

THE GEOWIRE

IMPORTANT MONTHLY UPDATES ON WHAT'S HAPPENING AT GEOINVESTING

JANUARY 2022, VOLUME 02, ISSUE 01

A LOOK BACK AT 2021

HAPPY NEW YEAR!

We'll be getting back to the normal GeoWire format next month, but we wanted to take this first edition of the new year to look back at everything we were up to in 2021, and to offer you a special rate to a GeoInvesting subscription so you can enjoy our new high conviction stock idea. The company is seeing massive insider buying, but the market is ignoring this very bullish signal. It is basically a situation that we view as a post-Christmas gift, making it our top multibagger idea heading into 2022!

With another year down the drain, we looked back at some of the things that we embarked upon in 2021, as well as some of the recurring subject matter that we tracked during each passing month. It's likely that a good deal of coverage is going to bleed into 2022, but our pipeline of new stock ideas is always robust and on the immediate horizon - ideas that our premium emails and alerts convey. We are preparing ourselves for another year's journey into the realm of Tier One Quality microcap stocks at GeoInvesting.

By the way, if you **are not** a Premium Subscriber and you want to find out more about our Premium Twitter alerts, [inquire about that here](#) or send an email to support@geoinvesting.com.

Also, we have a New Year's resolution we are very excited to share with you that we believe will positively affect your portfolio if you take GeoInvesting's premium service for a whirl. It will soon be coming to you soon via email, so keep an eye out for that separate **correspondence**.

Last year saw the genesis of the Live Monthly Forum that became a mainstay. Now, we use these forums to shore and tie up some loose ends on our investment theses. They include the latest Calls to Action, general commentary about stocks in our model portfolios (Stock Talk), management interviews completed and that are on deck, timely/high-conviction stock plays, contributor research, successes and failures, and premium member questions, all carefully "chapterized" to make it easy to navigate to your stocks of interest, since there are plenty of them.

If you've been paying close attention, you'd have noticed that some of our themes were given a bit more weight due to there being optimism proportional to the conviction of those themes. In other cases, when a larger part of our premium base had questions about one particular subject or stock, we chose to delve into those a bit more. Our next forum is this Thursday, and open to all of our Premium Members.

Stock Talk

Intouch Insight, LTD (INXSF)

- Reports solid Q3 2021 results
 - Sales \$3.9 million vs \$2.9 million
 - EBITDA of \$386k vs \$760k
 - EPS of \$0.00 vs EPS of \$0.02
- Sees significant growth in 2022

12/6/2021 Open I Discussion with Premium Members

Chapters

- 1 November CTA - 00:00
- 2 November CTA - 00:00
- 3 Stock Talk - 00:00
- 4 Stock Talk - 00:00
- 5 Stock Talk - 00:00
- 6 Stock Talk - 00:00
- 7 Stock Talk - 00:00
- 8 Stock Talk - 00:00
- 9 Stock Talk - 00:00
- 10 Stock Talk - 00:00
- 11 Stock Talk - 00:00
- 12 Stock Talk - 00:00
- 13 Stock Talk - 00:00
- 14 High Conviction/Timely
- 15 High Conviction - 00:00
- 16 High Conviction - 00:00
- 17 Insider Buying - EML, HGBL, CXDO, LSYN

A LOOK BACK AT 2021 CONTINUED

One instance where this is true happened to be the introduction of SEC Rule 15c2-11 (Rule 211), [explained here](#) (with more sub-references) and further [elucidated upon in a PodClip here](#), our team spent a great amount of time learning about and interviewing professionals who work for the SEC or were “specialists” on this topic. The rule caused an upheaval in many corners of the microcap universe in that it basically would render a large chunk of OTC stocks un-tradable by the everyday microcap stock investor.

