



## Activist investor drives change at LSYN

### Settlement between Camac and Liberated Syndication benefits shareholders

Just over two months ago, **Liberated Syndication (LSYN)** and Camac Fund, LP, reached a settlement agreement to start a new committee and update LSYN's board of directors. The fund initiated the process over six months ago and jumped through hoops to get Liberated Syndication to budge. Eric Shahinian of Camac Fund was the activist investor behind these changes, and the fund now holds 6.75% of the outstanding shares.

Below is a review of what took place and how it affects Bowser subscribers and other LSYN shareholders.

#### A Brief Definition: Activist Investor

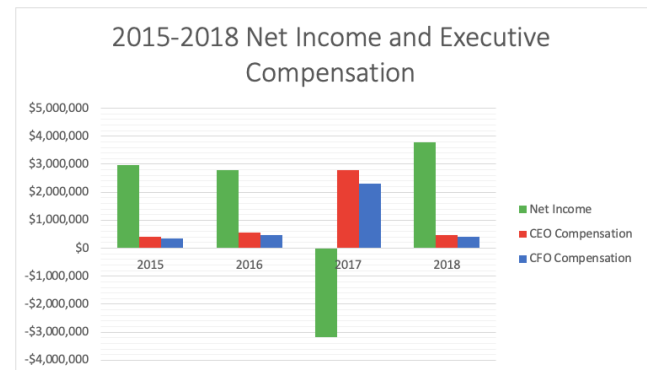
An activist investor is an individual or group that builds a large stake in a company in order to make positive changes. These investors often obtain seats on the board of directors and play a role in a company's decision making process.

Activist investors are common sights in failing companies or companies that put management before investors. In Liberated Syndication's case, the latter was the issue. In fact, LSYN had been on our watch list for some time, but we held off on recommending the stock because of the management team's overcompensation.

#### Executive Overcompensation

Liberated Syndication's management compensation plan was a red flag. In 2017, CEO Christopher Spencer and CFO John Busshaus were granted stock awards totaling upwards of \$4.3 million. In that same year, Spencer and Busshaus's salaries were \$400,000 and \$350,000, respectively. The overcompensation becomes clear in light of LSYN's bottom line results. Below is a chart of the company's net income in comparison to management compensation, including stock awards and

salary:



In 2017, LSYN reported a net loss of \$3,182,395, but Spencer and Busshaus received roughly five times the pay as the prior year. Why would executives be rewarded when the company underperforms? Camac asked the same question.

#### Push for Board Independence

In April 2019, Camac submitted a request to hold a special meeting to replace all existing members of Liberated Syndication's board of directors. In order to execute this, at least 25% of LSYN stock was required.

In an attempt to keep investors from having a larger say in the company's decisions, LSYN fought back by amending the company's bylaws to dramatically increase the quorum required at a special meeting and imposing a highly unusual "advance notice" requirement in connection with annual meetings of stockholders. It's not entirely unusual for a company to want full control of its board, but it's healthy for investors to have some kind of a say in what happens with their money.

As expected, the attempt to keep rewarding executives and ignoring shareholders failed. Carmac received permission to call a special meeting in September 2019.

*Continued on the page 2...*

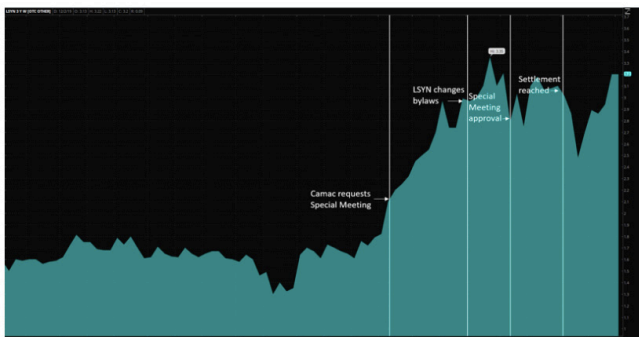
...Continued from front page

## The Settlement

On October 4, 2019, LSYN announced that they reached a settlement with Camac Fund. The agreement included:

- Adding new directors Eric Shahinian, Brad Tirpak (a managing director at Palm Active Partners) and at least one new independent director to the company's board;
- Camac withdrawing its special meeting request;
- Camac dismissing its pending litigation in Nevada;
- Creating a Strategic Review Committee aimed at developing value-enhancing actions for all stockholders;
- Cancelling an aggregate 300,000 shares from the equity grants on April 13, 2017 associated with the Nasdaq uplisting; and
- Reimbursing up to \$600,000 in out of pocket expenses for Camac.

