

A STRAIGHTFORWARD INVESTMENT REPORT FEATURING VALUE AND GROWTH-ORIENTED STOCK-PICKS, FINANCIAL NEWS, MONEY TIPS AND INSIGHTS FOR INVESTORS.

Sub-Prime and China and Hedge Funds, Oh My!

The smell of foreclosure is in the air, and it brings with it memories of 1998, 1990, 1977, and a few dozen other years from the past. Alas, this is not the first time in my own short memory that “sub-prime lenders” have fallen on hard times, nor will it be the last.

When money is cheap and easy, careless lending standards proliferate, and bad loans show up on everyone’s balance sheet. At some point, to prevent runaway inflation, easy money must come to an end, and when that time comes, and all those loans which looked perfectly sensible in the days of euphoria suddenly begin to look like a house of cards. I vividly remember 1998, when the same conditions led to the same fiasco. Not only did sub-prime markets weaken, but so did emerging markets around the world - Russia and Indonesia in particular. This year, it was China. And then it was all accompanied by a major hedge fund collapse. In 1998, it was Long-Term Capital Management. This year, it was Amaranth. Only the names have been changed.

Thus far, we haven’t witnessed nearly the downtrend that 1998 brought with it. At that time, we worried that financial markets might not recover. Yet, it



In this issue...

Young Investor	2
Stock Focus	3
Value Viewfinder	3
Dynamic Insurgents	4
True Blues	6
Discount Detective	7
As the Stocks Tick	8

— Please see *Sub-Prime and China and Hedge Funds, Oh My!*, page 2 —

Now Is A Great Time To Buy Real Estate!

Of course these words come with a great caveat as do all investments. Not in many years has real estate gotten such a bad rap in the press and popular media; and not without reason! Asset prices have inflated in many markets largely as a function of the increase in the money supply. The reality of money supply expansion (ie: inflation) is glossed over to the point that some of the measures of the money supply cease to be reported. What then shall we make of the notion of real estate investing? Is it still possible to profit obscenely from real estate investing? Unequivocally, the answer is a resounding YES! It is as possible as ever to profit handsomely in real estate if you follow some tried and true rules which I shall outline here for you.

1) 20% Equity (Minimum) – whatever you buy you should pick up at a 20% discount to have equity on the day of your purchase. To say it differently, you should purchase WHOLESALE. It's not impossible to profit by paying retail, but why gamble?? There are plenty of excellent real estate deals that can be yours where you

pick up equity/profit/gain ON DAY ONE! To establish value correctly, have an appraisal completed with 30 and 60 day comparable sales (comps) instead of the 90-120 days that are often allowed by lending institutions. This is an added measure of being conservative with your value model especially if prices are declining.

2) Positive Cash Flow – Make sure that if you are forced to rent out the real estate that it is “cash flow positive” right out of the gate. Make sure that you're using conservative rent amounts AND be sure that you're also accounting for maintenance & vacancy costs (M&V). Many investors blindly overlook these very real expenses.

3) Appreciating Area – It almost goes without saying that you'll want to insure that the area in which you are purchasing is an area that has bright future prospects. Perish the thought of buying in an area that will be overtaken by urban blight, increasing crime and the like. Get clarity from city or county planners to future planning and from real estate brokers.

4) Attractive financing – this can be a relative notion and yet it is important. Preferably, get the best rate you can and yet it's not necessarily the rate that makes the financing attractive. Terms and flexibility of the lender can be important also. Simply put, make sure that the financing is conducive to your long and short term plans for your holding period.

There are many excellent deals in the marketplace to be found if you apply this formula. To be sure, if you apply the formula, it's a virtually no-lose proposition. You must be committed to simply hold off on purchasing any deals that don't fit the stated parameters. Having said that, there will be times where you have 2 of the 4 elements that are “VERY STRONG” and 2 of the elements listed are somewhat weak. In that case, you'll have to use good judgment to make a prudent decision.

If you apply these strategies consistently and faithfully, you'll find that they'll work in whatever real estate environment that you find yourself. You'll bank strong profits unlike less prudent investors who won't be able to withstand a temporary or long term market down turn.

Sub-Prime and China and Hedge Funds, Oh My!, from page 1

was from the ashes of 1998 that the “internet bubble” grew. And it was from the ashes of the internet bubble that the “housing bubble” grew. Alas, the oversupply of money is chasing from asset to asset, trying to find a home. In the end, we must face the fact that we've been living through a period of high inflation, without the normal appearance in consumer prices. Prices on typical manufactured goods haven't risen, mostly due to globalization. We've been able to buy cheaply from China, and that has made it seem as though inflation doesn't exist. But if one looks at prices of commodities like gasoline or copper or steel, they're rising. If one looks at prices of services like education or healthcare, they're rising. If one looks at the prices of housing, it's rising. This doesn't make the people wealthier, but it does suggest that something is going on.

