



## Major brokerages cut commissions to \$0 *Which is right for you in a zero commission market?*

On October 1, Charles Schwab announced that it was cutting its \$4.95 per trade commission entirely beginning on October 7. Shortly after Charles Schwab's announcement, E\*Trade followed suit with \$0 trades also starting on October 7. Then, TD Ameritrade (which merged with Scottrade) joined its competitors with a rollout date of October 3.

This is great news for investors, especially small investors. On a portfolio of \$3 stocks, commission fees to buy 12 positions would've cost between \$59 and \$84, depending on the brokerage. That represents 1.5% to 2.3% of a \$3,600 portfolio. Now every dollar can go to work instead of draining 1.5% or more of your capital in fees.

A few years ago, we analyzed the various brokerages and how to pick one based off of your investment objectives. One key consideration was the brokerage's fee structure. However, with commissions as a thing of the past at most major brokerages, the focus has shifted to other factors. Given the changes, we sorted through the fine print to help you choose the right brokerage in a \$0 commission environment.

### Total Cost

Most firms only generate a small portion of their sales from trade commissions, equating to less than 5% of their profits generally. In its announcement, E\*Trade quantified cutting trade commissions as having a \$75 million impact on its top line in the second quarter. E\*Trade grosses about \$700 million in revenue per quarter.

Zero dollar commissions contain quite a bit of fine print, detailing other costs, of which an investor needs to be aware. Charles Schwab will charge commissions for foreign stocks and fixed-income securities. Interactive Brokers and TD Ameritrade will charge commissions for over-the-counter (OTC) stocks, of which we recommend a number each

year. For most, option trades will still include contract fees.

The good news is that there are no inactivity fees for the aforementioned brokerages. This means that you don't have to execute a certain number of trades to not be charged.

When it comes to cost alone, E\*Trade offers the best option for the lowest fees across the board. Although commission-free Robinhood technically has no trading fees whatsoever, but it significantly restricts what stocks you can trade taking it out of consideration for investors in small stocks. E\*Trade does have an account minimum of \$500, so if your account balance is below the cutoff then TD Ameritrade is your best option as it has the lowest commission of \$6.95 per trade for OTC stocks.

### Customer Support

Customer support is a hugely important factor in investing. At some point, a technical issue will crop up or a general question will need to be answered.

Whether the platform is crashing or an order is not being filled, something can happen. The problem is not every brokerage is easy to get in contact with and some might not make your needs a top priority.

On that note, E\*Trade and TD Ameritrade have the best track records for customer support. Both companies even have a strong social media presence and are willing to answer any questions on Twitter, Facebook, etc.

As we've mentioned in the past, Robinhood has virtually nonexistent customer service and can take days to get back to you. For that reason alone, we don't even keep them in our top five online brokerages. Meanwhile, TD Ameritrade or E\*Trade have agents available to give you walkthroughs of their platforms and help you customize them to cater

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to your investment needs.

\*\*\*Keep in mind that most brokerages charge fees to place trades over the phone.

### Trading Platform

Another factor that may mean more to some is the trading platform, and Schwab, TD Ameritrade and E\*Trade all have outstanding platforms. Schwab's is the best for researching stocks and ETFs, allowing for multi-leg orders and almost all the order types you might need while managing your portfolio. Additionally, you can research stocks extensively and it is very customizable if you want to keep your investment analysis as simple as possible.

For those managing their portfolios on-the-go, TD Ameritrade is best suited. While the Schwab desktop platform is great, the mobile platforms for TD Ameritrade are unbelievably intuitive. They are easy to use and allow you to have price alerts and notifications texted or emailed to you to stay up to date on your holdings. Robinhood's mobile application is popular due to its design, but it lacks features and experiences numerous technical glitches.

If a solid investment platform is important to you, we recommend Schwab's StreetSmart Edge platform if you invest from home or the TD Ameritrade thinkorswim mobile application if you're on the go. However, if you already have an account with E\*Trade, Schwab or TD Ameritrade, switching accounts over the platform is not necessary as they're all quite similar in the end.

### Transferring an Account

If your current brokerage has good customer service and easy to use platforms, then don't jump the gun and switch because other companies are removing commissions. Since the industry is quickly moving in this direction, investing is only going to get cheaper. Almost all brokerages will be forced to remove commissions to compete, which means that yours might as well. This will allow all investors to size in and out of positions without paying commissions, saving valuable percentage points.