The settlement ultimately created a more diverse board of directors and formed a Strategic Review Committee to enhance shareholder value. Overall, this is a positive outcome for investors and the future of the company as the stock's performance reflects:



Despite pulling back after news of the settlement, LSYN was still up 44% since April and recovered shortly after the drop.

# Market Overview

BWSR AVG ↑ 3.6%	RUS 2000 ↑ 2.1%	NASDAQ ↑ 2.1%	S&P 500 ↑ 1.7%	DJIA ↑ 1.2%
--------------------	--------------------	------------------	-------------------	----------------

**Major indices maintained their bullish trends as macroeconomic data continued to beat expectations.** Although there was a scary pullback in early December, the improvement from employment and manufacturing numbers led to an immediate recovery. Bowser stocks outperformed the Russell 2000 Index and had an outstanding earnings season. **SeaChange International (SEAC)** and **Altigen Communications (ATGN)** were two of the top gainers following strong financial results.

## Beyond the Settlement

Since the settlement, Camac Fund has purchased more shares through Shahinian, totaling 28,305 shares in the past two weeks.

The settlement mitigated the most significant risk factor associated with Liberated Syndication: overcompensation, which was disguised in the past by management hitting milestones. With strong top and bottom line growth and a board that is now aligned with shareholders, LSYN is poised for performance.

## RADA receives new orders

**RADA Electronic Industries Ltd. (RADA)** received a total of \$12.5 million in new orders during October and November 2019. Over 90% of the new orders are for RADA's growth engine: multi-mission, software-defined tactical radar systems, and half of the orders were growing follow-on orders from repeat customers.

RADA also announced the grand opening of its new 25,000 square foot US headquarters and manufacturing facility in Germantown, MD.

## 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

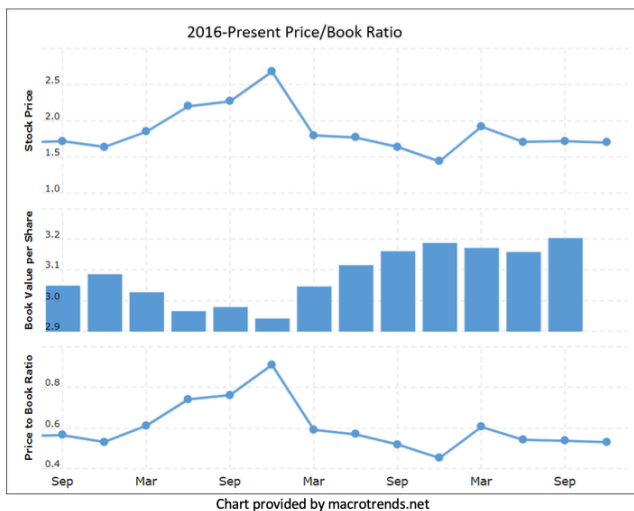
**Alaska Communications Systems (ALSK)** is a fiber broadband and managed IT services provider that offers technology and service-enabled customer solutions to business and wholesale customers. The company also provides telecommunication services to customers in the most populated communities throughout Alaska, and markets and sells its products through direct sales channels. ALSK currently has 555 full-time employees.

## Undervaluation

Alaska Communications is undervalued with a book value of \$3.19 per share that is significantly above its current share price of \$1.70. Additionally, the company has revenue per share of \$4.43, demonstrating very high sales relative to its current share price.

Not only is ALSK trading below fair value (book), but its price-to-book (P/B) ratio of less than 0.53 is well below the industry average of just over 6. Additionally, due to its high sales and low share price, the price-to-sales (P/S) ratio of 0.4 shows another significant undervaluation relative to the industry average of 5.

With the telecommunications industry continuing to gain market value, it becomes more difficult to overlook the value that ALSK is creating. Below is a chart of ALSK's P/B ratio over the past few years:



Despite book value growth over the past few years, the stock price has lagged, making ALSK a tempting value investment.

## Healthy Balance Sheet

ALSK's balance sheet is healthy despite its long-term debt, which has dropped to \$169 million from \$177.6 million in December 2016. While that still seems like an overwhelming figure, the company has total assets of \$546 million, including \$25 million in cash, up from \$21 million in 2016.

