



Dividend paying Bowser recommendations

A closer look at the Companies of the Month with cash payouts

Dividends are a great way to motivate shareholders to stick around for the long haul. However, penny stocks rarely pay dividends due to lack of capital to do so. Plus, over the past few years, buybacks have increased in popularity for those that do have capital, replacing dividends as a way of attracting and incentivizing investors.

Due to their rare nature, small stocks with strong fundamentals and high dividend yields are very appealing. Below is an analysis of current Bowser recommendations that offer dividends.

Dividend Yield

Calculate yield by dividing the dividend by the current share price. Considering yield instead of the dividend amount is important because the yield factors in the stock's price, demonstrating the dividend's return on investment. For example, last month's stock pick **BAB Systems (BABB)** pays a \$0.04 per share dividend, which doesn't seem substantial. However, it's yield of 4.5% adds up over the life of an investment.

The table below shows both dividend per share and dividend yield:

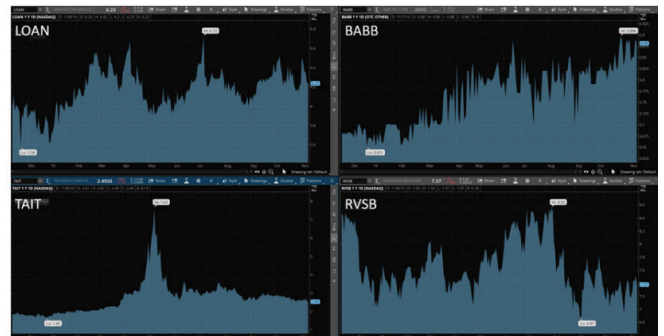
Stock	Dividend/Share	Yield
Manhattan Bridge Capital (LOAN)	\$0.48	7.5%
Taitron Components (TAIT)	\$0.14	5.6%
Bab (BABB)	\$0.04	4.5%
Riverview Bancorp (RVSB)	\$0.18	2.4%

The downside of examining yield is that a volatile stock price can cause the yield to fluctuate, misleading long-term investors. For example, **Taitron Components (TAIT)** has a high dividend yield of 5.6%, but when it was trading at a higher price six months ago, the yield was much lower. However, to compensate for the drop in share price, the company increased its dividend from \$0.12 (4.6% yield) to \$0.14—a great sign of

management's confidence.

Share Price Performance

Historical performance plays a role in understanding how and why a company pays a dividend. Below are charts of each of the four Bowser recommendations mentioned:



Taitron Components and BAB Systems are the top share price performers over the past year gaining 35% and 29%, respectively. However, factoring in stock performance and dividend yield, TAIT was the top dividend stock of 2019.

Dividend History

The history of dividend payments demonstrates both consistency and company performance. **Manhattan Bridge Capital (LOAN)** has a long history of paying a consistently high dividend, while **Riverview Bancorp (RVSB)** has the second most consistent trend and has steadily increased its payments. BABB has also consistently paid a high dividend yield, while TAIT has been increasing its dividend at a rapid rate due to its financial success. All in all, there are no major red flags, and each company has a history of consistently paying and/or increasing its dividend.

Payout Ratio

Payout ratios are important to understand a company's ability to both pay and increase its dividend by showing the dividend paid relative

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to net income. To calculate it, divide the dividend per share by the earnings per share (EPS). The closer the percentage is to 100%, the better. For example, TAIT has an EPS of \$0.24 and pays a dividend of \$0.14, giving it a dividend payout ratio of 58%.

Out of the four aforementioned stocks, RVSB has the lowest payout ratio (23%), which isn't a bad thing unless the company is not growing or increasing its dividend. Both BABB and LOAN have payout ratios of 100%.

Conclusion

With dividend payments becoming less common due to stock buybacks, it's difficult to tell which dividend stocks are rewarding shareholders to the best of their abilities. When considering each of the factors above, Manhattan Bridge is the top Bowser dividend stock.

LOAN has the highest dividend yield of the current Bowser recommendations, paying a quarterly dividend of \$0.12, which amounts to a 7.5% yield. And, the dividend has been nothing but consistent over the past five years, even increasing several times.

