



Next Company of the Month Recording:
Friday, September 11, After 4 PM EST
Recording on for entire weekend
Phone: (757) 877-5979

2020 Terrible Ten Results

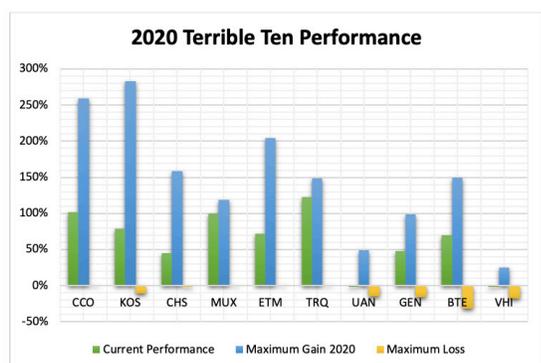
Looking back at the first four months of the experiment

Four months ago, we reintroduced one of Max Bowser's most successful investment concepts: The Terrible Ten. The idea was to pick ten oversold stocks trading on the New York Stock Exchange (NYSE) that had fallen below \$1 per share. Given the strict listing guidelines for the NYSE and the fact that these are well-established companies, any market recovery should significantly increase their market value. The first iteration (during the 2008-2009 financial crisis) went terrifically. What about this most recent iteration?

This article reviews the results of the 2020 Terrible Ten and then compares them to the 2009 Terrible Ten.

Performance

The 2020 Terrible Ten have performed very well, with eight of the ten stocks doubling in a short period of time. This is not unusual for 2020 as many Company of the Month recommendations have had aggressive short-term performance. Four of the stocks never dropped from the April 2020 published prices, and none of them dropped more than 32%. Below is a chart highlighting their four-month performance:



Clear Channel Outdoor Holdings (CCO) and **Kosmos Energy Ltd. (KOS)** are the top gainers, appreciating 283% and 260%, respectively. **Turquoise Hill Resources Ltd. (TRQ)** is currently holding the most of its gains due to the momentum of gold and other precious metals.

Baytex Energy Corp. (BTE) initially underperformed the most, but has since turned

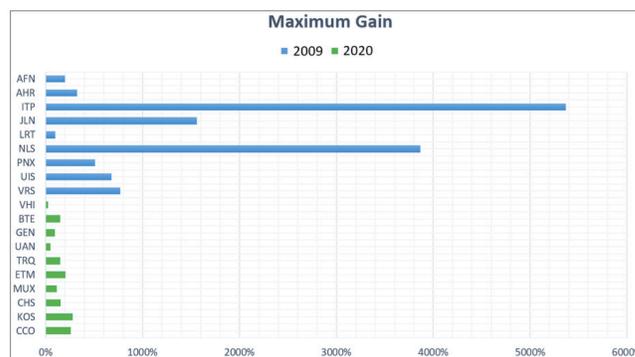
its performance around and is now up 70% after climbing as much as 150% from its April 2020 published price.

CVR Partners (UAN) and **Valhi, Inc. (VHI)** have yet to double and are moving much slower than the others. However, neither's losses have outweighed their gains, and they are both trading about even.

Based off of short-term performance alone, it is easily observable that the 2020 Terrible Ten experiment has been a success.

Comparing 2020 and 2009

While both experiments were a success, the results were entirely different. Max Bowser's timing of the 2009 Terrible Ten was after a full-on market crash that offered much deeper discounts and resulted in much bigger gainers. Below is a chart comparing the performance of the two experiments, excluding GFG from the original Terrible Ten because it went out of business:



A few of the home runs from the original Terrible Ten completely overshadow the gains from the 2020 version. While the 2009 gains were off the charts, it is important to note that this price performance factors in the past 11 years while we are only four months into the 2020 Terrible Ten.

Looking at this chart, it's easy to assume that letting Terrible Ten positions ride is the best course of action. However, three of the nine 2009 winners ended up dropping substantially after hitting their

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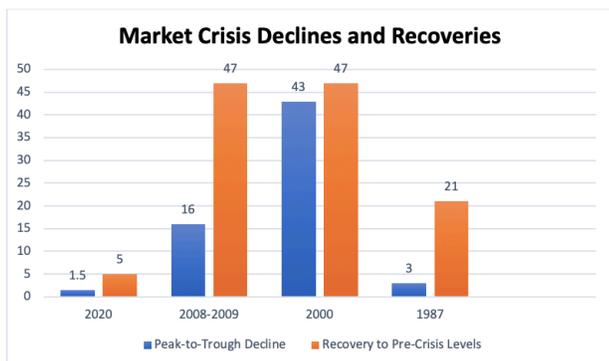
peak in just a few short months, proving that the best course of action was to follow the Game Plan and lock in profits.

