



Our Calls to Action

- May 28 and 29, 2015 – **ANW** – We are maintaining our long position that was initiated at \$14 on March 20. ANW exceeded analyst EPS estimates for Q1 2015 despite a sharp decrease in sales. We believed ANW was being held back by investor concerns over Greece/Eurozone issues. Shares trade near \$15 and even though analyst estimates have been raised to as high as \$18, we plan to sell at \$16.
- May 27, 2015 – **MERU** – On February 10, 2015, we alerted members that we were adding to our position as we believed MERU was a likely takeover candidate based on our 13D analysis of filers Potomac Capital Management and Castle Union. On May 27, MERU announced it will be acquired by Fortinet (FTNT) for \$1.63 per share. While our takeover thesis was correct, our valuation wasn't & we closed our position.
- May 19, 22 and 27, 2015 – **LAKE** – We established a small position when the stock was trading at \$10 based on Q 1 results & decision to exit Brazil. [Further analysis](#) indicates LAKE could be 40% undervalued and reach \$14.40 in the near term. Added on 5/27.
- May 13, 2015 – **DSKX** – Tweet and [reasons for following](#) alerting that DSKX appeared to be in the midst of a technical breakout and that we were buying and trading around a position. Stock was trading at around \$1.80 at the time, and reached a high of \$2.69. The stock has since retreated to \$1.95 in recent trading after reporting weak Q 1 results. We're giving management a couple more quarters to execute.



GeoBargain Updates

Additions & Subtractions of GeoInvesting's Best Picks

- May 18, 2015 – **OBCI** – OBCI pulled back after reporting strong Q 4 2014 results but giving weak guidance for Q 1 2015. As expected, the company reported unimpressive Q 1 results. We were encouraged, however, by management commentary that they had seen increases in sales in April and are optimistic. Added to our long position at \$3.74 and felt that, based on management optimism, the shares could move to \$4.50.
- May 15, 2015 – **ALJJ** – We removed ALJJ as a GeoBargain and sold our long position. The company reported disappointing fiscal Q 2 (March 31) results with weak Q 3 guidance. Originally coded GeoBargain 11/10/2014 at \$3.45 with a price target of \$7.50, ALJJ reached a high \$4.89 (41% gain) during its tenure.
- May 12 and 13, 2015 – **NVEE** – Closed our long position as the stock surpassed the \$21 price target we initially set when coding it as a GeoBargain on January 29, 2015, at \$10.56. The shares have recently traded at around \$23, more than doubling in price during its tenure as a GeoBargain.
- May 4 and May 14, 2015 – **SLTC** – [Announced](#) Kellogg has chosen Selectica SmartContract® to automate its contract lifecycle processes enterprise-wide. We view this as a breakthrough with a key brand name and referenceable customer. The GeoTeam published a bullish [article](#) on SLTC on May 14.



Information Arbitrage News

News Before the "Rest of the World" Finds Out

- May 15, 2015 – **YOKU** – We speculated the recent run-up in YOKU was likely due to rumor it is going to merge with iQiyi, which is controlled by BIDU. The CEO of iQiyi denied the rumor on Chinese media Weibo, not published in US. We initiated a near term short position, the shares opened at \$22.37, dropped to \$20.92, we covered, and the price quickly recovered to close at \$23.45.
- May 7, 2015 – **MTSL** – Added despite weak results for Q 1 based on [information](#) management provided regarding recently acquired Vexigo. On a pro forma basis, EPS for the next 12 months should be around \$0.18. A 15x PE yields a target price of \$2.70 vs. the closing price on May 6 of \$1.83. MTSL reached \$3, but we believe it can go higher based on untaxed numbers.
- May 7, 2015 – **EFOI** - [Initiated position](#). Poor quality of connection with Q 1 call and missing words regarding guidance in automated transcript created opportunity. A clean transcript indicates strong Q1 was not an aberration. If Q 1 annualized, 12 months forward sales \$52M and EPS around \$0.50 vs. current analyst estimates of \$45M sales and \$0.10 EPS.



Top Performing Picks - May 2015

- **AAOI** - In our February 26, 2015 email, when AAOI was trading at \$10.51; we [stated](#) it is our belief that the company's strong growth story offers at least 50% upside. On May 26, fueled by a Raymond James price target raise to \$26 from \$17, AAOI's shares jumped 15% to \$19.18, up 82% from our 2/26/2015 call. Unfortunately, the GeoTeam did not aggressively move on this opportunity.
- **TRR** – On Feb. 23, 2015 (\$7.40), [alerted](#) premium members that TRR's sales and earnings could be about to accelerate. Feb. 25 (\$8.13), [notified](#) members via premium tweet that TRR was breaking out, we were establishing a long position, and coding the stock as a GeoBargain on the radar. May 6, in [web news](#), the company reported strong fiscal Q 3 (March 31, 2015) results and expressed optimism about the remainder of fiscal 2015. In our May 19, Call to Action [update](#) we disclosed we were methodically selling small portions of our TRR position as the stock continued to close its valuation gap with peers and is approaching our price target of \$12.50. TRR was recently trading at \$11, up 35% from when we disclosed our long position.