Factoring in share performance since its recommendation, LOAN has blown every other dividend stock out of the water. Manhattan Bridge was Company of the Month back in 2010 and has gained 739% since being picked for an

Market Overview

BWSR AVG ↑ 2.7%	RUS 2000 ↑ 6.5%	NASDAQ ↑ 6.2%	S&P 500 ↑ 4.8%	DJIA ↑ 4.2%
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Both the S&P 500 and Nasdaq hit new all-time highs in November. The Federal Reserve cut interest rates 25 basis points, and the U.S. and China agreed on terms for a partial trade deal. The Fed is expected to slow down on rate cuts due to improving macroeconomic data. Bowser stocks underperformed relative to stocks as a whole, but still managed to gain on the month. **Schmitt Industries (SMIT)** was the top performer after announcing the sale of its SBS business line for \$10.5 million.

annualized return of 24.4%, which excludes the dividend or any potential reinvestment.

Finally, LOAN's high payout ratio shows that the company's dividend is substantial yet sustainable in relation to its earnings, giving investors confidence that the payments will continue.

Overall, all four stocks are great long-term investments, providing a generous return on investment no matter their share performance. They are each good options for investors who seek to consistently beat the market (although LOAN and RVSB are now above \$3 per share).

Lantronix makes an acquisition

Lantronix (LTRX) will acquire Intrinsic Technologies for \$0.55 per share and 0.2135 of a share of LTRX for each issued and outstanding share of Intrinsic for a total aggregate pay of \$11.5 million in cash and issuance of 4.3 million shares of stock.

Paul Pickle, president and CEO: "In this transaction, we are acquiring edge computing and design capabilities, while bringing increased scale and the resulting operating efficiencies to drive incremental earnings growth for the benefit of our shareholders."

MKRS on lack of ADEPT funding

Mikros Systems (MKRS) addressed the recent announcement that the U.S. Navy has decided not to fund its ADEPT program for the 2020 fiscal year. Most notably, there have been two important spin-offs from the program: a "SYM-3" condition-based maintenance system and a development program to extend the SYM-3 to the Navy's MK 99 Fire Control System. Neither of these is affected by this funding decision. The company is confident that through these spin-offs, a significant amount of the lost ADEPT revenues will be offset.

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

Orion Energy Systems (OESX) provides state-of-the-art LED lighting, wireless Internet of Things enabled control solutions and energy project management. OESX researches, designs, develops, manufactures, markets, sells, installs and implements energy management systems consisting primarily of high-performance, energy-efficient commercial and industrial interior and exterior lighting systems. It operates in three primary market segments: commercial office and retail, area lighting and industrial applications. The company was founded in 1993 and almost all of its sales are in North America.

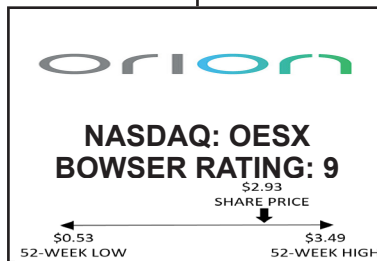
Competitive Edge

Orion Energy Systems has been growing its market share by providing turnkey solutions for project implementation where it manages multi-facility roll-outs of energy management solutions across North America. These turnkey solutions have allowed for much higher revenue growth over the past few quarters. Over time, OESX has developed a large and growing national customer base, and has installed its products in more than 14,500 facilities across North America.

The company has developed a portfolio of 104 U.S. patents covering various elements of its products, as well as 15 patents pending that primarily cover the newly developed LED products and certain business methods. Its lighting products offer more light output as measured in foot-candles of light delivered per watt of electricity consumed in comparison to HID or fluorescent fixtures. Over the past few years, it's even been utilizing its system platform as a "smart ceiling," which can be integrated with other technologies. The demand for these systems has recently grown and is expected to trend higher over the coming years.

OESX's other competitive advantage comes from the company's ability to reduce lighting-related electricity costs by approximately 50% or more. Additionally, the quality of these systems is much higher than that of its competitors, and management has a history of being disciplined with cost efficiency. Although its profit margins can be volatile due to its wide variety of product offerings, the company has managed to consistently grow

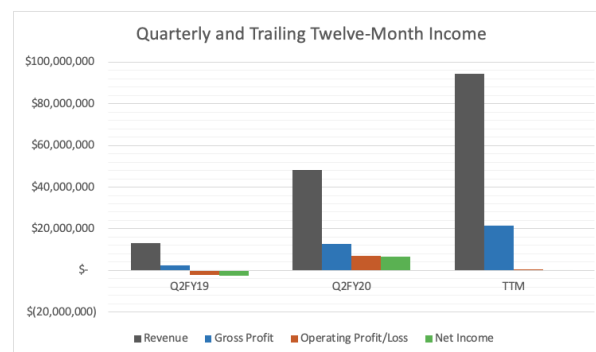
its margin year-over-year. Gross profit margin increased to 26% in the recent quarter versus 19% in the prior year period.