Almost all brokerages have transfer fees if

# Market Overview

BWSR AVG ↓ 0.2%	RUS 2000 ↓ 0.3%	DJIA ↓ 0.8%	S&P 500 ↓ 0.9%	NASDAQ ↓ 1.5%
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## Major indices ended their winning streak and pulled back slightly from recent highs.

This weakness resulted from negative headlines surrounding the impeachment inquiry and poor manufacturing data. Not only did the data miss estimates, but it hit its lowest level since 2009. Bowser stocks managed to show relative strength along with small stocks as a whole. **MamaMancini's (MMMB)** led the way after announcing a new deal with Beyond Meat (BYND) for plant-based products.

you want to switch, which generally range between \$50-\$75. That may not sound like much, but it can really slow down the growth of a small portfolio. A costing analysis is simple to see if the transfer fee is worthwhile based on your average number of trades. If it is and there is no end or cut to commissions in sight for your broker, transferring an account is an easy process that can take less than a week depending on your holdings.

### Bottom Line

Now that the costs of managing a portfolio are dropping, you have the ability to pick your brokerage based more on personal preference. If low fees are your top priority and you have \$500 in your account, E\*Trade is the way to go. If you like to do your own research to complement our analysis, then Schwab has an outstanding platform for you to use. However, TD Ameritrade is our top pick for on-the-go investors with great customer service, top of the line research platforms and low fees overall.

Whether you're looking to set up a new brokerage account or transfer out of a high fee brokerage, determine what's most important to you, take into account the important factors above, read the fine and don't hesitate to reach out to a brokerage and ask questions.

## 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

**BAB Systems, Inc. (BABB)** franchises and licenses bagel and muffin retail units under the Big Apple Bagels, My Favorite Muffin and SweetDuet trade names within the United States and the United Arab Emirates. The company also serves Brewster's Coffee in its restaurants and owns the assets of Jacobs Bros. Bagels, which it acquired in 1999. BABB operates 73 franchise units and six license units in 23 states. The company has 23 full-time employees, not including the individuals employed at its restaurant locations.

## Business Model

BABB focuses on consistent profits and rewarding investors through a quarterly dividend, while operating a franchise business model. The toughest part about franchising is incentivizing franchisees to start the process. To counter this, My Favorite Muffin and Big Apple Bagels restaurants have successful histories and low opening costs.

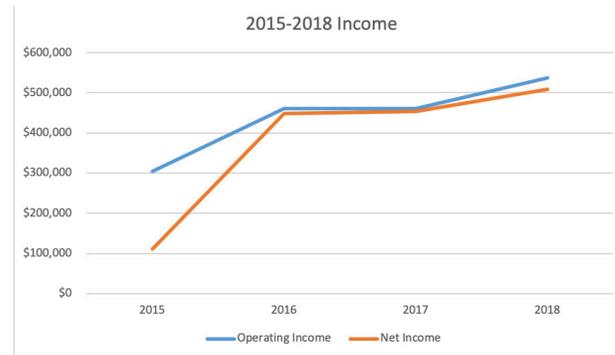
While traditional fast casual restaurants can require an investment of over \$1 million to start, My Favorite Muffin only requires roughly \$250,000-\$350,000 to franchise a full store. Satellite stores require even less to get started and allow owners to expand. These stores are capped at ten employees, which lowers labor costs and increases profit margins. The lower overhead costs coupled with a high average ticket between \$11-\$12 keeps margins high, even throughout the start of the franchising process.

Big Apple Bagels has a slightly higher total investment of \$284,000-\$394,000 but has an average unit volume of \$706,870 in the top 25% of franchises. There are multiple Big Apple Bagels locations overseas, which allows the company to collect licensing fees. Royalty fees have always made up a larger portion of the company's revenue, but licensing fees are great for bottom line growth. Royalty fees represent a 5% fee on net retail and wholesale sales of franchised units.

## Financials

BABB has similar fundamentals to Precision Auto Care (PACI), one of our old franchising recommendations that was acquired. PACI had consistent revenue growth and a strong balance sheet. BABB has the same financial stability due to its low overhead costs. As a result, operating income and net income have trended higher over the years.

Below is a chart representing that trend:



Net income has increased 360% over the past for year, but share price has declined. More recently, however, BABB shares have slowly recovered and trended higher.