More impressive is ALSK's ability to grow its cash position while repurchasing shares. In June 2019, ALSK announced a program to repurchase up to \$10 million of the company's outstanding common stock. This move creates value for shareholders and also shows that



management is efficient with its assets.

## Potential Acquisition

Because of Alaska Communications' undervaluation and strong balance sheet, it is a low-risk, high-reward potential acquisition target for some of the larger telecommunications companies. Considering telecommunications companies have relatively high valuations to their respective indices, acquiring ALSK would add value for current shareholders.

There have been a number of telecommunications acquisitions over the past decade. Although the rate of mergers and acquisitions has cooled off a bit, it's still extremely high in comparison to other industries.

The only issue is the presence of preventative anti-trust laws. However, the recent merger between T-Mobile and Sprint, both of which are much larger than ALSK, set a precedent that certainly bodes well for a larger competitor acquiring Alaska Communications.

## Ownership

Institutional investors have been accumulating shares of ALSK for years with recent purchases totaling 852,531 shares, compared to just 95,965

*Continued on page 6...*

	2016	2017	2018
REVENUES	\$226,866,000	\$226,905,000	\$232,468,000
INCOME (LOSS)	\$2,386,000	(\$6,101,000)	\$9,080,000
WORKING CAPITAL	\$14,799,000	\$4,473,000	\$19,747,000
BOOK VALUE	\$3.09	\$2.94	\$3.19
TOTAL SHARES	51,169,000	52,232,000	53,042,000
FLOAT	N/A	N/A	45,650,000