Growth

At a glance, Orion Energy Systems may seem like a risky investment because share price has jumped over the past seven months. However, it's still showing signs of long-term sustainable growth. In

recent quarters, the company has had some of its larger contracts impact financial results. Below is a chart of its quarterly and TTM income:



Revenue grew 266% from the prior year period and management maintained its FY20 revenue goal range of \$135-\$145 million. Orion achieved record quarterly net income of \$6.7 million and EBITDA rose to \$7.3 million compared to a loss of \$1.8 million in Q2FY19.

To sustain this growth, OESX recently added four veteran sales executives to its national accounts team. Although it may take up to a year for the new sales executives to get up to speed, it's a step in expanding national account engagement. National accounts will likely be the primary driver of growth as the company focuses on new customer relationships.

Fundamentals

Orion Energy Systems cut its debt by 57% from the previous quarter, but its assets/liabilities ratio

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	2018	2019	TTM
REVENUES	\$60,300,000	\$65,754,000	\$129,434,000
INCOME (LOSS)	(\$13,128,000)	(\$6,674,000)	9,145,000
WORKING CAPITAL	\$13,029,000	\$14,042,000	\$19,747,000
BOOK VALUE	\$0.81	\$0.61	\$0.96
TOTAL SHARES	28,784,000	29,430,000	30,189,000
FLOAT	N/A	N/A	23,040,000