The company's balance sheet shows high liquidity (indicated by its relatively high current ratio of 1.84) and high levels of cash and cash equivalents. In the most recent quarter, cash totaled \$1.03 million, representing \$0.14 per share. BABB's strong balance sheet allows it to pay a consistent dividend while maintaining a strong financial position.



**OTCQB: BABB**  
**BOWSER RATING: 8**

\$0.82  
SHARE PRICE

\$0.64 ← 52-WEEK LOW      52-WEEK HIGH → \$0.95

Worth noting is BAB, Inc.'s adoption of Accounting Standards Codification 606, which has changed its financial reporting slightly. The adoption has altered year-over-year results so that they are mixed. For example, without the adoption, six month sales would be down very slightly, but earnings would be up. With the adoption, the opposite is true.

## Dividend

BABB is a dividend stock, which are rare in the microcap world and make for great long-term investments. The company pays a \$0.01/share quarterly dividend, which represents an annual yield of 4.88%. Combined with the stock's 15.5% gain over the past year, BABB is outperforming all major indices.

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	2017	2018	2019(A)
REVENUES	\$2,220,893	\$2,173,331	\$1,486,514
INCOME (LOSS)	\$454,173	\$507,875	\$224,997
WORKING CAPITAL	\$648,439	\$756,394	\$720,749
BOOK VALUE	\$0.39	\$0.41	\$0.39
TOTAL SHARES	7,263,508	7,263,508	7,263,508
FLOAT	N/A	N/A	4,490,000

(A) Six months ended May 31, 2019.

# MINIPRICED STOCKS IN BUYING RANGE

SYMBOLS: (A) NYSE MKT; (CM) NASDAQ CAPITAL MARKET, WAS THE SMALL CAP MARKET; (GM) NASDAQ GLOBAL MARKET, WAS NATIONAL MARKET; (N) NEW YORK STOCK EXCHANGE; (NR) NOT RATED; (QB) OTC QB MARKET; (QX) OTC QX MARKET; # PREVIOUSLY APPEARED ON LIST, BUT WAS REMOVED BECAUSE IT HAD RISEN ABOVE \$3.00/ SHARE; FIGURES IN PARENTHESIS ARE LOSSES.

