

AAII's annual listing of smaller-capitalization stocks that are out of the glare of research analysts and institutional investors.

Out of the Wall Street Spotlight: The 1997 Shadow Stocks

By John Bajkowski

A regular feature of the *AAII Journal* is the Shadow Stock series.

What are
Shadow
Stocks?
They are
stocks of
smaller
firms that
are out of
the spot-
light and in
the shadows

of Wall Street: They have not attracted significant media attention; they do not have high levels of institutional ownership and consequently are not widely followed by financial analysts.

Shadow Stocks may be of special interest to individual investors. The stocks of smaller firms often diverge for long periods of time from the trend of the large-stock segment of the market. This relationship offers individual investors added diversification for their investment portfolios, which significantly lowers overall risk.

In addition, the historical evidence indicates that, over the long term, small-firm stocks provide greater returns than large-firm stocks. This appears to hold true even after adjusting for the higher risk that is associated with smaller stocks.

Lastly, the time and effort it takes investors to analyze individual stocks

may be better rewarded in the small-firm area.

Shadow Stocks are identified by applying the following screens to common stocks listed on the New York or American Stock Exchange, or traded on Nasdaq:

- Common stock outstanding has a market value between \$20 million and \$100 million; this is determined by multiplying the number of shares outstanding by the market price per share. The greater-than-\$20 million screen eliminates the smallest firms that may be start-ups with little data available and an illiquid market for their shares. The less-than-\$100 million screen eliminates large firms that are covered regularly by many financial analysts.
- The company has a relatively low level of institutional ownership, no more than 15%. This also eliminates firms that are covered by a relatively large number of analysts.
- The company had positive earnings per share for the two most recent years, and has five years of data available. By requiring positive earnings, turnaround situations that may require specialized investor knowledge are avoided.
- The company is not a financial firm, such as a bank, savings and loan, investment trust, or insurance company. These firms are screened out

because their financial statements are not comparable to most others on our list.

AAII's *Stock Investor* program, which covers over 7,200 firms, is used to screen and create the Shadow Stock list.

Every year we re-examine the list, adding new stocks and dropping some old ones. Stocks are dropped each year if they fail to meet the positive earnings screen, if they merge, are acquired, go bankrupt, or are delisted from an exchange. If they exceed or fall below the market value screen by 50%—above \$150 million or below \$10 million—for two years in a row, the stock is dropped from the list. To eliminate small firms that have received significant institutional attention, we also drop any stock that has had over 30% institutional ownership for two years in a row.

This year, 333 stocks passed all of our screens for the Shadow Stock list, with 94 firms that are new to the list (new listings are indicated by an asterisk).

Throughout the year, the *AAII Journal* presents articles to illustrate how individual investors can analyze the prospects of specific stocks by applying a variety of secondary screens and also to demonstrate how these techniques might be useful. Applying screens to actual stocks—to the Shadow Stocks—enables individual investors to become familiar with the interpretation of financial data and

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The Shadow Stock series was started by AAIL in January 1985; the list is updated each year. John Bajkowski is AAIL's senior financial analyst and editor of Computerized Investing.

1997 Shadow Stocks

Phone	Company (Exch: Ticker)	Industry Group Number*
(918) 583-2266	AAON, Incorporated (M: AAON)	0218
(713) 780-8532	* ACR Group, Inc. (M:ACRG)	0218
(508) 562-1200	ACT Manufacturing (M: ACTM)	1024
(212) 563-1036	* Actrade International (M: ACR)	0909
(713) 797-9966	Adams Res & Energy (A: AE)	0609
(408) 935-2000	* AG Associates (M: AGAI)	1033
(310) 860-6666	AirSensors (M: ARSN)	0415
(504) 893-9300	Akorn (M: AKN)	0803
(206) 882-2555	Alcide Corp. (M: ALCD)	0103
(818) 843-7220	Align-Rite Int'l (M: MASK)	1033
(310) 656-1100	All Amer Communica'n (M: AACI)	0921
(305) 621-8282	All Amer Semiconduc (M: SEMI)	1033
(310) 441-7038	* Alpha Technologies Group (M: ATGI)	1024
(702) 227-9800	Amer Casino Ent. (M: ACES)	0909
(412) 776-4857	American Eagle Outfitters (M: AEOS)	0945
(716) 684-9700	American Precision Indus. (N: APR)	0209
(516) 547-5700	American Technical Ceram (A: AMK)	1024
(310) 862-8163	* American United Global (M: AUGI)	0206
(714) 260-1200	American Vanguard Corp. (M: AMGD)	0103
(614) 895-1313	AmeriLink Corp. (M: ALNK)	0215
(619) 471-1700	Amistar Corp. (M: AMTA)	1033
(212) 867-0166	* AMNEX (M: AMXI)	0915
(212) 705-4700	AMREP Corporation (N: AXR)	0215
(860) 599-3910	Analysis & Technology (M: AATI)	0215
(719) 593-0093	Analytical Surveys (M: ANLT)	1018
(913) 451-2800	* Anuhco (A: ANU)	1115
(614) 798-2000	* Applied Innovation (M: AINN)	1012
(408) 749-1888	* Applied Signal Technology (M: APSG)	1003
(416) 630-0200	ARC International Corp.(A: ATV)	1003
(212) 206-8800	Ark Restaurants Corp. (M: ARKR)	0942
(510) 441-9300	Armanino Foods of Distrib (M: ARMF)	0515
(619) 438-6610	Ashworth (M: ASHW)	0403
(401) 828-4000	Astro-Med, Inc. (M: ALOT)	1015
(716) 447-9013	* Astronics Corp. (M: ATRO)	1024
(412) 391-1896	Astrotech Intern'l Corp. (A: AIX)	0209
(214) 361-9870	ATC Communications Group (M: ATCT)	0909
(212) 353-8280	ATC Environmental (M: ATCS)	0975
(212) 627-9700	* Audits/Surveys Worldwide (A: ASW)	0909
(612) 493-1900	* Ault Inc. (M: AULT)	1024
(616) 554-0145	Autocam Corp. (M: ACAM)	0415
(770) 394-7070	Automobile Protection (M: APCO)	0909
(817) 297-4361	Aztec Manufacturing Co. (M: AZTC)	0206
(914) 355-5300	Balchem Corp. (A: BCP)	0103
(201) 767-1400	Baltek Corp. (M: BTEK)	0209
(207) 945-5621	Bangor Hydro-Electric (N: BGR)	1203
(808) 531-8400	Barnwell Industries (A: BRN)	0609
(305) 563-1224	BCT International Inc. (M: BCTI)	0518
(214) 458-0601	* BeautiControl Cosmetics (M: BUTI)	0521
(305) 593-0770	Benihana (M: BNHN)	0942