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 11/08/19	Long-term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
CATEGORY ONE: BEST COMPANIES (RATED 10+)								
02/18(QB)	ALTIGEN COMMUNICATION (ATGN)	CLOUD-BASED IP SOLUTIONS	1.11	\$0.000	\$10.7	\$6.187	22.9	10
06/19(N)	HC2 HOLDINGS (HCHC)	DIVERSIFIED HOLDING COMPANY	2.32	\$786.000	\$1,988.8	\$33.896	45.7	10
12/17(QB)	LEATT CORP. (LEAT)	PERSONAL PROTECTIVE EQUIPMENT	1.87	\$0.000	\$25.5	\$1.188	5.4	12
02/15(GM)	NOVA LIFESTYLE INC. (NVFY)	FURNITURE MANUFACTURING/SALES	0.54	\$0.000	\$115.3	\$7.435	27.6	10
# 07/19(QB)	TABLE TRAC (TBTC)	CASINO SYSTEMS AND SUPPORT Office: Baker Technology Plaza, Ste. 206, 6101 Baker Rd, Minnetonka, MN 55345, Tel: (952) 548-8877, www.tabletrac.com	2.99	\$0.000	\$7.4	\$0.559	4.5	10
# 05/18(CM)	TAITRON COMPONENTS (TAIT)	ELECTRONIC COMPONENTS	2.49	\$0.000	\$7.6	\$1.360	4.9	11
# 10/12(QB)	WHERE FD CMS FROM (WFCF)	FOOD VERIFICATION SERVICES	1.40	\$0.028	\$18.6	\$0.806	24.8	10
CATEGORY TWO: GOOD COMPANIES (RATED 8-9)								
10/19(QB)	BAB SYSTEMS, INC. (BABB)	FAST CASUAL RESTAURANT FRANCHISES	0.88	\$0.000	\$2.6	\$0.454	7.3	8
# 07/18(CM)	B.O.S BETTER ONLINE (BOSC)	RFID AND MOBILE SOLUTIONS	1.96	\$2.280	\$33.4	\$0.769	4.3	9
03/19(CM)	INSIGNIA SYSTEMS (ISIG)	MARKETING SERVICES	1.07	\$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
# 08/18(QB)	LIBERATED SYNDICATION (LSYN)	PODCAST HOSTING AND MEDIA Office: 5001 Baum Blvd., Suite 770, Pittsburgh, PA 15213, Tel: (412) 621-0902, www.libsyn.com	2.89	\$4.894	\$23.6	\$4.808	29.3	8
04/17(QB)	MAMAMANCINI'S (MMMB)	FOOD PRODUCTS	0.64	\$4.438	\$30.6	\$1.150	32.0	9
11/19(CM)	ORION ENERGY SYSTEMS (OESX)	LED LIGHTING SYSTEMS	2.93	\$3.812	\$129.4	\$9.145	30.2	9
05/19(N)	SAFE BULKERS (SB)	MARINE DRY BULK TRANSPORTATION	1.71	\$538.508	\$198.0	\$15.765	101.5	9
01/18(QX)	SINGING MACHINE CO. (SMDM)	KARAOKE AUDIO EQUIPMENT	0.31	\$0.000	\$49.5	\$0.796	38.4	8
# 09/16(CM)	SOCKET MOBILE (SCKT)	DATA CAPTURE PRODUCTS	1.74	\$0.458	\$18.8	\$0.063	6.0	9
08/14(QB)	SONO-TEK CORP. (SOTK)	ULTRASONIC NOZZLES	2.69	\$0.666	\$11.7	\$0.165	15.3	8
09/19(QB)	TECHPRECISION (TPCS)	METAL COMPONENTS AND SYSTEMS	1.39	\$3.205	\$16.9	\$1.158	29.3	8
CATEGORY THREE: SPECULATIVE COMPANIES (RATED 7 AND BELOW AND/OR NON-PROFITABLE)								
10/18(CM)	AEHR TEST SYSTEMS (AEHR)	SEMICONDUCTOR TEST EQUIPMENT	1.64	\$0.000	\$21.1	(\$5.235)	22.6	7
04/19(N)	ARC DOCUMENT SOLUTIONS (ARC)	DOCUMENT SOLUTIONS	1.32	\$88.437	\$388.5	\$3.759	45.0	7
03/16(CM)	BROADWAY FINANCIAL (BYFC)	BANK HOLDING COMPANY	1.63	\$79.590	\$12.8	\$0.138	19.1	7
# 05/14(CM)	CPS TECHNOLOGIES (CPSH)	ADVANCED MATERIAL SOLUTIONS	1.05	\$0.000	\$22.1	(\$3,849)	13.2	NR
01/19(CM)	FORWARD INDUSTRIES (FORD)	CARRYING CASES AND ACCESSORIES	1.05	\$0.000	\$37.9	(\$1.617)	9.5	9
12/16(QB)	FRANKLIN WIRELESS (FKWL)	WIRELESS SOLUTIONS	2.35	\$0.000	\$37.5	(\$1.081)	10.5	NR
# 08/16(CM)	FULL HOUSE RESORTS (FLL)	CASINO OPERATIONS	2.87	\$111.501	\$166.4	(\$1.702)	27.0	9
05/17(QB)	GALAXY GAMING (GLXZ)	GAMING INDUSTRY PRODUCTS	2.15	\$47.232	\$20.4	\$2.794	17.8	7
# 12/18(CM)	GSE SYSTEMS (GVP)	DATA ACCESS AND MANAGEMENT	1.27	\$16.352	\$90.3	(\$4.200)	20.1	NR
10/17(QB)	INNOVATIVE FOOD (IVFH)	FOOD PRODUCTS AND SERVICES	0.56	\$0.464	\$56.8	\$1.102	33.8	7
10/16(CM)	KOSS CORPORATION (KOSS)	STEREO ACCESSORIES	1.78	\$0.000	\$24.1	(\$0.964)	7.4	8
07/13(CM)	LIGHTPATH TECH (LPTH)	OPTICAL COMPONENTS	0.65	\$4.860	\$32.8	(\$3,472)	25.8	7
06/17(QB)	MIKROS SYSTEMS (MKRS)	ADVANCED MAINTENANCE PRODUCTS	0.10	\$0.341	\$8.1	\$0.257	35.6	7
# 08/17(CM)	NATIONAL HOLDINGS (NHLD)	INVESTMENT BANKING	2.65	\$0.000	\$205.4	(\$3,047)	12.9	8
# 01/17(GS)	ONE HOSPITALITY GROUP (STKS)	Now above \$3 per share; See Page 5 (Follow-Through)						
09/18(CM)	SCHMITT INDUSTRIES (SMIT)	Now above \$3 per share; See Page 5 (Follow-Through)						
11/18(GS)	SEACHANGE INT'L (SEAC)	APPLICATION SOFTWARE	2.92	\$0.000	\$62.9	(\$34.474)	36.6	
08/19(QB)	TRXADE GROUP (TRXD)	WEB-BASED MARKETPLACE	1.25	\$0.300	\$7.0	\$0.023	39	7
02/19(QB)	TSS, INC. (TSSI)	END-USER AND ENTERPRISE SYSTEMS	0.80	\$1.928	\$20.3	\$1.914	17.5	NR
06/18(GS)	U.S. AUTO PARTS (PRTS)	AFTERMARKET AUTO PARTS	2.23	\$1.078	\$282.3	(\$11.102)	36.0	NR
# 09/17(CM)	VIRTA (VTSI)	Now above \$3 per share; See Page 5 (Follow-Through)						

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, there are a few of category changes (one up and one down):

Socket Mobile (SCKT) is rising from Category 3 to Category 2 despite its Bowser Rating remaining the same. SCKT became profitable on a ttm basis.