In fact, what it suggests is a government that has been spending money

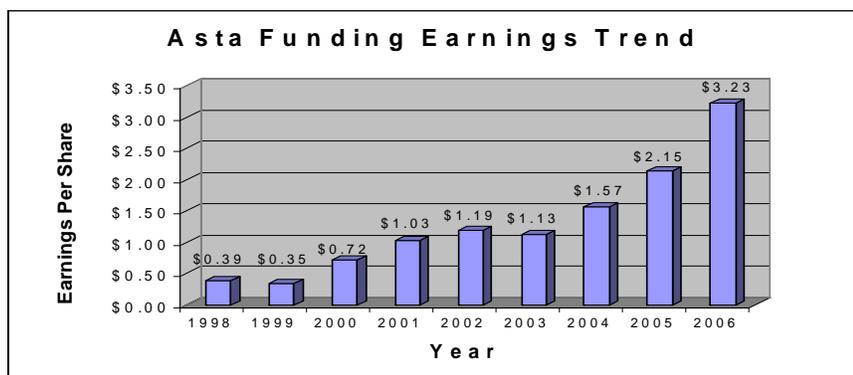
like drunken sailors, and is printing money to pay the bills. Our system, of course, is not so crude as to resort to the printing press, but the expansion of credit in times like these serves the same purpose.

The problem with expansion of credit is that we eventually hit a wall. When the economy can take no more of the pain of expansion and contraction, the house of cards falls all at once. If real estate prices begin dropping, suddenly lenders are weakened, and the economy is pulled down. This could be the start of a recession, but our current government won't allow the economy to rest. Instead, we try to boost it from any weakness. It's a temporary fix, but like any drug, it only feels good for a while. The problem is, like a drug addiction, it wears the body out and leaves it in a weakened state. The economy can take many episodes of the boom-bust manipulation, but eventually, the “drug” leaves it worn out. This was the scene in

the late 1970's when we experienced “stagflation” and no government policy was able to pull us out. Today, it's difficult to know if the Federal Reserve will still have the power to stimulate the economy yet again. We'll probably survive another round of “drug” therapy, but the patient is wearing out, and at some point, we'll need a real stable economic policy again.

Meanwhile, we need to invest as though we're headed for recession. This means avoiding most of the economically sensitive industries, and focusing our attention on basic staples. Food and healthcare are generally safe places in a weak economy, as, sadly, are the “sin” stocks such as tobacco, alcohol, and casinos. Another area we like is debt collection. Our top stock pick this month is a leading collector – refer to page 3 for that story.

Our Top Stock Pick: ASFI



Asta Funding is a purchaser of non-performing consumer debt. The company buys charged-off receivables from creditors for pennies on the dollar and attempts to achieve partial collection of these portfolios. Receivables are primarily credit card, installment contract, and telecom charge-

offs, and delinquent secured loans, such as car loans, which may have already gone into default. ASFI has been a stellar performer for years, in both good times and bad, because of its willingness to wait for the best deals, rather than buying assets at less favorable prices. The company continues

to reap higher profits and earnings while expanding its business. Just recently, Asta completed a \$300 million purchase of a portfolio worth \$6.9 billion. With continued acquisitions, investors should expect very favorable returns. While the stock ran up on news of the large recent purchase, we believe the price is still affordable in relation to its past growth trend. We also anticipate that the current sub-prime mortgage woes may provide additional opportunities for debt collection organizations like this one. While it is difficult to anticipate specific availability of assets, it seems clear that more bad debt will be available somewhere, and Asta is in a strong position to acquire some of these non-performing loans that are beginning to litter the landscape. In times like these, a debt liquidator seems to be the ideal investment. We recommend Asta Funding for long-term growth and appreciation.

VALUE VIEWFINDER

THESE STOCKS APPEAR TO BE BELOW REASONABLE VALUATIONS, BASED ON EXPECTED FUTURE GROWTH. BUT UNLIKE MANY STOCK-PICKERS WHO DIVIDE STOCKS INTO "GROWTH" OR "VALUE" PICKS, WE BELIEVE GROWTH OUTLOOK IS A PRIME FACTOR FOR DETERMINING VALUE. THEY MAY NOT ALWAYS SHOW IMMEDIATE RESULTS, BUT SHOULD PROVIDE OUTSTANDING RETURNS IN THE LONG-RUN.

