



Investing habits to build your wealth *Three tips to boost returns and protect your capital*

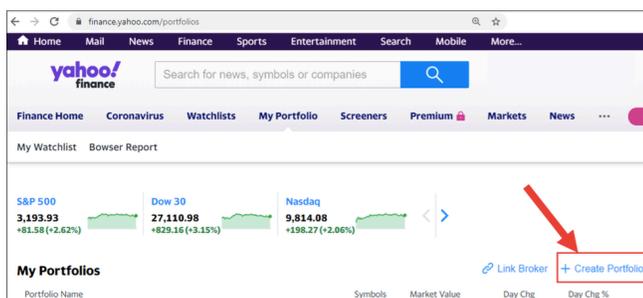
The stock market has been a roller coaster in 2020. A global pandemic, fast-tracked Fed announcements and other macroeconomic events have forced investors to make adjustments. Instead of overreacting, investors should strive to develop long-term habits to build and protect their wealth.

Tracking

Tracking investments can be very complex and difficult. Last month, we introduced the Bowser Portfolio Tracker to simplify this process. As stated in the May 2020 issue, we will update it regularly. However, price updates and profits/losses are just scratching the surface of significant information.

One important piece to be aware of is the news surrounding your holdings. Press releases for 8-12 holdings can be overwhelming and require a considerable time investment. Weekly updates and the monthly newsletter capture high-level news from all Bowser recommendations.

However, to view all of your holdings' full press releases in one place, you can build a portfolio with a free Yahoo! Finance account. To do so, visit [Yahoo! Finance](#) and create a free account. Then, create a portfolio (click Portfolio > Create Portfolio and add the tickers that you are watching or holding).



After creating your portfolio, the recent headlines will be listed in chronological order.

Not every headline and insider transaction is meaningful, but keeping up with Weekly Updates in addition to the monthly newsletter, supplemented with a Yahoo! Finance portfolio, will help you gain a complete picture of more than just a portfolio's value.

Another aspect of tracking is setting price

alerts. These help to notify you when certain milestones are hit (for example when a holding is nearing a double). Most brokerage firms allow you to set alerts on a stock. To create an alert through your brokerage, seek how-to articles as the process varies slightly from brokerage-to-brokerage.

Helpful levels at which to set alerts are a predetermined entry point for a stock you don't own, double the purchase price, half of the purchase price, a new high, a 25% drop from the most recent high and more. You can opt to receive these alerts via email, text message and/or phone notification.

Deposits and Reinvestments

Once you have a robust system for tracking your investments, focusing on growing your wealth is essential. Building wealth is not as simple as hitting a few home run investments. Instead, focus on reinvesting gains and regular contributions to make equities a source of income.

Reinvesting dividends allows your portfolio to grow at a much faster rate. This is called compound growth, which is one of the biggest incentives to invest in dividend stocks. Below is a chart comparing the returns on both **Manhattan Bridge Capital (LOAN)** and the Russell 2000 Index with and without reinvesting dividends:



If you invested \$10,000 in LOAN and reinvested dividends, your investment peaked at \$92,000 versus an \$81,000 peak without dividend reinvestment. Additionally, there was a \$2,012 difference, or a 20% greater return. For the Russell 2000, dividend reinvestment contributed to an additional \$295 (or 3%). In both cases, dividend reinvestment made a substantial difference in over time.

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Another strategy to build long-term wealth is regularly depositing small amounts. Most brokerages allow you to setup weekly, monthly or annual deposits. To demonstrate the magnitude of this concept, an additional \$10 monthly investment in LOAN would increase the total return from 530% to 665%. This is a difference of \$13,575 from depositing an additional \$840.

Execution

With tracking and long-term wealth practices in place, executing on a strategy is essential. The Bowser Game Plan provides you with guidance for executing trades, ensuring that you do not purchase expensive stocks and focus on taking profits and cutting losses. Since the Game Plan fully covers how you should take profits and cut losses, that only leaves your entry point to consider.

Your entry point can be as simple as buying immediately or determining a price that you are willing to pay for the stock. Impulsive buying can lead to bigger losses or even getting stopped out of the position before it starts moving up. At *The Bowser Report*, we tend to avoid providing recommended entry points. However, we do have general guidance based on the type of stock you're investing in to limit exposure to bigger losses.

