



Next Company of the Month Recording:  
Friday, September 13, After 4 PM EST  
Recording on for entire weekend  
Phone: (757) 877-5979

## An exploration of IPOs and Bowser stocks *Defining IPOs and comparing them to Bowser recommendations*

The Bowser Report blog featured a post on initial public offerings (IPOs) in October 2014, when the IPO market was very hot. Recently, they appear to be regaining popularity, mainly driven by the explosive move from Beyond Meat (BYND), a plant-based meat product manufacturer. Shares of BYND attracted a lot of press, shooting up 426% in less than three months after its IPO.

IPOs and Bowser recommendations share similarities, but are also vastly different investments. Bowser investors can apply lessons from IPOs to their Bowser investments. Conversely, investors in IPOs can apply lessons from *The Bowser Report* to their IPO strategy.

### How do IPOs work?

An IPO is the offering of a private company's shares to the public in order to raise capital, which supplies the company with resources to grow. Prior to launching, the company goes through an underwriting process and works with lawyers, accountants and the Securities & Exchange Commission (SEC) to register. Then, on the launch date, its shares begin trading on the selected public exchange.

### IPO Market

The U.S. IPO market is highly dependent on larger companies going public. Below is a chart of the U.S. IPO market over the past 11 years:

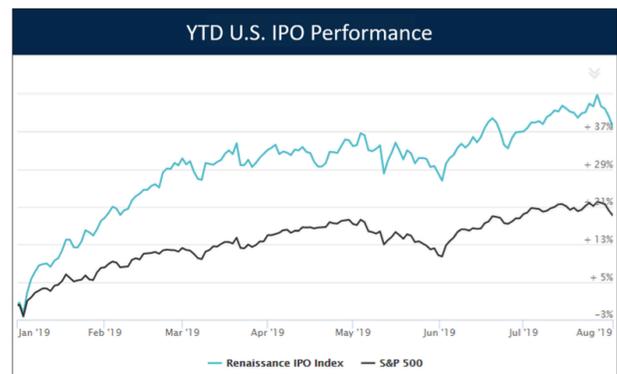


Although the number of IPO's from 2018 to 2019 has decreased, the proceeds are on track

to surpass that of the prior year because large companies such as Uber (UBER), Lyft (LYFT), Pinterest (PINS) and Slack (WORK) have gone public. Such large names going public generates higher proceeds and increases the demand for IPOs due to the public awareness.

### Performance

The popular companies issuing IPOs have driven much higher demand compared to normal. The chart below shows the year-to-date performance of initial public offerings:



Even with some major indices soaring over 20% YTD, IPOs have outperformed. However, this is atypical. Historically, IPOs underperform slightly. The chart below shows their long-term performance since 2010:



One point of emphasis is that IPOs tend to lag during market pullbacks, much like

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small stocks. They behave similarly to Bowser recommendations because the majority of the trading volume comes from retail investors. Therefore, when volume dries up, shares get much more volatile.

### When to Buy

Since IPOs underperform major indices in the long run, investors must be smart with their entry points. The most common mistake is buying on the first trading day because it's rare that an IPO will appreciate out of the gates and continue to climb higher without pulling back. Like with small stocks, the ideal time to enter is when the stock is trading at a discount to its value.

### Risks

There can be a lot of hype around IPOs, which leads to investors overpaying for shares. The mindset of an impulsive buyer is the opposite of what the Game Plan encourages. This is also the reason why buying an IPO on its first trading day is a bad idea: That's usually when the buzz surrounding the stock is at its peak.

Aside from overpaying for shares, insiders may unload shares regardless of how the price may react. However, the average major shareholder is considerate of the stock price as a sudden drop may scare away new investors. Additionally, most executives hold stock options that can be exercised if the share price increases. Still, if there's no incentive to maximize market value and the public is willing to overpay, there's no reason for executives to hold. Some executives will even sell their stake prior to the IPO, which is an even bigger red flag.

