



Capital is pouring into "hype"

Retail investors are investing like never before

With more individuals at home, retail investors are buying stocks like never before, leading to an influx of capital into "hot" industries and sectors. For example, some companies in early-stage COVID-19 vaccine development without any success have seen their shares soar over 500%. This euphoric buying pressure is trickling into some Bowser recommendations and causing unusual volatility.

Performance

Volatility can provide unique opportunities for home run investments. To demonstrate, we'll examine Bowser recommendations that have taken off since the outbreak started affecting the stock market on February 24, 2020. We are not speculating on stocks that will perform better as the pandemic worsens, but rather identifying those that are benefitting from investors trading more actively. Below is a chart comparing stock price performance for the top ten gainers in the four months after the outbreak:



MamaMancini's (MMMB), Better Online Solutions (BOSC), DLH Holdings (DLHC), Broadway Financial (BYFC) and U.S. Auto Parts Network (PRTS) all have disparities between their performance leading up to the pandemic and after. Out of those five, MMMB is the only one that performed better prior to the outbreak. Additionally, BYFC is only stock that

had a negative return prior to the outbreak.

Catalysts

Breaking down these stocks' catalysts will help to better determine which are moving on hype. Outside of continued contract momentum, BOSC did not have any significant new catalysts in the past four months. Therefore, we can remove it from our list of hype stocks.

Of the five remaining, three have directly benefited from the outbreak: DLHC, PRTS and TOMZ. MMMB shares are up 195% since entering the plant-based foods market through its partnership with Beyond Meat (BYND) nine months ago. Plant-based foods are gaining popularity in the United States, and MMMB shares continue to climb.

Oddly enough, BYFC shares gained as much as 447% within the past few weeks without any major improvement in financial results or new press releases. Therefore, it is safe to assume that while the other four stocks have gained on a combination of higher investor awareness and improved financials, BYFC shares are up solely on hype.

Broadway Financial

Leading up to its recent spike, BYFC was one of the most undervalued recommendations. However, after the recent surge in price, the stock is now trading 73% above its book value.

The most commonly used brokerage platform for retail investors is Robinhood due to its history of lower commissions. It is not clear why investors have stuck with Robinhood even after major brokerages began offering free trades, but what is clear is that these retail investors are aggressively buying stocks like BYFC. Below is a chart showing the number of

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Robinhood users holding shares of BYFC:



This chart was generated using robintrack.net. The number of users holding BYFC shot up from 981 to 23,705 in the span of two days. Since then, share price has halved, and the number of users holding the stock has dropped to 20,900. Because of this, it is safe to assume that many of these shareholders overpaid for shares and are not buying for the underlying company.

The hype surrounding BYFC surfaced with the Black Lives Matter protests. Early civil-rights leaders founded BYFC in 1946, and as a result investors started accumulating shares. The stock is likely to be more volatile moving forward, and investors should be cautious.

COVID-19 Stocks

DLHC, PRTS and TOMZ have all performed exceptionally well since the outbreak. While DLHC shares have performed well and revenue has up ticked, its growth is just a drop in the bucket when compared to TOMZ and PRTS.

TOMZ first quarter revenues surged 446% to \$7.1 million from \$1.3 million in the same period last year. TOMZ share price has reflected this increase as the stock was the top gainer in the four months before and after the outbreak.

PRTS first quarter revenues increased 18% from the same period last year, driven by a 42% increase in private label sales, which accounted for 91% of total sales. In the first five weeks of the second quarter, even with miles driven down 50% across the nation, total sales were up more than 40% year-over-year. Additionally, PRTS has seen a healthy rise in the number of Robinhood users holding the stock in the past couple of years. The

Market Overview

| | | | | |
|----------|--------|---------|-----------|----------|
| BWSR AVG | NASDAQ | S&P 500 | DOW JONES | RUS 2000 |
| ↑ 3.2% | ↑ 4.0% | ↓ 2.0% | ↓ 4.7% | ↓ 5.0% |

Major indices delivered mixed results over the past month. The Nasdaq gained 4% while all other major indices pulled back substantially. The volatility was caused by increasing COVID-19 cases in various U.S. hotspots. While macroeconomic data indicates a slow recovery, most of the data releases beat estimates and prevented markets from selling off harder. Bowser stocks (up 3.2%) had an outstanding month and showed relative strength. **Broadway Financial (BYFC)** was the top gainer due to a spike in popularity following the Black Lives Matter protests.

combined result is a 230% increase in share price over the past four months, holding gains despite the number of holders dropping. Below is a robintrack.net chart of PRTS:



Game Plan

As with all of Bowser recommendations, subscribers should stick to the Game Plan. That means BYFC positions should have been exited entirely (half at the double and half after shares fell 25%). Depending on your entry points, subscribers should still be holding all or some TOMZ, PRTS and MMMB.

