0	\$0.056	15.0	7
# 06/16(A)	SUNWORKS, INC. (SUNW)	SOLAR ENERGY SYSTEMS	1.09	\$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

This month, **Lantronix (LTRX)** is climbing from Category 2 to Category 1. The company's Bowser Rating jumped two points to a 10, following a 1% rise in sales and a 449% rise in net income year-over-year.

China New Borun receives offer

China New Borun (BORN) received a proposal letter from Mr. Jinmiao Wang, CEO and chairman, and King River Holding Ltd., a majority shareholder, proposing a "going-private" transaction to acquire all of the outstanding ordinary shares not already owned by Mr. Wang or King River for \$1.67 per share. The company has formed

a special committee consisting of three independent directors to consider the proposal.

Smith-Midland lands supply contract

Smith-Midland (SMID) received a contract to supply up to 245,000 LF of J-J Hooks precast concrete safety barrier for the I-66 project in Northern Virginia. This is the largest J-J Hooks contract that SMID has received.

The 22.5 mile long project will provide two express lanes alongside three regular lanes from I-495 to Route 29. The project also consists of 4,000 park-n-ride spaces, safety and operational improvements and bike and pedestrian upgrades.

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 **02/02/18** 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(10)	02/12 \$2.05(8)	NATIONAL HOLDINGS (CM:NHLD)	\$3.56(10)	08/17 \$2.80(10)
COMMAND SECURITY (A:MOC)	Now \$2.92; See page 4		RIVERVIEW BANCORP (GS:RVSB)	\$9.38(7)	06/13 \$2.30(9)
DLH HOLDINGS (CM:DLHC)	\$5.99(7)	01/14 \$1.53(9)	ROYAL BANCSHARES OF PA (GM:RBPAA)	\$4.52(8)	10/14 \$1.65(9)
ELECTROMED (A:ELMD)	\$5.74(10)	09/15 \$1.64(10)	SCOTT'S LIQUID GOLD (QB:SLGD)	\$3.31(9)	04/15 \$0.87(10)
EMMIS COMMUNICATIONS (GS:EMMS)	\$3.43(NR)	07/17 \$2.92(8)	SIMULATIONS PLUS (CM:SLP)	\$16.30(9)	05/10 \$2.46(9)
FULL HOUSE RESORTS (CM:FLL)	\$3.29(8)	08/16 \$1.81(10)	SMITH-MIDLAND (QX:SMID)	\$9.75(10)	02/16 \$2.38(10)
GOLDFIELD CORP. (A:GV)	\$4.75(NR)	06/12 \$1.58(8)	SOCKET MOBILE (CM:SCKT)	\$4.03(8)	09/16 \$2.59(10)
ITERIS (A:ITI)	\$6.06(7)	12/06 \$2.21(8)	VIRCO MANUFACTURING (GM:VIRC)	\$4.65(9)	06/15 \$2.51(11)
MANHATTAN BRIDGE CAPITAL (CM:LOAN)	\$5.90(10)	02/10 \$1.10(9)	WHERE FOOD COMES FROM (QB:WFCF)	Now \$2.95; See page 4	

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)	\$0.30	09/17 \$0.32(NR)
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BRIEFS

Centrex (CETX) entered into a strategic partnership to develop augmented reality solutions with Lucyd, a manufacturer of ergonomic smartglasses. . . . **Dynasil (DYSL)** submitted the Xcede Patch clinical trial dossier in anticipation of a first-in-human clinical trial. DYSL also completed the development of the first in a series of Infrared High Efficiency Anti-Reflective thin film coatings. . . . **InfuSystem (INFU)** received notice that the U.S. District Court for the Central District of California dismissed a putative class-action lawsuit against the company. . . . **Innovative Food (IVFH)** acquired the assets of igourmet, which offers a wide assortment of high quality gourmet and specialty food products through www.igourmet.com and a full line of omni channel partners. . . . **Iteris (ITI)** and Gylling Data Mgmt entered into an agreement to link ClearAg® weather and environmental content through GDM's Agriculture Research Management software. ITI integrated ClearAg® data visualization components into AgSpace's Contour Platform. The company also launched Iteris SPM, a comprehensive, cloud-based automated traffic signal performance measures solution. Lastly, ITI partnered with C&T Technology to expand distribution of its roadway sensors technology across the United Kingdom and Ireland. . . . **LightPath Technologies (LPTH)** received \$8.3 million in credit facilities from Avidbank Specialty Finance. LPTH also eliminated \$5.7 million in principal debt plus amortized interest-to-date in exchange for 967,208 shares of common stock and approximately

