



# Revisiting Stock Warrants

## *Highlighting stock warrants, including which ones to watch*

In the past, the *Warrant Register*, a regular part of *The Bowser Report* monthly newsletter, featured stock warrants as another way for our subscribers to make money. Due to the limited information and liquidity, we removed the *Warrant Register* section from the newsletter years ago.

However, many investors are flocking back to warrants now that special purpose acquisition companies (SPAC) are coming down to appealing valuations. Although the *Warrant Register* section will not return, we'll revisit them in this newsletter and follow up on the watchlist below every so often.

### **What are Warrants?**

Warrants are options a corporation issues to buy a number of shares (usually one per warrant) of its common stock at a given price for a specified period of time. A company can also issue warrants for stock it owns in another company, for fractions of a share of common stock, for multiple shares of common stock or for bonds or preferred shares. Warrants are widely considered higher risk investments due to their lack of liquidity and expiration date. Poor stock performance as well as time decay of the warrants near the expiration date can cause bigger price drops.

Companies typically issue warrants as incentives and tend to bundle them in "units" with preferred shares or share offerings. This further incentivizes potential investors to buy both common stock and warrants. In turn, when investors exercise warrants, the company receives funds without having to pay any interest or fees.

Sounds like a win-win situation, right?

Wrong. The added risk can lead to larger losses for warrant holders who do not have an adapted game plan for these investments, which we will cover later.

On the other hand, warrants provide leverage that can result in bigger gains. Max Bowser said it best:

*Once a stock begins moving up, one dollar invested in the company's warrants can do the work of several dollars invested in the common.*

Warrant trading symbols are usually the same as that of the common stock, except that a "W" appears at the end of a NASDAQ symbol. NYSE, AMEX and the OTC Markets Group have their own warrant symbols.

### **Trading Warrants**

Most investors new to warrants think that they have to exercise them, holding the warrants until the exercise price is reached and converting them into common stock. However, that is not the case. In fact, only about 20% of warrants issued are converted. The Bowser approach to warrants is also not to hold these investments until exercised.

Instead, we simply recommend buying and selling warrants based on the Bowser Game Plan, with a couple of added guidelines due to the added risk:

1. We prefer the price to be less than \$1.
2. We also like to have two years or more before they expire.

The Bowser Selling Plan still applies: sell half at the double and sell the remainder when the warrant's price pulls back 25% from its most recent high.

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Let's take a look at **ARKO Corp. Warrants (ARKOW)** as an example:



ARKOW has an expiration date that is further than two years out (December 22, 2025), so there is minimal risk of time decay. As a result, we can then add it to our watch list for a buy under \$1. ARKOW traded under \$1 multiple times over the past three years, providing potential entry points.

The final adjustment to the usual investment plan is to size smaller. Since volume is so low, volatility is high, and it is easy to get scared out of positions. By using less capital per trade, you limit overall risk and can potentially hold for a bigger move.

### Warrants Watch List

The largest obstacle for investing in warrants is the lack of information. There are very few online resources to help you find potential investments, so we created a watch list for you:

Symbol	Exercise Price	Last Close Price	Expiration
ARKOW	\$11.50	\$1.69	12/22/2025
AMPGW	\$0.00	\$0.68	1/1/2026
FGIWW	\$0.00	\$0.44	1/21/2027
GGPIW	\$11.50	\$2.00	3/21/2028
MYPSW	\$11.50	\$1.22	6/17/2026
PAYOW	\$11.50	\$0.90	6/25/2026
PAVMW	\$0.00	\$0.55	4/30/2024

A few of these warrants are trading above \$1 but could potentially drop back within buying range

# Market Overview

BWSR AVG ↓ 1.4%	RUS 2000 ↑ 2.4%	DOW JONES 0.0%	S&P 500 ↓ 0.4%	NASDAQ ↓ 1.1%
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## Market Sentiment:

Bull Market in correction since 01/24/22

The S&P 500 briefly neared bear market territory at the beginning of the month prior to its recent rally. Major indices managed to rally despite the start of a new rate hike cycle. Energy and utilities continued to outperform and were the only sectors that gained throughout the month.