# 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 12/06/19	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>								
06/19(N)	HC2 HOLDINGS (HCHC)	DIVERSIFIED HOLDING COMPANY	2.15	\$786.000	\$1,988.8	\$33.896	45.7	10
12/17(QB)	LEATT CORP. (LEAT)	PERSONAL PROTECTIVE EQUIPMENT	2.08	\$0.000	\$26.5	\$1.403	5.4	10
02/15(GM)	NOVA LIFESTYLE INC. (NVFY)	FURNITURE MANUFACTURING/SALES	0.40	\$0.000	\$50.1	\$2.191	28.4	11
# 07/19(QB)	TABLE TRAC (TBTC)	CASINO SYSTEMS AND SUPPORT	2.90	\$0.000	\$7.4	\$0.559	4.5	10
# 05/18(CM)	TAITRON COMPONENTS (TAIT)	<b>Now above \$3 per share; See Page 5 (Follow-Through)</b>						
<b>CATEGORY TWO: GOOD COMPANIES (RATED 8-9)</b>								
12/19(GS)	ALASKA COMMUNICATIONS (ALSK)	TELECOMMUNICATIONS AND IT SERVICES	1.70	\$171.541	\$232.1	\$4.004	53.0	8
02/18(QB)	ALTIGEN COMMUNICATION (ATGN)	CLOUD-BASED IP SOLUTIONS	1.46	\$0.000	\$10.6	\$1.917	22.9	8
10/19(QB)	BAB SYSTEMS, INC. (BABB)	FAST CASUAL RESTAURANT FRANCHISES	0.84	\$0.000	\$2.6	\$0.454	7.3	8
12/14(QB)	INT'L BALER CORP. (IBAL)	BALING EQUIPMENT	1.50	\$0.000	\$12.3	\$0.312	5.2	9
# 08/18(QB)	LIBERATED SYNDICATION (LSYN)	<b>Now above \$3 per share; See Page 5 (Follow-Through)</b>						
04/17(QB)	MAMAMANCINI'S (MMMB)	FOOD PRODUCTS	0.78	\$4.438	\$30.6	\$1.150	32.0	9
11/19(CM)	ORION ENERGY SYSTEMS (OESX)	<b>Now above \$3 per share; See Page 5 (Follow-Through)</b>						
05/19(N)	SAFE BULKERS (SB)	MARINE DRY BULK TRANSPORTATION	1.70	\$538.508	\$198.0	\$15.765	101.5	9
# 09/16(CM)	SOCKET MOBILE (SCKT)	DATA CAPTURE PRODUCTS	1.63	\$0.458	\$18.8	\$0.063	6.0	9
08/14(QB)	SONO-TEK CORP. (SOTK)	ULTRASONIC NOZZLES	2.65	\$0.666	\$11.7	\$0.165	15.3	8
# 10/12(QB)	WHERE FD CMS FROM (WFCF)	FOOD VERIFICATION SERVICES	1.70	\$0.025	\$19.7	\$0.970	24.8	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	1.91	\$0.000	\$21.1	(\$5.235)	22.6	7
04/19(N)	ARC DOCUMENT SOLUTIONS (ARC)	DOCUMENT SOLUTIONS	1.10	\$88.437	\$388.5	\$3.759	45.0	7
# 07/18(CM)	BETTER ONLINE SOLUTIONS (BOSC)	RFID AND MOBILE SOLUTIONS	1.74	\$2.201	\$33.6	(\$0.201)	3.5	9
03/16(CM)	BROADWAY FINANCIAL (BYFC)	BANK HOLDING COMPANY	1.52	\$79.590	\$12.8	\$0.138	19.1	7
# 05/14(CM)	CPS TECHNOLOGIES (CPH)	ADVANCED MATERIAL SOLUTIONS	1.01	\$0.000	\$22.1	(\$3,849)	13.2	NR
01/19(CM)	FORWARD INDUSTRIES (FORD)	CARRYING CASES AND ACCESSORIES	0.99	\$0.000	\$37.9	(\$1.617)	9.5	9
12/16(QB)	FRANKLIN WIRELESS (FKWL)	WIRELESS SOLUTIONS	2.20	\$0.000	\$37.5	(\$1.081)	10.5	NR
# 08/16(CM)	FULL HOUSE RESORTS (FLL)	<b>Now above \$3 per share; See Page 5 (Follow-Through)</b>						
05/17(QB)	GAMALUX GAMING (GLXZ)	GAMING INDUSTRY PRODUCTS	1.68	\$46.681	\$21.0	\$2.582	39.2	7
# 12/18(CM)	GSE SYSTEMS (GVP)	DATA ACCESS AND MANAGEMENT	1.11	\$16.352	\$90.3	(\$4,200)	20.1	NR
10/17(QB)	INNOVATIVE FOOD (IVFH)	FOOD PRODUCTS AND SERVICES	0.50	\$0.436	\$58.2	\$0.796	34.0	7
03/19(CM)	INSIGNIA SYSTEMS (ISIG)	MARKETING SERVICES	0.85	\$0.000	\$23.8	(\$2.156)	11.8	9
10/16(CM)	KOSS CORPORATION (KOSS)	STEREO ACCESSORIES	1.42	\$0.000	\$24.1	(\$0.964)	7.4	8
07/13(CM)	LIGHTPATH TECH (LPTH)	OPTICAL COMPONENTS	0.61	\$4.859	\$32.8	(\$3,473)	25.8	7
06/17(QB)	MIKROS SYSTEMS (MKRS)	<b>Sell recommendation; See below</b>						
# 08/17(CM)	NATIONAL HOLDINGS (NHLD)	INVESTMENT BANKING	2.73	\$0.000	\$205.4	(\$3,047)	12.9	8
11/18(GS)	SEACHANGE INT'L (SEAC)	<b>Now above \$3 per share; See Page 5 (Follow-Through)</b>						
01/18(QX)	SINGING MACHINE CO. (SMDM)	KARAOKE AUDIO EQUIPMENT	0.24	\$0.146	\$45.2	\$0.203	38.4	NR
09/19(QB)	TECHPRECISION (TPCS)	METAL COMPONENTS AND SYSTEMS	1.65	\$2.995	\$16.4	\$0.685	28.9	NR
08/19(QB)	TRXADE GROUP (TRXD)	WEB-BASED MARKETPLACE	1.30	\$0.300	\$7.0	\$0.023	39	7
02/19(QB)	TSS, INC. (TSSI)	END-USER AND ENTERPRISE SYSTEMS	1.18	\$1.978	\$18.1	\$1.167	15.2	NR
06/18(GS)	U.S. AUTO PARTS (PRTS)	AFTERMARKET AUTO PARTS	2.19	\$1.078	\$282.3	(\$11.102)	36.0	NR

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

## Category Changes

The end of earnings season brought a number of category changes as several stocks' most recent results warranted a reduction in Bowser Rating.

Both **Altigen Communications (ATGN)** and **Where Food Comes From (WFCF)** slid from Category 1 to Category 2. ATGN's Bowser Rating dropped from 10 to 8, and WFCF's fell from 10 to 9.

**Better Online Solutions (BOSC)** and **Insignia Systems (ISIG)** moved from Category 2 to Category 3 due to their trailing twelve month earnings turning negative.

