



## S.A. Advisory

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Sept - Oct 1997

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## Market Comment

We remain fully invested, but have harvested fully valued stocks that have been appreciating quite handsomely during the past few years. (See latest sell recommendations in current newsletter and April-May 1997 edition).

We have an appetite for low-priced mini-micros, out-of-favor technology that appears totally unloved and, of course, we are now eyeing Asian markets for over-sold opportunities. Asia has had a moderate meltdown. We, of course, smell and enjoy the carnage.

U.S. economy is showing signs of less vigor - should cool inflation and interest rate fears.

The opportunities listed in this newsletter, in our opinion, all are very unique and, of course, offer excellent diversification and very promising upside potential near term. Our latest group of mini-micros during the past two months have been eye-popping. We believe that we can continue our streak.

Happy investing, William Velmer

## Buy & Sell Recommendations via 900# and E-mail Service

Note: Our 900# has been discontinued and been replaced with a more efficient service and free number: 1-888-711-7338. In order to access this number, you must call 1-614-439-7375 and pay a \$10.00 setup fee. Once your account is opened, you will be entitled to review our updated messages (at least one to two new messages a week). The same charge for our service will be instituted; that is, \$2.00 per minute. The calls are usually 9 - 10 minutes. You, of course, can hang up at any time and are only charged for the time spent. This service is a must for SA Advisory followers. We update this message frequently and add a unique spin on our recommendations. **BEFORE YOU READ IT - YOU SHOULD HEAR IT!!**

1. July 10, 1997 - 900# and E-mail subscribers informed to sell total position in Templeton Russian Fund (TRF) @ \$61.69. We initially recommended TRF on September 24, 1996 @ \$19.37 (we have taken in account the \$2.37 distribution). Our overall gain: 222%. (REAL SHORT TERM GAIN).

2. August 6, 1997 - 900# and E-mail investors were informed about Computer Device (CTDVB) @ 40¢. See Brief.

3. August 9, 1997 - 900# and E-mail subscribers were informed that ACT Networks @ \$13.25 will be monitored in our 900# portfolio for percentage gain performance. See Recommendation.

4. Also on August 6, 1997 - 900# and E-mail subscribers were

informed about INTK at 15/16. We have featured this opportunity in the past and is currently monitored in our 100K Master Portfolio. (See November 96 for complete portfolio up to November 1996. All recommendations after November, 1996 can be followed in this current letter. See Brief.

5. On August 20, 1997, we featured on our 900# and E-mail services a unique and compelling story on a must own at current prices. See story on GEGI located in this edition.

6. On September 2, 1997 E-mail and 888# investors were notified and reiterated attractiveness of SETO. See Story.

7. Major sell recommendation on select issues that we feel are over extended and too popular.

On September 2, 1997, our E-mail and 1-888-711-7338 subscribers were notified of our major sell programs.

1. NBR (NYSE) recommended on 1-10-92 @ \$6.125, currently \$34.44, for an overall gain of 462%. We think the group is richly priced and way too happy. We will take our profit without looking back (Long-term gain).

2. EGLS (NASDAQ) recommended on 4-2-96 @ \$15.75, currently \$31 7/8, for an overall gain of 102%. We think EGLS is overpriced when one considers losses and revenue drop. We believe that things will pick up, but the stock has already reflect that. Too popular. We say "bye-bye!" (Short-term gain).

3. ESCC (NASDAQ) recommended on 4-11-94 @ \$19, currently \$30 1/8. Again we will take the 59% gain. We think ESCC is fairly priced. (Long-term gain).

4. TRPS (NASDAQ) recommended on 6-1-94 @ \$5.00, currently \$16 1/8. Again we will take the 222% gain. (Long-term gain).

5. FOIL (NASDAQ) recommended on 6-28-91 @ \$5.625 (1/2 position remains), currently \$16.00, for an overall gain of 184%. Again, believe the oil segment is overpriced, not because of the asset, but because the shares are fully valued for now. (Long-term gain).

6. ATV (AMEX). We have two positions and have chosen to sell one of them. Our first position was recommended on 8-23-93 at \$1.44. Currently the valuation is quite tempting, that is, \$6.50 for an overall gain of 351%. Remember, profit is our motive, not marriage. (Long-term gain).