Bowser Stocks (down 1.4%) underperformed slightly as some of this years top performers began to unwind. **WaveDancer (WAVD)** shares hit their lowest levels since the name change. Growth stocks lagged once again, and a select few movers showed relative strength on news.

if the stocks underperform.

GGPIW is tied to a SPAC. The popularity of SPACs makes researching the underlying companies more complicated, so be careful investing in those warrants without researching the company yourself.

ARKOW and FGIWW are our favorites on the watch list due to the underlying companies. GGPIW is also quite appealing due to its hot industry, but the warrants are trading well above \$1. If you find any warrants that you believe to have promising upside, share them via email or on the Forums page of our website.

## Conclusion

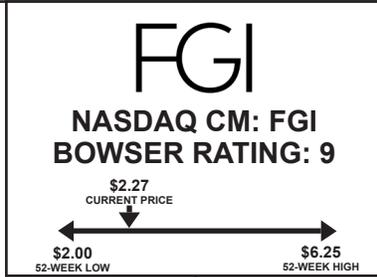
Warrants are high risk, high reward. They can heavily benefit your portfolio if you can apply the same Bowser discipline regarding diversification, execution and position sizing. Times of elevated volatility are ideal for starting new positions, so keep an eye out for cheap opportunities on our warrants watch list. Warrants are definitely not for everyone, but if you can handle taking on higher risk... take the leap!

## 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

**FGI Industries (FGI)** is a leading global supplier of kitchen and bath products in the United States, Canada and Europe. The company sells sanitaryware products, shower systems, customer kitchen cabinetry and other accessory items. It sells its products through mass retail centers, wholesale and commercial distributors, online retailers and independent dealers. FGI priced its initial public offering (IPO) in January 2022 at \$6. However, shares traded as low as \$2 during the recent market selloff.



Gross profit for the first quarter grew at a sluggish rate of 2.8% yoy to \$7.5 million because of supply chain constraints and inflation. This is an industry-wide issue, and the company has mitigated pressures through a combination of pricing actions, SKU-mix adjustments and ongoing

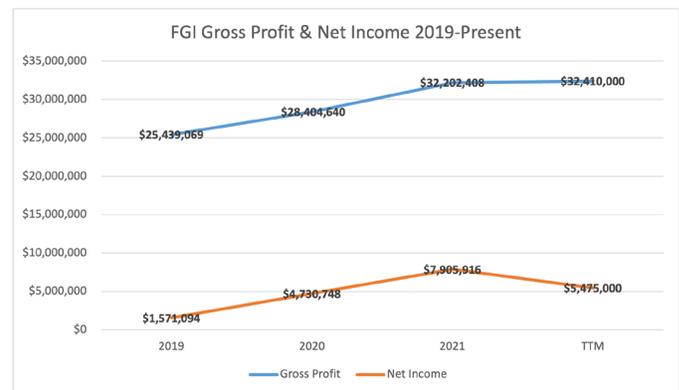
customer discussions. Despite a gross margin of 17% in 2021 and the first quarter of 2022, gross profit maintained its long-term uptrend. Below is a chart showing gross profit and net income over the past three years:

## Income Breakdown

FGI Industries' business model revolves around long-term earnings growth by utilizing its BPC strategy: grow brands, products and sales channels. The strategy has already proven to be effective considering its organic growth is already well-above the industry average.

We consider FGI both a growth and value investment, with consistent revenues being the largest factor in creating value. First quarter revenue for 2022 was \$43.6 million, up 20% from \$36.3 million in the same period last year.

Along with its consistent revenues, FGI has a track record of maintaining healthy profit margins, which means that substantial growth from any of its three segments will boost earnings. Below are charts showing income for two of its business segments in the first quarter:

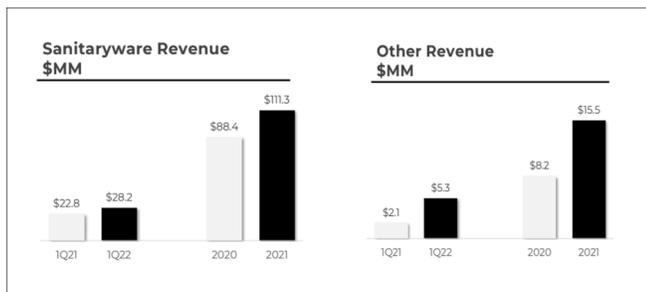


First quarter net income decreased to \$530,193 in 2022, down 82% from \$3 million in the same period last year. Both net income and gross profit are still in bullish long-term trends and industry outlook remains positive. While its gross margin is likely to be hindered by freight costs and inflation, we expect the company to improve margins over the next two years and return to double-digit earnings growth.