Trxade Group (TRXD) is sliding from Category 2 to Category 3 due to its Bowser Rating falling from 9 to 7. **ARC Document Solutions (ARC)** is also dropping from Category

2 to Category 3, as its Bowser Rating declined from 8 to 7.

SMIT sells SBS business line

Schmitt Industries (SMIT) entered into a definitive agreement to sell its Schmitt Dynamic Balance Systems (SBS) business line to Tosei Engineering and Tosei America for \$10.5 million in cash. The transaction, which was approved by Schmitt's board, is expected to close in 4QFY19.

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 **11/08/19** 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)	\$13.49(11)	03/17 \$9.00(11)	MANHATTAN BRIDGE CAPITAL (CM:LOAN)	\$6.23(8)	02/10 \$1.10(9)
*Price adjusted for 1-for-5 reverse split Aug. '18			ONE GROUP HOSPITALITY (GS:STKS)	\$3.33(8)	01/17 \$2.12(8)
DLH HOLDINGS (CM:DLHC)	\$4.24(NR)	01/14 \$1.53(9)	RADA ELECTRONIC (CM:RADA)	\$5.14(7)	03/18 \$2.16(10)
ELECTROMED (A:ELMD)	\$6.69(7)	09/15 \$1.64(10)	REPRO MED SYSTEMS (QB:KRMD)	\$4.36(10)	07/10 \$0.16(8)
EMMIS COMMUNICATIONS (GS:EMMS)	\$4.68(NR)	07/17 \$2.92(8)	RIVERVIEW BANCORP (GS:RVSB)	\$7.37(9)	06/13 \$2.30(9)
INFUSYSTEM HOLDINGS (A:INFU)	\$7.20(7)	12/15 \$2.88(8)	SCHMITT INDUSTRIES (CM:SMIT)	\$3.33(8)	09/18 \$2.76(11)
ITERIS (A:ITI)	\$4.77(7)	12/06 \$2.21(8)	SMITH-MIDLAND (QX:SMID)	\$7.55(10)	02/16 \$2.38(10)
LANTRONIX (CM:LTRX)	\$3.05(NR)	11/17 \$1.82(8)	TABLE TRAC (QB:TBTC)	Now \$2.99; See Page 4	
LIBERATED SYNDICATION (QB:LSYN)	Now \$2.89; See Page 4		VIRCO MANUFACTURING (GM:VIRC)	\$4.10(10)	06/15 \$2.51(11)
LRAD CORP. (CM:GNSS)	\$3.30(9)	07/16 \$1.85(8)	VIRTA (CM:VTSI)	\$3.18(7)	09/17 \$2.15(10)

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)	\$2.83	02/19 \$1.34	NOBLE ROMAN'S (CM:NROM)	\$0.44	06/19 \$0.64
CEMTREX, INC. (CM:CETX)	\$1.41	01/19 \$0.81	SPAR GROUP (CM:SGRP)	\$1.06	06/19 \$0.69
CHINA NEW BORUN (N:BORN)	\$0.17	06/19 \$0.27			

BRIEFS

Better Online Solutions Ltd. (BOSC) expects to record a write-off of approximately \$600,000 in the third quarter of 2019, primarily related to its robotics acquisition. . . . **DLH Holdings (DLHC)** was awarded a contract to provide public health management support to the Center for Preparedness and Response under the CDC as a Booz Allen Hamilton blanket purchase agreement partner. . . . **Full House Resorts (FLL)** entered into two additional agreements allowing for online/mobile sports wagering throughout Indiana and Colorado. FLL later provided an update highlighting that sports wagering could begin at its Bronco Billy's Casino & Hotel and its Christmas Casino & Inn, as well as throughout the state via mobile sports wagering, in mid-2020. FLL also submitted an Owners Gaming License Application to the Illinois Gaming Board to develop and operate American Place, a casino and entertainment destination in Waukegan, IL. . . . **Galaxy Gaming (GLXZ)** signed a new multi-year agreement with Hippodrome Casino London. . . . **HC2 Holdings' (HCHC)** portfolio company, DBM Global Inc. (DBMG), will payout \$13.2 million, on November