We don't dislike any of these companies, but we must stay focused and harvest our valuable crop at times in order to plant new seeds, as well as reduce exposure as opportunities become too popular. We may revisit!

If you recall in our April-May 1997 newsletter, we also harvested many stocks that delivered us huge gains:

1/2 p EMC - 129% -- TRA - 112%

1/2 p IBM - 83% -- UASI - 260% and 442%

AE - 329% -- QNTM - 129% \*

SALT - 130% -- FTEL - 203%

APH - 379%

1/2 p = sold 1/2 position; \* = still retain one position

## NEW BUY RECOMMENDATION ACT - NETWORKS

(National Market NASDAQ - ANET)

On August 9, 1997, we informed our 900# and E-mail subscribers that ANET would be monitored for percentage gain performance in our 900# portfolio. For investors that favor micro-caps; that is, opportunities that have a market cap of under \$150 million and been beaten to death by the momentum players; that this opportunity deserves a serious look-see! We introduced this opportunity at \$13.25 on August 9, 1997.

The company develops, manufactures and markets Frame Relay wide-area network access products which support a broad range of voice, data and integrated network applications. The company is focused on three strategic markets: enterprise networks, satellite networks and carrier networks. The company's products incorporate advanced voice and data compression algorithms, switching capabilities and proprietary integration technologies.

Reasons why we are recommending ANET:

1. Has no debt.  
2. As of June 30th, the company had \$61 million in CASH.  
3. Revenues anticipated to grow by at least 50% during the next few years.

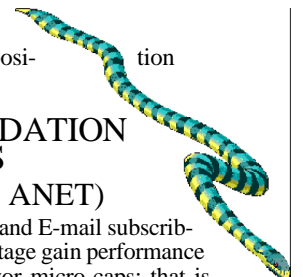
4. Earnings have been a weak link and, of course, that is one reason why the stock trades close to its 52-week low.

5. The company announced on August 1, 1997 that a repurchase program has been approved by the board to purchase up to \$10 million in stock.

6. Book Value around \$10.07 - so only trading at 30% above it stated BK.

7. With only 9.26 million shares outstanding and a float of only 5.3 million, ANET has the potential to rocket if things begin to gel.

8. Recently made an acquisition that appears to be an excellent strategic fit for future growth in the emerging telephone gateway server market, predicted to grow to over \$1.8 billion by the end of 2001.



9. The high for this stock was \$48 during 1996 and \$38 during 1997, so we really like the price. We are buying ANET 66% below 1997 high. We love it!

10. The company is expected to grow by 50% during the next few years, so an estimated P.E. of 25 for fiscal 98 is not that expensive (the estimates come in at .45 - .50).

11. We think that this situation has the potential to double from here.

12. It remind us of OCTL when we purchased it at \$16.00 and two months later it was purchased by the Lucent @ \$31.50. Our point, that ANET could be an inviting target due to its technology and CASH!

TIME TO BUY not SELL.

13. ANET spends quite heavily on R & D and is acquisition oriented.

14. ANET, to reiterate, is out-of-favor, under-followed, obscure, fundamentally very strong, could be a takeover candidate, trading 66% below 97 high and best of all makes us feel fuzzy inside and when that happens, you gotta BUY it!

Broker contact: Mr. Nelson at 800-359-9460 or 1-265-2160.

Corporate: Mr. Flowers at 805-388-2474 (CFO).

(NASDAQ BB - TCGN)

On September 2 our Super Fast Phone was informed to purchase shares in TCGN @ 31¢ and our new 888# investors were also informed to purchase shares. We will monitor this situation in our 100K Master Portfolio (adding 15K shares @ 31¢/share) and our 888# and Summer Portfolio #2 1997 for percentage gain performance.

The company has three divisions and one subsidiary.

Divisions:

1. Precision Metalform is engaged in the manufacture of a variety of deep drawn metal components used primarily in the writing instruments and cosmetic industry.

2. Eclipse Systems manufactures numerous products, including spray coating systems and industrial air-driven mixers. Their spray coating systems are used mainly for coating industrial products, and the industrial air-driven mixers are used primarily in the chemical and food processing industries.

3. Clawson Machine is engaged in the manufacture of a line of ice crushing equipment that is used by hotels and restaurants.