Timing

Timing the markets is not an easy job nor something that investors should ever attempt. Doing so can result in big losses by allowing emotions to weigh on your decision-making.

However, Max Bowser's timing of the original Terrible Ten was impeccable. Major indices hit a bottom in exactly March 2009 as the original Terrible Ten launched, whereas the 2020 Terrible Ten came one month after the 2020 market bottom.

To get an idea of why these experiments were both so successful, we have to factor in the timing of each as well as how aggressively the markets rallied. Below is a chart comparing the most recent four market crises and their recoveries:



Compared to 2009, the 2020 decline took just 10% of the time and rallied ten times faster. Additionally, markets dropped 49% during the 2009 financial crisis but only 37% earlier this year. Therefore, the original Terrible Ten were at a greater discount and had more room to run. The lesser discount in 2020, coupled with a faster recovery, means that entries and exits are more forgiving, but that similar gains to the 2009 Terrible Ten are less likely.

One catalyst that resulted in a faster recovery from the 2020 Terrible Ten is the bullish move from precious metals. Gold and silver have appreciated tremendously over the past few weeks. Gold futures

Market Overview

BWSR AVG	RUS 2000	NASDAQ	S&P 500	DOW JONES
↑15.2%	↑9.6%	↑7.9%	↑7.1%	↑6.2%

The Russell 2000 led major indices as small stocks led the continued rally from March lows. As expected, the Federal Reserve left rates unchanged, and jobs data continued to gradually improve. Precious metals soared to new highs prior to the rate announcement with gold futures hitting a new all-time high. Bowser stocks jumped up 15.2%, managing to outperform the major indices.

Singing Machine (SMDM) and **Franklin Wireless (FKWL)** were the top gainers. Both stocks more than doubled with FKWL hitting its highest levels since 2001.

hit a new all-time high and silver hit a new seven-year high. This greatly benefitted **McEwen Mining (MUX)** and **TRQ**, which heavily rely on gold and silver prices. Unsurprisingly, MUX and TRQ are two of the top five gainers from the 2020 Terrible Ten that have managed to hold the bulk of their gains.

Conclusion

Far quicker than anyone could have imagined, the 2020 Terrible Ten have yielded considerable profits. It is truly amazing to see Max Bowser's experiment of buying oversold NYSE stocks hold up just as well in today's economic climate. While the COVID-19 crash and the 2008-2009 financial crisis were entirely different, the results of each are outstanding.

The 2009 Terrible Ten had much better performance over the years, but also demonstrated much higher volatility and increased risk as a result. Based on that, we reinforced the importance of smaller position sizes and sticking to the Game Plan this time around. While many are likely still holding at least a few of the 2020 Terrible Ten, it's safe to say that this was a profitable endeavor.

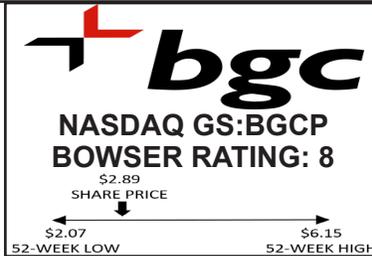
Remember to continue to follow the Game Plan if you are still holding Terrible Ten positions. Congratulations to all that profited!

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

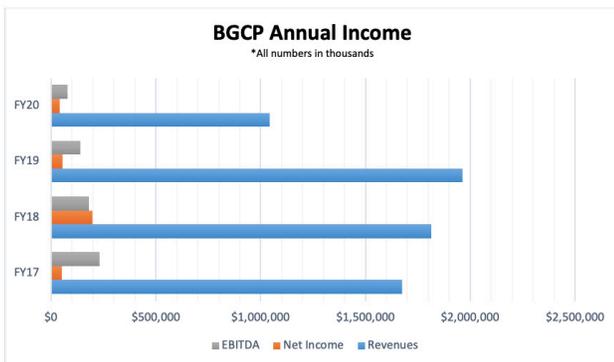
BGC Partners (BGCP) operates as a brokerage and financial technology company, offering various brokerage products, such as fixed income, foreign exchange, equities, etc. The company also provides other services including trade execution, broker dealer, trade compression and other back office services. Finally, BGCP provides analytics related to financial instruments and markets under several brand names including Fenics. The company serves a variety of clients including banks, trading firms, governments and corporations.



Notional volumes for Fenics UST increased more than 70%, and management intends to roll out significant technological innovations in the third quarter. Additionally, Fenics GO, a fully electronic options trading platform, doubled its volumes in the second quarter of 2020.