Most risks associated with investing in an IPO stem from the reason a company goes public in the first place – to raise capital. Most of these companies are focused on growth and have poor margins. If at any point the company believes its shares are overvalued, it will just put out a

## Market Overview

BWSR AVG ↑ 1.3%	DJIA ↓ 1.0%	S&P 500 ↓ 1.2%	NASDAQ ↓ 1.3%	RUS 2000 ↓ 1.7%
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**Volatility picked up towards the end of the month due to trade tensions and comments from the Federal Reserve.** Chairman Jerome Powell's press conference started the selloff from stocks, causing major indices to erase their gains. Smaller stocks underperformed due to the volatility, but Bowser stocks managed to push higher. They were led by **SeaChange Int'l (SEAC)**, although the stock did not have any news to justify its 41% increase.

secondary offering. For example, Beyond Meat (BYND) executed a secondary offering at \$160 per share for 3.25 million shares after its huge run up. Of the 3.25 million shares, 3 million were being offered by existing stockholders, allowing major holders to cash out while raising more capital, which was the purpose of the IPO in the first place.

### Bowser stocks and IPOs

As hinted above, Bowser recommendations have a few similarities with IPOs. They are volatile, have high growth potential and can lead undisciplined investors into overpaying for shares based on hype.

IPOs and Bowser stocks have their differences as well. *The Bowser Report* recommends stocks that are overlooked. As discussed, IPOs are surrounded by hype and rarely give the opportunity to find a hidden gem. Still, there is opportunity in both.

Whether investing in IPOs or Bowser recommendations, the two takeaways are to remain disciplined and avoid buying into the hype. The right strategy applied to the right opportunities is all it takes to yield outstanding returns no matter the investment.

## 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

**Trxade Group (TRXD)** owns and operates a business-to-business, web-based marketplace focused on the pharmaceutical industry. TRXD's market platform enables commerce among buyers and sellers of pharmaceuticals, accessories and services, including over 20,000 branded and generic drugs. Principal products and services include a pharmaceutical marketplace (Trxade.com), a pharmaceutical exchange platform (InventoryRx.com), a data analytics provider (Pharmabayonline) and a desktop application for product information (RxGuru). Trxade has 31 full-time employees.

## Competitive Advantage

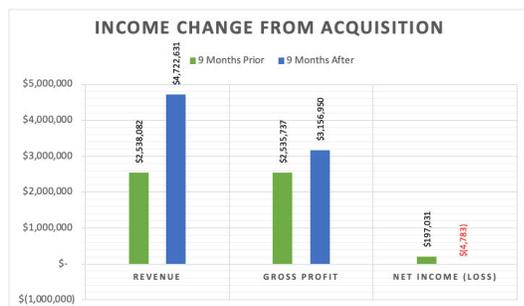
Trxade's competitive advantage is a system of proprietary databases and algorithms that identify products that are likely to be in short supply. By recognizing the lack of supply, TRXD is able to offer these products at the lowest possible prices, helping reduce the pharmacy's total annual purchase costs by 7-10%.

The company currently has over 10,000 pharmacies on its network and intends to go after all 24,000 independent pharmacies. Its top competitor only has 1,200 pharmacies and does not run its own algorithms. By using its own algorithms, Trxade is able to maintain low margins and consistent revenues. The company is also adding over 100 pharmacies per month.

## Retail Specialty Pharmacy Acquisition

Top line results have improved over the past 12 months following the acquisition of Retail Specialty Pharmacy in October 2018. The addition expanded Trxade into the business-to-customer (B2C) market and added \$2.5 million in annualized revenue. While profit margins shrunk following the merger, TRXD's 100% operating margin prior to the merger allowed for more risk taking with regard to expansion and aggressive growth.

The best way to analyze the financial impact of the expansion is to look at the results for the nine months before and after the acquisition:



The increases in revenue and gross profit outweigh the minor net loss. Management's willingness to move into a different market shows that the company's growth is unlikely to plateau.