\$3.5 million in cash. . . . **LRAD Corp. (LRAD)** acquired Genasys Holding, a software provider of advanced location-based mass messaging solutions. LRAD also received \$1 million in AHD orders. . . . **MamaMancini's (MMMB)** got authorizations to ship 16 additional product SKUs to major food retailers. . . . **Network-1 Technologies (NTIP)** agreed to revise the settlement with Juniper Networks. Under the terms, JNPR paid NTIP \$12,700,000 (reduced from \$13,250,000) and received a fully-paid license for the patent's full term. More recently, NTIP was awarded another patent from Professor Ingemar Cox's portfolio acquired in 2013. NTIP received a favorable ruling in regard to a challenge made by Google, Inc. and YouTube, LLC. Lastly, Network-1 sold its allowed general unsecured claim against Avaya, Inc. for \$6,320,000. . . . **Noble Roman's (NROM)** opened a third location of its stand-alone pizzeria concept in Fishers, IN, which exceeded its opening 7-day sales target, achieving total sales volume of \$36,605. . . . **Nova LifeStyle (NVFY)** raised earnings guidance for the fourth quarter to \$3.8 million to \$4.3 million in net income, a significant increase from the same period last year. . . . **OurPet's (OPCO)** was named 12th on the 2018 OTCQX® Best 50 list. . . . **Repro Med Systems (REPR)** was also named to the 2018 OTCQX® Best 50. . . . **Riverview Bancorp (RVSB)** announced that Patrick Sheaffer will be retiring as president and CEO, but will continue to serve as chairman of the board. . . . **Socket Mobile (SCKT)** expanded its DuraScan product line to include a 2D scanner in a highly durable design. . . . **SPAR Group (SGRP)** entered into a global partnership with Sales Services Int'l, a pan-European

network of independent agencies that provides merchandising and field marketing services to 26 countries in Europe. . . . **Simulations Plus (SLP)** released Version 2 of its KIWI™ Pharmacometric Communication and Collaboration Platform. SLP also announced the launch of version 2.0 of PKPlus, and later declared its next ongoing quarterly cash dividend of \$0.06 per share, which was distributed on February 2, to shareholders of record as of January 26. . . . **Singing Machine (SMDM)** fully paid down the balance of its revolving line of credit with PNC Bank. . . . **The ONE Hospitality Group (STKS)** announced preliminary unaudited sales for the fourth quarter of 2017 of approximately \$21 million. . . . **Sunworks (SUNW)** partnered with Auric Solar, a full-service provider of residential and commercial solar power. . . . **VirTra (VTSI)** received an order valued at \$1.38 million with delivery to a country in Africa.

INSIDER TRANSACTIONS

COMPANY	SHARES TRADED	# OF TRADES	PRICE RANGE
Emmis Comm.	A-27,246	6	\$0.00
	D-14,413	6	\$3.11
Galaxy Gaming	A-200,000	1	\$0.00
	S-99,141x	1	\$7.54
LightPath Tech.	OE-30,000	1	\$2.10
	A-4,306	3	\$2.07
Network-1 Tech.	OE-75,000	3	\$1.19
	D-23,110	2	\$2.55-\$2.60
Socket Mobile	D-12,000	1	\$0.00
	SPAR Group	S-19,625	5
Simulations Plus	D-80,000	1	\$0.00
	OE-17,500	1	\$5.61
ONE Hospitality	A-41,250	1	\$0.00
	D-41,250	1	\$0.00
Nevada Gold	OE-10,000	1	\$0.82

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

Top Performing Stock of 2017

What was your top Bowser Company of the Month in 2017? How much did it gain?

--Thomas Rice, Publisher (from Forums)

I've written a program I use to track my investments. One of my reports generates Internal Rate of Return (IRR) for any period. My highest return for 2017 was **Precision Auto Care (PACI)** with an IRR of 793%, which was an actual 70% return in just under three months. I sold PACI on the acquisition announcement.

My highest actual return was from LPTH – up 113% before I sold (following the Bowser plan) in October & November. My IRR for my entire Bowser Portfolio was 54.15% vs 19.42% for the S&P and 13.14% for Russell. Pretty obvious why I renewed my annual subscription.