The Precision Metalform is believed to be one of two companies within the U.S. who supply in excess of 80% of the major components for domestic writing instrument manufacturers. The Eclipse System is one of several companies in the U.S. and abroad engaged in the manufacture of spray coating systems. The Clawson Machine Division is one of several small companies that is engaged in ice-crushing equipment for both hotels and restaurants.

The subsidiary that is 100% owned by Technology General Corp, namely Transbanc International Investors Corp., has established a substantial rental income base developed from five industrial tenants - rental income alone through march 31, 1998 will equal \$500K.

The real jewel or diamond that can be found as a hidden asset that TCGN has on its books for \$365K is in excess of 162 acres of land in a prime industrial park located in Franklin, NJ.

The largest potential in stock appreciation in our opinion rests on the sale of this property or development. The appraised value for the land is in excess of \$7.5 million dollars and that number is probably conservative.

At present TCGN has 5.6 million shares outstanding and shareholders equity of \$1.6 million. The land is valued at \$365K, so the stated book value is 29¢, but this does not take in account the appraisal value of the land. If we were to assign a very conservative value, the true value of this property would not be \$365K, but a staggering \$7.5 million. As stated in the 10K, the company continues to evaluate various underwriting concepts in order to acquire public financing for acquisition purposes and development of plant sites located at the company's industrial complex. As stated, part of 162 acres, namely, the 106 acres located in Franklin, N.J., has been approved for 15 planned plant sites. This site includes an 86,000 gallon/day server allocation and has a main water line installed through the property. Adjoining this acreage is a 107K square foot industrial building. The company's Aerosystem Technology division owns a 24K square foot industrial building located on 22 acres in Franklin, N.J.

When we consider that at present there are currently 5.6 million shares outstanding and land worth \$7.5 million on the books at \$365K, even an idiot can see that the stated book value due to standard accounting methods is 29¢, but if you take in account the marketable appraised value of the land, the real book value is \$1.33 plus 29¢ or \$1.61. Note: the value is probably 20% higher due to building and upgrades on the properties. This is only a conservative estimate! NOW LOOK HARD AT THE PRICE

## OF THE STOCK!

Just based upon the land, TCGN would be a screaming BUY to any and all value players, but there is more. TCGN had sales of \$2.9 million and net income/share of 2¢ for the year ending March 31, 1997. Based upon the current price of 31¢, TCGN is trading at 15x trailing 12 months, only 17% of real book (realizing real land value) and a PSR value .57. Management owns about 3 million shares of 5.6 million. So the public float is a mere 2.6 million and there are probably 750 shareholders. The company has been around since 1957.

Bottom line: This opportunity is the steal of steals.

1. Fundamentally cheap as an ongoing concern.

2. Land worth 6 - 8 times the price of the stock.

3. Management has to change sooner or later due to age of principles.

4. Company pursuing investment banking firms in order to capitalize on huge land cache - possible spin-off to shareholders.

5. Introduction of new products during fiscal 1998 that could dramatically increase sales.

6. The total market cap is only \$1.7 million. This company is truly worth substantially more due to land, technology, ongoing businesses and new product introduction.

7. Finally - only trading at 15x trailing 12 months - 48% of sales and 17% of a real and believable book value.

In our opinion, a value investor type, as well as low-priced speculator, should be jumping all over this one. We see actually no risk at current level if you are geared towards long term investing. Even a small position of 10K shares could be worth 10 times the amount during the next few years.

Remember this, they are not making any more land. The area of New Jersey where TCGN owns its property is an extremely valuable and is seriously understated in value and marketable potential that equals in our opinion a much higher share valuation.

For more information: TCGN - 973-827-4143. Broker contact: Mike Chesler at 800-331-1355.

## Summer Portfolio 1997- Date: July 9, 1997

Company	Exchange & Symbol	Featured Price	Gain or Loss	Current Price	Highest Price	Status
Visual Telephone	NASDAQ BB - VTPI	.10	460%G	.56	.625	HS
Semicon Tools	NASDAQ BB - SETO	.07	50%G	.105	.115	B
Platforms Internat'l	NASDAQ BB - PLFM	.08	368%G	.375	.52	HS
IEH Corp	NASDAQ BB - IEHC	.31	42%G	.44	.50	B
Dale Systems	NASDAQ BB - DALE	.375	66%G	.625	1.125	B
Diversified Corporate	PINKS - HIRE	5.00	20%G	6.00	7.50	B
Industrial Technology	NASDAQ - INTI	.18	17%L	.15	.21	B

We will be adding 4 more stocks to this list that have been feature between July 10 and September 3, 1997, our selections were E-mailed to our subscribers and also placed upon our 900# (this service has been discontinued with an 1-888# service that will better serve our callers - see information within this newsletter.