Bottom Line Improvement

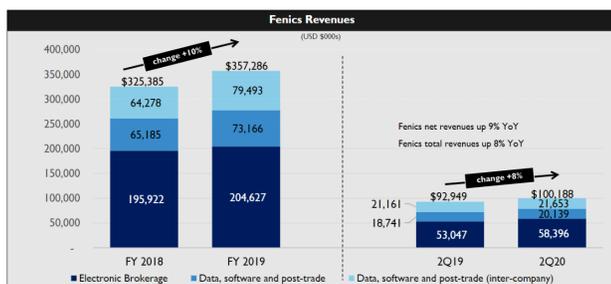
BGC Partners is larger than the typical Company of the Month. Primarily considered a dividend stock in the past, BGCP has been generating more consistent top and bottom line results over the past few years:



The first half of 2020 shows BGC Partners on track to surpass its 2019 results. Driving the improvements are 23% growth in its credit business and 11% growth in insurance brokerage revenues.

Despite overall success through the first half, second quarter revenues decreased 5% year-over-year due to the lower industry volumes in rates and foreign exchanges following the global pandemic.

Helping fuel the company's success is the Fenics technology platforms. Fenics is BGCP's group of electronic brands, offering a number of market infrastructure and connectivity services. Below is a chart of Fenics revenues over the past two years:



With revenues trending in the right direction, management is taking multiple steps to deliver more consistent profit growth. The company reduced front office headcount in certain less profitable businesses, lowering revenues but driving up profitability long-term. It also expects its insurance brokerage business to be profitable next year, which should improve EBITDA by \$50 million in FY21.

Overall, the company is growing at a steady pace with increasing profits and a promising outlook.

Undervalued with Room for Improvement

BGC Partner's balance sheet includes \$463 million in cash but \$1.2 billion in long-term debt, which is necessary for the company to maintain a competitive advantage in its industry. The only questionable decision regarding its debt was management's decision to refinance a \$300 million loan instead of paying it off given the large cash position.

BGCP's assets-to-liabilities ratio of 1.2 has recently decreased due to a jump in payables to broker-dealers. However, the ratio has hovered between 1.2-1.3 since 2017.

The company has cash per share of \$1.28 and a book value per share of \$2.18. While the stock is trading above both of those levels, they provide support under the current share price.

BGCP is undervalued relative to its competitors. The industry average price/book (P/B) ratio of 9.2 is high in comparison to BGCP's ratio of 1.3. Additionally, the company has a much lower price/sales (P/S) ratio of 0.5 in comparison to the industry average of 3.7. Both of these metrics make

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	2018	2019	2020(A)
REVENUES	\$1,814,023	\$1,962,172	\$1,044,038
INCOME (LOSS)	\$197,520	\$55,707	\$42,413
WORKING CAPITAL	\$550,500	\$701,400	\$749,700
BOOK VALUE	\$2.38	\$1.99	\$1.94
TOTAL SHARES	322,141	344,332	313,300
FLOAT	N/A	N/A	285,700

(A) Six months ended 06/30/20. All numbers in thousands.