## Cash flow and balance sheet

Trxade has a current ratio of 1.8 and has maintained at least \$500,000 in cash for the past 12 months, which both point to a lower liquidity risk. Unfortunately, TRXD took on more long-term debt to complete the Retail Specialty Pharmacy acquisition. However, with excess assets, paying off this long-term debt over the next few years isn't unrealistic.

Trxade has strong cash flow.

The increase in operating expenses associated with the recent acquisition is offset by the increase in revenue, resulting in operating cash flow of \$304,464 for the past six months compared to (\$217,790) in the prior six month period. For a company of TRXD's size, this transition from negative to positive shows management's ability to maintain efficiency.

## Management

Chairman and CEO Suren Ajarapu is a serial entrepreneur and Founder of Trxade Group, Sansur Renewable Energy, Aemetis (AMTX) and Global Information Technology, Inc. Ajarapu has raised \$135 million aggregate financings for these companies and has an outstanding educational background. The executive holds a Master's Degree in Environmental Engineering, an MBA in International Finance and Management and is a graduate of the Venture Capital and Private Equity Program from Harvard University.

President and COO Prashant Patel is a registered pharmacist and pharmaceutical consultant with over ten years of experience in pharmacy operations and logistics. Patel has an abundance of experience in the pharmaceutical industry and is the founder and operator of several independent pharmacies. Along with his degree

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	2016	2017	2018
REVENUES	\$2,481,866	\$2,931,280	\$3,831,778
INCOME (LOSS)	(\$2,760,125)	\$288,983	\$9,038
WORKING CAPITAL	(\$1,137,470)	\$82,119	\$605,710
BOOK VALUE	\$0.00	\$0.00	\$0.02
TOTAL SHARES	31,544,868	31,955,416	32,260,622
FLOAT	N/A	N/A	8,410,000