It's quite possible that you have a few of those stocks in your portfolio now, if you have not sold them. The rule's bottom line was that if a company was not current with its information as displayed on OTC markets, it would be in violation due to its failure to keep investors properly informed of its most recent financial records, among other company-related data and documents. In essence, it meant non-compliance with certain SEC standards. This violation would basically render a stock Dark, relegating its trading to only the most experienced and qualified brokers and institutions. Retail investors might only be able to sell shares they already own.

In 2021, we also continued coverage on a US Listed China-based stock that we believe has a greater than 5x potential return. This is a company that is on standby to receive coveted certifications from the Chinese government to market and distribute its products in China. We are by no means pleased with the circumstances that have resulted in a protracted storyline that at times has us on the edge of our seats given the prospect of a multi-bagger situation should this company be selected as one of the main certificate holders. Our coverage on the saga is bar none the most comprehensive coverage that you will find anywhere on the web. We'll no doubt be addressing some of our current concerns and expectations regarding the company's progress.



Follow us on Twitter [@GeoInvesting](#)
For daily updates on all things Microcap

We also started toying around the idea of [PodClips](#), short audio-based updates on our covered stocks. We were excited about the idea since it is an asset light way for us to convey some quick thoughts relevant to events that just occurred or are occurring. Since mid-2021, 31 clips were published and released, but we certainly wanted to do more given the overwhelmingly positive response from our premium audience.

Finally, one of our most touted themes this year, which we have touched upon multiple times in past GeoWire editions, is what we called our [“Cloud Communications Trio.”](#) It was a small project we executed to amass research on both the cloud communications industry as well as 3 stocks that we felt, and still feel to have multi-bagger characteristics. They are companies that we believe will outperform the market for a multitude of reasons, and we still hold high convictions in these three companies.

[Continued on page 3.](#)

GEO RESEARCH STATS



Geo Research Articles

18



PodClips

31



Fireside Chats

12



Contributor Research
Articles

15

** All stats are cumulative YTD as of December 31, 2021

A LOOK BACK AT 2021 CONTINUED

By the way, as a friendly reminder, just last month, we introduced **a new and affordable quarterly premium subscription pricing model** to help you decide if GeoInvesting is right for you.

The rate of that offer is \$149.99 every 3 months, **a significant discount to our monthly membership**, and the same rate we offer for our Bi-Annual Subscribers, \$299.99 every 6 months.

If you decide within the first 3 months that GeoInvesting will be a great return on your subscription investment, we will gladly upgrade you to our Annual membership and apply your first quarterly payment to the balance. However, if you like, you can also choose to continue on the quarterly plan.

We believe the quarterly membership is great not only for your wallet, but also as an investor to give you time to really see what we do and how GeoInvesting can be a great asset for your portfolio.

Our core focus is on long term strategies and perhaps you share this view. It's great if you do.

It goes without saying that we are looking to have a successful 2022. For all of our stocks that were hit by supply chain issues, we are packing that part of 2021 away in a chest that we hope we'll never have to open again. There has been two years' worth of those and other stocks having to cope with Covid-related disruptions, something Maj spoke about in his latest Podcast episode of "Avoiding the Crowd." His research analyst, Jan Svenda, Bobby Kraft, the podcast's editor and producer, and Maj covered this and took a look back at some of the hurdles and bottlenecks posed by 2021. **Please view the video here.**

GeoInvesting is a living and breathing entity, and we are continuously working on a process that we believe will be most convenient for everyone. As you might imagine, it takes a lot of work and organization to keep up with every aspect of our service. Thanks for your patience as we tackle a new year that we are confident will bring as many prospective ideas to your plate as possible.

Here's to your success and thanks for your support.

The GeoInvesting Team

WHY MICROCAPS

WRITTEN BY MAJ SOUEIDAN

Our focus and our lifeblood is investing in microcaps, companies with market caps under \$300 million that most of the "Wall Street crowd" ignores. This allows us to do the opposite of what the crowd is doing, and we think you can agree that this is a key to beating the market and finding multibaggers. As large cap stocks continue to get more overvalued, we believe that interest in the microcap space will pick up significantly from investors who are looking to invest in value. While the media tells investors to fear smaller companies, we make examining them easy for GeoInvesting Premium Members with research from our activities which includes: interviewing management teams, site visits, reading SEC filings, participating in company conference calls and monitoring hidden bullish clues like insider buying trends.