## Financials and Valuation

In addition to healthy profit margins, the FGI Industries' business model drives strong free cash flow conversion and solid fundamentals. Supply chain restrictions will likely cause cash flows to vary in 2022 due to higher inventories. Regardless, FGI has \$8.8 million in cash, and its business model requires relatively low capital. Total debt is \$16.5

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Its recent revenue growth is largely attributed to Sanitaryware and Other segments, but was partially offset by a decline of 12% in Bath Furniture sales. Sanitaryware revenue grew 23% following continued volume strength in the pro channel. Other revenue skyrocketed 153% year-over-year (yoy) to \$5.3 million due to higher sales of the Jetcoat Shower Wall systems. This is a perfect example of how the BPC strategy generates value by focusing on all sales channels instead of just one cash cow.

	2020	2021	2022 (A)
REVENUES	\$134,828,000	\$181,943,000	\$43,575,000
INCOME (LOSS)	\$4,731,000	\$7,906,000	\$530,000
WORKING CAPITAL	(\$1,691,000)	\$1,449,000	\$13,806,000
BOOK VALUE	\$0.22	\$1.08	\$1.86
TOTAL SHARES	7,000,000	7,000,000	10,942,000
FLOAT	N/A	N/A	2,680,000
(A) For the three months ended March 31, 2022			