Date of Recommend & Market	Issue/Trading Symbol	Principal Business	Price 10/04/19	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	1.18	\$0.000	\$10.7	\$6.187	22.9	10
06/19(N)	HC2 HOLDINGS (HCHC)	DIVERSIFIED HOLDING COMPANY	2.17	\$762.000	\$2,014.5	\$194.196	44.8	12
12/17(QB)	LEATT CORP. (LEAT)	PERSONAL PROTECTIVE EQUIPMENT	1.75	\$0.000	\$25.5	\$1.188	5.4	12
02/15(GM)	NOVA LIFESTYLE INC. (NVFY)	FURNITURE MANUFACTURING/SALES	0.62	\$0.000	\$115.3	\$7.435	27.6	10
# 05/18(CM)	TAITRON COMPONENTS (TAIT)	ELECTRONIC COMPONENTS	2.86	\$0.000	\$7.6	\$1.360	4.9	11
# 10/12(QB)	WHERE FD CMS FROM (WFCF)	FOOD VERIFICATION SERVICES	1.67	\$0.028	\$18.6	\$0.806	24.8	10
<b>CATEGORY TWO: GOOD COMPANIES (RATED 8-9)</b>								
04/19(N)	ARC DOCUMENT SOLUTIONS (ARC)	DOCUMENT SOLUTIONS	1.41	\$63.537	\$394.9	\$5.287	46.1	8
<b>10/19(QB)</b>	<b>BAB SYSTEMS, INC. (BABB)</b>	<b>FAST CASUAL RESTAURANT FRANCHISES</b>	<b>0.82</b>	<b>\$0.000</b>	<b>\$2.6</b>	<b>\$0.454</b>	<b>7.3</b>	<b>8</b>
# 07/18(CM)	B.O.S BETTER ONLINE (BOSC)	RFID AND MOBILE SOLUTIONS	2.24	\$2.280	\$33.4	\$0.769	4.3	9
03/19(CM)	INSIGNIA SYSTEMS (ISIG)	MARKETING SERVICES	0.98	\$0.000	\$30.9	\$0.467	11.9	9
12/14(QB)	INT'L BALER CORP. (IBAL)	BALING EQUIPMENT	1.45	\$0.000	\$12.3	\$0.312	5.2	9
04/17(QB)	MAMAMANCINI'S (MMMB)	FOOD PRODUCTS	0.68	\$4.438	\$30.6	\$1.150	32.0	9
05/19(N)	SAFE BULKERS (SB)	MARINE DRY BULK TRANSPORTATION	1.79	\$538.508	\$198.0	\$15.765	101.5	9
01/18(QX)	SINGING MACHINE CO. (SMDM)	KARAOKE AUDIO EQUIPMENT	0.30	\$0.000	\$49.5	\$0.796	38.4	8
08/14(QB)	SONO-TEK CORP. (SOTK)	ULTRASONIC NOZZLES	2.99	\$0.666	\$11.7	\$0.165	15.3	8
09/19(QB)	TECHPRECISION (TPCS)	METAL COMPONENTS AND SYSTEMS	1.55	\$3.205	\$16.9	\$1.158	29.3	8
08/19(QB)	TRXADE GROUP (TRXD)	WEB-BASED MARKETPLACE	1.10	\$0.522	\$5.6	\$0.090	33.7	9
<b>CATEGORY THREE: SPECULATIVE COMPANIES (RATED 7 AND BELOW AND/OR NON-PROFITABLE)</b>								
10/18(CM)	AEHR TEST SYSTEMS (AEHR)	SEMICONDUCTOR TEST EQUIPMENT	1.67	\$0.000	\$21.9	(\$4.133)	22.7	9
03/16(CM)	BROADWAY FINANCIAL (BYFC)	BANK HOLDING COMPANY	1.44	\$79.845	\$12.7	\$1.168	19.1	7
# 05/14(CM)	CPS TECHNOLOGIES (CPST)	ADVANCED MATERIAL SOLUTIONS	0.97	\$0.000	\$24.9	(\$4.199)	13.2	9
01/19(CM)	FORWARD INDUSTRIES (FORD)	CARRYING CASES AND ACCESSORIES	1.01	\$0.000	\$37.9	(\$1.617)	9.5	9
12/16(QB)	FRANKLIN WIRELESS (FKWL)	WIRELESS SOLUTIONS	2.40	\$0.000	\$37.5	(\$1.081)	10.5	NR
# 08/16(CM)	FULL HOUSE RESORTS (FLL)	CASINO OPERATIONS	2.30	\$111.501	\$166.4	(\$1.702)	27.0	9
05/17(QB)	GALAXY GAMING (GLXZ)	GAMING INDUSTRY PRODUCTS	1.84	\$47.232	\$20.4	\$2.794	17.8	7
# 12/18(CM)	GSE SYSTEMS (GVP)	DATA ACCESS AND MANAGEMENT	1.63	\$16.352	\$90.3	(\$4.200)	20.1	NR
10/17(QB)	INNOVATIVE FOOD (IVFH)	FOOD PRODUCTS AND SERVICES	0.59	\$0.464	\$56.8	\$1.102	33.8	7
10/16(CM)	KOSS CORPORATION (KOSS)	STEREO ACCESSORIES	1.94	\$0.000	\$24.1	(\$0.964)	7.4	8
07/13(CM)	LIGHTPATH TECH (LPST)	OPTICAL COMPONENTS	0.73	\$0.500	\$33.8	(\$2.680)	25.8	8
06/17(QB)	MIKROS SYSTEMS (MKRS)	ADVANCED MAINTENANCE PRODUCTS	0.18	\$0.341	\$8.1	\$0.257	35.6	7
# 08/17(CM)	NATIONAL HOLDINGS (NHLD)	INVESTMENT BANKING	2.69	\$0.000	\$205.4	(\$3.047)	12.9	8
# 01/17(GS)	ONE HOSPITALITY GROUP (STKS)	GLOBAL RESTAURANT OPERATIONS	2.59	\$11.238	\$92.2	\$3.395	28.6	7
09/18(CM)	SCHMITT INDUSTRIES (SMIT)	SCIENTIFIC AND TECH INSTRUMENTS	2.12	\$0.000	\$13.8	(\$1.107)	4.0	NR
# 11/18(GS)	SEACHANGE INT'L (SEAC)	APPLICATION SOFTWARE	2.87	\$0.000	\$62.9	(\$34.474)	36.6	9
Office: 50 Nagog Park, Acton, MA 01720, Tel: (978) 897-0100, www.seachange.com								
# 09/16(CM)	SOCKET MOBILE (SCKT)	DATA CAPTURE PRODUCTS	2.22	\$0.583	\$18.0	(\$0.076)	6.0	8
02/19(QB)	TSS, INC. (TSSI)	END-USER AND ENTERPRISE SYSTEMS	0.90	\$1.928	\$20.3	\$1.914	17.5	NR
06/18(GS)	U.S. AUTO PARTS (PRTS)	AFTERMARKET AUTO PARTS	1.48	\$0.000	\$282.5	(\$10.177)	35.5	NR
# 09/17(CM)	VIRTA (VTSI)	LAW ENFORCEMENT TRAINING SYSTEMS	2.72	\$0.000	\$12.2	(\$2.156)	7.7	7