# 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 08/02/19	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>								
02/18(QB)	ALTIGEN COMMUNICATION (ATGN)	CLOUD-BASED IP SOLUTIONS	1.20	\$0.000	\$10.7	\$6.187	22.9	10
03/16(CM)	BROADWAY FINANCIAL (BYFC)	BANK HOLDING COMPANY	1.98	\$81.200	\$12.7	\$1.176	18.5	10
06/19(N)	HC2 HOLDINGS (HCHC)	DIVERSIFIED HOLDING COMPANY	2.15	\$762.000	\$2,014.5	\$194.196	44.8	12
02/15(GM)	NOVA LIFESTYLE INC. (NVFY)	FURNITURE MANUFACTURING/SALES	0.81	\$0.000	\$115.3	\$7.435	27.6	10
07/19(QB)	TABLE TRAC (TBTC)	<b>Now above \$3/share; see page 5</b>						
# 05/18(CM)	TAITRON COMPONENTS (TAIT)	<b>Now above \$3/share; see page 5</b>						
<b>CATEGORY TWO: GOOD COMPANIES (RATED 8-9)</b>								
# 07/18(CM)	B.O.S BETTER ONLINE (BOSC)	RFID AND MOBILE SOLUTIONS	2.96	\$2.206	\$32.1	\$0.941	3.9	8
06/14(A)	DYNASIL CORP. (DYSL)	OPTICAL COMPONENTS	1.12	\$1.660	\$42.8	\$1.254	17.5	9
03/19(CM)	INSIGNIA SYSTEMS (ISIG)	MARKETING SERVICES	1.00	\$0.000	\$30.9	\$0.467	11.9	9
12/14(QB)	INT'L BALER CORP. (IBAL)	BALING EQUIPMENT	1.57	\$0.000	\$12.3	\$0.312	5.2	9
12/17(QB)	LEATT CORP. (LEAT)	PERSONAL PROTECTIVE EQUIPMENT	2.00	\$0.286	\$25.0	\$1.064	5.4	8
08/18(QB)	LIBERATED SYNDICATION (LSYN)	<b>Now above \$3/share; see page 5</b>						
05/19(N)	SAFE BULKERS (SB)	MARINE DRY BULK TRANSPORTATION	1.78	\$538.508	\$198.0	\$15.765	101.5	9
08/14(QB)	SONO-TEK CORP. (SOTK)	ULTRASONIC NOZZLES	2.70	\$0.666	\$11.7	\$0.165	15.3	8
08/19(QB)	TRXADE GROUP (TRXD)	WEB-BASED MARKETPLACE	0.70	\$0.522	\$5.6	\$0.090	33.7	9
<b>CATEGORY THREE: SPECULATIVE COMPANIES (RATED 7 AND BELOW AND/OR NON-PROFITABLE)</b>								
04/19(N)	ARC DOCUMENT SOLUTIONS (ARC)	DOCUMENT SOLUTIONS	1.92	\$139.019	\$400.2	\$8.837	46.3	7
10/18(CM)	AEHR TEST SYSTEMS (AEHR)	SEMICONDUCTOR TEST EQUIPMENT	1.32	\$0.000	\$21.1	(\$5.235)	22.6	7
# 05/14(CM)	CPS TECHNOLOGIES (CPST)	ADVANCED MATERIAL SOLUTIONS	1.01	\$0.000	\$24.9	(\$4.199)	13.2	9
01/19(CM)	FORWARD INDUSTRIES (FORD)	CARRYING CASES AND ACCESSORIES	1.09	\$0.008	\$37.5	(\$1.277)	9.5	NR
12/16(QB)	FRANKLIN WIRELESS (FKWL)	WIRELESS SOLUTIONS	2.60	\$0.000	\$37.5	(\$1.081)	10.5	NR
# 08/16(CM)	FULL HOUSE RESORTS (FLL)	CASINO OPERATIONS	1.79	\$111.501	\$166.4	(\$1.702)	27.0	9
05/17(QB)	GALAXY GAMING (GLXZ)	GAMING INDUSTRY PRODUCTS	1.56	\$8.310	\$19.6	\$1.143	17.3	7
# 12/18(CM)	GSE SYSTEMS (GVP)	DATA ACCESS AND MANAGEMENT	2.29	\$21.172	\$91.6	(\$3.094)	20.0	NR
10/17(QB)	INNOVATIVE FOOD (IVFH)	FOOD PRODUCTS AND SERVICES	0.60	\$1.190	\$54.9	\$1.410	33.8	7
10/16(CM)	KOSS CORPORATION (KOSS)	STEREO ACCESSORIES	1.98	\$0.000	\$24.1	(\$0.964)	7.4	8
07/13(CM)	LIGHTPATH TECH (LPTH)	OPTICAL COMPONENTS	0.76	\$5.141	\$33.1	(\$1.726)	25.8	7
04/17(QB)	MAMAMANCINI'S (MMMB)	FOOD PRODUCTS	0.50	\$5.168	\$28.5	\$0.550	31.6	7
06/17(QB)	MIKROS SYSTEMS (MKRS)	ADVANCED MAINTENANCE PRODUCTS	0.23	\$0.341	\$8.1	\$0.257	35.6	7
# 08/17(CM)	NATIONAL HOLDINGS (NHLD)	INVESTMENT BANKING	2.58	\$0.000	\$205.4	(\$3.047)	12.9	8
07/10(QB)	REPRO MED SYSTEMS (REPR)	<b>Now above \$3/share; see page 5</b>						
09/18(CM)	SCHMITT INDUSTRIES (SMIT)	SCIENTIFIC AND TECH INSTRUMENTS	2.17	\$0.000	\$13.8	(\$1.107)	4.0	NR
11/18(GS)	SEACHANGE INT'L (SEAC)	APPLICATION SOFTWARE	1.98	\$0.000	\$56.0	(\$43.380)	36.5	8
01/18(QX)	SINGING MACHINE CO. (SMDM)	KARAOKE AUDIO EQUIPMENT	0.30	\$0000	\$46.5	\$0.614	38.4	NR
# 09/16(CM)	SOCKET MOBILE (SCKT)	DATA CAPTURE PRODUCTS	2.70	\$0.583	\$18.0	(\$0.076)	6.0	8
02/19(QB)	TSS, INC. (TSSI)	END-USER AND ENTERPRISE SYSTEMS	0.73	\$3.299	\$22.2	\$2.327	17.4	NR
06/18(GS)	U.S. AUTO PARTS (PRTS)	AFTERMARKET AUTO PARTS	1.18	\$0.192	\$285.8	(\$9.205)	25.5	NR
# 09/17(CM)	VIRTA (VTSI)	LAW ENFORCEMENT TRAINING SYSTEMS	2.35	\$1.401	\$17.8	\$0.591	7.7	7
# 10/12(QB)	WHERE FD CMS FROM (WFCF)	FOOD VERIFICATION SERVICES	1.75	\$3.678	\$18.1	\$0.622	24.9	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.