# 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 06/03/22	Long-term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
<b>CATEGORY ONE: BEST COMPANIES (RATED 10+)</b>								
03/22(CM)	CYANOTECH (CYAN)	<b>NOW ABOVE \$3 PER SHARE; SEE PAGE 5 (FOLLOW-THROUGH)</b>						
05/21(QB)	KONATEL, INC. (KTEL)	TELECOM SERVICES	1.15	\$0.150	\$14.7	\$0.812	41.6	10
<b>CATEGORY TWO: GOOD COMPANIES (RATED 8-9)</b>								
05/22(CM)	ACUITYADS HOLDINGS (ATY)	DIGITAL MEDIA SOLUTIONS	2.62	\$3.853	\$122.0	\$10.556	60.7	9
02/20(QB)	BUTLER NATIONAL (BUKS)	AEROSPACE AND DEFENSE PRODUCTS	0.95	\$44.797	\$68.7	\$7.002	75.4	8
# 08/21(CM)	CHARLES & COLVARD (CTHR)	FINE JEWELRY	1.44	\$0.000	\$43.5	\$10.715	30.5	8
06/22(CM)	<b>FGI INDUSTRIES (FGI)</b>	<b>KITCHEN AND BATH PRODUCTS</b>	<b>2.27</b>	<b>\$6.637</b>	<b>\$189.1</b>	<b>\$5.475</b>	<b>12.1</b>	<b>9</b>
12/14(QB)	INT'L BALER CORP. (IBAL)	BALING EQUIPMENT	1.69	\$0.000	\$12.3	\$0.312	5.2	9
# 11/19(CM)	ORION ENERGY SYSTEMS (OESX)	LED LIGHTING SYSTEMS	2.33	\$0.023	\$137.8	\$29.395	31.1	8
# 01/21(A)	WILLIAMS INDUSTRIAL (WLMS)	CONSTRUCTION/MAINTENANCE SERVICES	1.66	\$30.228	\$313.7	\$2.380	26.6	8
<b>CATEGORY THREE: SPECULATIVE COMPANIES (RATED 7 AND BELOW AND/OR NON-PROFITABLE)</b>								
02/18(QB)	ALTIGEN COMMUNICATION (ATGN)	CLOUD-BASED IP SOLUTIONS	1.02	\$0.000	\$10.9	(\$0.134)	23.9	9
10/19(QB)	BAB, INC. (BABB)	FAST CASUAL RESTAURANT FRANCHISES	0.87	\$0.000	\$3.1	\$0.381	7.3	NR
09/21(CM)	CLEARONE, INC. (CLRO)	VOICE AND VISUAL COMMUNICATIONS	0.58	\$1.359	\$29.5	(\$8.006)	24.0	9
11/21(CM)	DYNATRONICS (DYNT)	MEDICAL DEVICES	0.67	\$0.000	\$45.4	(\$0.228)	18.2	8
# 07/20(CM)	ENGLOBAL CORP. (ENG)	ENGINEERING SERVICES	1.20	\$1.136	\$31.3	(\$9.351)	35.2	7
# 11/20(GM)	FLUENT, INC. (FLNT)	DIGITAL MARKETING SERVICES	1.25	\$40.329	\$329.3	(\$10.059)	79.3	10
# 12/18(CM)	GSE SYSTEMS (GVP)	DATA ACCESS AND MANAGEMENT	1.36	\$2.955	\$54.4	\$9.378	21.0	NR
10/17(QB)	INNOVATIVE FOOD (IVFH)	FOOD PRODUCTS AND SERVICES	0.26	\$5.320	\$65.7	(\$0.103)	46.7	9
06/21(QX)	MACE SECURITY INT'L (MACE)	PERSONAL SAFETY AND SECURITY	0.26	\$0.000	\$11.9	(\$0.054)	64.7	7
# 04/17(QB)	MAMAMANCINI'S (MMMB)	FOOD PRODUCTS	1.42	\$0.000	\$47.1	(\$0.252)	35.7	7
01/22(QX)	MARIMED INC. (MRMD)	MEDICINAL & RECREATIONAL CANNABIS	0.61	\$16.670	\$128.1	\$7.193	335.8	NR
# 02/21(GM)	MIND C.T.I. (MNDO)	BILLING & CUSTOMER CARE SOFTWARE	2.67	\$0.000	\$25.9	\$5.966	20.1	9
# 02/15(GM)	NOVA LIFESTYLE (NVFY)	FURNITURE MANUFACTURING/SALES	0.75	\$0.150	\$13.2	(\$20.097)	6.8	9
02/22(CM)	PALTALK, INC. (PALT)	COMMUNICATION SOFTWARE	2.02	\$0.000	\$12.8	(\$0.332)	9.8	8
07/21(PK)	PARKS! AMERICA INC. (PRKA)	THEME PARKS AND ATTRACTIONS	0.38	\$4.597	\$11.2	\$1.559	75.2	7
04/22(CM)	SIEBERT FINANCIAL (SIEB)	BROKERAGE/INVESTMENT ADVISORY	1.73	\$6.448	\$58.6	\$1.696	32.4	NR
04/21(CM)	SPAR GROUP (SGRP)	MARKETING SERVICES	1.31	\$0.700	\$253.6	(\$2.022)	21.9	7
12/21(GS)	STEALTHGAS (GASS)	<b>NOW ABOVE \$3 PER SHARE; SEE PAGE 5 (FOLLOW-THROUGH)</b>						
09/19(QB)	TECHPRECISION (TPCS)	METAL COMPONENTS AND SYSTEMS	1.70	\$3.210	\$18.8	\$0.460	34.3	NR
02/19(QB)	TSS, INC. (TSSI)	END-USER AND ENTERPRISE SYSTEMS	0.40	\$0.000	\$27.4	(\$0.906)	19.2	8
# 03/21(GM)	WAVEDANCER (WAVD)	INFORMATION TECHNOLOGY SERVICES	2.41	\$0.000	\$14.6	(\$3.481)	17.4	7

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

## Category Changes

The large number of earnings reported over the last month resulted in a few category changes. The following companies are moving from Cat. 1 to Cat. 2 with their Bowser Ratings falling under 10:

- **MIND C.T.I. (MNDO)**; and
- **Williams Industrial (WLMS)**.

The next couple of companies is moving from Cat. 2 to Cat. 3 due to their trailing twelve month earnings going negative:

- **Dynatronics (DYNT)**; and
- **PalTalk (PALT)**.