We recommend only purchasing companies rated 8 or higher. If a company's rating drops, do not sell. For when to sell, refer to the Game Plan on page 2.

## Category Change

This month, with only a few earnings to report, **MamaMancini's (MMMB)** was the only company changing categories. MMMB rose from Category 3 to Category 2, propelled by a two point boost in its Bowser Rating (from 7 to 9).

MamaMancini's shares are trending upward, almost doubling since their recent 52-week low of \$0.33 per share in August. Not only was this move driven by healthier financials, but as described in more detail in the following article, the company's partnership with Beyond Meat is driving growth.

## MMMB enters strategic partnership

**MamaMancini's (MMMB)** entered into a strategic partnership with Beyond Meat (BYND) to introduce a new line of fully-cooked authentic Italian foods to its large customer base using Beyond Meat's plant-based Beyond Beef®.

"Plant-based meat is one of the fastest growing trends in the food industry, and Beyond Meat is leading the revolution," said MamaMancini's Chief Executive Carl Wolf. "Beyond Beef was the perfect choice for our new bowls as it offers the same juicy, meaty texture as beef, with the benefits of plant-based proteins."

# FOLLOW-THROUGH AND STOCKS TO SELL

WE ENCOURAGE SUBSCRIBERS TO BUY OUR STOCKS WHEN THEY ARE \$3 OR LESS. HOWEVER, WHEN THEY GO ABOVE \$3, WE FOLLOW THEM IN THE FIRST GROUP BELOW. IN BOTH OF THE FOLLOWING LISTS, COLUMN 1 GIVES THE SHARE PRICE AS OF 10/04/19 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)	\$12.30(11)	03/17 \$9.00(11)	LRAD CORP. (CM:LRAD)	\$3.39(9)	07/16 \$1.85(8)
*Price adjusted for 1-for-5 reverse split Aug. '18			MANHATTAN BRIDGE CAPITAL (CM:LOAN)	\$6.49(10)	02/10 \$1.10(9)
DLH HOLDINGS (CM:DLHC)	\$4.29(NR)	01/14 \$1.53(9)	RADA ELECTRONIC (CM:RADA)	\$4.91(7)	03/18 \$2.16(10)
ELECTROMED (A:ELMD)	\$6.34(7)	09/15 \$1.64(10)	REPRO MED SYSTEMS (QB:REPR)	\$3.70(8)	07/10 \$0.16(8)
EMMIS COMMUNICATIONS (GS:EMMS)	\$4.91(NR)	07/17 \$2.92(8)	RIVERVIEW BANCORP (GS:RVSB)	\$7.33(9)	06/13 \$2.30(9)
INFUSYSTEM HOLDINGS (A:INFU)	\$5.86(7)	12/15 \$2.88(8)	SEACHANGE INT'L (GS:SEAC)	<b>Now \$2.87; See page 4</b>	
ITERIS (A:ITI)	\$5.18(7)	12/06 \$2.21(8)	SMITH-MIDLAND (QX:SMID)	\$7.69(8)	02/16 \$2.38(10)
LANTRONIX (CM:LTRX)	\$3.48(NR)	11/17 \$1.82(8)	TABLE TRAC (QB:TBTC)	\$3.15(10)	07/19 \$2.40(8)
LIBERATED SYNDICATION (QB:LSYN)	\$3.10(8)	08/18 \$1.61(8)	VIRCO MANUFACTURING (GM:VIRC)	\$3.81(10)	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)	\$2.98	02/19 \$1.34	NOBLE ROMAN'S (CM:NROM)	\$0.46	06/19 \$0.64
CEMTREX, INC. (CM:CETX)	\$1.30	01/19 \$0.81	SPAR GROUP (CM:SGRP)	\$1.03	06/19 \$0.69
CHINA NEW BORUN (N:BORN)	\$0.16	06/19 \$0.27			