By identifying which of the top performers actually have catalysts and following the Game Plan, you can avoid holding hype stocks too long. Strong catalysts and underlying fundamental improvements have helped TOMZ, PRTS and MMMB hold gains. As a result, they're still solid investments. Should these results continue, Bowser subscribers could be looking at multiple very profitable investments.

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

ENGlobal Corporation (ENG) provides engineered modular solutions and professional services primarily to the energy industry. It operates through its Automation and Engineering, Procurement, and Construction Management (EPCM) segments.

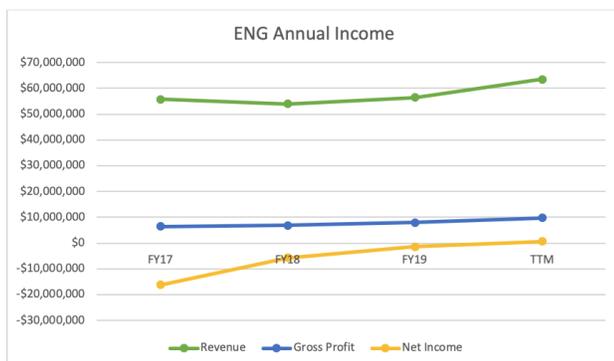
The Automation segment designs, integrates and implements control and analyzer systems as well as data gathering systems. Meanwhile, the EPCM segment offers engineering services and fabrication related to the development, management and execution of projects.

ENG has positioned itself as a full service, vertically integrated supplier in order to better accommodate the requests of its clients and capture opportunities of larger scope.

Income Breakdown

Even with the global pandemic weighing down the energy industry, ENGlobal sales have been improving. Revenues for the first quarter of 2020 increased 58% as a result of a 116% increase in Automation segment sales. The Automation segment gross profit margin jumped to 21% from 10% in the first quarter of 2019, which played a large role in ENG's positive trailing twelve-month earnings.

Below is a chart showing the company's annual and TTM income:



Bottom-line results have lagged over the years but have steadily improved. TTM revenues and profits reflect a strong first quarter of 2020 due to growth from its Automation segment.

EPCM revenue decreased \$0.5 million to \$5.1 million because of a reduction in spending from upstream clients. Commodity prices took a beating and negatively affected EPCM revenue along with ENG's share price.

Since the drop from oil and gas, ENG shares have managed to recover, and the lackluster

EPCM results were partially offset by the \$22 million downstream renewable diesel project that is currently underway.

Balance Sheet

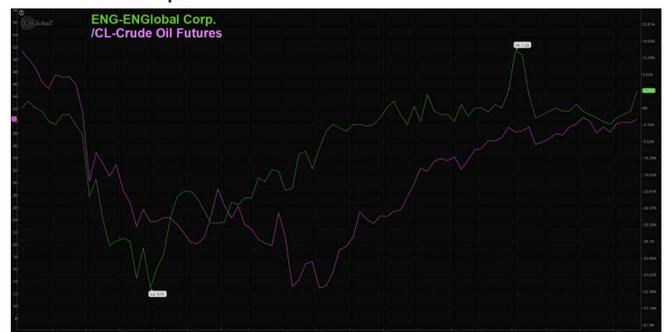
ENGlobal has a solid fundamental foundation and has proven to be financially efficient over the years. The company has a healthy balance sheet, with assets outweighing liabilities 2.1-to-1 and a current assets-to-liabilities ratio of 1.98:1, showing a high level of liquidity.

While most competitors have a large amount of debt, ENG only has \$3.1 million in total debt compared to \$6.8 million in cash. The company's cash position has ranged between \$6-\$16 million over the past six years.

When cash started climbing in 2015, the company launched a repurchase program of up to \$2 million of common stock. As of December 28, 2019, it had purchased and retired 1.2 million shares at an aggregate cost of \$1.6 million. Management does not intend to repurchase any shares in the near future.