**Sono-Tek Corp. (SOTK)** is moving from Category 3 to Category 2 with its Bowser Rating rising from 7 to 8. For more information on SOTK's financials, see the Earnings section of page 6.

## VirTra Engages Military Consultant

**VirTra (VTSI)** engaged JL O'Connell & Associates, a highly regarded business development consultancy, to expand its sales and marketing efforts in the military market. In January 2019, VTSI announced a concerted effort to allocate more attention and resources toward the military market. As part of that strategy, the company hired Colonel Joe O'Connell,

USAR (Ret.), CEO of JL O'Connell & Associates, to assist in advising and brokering relationships with current military leaders and decision makers.

## Two Bowser picks announce dividends

**Manhattan Bridge Capital's (LOAN)** board of directors authorized a quarterly dividend of \$0.12 per share to be paid to all shareholders of record on October 10, 2019.

**Taitron Components' (TAIT)** board of directors declared a quarterly cash dividend of \$0.03 per share of common stock, payable on August 30, 2019 to stockholders of record as of the close of business on August 15, 2019.

# 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 08/02/19 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
CENTRAL FEDERAL CORP. (CM:CFBK)	\$12.34(11)	03/17 \$9.00(11)	LRAD CORP. (CM:LRAD)	\$4.02(9)	07/16 \$1.85(8)
*Price adjusted for 1-for-5 reverse split Aug. '18			MANHATTAN BRIDGE CAPITAL (CM:LOAN)	\$6.26(10)	02/10 \$1.10(9)
DLH HOLDINGS (CM:DLHC)	\$4.98(7)	01/14 \$1.53(9)	ONE GROUP HOSPITALITY (QB:STKS)	\$3.20(9)	01/17 \$2.12(8)
ELECTROMED (A:ELMD)	\$5.30(7)	09/15 \$1.64(10)	RADA ELECTRONIC (CM:RADA)	\$3.35(7)	03/18 \$2.16(10)
EMMIS COMMUNICATIONS (GS:EMMS)	\$5.46(NR)	07/17 \$2.92(8)	REPRO MED SYSTEMS (QB:REPR)	\$3.25(7)	07/10 \$0.16(8)
FLEXIBLE SOLUTIONS (A:FSI)	\$3.24(9)	06/08 \$2.36(9)	RIVERVIEW BANCORP (GS:RVSB)	\$7.88(9)	06/13 \$2.30(9)
INFUSYSTEM HOLDINGS (A:INFU)	\$4.31(NR)	12/15 \$2.88(8)	SMITH-MIDLAND (QX:SMID)	\$9.00(9)	02/16 \$2.38(10)
ITERIS (A:ITI)	\$5.17(7)	12/06 \$2.21(8)	TABLE TRAC (QB:TBTC)	\$3.35(10)	07/19 \$2.40(8)
LANTRONIX (CM:LTRX)	\$3.48(11)	11/17 \$1.82(8)	TAITRON COMPONENTS (CM:TAIT)	\$3.30(11)	05/18 \$1.44(11)
LIBERATED SYNDICATION (QB:LSYN)	\$3.10(8)	08/18 \$1.61(8)	VIRCO MANUFACTURING (GM:VIRC)	\$4.51(9)	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)