Stock	Symbol	Price	Earnings	P/E	Gr. Est.	Yld.	Recommend
Alpha Natural Res.	ANR	\$15.63	\$1.36	11.5	10%	0.0%	Speculative Buy
Asta Funding	ASFI	\$43.18	\$3.26	13.2	15%	0.4%	Buy Aggressively
FirstFed Financial	FED	\$56.85	\$7.64	7.4	10%	0.0%	Speculative Buy
Grey Wolf	GW	\$6.70	\$0.98	6.8	15%	0.0%	Speculative Buy
Intervest Bancshares	IBCA	\$28.70	\$2.98	9.6	11%	0.0%	Buy Aggressively
Jos. A Bank Clothiers	JOSB	\$35.35	\$2.02	17.5	16%	0.0%	Buy
Netflix, Inc.	NFLX	\$23.19	\$0.78	29.7	23%	0.0%	Buy
Satyam Comp	SAY	\$22.70	\$0.83	27.3	23%	0.7%	Buy
Telefonos de Mexico	TMX	\$33.40	\$2.40	13.9	12%	2.1%	Buy
UTEK Corp.	UTK	\$13.20	-\$0.31	N/A	20%	0.0%	Speculative Buy
Valero Corp	VLO	\$64.49	\$8.95	7.2	10%	0.7%	Buy
Wilshire Bancorp, Inc.	WIBC	\$16.40	\$1.16	14.1	12%	1.2%	Buy

Alpha Natural Resources is continuing its growth on all levels. Net income rose to \$128.2 million in 2006, compared to \$21.2 million in 2005. Because of the recent hit in the energy market, this stock is a great buy for investors looking for fast growth. With earnings, profits, and revenues from coal all rising above expectations, Alpha Natural Resources should continue to provide great returns.

FirstFed Financial Corp hit a 5 1/2 month low on March 5, 2007. Selling for

a price that could be considered a steal, FirstFed should have no problem recovering from the losses that have plagued banks in recent months.

Grey Wolf, Inc. hasn't moved much in the past few months. However, with the recent market situation, not moving has become a blessing. The company reported a second year of record revenue and had fourth quarter profit rise by 38%. Although the energy industry may be frightening, this drilling company has been doing

exceptionally well compared to the market and should continue to do so.

Intervest Bancshares Corp has been on a steady decline since October of 2006. This is partly due to the death of the company's Chairman and CEO in August. However, even through all this turmoil, the company's price target was raised to outperform in January. After months of lows, it is time for a turnaround.

Although **Jos. A. Bank Clothiers, Inc.** has been recovering from its past summer losses, it still has room for growth. At its current price, a rise in sales by 13.3%, and a higher fiscal year outlook, the stock still has room for improvement. Unless another catastrophe strikes, the company should continue to see good growth.

Netflix, Inc. is a company primed for growth. The company recently sent out its billionth DVD. This growth is not reflected in the stock price, as the company seems to be on a rollercoaster ride.

Please see Value Viewfinder, page 5

DYNAMIC INSURGENTS

DYNAMIC INSURGENTS ENJOY A STRONG POSITION IN THEIR CHANGING FIELDS. POTENTIAL BLUE CHIPS OF THE FUTURE, THEY ARE RELATIVELY UNPROVEN AND OPERATE IN FAST-PACED INDUSTRIES. THESE ARE MOST APPROPRIATE FOR RISK-ORIENTED INVESTORS. CONSERVATIVE INVESTORS MAY WANT TO HOLD A SMALL POSITION IN SOME OF THESE POTENTIAL WORLD-BEATERS AS WELL.

Stock	Symbol	Price	Earnings	P/E	Gr. Est.	Recommendation
America Movil	AMX	\$47.79	\$2.22	21.5	20%	Nibble
Apollo Group	APOL	\$43.90	\$2.42	18.1	19%	Hold Loosely
Aspreva Pharmaceutical	ASPV	\$21.56	\$3.49	6.2	18%	Speculative Buy
Buffalo Wild Wings	BWLD	\$63.70	\$1.77	36.0	24%	Hold Loosely
Cephalon	CEPH	\$71.21	\$4.41	16.1	20%	Buy
Collegiate Pacific	BOO	\$7.80	\$0.25	31.2	24%	Hold
Crocs Inc.	CROX	\$47.25	\$1.61	29.3	22%	Buy
Digital River	DRIV	\$55.25	\$1.79	30.9	25%	Buy Aggressively
eCollege.com	ECLG	\$17.95	\$0.39	46.0	25%	Harvest
First Advantage	FADV	\$23.97	\$1.14	21.0	28%	Hold Tightly
J-2 Global Commun.	JCOM	\$27.72	\$1.27	21.8	24%	Buy
Landec Corp.	LNDC	\$14.18	\$1.17	12.1	40%	Inconclusive
Net 1 UEPS Tech.	UEPS	\$24.88	\$1.03	24.2	19%	Nibble
NetGear Inc.	NTGR	\$28.53	\$1.27	22.5	19%	Nibble
PetMed Express	PETS	\$11.85	\$0.58	20.4	21%	Inconclusive
Priceline.com	PCLN	\$53.26	\$2.19	24.3	22%	Buy
Research In Motion	RIMM	\$136.49	\$2.47	55.3	23%	Harvest
Silicon Motion	SIMO	\$22.52	\$0.93	24.2	20%	Buy Aggressively
Syntax-Brilliant Corp.	BRLC	\$8.40	-\$0.03	N/A	27%	Speculative Buy
Tempur-Pedic	TPX	\$25.99	\$1.41	18.4	18%	Buy

America Movil proposed a dividend payment of 0.20 pesos per share. They are taking over untapped markets that are more saturated in the US. They turned in a 56% return last year, 68% in 2005, and 86% in 2004.