## Summer Portfolio #2 1997

Company	Exchange & Symbol	Featured Date	Current Price	Gain or Loss	Highest Price	Price
Computer Devices	NASDAQ BB - CTDVB	8-6-97	.40	.56	40%G	.75
Inotek	NASDAQ - INTK	8-9-97	.94	1.125	19%G	1.25
Global Spill	NASDAQ BB - GEGI	8-20-97	.375	.41	9%G	.50
Technology General Corp	NASDAQ BB - TCGN	9-4-97	.31	.31	Surprise feature	

On September 2, Superfast and personalized phone services were notified about TCGN at 31¢. See recommendation. On September 3 our new 888-711-7338# investors were notified. To listen, call 1-614-439-7375 and open an account for the S.A. Advisory Hotline. Only \$2.00 per minute and \$10.00 setup fee.

When we introduced the Summer Portfolio 1997, we mentioned that many of the listed situations were not only unknown and under-followed, but also fundamentally undervalued. Even though these listed companies fall in the micro-mini category, most were screaming BUYs at the featured prices. The performance to date, to say the least, has been explosive. For the two months that we have monitored VTPI, SETO, PLFM, IEHC, DALE, HIRE and INTI, our overall gain has been eyeball popping; that is, 141.2% gain.

Most professionals may hate them, give them no respect, and don't understand them, but to avoid this class or group of stock is just plain moronic.

Due to our wonderful regulatory agencies, i.e., SEC and NASDAQ, these low-priced gems become more and more obscure due to the "let's cover them up" so no one will find them. What this does is allow us a fertile pasture of emerging companies that everyone hates, but would love to own.

We are not saying that every low-priced stock is a bargain that should be purchased aggressively. What we recommend or feature are opportunities that are either fundamentally cheap and undervalued; i.e., SETO, IEHC, INTI, HIRE or DALE, or possesses unique technology, such as VTPI and PLFM.

Being a smart investor means knowing when to BUY and when to take

profits. Both VTPI and PLFM have skyrocketed from their initial 10¢ and 8¢ levels. Prudent investors should consider harvesting some of their gains and let the rest ride and continue to feed the market as volume accelerates, because when the volume dries up, you could get fried.

Remember, BULLs and BEARs make money. PIGS get slaughtered.

As profits are secured, funds should be directed into additional low-priced opportunities. Diversification not only spreads out exposure, but also limits risk. As the basket of opportunities gets larger and larger, the return potential expands. We never profess that they all will be winners, but just one or two huge winners easily make up for losses and laggards.

The four low-priced opportunities that will be briefly introduced in this edition have in our opinion equal and possibly greater upside potential than the seven stocks that we mentioned in our last newsletter have sharply eroded in two months. (4% gain)

## Summer Portfolio #2 1997

1. Computer Devices Inc. (CTDVB - NASDAQ BB). Our 900# and E-mail subscribers were informed on August 6, 1997.

The opportunity listed below offers unknown upside potential with limited downside. The company has introduced a product that can be easily understood, due to the fact that all investor types receiving this E-mail via the internet can easily figure out what hands-free means. Physically disabled persons can also benefit from this product and for that matter, stand to benefit the greatest. This investment is relatively unknown, under-followed and totally obscure. As the herd becomes more acquainted with this situation, we believe that the upside potential will become more and more positive.

The company, Computer Devices (CTDVB- NASDAQ BB) has introduced an internet product that deserves serious consideration by investors. The product, VOICE POWER, is the world's only voice control system for personal computers which enables the user to both "surf" the internet and completely control application programs using only verbal commands. In addition to all keyboard and mouse functions, the system provides verbal control of Netscape Navigator and Microsoft Internet Explorer and retails for less than \$100.

On July 30, 1997, Computer Devices announced that its wholly owned subsidiary, VoiSys International, had signed a marketing agreement with CompUSA. In the agreement CompUSA will sell the product through its chain of 130 Computer Superstores located in various areas within the US.