Lastly, **The Singing Machine Company (SMDM)**

and **TechPrecision (TPCS)** also dropped from Category 2 to Category 3, but as a result of their Bowser Ratings sliding from 8 to NR.

## Sell Recommendation

We are recommending the sale of **Mikros Systems (MKRS)**. We recommended MKRS in June 2017, but it never found a footing and has underperformed since.

Most recently, the company announced the loss of funding for the Navy's ADEPT program, and while there will be other contracts to offset this loss, we are no longer bullish on the company's ability to create value for shareholders.



# FOLLOW-THROUGH AND STOCKS TO SELL

WE ENCOURAGE SUBSCRIBERS TO BUY OUR STOCKS WHEN THEY ARE \$3 OR LESS. HOWEVER, WHEN THEY GO ABOVE \$3, WE FOLLOW THEM IN THE FIRST GROUP BELOW. IN BOTH OF THE FOLLOWING LISTS, COLUMN 1 GIVES THE SHARE PRICE AS OF 12/06/19 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)	\$13.75(11)	03/17 \$9.00(11)	ONE GROUP HOSPITALITY (GS:STKS)	\$3.26(8)	01/17 \$2.12(8)
*Price adjusted for 1-for-5 reverse split Aug. '18			ORION ENERGY SYSTEMS (CM:OESX)	\$3.38(9)	11/19 \$2.93(9)
DLH HOLDINGS (CM:DLHC)	\$4.03(NR)	01/14 \$1.53(9)	RADA ELECTRONIC (CM:RADA)	\$5.25(7)	03/18 \$2.16(10)
ELECTROMED (A:ELMD)	\$8.47(9)	09/15 \$1.64(10)	REPRO MED SYSTEMS (QB:KRMD)	\$4.92(10)	07/10 \$0.16(8)
EMMIS COMMUNICATIONS (GS:EMMS)	\$4.19(NR)	07/17 \$2.92(8)	RIVERVIEW BANCORP (GS:RVSB)	\$7.41(9)	06/13 \$2.30(9)
FULL HOUSE RESORTS (CM:FLL)	\$3.53(9)	08/16 \$1.81(10)	SCHMITT INDUSTRIES (CM:SMIT)	\$3.55(8)	09/18 \$2.76(11)
INFUSYSTEM HOLDINGS (A:INFU)	\$7.73(7)	12/15 \$2.88(8)	SEACHANGE INT'L (GS:SEAC)	\$4.09(9)	11/18 \$1.66(8)
ITERIS (A:ITI)	\$5.19(7)	12/06 \$2.21(8)	SMITH-MIDLAND (QX:SMID)	\$6.61(10)	02/16 \$2.38(10)
LANTRONIX (CM:LTRX)	\$3.29(7)	11/17 \$1.82(8)	TAITRON COMPONENTS (CM:TAIT)	\$3.15(11)	05/18 \$1.44(11)
LIBERATED SYNDICATION (QB:LSYN)	\$3.20(8)	08/18 \$1.61(8)	VIRCO MANUFACTURING (GM:VIRC)	\$3.88(10)	06/15 \$2.51(11)
LRAD CORP. (CM:GNSS)	\$3.54(9)	07/16 \$1.85(8)	VIRTA (CM:VTSI)	\$3.72(9)	09/17 \$2.15(10)
MANHATTAN BRIDGE CAPITAL (CM:LOAN)	\$6.25(8)	02/10 \$1.10(9)			

## 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)	\$2.80	02/19 \$1.34	NOBLE ROMAN'S (CM:NROM)	\$0.49	06/19 \$0.64
CEMTREX, INC. (CM:CETX)	\$1.35	01/19 \$0.81	SPAR GROUP (CM:SGRP)	\$1.13	06/19 \$0.69
CHINA NEW BORUN (N:BORN)	\$0.16	06/19 \$0.27			