Valuation

ENGlobal's market value was cut in half during the COVID-19 crash as commodity prices became very volatile. Although ENG is not an energy company, its business relies heavily on the energy sector. Shares are now trading higher since late February, while crude oil is lower. Below is chart comparing ENG's share price to crude oil:



Continued on page 6...

| | 2018 | 2019 | 2020(A) |
|-----------------|---------------|---------------|--------------|
| REVENUES | \$53,996,000 | \$56,446,000 | \$19,260,000 |
| INCOME (LOSS) | (\$5,671,000) | (\$1,466,000) | \$1,101,000 |
| WORKING CAPITAL | \$13,725,000 | \$11,289,000 | \$11,908,000 |
| BOOK VALUE | \$0.56 | \$0.51 | \$0.55 |
| TOTAL SHARES | 27,510,000 | 27,414,000 | 27,414,000 |
| FLOAT | N/A | N/A | 13,840,000 |

(A) Results as of the quarter ending March 31, 2020.



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 07/02/20 | 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 | 1.91 | \$0.000 | \$25.8 | \$0.193 | 22.9 | 10 |
| 02/20(QB) | BUTLER NATIONAL (BUKS) | AEROSPACE AND DEFENSE PRODUCTS | 0.48 | \$0.000 | \$66.5 | \$5.914 | 64.5 | 10 |
| 07/20(CM) | ENGLOBAL CORP. (ENG) | ENGINEERING SERVICES | 1.10 | \$0.000 | \$63.5 | \$0.609 | 27.4 | 10 |
| 12/17(QB) | LEATT CORP. (LEAT) | PERSONAL PROTECTIVE EQUIPMENT | 2.68 | \$0.000 | \$29.8 | \$1.729 | 5.4 | 10 |
| # 08/17(CM) | NATIONAL HOLDINGS (NHLD) | INVESTMENT BANKING | 1.95 | \$0.000 | \$220.7 | \$2.166 | 13.4 | 11 |
| # 02/15(GM) | NOVA LIFESTYLE INC. (NVFY) | FURNITURE MANUFACTURING/SALES | 2.08 | \$0.000 | \$50.1 | \$2.191 | 28.4 | 11 |
| 08/14(QB) | SONO-TEK CORP. (SOTK) | ULTRASONIC NOZZLES | 2.62 | \$0.538 | \$15.4 | \$1.107 | 15.3 | 10 |
| # 07/19(QB) | TABLE TRAC (TBTC) | CASINO SYSTEMS AND SUPPORT | 2.90 | \$0.000 | \$7.4 | \$0.807 | 4.5 | 10 |
| Office: Baker Technology Pl., Ste. 206, 6101 Baker Rd., Minnetonka, MN 55345, Phone: (952) 548-8877, www.tabletrac.com | | | | | | | | |
| # 05/18(CM) | TAITRON COMPONENTS (TAIT) | ELECTRONIC COMPONENTS | 2.61 | \$0.000 | \$7.3 | \$1.557 | 5.6 | 11 |
| 06/19(QB) | TOMI ENVIRONMENTAL (TOMZ) | DISINFECTION AND DECONTAMINATION | 1.33 | \$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 | 2.70 | \$171.541 | \$232.1 | \$4.004 | 53.0 | 8 |
| 02/18(QB) | ALTIGEN COMMUNICATION (ATGN) | CLOUD-BASED IP SOLUTIONS | 1.39 | \$0.000 | \$10.7 | \$1.807 | 23.0 | 9 |
| 04/19(N) | ARC DOCUMENT SOLUTIONS (ARC) | DOCUMENT SOLUTIONS | 0.92 | \$104.351 | \$373.7 | \$3.106 | 43.7 | 8 |
| 03/20(CM) | FLEXSHOPPER (FPAY) | VIRTUAL LEASE-TO-OWN MARKET | 1.88 | \$32.630 | \$88.8 | \$0.577 | 17.7 | 9 |
| 12/14(QB) | INT'L BALER CORP. (IBAL) | BALING EQUIPMENT | 1.30 | \$0.000 | \$12.3 | \$0.312 | 5.2 | 9 |
| 04/17(QB) | MAMAMANCINI'S (MMMB) | FOOD PRODUCTS | 1.80 | \$0.642 | \$38.6 | \$2.083 | 32.0 | 9 |
| 05/19(N) | SAFE BULKERS (SB) | MARINE DRY BULK TRANSPORTATION | 1.21 | \$538.508 | \$198.0 | \$15.765 | 101.5 | 9 |