Microcaps can give investors many of the same competitive advantages that make companies great that target niche markets that larger competitors ignore. In a [2017 ValueWalk article](#), I outlined some of the main structural advantages of microcaps.

We encourage you to read the article for more specific advantages of the space, but here is the system at play in a nutshell:

Multi-billion dollar institutions face many barriers to entry to investing in microcaps, because they simply have too much capital to build meaningful positions in microcap companies.

Further, the misplaced negative stigma surrounding "penny stocks" causes even many qualified investors to ignore the space. However, the absolute price of a stock does not determine its quality.

That is why we believe that not all microcaps are microCaps, which is proven by [our return statistics](#). We focus on what we call Tier One Quality microcaps to help us weed out the quality names from the bad actors.

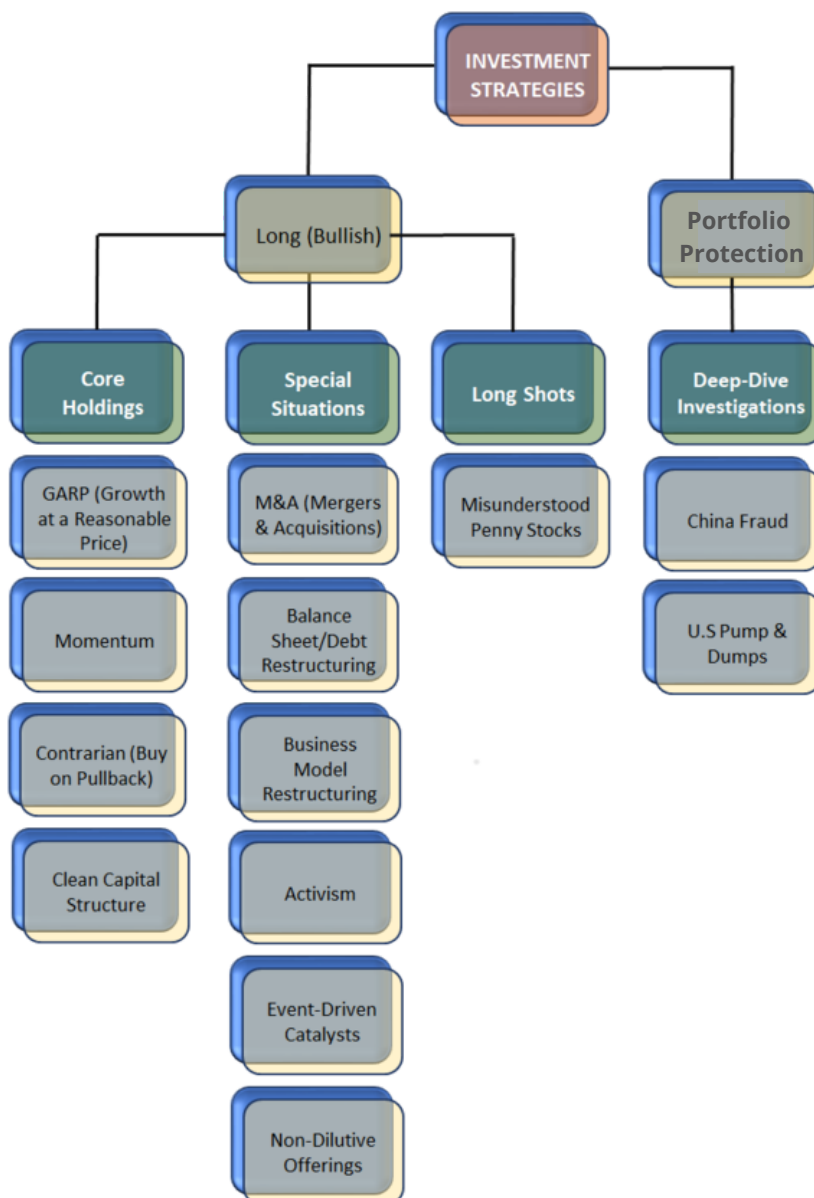
AN INSIDE LOOK AT GEOINVESTING'S RESEARCH AND STOCK PICKING STRATEGY

Just as for many of you, Peter Lynch was my investing hero when I first decided that I wanted to become a full-time investor. Although I was exposed to the stock market by watching my dad research and buy stocks while I was in high school, it wasn't until college, when my dad passed down to me Lynch's book, "One Up on Wall Street", that I became hooked for life. Lynch's approach to investing was the perfect fit for me. I entered college with no idea of what I really wanted to do and a limited knowledge base on stocks and finance. But Lynch showed that the average guy can learn how to pick stocks, and he did it in a way that is easy to understand. Most importantly, he laid out a step by step process to find a few good stocks among thousands that trade in North America. When I reflect back on decades of investing, I am reminded of why a lot of the general framework I apply to pick stocks was borrowed from Peter Lynch's principles.

Lynch's process for defining his stock universe began by putting stocks he was researching into 5 buckets:

- **Slow growers**
- **Fast Growers**
- **Cyclical**
- **Turnarounds**
- **Asset Plays**

Personally, my "buckets" have evolved over time.



Also, when I was raw and first started investing, I spent most of my time searching for clean companies that were undervalued based on pieces of Lynch's criteria.

- **Trailing P/E < 25**
- **Forward P/E < 15**