Apollo Group's board member resigned following a stock options investigation. Some company officers might have attempted to backdate or post grant dates that match low stock prices instead of the day the stock options are granted. President Brian Mueller said that they hope to secure permission to open online high schools in between four and six states per year.

Aspreva Pharmaceuticals stated fourth quarter revenues were \$52.5 million and full year revenues were \$214.8 million. They have grown their workforce to 133 from 106 the previous quarter.

Buffalo Wild Wings received a downgrade from a Piper Jaffray analyst claiming that higher chicken prices and difficult comparisons ahead may cause profitability to fall. Revenue increased 41.3% over the prior year. Restaurant sales grew 41.9% from the prior year to \$74.2 million and the fourth quarter same-store sales increased 13.2% at company-owned

restaurants and 6.5% at franchised restaurants over the previous year.

Cephalon is trying to expand its new pain-killer known as Fentora, to 29 European countries. The drug was approved by the U.S. Food and Drug Administration in September 2006 for "breakthrough" pain management in cancer patients.

Collegiate Pacific reported results for its second quarter ending December 31, 2006. Net sales were up 6.4% to \$49.4 million for the quarter from \$46.4 million for the same period in fiscal 2006. CEO Adam Blumenfeld stated that the company's weakest operating period showed success, progress toward long-term goals and attacked new major projects.

Crocs Inc. President and CEO, Ron Snyder commented that continued demand for the traditional product and new innovations and is demonstrated by better than expected fourth quarter results.

Digital River signed an expanded online retail agreement with PCWorld.com that sells full versions of Digital River's software titles. Digital River also announced its 2007 ICE Awards which shows their Internet Commerce Excellence and recognized clients using innovation and best practices in e-commerce.

The **eCollege.com** System hit an all time high on Friday, March 2, 2007, supporting a record one billion usage minutes since January 1, 2007. eCollege.com achieved highest levels of system performance, uptime and reliability alongside this load.

First Advantage Corp announced its chief executive, John Long, is leaving to help other start-ups. Company President Anand K. Nallathambi is replacing Long.

J-2 Global Communications for the fiscal year 2006, total revenues increased 26% to \$181.1 million compared to \$143.9 million in fiscal 2005. Scott Turicchi, co-president and chief financial officer said they are enthusiastic about reception on new pricing, new services, international expansion and corporate channel penetration.

The Board of Directors of **Landec Corp.** awarded chief officers bonuses in recognition of their exceptional performance on behalf of the Company and particularly for their efforts in connection with the Monsanto Company.

Net 1 UEPS Technologies announced that the South African Social Security Agency (SASSA) has requested proposals for the payments services to social assistance grant recipients in South Africa's nine provinces. Net1 currently performs a payment service in five of South Africa's provinces and will participate in the bid process.

NetGear Inc. received the prestigious 2006 "Good Design" Award for the innovative, cutting-edge design of its RangeMax NEXT family of wireless routers, gateways and access points.

PetMed Express selected ATG Commerce to re-launch its online store with hopes of having a more compelling online customer experience. PetMed Express hopes to bolster its e-commerce presence and provide customers with a more personalized and relevant shopping experience as they navigate through the Company's catalog of over 750 medicinal, health, and nutrition items. ATG was selected because of its reputation as market

Please see Dynamic, page 5

Dynamic, from page 4

leader in overall e-commerce solutions, targeted personalization, and expert content management.

Shares of **Priceline.com** have soared after the online travel company reported a fourth-quarter profit that more than tripled and forecast first-quarter sales above estimates. Priceline.com selected MicroStrategy to enhance its analytic and reporting capabilities and provide greater insight into key operational data for search engine marketing. With the ability to obtain and analyze granular data, Priceline.com marketing analysts will have data that they can use to improve the return-on-ad-spend of its search engine marketing campaigns.

Research In Motion's co-chief executive will give up the chairman's post after an internal probe identified a quarter-billion dollars in improper accounting for employee stock options at the mobile device company. Research In Motion

announced it is adding additional Application Programming Interfaces to the BlackBerry Java Development Environment to enable the next wave in mobile application development.

Silicon Motion previously had anticipated sales for the first quarter of 2007 to decrease 15% - 20% sequentially. Due to some unexpected strength in a few different areas, management has revised its revenue forecast for the first quarter to US\$33.1M - US\$34.5M, which would be a sequential decline of only 3% - 7%.