| # 10/12(QB) | WHERE FD CMS FROM (WFCF) | FOOD VERIFICATION SERVICES | 1.80 | \$2.742 | \$20.8 | \$1.277 | 24.7 | 9 |
| 04/20(N) | WIDEPOINT CORP. (WYY) | MOBILITY MANAGEMENT SOLUTIONS | 0.70 | \$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 | 0.56 | \$0.000 | \$3.1 | \$0.395 | 7.3 | NR |
| # 07/18(CM) | BETTER ONLINE SOLUTIONS (BOSC) | RFID AND MOBILE SOLUTIONS | 2.97 | \$2.001 | \$33.5 | (\$1.015) | 4.3 | 7 |
| 03/16(CM) | BROADWAY FINANCIAL (BYFC) | NOW ABOVE \$3 PER SHARE; SEE PAGE 5 (FOLLOW-THROUGH) | | | | | | |
| # 05/14(CM) | CPS TECHNOLOGIES (CPSH) | ADVANCED MATERIAL SOLUTIONS | 2.04 | \$0.000 | \$21.5 | (\$0.638) | 13.2 | 8 |
| 05/20(GM) | DESWELL INDUSTRIES (DSWL) | PLASTIC & ELECTRONIC COMPONENTS | 2.47 | \$0.000 | \$65.4 | (\$1.320) | 16.0 | 7 |
| 01/19(CM) | FORWARD INDUSTRIES (FORD) | CARRYING CASES AND ACCESSORIES | 1.32 | \$0.000 | \$35.4 | (\$3.396) | 9.5 | NR |
| 05/17(QB) | GALAXY GAMING (GLXZ) | GAMING INDUSTRY PRODUCTS | 1.36 | \$46.929 | \$20.5 | \$2.599 | 18.3 | NR |
| # 12/18(CM) | GSE SYSTEMS (GVP) | DATA ACCESS AND MANAGEMENT | 0.99 | \$0.000 | \$83.0 | (\$4.916) | 20.2 | 7 |
| 10/17(QB) | INNOVATIVE FOOD (IVFH) | FOOD PRODUCTS AND SERVICES | 0.35 | \$3.881 | \$57.9 | \$0.076 | 34.0 | 7 |
| 03/19(CM) | INSIGNIA SYSTEMS (ISIG) | MARKETING SERVICES | 0.76 | \$0.000 | \$23.8 | (\$2.156) | 12.1 | 9 |
| 10/16(CM) | KOSS CORPORATION (KOSS) | STEREO ACCESSORIES | 1.48 | \$0.000 | \$20.1 | (\$0.472) | 7.4 | 8 |
| # 08/18(QB) | LIBERATED SYNDICATION (LSYN) | PODCAST HOSTING AND MEDIA | 2.85 | \$4.105 | \$24.2 | \$2.834 | 29.3 | NR |
| Office: 5001 Baum Blvd., Ste. 770, Pittsburgh, PA 15213, Tel: (412) 621-0902, www.libsyn.com | | | | | | | | |
| 07/13(CM) | LIGHTPATH TECH (LPTH) | NOW ABOVE \$3 PER SHARE; SEE PAGE 5 (FOLLOW-THROUGH) | | | | | | |
| # 11/18(GS) | SEACHANGE INT'L (SEAC) | APPLICATION SOFTWARE | 1.45 | \$0.000 | \$62.9 | (\$34.474) | 37.5 | 9 |
| 01/18(QX) | SINGING MACHINE CO. (SMDM) | KARAOKE AUDIO EQUIPMENT | 0.11 | \$0.228 | \$41.3 | (\$1.845) | 38.6 | 7 |
| # 09/16(CM) | SOCKET MOBILE (SCKT) | DATA CAPTURE PRODUCTS | 1.44 | \$0.208 | \$18.9 | \$0.185 | 6.0 | 7 |
| 09/19(QB) | TECHPRECISION (TPCS) | METAL COMPONENTS AND SYSTEMS | 1.22 | \$2.446 | \$16.0 | (\$0.342) | 29.3 | NR |
| 02/19(QB) | TSS, INC. (TSSI) | END-USER AND ENTERPRISE SYSTEMS | 0.85 | \$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 Change

This month, **Deswell Industries (DSWL)** is falling from Category 2 to Category 3 with its Bowser Rating sliding from 9 to 7 and its trailing twelve month earnings going negative.

SMID subsidiary receives patent

Smith-Midland Corp. (SMID) subsidiary, Easi-Set Worldwide, was issued a new patent by the U.S. Patent Office for its prefabricated building

façade panel advancement, related to energy code compliance improvement with corresponding cost and material reductions.