## BRIEFS

**Aehr Test Systems (AEHR)** received follow-on orders of over \$6 million from one of its lead FOX-XP Test and Burn-in System customers. . . . **Altigen Communications (ATGN)** selected Atlantis Telecom as its strategic partner for Omni-Channel Cloud Contact Center. . . . **BAB, Inc. (BABB)** declared a quarterly distribution of \$0.01/share and a special distribution of \$0.02/share, payable on January 9, 2020 to shareholders of record as of December 19, 2019. . . . **Better Online Solutions Ltd. (BOSC)** announced Mr. Ziv Dekel as chairman. The company also appointed a U.S. sales manager and is establishing a U.S. sales office in Dallas, TX. BOSC also received a \$460,000 order from a Mexican plastics manufacturer. . . . **GSE Systems (GVP)** subsidiary, Hyperspring, was awarded a new contract to support a major US utility and its nuclear fleet. . . . **Insignia Systems (ISIG)** restructured its leadership team and sales and marketing personnel. ISIG introduced a new offering, attribute targeting, within their digital platform. . . . **Iteris (ITI)** announced that Douglas L. Groves will join the company as senior vice president and CFO. Hillsborough County Metropolitan Planning Organization selected the Iteris ClearGuide™; The Oklahoma Department of Transportation selected the ClearPath Weather® solution; and ITI was awarded a traffic signal synchronization project by the City of

Rancho Cucamonga. . . . **Innovative Food (IVFH)** partnered with Marquee Brands to provide a line of Martha Stewart curated food gifts. . . . **Lantronix (LTRX)** entered into a loan agreement with Silicon Valley Bank for \$6 million to fund the acquisition of Intrinsyc Technologies. . . . **Liberated Syndication (LSYN)** appointed Brian Kibby, CEO of N2Ventures and Senior Partner of N2Growth and a seasoned digital content executive, to its board. . . . **LightPath Tech. (LPTH)** announced the availability of Diamond Like Carbon coating at production quantities for its proprietary BD6 chalcogenide glass materials product line. LPTH was also awarded a renewal of an annual supply agreement valued at \$5.0 million. . . . **MamaMancini's (MMMB)** launched a new SiriusXM national radio campaign, which will air an estimated 1,000 commercials over the Thanksgiving holiday. . . . **Repro Med Systems (KRMD)** announced that a judge allowed for a recoup of attorneys' fees and expenses from EMED Technologies in the amount of \$1,012,528. . . . **Schmitt Industries (SMIT)** announced a share repurchase plan to buy up to \$2 million of its common stock. SMIT also closed on the sale of Schmitt Dynamic Balance Systems to Tosei Engineering Corp. and Tosei America for \$10.5 million in cash. . . . **Smith-Midland (SMID)** announced a special dividend of \$0.055 per common share to be paid on January 3, 2020 to shareholders of record as of December 20, 2019. . . . **Socket Mobile (SCKT)** announced that Capture SDK now has full compatibility with iOS 13 and iPad OS. . . . **Sono-Tek Corp. (SOTK)** retained PCG Advisory Inc., a leading investor relations and digital strategies firm, to serve as an advisor for investor relations and strategic communications. . . . **Trxade Group (TRXD)** introduced the "Bonum Health Hub," a self-enclosed, free standing virtual examination room. . . . **VirTra (VTSI)** received approval from the U.S. Department of Justice and published the Law Enforcement Dog Encounters Training Toolkit developed by VTSI and the National Sheriff's Association.

## INSIDER TRANSACTIONS

COMPANY	SHARES TRADED	# OF TRADES	PRICE RANGE
Aehr Test Systems	S-2,186	1	\$2.01
ARC Document Solutions	A-250,000	1	\$0.40
Central Federal Corp.	B-1,000x	1	\$13.57
Emmis Communications	S-26,062	4	\$4.62-\$4.73
Full House Resorts	B-30,000	2	\$3.00-\$3.02
	S-3,844	1	\$3.01
Lantronix	S-42	1	\$3.00
Liberated Syndication	B-28,305	3	\$3.13-\$3.22
Socket Mobile	B-600	1	\$1.74
U.S. Auto Parts Network	B-5,950	2	\$1.82-\$2.39

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

---

## Trxade Group Reverse Split

**Trxade Group (TRXD)** sent me information stating that they had taken a vote to allow for a reverse split at any time. Is this an issue?

-Ron J.

Reverse splits can be troublesome if the company does not have the intention to use the raised capital efficiently. While we've had a mixed history with reverse splits, the best indication of whether or not they're good for shareholders is if the company is working towards an uplisting.

We can't speak for TRXD, but since it is an OTC listed stock this could easily be the case. The best way

to get a definitive answer as their intentions is to call and ask management what they would do with any capital that were to come from a reverse split.

## Picking stocks

*Am I being too risky if I only buy three recommendations? I already own many other dividend and blue chip stocks.*

-Sam K.

