



Our Calls to Action

- June 12, 2015 – **CCM** – [Established](#) a small speculative position at \$7.00. US listed Chinese companies have surged in recent trading on the heels of increased going private activity. While we have no opinion on whether CCM is a going private candidate, it fits the profile, with management collectively owning 44.5%. The company's history of paying dividends shows a willingness to reward shareholders and it operates in the healthcare industry which is growing and in focus. The shares surged to an intraday high of \$8.23 on the day of our CTA and we locked in 12% gains on some of our shares. CCM shares have fallen since then, we believe as a product of Chinese equity markets selling off.
- June 12, 2015 – **ORBK** - [Closed](#) our long position in ORBK, locking in 22% gains since our 5/1/15 [call to action](#).
- June 10, 2015 – **CALI** – [Covered](#) our short position locking in a 40% gains as shares traded near pre-pump levels. On 4/28/2015, when CALI was trading around \$2.20, we [stated](#) shares should trade down to pre-pump levels of around \$1.25.
- We are still waiting for our long Calls to Action (based on share weakness) on **SGC** and **PATK** to bear fruit; we remain long on both.



GeoBargain Updates

Additions & Subtractions of GeoInvesting's Best Picks

- June 25, 2015 – **EVDY** - [Initiated](#) a long position. On June 24, we notified members via a premium tweet that we coded EVDY as a GeoBargain. A bullish Q1 2015 conference call and strong analyst estimates initially piqued our interest in the story. Our initial price target is \$16.80 to \$19.20 and more details will be following.
- June 24, 2015 – **SMCI** - [removed](#) from GeoBargain list. The company's growth outlook has slowed to levels below the GeoBargain EPS growth rate requirement of 25% to 30%. We first coded SMCI as a GeoBargain on May 10, 2010 at \$13.91. Shares reached as high as \$42.00 on 2/26/2015, or 201% higher than our original price. Our most recent call to action was an email alert on January 30, 2015, on which we locked in 173% profits when the stock was trading at around \$38.00.
- June 11, 2015 – **POLXF** – We stated on June 10, 2015 that we would aggressively add to our POLXF position. We first coded POLXF as a GeoBargain in July 2013 at \$0.81. Shares are now at \$1.36, representing 67.9% upside.
- June 1, 2015 – **MHGU** – [Initiated](#) a long position at \$7.90. MHGU reported robust results for fiscal Q1 (March 29, 2015) and growth outlook for fiscal 2015. In addition, the company announced a 100% increase in its previous special dividend. MHGU operates 146 Wendy's (23 added in fiscal 2014) and 5 casual dining restaurants. Same store sales increased by a respectable 3% in Q 1. Management's optimistic expectations are based on the success of Wendy's new standard design termed "image activation" that is transforming its brand and producing record restaurant level sales in both new and renovated restaurants.



Information Arbitrage News

News Before the "Rest of the World" Finds Out

- June 22, 2015 – **JD** – In another example of ChinaHybrid News not released in U.S., JD responded to the allegations against it contained in a J-Capital report. In addressing allegations that it was faking gross merchant volumes and that it had a low margin B2B business, the company stated the B2B business is a small percentage (low single digits) of its total business; regarding the alleged practice of selling goods back to suppliers, all goods returned to suppliers comply with the reverse-purchase process. The company does not recognize goods sold back to suppliers as part of the sales. JD's shares are currently trading at around \$32.00 after falling from a recent high of \$38 and could be poised to rise again.
- June 10, 2015 – **LITB** – [News](#) that Zhengjiang Aokang Shores was purchasing around 25.7% of the outstanding shares of LITB at a price of \$6.30 per ADS was reported via Reuters, Twitter and message boards, but the company did not issue a press release or make a formal filing. We alerted members that were buying LITB on 6/10 at ~\$5.75 and we were able to lock in gains after it reached highs near \$6.45 in early trading.



Top Performing Picks - June 2015

- June 9, 2015 – **DSKX** - We stated that we were starting to lock in gains on our trade. We [sold](#) the rest of our DSKX shares on June 10 at around \$3.50, locking in roughly 95% gains since our initial [breakout call](#) on May 13, 2015 when the stock was trading at \$1.80. The shares continued to rise to an intraday high of \$4.96 on June 19 before retreating sharply to around \$2.40 in recent trading.
- June 2, 2015 – **MTSL** - We alerted premium members via email that there was possible [upside](#) to our MTSL price target. On May 7, 2015, we [speculated](#) that with the acquisition of Vexigo the shares could reach \$2.70 based on a P/E multiple of 15 on the company's fully taxed, fully diluted EPS for the next 12 months of \$0.18. Shares have since exceeded our price target trading at over \$2.80, representing 40.5% upside from our \$2 entry. We now believe investors could possibly apply higher valuation multiples based on actual EPS since the company has NOL carry forwards that should reduce the effective tax rate. We, therefore, believe that more aggressive valuations could lead to additional upside in the shares. **Have the next big idea? Become a [contributor](#) and get **FREE** access to GeoInvesting Premium Content. Let us help you find alpha through our vast distribution network, including Bloomberg and Reuters.**