The ideal entry point for a growth stock is on a dip in a bullish trend. The theory is based on the assumption that buyers are already in control, so you are avoiding taking a larger loss as the stock is unlikely to reverse to the downside. Let's take **Repro Med Systems (KRMD)** for example:



Market Overview

BWSR AVG ↑ 8.1%	RUS 2000 ↑ 12.8%	DJIA ↑ 11.4%	S&P 500 ↑ 9.0%	NASDAQ ↑ 7.6%
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Equities made another big push and the Nasdaq data hit a new all-time high. Although macroeconomic was consistently poor throughout the month, the unemployment data in the final week was significantly better than expected. Bowser stocks (up 8.1%) continued their winning streak but underperformed relative to the Russell 2000 Index. **Galaxy Gaming (GLXZ)** was the top gainer as casino and travel stocks reopened across the nation. This was a theme throughout the entire month as most casino and travel stocks have almost doubled off their 52-week lows.

This chart shows KRMD share price on the 1 year, 1 day time frame in the second half of 2019. The ideal entry point is on a dip in the trend so that you don't overpay for shares. As you can see, the ideal entry point was the dip down below \$2.60 after the initial bullish move.

To find the entry point for a value stock, determine the stock's book value and avoid paying more than a 50% premium. For example, the ideal entry point of a value stock with a \$1.00 book value is no more than \$1.50. We go over book value extensively in the [May 2019](#) issue.

Keep it Simple

The recent market volatility has the potential to make investors overthink every small decision. Macroeconomic data has not been a good indicator of market movement and major indices have been wildly inefficient in pricing in the economic crisis. Therefore, one of your best investments is in yourself.

The strategies listed above are intended to help you grow as an investor, while keeping it simple. By sticking to proven investment strategies (reinvestment and regular deposits) and improving your investment habits (tracking and discipline), you'll position yourself for long-term wealth.

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

TOMI Environmental Solutions (TOMZ) provides disinfection and decontamination products and services for indoor and outdoor surface and air. TOMZ is a global provider of disinfection and decontamination essentials through its premier Binary Ionization Technology® (BIT™) platform, under which it manufactures, licenses, services and sells its SteraMist® brand of products.

SteraMist® BIT™ is a hydrogen peroxide-based mist and fog that has been approved by the EPA. The product has reduced multi-drug resistant organism (MDRO) outbreaks in hospital and clinical settings and has contributed to the control of MERS and Ebola throughout the world. These products have experienced significant growth recently as a result of the COVID-19 pandemic.

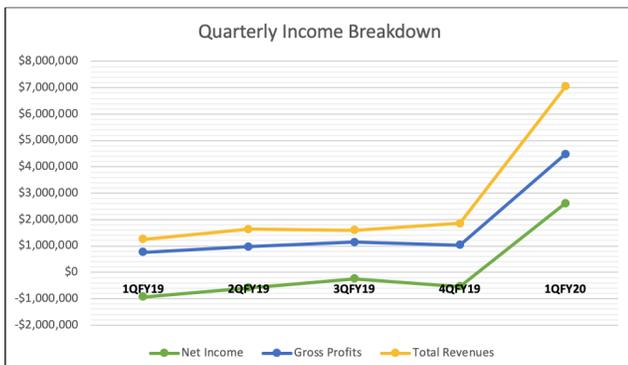
Sales and Profitability

The SteraMist® Surface Unit and SteraMist® Environment System are gaining popularity given the current worldwide pandemic. Both products are easy to use and provide substantial benefits.



Almost all of its products are seeing a sharp increase in demand, with quarterly revenues jumping 463% year-over-year. Sales outlook is still outstanding and management is expecting an exceptional second quarter.

Profits have risen alongside revenues, with first quarter 2020 gross profit exceeding total gross profit for all of fiscal 2019. Below is a chart of the company's income over the past five quarters:



The recent sales spike has significantly improved bottom-line results. Quarterly net income increased to \$2.6 million from a net loss of \$934,532 in the prior year period. SteraMist® revenues were the biggest factor in the shift, with product-based revenues jumping 545%. While international revenues had a higher growth rate of 2,878%, SteraMist® products grew by \$5.6 million.