The addition of this patent further bolsters Easi-Set's extensive portfolio of intellectual property and provides its licensed producers another customer-oriented performance feature. The patent covers the manufacturing of exterior cladding panels having pre-determined thermal and structural performances.

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 07/02/20 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 |
|--|-------------------------------|------------------|--|-------------------------------|------------------|
| BROADWAY FINANCIAL (CM:BYFC) | \$3.11(7) | 03/16 \$1.52(10) | ORION ENERGY SYSTEMS (CM:OESX) | \$3.64(9) | 11/19 \$2.93(9) |
| CENTRAL FEDERAL CORP. (CM:CFBK) | \$10.35(11) | 03/17 \$9.00(11) | RADA ELECTRONIC (CM:RADA) | \$6.54(9) | 03/18 \$2.16(10) |
| *Price adjusted for 1-for-5 reverse split (Aug. '18) | | | REPRO MED SYSTEMS (QB:KRMD) | \$9.07(9) | 07/10 \$0.16(8) |
| DLH HOLDINGS (CM:DLHC) | \$7.45(8) | 01/14 \$1.53(9) | RETRACTABLE TECHNOLOGIES (A:RVP) | \$6.52(10) | 01/20 \$1.48(10) |
| ELECTROMED (A:ELMD) | \$15.34(9) | 09/15 \$1.64(10) | RIVERVIEW BANCORP (GS:RVSB) | \$5.23(7) | 06/13 \$2.30(9) |
| FRANKLIN WIRELESS (QB:FKWL) | \$5.40(NR) | 12/16 \$2.70(12) | SCHMITT INDUSTRIES (CM:SMIT) | \$3.49(9) | 09/18 \$2.76(11) |
| HC2 HOLDINGS (N:HCHC) | \$3.21(7) | 06/19 \$2.34(12) | SMITH-MIDLAND (QX:SMID) | \$5.78(7) | 02/16 \$2.38(10) |
| INFUSYSTEM HOLDINGS (A:INFU) | \$10.61(8) | 12/15 \$2.88(8) | TABLE TRAC (QB:TBTC) | NOW \$2.90; SEE PAGE 4 | |
| LIBERATED SYNDICATION (QB:LSYN) | NOW \$2.85; SEE PAGE 4 | | TRXADE GROUP (CM:MEDS) | \$6.30(7) | 08/19 \$4.20(9) |
| LIGHTPATH TECHNOLOGIES (CM:LPTH) | \$3.30(8) | 07/13 \$1.47(10) | *Price adjusted for 1-for-6 reverse split (Feb. '20) | | |
| MANHATTAN BRIDGE CAPITAL (CM:LOAN) | \$4.70(NR) | 02/10 \$1.10(9) | U.S. AUTO PARTS (GS:PRTS) | \$8.74(NR) | 06/18 \$1.61(8) |

THE FOLLOWING WE SAID SHOULD BE SOLD

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

| | | |
|--------------------------|--------|--------------|
| MIKROS SYSTEMS (QB:MKRS) | \$0.11 | 12/19 \$0.12 |
|--------------------------|--------|--------------|

BRIEFS

ARC Document Solutions (ARC) launched ARC Compliance for the Healthcare Industry. . . .
Better Online Solutions Ltd. (BOSC) received

multiple orders totaling over \$1 million for electronic components. . . . **HC2 Holdings (HCHC)** continues to review strategic alternatives for Continental Insurance and DBM Global Inc., which may or may not include

a potential sale among other options. . . . **InfuSystem (INFU)**, **LightPath Technologies (LPTH)**, **Repro Med Systems (KRMD)**, **SeaChange International (SEAC)**, **Trxade Group (MEDS)** and **U.S. Auto Parts Network (PRTS)** were added to various Russell indices, following annual reconstitution. . . . **Repro Med Systems (KRMD)** commenced a public offering of common stock. **Liberated Syndication's (LSYN)** Rob Greenlee will serve as The Podcast Academy's chairperson, alongside a Board of Governors that includes Conal Byrne from iHeartMedia, Ben Cave from Apple, Anya Grundmann from NPR and Courtney Holt from Spotify. . . . **Retractable Technologies (RVP)** declared dividends to preferred stock holders. The dividend amount is \$0.125 per share for Series I Class B shareholders and \$0.25 per share for Series II Class B shareholders. . . . **Riverview Bancorp (RVSB)** announced a quarterly cash dividend of \$0.05 per share. . . . **Singing Machine (SMDM)** executed an agreement for a revolving line of credit on eligible accounts receivable and inventory for up to \$12.5 million.