We recommend purchasing 8-12 stocks to diversify your portfolio. However, different investors have different objectives. If yours is to diversify with companies outside of our newsletter then that's fine. Just remember to follow the Game Plan for the Bowser stocks you've purchased!

---

# COMPANY OF THE MONTH... CONTINUED

shares recently sold. While the majority of the recent transactions have been purchases, it's important to look at the activity over the stock's public history. Below is a table of active positions over the years:

Active Positions	Holders	Shares
Increased	18	1,323,894
Decreased	23	2,072,228
Held	18	15,495,011
Total	59	18,891,133

ALSK still has plenty of institutional investors adding to their positions (18) despite the drop in share price since 2007. Some investors have also sold a number of shares (23), but a good number are still holding (18).

Insiders hold just over 11% of the outstanding shares. Over the past year, CEO William Bishop has been the only insider to sell stock. While this is a red flag, Bishop was not the CEO at the time of the transaction and other insider purchases have offset his sale.

## Outlook and Risks

Industry outlook is consistently bullish. The recent move towards 5G technology has benefitted Alaska Communications and numerous companies worldwide. In fact, the recent decrease in free cash flow is mainly due to the investment in the company's 5G wireless fiber backhaul build. Management stated in its most recent earnings call that ALSK has the intention to receive additional returns from the investment. Revenues from the most recently announced long-term contract for a prefunded high-capacity fiber and secured network should be realized in the first quarter of

fiscal 2020.

Management has been diligent in creating realistic revenue targets and achieves them. Growth in broadband services represents 57% of total revenue and generated 8% in year-over-year growth for the third quarter of fiscal 2019. These revenues, combined with the growth from its Business and Wholesale segment, should be the main catalyst moving forward.

The management team is yet another reason to be optimistic about the company's future. Recently appointed as CEO, Bishop has over 25 years of experience in the industry and joined the company in 2004. He stated following the announcement of his position that his main focus is consistently generating revenue across all segments. Bishop has played a large role in debt reduction, lower interest obligations and cost savings over the past four years. Overall, the management team is efficient and actively creates and reaches short-term goals.

## Conclusion

Alaska Communications' appeal is in its undervaluation and management's ability to deliver. After a large loss in funding years ago, revenues appear to be stabilizing and moving toward a return to growth. With this recent trend and growth in multiple segments, risk has dropped substantially and value has increased. As long as management continues to reach its financial goals and its book value maintains steady growth, ALSK will reward shareholders long-term.

*Office: 600 Telephone Ave., Anchorage, AK, Tel: 907-297-3000, [www.alaskacommunications.com](http://www.alaskacommunications.com).*

## Beginner's Portfolio Up 274%

BOUGHT: None this month

SOLD: SEAC (100 shares) @ \$1.81 = \$181

Cost		12/06/19	Cost		12/06/19	Cost		12/06/19	Proceeds
AAME	280/Mar '12	196	LEAT†	488/Jan '18	416	AEHR†	368/Dec '18	382	From Sales
BYFC†	398/Apr '16	304	RADA†*	452/Apr '18	525	SEAC†*	362/Dec '18	409	
MMMB†	200/Jun '17	156	PRTS†	318/Jul '18	438	TSSI†	198/Mar '19	236	181
EMMS†	560/Aug '17	838	BOSC†	510/Aug '18	348	ISIG†	262/Apr '19	170	9,980
NHLD†	546/Sep '17	548	LSYN†	334/Sep '18	640	SB†	390/Jul '19	340	
VTST†	560/Dec '17	744	SMIT†	578/Oct '18	710	HCHC†	460/Jul '19	430	
						<b>Current Holdings Value:</b>		7,830	
Original cost for all stocks: \$4,766			*Half of original holdings			<b>Proceeds from Sales:</b>		9,980	
			†Bought 200 Shares			<b>Total Value of Portfolio:</b>		17,810	

Gain: 17,810 minus 4,766 = 13,044

Percentage of gain: 13,044 divided by 4,766 x 100 = 273.7

Compound Annual Growth Rate: 7.49%

**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

With **SeaChange International's (SEAC)** recent run up, we sold half the Beginner Portfolio's holdings at double the original purchase price. We didn't subtract commissions with this sale because most major brokerages have gone to \$0 commissions. The Portfolio gained significantly this month due in large part to a 48% gain from **TSS, Inc. (TSSI)** and a 40% gain from SEAC. Other double digit gainers included **Aehr Test Systems (AEHR)**, **Leatt Corp. (LEAT)**, **Liberated Syndication (LSYN)**, **MamaMancini's (MMMB)**, and **VirTra Inc. (VTST)**.