The final couple of companies are

moving from Cat. 2 to Cat. 3 with their Bowser Rating falling below 8:

- **FlexShopper (FPAY)**; and
- **MamaMancini's (MMMB)** - earnings were also negative.

## MariMed awarded Ohio license

**MariMed (MRMD)** received a provisional dispensary license by the Ohio Board of Pharmacy. MRMD won this license in the Ohio lottery process. The license allows MRMD to develop a medical dispensary in Tiffin, OH, located south of Toledo and home to the University of Bucharest and Tiffin University.

Under the Ohio regulations, MariMed must complete the buildout and pass final inspection by February of 2023.

# 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 **06/03/22** 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
ARC DOCUMENT SOLUTIONS (N:ARC)	\$3.01(9)	04/19 \$2.22(9)	ONE STOP SYSTEMS (GS:OSS)	\$4.06(10)	12/20 \$2.73(9)
BGC PARTNERS (GS:BGCP)	\$3.21(NR)	08/20 \$2.89(8)	RETRACTABLE TECHNOLOGIES (A:RVP)	\$4.50(11)	01/20 \$1.48(10)
CF BANKSHARES. (CM:CFBK)	\$21.00(NR)	03/17 \$9.00(11)	SAFE BULKERS (N:SB)	\$4.92(9)	05/19 \$1.81(10)
*Price adjusted for 1-for-5 reverse split (Aug. '18)			STEALTHGAS (GS:GASS)	\$3.34(8)	12/21 \$2.83(8)
CLEAN ENERGY FUELS (GS:CLNE)	\$5.65(9)	09/20 \$2.57(9)	TABLE TRAC (QB:TBTC)	\$4.30(9)	07/19 \$2.40(10)
CYANOTECH (CM:CYAN)	\$3.20(10)	03/22 \$3.02(10)	WAVEDANCER, INC. (GM:WAVD)	<b>NOW \$2.41; SEE PAGE 4</b>	
DESWELL INDUSTRIES (GM:DSWL)	\$3.18(12)	05/20 \$2.35(9)	WIDEPOINT CORP. (N:WYY)	<b>NOW IN HISTORICAL REVIEW</b>	
GALAXY GAMING (QB:GLXZ)	\$3.90(7)	05/17 \$0.69(8)	*Price adjusted for 1-for-10 reverse split (Nov. '20)		

## THE FOLLOWING WE SAID SHOULD BE SOLD

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

CBDMD, INC. (A:YCBD)	\$0.60	04/22 \$0.69	TOMI ENVIRONMENTAL (CM:TOMZ)	\$0.89	04/22 \$0.75
EVOLVING SYSTEMS (CM:EVOL)	\$1.47	11/21 \$2.74			

## BRIEFS

**Altigen Communications (ATGN)** acquired the assets of Intermountain Technology Group, doing business as ZAACT Consulting. . . . **Butler National (BUKS)** entered into agreements with sports betting providers, DraftKings and Bally's Corporation. . . . **ClearOne (CLRO)** terminated its CEO, Zee Hakimoglu, and appointed Derek Graham, Senior Vice President of Research & Development, as the interim CEO. . . . **ENGlobal Corp. (ENG)** acquired Calvert Group Belgium and its exclusive license to

patented gas . . . **Galaxy Gaming (GLXZ)** launched Triton Casino Systems™, a brand-new table game progressive operating system. . . . **MariMed (MRMD)** appointed Jon Levine to the new role of chief administration officer and Susan Villare to CFO. Lastly, MRMD's recent "World's Largest Cannabis Brownie" public relations campaign earned two national communications awards for its effectiveness. . . . **Parks! America (PRKA)** announced its contract with Dale Van Voorhis was updated and renewed effective June 1, 2022. . . . **Safe**

**Bulkers (SB)** entered into an agreement for the acquisition of two Chinese dry-bulk, 82,500 dwt, Kamsarmax class vessels at attractive prices. . . . **SPAR Group's (SGRP)** board of directors authorized a new 500,000 share buyback program.