INSIDER TRANSACTIONS

| COMPANY | SHARES TRADED | # OF TRADES | PRICE RANGE |
|--------------------------|---------------|-------------|-----------------|
| Aehr Test Sys. (AEHR) | OE-95,000 | 1 | \$1.28 |
| | D-782 | 1 | \$1.93 |
| Alaska Comm. (ALSK) | OE-177,085 | 2 | \$2.51 |
| DLH Holdings (DLHC) | B-6,086x | 2 | \$7.30-\$7.62 |
| | B-3,914 | 2 | \$7.30-\$7.62 |
| Electromed (ELMD) | S-10,000 | 1 | \$15.34 |
| FlexShopper (FPAY) | B-213,432x | 12 | \$1.60-\$1.71 |
| | S-65,500 | 1 | \$1.67 |
| | S-22,630x | 1 | \$1.64 |
| Forward Ind. (FORD) | S-42,954x | 5 | \$1.20-\$1.25 |
| Galaxy Gaming (GLXZ) | A-55,000 | 4 | \$1.34 |
| | B-48,000 | 1 | \$1.25 |
| HC2 Holdings (HCHC) | B-1,071,833x | 4 | \$3.58-\$3.79 |
| | B-635,073 | 8 | \$2.72-\$3.13 |
| InfuSystem (INFU) | S-516,673 | 4 | \$11.00-\$12.33 |
| | D-16,801 | 1 | \$0.00 |
| Insignia Systems (ISIG) | D-6,182 | 1 | \$0.79 |
| LightPath Tech. (LPTH) | B-500 | 1 | \$2.88 |
| National Holdings (NHLD) | B-8,672x | 4 | \$1.98-\$2.04 |
| Orion Energy (OESX) | A-261,793 | 8 | \$0.00 |
| Repro Med Sys. (KRMD) | A-5,846 | 6 | \$8.98 |
| | A-835x | 1 | \$0.00 |
| Retractable Tech. (RVP) | B-2,483 | 7 | \$6.05-\$7.07 |
| | S-10,000 | 1 | \$6.15 |
| Riverview Banc. (RVSB) | OE-5,000 | 1 | \$1.97 |
| Smith-Midland (SMID) | B-4,200 | 1 | \$4.79 |
| Taitron Compon. (TAIT) | OE-5,000 | 1 | \$1.09 |
| TechPrecision (TPCS) | OE-150,000 | 2 | \$0.80 |
| | D-105,932 | 2 | \$1.40 |
| Trxade Group (MEDS) | D-201,613 | 1 | \$0.00 |
| U.S. Auto Parts (PRTS) | S-1,700,403x | 12 | \$8.69-\$9.03 |
| | S-50,000 | 1 | \$8.27 |
| | A-1,379,309x | 2 | \$0.00 |
| | A-28,312 | 4 | \$0.00 |
| | B-1,000 | 1 | \$8.00 |

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

Over-the-Counter Stocks

Robinhood does not let me buy shares of TOMI Environmental (TOMZ) because it is an OTC stock. What brokerage would let me buy shares?

-Michael D.

TOMI Environmental, among other Bowser picks, is listed on the OTC QB exchange, so some brokerages will not allow you to trade it or will have an additional fee. TD Ameritrade, Schwab, E*TRADE and Fidelity should allow you to invest in OTC stocks, but some may have additional fees. Also, it is important to note that these brokerages have minimum deposits for opening up an account as well as varying policies.

Schmitt Industries (SMIT) Delisting

Any thoughts on SMIT's delisting and impact on its share price?

-Sean M. (Forums)

Delisting and moving to the OTC Market will almost certainly result in selling pressure. Among the negative implications of delisting are greater bid/ask spreads and reduced volumes (as noted by Tse. Y. in the Forums).

However, many Bowser recommendations trade on the OTC Market with decent liquidity. All-in-all, we'll have to wait and see, but the short-term impact will likely be negative.

COMPANY OF THE MONTH... CONTINUED

At a glance, ENG appears to have recovered hand-in-hand with crude oil. However, ENG started its rally just over a month before crude found a temporary bottom. The two largest contributing factors to this recovery are the Nasdaq listing requirements and its valuation.