CCA INDUSTRIES (N:CAW)	\$2.85	02/19 \$1.34	NOBLE ROMAN'S (CM:NROM)	\$0.59	06/19 \$0.64
CEMTREX, INC. (CM:CETX)	\$1.68	01/19 \$0.81	SPAR GROUP (CM:SGRP)	\$0.75	06/19 \$0.69
CHINA NEW BORUN (N:BORN)	\$0.15	06/19 \$0.27	SUNWORKS, INC. (A:SUNW)	\$0.85	09/18 \$0.46

## BRIEFS

**Altigen Communications (ATGN)** launched its Microsoft Teams Certified Direct Routing Managed Service, powered by Ribbon's scalable session border controllers and hosted in Azure. . . . **Better Online Solutions (BOSC)** changed the name of its RFID and Mobile Division to "Intelligent Robotics and RFID Division". . . . **Iteris (ITI)** received an additional \$2.95 million in funding for a task order under its indefinite delivery/indefinite quantity contract from the Federal Highway Administration to provide continued development, evolution and deployment support

for the Intelligent Transportation Systems Reference Architecture Program. . . . **Innovative Food Holdings (IVFH)** announced that it has appointed David A. Polinsky, Esq to its board of directors as an independent director. . . . **LightPath Technologies (LPTH)** received a notification that it is not in compliance with the requirement to maintain the NASDAQ's minimum closing bid price. The company later received a purchase order greater than \$500,000 as part of the new supply agreement with Seek Thermal for high-volumes of multiple infrared lenses. . . . **LRAD Corp. (LRAD)** announced the appointment of Paul Neyman

to the newly created position of vice president of software sales to lead the company's software-as-a-service sales team. . . . **Socket Mobile (SCKT)** expanded its DuraCase line to better support the commercial services and transportation industries. . . . **Smith-Midland (SMID)** provided the precast for the City of West Point's latest project. SMID also announced that Christopher "Scott" Hicks has been hired as the general manager of the Smith-Columbia precast plant. It later added of one of the country's most experienced precasters to the Easi-Set family of licensed product producers. . . . **Sono-Tek Corp. (SOTK)** announced a business development project to expand its Milton, NY, facilities with participation and financial incentives from Empire State Development and Central Hudson Gas & Electric grants.

## INSIDER TRANSACTIONS

COMPANY	SHARES TRADED	# OF TRADES	PRICE RANGE
Aehr Test Systems	S-40,000x	1	\$1.42
Atlantic American	D-700	1	\$2.45
Dynasil Corp.	A-45,000	5	\$1
	A-12,500	1	\$1
Electromed	A-22,500	2	\$0.00
Emmis Communications	A-54,477	5	\$0.00
	OE-45,496	5	\$1.12-\$4.56
	S-10,716	6	\$5.50-\$6.50
	D-8,090	9	\$5.33-\$6.00
Innovative Food Holdings	D-17,025	3	\$0.54-\$0.55
LightPath Technologies	A-1,380	1	\$0.82
National Holdings Corp.	OE-25,000	2	\$0.00
The ONE Group	D-18,597	1	\$0.00
Riverview Bancorp	OE-12,000	1	\$3.84
SeaChange Int'l	A-236,688	4	\$0.00
Socket Mobile	A-494	1	\$1.04
	S-494x	1	\$2.80
Sono-Tek Corp.	S-10,970	3	\$2.65-\$2.72
	D-4,000	1	\$0.00
U.S. Auto Parts Network	D-26,896x	1	\$0.00
	D-93	1	\$1.19
	A-16,321x	2	\$0.00
	A-4,829	1	\$1.20

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

## Fill-Or-Kill orders

*Does a Fill-Or-Kill order expire at the end of the day? Can it be placed as a market or limit order?*

-DF (Forums)

A Fill-Or-Kill order will expire almost right away if it's not immediately filled. It's similar to an All-Or-None order, but it has both the constraint of timing (has to be filled fast) and entirety.