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 08/07/20	Long-term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
CATEGORY ONE: BEST COMPANIES (RATED 10+)								
07/20(CM)	ENGLOBAL CORP. (ENG)	ENGINEERING SERVICES	1.02	\$0.000	\$63.5	\$0.609	27.4	10
12/17(QB)	LEATT CORP. (LEAT)	NOW ABOVE \$3 PER SHARE; SEE PAGE 5 (FOLLOW-THROUGH)						
# 08/17(CM)	NATIONAL HOLDINGS (NHLD)	INVESTMENT BANKING	2.38	\$0.000	\$220.7	\$2.166	13.4	11
08/14(QB)	SONO-TEK CORP. (SOTK)	NOW ABOVE \$3 PER SHARE; SEE PAGE 5 (FOLLOW-THROUGH)						
# 07/19(QB)	TABLE TRAC (TBTC)	NOW ABOVE \$3 PER SHARE; SEE PAGE 5 (FOLLOW-THROUGH)						
# 05/18(CM)	TAITRON COMPONENTS (TAIT)	ELECTRONIC COMPONENTS	2.67	\$0.000	\$7.3	\$1.557	5.6	11
06/19(QB)	TOMI ENVIRONMENTAL (TOMZ)	DISINFECTION AND DECONTAMINATION	1.67	\$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	2.33	\$171.541	\$232.1	\$4.004	53.0	8
02/18(QB)	ALTIGEN COMMUNICATION (ATGN)	CLOUD-BASED IP SOLUTIONS	1.91	\$0.818	\$11.1	\$1.901	23.0	9
08/20(GS)	BGC PARTNERS (BGCP)	BROKERAGE AND FINANCIAL TECH	2.89	\$1,290.973	\$1,979.3	\$22.641	313.3	8
# 05/14(CM)	CPS TECHNOLOGIES (CPSH)	ADVANCED MATERIAL SOLUTIONS	2.11	\$0.159	\$22.1	\$0.756	13.2	8
03/20(CM)	FLEXSHOPPER (FPAY)	VIRTUAL LEASE-TO-OWN MARKET	1.67	\$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	1.70	\$0.642	\$38.6	\$2.083	32.0	9
05/19(N)	SAFE BULKERS (SB)	MARINE DRY BULK TRANSPORTATION	1.23	\$538.508	\$198.0	\$15.765	101.5	9
# 10/12(QB)	WHERE FD CMS FROM (WFCF)	FOOD VERIFICATION SERVICES	1.52	\$2.742	\$20.8	\$1.277	24.7	9
04/20(N)	WIDEPOINT CORP. (WYY)	MOBILITY MANAGEMENT SOLUTIONS	0.81	\$0.000	\$101.7	\$0.226	83.3	8
CATEGORY THREE: SPECULATIVE COMPANIES (RATED 7 AND BELOW AND/OR NON-PROFITABLE)								
10/18(CM)	AEHR TEST SYSTEMS (AEHR)	SEMICONDUCTOR TEST EQUIPMENT	2.12	\$1.026	\$22.3	(\$2.802)	23.1	NR
04/19(N)	ARC DOCUMENT SOLUTIONS (ARC)	DOCUMENT SOLUTIONS	1.31	\$105.906	\$373.7	\$3.106	42.7	NR
10/19(QB)	BAB, INC. (BABB)	FAST CASUAL RESTAURANT FRANCHISES	0.51	\$0.000	\$3.1	\$0.395	7.3	NR
# 07/18(CM)	BETTER ONLINE SOLUTIONS (BOSC)	RFID AND MOBILE SOLUTIONS	2.81	\$2.001	\$33.5	(\$1.015)	4.3	7
02/20(QB)	BUTLER NATIONAL (BUKS)	AEROSPACE AND DEFENSE PRODUCTS	0.51	\$3.211	\$65.9	\$3.234	67.7	7
05/20(GM)	DESWELL INDUSTRIES (DSWL)	PLASTIC & ELECTRONIC COMPONENTS	2.48	\$0.000	\$65.4	(\$1.320)	16.0	7
01/19(CM)	FORWARD INDUSTRIES (FORD)	CARRYING CASES AND ACCESSORIES	1.45	\$0.000	\$35.4	(\$3.396)	9.5	NR
05/17(QB)	GALAXY GAMING (GLXZ)	GAMING INDUSTRY PRODUCTS	1.24	\$46.929	\$20.5	\$2.599	18.3	NR
# 12/18(CM)	GSE SYSTEMS (GVP)	DATA ACCESS AND MANAGEMENT	0.98	\$0.000	\$78.5	\$14.046	20.4	NR
# 06/19(N)	HC2 HOLDINGS (HCHC)	DIVERSIFIED HOLDING COMPANY	2.88	\$684.600	\$1,979.9	(\$111.800)	46.6	7
Office: 450 Park Ave. 30th Floor, New York, NY 10022, Tel: (212) 235-2690, www.hc2.com								
10/17(QB)	INNOVATIVE FOOD (IVFH)	FOOD PRODUCTS AND SERVICES	0.28	\$3.953	\$58.2	\$0.796	34.6	7
03/19(CM)	INSIGNIA SYSTEMS (ISIG)	MARKETING SERVICES	0.83	\$0.000	\$21.3	(\$3.440)	12.1	NR
10/16(CM)	KOSS CORPORATION (KOSS)	STEREO ACCESSORIES	2.33	\$0.000	\$20.1	(\$0.472)	7.4	8
# 08/18(QB)	LIBERATED SYNDICATION (LSYN)	NOW ABOVE \$3 PER SHARE; SEE PAGE 5 (FOLLOW-THROUGH)						
# 07/13(CM)	LIGHTPATH TECH (LPTH)	OPTICAL COMPONENTS	2.84	\$4.578	\$34.6	(\$1.552)	25.9	8
Office: 2603 Challenger Tech Ct., Ste. 100, Orlando, FL 32826, Tel: (407) 382-4003, www.lightpath.com								
# 02/15(GM)	NOVA LIFESTYLE INC. (NVFY)	FURNITURE MANUFACTURING/SALES	1.82	\$0.000	\$15.4	(\$9.793)	5.5	7
# 11/18(GS)	SEACHANGE INT'L (SEAC)	APPLICATION SOFTWARE	1.48	\$0.000	\$62.9	(\$34.474)	37.5	9
01/18(QX)	SINGING MACHINE CO. (SMDM)	KARAOKE AUDIO EQUIPMENT	0.36	\$0.228	\$41.3	(\$1.845)	38.6	7
# 09/16(CM)	SOCKET MOBILE (SCKT)	DATA CAPTURE PRODUCTS	1.72	\$0.208	\$18.9	\$0.185	6.0	7
09/19(QB)	TECHPRECISION (TPCS)	METAL COMPONENTS AND SYSTEMS	1.18	\$2.446	\$16.0	(\$0.342)	29.3	NR
02/19(QB)	TSS, INC. (TSSI)	END-USER AND ENTERPRISE SYSTEMS	0.92	\$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, **Aehr Test Systems (AEHR)**, Bowser Rating from 10 to NR; **Butler National (BUKS)**, rating from 10 to 7; and **Nova Lifestyle (NVFY)**, rating from 10 to 7, are moving from Cat. 1 to Cat. 3. AEHR and NVFY trailing twelve month (ttm) earnings turned red.