. . . . **TOMI Environmental Solutions (TOMZ)** has been included on the Environmental Protection Agency (EPA) list of "Disinfectants for Emerging Viral Pathogens: List Q" for the use of its BIT solution to help fight the spread of rare or novel viruses such as Monkeypox virus, SARS-CoV-2 and its variants that cause COVID-19.

## INSIDER TRANSACTIONS

COMPANY	SHARES TRADED	# OF TRADES	PRICE RANGE
ARC Document (ARC)	D-69,162	3	\$0.00
CF Bankshares (CFBK)	A-29,140	6	\$0.00
Clean Energy Fuels (CLNE)	OE-64,106	1	\$1.37
	B-25,000	1	\$4.09
Charles & Colvard (CTHR)	B-84,177	4	\$1.27-\$1.35
FlexShopper (FPAY)	B-367,020x	7	\$1.04-\$1.24
	B-53,685	2	\$0.97-\$1.14
	A-800	2	\$0.98-\$1.00
Fluent (FLNT)	B-10,000	1	\$1.35
Galaxy Gaming (GLXZ)	A-2,300	1	\$0.76
	D-1,028	1	\$3.84
GSE Systems	B-20,000	3	\$1.27-\$1.30
INNOVATE Corp. (VATE)	B-400,242	2	\$2.80-\$2.92
International Baler (IBAL)	D-4,818,924	1	\$0.00
	S-24,000	3	\$1.74
	B-613,766	1	\$1.74
One Stop Systems (OSS)	D-17,188	4	\$0.00-\$4.41
	A-6,748	2	\$0.00
Retractable Tech. (RVP)	B-570,303x	12	\$3.74-\$3.99
WaveDancer (WAVD)	AB-60,000	5	\$2.55-\$4.57
Williams Industrial (WLMS)	B-206,452	7	\$1.46-\$1.75
	OE-37,500	1	\$0.00
	D-10,635	1	\$1.49

A-Acquisition (Non Open Market), AB-Automatic Buy, AS-Automatic Sell, B-Bought, D-Disposition (Non Open Market), OE-Option Exercise, S-Sold, x-indirect holdings. Information obtained from Nasdaq.com.

# BUCKAROOS SPEAK

## Retractable Tech. Insider Buying

Who is Braden Leonard, and why is he buying so many shares of **Retractable Tech. (RVP)**?

--James S.

Insider activity has been much higher in general lately due to the weakness from small stocks. Braden Michael Leonard seems to be an active investor who is independently investing in a variety of companies, including RVP.

While we consider insider buying to be a positive catalyst, the stock is out of buying range since it trades above \$3. Of the six recommendations with significant insider buying pressure over the past month, four are within buying range:

- **Charles & Colvard (CTHR)**
- **FlexShopper (FPAY)**
- **INNOVATE Corp. (VATE)**; and
- **Williams Industrial (WLMS).**

## COMPANY OF THE MONTH... CONTINUED

million, which is a minor liquidity risk if the company were to take on more debt without generating positive cash flows. Assets outweigh liabilities 1.4-to-1, and the company has net working capital of \$13.8 million.

Although the stock is trading above its book value, we consider FGI a value investment because of its low share count. Even with the increase from 7 million to 10.9 million shares (diluted), book value shot up to \$1.86 in the first quarter of 2022. The company is generating value quickly and sales outweigh shares outstanding 17-to-1. Max Bowser heavily favored stocks with a similar share structure which are increasingly rare nowadays.

All of FGI's valuation metrics are drastically lower than those of its competitors, and it has a forward P/E ratio of 4.8. The company estimates net income of \$5-\$6 million in 2022, which should keep its P/E ratio within the range of 4.1-4.8. This low P/E ratio shows that, while earnings growth is slow, investors are getting more bang for their buck.

### Ownership

FGI is a subsidiary of Foremost Groups, which owns 72% of the outstanding shares. This is considered extremely high insider ownership and reduces the shares available to the public significantly. It also unlocks the potential of a higher market value following sizable insider or institutional accumulation.

Institutional investors have already started accumulating shares and hold 5% of the stock. To the right is a chart showing the ownership breakdown.