Fill-Or-Kill orders can also be either a market or limit order. If you're being specific to your order with respects to time and size, you might as well add a limit price into the equation so you don't overpay. Regardless, the easiest way to make sure you get completely filled is

just by using an All-Or-None order.

## Table Trac entry point

*Any thoughts on **Table Trac (TBTC)** as it is now over \$3? If it drops below \$3, do you buy or wait?*

-Allen S. (Forums)

The Game Plan states that you shouldn't pay over \$3 for a stock, so it's best to wait. This rule was put in place to ensure that you don't overpay.

TBTC is now up another 10% since last month's recommendation and only traded an average of 5,000 shares per day. Since has a smaller share structure, it can move up on low volume.

## EARNINGS

	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
Aehr Test Systems (AEHR)	05/31/19	\$7,242,000	\$7,269,000	\$110,000	\$191,000	
Altigen Communications (ATGN)	06/30/19	\$2,651,000	\$2,553,000	\$612,000	\$92,000	(A)
CPS Technologies (CPSH)	06/29/19	\$6,366,951	\$4,155,004	\$250,598	(\$574,186)	(B)
Emmis Communications (EMMS)	05/31/19	\$27,771,000	\$28,006,000	\$1,670,000	\$23,485,000	(C)
Manhattan Bridge Capital (LOAN)	06/30/19	\$1,779,370	\$1,667,700	\$1,084,043	\$949,388	
Riverview Bancorp (RVSB)	06/30/19	\$15,692,000	\$15,157,000	\$4,192,000	\$4,442,000	
Socket Mobile (SCKT)	06/30/19	\$5,060,000	\$4,192,000	\$120,000	(\$138,000)	
Schmitt Industries (SMIT)	05/31/19	\$3,784,049	\$3,794,677	(\$164,713)	\$225,936	(D)
Sono-Tek Corp. (SOTK)	05/31/19	\$2,822,000	\$2,701,000	\$25,000	\$21,000	

(A) *ATGN's year-over-year earnings were up 565%, from \$92,000 to \$612,000. This is mostly due to a \$342,000 litigation charge in the quarter ending June 30, 2018. No charge was realized in the same quarter this year, boosting earnings.*

(B) *"Revenues were up in the second quarter due to almost equal increases in AISiC products and hermetic packages. Within the AISiC products, a meaningful portion of the increase was the result of shipments of a new component to a defense contractor," stated Grant Bennett, CPSH president and CEO.*

*"The gross margin percentage in the second quarter 2019 was 18%. Last year, the gross margin for the second quarter was 11%. The increase in gross margins is a result primarily of changes in product mix and secondarily-improved efficiencies."*

(C) *Jeff Smulyan, CEO and chairman of*

*EMMS: "Emmis' radio net revenues for the second fiscal quarter are currently pacing up double digits, largely thanks to a record-breaking HOT 97 Summer Jam concert in New York. We are also seeing a nice strengthening in advertising sales overall, which points to an outstanding quarter ahead."*

*EMMS's net income dropped significantly due to the realization of a \$32 million gain on the sale of assets in the three months ended May 31, 2018. This year, no gain was recorded.*

(D) *"Fiscal 2019 was a transitional year for SMIT. We have used the past six months to re-evaluate our policies and procedures, including the inventory carried. Although the fourth quarter inventory adjustment was larger than we expected, we believe it was the right decision and a necessary step to streamline and focus our operations," noted Michael Zapata, chairman and president.*

## Beginner's Portfolio Up 255%

BOUGHT: None this month

SOLD: None this month

Cost		08/02/19	Cost		08/02/19	Cost		08/02/19	Proceeds
AAME	280/Mar '12	245	LEAT†	488/Jan '18	400	AEHR†	368/Dec '18	264	<b>From Sales</b> <b>9,357</b>
BYFC†	398/Apr '16	396	RADA†	452/Apr '18	670	SEAC†	362/Dec '18	396	
MMMB†	200/Jun '17	100	PRTS†	318/Jul '18	236	TSSI†	198/Mar '19	146	
EMMS†	560/Aug '17	1092	BOSC†	510/Aug '18	592	ISIG†	262/Apr '19	200	
NHLD†	546/Sep '17	516	LSYN†	334/Sep '18	620	SB†	390/Jul '19	356	
VTSI†	560/Dec '17	470	SMIT†	578/Oct '18	434	HCHC†	460/Jul '19	430	
						<b>Current Holdings Value:</b>		7,563	
Original cost for all stocks: \$4,766			*Half of original holdings			<b>Proceeds from Sales:</b>		9,357	
			†Bought 200 Shares			<b>Total Value of Portfolio:</b>		<b>16,920</b>	

