



Our Calls to Action

- **November 2 and 19, 2015 – BZC** - Initiated long position as shares hit 52-week high on the heels of strong Q2 2015 results and our reasons for optimism published on 10/30/15. On 11/19/15, TransDigm (TDG) and BZC announced a definitive merger agreement at \$19.61 per common share of BZC. Legal challenges to the transaction have been launched questioning whether BZC's Board is acting in the best interest of shareholders by pursuing alternatives to the acquisition and negotiating the best possible price. We're in the process of filing a class action lawsuit. It is our belief that shareholders should not tender their shares given the transaction is 6% lower than the share price prior to the announced transaction.
- **November 6, 2015 – MITK** – Taking a closer look at MITK, a leading innovator of mobile capture and identity verification solutions. The company reported strong Q4 2015 results on 11/5/15 when the stock was trading at around \$3.55. Revenue was \$7.9 million vs. \$5.5 million in the prior year, and ahead of analyst estimates of \$6.5 million. Non-GAAP EPS of \$0.09 vs. \$0.06 in the prior year and well ahead of analyst estimates of \$0.03. We are intrigued by the company's mobile checking deposit product and will begin our due diligence process to learn more.



GeoBargain Updates

Additions & Subtractions of GeoInvesting's Best Picks

- **November 3, 2015 - SMID** - Coded as a GeoBargain and published our reasons for optimism here. On 8/17/15, we stated that commentary from the Q2 2015 press release indicated that the company may now be able to embark on a new period of growth. On October 26, 2015 we disclosed that we were making a pre-earnings bet on SMID. Our optimism was justified when the company reported blowout Q3 2015 results and expressed optimism across all business lines in management's conference call.
- **November 2, 3 and 13, 2015 – MNTX** – Maintaining as a GeoBargain despite the difficult business environment company is operating in. MNTX reported Q3 2015 results on 11/4/15. The company faces continued weakness in its core mast crane boom truck market but has diversified its revenue streams and implemented a variable cost production model. Gross margins are improving and the EBITDA % from recently acquired PM Group and ASV joint venture is in line with expectations.
- **November 11, 2015 – EVDY** – Removed EVDY as GeoBargain and sold our long position. We coded EVDY a GeoBargain and initiated our long position on 6/17/15 around \$12 based on a bullish Q1 2015 conference call and, at that time, strong analyst EPS estimates. Shares had a brief run hitting \$14.24 on June 25, 2015. On 11/10/15, EVDY reported weak Q3 2015 results and its Q4 revenue guidance was below analysts' estimates.



Information Arbitrage News

- **November 25, 17 and 5, 2015 – MGPI** – An investor presentation with apparently increased goal for growing operating income by 4X 2015 levels in 5 years and a Form 4 disclosing the company's CFO purchased shares in the open market supports our bullish stance on MGPI. The CFO is not the only insider with conviction. There were three other insider open market transactions in August purchasing an aggregate of 28,300 shares at around \$15.95. Established long position 8/6/15 based on strong Q2 2015 results when the shares were trading at \$15.75. The company followed up with solid results for Q3 2015 reported on 11/5/15. Shares recently traded at \$22.12.
- **November 12, 20 and 23, 2015 – ATAI** - Initiated a speculative long position on 11/23/15 to capitalize on an information arbitrage opportunity presented by a 13D filed on 11/20/15. The filing reported that ATAI Chairman and CEO of ATAI, Kevin Xiaofeng Ma entered a share repurchase agreement, which upon closing will result in a purchase of roughly 33% of the total outstanding shares at a price of \$9.50 per ADS, a premium of nearly 100% to the recent market price. See updated regarding the share repurchase agreement here. Information regarding ATAI's recent financial performance, business outlook and guidance can be found here.



Top Performing Picks - November 2015

- **November 24, 2015 – EDUC** – Continues to perform producing record sales in October of \$8.5 million compared to \$3.6 million for last October. Momentum carried into November, the company expects record sales for the month in excess of \$10.0 million and Q3 sales in excess of \$24.0 million with EPS of \$0.37 to \$0.40 vs. \$0.13 in Q3 2014. We published our reasons for optimism 8/26/15 when EDUC was trading at \$4.94. We initiated our long position when the stock on 8/28/15 when it was trading ~\$5.25 and added to our position on September 3 and September 29, 2015 stating we felt shares could reach \$10 to \$12 in the near term. As the stock has recently surpassed initial price targets, we will likely lighten up on our long position. The stock was as high as \$17 on 12/3/2015.
- **November 9 and 10, 2015 - ESCC** – We are maintaining our long position in ESCC. The stock continues to be one of our top picks. Shares are now up 700% from our initial alert. Over the last couple of months, the company's settlement of a pension liability, which we wrote about here, gave shares a boost. The company reported strong Q3 2015 results on 11/9/15. Management commented, "We were profitable in each of the first three quarters of 2015 before the non-recurring pension related charges. With the healthy backlog and sales prospects, we anticipate sales at levels that should continue to yield profitable results for the remainder of 2015."