On August 7, 1997, Computer Devices announced that its new product, Voice Power, will be distributed by Best Buy Co., Inc. through its chain of more than 270 stores located in 32 states.

On August 29, 1997, CTDVB announced that its product, Voice Power, will be distributed by Cyberian Outpost through its global internet retail operations in 135 countries. Its web site is accessible in 11 different languages and daily home page hits average 22k.

The product was well received at the most recent Internet Expo and has had extremely positive reviewed from major trade magazines.

The product, which is completely voice activated, will surely be a blessing for those who suffer such ailments as Arthritis, Carpal Tunnel Syndrome, Repetitive Stress Injury, or a host of other injuries or physical conditions. It even can be used by the person who is just tired of the hands-on method of surfing the net!

In addition, the user can check their E-mail, jump from hot link to hot link, search the net, open URLs, or do anything else on the internet without ever touching the manual move or keyboard.

For less than \$100 you can get a headset microphone, software, and proceed to just plug it in. No initial training is required; you simply "plug'n play."

Upon our search of similar products, we found "Naturally Speaking", which retails for \$695, but you need heavy duty hardware to run it. And we are not sure that it is designed for the internet.

Computer Devices (CTDVB) at present has around 3.7 million shares outstanding. Management controls around half of that amount and has recently exercised an option to purchase 500K.

If you would like to review the product, go to <http://www.voisys.com>.

At present CTDVB trades at round 40¢.

Food for thought: from a base of 100K internet users at the end of 1994, internet membership grew to 10 million by the end of 1995, and is approaching 40 million today. By the year 2000, membership is expected to top 160 million.

The above information tells all. This is why investors must consider any tool that simplifies the use of the internet. The product, and for that matter

the investment, deserves a serious look. This issue is speculative in nature, but attractive upside potential exists. With only a few shares outstanding earnings/share could expand quite rapidly. Again, at 40¢ the total market cap is less than \$2 million.

Upon review of pie chart A and graph A it is easy to conclude that CTDVB has huge market penetration available due to the growth of the PC market just during the next four years, and in addition the relatively untapped home internet market that exist today and the huge untapped market that still exists.

In our opinion, if everything gels, which at present looks extremely promising and the consumer warms up rapidly to the product, this could be a \$2.00 stock very rapidly. The profit margins in this product is huge.

We have heard, but not confirmed that the next generation is even more advanced than the current product.

Bottom line: we have a very unique and very inexpensive product that has great appeal to internet users, can greatly benefit disabled users, profit margins are huge, competition to date is very slim, the company is under-followed and unknown and the market cap is only \$2 million.

In our opinion, this one smells like a big winner.

Broker contact: Mike Chesler at 1-800-331-1355. Company 508-663-4980.

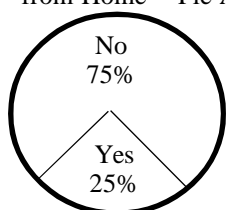
2. Inotek (NASDAQ - INTK). Our 900# investors and E-mail subscribers were informed about this undervalued situation on August 9, 1997 @ 15/16. INTK is not a new situation to us. We initially recommended it on 10-8-93 @ .875 and is monitored in our 900# portfolio and we are also monitoring it in our 100K Master Portfolio. (5000 shares @ .875). Since that time INTK has fluctuated between .50 and \$2.50. Finally, now it looks ready to really rock and roll.

INTK is a marketing and service company for instrumentation, process controls, information management, and test and measurement equipment.

The industrial marketplace includes: (1) Process controls and instrumenta-

tion - products utilized in the manipulation of pressures, temperatures and flows and the measurement of their physical properties; (2) Test equipment - portable instrumentation used in diagnostic evaluation of electronic, process, or automation equipment; and (3) Information management - the

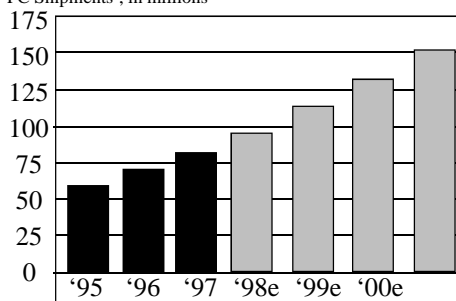
Internet Access from Home - Pie A



Note: more than a half billion personal computers could be in use by 2001, most of which are currently in the U.S.