--Jim B.

Buying Over-the-Counter Stocks

I tried to buy **Leatt Corp. (LEAT)** last month and had to call my broker before making the trade. The commission was higher, and I wouldn't know what it was until after I purchased the stock. Any recommendations for a good brokerage company?

--Eugene B. (from Forums)

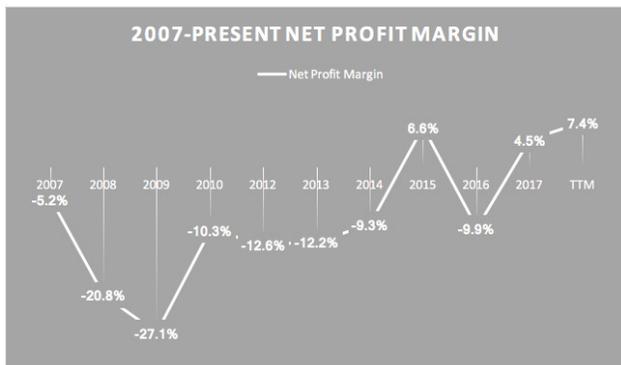
We've long recommended Scottrade and TDAmeritrade (now the same since TD acquired Scottrade). In any case, you're likely being charged these extra fees when buying and/or selling over-the-counter stocks.

We tend to recommend quite a few OTC stocks. So, it's best to find a brokerage that won't charge you these fees by asking the question up front or doing some due diligence on the fee structure prior to setting up your account.

COMPANY OF THE MONTH... CONTINUED

investors.

The company's net profit margin is a better indicator of its financial state than its balance sheet. Below is a chart representing the past ten years:



The net profit margin is hitting new highs and will likely set more records in upcoming quarters.

Outlook

Altigen's primary focus is geared towards hosted Skype for Business and Contact Centers (which had a slow start upon its release two years ago, but later rebranded and growth rates soared, creating worldwide demand for Microsoft products). The Skype for Business hosting market share is tough to capture, but ATGN's hosting is appealing since it eliminates capital expenditures and reduces overhead for its customers.

The MaxACD Contact Center also offers an advantage as it doesn't require any expensive hardware and can also be hosted on ATGN's cloud.

Altigen's MaxCS VoIP Phone System has changed a lot over the past 20 years to adapt to the rapidly changing market. The VoIP services market has an anticipated compound annual growth rate (CAGR) of 9% and is expected to hit \$140 billion by 2021. North

America and Europe currently have the most demand for these services, but Asia Pacific has the highest CAGR of 14%. With these growth rates, there will clearly be demand for ATGN's VoIP Phone System in the long run, and we hope the company expands its business to Asia.

Risks

The primary obstacle that Altigen faces is the intense competition in the communications equipment industry. Although ATGN has many competitive advantages, it does not have the resources of some of its large cap competitors. This could potentially lead to a slower growth rate than that of the industry outlook if the company falls behind on R&D.

ATGN also has a case scheduled for trial beginning on February 22, 2018, in which a former reseller of the company is filing complaint against a current reseller. Due to the company's affiliation with the current reseller, an amended complaint was issued that named multiple members of its staff. The claims are without merit and the liability is neither probable nor estimable but will still be a small short-term risk.

Conclusion

ATGN management has recently delivered one of the most successful quarterly financial results in the history of the company. The recent focus on its low cost segment gives the company an edge moving forward. While some of its competitors have better resources, they still can't offer turnkey solutions at a lower price point due to the industry-wide slim profit margins. As a small company with rapidly improving financials, ATGN is in a unique position to report record top and bottom line growth while capturing more market share.

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Beginner's Portfolio Up 262%

BOUGHT: None this month.

SOLD: None this month.