- **Debt Ratio < 35%**
- **EPS Growth > 15% to < 30%**
- **PEG Ratio < 1.2**
- **Market Cap < \$5 billion**

As I grew as an investor, I expanded my valuation parameters and narrowed my selection universe by putting a heavy emphasis on U.S. microcaps (around 10,000).

Modified parameters:

- **Recent 52-week High**
- **Strong EPS Growth Rate**
 - > 30% EPS Growth Rate
 - GeoPowerRanking (GPR); Number of consecutive quarters that we expect EPS to grow by at least 30%. (20% may be acceptable under certain circumstances)
- **> 10% Revenue Growth**
- **Strong Operating Cash Flow and Balance Sheet**
 - Positive Cash Flow
 - Debt to Equity Ratio less than 20%
 - Current Ratio is at least 2:1
 - Days in receivables < 90. This shows that the company converts its account receivables to cash within 90 days. (measure of liquidity)
- **Return on Equity is at least 15%**
- **Minimum Pre-tax Operating Margins of 8%**
- **Preferably Under 50 Million Shares (diluted)**
- **High Insider Ownership (generally greater than 15%)**
- **Limited Institutional Ownership (generally less than 20%)**

WHAT MAKES A MICROCAP TIER ONE

Big returns can come in small packages. That's certainly the case with investing in a micro-caps. Why should you care about these companies?

To begin with, the smallest subset of micro-cap stocks [have been shown to outperform](#) larger stocks by 14.75% (1927 to 2016). We are surrounded by companies in our daily lives that were once micro-cap stocks like Walmart Inc. (NYSE:WMT) and Monster Beverage Corporation (NASDAQ:MNST). In fact, Monster Beverage has been the [best performing stock](#) of this century, up nearly 70,000% at its high.

As we search for our next "multibagger" we are using our 10 point checklist we curated as our core strategy to buy stocks that meet our tier one quality standards:

- Long operating history of at least 20+ years
- Strong management
- Management focused on business, not stock price movement
- Generating revenue
- At or near profitability
- High probability turnaround stories
- High Insider ownership
- Manageable debt burden
- Ability to grow without excessive equity raises
- Shares outstanding are not excessive

Following this checklist helps us better realize that there is opportunity not only for achieving great returns, but also for learning, collaborating, and experiencing the industry. The good thing is that you can still use microcap "hunting" strategies to quickly identify opportunities in big cap stocks when they arise.