Financials and Valuation

TOMI Environmental's balance sheet was well-positioned prior to the recent jump in sales and earnings. However, the company is now even more liquid. The repayment of convertible notes offset the rise in cash. While convertible notes are not ideal, they are necessary for the company to maintain growth. TOMZ has an assets-to-liabilities ratio of 3.6-to-1 and recorded positive cash flow of \$2.9 million in the most recent quarter—a record-high.

One small yet noteworthy factor in TOMZ's above-average cash flow is the TOMI Service Network (TSN)—a network of outside professionals exclusively licensed and trained to use the SteraMist® products. TSN drives a continuous revenue stream through recurring purchases of the BIT™ solution. Recurring revenue is very beneficial for cash flow and almost guarantees healthy financials if management keeps the shareholders' interests in mind.

Growing revenues and management's focus on expansion make TOMZ a growth stock. The stock's price/book ratio of 13 is relatively high and unappealing to value investors. The relative overvaluation is due to the hype surrounding COVID-19 stocks, which has caused a surge in share price. However, TOMZ has dropped 45% from the high and could provide an even better buying opportunity down the road.

Product Development

Now that TOMI Environmental is gaining market share and sales are growing rapidly, it is vital that management stays proactive in the diversification of

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TOMI
ENVIRONMENTAL SOLUTIONS

OTCQB: TOMZ
BOWSER RATING: 10

\$0.82
SHARE PRICE

← \$0.06 52-WEEK LOW \$1.51 52-WEEK HIGH →

	2018	2019	2020(A)
REVENUES	\$5,585,000	\$6,347,000	\$7,053,000
INCOME (LOSS)	(\$2,970,000)	(\$2,080,000)	\$2,660,000
WORKING CAPITAL	\$5,544,000	(\$1,266,000)	\$6,365,000
BOOK VALUE	\$0.03	\$0.01	\$0.06
TOTAL SHARES	121,372,605	123,574,672	124,690,062
FLOAT	N/A	N/A	76,700,000