<u>Cost</u>			<u>Cost</u>			<u>Cost</u>			Proceeds
<u>02/02/18</u>			<u>02/02/18</u>			<u>02/02/18</u>			From Sales
AAME	280/Mar '12	340	UWN	180/Jul '15	276	EMMS†	560/Aug '17	686	11,195
SGRP	178/Apr '13	139	OPCO†	196/Dec '15	286	NHLD†	546/Sep '17	712	
AEY	248/May '13	149	BYFC†	398/Apr '16	500	VTST†	560/Dec '17	522	
MOC	209/May '14	292	FLL†*	384/Sep '16	329	IVFH†	274/Dec '17	208	
DYSL	185/Aug '14	133	MMMB†	200/Jun '17	284	LTRX†	390/Dec '17	438	
BPAA*	188/Nov '14	226	MKRS†	114/Jul '17	92	LEAT†	488/Jan '18	440	
						Current Holdings Value:	6,052		
Original cost for all stocks: \$4,766						*Half of original holdings	Proceeds from Sales:		11,195
						†Bought 200 Shares	Total Value of Portfolio:		17,247

Gain: 17,247 minus 4,766 = 12,481

Percentage of gain: 12,481 divided by 4,766 x 100 = 261.9

Compound Annual Growth Rate: 8.15%

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 continued its impressive climb upward this month. With no sales, Current Holdings Value rose a slight 1.2% to drive the portfolio's all time game to 262%. The compound annual growth rate of 8.15% since September 2001 is higher than that of the S&P 500 (+6.5%).

EARNINGS

	<u>Quarter</u>	<u>Current</u>	<u>Same</u>	<u>Current</u>	<u>Same</u>	
	<u>Ended</u>	<u>Sales</u>	<u>Period</u>	<u>Earnings</u>	<u>Period</u>	<u>Comments</u>
			<u>Last Year</u>		<u>Last Year</u>	
Emmis Communications (EMMS)	11/30/17	\$33,980,000	\$42,462,000	(\$279,000)	\$17,676,000	(A)
Lantronix (LTRX)	12/31/17	\$11,336,000	\$11,222,000	\$225,000	\$41,000	(B)
Riverview Bancorp (RVSB)	12/31/17	\$14,268,000	\$11,285,000	\$1,520,000	\$1,993,000	(C)
Simulations Plus (SLP)	11/30/17	\$7,068,782	\$5,417,933	\$1,716,006	\$1,361,565	(D)

(A) "Overall it was a disappointing quarter, but I am encouraged by the ratings trends at our radio stations. This fiscal year, our radio stations have been growing their ratings vis-à-vis our competitors, which should manifest itself in better revenue performance in the fourth quarter and into the next fiscal year," said Jeff Smulyan, CEO of EMMS.

(B) "I am very pleased with our second quarter results and the momentum we carry into the second half of our fiscal year," said Jeff Benck, Lantronix CEO. "With revenue above \$11 million and continued improvement in gross margins, we were able to demonstrate the leverage that exists in our business model by achieving non-GAAP net income of 6% of revenue."

(C) "RVSB had another successful quarter

with strong net interest income generation, an expanding net interest margin and continued operating efficiencies," stated Pat Sheaffer, chairman, CEO and president. "With the successful integration of the MBank transaction behind us, our focus remains on expanding our franchise. We will continue to look for growth opportunities in the Portland area and its surrounding markets."

(D) Walt Woltosz, chairman and CEO of SLP: "We continue to push forward the cutting edge of simulation and modeling for pharmaceutical research, and it is clear that the industry continues to adopt simulation and modeling tools at a steady pace in its effort to increase productivity and decrease overall costs of bringing new medicines to market for all of us."

NOTES BY THE EDITOR

The Forum section of our website is live!
 We've had some great participation from a number of subscribers, and we thank all of those who've contributed. We encourage those who haven't checked it out yet to do so.



Don't forget that those who contribute before February 15 will receive a free copy of the January 2018 *Bowser Database* via email. We also may feature your contributions in the

Buckaroos Speak section if we believe that they could add value to the newsletter.

This was a roller coaster of a month for stocks. Stocks are getting more volatile, and interest rate hikes are becoming more likely.

Although the record-setting market has been great for long-term investors, make sure to remain disciplined by following the Game Plan.

In the last month, both National Holdings (NHL) and MamaMancini's (MMMB) doubled from their recommended prices. Scott's Liquid Gold (SLGD) also hit a milestone by surpassing \$3 per share. Congratulations to all subscribers who profited from these stocks. Make sure to continue following the Game Plan to ensure that you protect your profits!

FIVE BOWSER STOCKS UP AND DOWN

Smith-Midland	UP	39%	Iteris	DOWN	18%
Singing Machine	UP	17%	Flexible Solutions	DOWN	17%
National Holdings	UP	15%	Sono-Tek	DOWN	15%
Scott's Liquid Gold	UP	15%	Electromed	DOWN	11%
Socket Mobile	UP	12%	Innovative Food	DOWN	10%