The Nasdaq Stock Market requires companies to maintain a minimum bid price of \$1.00. Since the stock needed to close above \$1.00 for ten consecutive days to regain compliance, investors started accumulating shares.

The listing requirement contributed to the recent buying pressure, but ENG's valuation was even more vital. The stock has a book value of \$0.55, and shares have doubled from the lows both times market value fell below book value in the past 13 months.

ENG's price/book ratio is in-line with the industry average, while its price/sales ratio of 0.45 is well below the industry average of 0.72, and revenue per share is \$2.32. All-in-all, ENG is undervalued relative to its competitors and is considered a value stock despite its recent run up.

Ownership

Insiders and institutions own 43% and 22% of the outstanding ENGlobal shares, respectively. This leaves only 13.8 million shares available to the public, making the stock quite volatile. High volatility is not ideal, but high insider and institutional ownership is invaluable. Insiders have not been actively buying and/or selling shares since 2017, but the last noteworthy transactions were seven consecutive buys from the CEO. These buys totaled \$151,246 and were all above book value at the time.

Institutional investments are arguably more beneficial for shareholders as they are more likely to accumulate more shares and hold long-term. The most recent institutional transactions were mainly investors selling smaller portions of their positions without closing them out. More notably, two institutions opened new positions in ENG totaling 34,000 shares.

Maintaining listing requirements will be crucial moving forward as the exchange attracts higher liquidity and institutional investors. If the company can do so while

continuing to improve its financial health, more institutional investors will open positions and accumulate shares.

Outlook and Risks

The primary risk associated with ENGlobal is the volatility of the energy sector. The output disagreements between Russia and Saudi Arabia caused crude oil to plummet in March, only recently recovering. The pandemic added fuel to the fire and spending has dropped substantially.

Management has indicated that they do not know the full effects of COVID-19 on the company and wants to ensure that employees, shareholders and vendors are comfortable moving forward. The company was granted a \$4.9 million loan under the CARES Act as the short and long-term effects from the pandemic are unknown. While this may be viewed negatively, it is good to see that management is adapting and preparing for uncertainties.

ENG still has an outstanding outlook. The growth of its Automation segment is promising. First quarter 2020 results were outstanding, and the company is focused on supplying and commissioning larger modular process and automation systems on a turnkey basis. Management claims that its healthy backlog, combined with this business model shift, have been the driving factors in its improved top and bottom-line results.

Conclusion

The pandemic has not been kind to the energy sector, but ENGlobal is reaching new milestones. The management team has proven over the last two quarters that the changes made to the business model are successful. A healthy balance sheet and financial turnaround incentivize investors to stick around for the long haul. Although it has rallied to a higher price, we consider ENG a value stock that offers growth potential. If shares pull back off the recent gains, substantial value is near the company's book value (\$0.55). However, we may not get that lucky if financial results keep surpassing expectations.

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Beginner's Portfolio Up 301%

BOUGHT: TOMI 200 Shares @ \$1.33 plus \$6.95 commissions = \$273

SOLD: BYFC 100 Shares @ \$3.98 & 100 Shares @ \$5.42 = \$940

| | <u>Cost</u> | <u>07/02/20</u> | | <u>Cost</u> | <u>07/02/20</u> | | <u>Cost</u> | <u>07/02/20</u> | <u>Proceeds</u> |
|--------|-------------|-----------------|-------|-------------|-----------------|-------|-------------|-----------------|-------------------|
| AAME | 280/Mar '12 | 169 | BOSC† | 510/Aug '18 | 594 | HCHC† | 460/Jul '19 | 642 | From Sales |
| MMMB† | 200/Jun '17 | 360 | SMIT† | 578/Oct '18 | 698 | BUKS† | 134/Mar '20 | 96 | 11,058 |
| NHLD† | 546/Sep '17 | 390 | AEHR† | 368/Dec '18 | 382 | FPAY† | 200/Apr '20 | 376 | 940 |
| VTSI† | 560/Dec '17 | 760 | TSSI† | 198/Mar '19 | 170 | ALSK† | 450/May '20 | 540 | (273) |
| LEAT† | 488/Jan '18 | 536 | ISIG† | 262/Apr '19 | 152 | WYY† | 106/May '20 | 140 | 11,725 |
| PRTS†* | 318/Jul '18 | 874 | SB† | 390/Jul '19 | 242 | TOMZ† | 273/Jul '20 | 266 | |