ARC Document Solutions (ARC) dropped from Cat. 2 to Cat. 3 as its rating fell from 8 to NR.

CPS Technologies (CPSH) is climbing from Cat. 3 to Cat. 2 with its ttm earnings turning positive.

Sono-Tek receives multiple orders

Sono-Tek Corp. (SOTK), received new orders for a 6-axis coating system valued at approximately \$1.5 million and two additional systems with a total value of approximately \$1.6 million.

The 6-axis coating system will be used in the electronics industry, while the two additional systems will be used in the advanced textiles industry. Both orders are among the company's largest ever.

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 08/07/20 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)	NOW IN BOWSER DATABASE		MANHATTAN BRIDGE CAPITAL (CM:LOAN)	\$4.20(NR)	02/10 \$1.10(9)
CARPARTS.COM (GS:PRTS)	\$12.24(NR)	06/18 \$1.61(8)	ORION ENERGY SYSTEMS (CM:OESX)	\$4.76(9)	11/19 \$2.93(9)
CENTRAL FEDERAL CORP. (CM:CFBK)	\$10.99(11)	03/17 \$9.00(11)	RADA ELECTRONIC (CM:RADA)	\$6.46(9)	03/18 \$2.16(10)
*Price adjusted for 1-for-5 reverse split (Aug. '18)			REPRO MED SYSTEMS (QB:KRMD)	\$8.86(8)	07/10 \$0.16(8)
DLH HOLDINGS (CM:DLHC)	\$9.41(9)	01/14 \$1.53(9)	RETRACTABLE TECHNOLOGIES (A:RVP)	\$10.20(10)	01/20 \$1.48(10)
ELECTROMED (A:ELMD)	\$17.68(9)	09/15 \$1.64(10)	RIVERVIEW BANCORP (GS:RVSB)	\$4.40(7)	06/13 \$2.30(9)
FRANKLIN WIRELESS (QB:FKWL)	\$10.80(NR)	12/16 \$2.70(12)	SCHMITT INDUSTRIES (CM:SMIT)	\$4.47(9)	09/18 \$2.76(11)
HC2 HOLDINGS (N:HCHC)	NOW \$2.88; SEE PAGE 4		SMITH-MIDLAND (QX:SMID)	\$5.84(7)	02/16 \$2.38(10)
INFUSYSTEM HOLDINGS (A:INFU)	\$13.85(8)	12/15 \$2.88(8)	SONO-TEK CORP. (QB:SOTK)	\$3.10(10)	08/14 \$1.11(8)
LEATT CORP. (QB:LEAT)	\$3.60(10)	12/17 \$1.92(10)	TABLE TRAC (QB:TBTC)	\$3.50(10)	07/19 \$2.40(10)
LIBERATED SYNDICATION (QB:LSYN)	\$3.15(NR)	08/18 \$1.61(8)	TRXADE GROUP (CM:MEDS)	\$6.82(7)	08/19 \$4.20(9)
LIGHTPATH TECHNOLOGIES (CM:LPTH)	NOW \$2.84; SEE PAGE 4		*Price adjusted for 1-for-6 reverse split (Feb. '20)		

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)	\$0.10	12/19 \$0.12
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BRIEFS

ARC Document Solutions (ARC) announced a reorganization to grow in a post-COVID-19 era. . . .