## EARNINGS

	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
Altigen Communications (ATGN)	09/30/19	\$2,662,000	\$2,675,000	\$290,000	\$9,026,000	
Better Online Solutions (BOSC)	09/30/19	\$7,914,000	\$7,714,000	(\$754,000)	\$216,000	
Electromed Communications (ELMD)	09/30/19	\$8,302,498	\$7,275,883	\$1,014,556	\$157,161	
Galaxy Gaming (GLXZ)	09/30/19	\$5,371,646	\$4,775,784	\$580,234	\$791,968	
InfuSystem Holdings (INFU)	09/30/19	\$21,489,000	\$16,677,000	\$1,135,000	(\$519,000)	
Innovative Food (IVFH)	09/30/19	\$13,465,764	\$12,054,490	(\$157,614)	\$148,701	
Insignia Systems (ISIG)	09/30/19	\$4,654,000	\$9,455,000	(\$978,000)	\$645,000	
Lantronix (LTRX)	09/30/19	\$12,741,000	\$10,153,000	(\$2,470,000)	(\$1,459,000)	
Leatt Corp. (LEAT)	09/30/19	\$9,649,335	\$8,579,507	\$1,320,778	\$1,106,344	
LightPath Technologies (LPTH)	09/30/19	\$7,551,930	\$8,549,721	(\$1,375,157)	(\$582,891)	
Mikros Systems (MKRS)	09/30/19	\$1,017,121	\$1,893,945	(\$209,532)	\$37,029	
Nova Lifestyle (NVFY)	09/30/19	\$9,322,836	\$16,747,827	(\$581,864)	\$2,526,293	
RADA Electronics (RADA)	09/30/19	\$11,260,000	\$7,045,000	(\$686,000)	(\$175,000)	
SeaChange International (SEAC)	10/31/19	\$20,544,000	\$18,611,000	\$2,145,000	(\$3,827,000)	
Singing Machine (SMDM)	09/30/19	\$20,081,842	\$24,304,945	\$624,222	\$1,217,429	
TechPrecision Corp. (TPCS)	09/30/19	\$3,074,076	\$3,621,185	(\$291,021)	\$180,715	
TSS, Inc. (TSSI)	09/30/19	\$4,176,000	\$6,371,000	(\$95,000)	\$652,000	
VirTra Inc. (VTST)	09/30/19	\$6,682,728	\$3,506,179	\$937,107	\$61,000	
Where Food Comes From (WFCF)	09/30/19	\$6,232,482	\$5,125,378	\$459,563	\$350,658	

---

---

# NOTES BY THE EDITOR

---

---

The various headlines and earnings reports made for a hectic month for small stocks. Altigen Communications (ATGN) and SeaChange International (SEAC) reported strong earnings and revenue growth across multiple segments. With this strength came weakness, as Nova LifeStyle (NVFY) and Insignia Systems (ISIG) reported drops in revenue.

Seven Bowser stocks pushed to new 52-week highs, four of which hit new all-time highs. Five



companies broke the \$3 per share threshold and moved to the Follow-Through on Page 5.

No matter the market, remember to follow the Bowser Game Plan in order to maximize returns.

Myself and Publisher Thomas Rice published even more content on both our [blog](#) and [YouTube channel](#). We covered how to build your portfolio and diversify your holdings to manage risk. If you have a topic you'd like to see covered, you can email me at [faris@thebowserreport.com](mailto:faris@thebowserreport.com) or simply comment on the educational post.

Don't forget to grab your issue of *The Bowser Database* that was published last month. Head to [www.thebowserreport.com/bowser-database/](http://www.thebowserreport.com/bowser-database/) for your digital or hard copy.

### FIVE BOWSER STOCKS UP AND DOWN

TSS Inc.	UP	48%	Nova LifeStyle	DOWN	26%
SeaChange Int'l	UP	40%	Singing Machine	DOWN	23%
Altigen Comm.	UP	32%	Galaxy Gaming	DOWN	22%
Electromed	UP	27%	Insignia Systems	DOWN	21%
Taitron Components	UP	27%	Koss Corp.	DOWN	20%