Syntax-Brilliant Corp. has partnered with leading Japanese high-definition VOD equipment and services provider BMT. Olevia HDTV's will debut in Japan in the latter part of March 2007 with an initial purchase order from Japanese telecom giant NTT Group of 3,000 42" LCD HDTVs specially designed for the sizeable Japanese public display and commercial

markets. NTT Group, with 300,000 employees, multiple facilities and more than \$90 billion in revenue, is expected to be a major customer for Olevia Japan. Syntax-Brilliant Corporation has raised \$15.5 million in a strategic financing round with investors including two major component suppliers for its award-winning Olevia branded TVs.

You miss 100 percent of the shots you never take.

Wayne Gretzky (1961 -)

Value Viewfinder, from page 3

Although this may frighten some investors, its current price is far below its 52 week high. As long as Netflix continues to expand, the stock should give investors a great return.

Satyam Computer continues to expand and increase its profits. Although the stock price has been rising, the company is showing good growth and expansion on all fronts. They are opening new facilities, instituting new training programs, and acquiring/expanding all over the world.

Although profit dropped in the fourth quarter, **Telefonos de Mexico, S.A.** is continuing its rapid expansions and acquisitions. They recently declared a dividend and for the price of the stock is a bargain. With a lot of room to grow and an expansionist mindset, the company should begin to see great returns.

UTEK Corporation is recovering from its huge loss last year. Fourth quarter pre-tax profit rose 32% and the company recently approved a four million dollar share buyback program. At such a low price and with such high potential, the stock is a great investment for growth in the near future.

Valero Energy Corporation has seen its stock price rise in recent months due to higher energy costs. Even at its current price, the stock should be considered a bargain. With increasing energy costs and good earnings, Valero should provide investors with a lot of room to grow.

Wilshire Bancorp, Inc. posted a record fourth quarter profit and a 15% increase in net income. This news failed to impress investors, but with constant growth and improvement the stock is a definite buy. Over the past three months the stock price has declined despite excellent financial results, making this stock an obvious value buy.

Glossary of Terms

What does our stock recommendation jargon mean in the charts?

Buy Aggressively	<i>Best buys at the best prices. Does not indicate momentum.</i>
Buy	<i>Not as exciting or certain as "buy aggressively", but still a good buy.</i>
Speculative Buy	<i>Great potential; may not be great values. Higher risk.</i>
Nibble	<i>Buy a little at a time as prices become more favorable.</i>
Hold Tightly	<i>An attractive stock, probably too high to buy. Don't sell yet.</i>
Hold Loosely	<i>Approaching excess valuation. Trade out selectively.</i>
Harvest	<i>Quality stock, inflated in price. Sell it. No impending problems. Hold if you can't afford to take profits, but risk of holding is greater. Selling a portion is often a good strategy.</i>
Inconclusive	<i>Similar to sell. When news creates uncertainty, or action appears negative, uncertainty can create outstanding valuation, even with no news. Still, most people prefer not to hold uncertain stocks.</i>
Sell	<i>Reserved for stocks that have struck bad times. Sell this stock.</i>

EVERY MONTH WE FOLLOW LEGITIMATE "BLUE CHIPS" THAT CAN GENERALLY BE HELD LONG TERM WITHOUT GREAT CONCERN FOR MARKET CHANGES. WE RATE THEM FOR VALUATION ONLY. WHILE IT MAY PAY TO MOVE FROM AN OVERVALUED MEMBER OF THIS LIST TO A BARGAIN-PRICED CHOICE, MOST OF THESE STOCKS CAN BE HELD EVEN WHEN OVERVALUED WITHOUT SIGNIFICANT LONG-TERM RISK.