27, 2019 to DBMG stockholders. . . . **Iteris (ITI)** announced that five departments of transportation have extended their contracts to continue Iteris' service of their 511 traveler information systems. ITI also entered into a Solution Technology Integrator agreement with Cisco Systems. . . . **LRAD Corp. (GNSS)** rebranded as Genasys™ Inc and now trades under the new ticker symbol "GNSS". . . . **Manhattan Bridge Capital's (LOAN)** board of directors declared a quarterly dividend of \$0.12 per share to be paid to all shareholders of record on December 31, 2019. . . . **ONE Group Hospitality (STKS)** opened STK in San Juan, Puerto Rico and ANGEL Roofbar & Dining in Florence's beautifully restored Hotel Calimala. . . . **Repro Med Systems (KRMD)** will use the name KORU Medical Systems in place of RMS Medical Products. The stock now trades under the new ticker symbol "KRMD". . . . **Singing Machine (SMDM)** was granted trademark protection by the China Trademark Office for its Singing Machine brand. SMDM also announced that *Parents Magazine* has selected Carpool Karaoke the Mic as one of the "Best Toys of 2019". . . . **Smith-Midland (SMID)** opened its new North Carolina precast concrete plant. SMID

subsidiary, Easi-Set Worldwide, announced that the Virginia DOT approved the J-J Hooks MASH TL3 tested 12 foot free-standing temporary precast concrete safety barrier. . . . **Taitron Components (TAIT)** declared a quarterly cash dividend of \$0.035 per share of common stock. . . . **Trxade Group (TRXD)** acquired certain assets of Bonum Health, a comprehensive telemedicine and telehealth platform. Bonum Health, introduced an online healthcare portal that allows users to tap into the clinical expertise of board-certified physicians for a low monthly fee. . . . **VirTra (VTSI)** received a \$2.3 million follow-on order from the Arizona Department of Public Safety. . . . **Socket Mobile (SCKT)** received two new U.S. patents: patent 10,438,503, which relates to VirTra's TASER® cartridge kits, and patent 10,436,539, which relates to mechanical malfunction of real firearms used in simulation training.

INSIDER TRANSACTIONS

COMPANY	SHARES TRADED	# OF TRADES	PRICE RANGE
Aehr Test Systems	S-61,918	3	\$1.61-\$1.69
	A-9,000	3	\$1.14
	OE-41,918	1	\$0.80
Emmis Communications	S-43,124	3	\$4.70-\$4.77
	OE-43,124	3	\$4.56
Innovative Food Holdings	A-41,500x	2	\$0.56-\$0.57
Lantronix	OE-25,000	1	\$1.59
LightPath Technologies	OE-11,469	2	\$0.72
	D-2,766	2	\$0.00
	S-5,072	3	\$6.20-\$6.22
Manhattan Bridge Capital	OE-113,124	3	\$0.00
National Holdings	OE-24,000	6	\$0.00
Schmitt Industries	A-15,625	1	\$0.00
	A-13,256x	2	\$0.00
U.S. Auto Parts Network	D-79	1	\$1.52
	S-45,770	11	\$3.28-\$4.01
Virco Mfg. Corp.	B-2,400	1	\$4.12

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

NVfy failing to meet listing requirements

Why does **Nova LifeStyle (NVFY)** have a Bowser Rating of 10 when it is failing to meet listing requirements?

-Greg

The Bowser Rating System is heavily weighted in fundamental factors. So, a company performing well financially will receive a higher rating despite its stock performance. This is to identify underlying value or growth not accounted for in the share price.

Certainly, we consider other factors when selecting new companies or recommending the sale of current recommendations. Because of the volatile nature of our recommendations, one or two will drop below the

minimum bid requirement for the Nasdaq or NYSE for a period of time. Rarely are they delisted, although we'll be sure to stay up-to-date with NVFY.

Is it worth holding NHLD?