Institutional investors currently hold 531,888 shares, leaving just 2.7 million shares available to the public. While low float stocks trade with more volatility, we still believe this will act as a positive catalyst in the long haul.

### Risks and Outlook

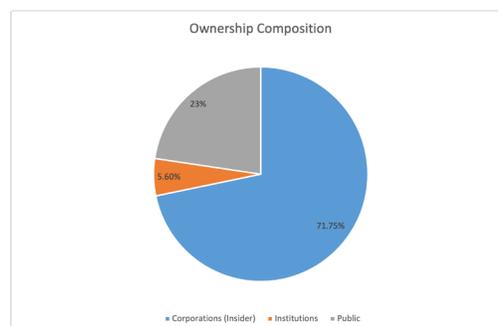
Management has already done a tremendous job

navigating the industry-wide headwinds and sales outlook is promising. Aside from temporary lower profit margins, the only significant risk is market sentiment towards IPOs. The recent bear market has crushed IPOs, and sell pressure has not subsided. However, we believe FGI's low P/E ratio mitigates this risk as it creates more value. **We consider FGI a buy up to \$2.40/share, with an ideal entry point within the \$1.80-\$2.10 range.**

Industry outlook is bullish, and the leading indicator of remodeling activity is projecting higher growth in the third quarter. The industry has maintained consistent yoy growth since 1995, excluding the two extreme recessions. These strong demand trends completely offset the negative effects of higher expenses in the first quarter of 2022. As long as favorable housing trends persist, we expect FGI to keep reporting strong income.

### Conclusion

FGI has all the attributes of a company with the potential of capturing market share and building value. It is undervalued relative to the competition and already sells its products through mass retailers. The company has a proven business model that is gradually creating value for shareholders. Its share structure, consistent income and management efficiency makes FGI an appealing investment for patient investors.



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## Beginner's Portfolio Up 442%

BOUGHT: None this month.

SOLD: None this month

BOUGHT			SOLD			Current Holdings			Proceeds
Cost	06/03/22		Cost	06/03/22		Cost	06/03/22		From Sales
BOSC	510/Aug '18	480	KTEL	219/Jun '21	230	GASS	444/Jan '22	668	<b>19,795</b>
BUKS	134/Mar '20	190	ARC	530/Aug '21	602	MRMD	179/Feb '22	122	
TBTC	587/Feb '21	860	BABB	157/Aug '21	174	PALT	496/Mar '22	404	
MNDO	586/Mar '21	534	CTHR	586/Sep '21	288	MMMB	314/Mar '22	284	
WAVD	573/Apr '21	482	FPAY	476/Dec '21	240	CYAN	570/May '22	640	
IBAL	371/May '21	338	DYNT	210/Dec '21	133	SIEB	395/May '22	346	
Original cost for all stocks: \$4,766			*Half of original holdings			<b>Current Holdings Value:</b> 6,029			<b>Proceeds from Sales:</b> 19,795
						<b>Total Value of Portfolio:</b> 25,824			

Gain: 25,824 minus 4,766 = 21,058

Percentage of gain: 21,058 divided by 4,766 x 100 = 441.8

**Compound Annual Growth Rate:** 8.48%

**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 began using 200 shares each in 2017 to use more cash... We use an internet broker... **We follow the Bowser Game Plan. Portfolio started Sep. '01.**

### Beginner's Portfolio Explanation

This month, the Beginner's Portfolio gained just over \$40 total after taking quite a hit last month. **FlexShopper (FPAY), KonaTel (KTEL), StealthGas (GASS) and TableTrac (TBTC)** all posted solid gains, while **ARC Document Solutions (ARC) and WaveDancer (WAVD)** underperformed. The performance this month shows the value of diversification during volatile cycles as the portfolio was relatively flat despite big swings from individual names.