Stock	Symbol	Price	Earnings	P/E	Gr. Est.	Yld.	Recommendation
Abercrombie & Fitch	ANF	\$75.68	\$4.80	15.8	15%	0.9%	Buy Aggressively
AFLAC	AFL	\$47.06	\$2.52	18.7	15%	1.1%	Hold Tightly
Alltel	AT	\$62.00	\$2.95	21.0	11%	2.5%	Harvest
AutoZone	AZO	\$128.14	\$8.12	15.8	13%	0.0%	Hold Tightly
Bank of America	BAC	\$51.02	\$4.66	10.9	11%	4.4%	Hold Tightly
Bank of Nova Scotia	BNS	\$46.11	\$3.07	15.0	10%	3.4%	Hold Tightly
Bed Bath & Beyond	BBBY	\$40.17	\$2.03	19.8	15%	0.0%	Buy
Canon	CAJ	\$53.68	\$2.79	19.2	16%	1.1%	Hold Tightly
Capital One	COF	\$75.46	\$7.64	9.9	15%	0.1%	Buy Aggressively
Constellation Brands	STZ	\$21.18	\$1.59	13.3	15%	0.0%	Buy Aggressively
CRH	CRH	\$43.49	\$2.29	19.0	12%	0.7%	Hold Loosely
DRS Technologies	DRS	\$52.17	\$2.93	17.8	14%	0.2%	Hold Loosely
Fortune Brands	FO	\$78.82	\$6.23	12.7	13%	2.0%	Buy Aggressively
General Electric	GE	\$35.36	\$2.31	15.3	14%	2.3%	Buy Aggressively
Harley Davidson	HOG	\$58.75	\$3.84	15.3	14%	1.4%	Buy
Home Depot	HD	\$36.74	\$2.79	13.2	13%	2.4%	Buy
L-3 Communications	LLL	\$87.47	\$4.00	21.9	14%	1.1%	Hold Loosely
Marshall & Ilsley	MI	\$46.31	\$3.34	13.9	10%	1.1%	Buy
Medtronic	MDT	\$49.06	\$2.28	21.5	15%	0.9%	Hold
Pfizer	PFE	\$25.26	\$2.06	12.3	15%	3.0%	Buy
Wal-Mart	WMT	\$46.95	\$2.91	16.1	10%	1.3%	Nibble
Western Union	WU	\$21.95	\$1.20	18.3	14%	0.2%	Nibble

Abercrombie & Fitch declared a nearly 20% increase in earnings per share for the fourth quarter. The company is strongly expected to grow, especially after it releases the new Ruehl clothing line. A & F also recently opened a new store in London, making its first overseas expansion.

Alltel has recently been looking for possible buyers for its wireless division. The company is valued at over \$22 billion dollars and has reportedly over 12 million customers. These numbers are smaller than other major cellular providers but are considered to be a desired buy.

AutoZone reported a 3.7% increase in sales and a 15.5% increase in earnings per share for second quarter. However, these numbers are mostly a result of continuous and extended share buybacks. Analysts have reported this a good time to buy due to the companies improved fundamentals.

Bank of America, aside from losing its California Executive to Capital One, recently appointed Jean-Luc Dubois as its new Head of European Commodities and began to offer a new solution to enable back office conversions, to instantly convert a check into an electronic check. It is still considered the world's largest financial institution, serving a growing number of

over 55 million consumers and small businesses.

Bank of Nova Scotia, as of March 7th, announced its goal of making one billion dollars of net income in the next quarter. This is the first time in company history to set such plans. It had also recently expanded its wealth management services to the Caribbean, Central and Latin America.

Bed Bath & Beyond share price has gone up and down with the market, even with the opening of new stores and the recent purchase of BuyBuy Baby a retailer of baby products. The stock took a hit when downgraded by UBS, but was later upgraded by Goldman Sachs. Shares are selling at a fair price and should post moderate gains.

Canon is the leading producer of copiers and cameras in the world. With plans of entering the flat-panel television market, Chairman Fujio Mitarai hopes to expand his company's product line. The flat-panel television market is an \$84 billion dollar industry.

Capital One's debt rating was recently bumped up one notch by Fitch Ratings due to the acquisitions of North Fork Banking. Expectations of the company's performance are that it will stabilize as it moves further into the retail banking business.

Constellation Brands Inc. announced its forecast of a 12%-14% fall of net sales in 2008. Adjustments to fiscal 2008 earnings were made, from \$1.21-\$1.31 to \$1.30-\$1.40 per share. In February it also bought out Svedka, and its brand owner Spirits Marque One LLC, in a deal valued at \$384 billion.

CRH announced in early March that it has beaten its expectations of a 25% increase in pretax profit. The company also forecasts more growth, as the European market further offsets declines in the US.

DRS Technologies has continued to upgrade technology and product lines throughout the past few months. The company also continues to sign military contracts but at a decreasing rate.

Fortune Brands recently launched the Beam Global Spirits & Wine Marketing Code of Practice through the Beam Global wing of the company, to raise standards of the company's marketing and advertising activities. Already the U.S. distributor of Absolut vodka, it also has leading chances of purchasing Sweden's Vin & Spirit, the main company which has produced spirits for around ninety years.

General Electric's stock was recently called undervalued by company analysts, suggesting it may be a good time to buy. This title is due to the company's stock dropping 8% last year; historically, the company has proven to beat the S&P 500 stock index during market corrections. GE also plans to buy Sanyo Electric Credit valued at \$1.14 billion in order to expand Japan's \$68 billion leasing market.

Harley Davidson, as of mid-February, ended the union strike which halted production in its largest factory in Pennsylvania. The agreement was to increase wages up to 12% over the next three years. As a result of the strike, production goals were set back, causing a recalculation of goals. The company now expects 4% to 6% earnings growth over the year 2006. This rate will also be expected to return to a rate of 11% to 17% by the year 2009.