Global PC Market - Graph A

The global PC market is projected to grow at an annual rate of 17% through 2001, reaching sales of \$333 billion PC Shipments, in millions



computer hardware and software, the programmable logic controller, sensors, and final control devices responsible for the master control of a factory process. Among INOTEK's major product lines are IBM industrial computers, Reliance programmable controls, OPTO 22, Fluke electronic test equipment and Tektronix oscilloscopes.

For the year ending May 30, 1997, sales reached \$25 million and net income/share equalled .12. At present there are only 4.4 million shares outstanding. Even at the present share price of \$1.12, INTK sports a trailing 12-month PE actual of 9.3x - currently the book value equals \$1.38, so presently INTK trades at 23% below its stated book. The company also has no long-term debt. If we examine PSR (price to sale), the numbers are equally impressive; that is, INTK is only trading at 20% of sales. The current float is only 2.4 million. When one considers the current fundamental, it is easy to conclude that there is almost no risk in purchasing this opportunity at current prices. This is a no-brainer. Global Daily Magazine is the (NASDAQ BB) and on August 20, 1997, the undervalued situation of INTK should be more fully appreciated. INTK only a cash bid should be around \$2.00.

The company is what one would call a 'shell' corporation, that is, the Broker Mike Chesler at 1-800-331-1355 for more information. Acquisition/merger. The advantage of a 'shell' is that it allows a usual reverse-merger of a private business into a public entity for lower costs and much faster than the usual procedure that must be undertaken when filing an IPO with the SEC. During the past 5 years or so the availability of 'shell' corps have become more scarce and for that reason alone, it has made 'shell' corps like GEGI extremely valuable.

The reasons why we believe that GEGI offers investors a very attractive upside potential with a very limited downside.

1. The 'shell' is ready for sale.

2. The size of the issue is extremely attractive, that is, only 2.9 million shares outstanding. It is estimated that there are over 1000 shareholders. The stock price has from 1995 to present ranged from a high of \$45.00 to a low of \$.125. This alone is extremely bullish due to the fact that most shareholders purchased this issue when the company was in full operation and at much higher prices. When an acquisition is announced, this stock will find little resistance on the upside, which of course is what we like!

3. At present there is at least 14 market-makers in this issue. This is very positive for visibility as well as liquidity.

4. At present the company has \$11 million NOL. This could be extremely attractive for a merger candidate due to the ability to reduce taxes for many years.

5. The company has an asset that could be sold and adds to the attractiveness of the 'shell'. The property is located in Camden, N.J. on the water front - there is a building as well as 10 acres of land. On the books this property is valued at \$.00. This is very attractive - estimated worth \$350K.

6. The company has a sued a firm, CRG in FL for the sum of \$677K. We do not know whether any of this money will ever be recovered, but if it is, shareholders of record prior to a merger will receive any funds that are recovered prior to a merger as well as after a merger is announced (one must be a shareholder now in order to take advantage of this unique twist). We have heard that an initial proposed settlement of 330K was not acceptable and turned down.

7. The company is also the plaintiff in litigation against certain parties with respect to the illegal sale of two S-8 registration statements filed with the SEC during 8-2-96 to 9-19-96. The amount of shares that were sold illegally is in excess of 1 million shares. The actual amount of money that potentially could be recovered is in excess of \$3.8 million (this could also include the purchase of large amounts of stock from the open market). Again, any monies that are recovered would be distributed to shareholders of record prior to an announced merger or acquisition. This works out to be over \$1.00 in cash/share. This has the potential to be extremely rewarding for shareholders.

8. The company is fully reporting and is current with its filings. The latest 10K will be filed by the 10th of September, 1997.

9. The company has announced that numerous merger candidates have been located and reviewed and that during the fourth quarter of 1997 that a choice will be made. The current share-

Note: In order to stay in line with SEC guidelines, S.A. Advisory may buy, hold or sell positions in all securities recommended. The portfolios are all hypothetical in nature. It is likely that all recommendations were purchased prior to the recommendation. We may buy additional shares or may sell shares at any time. S.A. Advisory's portfolios are geared towards sophisticated investors aiming for long-term capital gains. Our trading habits may vary at our own discretion. Most recommendations are based upon strict fundamental analysis. Usually revenue and earnings EST for low priced common stocks result from management discussions.