(A) Financial Results as of 1QFY20

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 06/05/20	Long-term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
CATEGORY ONE: BEST COMPANIES (RATED 10+)								
10/18(CM)	AEHR TEST SYSTEMS (AEHR)	SEMICONDUCTOR TEST EQUIPMENT	1.93	\$0.000	\$25.8	\$0.193	22.9	10
02/20(QB)	BUTLER NATIONAL (BUKS)	AEROSPACE AND DEFENSE PRODUCTS	0.50	\$0.000	\$66.5	\$5.914	64.5	10
12/17(QB)	LEATT CORP. (LEAT)	PERSONAL PROTECTIVE EQUIPMENT	2.05	\$0.000	\$29.8	\$1.729	5.4	10
# 08/17(CM)	NATIONAL HOLDINGS (NHLD)	INVESTMENT BANKING	1.97	\$0.000	\$220.7	\$2.166	13.4	11
# 02/15(GM)	NOVA LIFESTYLE INC. (NVFY)	FURNITURE MANUFACTURING/SALES	1.30	\$0.000	\$50.1	\$2.191	28.4	11
08/14(QB)	SONO-TEK CORP. (SOTK)	ULTRASONIC NOZZLES	2.26	\$0.538	\$15.4	\$1.107	15.3	10
# 05/18(CM)	TAITRON COMPONENTS (TAIT)	ELECTRONIC COMPONENTS	2.64	\$0.000	\$7.3	\$1.557	5.6	11
06/19(QB)	TOMI ENVIRONMENTAL (TOMZ)	DISINFECTION AND DECONTAMINATION	0.82	\$0.000	\$12.2	\$1.256	126.8	10
CATEGORY TWO: GOOD COMPANIES (RATED 8-9)								
12/19(GS)	ALASKA COMMUNICATIONS (ALSK)	TELECOMMUNICATIONS AND IT SERVICES	2.66	\$171.541	\$232.1	\$4.004	53.0	8
02/18(QB)	ALTI GEN COMMUNICATION (ATGN)	CLOUD-BASED IP SOLUTIONS	1.37	\$0.000	\$10.7	\$1.807	23.0	9
04/19(N)	ARC DOCUMENT SOLUTIONS (ARC)	DOCUMENT SOLUTIONS	1.00	\$104.351	\$373.7	\$3.106	43.7	8
05/20(GM)	DESWELL INDUSTRIES (DSWL)	PLASTIC & ELECTRONIC COMPONENTS	2.58	\$0.000	\$69.5	\$2.765	15.9	9
03/20(CM)	FLEXSHOPPER (FPAY)	VIRTUAL LEASE-TO-OWN MARKET	1.72	\$32.630	\$88.8	\$0.577	17.7	9
12/14(QB)	INT'L BALER CORP. (IBAL)	BALING EQUIPMENT	1.25	\$0.000	\$12.3	\$0.312	5.2	9
# 08/18(QB)	LIBERATED SYNDICATION (LSYN)	NOW ABOVE \$3 PER SHARE; SEE PAGE 5 (FOLLOW-THROUGH)						
04/17(QB)	MAMAMANCINI'S (MMMB)	FOOD PRODUCTS	1.65	\$3.639	\$34.8	\$1.533	32.0	8
05/19(N)	SAFE BULKERS (SB)	MARINE DRY BULK TRANSPORTATION	1.32	\$538.508	\$198.0	\$15.765	101.5	9
# 09/18(CM)	SCHMITT INDUSTRIES (SMIT)	NOW ABOVE \$3 PER SHARE; SEE PAGE 5 (FOLLOW-THROUGH)						
# 10/12(QB)	WHERE FD CMS FROM (WFCF)	FOOD VERIFICATION SERVICES	1.65	\$2.742	\$20.8	\$1.277	24.7	9
04/20(N)	WIDEPOINT CORP. (WYY)	MOBILITY MANAGEMENT SOLUTIONS	0.55	\$0.000	\$101.7	\$0.226	83.3	8
CATEGORY THREE: SPECULATIVE COMPANIES (RATED 7 AND BELOW AND/OR NON-PROFITABLE)								
10/19(QB)	BAB, INC. (BABB)	FAST CASUAL RESTAURANT FRANCHISES	0.52	\$0.000	\$3.1	\$0.395	7.3	NR
# 07/18(CM)	BETTER ONLINE SOLUTIONS (BOSC)	RFID AND MOBILE SOLUTIONS	2.23	\$2.001	\$33.5	(\$1.015)	4.3	7
03/16(CM)	BROADWAY FINANCIAL (BYFC)	BANK HOLDING COMPANY	1.40	\$0.000	\$11.3	(\$0.516)	19.3	7
# 05/14(CM)	CPS TECHNOLOGIES (CPHS)	ADVANCED MATERIAL SOLUTIONS	1.51	\$0.000	\$21.5	(\$0.638)	13.2	8
01/19(CM)	FORWARD INDUSTRIES (FORD)	CARRYING CASES AND ACCESSORIES	1.22	\$0.000	\$37.9	(\$1.617)	9.5	9
05/17(QB)	GALAXY GAMING (GLXZ)	GAMING INDUSTRY PRODUCTS	1.35	\$46.681	\$21.0	\$2.582	39.2	7
# 12/18(CM)	GSE SYSTEMS (GVP)	DATA ACCESS AND MANAGEMENT	1.18	\$0.000	\$83.0	(\$4.916)	20.2	7
10/17(QB)	INNOVATIVE FOOD (IVFH)	FOOD PRODUCTS AND SERVICES	0.32	\$3.881	\$57.9	\$0.076	34.0	7
03/19(CM)	INSIGNIA SYSTEMS (ISIG)	MARKETING SERVICES	0.70	\$0.000	\$23.8	(\$2.156)	12.1	9
10/16(CM)	KOSS CORPORATION (KOSS)	STEREO ACCESSORIES	1.29	\$0.000	\$20.1	(\$0.472)	7.4	8
07/13(CM)	LIGHTPATH TECH (LPTH)	OPTICAL COMPONENTS	2.53	\$4.578	\$33.6	(\$2.305)	25.9	8
# 11/18(GS)	SEACHANGE INT'L (SEAC)	APPLICATION SOFTWARE	1.99	\$0.000	\$67.2	(\$8.921)	36.9	9
01/18(QX)	SINGING MACHINE CO. (SMDM)	KARAOKE AUDIO EQUIPMENT	0.15	\$0.228	\$41.3	(\$1.845)	38.6	7
# 09/16(CM)	SOCKET MOBILE (SCKT)	DATA CAPTURE PRODUCTS	1.25	\$0.208	\$18.9	\$0.185	6.0	7
09/19(QB)	TECHPRECISION (TPCS)	METAL COMPONENTS AND SYSTEMS	1.56	\$2.482	\$15.8	\$0.148	29.3	NR
02/19(QB)	TSS, INC. (TSSI)	END-USER AND ENTERPRISE SYSTEMS	0.91	\$2.079	\$38.7	(\$0.211)	17.8	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