Home Depot forecasts a decline in earnings per share as well as a flat or 2% increase in total sales for the year 2007 due to a decrease in development and

CLOSED-END FUNDS THAT ARE SELLING AT A SIGNIFICANT DISCOUNT AND WORTH LOOKING INTO.

Mexico Fund (MXF) again leads off our list of attractively priced closed-end funds. It sells at an attractive discount and offers an easy entry to a fast-growing economy. **Adams Express (ADX)** offers an outstanding stock-picking record among large U.S. companies at a sizeable discount. **Cohen & Steers Select Utility Fund (UTF)** offers a safe haven in uncertain economic times. Utilities are a staple item that typically experiences relative stability when times are tough, so it may be an optimal choice for a weak economy. **DWS Global Commodities Fund (GCS)** is a portfolio of stocks in industries related to oil, mining,

chemicals, and other commodities. Commodity prices have risen as demand expands. In addition, we find the discount enticing. We also find the **Morgan-Stanley Asia Pacific Fund (APF)** attractive. The fund holds a wide variety of large growing companies throughout the region and also sells at a fair discount to market value.

FUND	NAV	PRICE	DISCOUNT
APF	\$21.89	\$19.22	-12.20%
UTF	\$30.56	\$26.17	-14.37%
MXF	\$46.64	\$40.17	-13.87%
ADX	\$16.30	\$14.08	-13.62%
GCS	\$18.76	\$16.20	-13.65%

In steadiness of real income, or purchasing power, a list of diversified common stocks surpasses bonds.

-Irving Fisher, 1925

True Blues (cont'd from p. 6)

renovations in the U.S. Frank Blake, the new CEO of Home Depot, has also been working hard in changing stores from a centralized product line to a product line customized to each region. Workers, consumers, and investors now have a much better say in the layout of Home Depot stores.

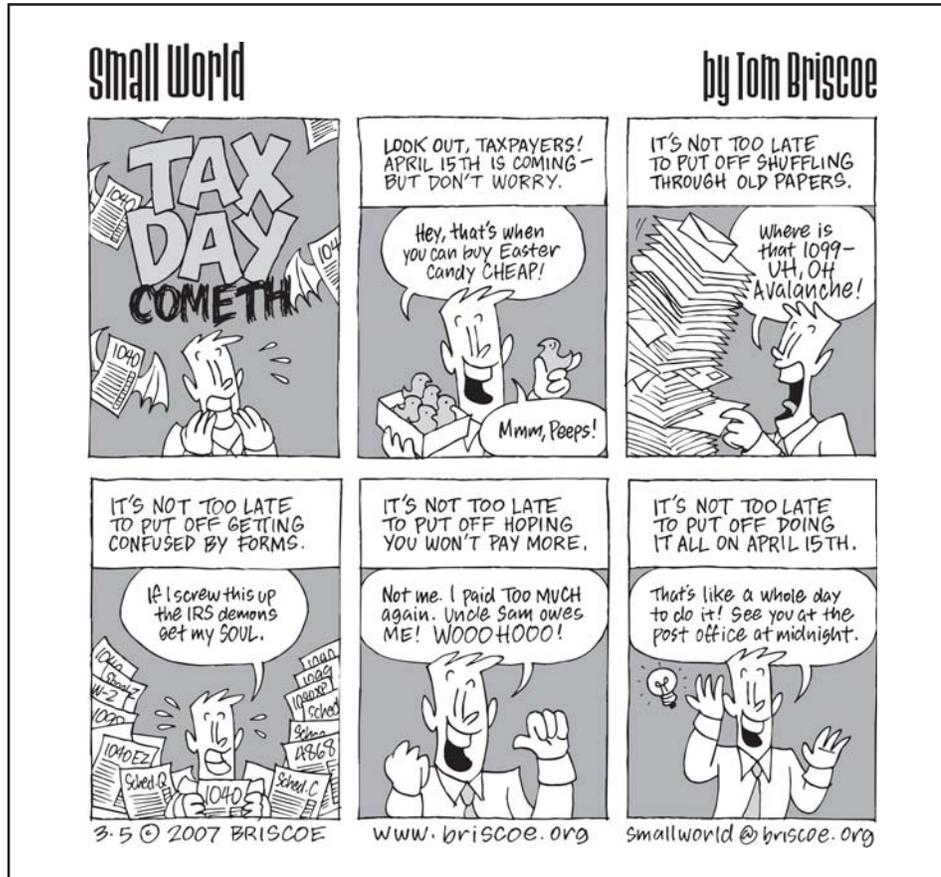
L-3 Communication's recently was upgraded from "underweight" to "neutral" by JP Morgan Securities Inc. analyst Joseph B. Nadol III. This upgrade sent shares surging with a 4% jump that day. Serving as one of the leading military contracting companies, L-3 Communications has also continued to release new technologies and contracts, but at a slower rate these past few months.