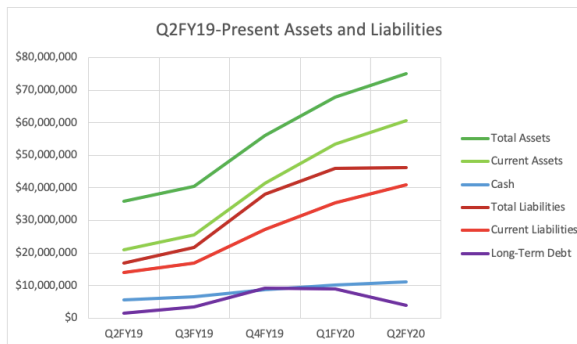
I'm still holding a few shares of **National Holdings (NHLD)** because it's undervalued. Is it worth holding?

-Ali E.

NHLD is still undervalued, and hasn't been recommended for sale in the newsletter. Because it's not profitable on a trailing twelve month basis, we wouldn't recommend new positions, but we don't recommend selling existing positions at this time.

COMPANY OF THE MONTH... CONTINUED

of 1.6 is relatively low. Below is a chart of OESX's assets and liabilities over the past five quarters:

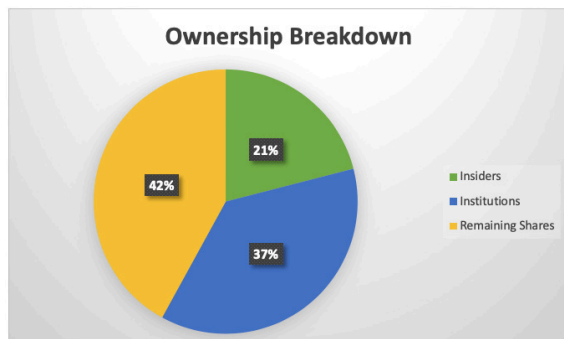


Over the past year, OESX has built up its cash position to \$11 million and its current assets significantly outweigh its current liabilities.

Cash flow from operating activities improved to \$6.5 million from (\$0.1) million in Q219. Although the company is overvalued, its price-to-sales ratio of 0.68 is low in comparison to the industry average. For a company growing at such a rapid rate, positive cash flow and a low price-to-sales ratio are both promising.

Ownership

Both insiders and institutional investors own a large number of OESX shares. Below is chart breaking down its ownership:



There have been twelve insider transactions over three months, with 259,468 shares being either acquired or purchased. Some of the largest insider shareholders purchased shares between \$2.78-\$2.87 which is reassuring of growth prospects.

Outlook and Risks

Industry outlook is strong with sales expecting to grow at a CAGR of almost 10% over the next five years. Some analysts are even forecasting that the LED lighting market will be worth \$105 billion by 2025. OESX management recently reiterated its sales guidance and has been adding to its sales team. It can take between 12-18 months before an order shows up on its financial statements, so investors have to be patient and follow management's guidance closely.

The main risk associated with OESX is its current price per share. The stock has risen tremendously over the past year, but it is a growth investment, not one based on value. If top line growth and industry outlook maintain, then it is unlikely to stay below \$3 for very long.

Conclusion

OESX has reported outstanding numbers over the past two quarters and management seems confident in a strong close to the year. Its improving balance sheet, strong cash flow and additions to its sales team are reassuring that the company is in on the right track to maintain growth. With demand for LED lighting growing at a rapid rate, OESX has the competitive edge to capture more market share in the long run.

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Beginner's Portfolio Up 269%

BOUGHT: None this month

SOLD: None this month

BOUGHT			SOLD			PROCEEDS			
Cost	11/08/19		Cost	11/08/19		Cost	11/08/19	Proceeds	
AAME	280/Mar '12	181	LEAT†	488/Jan '18	374	AEHR†	368/Dec '18	328	From Sales 9,799
BYFC†	398/Apr '16	326	RADA†*	452/Apr '18	514	SEAC†	362/Dec '18	584	
MMMB†	200/Jun '17	128	PRTS†	318/Jul '18	446	TSSI†	198/Mar '19	160	
EMMS†	560/Aug '17	936	BOSC†	510/Aug '18	392	ISIG†	262/Apr '19	214	
NHLD†	546/Sep '17	530	LSYN†	334/Sep '18	578	SB†	390/Jul '19	342	
VTSI†	560/Dec '17	636	SMIT†	578/Oct '18	666	HCHC†	460/Jul '19	464	
						Current Holdings Value:		7,799	
Original cost for all stocks: \$4,766			*Half of original holdings			Proceeds from Sales:		9,799	
			†Bought 200 Shares			Total Value of Portfolio:		17,598	

Gain: 17,598 minus 4,766 = 12,832

Percentage of gain: 12,832 divided by 4,766 x 100 = 269.2

Compound Annual Growth Rate: 7.45%

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 found its way back to profits in the past month as did Bowser recommendations and stocks in general. The Portfolio rose in line with major indices, with Current Holdings Value gaining 4.8% on the month. Leading the way were **Schmitt Industries (SMIT)**, up 57%, and **U.S. Auto Parts (PRTS)**, up 51%. These two were partially offset by double digit losses from **Better Online Solutions (BOSC)** and **Atlantic American (AAME)**. There were no sales or purchases.