## S.A. Advisory Phone Service

This Service is a must for the serious investor! We communicate with the subscriber on a one-to-one basis. Quick Market Action, in many cases, secures extra profits or limits further loss. S.A. phone can be activated at any moment in time. We are personalized investor buy and sell communications. Phone Service investors usually receive special treatment concerning commissions and new issues. SEC # 801-16302-3 - Investment Advisor.

### SUBSCRIPTION FORM AS OF JANUARY 1, 1996

1 yr investment letter • 8 to 12 issues ----- \$450.00 - SPECIAL \$75 until October 15, 1997  
Includes one free Super Fast Telephone Service Recommendation - include your Telephone Number!!!  
1 yr investment letter with super-fast telephone service-\$425.00 SPECIAL \$375 until October 15, 1997  
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holders will own at least 20% of the new company. We are now hearing that by the end of September a letter of intent will be signed.

10. GEGI had a 30 for 1 reverse stock-split during June 1996.

11. The Camden property is worth at least \$350K. Upon sale of the property shareholders of record prior to a merger are entitled to any monies that are received from the sale thereof. This works out to be around 13¢/share.

12. If all monies are recovered- the amount equals over \$1.60/share, which would be distributed to shareholders of record prior to an announced merger. When one considers all the above positives that are presented, one has to take a serious look at the potential upside, not only dramatic stock appreciation, but also the potential of a monetary distribution. This situation is not for everyone, but for those that like calculated risk investment opportunities- this one has all the thrills!

## LIMITED PORTFOLIO

Recommendations from October 23, 1995 to September 2,

1997

% Gain 37.1%

(note: next newsletter will have complete listing on all portfolios.

Our November 1996 Newsletter has a complete listing)

Company	Symbol	Date	Recommended Price	Current Price	Gain or Loss	Status
*Imaging Diagnostic System	IMDS	10-23-95	.78	2	156%G	H
CTI Group Inc.	CTIG	12-10-95	.41	375	8.5%L	H
Texas Micro	TEXM	12-10-95	5.625	2.78	49%L	B
ASM Pacific Tech LTD	HongKong	12-10-95	.90	.85	6%L	B
Varitronix	HongKong	12-10-95	1.65	1.75	6%G	B
*Eurodisney 2004WTS	France	12-10-95	.27	.15	41%L	B
*Plasma Therm	*PTIS	12-18-95	2.18	7.625	249%G	H
*Electron International	*EPLTF	12-18-95	2.37	1	58%L	H
AFP Imaging	AFPC	12-18-95	1.44	2.50	73%G	H
*Centercore	*CCOR	12-18-95	.18	.17	5%L	H
*Cable Link, Inc.	*CCBLK	2-28-96	1.80	2.625	46%G	B
Ultratech Stepper	UTEK	4-2-96	18.00	28 11/16	59%G	H
American Education Corp	AEDU	6-18-96	1.125	1	11%L	H
Integrated Silicon Solution	ISSI	6-24-96	12.25	15 11/16	28%G	H
Alpha Micro System	ALMI	7-20-96	2.00	1 3/8	31%L	B
CVD Equipment	CVDE	9-5-96	1.375	1 5/8	18%G	H
HIA Inc.	HIAI	9-5-96	15/32	.23	41%L	H
*Shinawatra Computer & Communications	*Thailand	10-14-96	8.00	2.5	69%L	B
Orbit International	ORBT	10-15-96	2.56	2 13/32	6%L	B
Ashanti Goldfields	ASL	3-20-97	15.25	10 3/8	32%L	B
EV Environmental	EVEN	4-2-97	13/32	7/32	49%L	H/B
Digital Equipment	DEC	7-9-97	35.50	43	21%G	H
Silicon Graphics	SGI	7-9-97	\$16.50	27 7/16	66%G	H
ACT Networks	ANET	8-9-97	13.25	12.81	3.4%L	B

\*=recommendation on securities made prior to listed above (found in master portfolio or 900# portfolio - see Nov 96 letter)

IMDS sold 1/2 10-95 284%G

Eurodisney Warrants also recommended 10-26-94 @ .12

Quantum - still hold position in 900# portfolio @ \$22, sold current position @ 37 1/4, recommended @ \$16.25 during 12-95.