DLH Holdings (DLHC) appointed Jeanine Christian as President of Social & Scientific Systems, Jacqueline Everett as Chief Growth Officer and Stephen J. Zolkowicz to its board of directors. DLHC also recently received multiple task orders and contracts related to COVID-19 testing and analysis that are expected to add at least \$15 million of incremental revenue, with the majority anticipated in calendar 2020. . . . **Galaxy Gaming (GLXZ)** acquired Baccarat Fightback from Tiange Xu of the UNLV Center for Gaming Innovation. . . . **HC2 Holdings (HCHC)** is exploring strategic options for its telecommunications subsidiary, PTGi-International Carrier Services, including a potential sale. HCHC expects to receive approximately \$4.6 million of the total \$5 million dividend payout from subsidiary DBM Global. . . . **Koss Corp. (KOSS)** announced the next phase of its intellectual property enforcement

program. . . . **LightPath Technologies (LPTH)** announced preliminary revenues of between \$8.7-\$9.1 million compared to \$17.1 million in the same period last year. . . . **Liberated Syndication (LSYN)** signed a distribution agreement for LSYN-hosted podcasts on Gaana's platform, India's largest music streaming service. LSYN appointed Mr. Richard P. Heyse as CFO, and Chris Spencer stepped down as CEO and board member. . . . **Manhattan Bridge Capital (LOAN)** declared a quarterly dividend of \$0.10 per share to be paid to all shareholders of record as of October 9, 2020. . . . **RADA Electronic Industries Ltd. (RADA)** received \$8 million in accumulated new orders since June 1, 2020. . . . **Socket Mobile (SCKT)** launched the XCover Pro DuraSled, the DS800 XCover Pro for 1D barcode scanning and the DS840 XCover Pro for 1D and 2D barcode scanning. . . . **Schmitt Industries (SMIT)** announced the final results of its previously announced cash tender offer to purchase up to \$2.5 million of Schmitt's common stock. SMIT also extended the period of its previously-

announced buyback to \$2.5 million of its stock at a price per share not less than \$3.00 and not greater than \$3.25. SMIT's board of directors unanimously passed a resolution for the company to remain listed on the NASDAQ. . . . **Singing Machine's (SMDM)** Carpool Karaoke Microphone is going viral on TikTok. . . . **Sono-Tek Corp.'s (SOTK)** Board Director and Chairman Emeritus, Samuel Schwartz, passed away on July 17, 2020 at the age of 100 years. . . . **Taitron Components (TAIT)** declared a quarterly cash dividend of \$0.035 per share of common stock, payable on August 31, 2020. . . . **U.S. Auto Parts Network (PRTS)** formally changed its name to CarParts.com.

INSIDER TRANSACTIONS

COMPANY	SHARES TRADED	# OF TRADES	PRICE RANGE
Aehr Test Sys. (AEHR)	A-178,028	7	\$0.00
	A-17,474x	2	\$0.00
CPS Tech. (CPST)	A-30,000	2	\$1.53
	D-19,784	2	\$2.32
Electromed (ELMD)	A-20,756	2	\$0.00
Foward Ind. (FORD)	S-16,537x	2	\$1.28-\$1.32
HC2 Holdings (HCHC)	A-593,852	8	\$0.00
InfuSystem (INFU)	S-5,600	1	\$11.98
National Holdings (NHLD)	OE-25,000	2	\$0.00
Retractable Tech. (RVP)	S-36,000	2	\$7.55-\$9.72
	B-1,600x	3	\$6.59-\$9.83
Riverview Banc. (RVSB)	S-30,000x	2	\$4.75-\$4.85
SeaChange Int'l (SEAC)	A-359,236	1	\$0.00
Socket Mobile (SCKT)	A-41,546	2	\$0.95-\$1.82
	S-41,546	2	\$3.84-\$3.85
Trxade Group (MEDS)	S-7,500x	2	\$5.44-\$5.71

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

Trailing Stops

*I spoke to my brokerage after my trailing stop order on **CarParts.com (PRTS)** filled much lower than the share price. I found out the hard way that stop orders can fill at a low bid price.*

-Stephen F. (Forums)

Trailing stop orders are a big part of investing in penny stocks because they help protect your profits. However, many of Companies of the Month trade on low volume which can increase the bid-to-ask spread.

Trailing stops will hit if the bid price hits your

stop. Therefore, it may fill at a much lower price. While the results can be unfortunate and prevent you from larger gains, it's a clear trade-off that is necessary for most investors.