Medtronic Inc., the world's largest medical device supplier, has recently experienced FDA difficulties. Many new product ideas and technologies were turned down, but the company has also been successful in coming out with new products specializing in cardiac health. These recent breakthroughs and sluggish behavior have motivated analysts to label Medtronic a good "buy" instead of a "hold."

Pfizer, one of the leading drug companies in the world, has not stopped researching and producing new drugs, like the new smoking cessation drug, Chantix. Some of their technological breakthroughs in drugs can be considered life changing, but FDA has found some negatives.

Wal-Mart is still considered the leading discount retailer in the U.S. and soon globally. Opening twenty-nine new stores in Canada, Wal-Mart recently announced plans open stores in India. The company also withdrew its application to enter the banking industry, through a chain based in Utah, and abandoned plans to open a Manhattan store.

Western Union, the global leader of money transfers, has recently announced plans to implement Fujitsu's SOA-enabled Interstage BPM solution to improve accuracy and efficiency. This will improve customer service, tracking abilities, and management. Analysts recently upgraded WU stock from "hold" to "buy."



EARNINGS REPORTS

Stock Name	Earning Period	Current Earning	1 Year Ago	Percent Change	Current Recommendation
Landec Corp.	Q3	\$0.92	\$0.13	607.69%	Inconclusive
Crocs	Q4	\$0.51	\$0.12	325.00%	Buy
Priceline.com	Q4	\$0.33	\$0.09	266.67%	Buy
Buffalo Wild Wings	Q4	\$0.74	\$0.43	72.09%	Hold Loosely
NetGear	Q4	\$0.38	\$0.26	46.15%	Nibble
Grey Wolf, Inc.	Q4	\$0.24	\$0.17	41.18%	Speculative Buy
eCollege.com	Q4	\$0.11	\$0.08	37.50%	Harvest
J-2 Global Com.	Q4	\$1.19	\$0.89	33.71%	Buy
Bank of America	Q4	\$1.16	\$0.88	31.82%	Hold Tightly
Asta Funding	Q1	\$0.77	\$0.64	20.31%	Buy Aggressively
Bank of Nova Scotia	Q1	\$1.01	\$0.84	20.24%	Hold Tightly
Abercrombie & Fitch	Q4	\$2.14	\$1.80	18.89%	Buy Aggressively
AutoZone	Q2	\$1.45	\$1.25	16.00%	Hold Tightly
Bed Bath & Beyond	Q3	\$0.50	\$0.45	11.11%	Buy
Medtronic	Q3	\$0.61	\$0.55	10.91%	Hold
Wal-Mart	Q4	\$0.95	\$0.87	9.20%	Nibble
Alpha Natural Res.	Q4	\$0.24	\$0.22	9.09%	Speculative Buy
Aspreva Pharm.	Q4	\$0.73	\$0.68	7.35%	Speculative Buy
First Advantage	Q4	\$0.31	\$0.29	6.90%	Hold Tightly
Telefonos de Mexico	Q4	\$0.67	\$0.66	1.52%	Buy
Cephalon	Q4	\$1.06	\$1.14	-7.02%	Buy
Collegiate Pacific	Q2	(\$0.09)	(\$0.10)	-10.00%	Hold
Alltel	Q4	\$0.58	\$0.66	-12.12%	Harvest
Pfizer	Q4	\$0.43	\$0.51	-15.69%	Buy
Valero Corp	Q4	\$1.59	\$2.00	-20.50%	Buy
Home Depot	Q4	\$0.46	\$0.60	-23.33%	Buy
UTEK Corp	Q4	-\$1.91	\$0.02	-9650.00%	Speculative Buy

DIVIDEND CHANGES

Stock	From	To	%Change
Wal-Mart	\$0.67	\$0.88	31.34%

BREAKTHROUGH STOCKS

Name	Symbol	Price	Prev.Price	Increase	Recommendation
Asta Funding	ASFI	42.4	30.33	39.80%	Buy Aggressively
Landec	LNDC	14.51	12.35	17.49%	Inconclusive
PriceLine	PCLN	52.59	45.59	15.35%	Buy
Jos. A Bank Clothiers	JOSB	35.26	30.64	15.08%	Buy
UTEK	UTK	12.8	11.15	14.80%	Speculative Buy
First Advantage	FADV	24.51	21.42	14.43%	Hold Tightly
Silicon Motion	SIMO	22.57	19.79	14.05%	Buy Aggressively
Alpha Natural Res.	ANR	15.6	14.05	11.03%	Speculative Buy
J-2 Global	JCOM	27.66	24.94	10.91%	Buy

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An investment in knowledge
always pays the best interest.

Benjamin Franklin

US author, diplomat, inventor,
physicist, politician, & printer
(1706 - 1790)