EARNINGS

	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
ARC Document Solutions (ARC)	09/30/19	\$94,104,000	\$100,473,000	\$1,059,000	\$2,587,000	
Broadway Financial (BYFC)	09/30/19	\$4,359,000	\$4,283,000	(\$279,000)	\$751,000	
CPS Technologies (CPSH)	09/28/19	\$4,387,125	\$6,116,448	(\$495,970)	(\$18,949)	
HC2 Holdings (HCHC)	09/30/19	\$475,700,000	\$501,400,000	(\$7,500,000)	\$152,800,000	(A)
Iteeris (ITI)	09/30/19	\$27,882,000	\$24,417,000	(\$2,187,000)	(\$1,341,000)	
LightPath Technologies (LPTH)	09/30/19	\$7,551,930	\$8,549,721	(\$1,375,157)	(\$582,891)	
Manhattan Bridge Capital (LOAN)	09/30/19	\$1,916,957	\$1,891,454	\$1,149,969	\$1,188,820	
ONE Group Hospitality (STKS)	09/30/19	\$22,106,000	\$19,960,000	\$469,000	(\$209,000)	
Repro Med Systems (KRMD)	09/30/19	\$6,617,397	\$4,547,187	\$651,813	\$386,553	
Riverview Bancorp (RVSB)	09/30/19	\$16,051,000	\$15,229,000	\$4,534,000	\$4,229,000	
Schmitt Industries (SMIT)	08/31/19	\$3,342,885	\$3,440,453	\$169,808	(\$211,819)	
Smith-Midland (SMID)	09/30/19	\$13,209,000	\$9,544,000	\$574,000	\$520,000	
Socket Mobile (SCKT)	09/30/19	\$4,980,000	\$4,137,000	\$94,000	(\$45,000)	
Trxade Group (TRXD)	09/30/19	\$2,311,426	\$847,471	\$27,565	\$94,249	
U.S. Auto Parts (PRTS)	09/28/19	\$69,273,000	\$69,463,000	(\$1,424,000)	(\$180,000)	

(A) HCHC's third quarter 2018 net income benefited from approximately \$171 million in pre-tax one-time gains related to an acquisition at the insurance segment and from the company's investment in Inseego Corp. Less that one-time gain, HCHC

would've had a net loss of approximately \$18.2 million versus a net loss of \$7.5 million in the same quarter this year. As a result, adjusted EBITDA was up year-over-year significantly from \$26.3 million to \$34.2 million

NOTES BY THE EDITOR

Major indices had a very bullish month following macroeconomic headlines. With the Federal Reserve changing its stance on rate cuts, we're unlikely to see too many more positive catalysts short-term. Trade headlines and economic data have been lackluster, so volume has dropped off altogether.

Despite new records for larger cap indices, it's worth noting that smaller stocks have lagged behind throughout 2019, signalling that there is a good bit of fear in the markets as investors shift



assets to "less risky" larger cap stocks.

We broke down the top Bowser dividend stocks on the front page of this month's issue. We've always emphasized diversification as a method of risk management. So, if you find your portfolio is too heavily weighted in growth or value stocks, consider adding a Bowser dividend stock to your holdings.

The latest issue of *The Bowser Database* was published earlier this month. Head to www.thebowserreport.com/bowser-database/ to get your copy.

Lastly, online subscribers should be on the lookout for plenty of upcoming content. Myself and Publisher Thomas Rice will be posting articles and blog posts regularly to help you master the investment process.

FIVE BOWSER STOCKS UP AND DOWN

Schmitt Industries	UP	57%	Mikros Systems	DOWN	44%
U.S. Auto Parts	UP	51%	GSE Systems	DOWN	22%
ONE Hospitality Group	UP	29%	Socket Mobile	DOWN	22%
Full House Resorts	UP	25%	Where Food Comes Fr	DOWN	16%
InfuSystem Holdings	UP	23%	Taitron Components	DOWN	13%