This month, **Sono-Tek (SOTK)** is climbing from Category 2 to Category 1, with its Bowser Rating from going up one point, from 9 to 10.

Repro Med settles litigation

Repro Med Systems (KRMD) and **EMED Technologies** settled all ongoing litigation between the two companies.

The agreement provides **KRMD** with freedom to operate under **EMED's** existing patent portfolio, dismissal of all litigation with prejudice,

and an equity payment by **KORU Medical** to **EMED**.

U.S. Auto to Open Texas Center

U.S. Auto Parts Network (PRTS) will open a new 210,000 square foot distribution center in Grand Prairie, TX. The distribution center, slated to begin operation in late 2020, will create a minimum of 150 new jobs and \$10 million in economic impact in its first 18 months alone.

The facility will deliver new parts to customers across the South and Southwest servicing all of the brands **PRTS** has to offer, including **CarParts.com** and **JC Whitney**.

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 06/05/20 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)	\$10.89(11)	03/17 \$9.00(11)	RADA ELECTRONIC (CM:RADA)	\$5.43(9)	03/18 \$2.16(10)
*Price adjusted for 1-for-5 reverse split Aug. '18			REPRO MED SYSTEMS (QB:KRMD)	\$10.41(9)	07/10 \$0.16(8)
DLH HOLDINGS (CM:DLHC)	\$8.14(8)	01/14 \$1.53(9)	RETRACTABLE TECHNOLOGIES (A:RVP)	\$5.92(10)	01/20 \$1.48(10)
ELECTROMED (A:ELMD)	\$15.44(9)	09/15 \$1.64(10)	RIVERVIEW BANCORP (GS:RVSB)	\$5.87(7)	06/13 \$2.30(9)
FRANKLIN WIRELESS (QB:FKWL)	\$5.70(NR)	12/16 \$2.70(12)	SCHMITT INDUSTRIES (CM:SMIT)	\$3.08(9)	09/18 \$2.76(11)
HC2 HOLDINGS (N:HCHC)	\$3.23(7)	06/19 \$2.34(12)	SMITH-MIDLAND (QX:SMID)	\$4.75(7)	02/16 \$2.38(10)
INFUSYSTEM HOLDINGS (A:INFU)	\$11.77(8)	12/15 \$2.88(8)	TABLE TRAC (QB:TBTC)	\$3.30(10)	07/19 \$2.40(10)
LIBERATED SYNDICATION (QB:LSYN)	\$3.03(NR)	08/18 \$1.61(8)	TRXADE GROUP (CM:MEDS)	\$5.46(7)	08/19 \$4.20(9)
MANHATTAN BRIDGE CAPITAL (CM:LOAN)	\$4.39(NR)	02/10 \$1.10(9)	U.S. AUTO PARTS (GS:PRTS)	\$7.70(NR)	06/18 \$1.61(8)
ORION ENERGY SYSTEMS (CM:OESX)	\$4.14(9)	11/19 \$2.93(9)			

THE FOLLOWING WE SAID SHOULD BE SOLD

(COLUMN 2 SHOWS THE DATE, PRICE AND BOWSER RATING WHEN WE RECOMMENDED THE STOCK BE SOLD)

CHINA NEW BORUN (N:BORN)	NOW IN BOWSER DATABASE	NOBLE ROMAN'S (CM:NROM)	NOW IN BOWSER DATABASE
MIKROS SYSTEMS (QB:MKRS)	\$0.11 12/19 \$0.12	SPAR GROUP (CM:SGRP)	NOW IN BOWSER DATABASE