We believe we give you a competitive advantage to help you make the best stock picks and to invest in some of the best success stories.

If you are interested in joining GeolInvesting, which includes access to over 14 years of our research in "High Quality Tier One" Microcaps, [become a Premium Member](#). We are always searching for the next multibagger for our members!

PREMIUM MICROCAP RESEARCH: SAVING YOU TIME AND EARNING YOU MONEY

Since GeolInvesting's inception in 2007, we have followed a strict regimen of disciplined research that has enabled us to forge ahead through major market disruptions, including the 2008 financial crisis. Our research has proved to us internally, time and time again, that a recipe of thorough due diligence is likely to trump luck any day of the week.

We navigate investment risk by interviewing company management, dissecting conference calls, interacting with our wide network of investors and scouring financial documents for hidden clues. GeolInvesting provides quick, concise and efficient research instead of hundreds of pages of financial jargon. You will no longer have to sift through these documents to find the most relevant aspects of a company's operations when we cover them – that's our promise.

We like microcap stocks because we believe they can give investors an edge over Wall Street. Did you know some of the most legendary investors in the world, including many billionaires, invest in microcaps? We sift through the microcap universe of tens of thousands of stocks to bring you quality ideas and help you avoid deceptive companies. Co-founder Maj Soueidan has been a full time microcap investor for 30 years.

Armed with experienced analysts, a veteran investing team, and real time data from our fintech partner Sentieo, GeolInvesting gives you the power to consider educated investing decisions and identify risk.

Maj Soueidan, Micro-Cap & Information Arbitrage

My name is Maj Soueidan. I am a full-time investor and co-founder of GeolInvesting.com. GeolInvesting delivers an all-in-one research platform that profiles "Tier One Microcap Companies." Our services are tailored to fundamental investors, who are looking for model portfolios, stock pitches, management interviews, podclips, member skull sessions, and so much more.

With some initial capital saved and the book "One Up On Wall Street" by legendary Fidelity fund manager Peter Lynch, I began investing while in college between 1988 and 1992. My passion is finding "under the radar" micro-cap opportunities and sharing them with other investors. I enjoy helping others understand the advantages of investing in smaller homegrown U.S. companies to supplement their overall investing strategies.

When I graduated college in 1992 I took a part time job at The Vanguard Group, working in the evenings. It was the perfect fit. I would spend my days performing research, interviewing management teams and developing an eye for finding unique and undervalued micro-cap stocks. I bought my first "multi-bagger" in 1994 and I was hooked. At the time, I briefly published my first investment newsletter called "The Market's Edge." I left Vanguard in 1994 to become a full-time investor.

Micro-caps appeal to me due to the information arbitrage opportunities they provide. An arbitrage exists when a disconnect between stock prices and available public information on a company is noticeable, and monetarily worth pursuing. Sometimes, the mispricing of micro-caps can be substantial. This strategy has "paid dividends" for many investors. Part of the reason the "Info. Arb." opportunity exists is because investors often associate micro-cap stocks with pump & dump companies with no revenues and profits. But there is no better strategy in the stock market than to look for opportunity where others are not looking. There are many good micro-cap companies with real revenues, some even with blue chip customers.