FPAY Delisting

*Is **FlexShopper (FPAY)** delisting?*

-Bass (Forums)

Flexshopper filed a SEC Form 25 that covered the delisting of its warrants. The warrants were "redeemed or paid at maturity or retirement." The stock itself will continue to trade on the NASDAQ exchange.

COMPANY OF THE MONTH... CONTINUED

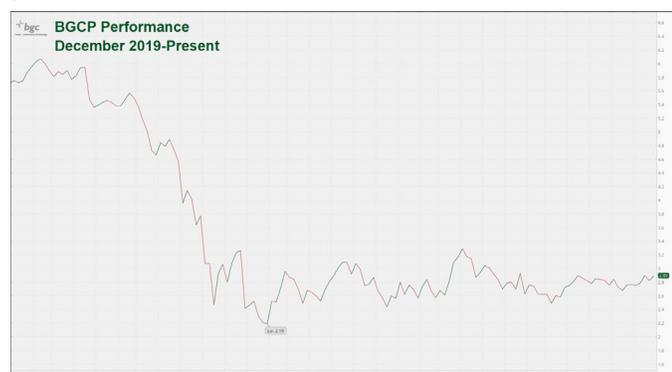
BGCP an appealing long-term investment.

Dividend and Ownership

The global pandemic caused the company to cut its quarterly dividend substantially, from \$0.14/share to \$0.01/share. Considering the company has a large amount of cash and positive sales outlook, we do not agree with this decision. However, it will be saving the company \$144 million per year, which should bolster its balance sheet.

The large cash position gives BGCP the option of ramping up its dividend again or repurchasing shares in the future. So far, there is no evidence of selling as a result of the dividend cut playing a role in price action, which is a positive given the large amount of institutional ownership.

BGCP has only recovered 17% after dropping \$3.88 from its 52-week high of \$6.15 during the COVID-19 selloff. Below is a chart of its price performance since December 2019:



Meanwhile, the financial sector has recovered 52%. While this might seem like a negative, a larger cash position and a cheaper entry point are very appealing. And, institutional investors are still accumulating shares, with new positions outweighing sold positions 4:1.

Outlook

The COVID-19 crash has already done permanent damage to various sectors. The financial sector was not immune, but most brokerages are thriving. Despite more individuals being at home and investing, the bulk of BGCP's business comes from rates and foreign exchange. Over time, the company expects the significant increases in global debt issuance to overcome the effects of quantitative easing and to be a long-term tailwind for its rates and credit businesses. Therefore, this is just a temporary setback that offers a unique undervaluation.

Perhaps the most exciting outlook comes from a mergers and acquisitions (M&A) standpoint. There has been a major spike in M&A for brokerage companies. Within the past year, Charles Schwab acquired TD Ameritrade for a \$26 billion all-stock deal. The premium of 17% was not extremely high, but the merger itself shows that companies are actively looking to increase total assets. There have been many other acquisitions in the industry, and any one of BGCP's business segments could be acquired, benefitting shareholders.

Conclusion

BGC Partners is undervalued and with a healthy balance sheet. The company's large amount of debt is not concerning considering its large cash position and steady growth. The slow recovery of the financial sector offers a unique buying opportunity since the stock has barely rallied. Moving forward, we would like to see consistent growth from Fenics and more profitability across the board. With institutional investors accumulating shares and solid fundamentals, the future is bright.

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Beginner's Portfolio Up 320%

BOUGHT: None this month

SOLD: None this month

	<u>Cost</u>	<u>08/07/20</u>		<u>Cost</u>	<u>08/07/20</u>		<u>Cost</u>	<u>08/07/20</u>	<u>Proceeds</u>
AAME	280/Mar '12	185	BOSC†	510/Aug '18	562	HCHC†	460/Jul '19	576	From Sales 11,725
MMMB†	200/Jun '17	340	SMIT†	578/Oct '18	894	BUKS†	134/Mar '20	102	
NHLD†	546/Sep '17	476	AEHR†	368/Dec '18	424	FPAY†	200/Apr '20	334	
VTST†	560/Dec '17	900	TSSI†	198/Mar '19	184	ALSK†	450/May '20	466	
LEAT†	488/Jan '18	720	ISIG†	262/Apr '19	166	WYY†	106/May '20	162	
PRTS†*	318/Jul '18	1224	SB†	390/Jul '19	246	TOMZ†	273/Jul '20	334	
						Current Holdings Value:		8,295	
						Proceeds from Sales:		11,725	
						Total Value of Portfolio:		20,020	

Original cost for all stocks: \$4,766

*Half of original holdings

†Bought 200 Shares

Gain: 20,020 minus 4,766 = 15,254

Percentage of gain: 15,254 divided by 4,766 x 100 = 320.1

Compound Annual Growth Rate: 7.88%

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 another solid month as Current Holdings Value rose 12.3% on strength from multiple recommendations. There were no sales or purchases this month, and the portfolio broke the \$20,000 mark for the first time.