Gain: 16,920 minus 4,766 = 12,154

Percentage of gain: 12,154 divided by 4,766 x 100 = 255.0

**Compound Annual Growth Rate:** 7.33%

**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 dropped very slightly this month as Current Holdings Value fell just 0.3%. No sales or subsequent additions were made.

## COMPANY OF THE MONTH... CONTINUED

from the Nottingham University School of Pharmacy, Patel has a Master's Degree in Finance from the Cass Business School.

Every other executive of TRXD has at least 15 years of experience within their profession. Although they have greatly contributed to the company's growth, the background and experience that these two bring to the table is unmatched. Ajarapu and Patel own about 77% of the outstanding shares, and other executives own 10%. High insider ownership is a positive sign for a company of Trxade's size, showing that management believes in the firm's potential.

#### Outlook

There's still plenty of market share up for grabs, and as the pharmaceutical industry gets more competitive, TRXD will benefit. Pharmacies on Trxade's platform have no contract or fee obligations, so it will always be a cost-effective option even if budgets are tight.

TRXD markets through direct marketing channels, email marketing and trade conferences. Organic growth of over 100 pharmacies per month coupled with the increased percentage purchase per month show that Trxade is growing organically and is very likely to keep doing so even if the pharmaceutical industry lags slightly.

#### Conclusion

The recent acquisition makes the current market price an appealing entry point for Trxade. With top line results improving and the push into a new market, there's plenty of room for growth. While profit margin percentages are down, management sacrificed short-term profits for long-term growth by taking more risks. TRXD is an undiscovered market leader that should continue to capture more market share in the years to come.

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### Schmitt Appoints new CEO

**Schmitt Industries (SMIT)** announced that its Board of Directors has appointed Mr. Michael Zapata as the president and chief executive officer. Mr. Zapata, who has served as President and executive chairman since November 2018, will continue to focus his efforts on strengthening and

growing Schmitt's world-class businesses with the SMIT team.

Zapata intends to implement performance-based pay for executives, minimum share ownership requirements for executives and directors and proposed a declassified board for shareholder approval at the 2019 Annual Meeting of Shareholders.

## NOTES BY THE EDITOR

**Small cap stocks finally ended their winning streak and underperformed over the last few weeks.** The recent spike in market volatility led to a more aggressive pullback from the Russell 2000 Index, which is fairly normal.

Bowser stocks, on the other hand, outperformed all major indices as a result of a strong start to the earnings season. Stocks like **Altigen Communications (ATGN)** and



**Socket Mobile (SCKT)** continued to march higher following strong financial results.

Look forwarding to next month, Bowser stocks' performance will rely heavily on earnings as 20 more recommendations are set to report quarterly results after the August newsletter publishes. **We are very excited to announce that a redesigned [thebowserreport.com](http://thebowserreport.com) is set to launch in mid-August!** Not only will the website get a facelift, but the overall goal of the redesign is a better user experience.

If you aren't an online subscriber already, now's the time to join. Email us for details.

### FIVE BOWSER STOCKS UP AND DOWN

SeaChange Int'l	UP	41%	LightPath Technologies	DOWN	24%
Table Trac	UP	40%	Flexible Solutions Int'l	DOWN	22%
Broadway Financial	UP	27%	Aehr Test Systems	DOWN	14%
Socket Mobile	UP	18%	CPS Technologies	DOWN	11%
Taitron Components	UP	16%	Emmis Comm.	DOWN	9%