## BRIEFS

**Aehr Test Systems (AEHR)** received an initial order from a new customer for its FOX-XP Wafer Level Test and Burn-in system and WaferPak™ Contactors for a line of silicon carbide devices. . . . **CPS Technologies (CPSH)** entered into a new three year \$2.5 million credit facility with The Massachusetts Business Development Corp. . . . **Galaxy Gaming (GLXZ)** will rebrand to reflect a new visual identity and strategic growth initiatives. . . . **GSE Systems (GVP)** chief operating officer and director, Chris Sorrells, stepped down. . . . **InfuSystem Holdings (INFU)** approved a stock repurchase program of up to \$5 million through 2020. . . . **Iteris (ITI)** won an \$800,000 traffic

signal synchronization project by the Illinois DOT. . . . **Lantronix's (LTRX)** xPico 270 embedded IoT gateway and combo Wi-Fi/Bluetooth module is generally available. . . . **Liberated Syndication (LSYN)** podcast hosting subscriptions grew 13% in Q3 over the same period last year and 15.7% compared to Q2 2019. . . . **MamaMancini's (MMMB)** announced that QVC customers voted its 80 Ct. Three Cheese Mini Meatballs w/1lb sauce as #1 in the "Best Heat & Eat Entrée" category during the 2019 QVC Customer Choice Food Awards. . . . **Mikros Systems (MKRS)** was selected as one of the fastest-growing companies in the greater Philadelphia region. MKRS later received additional funding of over \$0.2 million to provide engineering,

technical and logistics support for its ADEPT® maintenance workstation product. . . . **Smith-Midland (SMID)** received approval from the South Carolina DOT for the J-J Hooks MASH TL3-tested, free-standing and pinned temporary precast concrete safety barrier. . . . **Sono-Tek (SOTK)** entered into an agreement with Avior Bio Incorporated for Sono-Tek ultrasonic coating equipment to be used in the Avior product development and future manufacturing process. . . . **VirTra (VTSI)** received a \$1.7 million fixed-price delivery order for simulators, services and equipment from the U.S. Department of Homeland Security for Customs and Border Protection. VTSI also received a new five-year, single awardee indefinite delivery/indefinite quantity contract from U.S. Department of Homeland Security for U.S. Customs and Border Protection with a potential value of up to \$5.0 million.

## INSIDER TRANSACTIONS

COMPANY	SHARES TRADED	# OF TRADES	PRICE RANGE
Atlantic American	A-140,000	3	\$0.00
Galaxy Gaming	A-82,600	5	\$1.84
	OE-50,000	2	\$0.39
GSE Systems	D-31,993	4	\$1.75
InfuSystem Holdings	OE-50,000	1	\$0.00
	D-16,368	1	\$5.31
	B-5,004	2	\$4.90-\$5.05
Insignia Systems	D-14,200	2	\$0.97-\$1.04
Innovative Food	B-82,407x	2	\$0.52
	A-8,500x	2	\$0.56
LRAD Corp.	S-25,000	1	\$3.13
Lantronix	OE-50,000	4	\$0.00
	D-17,290	4	\$3.28-\$3.30
U.S. Auto Parts Network	B-410,599x	5	\$1.40-\$1.70
	B-9,000	1	\$1.64
	A-3,838	1	\$1.55
Repro Med Systems	A-8,544	5	\$3.95
	A-1,899x	1	\$0.00
Riverview Bancorp	B-20,000	1	\$6.85
	OE-14,000	2	\$3.84
Schmitt Industries	A-27,694	4	\$0.00
	OE-16,000	3	\$0.00
Virco Mfg. Corp.	S-31,510	6	\$3.80-\$3.91

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

## Downloading the weekly update

Where do I download the weekly update? I can't find it anywhere in my inbox.

-Sam K.