Electrocon - 8-31-95 @ .95 additional position

CenterCore - 5-2-93 @ .81 and 2-15-95 @ \$1.00 additional position

Shinawatra - 5-18-94 @ 12.25 additional position

CableLink reflects a 20%, 50% and 10% stock dividend

Recently sold EMC Corp 129% G, QNTM Corp 129% G, SALT 130%G

Bear Sterns Jap Yen Put Warrants recommended 4-22-96 @ \$6.50 - sold July 9, 97 @ \$9.50 - 46% Gain

Electrolabs EGLS r recommended 4-2-96 @ \$15.75 sell total position @ \$32 for 103% Gain

Templeton Russian Fund TRF recommended 9-27-96 @ \$19.18 (taking in account \$2.375 distribution)

sold total position July 10-97 @ \$61 11/16 for 222% Gain

## GLOBAL POSITIONS • Sept 2, 1997

COUNTRY	COMPANY	EXCHANGE &/OR SYMBOL	YR RECOMMENDED	PURCHASE PRICE	CURRENT PRICE	G OR L	STA-TUS
JAPAN	HITACHI	TOKYO	6-4-92	790 YEN	1160 YEN	47%G	B
JAPAN	NISSAN	TOKYO	8-24-92	592 YEN	763 YEN	42%G	B
MEXICO	EMPRESSAS ICA	NYSE (ICA)	4-6-92	\$17	16 1/16	5%L	H
MEXICO	GRUPO SYNKO	MEX (ADR)	4-23-91	\$1.25	.02	92%L	H
MEXICO	CIFRA	MEX (ADR)	7-27-91	\$1.18	1.90	61%G	H
ENGLAND	LONRHO	OTC (ADR)	11-27-92	\$1.08	1.88	74%G	H
ENGLAND	DAWSON HOLDING	LSE	8-23-93	\$5.50	26.25	377%G	H
	PLC	RULE 535SUB2					
CANADA	ARC INTERNATIONAL	AMEX (ATV)	8-28-93	\$1.44	6 1/2	351%G	S
THAILAND	SHINAWATRA	THAI (ADR)	5-18-94	\$12.25	2.50	80%L	B
ENGLAND	JEROME & SON	LSE (ADR)	5-18-94	\$1.00	1.125	12%G	H
	HOLDINGS						
CANADA	ARC INTERNATIONAL	AMEX (ATV)	7-7-94	\$3.125	6 1/2	108%G	H
FRANCE	EURODISNEY 2004 WARRANTS		10-26-94	.12	.16	33%G	H
ARGENTINA	YPF SOCIEDAD	NYSE (YPF)	3-8-95	\$17.00	32 9/16	91%G	B
MEXICO	GRUPO MODELO	MEX	3-18-95	\$3.66	8	19%G	B
HONG KONG	ELECTROCON	EPLTF	8-30-95	\$.95	1	5%G	H
FRANCE	EURODISNEY	1004 WARRANTS	12-10-95	\$.27	.16	41%L	H
HONGKONG	ASM PACIFIC TECH						
	TECHNOLOGY	ORDINARY	12-10-95	\$.90	.85	6%L	B
HONGKONG	VARITRONIX						
	INTERNATIONAL	ORDINARY	12-10-95	\$1.65	1.75	6%G	B
THAILAND	SHINAWATRA	ORDINARY	10-15-96	\$8.00	2.50	69%L	B
AFRICA	ASHANTI GOLDFIELDS	NYSE(ASL)	3-20-97	\$15.25	10.375	32%L	B

- On 2-28-96 sold PWP.WS @ \$20.00 recom. @ \$6.26 overall gain of 220%
- On 7-9-97 sold BYE.WS @ \$9.50 recom. @ \$6.50 on 4-22-96 for overall gain of 46%
- On 7-10-97 sold Templeton Russian Fund @ \$61.69 recom. @ \$19.375 on 9-27-96 (taking into account 2.375 distribution) for a mindblowing 222% gain.
- On 9-2-97 sold 1 position from Global Portfolio of ARC International (ATV). On 8-28-93 recommended purchase @ \$1.44 - selling one position @ \$6.50 for 351% gain

OUR OVERALL GLOBAL EXPOSURE YIELDS A 71% GAIN