BRIEFS

Aehr Test Systems (AEHR) received orders from a new customer and their subcontract manufacturing supplier for a FOX™ solution. . . . **CPS Technologies (CPSH)** amended its credit facility with The Massachusetts Business Development Corporation, increasing the maximum borrowing from \$2.5 million to \$3

million. . . . **Electromed (ELMD)** appointed Michael J. MacCourt as CFO. . . . **GSE Systems (GVP)** received notice that the company is not in compliance with Nasdaq's Listing Rule 5220(c) (1) for not filing its annual report in a timely manner. GVP also sold a five-year subscription to its EnVision cloudbased simulator learning software to Shell for \$1.65 million. . . . **HC2**

Holdings' (HCHC) subsidiary, HC2 Broadcasting, launched NBCUniversal-Owned Television Stations' LX Network in 15 of HC2 Broadcasting's free, over-the-air (OTA) tv stations across the U.S. HCHC also sold its 30% stake in Huawei Marine Networks Co. to Hengtong Optic-Electric Co. through an indirect subsidiary in which HCHC holds an approximate 73% equity interest. . . .

SeaChange International (SEAC) built on an existing relationship with Amazon Web Services (AWS) to provide new functionalities for the Framework cloud-based video delivery platform with AWS machine learning services. . . . **Smith-Midland Corp. (SMID)** will provide its SlenderWall architectural precast concrete cladding system to Beton Prefabrique du Lac in Quebec.

INSIDER TRANSACTIONS

COMPANY	SHARES TRADED	# OF TRADES	PRICE RANGE
Aehr Test Systems	OE-3,438	1	\$1.28
	S-547	1	\$1.52
Alaska Communications	OE-1,389	1	\$2.61
Central Federal Corp.	B-7,000	2	\$10.50
DLH Holdings	S-15,000	1	\$8.00
Electromed	OE-48,000	1	\$1.31
	D-19,184	1	\$13.30
	A-2,500	1	\$0.00
FlexShopper	B-257,695x	6	\$1.18-\$1.51
	B-48,000	1	\$1.25
Forward Industries	S-49,946x	4	\$1.05-\$1.25
Franklin Wireless	S-10,000	1	\$2.00
HC2 Holdings	B-98,410	2	\$2.40-\$2.50
InfuSystem Holdings	S-53,632	3	\$10.59-\$11.37
Insignia Systems	B-31,204	5	\$0.64-\$0.65
	D-8,672	1	\$0.66
National Holdings Corp.	B-99,511x	3	\$1.75-\$1.86
	D-27,566	3	\$1.42
Repro Med Systems	OE-535,000	1	\$0.38
	D-27,844	1	\$11.57
Retractable Technologies	B-2,000x	7	\$2.87-\$5.54
Riverview Bancorp	B-2,000	1	\$4.86
SeaChange International	A-122,882	3	\$0.00
	S-13,869	1	\$2.68
Sono-Tek Corp.	S-3,717	7	\$2.30
U.S. Auto Parts Network	B-25,750	6	\$4.50-\$7.11
	B-440x	1	\$5.96
Where Food Comes From	OE-10,000	1	\$0.24

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

Reverse Split

Valhi (VHI) will undergo a 1:12 reverse split effective June 2. It appears the reverse split became necessary to avoid being delisted from the NYSE.

-Mike K. (Forums)

VHI is one of the four Terrible Ten stocks that has yet to double. Needless to say, the portfolio has performed unbelievably in just a few short months.

This reverse split was to maintain a minimum share price requirement of \$1. We updated the share price in the Portfolio Tracker to reflect the entry price of \$10.92 (from \$0.91).

Oil Stocks

Do you have any suggestions on crude oil stocks worth buying on the recent drop?

-James G.

We have not identified any oil companies that meet our criteria. We've featured a number in the past, but they have exited the newsletter for various reasons.

However, there are a number of ETFs still worth consideration. An example is United States Oil Fund (USO). Keep in mind that we do not recommend ETFs through *The Bowser Report*, and crude oil has been very volatile recently.

COMPANY OF THE MONTH... CONTINUED

its offerings. Most leaders within the Pollution and Treatment Controls industries have multiple large revenue channels from various products.