We do email the weekly update each Monday morning. If you aren't receiving it, please check your spam folder. If it's not there, please notify us, and we'll rectify the issue.

The weekly update is also posted in the Subscriber Section of the website. We'll be sending out an email with a video on how to login to the website and navigate the Subscriber Section. Since we'll be posting more content on the website in the near future, make sure your username and password are up-to-date.

## Is MamaMancini's going back up?

I bought another 500 shares of **MamaMancini's (MMMB)** stock after the *Beyond Beef* news. Is it right to think that the stock will go back up?

-Josh M.

MMMB investors definitely reacted positively to the partnership with Beyond Meat (BYND). The plant-based beef craze has made BYND one of the hottest IPO's and will likely increase demand for MMMB products.

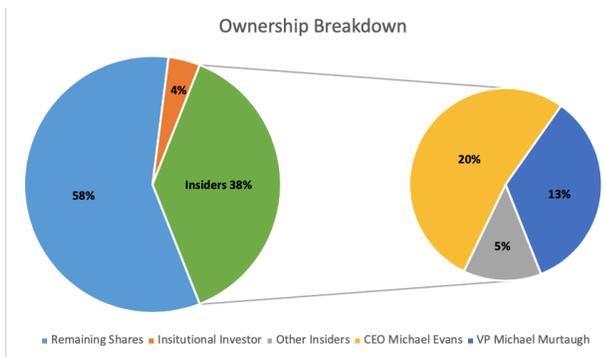
**However, don't add to your position based solely on a headline.** MMMB's financials have improved recently, validating the higher share price. Overall, sales should continue the recently reestablished upward trend.

# COMPANY OF THE MONTH... CONTINUED

The dividend payout has grown at an annual compound rate of 8% over the past three years, providing a consistent reward to shareholders. And, considering BABB's high liquidity and positive cash flow, this payout is unlikely to fade anytime soon.

## Ownership

Insiders own 38% of the outstanding shares, with the CEO Michael Evans and VP Michael Murtaugh holding the vast majority. Below is a summary of the company's ownership:



Evans (20%) and Murtaugh (13%) collectively own 33% of BABB's shares, and there have not been any significant insider transactions over the past five years outside of a disposition of 31,111 shares.

One institutional investor holds 4% of the shares outstanding, which amounts to 304,811 shares for a total value of \$213,367. This leaves 58% of shares available to the public, increasing volatility, but it also adds tremendous upside if any major holders were to accumulate shares.

## Outlook and Risks

Outlook for the coffee industry has been strong over the past few years. Although BABB technically focuses on fast casual restaurants, the coffee industry

is the most accurate representation of its potential growth. Over 60% of Americans visited a coffee shop at least once per month in 2018. Revenue growth has maintained consistency, but profits are worrisome. There's extremely high employee turnover, which makes for unusually large training costs and adds the potential of understaffing. However, BABB restaurants have an employee cap and close early at 6 PM ET. This makes for flexible schedules and reasonable work hours, which results in much lower turnover rates than the industry average.

With steady profits and consistent growth, most of the risk for BABB comes from finding new franchisees. If the company can't find new franchisees, then most of the benefit to owning the stock is from the dividend payout. Since it has a proven track record and substantially lower starting costs than that of its few competitors, the risk is minimal. While some companies pay a dividend due to a lack of growth, BABB is still showing signs of expansion. There were 13 full-time employees hired in May 2019, and the company is actively seeking new franchisees.

## Conclusion

BABB has been successful for over 30 years and the future is bright. With high ticket sales and low overhead costs, the business model is designed to grow profits. There's also minimal risk for new franchisees, so we're unlikely to see any decline in sales. BABB is growing on all fronts and is incredibly appealing due to its high dividend payout.

Subscribers Bryan Auer and Frank Kelly initially called our attention to BABB.