Current Holdings Value: 7,387

Original cost for all stocks: \$4,766

*Half of original holdings

Proceeds from Sales: 11,725

†Bought 200 Shares

Total Value of Portfolio: 19,112

Gain: 19,112 minus 4,766 = 14,346

Percentage of gain: 14,346 divided by 4,766 x 100 = 301.0

Compound Annual Growth Rate: 7.65%

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 \$600 a month is required... **With each new Company of the Month, 100 shares are 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 had a tremendous month and hit a new all-time high following very strong performances from multiple of its holdings. We sold **Broadway Financial (BYFC)** after it doubled and then dropped 25% from its most recent high all within the same month. **TOMI Environmental (TOMZ)** replaced BYFC. We did pay a \$6.95 commission for TOMZ because it is an OTC-listed stock.

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> |
|--------------------------------|----------------------|----------------------|------------------------------|-------------------------|------------------------------|-----------------|
| Deswell Industries (DSWL) | 03/31/20* | \$27,655,000 | \$31,786,000 | (\$2,569,000) | \$1,516,000 | (A) |
| Galaxy Gaming (GLXZ) | 03/31/20 | \$4,494,000 | \$5,347,000 | \$116,605 | \$406,664 | |
| Forward Industries (FORD) | 03/31/20 | \$7,931,377 | \$8,172,467 | (\$1,371,614) | (\$1,130,905) | |
| MamaMancini's (MMMB) | 04/30/20 | \$11,100,919 | \$7,364,824 | \$906,202 | \$355,666 | |
| SeaChange International (SEAC) | 04/30/20 | \$6,915,000 | \$8,485,000 | (\$6,510,000) | (\$10,849,000) | (B) |
| TechPrecision (TPCS) | 03/31/20 | \$4,931,669 | \$4,712,154 | \$48,445 | \$537,555 | (C) |

*Six months ended March 31, 2020; DSWL reports financial results every six months.

(A) *Mr. Edward So, CEO of DSWL, commented, "Our first priority has been the safety of our employees and to that end we delayed the reopening of our facilities following the Chinese New Year holiday, which resulted in lost production days. Supply chain interruptions also presented some headwinds, but we managed through those challenges and have been able to support our customers.*

"While we continue to see demand negatively impacted, we are nurturing new customer relationships, which we are optimistic can develop into larger commitments."

(B) *"During the period, a majority of our customers temporarily paused technology purchasing and*

deployment decisions to focus on their internal operations, including servicing the surging demand for bandwidth due to higher overall network usage," explained SEAC's CEO Yossi Aloni. "In response to the pandemic and the shift in our customers' behavior, we have shifted to a leaner, more focused operation which has allowed us to reduce our cost structure and more fully align our strategy with current market demands."

(C) *Alexander Shen, TPCS's CEO: "We recorded a \$495,000 loss provision in March 2020 for a settlement with former employees in connection with a civil action to recover lost wages under a paid time-off program."*

NOTES BY THE EDITOR

The past month was very unusual for stocks as major indices had varying results. The increase in COVID-19 cases caused some volatility, but Bowser stocks still managed to outperform all but the Nasdaq.

This was partially the result of "hype stocks" (like **Broadway Financial (BYFC)** which gained 122% on high relative volume) as discussed in the front page article.



Although not a top gainer, **WidePoint Corp. (WYY)** also trended steadily higher and has already doubled in just a few short months, hitting a new five-year high in the process.

There were an abundance of insider transactions over the past month (see page 5 for more information). **U.S. Auto Parts Network (PRTS)** had its first large insider sells in quite a while, which ended the pattern of constant buying pressure.

Meanwhile, **FlexShopper (FPAY)** and **HC2 Holdings (HCHC)** had tremendous insider buying pressure. Be sure to keep a close eye on insider transactions moving forward due to the unusual activity.

FIVE BOWSER STOCKS UP AND DOWN

| | | | | | |
|---------------------------|----|------|------------------------|------|-----|
| Broadway Fin. (BYFC) | UP | 122% | SeaChange Int'l (SEAC) | DOWN | 27% |
| TOMI Environ. (TOMZ) | UP | 62% | TechPrecision (TPCS) | DOWN | 22% |
| Nova LifeStyle (NVFY) | UP | 60% | Singing Machine (SMDM) | DOWN | 18% |
| CPS Tech. (CPSH) | UP | 35% | GSE Systems (GVP) | DOWN | 16% |
| Better Online Sol. (BOSC) | UP | 33% | Repro Med (KRMD) | DOWN | 13% |