## EARNINGS

	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
Altigen Communications (ATGN)	03/31/22	\$2,558,000	\$2,687,000	\$65,000	(\$336,000)	
ClearOne Communications (CLRO)	03/31/22	\$7,545,000	\$7,038,000	(\$1,967,000)	(\$1,655,000)	
Dynatronics (DYNT)	03/31/22	\$10,316,000	\$11,460,000	(\$1,472,000)	\$118,000	
FlexShopper (FPAY)	03/31/22	\$28,955,000	\$32,784,000	(\$2,381,000)	\$1,000	
Galaxy Gaming (GLXZ)	03/31/22	\$5,919,000	\$4,283,000	(\$14,000)	\$89,000	
GSE Systems (GVP)	03/31/22	\$12,275,000	\$13,104,000	(\$3,434,000)	(\$2,205,000)	
Innovative Food (IVFH)	03/31/22	\$15,643,000	\$12,181,000	(\$1,230,000)	(\$1,844,000)	
KonaTel (KTEL)	03/31/22	\$4,228,000	\$2,393,000	(\$44,000)	(\$233,000)	
MamaMancini's (MMMB)	01/31/22	\$13,853,000	\$9,992,000	(\$1,310,000)	\$1,687,000	
MariMed (MRMD)	03/31/22	\$31,282,000	\$24,643,000	\$4,188,000	\$4,220,000	
MIND C.T.I. (MNDO)	03/31/22	\$5,691,000	\$6,122,000	\$1,501,000	\$1,482,000	
Nova Lifestyle (NVFY)	03/31/22	\$3,666,000	\$3,332,000	(\$898,000)	(\$764,000)	
One Stop Systems (OSS)	03/31/22	\$17,053,000	\$13,316,000	\$579,000	\$41,000	
PalTalk (PALT)	03/31/22	\$2,927,000	\$3,372,000	(\$739,000)	\$917,000	
Parks! America (PRKA)	04/03/22	\$2,087,000	\$2,476,000	(\$52,000)	\$538,000	
Safe Bulkers (SB)	03/31/22	\$77,746,000	\$62,518,000	\$36,365,000	\$21,318,000	
Siebert Financial (SIEB)	03/31/22	\$2,340,000	\$7,008,000	(\$1,092,000)	\$2,275,000	
Spar Group (SGRP)	03/31/22	\$58,994,000	\$61,097,000	\$674,000	\$917,000	
StealthGas (GASS)	03/31/22	\$35,871,000	\$37,416,000	\$7,600,000	\$756,000	
Table Trac (TBTC)	03/31/22	\$3,352,000	\$2,177,000	\$1,262,000	\$616,000	
TSS, Inc. (TSSI)	03/31/22	\$5,192,000	\$5,170,000	(\$308,000)	(\$699,000)	
WaveDancer (WAVD)	03/31/22	\$2,996,000	\$3,420,000	(\$2,078,000)	\$271,000	
Williams Industrial (WLMS)	03/31/22	\$69,559,000	\$60,581,000	(\$2,044,000)	(\$1,681,000)	

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# NOTES BY THE EDITOR

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**Growth stocks continued to lag over the past month as more investors flock to names with value.** Most of this downside is avoidable with a simple portfolio rebalancing, which we covered in the April 2022 issue of the newsletter.

Shipping stocks **StealthGas (GASS)** and **Safe Bulkers (SB)** were among the top performers as the industry soared on earnings. GASS hit a new 52-week high on high relative volume, outpacing its competitors.

### **FIVE BOWSER STOCKS UP AND DOWN**

StealthGas (GASS)	UP	39%	WaveDancer (WAVD)	DOWN	38%
Table Trac (TBTC)	UP	28%	NovaLifestyle (NVFY)	DOWN	21%
KonaTel (KTEL)	UP	22%	WidePoint (WYY)	DOWN	18%
Retractable Tech. (RVP)	UP	19%	ARC Document (ARC)	DOWN	17%
FlexShopper (FPAY)	UP	19%	GSE Systems (GVP)	DOWN	17%



**Insiders were noticeably active for the first time since the market correction began.** Multiple subscribers reached out about the unusual activity, but there were no significant headlines to justify the buying pressure. Continued buying pressure among these stocks can influence investor sentiment.

**The next issue of *The Low-Priced Investment Ideas Database* publishes this month!** Single issues and subscriptions are available at <https://thebowserreport.com/database/>. Contact us for more information, including a sample copy.

**We're also still running a "Recommend a Friend" campaign.** If you refer a friend and he or she mentions your name at sign up, you will each get a free month.