2021 RETURNS INSIDE OF GEOINVESTING

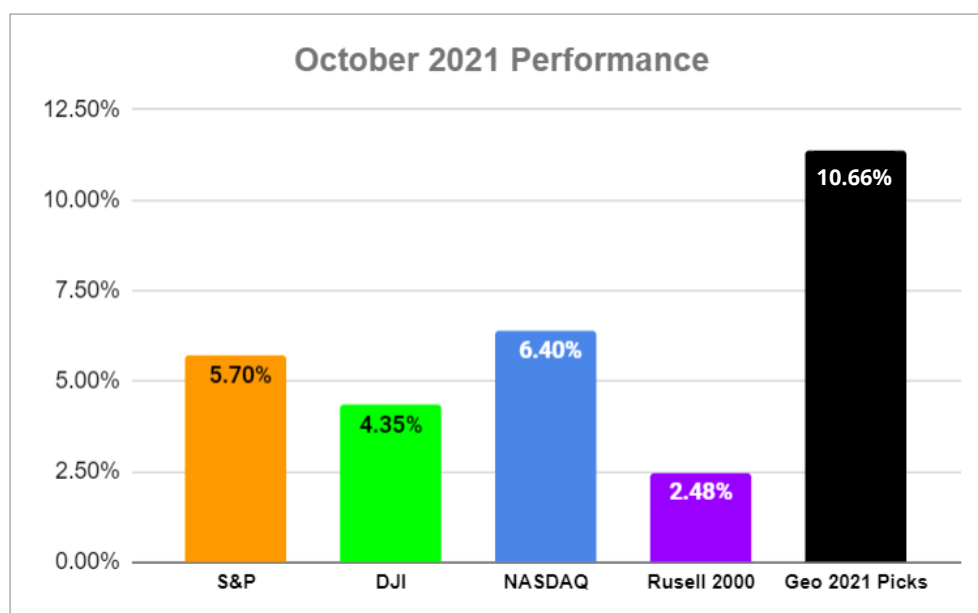
So far in 2021, we have issued **13 closing Calls to Action** on companies tenured on our Select Long Disclosures List for varying periods of time.

Through the end of September 2021, the **average return per closing CTA was 113.41%**. However, opportunity existed to capture more returns at peak prices. We are also proud that we were able to capture a few multibaggers in a short period of time.

There are **17 Calls to Action initiated** and still open in 2021. While we cannot show you the premium table, our current average return per stock is **30.71%**, compared to year-to-date numbers of about 12% for the DOW, 16% for the S&P and 13% for the NASDAQ.

DATE OPENED	SYMBOL	OPEN PRICE	DATE CLOSED	CLOSED PRICE	FINAL RETURN	PEAK PRICE	PEAK RETURN
8/3/2021	PALT	\$3.82	9/27/2021	\$5.30	38.74%	\$5.75	50.52%
5/4/2021	CTHR	\$3.66	9/16/2021	\$2.71	-25.95%	\$3.66	0.00%
3/26/2021	GTBP	\$6.61	8/20/2021	\$7.74	17.09%	\$19.73	198.53%
12/27/2017	IHC	\$28.10	8/20/2021	\$41.01	45.94%	\$48.75	73.49%
11/25/2019	IEC	\$7.80	8/12/2021	\$15.30	96.15%	\$17.98	130.51%
6/27/2019	AESEW	\$0.40	7/14/2021	\$0.16	-60.00%	\$0.45	12.50%
5/22/2018	INTZ	\$1.35	5/5/2021	\$14.40	966.66%	\$29.90	2114.81%
8/18/2020	ALTO	\$4.65	3/11/2021	\$5.91	27.09%	\$11.44	146.02%
11/23/2020	AERO	\$2.94	2/16/2021	\$3.00	2.04%	\$3.62	23.12%
7/9/2020	HWKE	\$0.59	2/1/2021	\$0.20	-66.10%	\$1.43	142.37%
8/20/2013	MKRS	\$0.09	2/1/2021	\$0.13	44.44%	\$0.63	600.00%
12/27/2019	CLPT	\$4.80	1/19/2021	\$19.95	315.66%	\$20.50	327.08%
10/30/2020	BGFV	\$7.32	1/11/2021	\$12.63	72.54%	\$12.82	75.13%
					113.41%		299.54%

OTHER MARKET WIDE STATS VS. GEOINVESTING



Note: GeoInvesting picks initiated and still open in 2021 **performed better than all the major indices in October 2021**. The returns shown are for informational purposes only to showcase the performance potential of hand-picked microcap stocks.