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## Beginner's Portfolio Up 262%

BOUGHT: None this month

SOLD: None this month

Cost		10/04/19	Cost		10/04/19	Cost		10/04/19	Proceeds
AAME	280/Mar '12	250	LEAT†	488/Jan '18	350	AEHR†	368/Dec '18	332	From Sales <b>9,799</b>
BYFC†	398/Apr '16	288	RADA†*	452/Apr '18	491	SEAC†	362/Dec '18	574	
MMMB†	200/Jun '17	136	PRTS†	318/Jul '18	396	TSSI†	198/Mar '19	180	
EMMS†	560/Aug '17	982	BOSC†	510/Aug '18	448	ISIG†	262/Apr '19	196	
NHLD†	546/Sep '17	538	LSYN†	334/Sep '18	620	SB†	390/Jul '19	358	
VTSI†	560/Dec '17	544	SMIT†	578/Oct '18	424	HCHC†	460/Jul '19	434	
						<b>Current Holdings Value:</b>		7,441	
Original cost for all stocks: \$4,766			*Half of original holdings			<b>Proceeds from Sales:</b>		9,799	
Gain: 17,240 minus 4,766 = 12,474			†Bought 200 Shares			<b>Total Value of Portfolio:</b>		<b>17,240</b>	

Percentage of gain: 12,474 divided by 4,766 x 100 = 261.7

Compound Annual Growth Rate: 7.37%

**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

Following a very strong month for the Beginner's Portfolio, the portfolio slid slightly in September along with stocks as a whole. With no sales or purchases, Current Holdings Value slid 2% on the month following lackluster performances from **Broadway Financial (BYFC)**, down 19%, and **Better Online Solutions (BOSC)**, down 17%, partially offset by strong gains from **Rada Electronics (RADA)**, up 47%, and **MamaMancini's (MMMB)**, up 39%.

## EARNINGS

	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
Aehr Test Systems (AEHR)	08/31/19	\$5,533,000	\$4,740,000	(\$413,000)	(\$1,515,000)	
Lantronix (LTRX)	06/30/19	\$10,153,000	\$12,037,000	(\$1,459,000)	\$752,000	(A)
LightPath Technologies (LPTH)	06/30/19	\$8,745,278	\$8,088,377	(\$1,705,847)	(\$829,994)	(B)
MamaMancini's (MMMB)	07/31/19	\$8,099,445	\$5,640,830	\$358,308	(\$210,195)	
Virco Manufacturing (VIRC)	07/31/19	\$70,359,000	\$74,802,000	\$5,867,000	\$5,475,000	

(A) *LTRX realized \$1,233,000 of acquisition and restructuring charges tied to its acquisition of Maestro.*

*Commenting on this acquisition, Paul Pickle, president and CEO, stated: "With the recent acquisition and the enhancement of our executive team, we have quickly demonstrated our commitment to deliver incremental growth and shareholder value. As we look to fiscal 2020, we are focused on driving both top line and operational synergies, enhancing a product roadmap that will accelerate growth, and continuing accretive acquisition activity so as to increase our scale, market share, and growth for the benefit of our shareholders."*

(B) *Jim Gaynor, president and CEO of LPTH, listed the following three factors as having negatively impacted the company's results: relocation of the company's Irvington facility for \$845,000 in fourth quarter costs, impact of tariffs, which increased \$400,000 in fiscal 2019, and tax impact as LPTH reversed a first half tax benefit, resulting in a \$406,000 hit in the fourth quarter.*

*"Our facility consolidation and other previously-announced organizational changes are expected to allow for investments in marketing and product management while still reducing total operating costs and expenses," Gaynor explained.*

# NOTES BY THE EDITOR

## The new website has officially launched!

The redesign is not only an update to the website's look, but it's also intended to make the site easier to use. In the future, we intend to launch plenty of content through the website so that you can use it as a resource for years to come.

Not only did we launch the new website last month, but Bowser stocks outperformed once again. Our goal is to always improve your



experience while continuing to provide you with the best stock recommendations along the way.

If you are an online subscriber, please make sure to log in to the new site and check out the updated Subscriber Section. If you have trouble logging in, let us know!

**This month's stock pick was provided to us by subscribers Bryan Auer and Frank Kelly.** It's a good reminder that our newsletter succeeds because of our amazing subscribers.

When a stock peaks your interest or you have a question, please reach out to us! If you're using the right criteria, you might just see your stock pick in next month's issue.

### FIVE BOWSER STOCKS UP AND DOWN

MamaMancini's	UP	39%	Nova Lifestyle	DOWN	20%
Sono-Tek Corp.	UP	22%	Broadway Financial	DOWN	19%
Full House Resorts	UP	21%	Emmis Comm.	DOWN	18%
Electromed	UP	20%	Better Online Sol.	DOWN	17%
Aehr Test Sytems	UP	19%	Virco Mfg.	DOWN	14%