In FY19, TOMZ added three new items to its growing product pipeline:

1. A single applicator build-in unit for decontamination chambers and cage washers, recently validated at the University of Houston.
2. A stainless-steel mobile 90-degree applicator and the answer to the mobile treatment and decontamination of BSC cabinets and isolators.
3. A decontamination cart for a Pfizer facility.

Although they are all used to decontaminate rooms and surfaces, the potential for product variety and customizability is endless.

Management also mentioned in the most recent earnings call that by expanding its research and development partnership with a safety cabinet manufacturer, they have now produced a custom-built decontamination solution. The solution is now being field tested at a federal government site for a youth with xenobiotics research project.

We hope to see TOMZ's product pipeline continue to expand and generate ongoing successful new launches in the future to sustain growth.

Outlook and Risks

The main catalyst for TOMI Environmental is not necessarily the COVID-19 pandemic, but rather the overall change in infectious disease protocols. Only a few months into the outbreak, the primary opportunity for TOMZ is the permanent change in the healthcare systems.

Outside of medical expenses and loan authorizations, sanitizing products and protective supplies have accounted for the largest pandemic expenditures in the United States. While it is still too

early to tell how much money will be allocated to these products once the current pandemic subsides, states like California and New Jersey have already allocated hundreds of millions of dollars. Regardless of whether or not there is a second COVID-19 wave, state and federal governments worldwide will have to take preventative measures and budget accordingly.

In the first quarter 2020 earnings call, management highlighted robust financial guidance. Just six weeks into the second quarter, revenues have already surpassed the total from the first quarter. The big concern moving forward is whether the company can provide sufficient manufacturing capabilities for the increased demand. While it is a good problem to have, management did not provide any guidance on the matter.

Beyond manufacturing capacity, the primary risk associated with TOMZ is recent run up in share price and resulting overvaluation. Its share price climbed from \$0.06 to \$1.51 before pulling back 45% from the high. As a result, investors should not chase the stock price up.

Conclusion

The global pandemic has ensured that infectious disease protocols will never be the same, putting TOMI Environmental on the radar as a long-term growth play. The COVID-19 pandemic will force companies to use mechanical cleaning solutions to save both time and money. While TOMZ's share price has appreciated substantially, there is still a clear opportunity for sustainable growth. By staying proactive with research and development and capturing more market share, we are confident that TOMZ will be a leader in its industry.

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Beginner's Portfolio Up 274%

BOUGHT: None this month.

SOLD: None this month

	<u>Cost</u>	<u>06/05/20</u>		<u>Cost</u>	<u>06/05/20</u>		<u>Cost</u>	<u>06/05/20</u>	<u>Proceeds</u>
AAME	280/Mar '12	187	PRTS†*	318/Jul '18	770	SB†	390/Jul '19	264	From Sales 11,058
BYFC†	398/Apr '16	280	BOSC†	510/Aug '18	446	HCHC†	460/Jul '19	646	
MMMB†	200/Jun '17	330	SMIT†	578/Oct '18	616	BUKS†	134/Mar '20	100	
NHLD†	546/Sep '17	394	AEHR†	368/Dec '18	386	FPAY†	200/Apr '20	344	
VTSI†	560/Dec '17	612	TSSI†	198/Mar '19	182	ALSK†	450/May '20	532	
LEAT†	488/Jan '18	410	ISIG†	262/Apr '19	140	WYY†	106/May '20	110	

Current Holdings Value: 6,749

Original cost for all stocks: \$4,766

*Half of original holdings

Proceeds from Sales: 11,058

†Bought 200 Shares

Total Value of Portfolio: 17,807

Gain: 17,807 minus 4,766 = 13,041

Percentage of gain: 13,041 divided by 4,766 x 100 = 273.6

Compound Annual Growth Rate: 7.28%

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 made another substantial gain this month following a strong performance from its current holdings. Current Holdings Value climbed 15.2%, outpacing Bowser stocks in general. **U.S. Auto Parts (PRTS)**, +65%, **FlexShopper (FPAY)**, +59.3%, and **Safe Bulklers (SB)**, +34.7%, led the portfolio's continued rally. A 20% pullback from **TSS, Inc. (TSSI)** offset some of this month's gains.