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>
Aehr Test Systems (AEHR)	05/31/20	\$3,773,000	\$7,242,000	(\$2,885,000)	\$110,000	(A)
Altigen Communications (ATGN)	06/30/20	\$3,018,000	\$2,651,000	\$426,000	\$612,000	
ARC Document Solutions (ARC)	06/30/20	\$64,319,000	\$98,873,000	\$1,420,000	\$512,000	
Broadway Financial (BYFC)	06/30/20	\$4,812,000	\$4,229,000	\$216,000	(\$133,000)	
Butler National (BUKS)	04/30/20	\$12,617,000	\$15,717,000	(\$1,392,000)	\$283,000	
CPS Technologies (CPSH)	06/27/20	\$5,758,015	\$6,366,951	\$299,231	\$250,598	
DLH Holdings (DLHC)	06/30/20	\$51,459,000	\$38,700,000	\$2,124,000	\$803,000	
GSE Systems (GVP)	03/31/20	\$17,705,000	\$22,194,000	(\$6,258,000)	(\$4,297,000)	
Innovative Food (IVFH)	03/31/20	\$13,305,920	\$12,859,215	(\$3,254,198)	\$163,360	(B)
Insignia Systems (ISIG)	06/30/20	\$3,388,000	\$5,842,000	(\$1,772,000)	(\$488,000)	
Nova Lifestyle (NVFY)	03/31/20	\$2,203,000	\$10,661,000	(\$1,339,000)	(\$147,531)	(C)
Repro Med Systems (KRMD)	06/30/20	\$7,708,904	\$5,347,812	(\$1,076,038)	\$78,183	
Riverview Bancorp (RVSB)	06/30/20	\$13,751,000	\$14,606,000	\$480,000	\$4,192,000	
Sono-Tek Corp. (SOTK)	05/31/20	\$3,428,544	\$2,822,428	\$167,928	\$25,213	
Trxade Group (MEDS)	06/30/20	\$6,592,637	\$1,916,414	(\$542,587)	\$57,981	(D)

(A) "Although COVID-19 has created challenges, we believe there will be no long-term impact to AEHR, the demand for our products or for the attractiveness of the key markets that we serve," commented AEHR President and CEO, Gayn Erickson.

(B) Sam Klepfish, CEO of IVFH: "Related to declines in food service business, we recorded a non-cash \$1.7 million impairment charge. In addition, we experienced reduced profitability, which included higher expenses related to the COVID-19 crisis."

(C) "COVID-19 has caused challenges, but we remain financially healthy with a strong balance sheet and inventory levels that will allow us to serve our customers and fulfill all orders as the pandemic subsides and the economy begins to pick up," explained Tawny Lam, NVFY's CEO.

(D) Despite the 244% increase in sales, MEDS's costs of sales increased 509% and operating expenses more than doubled primarily as a result of higher non-cash stock-based compensation.

NOTES BY THE EDITOR

This was the biggest month for Bowser stocks in years. Twelve recommendations hit new 52-week highs and three gained over 100% before pulling back. While some of these bullish moves can be attributed to the market rally, there was very clear relative strength from a number of names.

Altigen Communications (ATGN), CarParts.com (PRTS) and Retractable Technologies (RVP) continued to run higher, representing the top three gainers from the past two



years, each up at least 300%.

The front page article covered the success of the 2020 Terrible Ten just four short months after it launched. The success of the experiment yet again reiterates the fundamental rule of *The Bowser Report* and long-term investing: **do not let emotions effect your investment decisions.**

Like the markets, these ten companies dropped significantly, scaring away investors. Buying when everyone else was selling presented an opportunity. Applying the Bowser Game Plan limited risk and locked in profits.

The July 2020 edition of *The Bowser Database* published at the beginning of the month. If you are interested, please contact us for more information or to purchase your copy.

FIVE BOWSER STOCKS UP AND DOWN

Singing Machine (SMDM)	UP	215%	Broadway Fin. (BYFC)	DOWN	40%
Franklin Wireless (FKWL)	UP	100%	Innovative Food (IVFH)	DOWN	20%
Koss Corp. (KOSS)	UP	57%	Riverview Banc. (RVSB)	DOWN	16%
Retractable Tech. (RVP)	UP	56%	Where Food (WFCF)	DOWN	16%
ARC Document Sol. (ARC)	UP	42%	LightPath Tech. (LPTH)	DOWN	14%