EARNINGS

	<u>Quarter Ended</u>	<u>Current Sales</u>	<u>Same Period Last Year</u>	<u>Current Earnings</u>	<u>Same Period Last Year</u>	<u>Comments</u>
Better Online Solutions (BOSC)	03/31/20	\$7,468,000	\$7,763,000	\$54,000	\$156,000	
Broadway Financial (BYFC)	03/31/20	\$4,768,000	\$4,749,000	(\$33,000)	\$277,000	
HC2 Holdings (HCHC)	03/31/20	\$444,800,000	\$449,000,000	(\$83,100,000)	(\$2,800,000)	(A)
InfuSystem Holdings (INFU)	03/31/20	\$21,553,000	\$18,193,000	(\$418,000)	(\$960,000)	
Innovative Food (IVFH)	12/31/19	17,652,536	\$17,965,489	\$194,917	\$768,407	(B)
Insignia Systems (ISIG)	03/31/20	\$4,682,000	\$5,140,000	(\$863,000)	(\$1,096,000)	
Leatt Corp. (LEAT)	03/31/20	\$7,541,874	\$6,090,928	\$362,448	\$9,238	
Liberated Syndication (LSYN)	12/31/19	\$5,999,000	\$5,919,000	(\$361,155)	\$1,148,000	(C)
National Holdings (NHLD)	03/31/20	\$54,534,000	\$46,700,000	(\$2,460,000)	(\$2,785,000)	
RADA Electronics (RADA)	03/31/20	\$15,071,000	\$8,687,000	\$170,000	(\$516,000)	
Retractable Technologies (RVP)	03/31/20	\$11,202,000	\$7,932,000	\$322,773	(\$129,221)	
Smith-Midland (SMID)	03/31/20	\$9,825,000	\$10,189,000	(\$38,000)	\$331,000	
Sono-Tek (SOTK)	03/31/20	\$5,514,000	\$2,936,000	\$687,810	\$60,774	
TSS, Inc. (TSSI)	03/31/20	\$10,597,000	\$4,660,000	(\$368,000)	(\$31,000)	

(A) *Philip Falcone, HCHC's president and CEO: "Upon completion of the HMN sale, we will announce an additional partial redemption of our 11.5% notes, which, combined with the recent partial redemption, will reduce annual interest expense by approximately \$15 million."*

(B) *"Strong direct-to-consumer sales are partially offsetting lower specialty foodservice distribution revenue due to the impact of the*

pandemic," remarked Sam Klepfish, CEO of IVFH.

(C) *The increase in LSYN's costs was driven primarily by a 40% increase in general and administrative expenses during the year that was in large part due to the company's one-time consulting fees related to the shareholder campaign and the accrual of executive bonuses.*

NOTES BY THE EDITOR

Stocks slowed down but still performed exceptionally well. This market has stressed the importance of focusing on a company's underlying fundamentals for some incredible opportunities.

While Bowser stocks didn't outperform the Russell 2000 Index, stocks like **Franklin Wireless Corp. (FKWL)**, **U.S. Auto Parts Network (PRTS)** and **Retractable Technologies (RVP)** continued their unbelievable runs. FKWL finally doubled from our initial recommendation (December 2016), and



PRTS extended its total gain to 495% before pulling back.

The Terrible Ten portfolio is up substantially, with the overall return ranging between 55-65%, depending on your exit strategy.

Although we recommended using the Game Plan for entry and exit points, we will be leaving the positions in the Portfolio Tracker open to show overall performance. When managing a portfolio, don't deviate from the Game Plan.

Lastly, I want to give some credit to the Bowser Buckaroos that have been reaching out. Subscriber Gary B. recommended this month's stock pick, and a number of have helped us with the Portfolio Tracker and staying updated on various holdings. This not an easy market to navigate, but our success is a result of strong collaborative efforts.

FIVE BOWSER STOCKS UP AND DOWN

Galaxy Gaming	UP	69%	SeaChange Int'l	DOWN	31%
U.S. Auto Parts	UP	65%	TSS, Inc.	DOWN	20%
FlexShopper	UP	59%	Orion Energy	DOWN	15%
DLH Holdings	UP	43%	Trxade Group	DOWN	15%
Safe Bulkers	UP	35%	Innovative Food	DOWN	14%