Phone	Company (Exch: Ticker)	Industry Group Number*
(413) 442-1511	Berkshire Gas Co. (M: BGAS)	1206
(403) 279-2917	* Big Rock Brewery (M: BEERF)	0503
(805) 654-0643	* Biopool Int'l (M: BIPL)	0803
(757) 887-2100	Blessings Corp. (A: BCO)	0112
(602) 957-0271	Bowmar Instrument (A: BOM)	1024
(714) 526-5533	Bridgford Foods Corp. (M: BRID)	0515
(703) 556-6518	BTG, Inc. (M: BTGI)	1036
(508) 667-4111	* BTU International (M: BTUI)	1033
(404) 266-8333	Bull Run Corp. (M: BULL)	1015
(813) 461-5656	* C.H. Heist Corp. (A: HST)	0215
(212) 840-4242	Cache (M: CACH)	0945
(703) 841-7800	CACI International (M: CACI)	0215
(404) 355-2820	Cagle's (A: CGLA)	0515
(818) 886-9819	* Calnetics Corp. (M: CALN)	0112
(914) 694-8600	* Candie's (M: CAND)	0418
(714) 622-8400	* Capital Pacific Holdings (A: CPH)	0215
(305) 558-4777	* Catalina Lighting (N: LTG)	0421
(408) 542-1000	* Catalyst Semiconductor (M: CATS)	1033
(602) 265-0580	Cavco Industries (M: CVCO)	0221
(602) 967-7885	Cerprobe Corp. (M: CRPB)	1024
(707) 254-4200	* Chalone Wine Group (M: CHLN)	0503
(612) 939-9000	Check Technology (M: CTCQ)	0218
(419) 665-2367	* Chemi-Trol Chemical Co. (M: CTRL)	0218
(216) 896-4202	Chempower (M: CHEM)	0975
(302) 734-6754	Chesapeake Utilities (N: CPK)	1206
(941) 277-6200	Chico's FAS (M: CHCS)	0945
(847) 439-1999	Circuit Systems (M: CSVI)	1024
(408) 982-9999	CMC Industries (M: CMCI)	1003
(303) 530-2660	* Colorado MEDtech (M: CMED)	0812
(804) 978-2200	Comdial Corp. (M: CMDL)	1003
(860) 669-8636	Connecticut Water Serv (M: CTWS)	1209
(201) 291-1900	* Consolidated Delivery (M: CDLI)	1115
(716) 382-3223	CPAC (M: CPAK)	0427
(972) 393-3800	Craftmade Int'l (M: CRFT)	0406
(770) 952-1660	Cryolife, Inc. (M: CRYL)	0806
(617) 466-8080	* CTC Communications (M: CPTL)	0915
(808) 326-1353	* Cyanotech Corp. (M: CYAN)	0803
(205) 430-4000	* Cybex Computer Products (M: CBXC)	1015
(216) 328-5100	D.I.Y. Home Warehouse (M: DIYH)	0960
(213) 624-7715	Daily Journal Co. (M: DJCO)	0927
(201) 529-2026	* Data Systems & Software (M: DSSI)	1018
(212) 244-0555	Daxor Corp. (A: DXR)	0806
(407) 727-0660	DBA Systems (M: DBAS)	0203
(805) 376-9415	* DDL Electronics (N: DDL)	1024
(518) 747-6255	Decora Industries (M: DECO)	0112
(914) 686-3600	Del Global Technologies (M: DGTC)	1024
(516) 293-7070	Del Labs (A: DLI)	0521
(606) 744-6171	Delta Natural Gas Co. (M: DGAS)	1206
(212) 838-3777	* Deswell Industries (M: DSWLF)	0112

Phone	Company (Exch: Ticker)	Industry Group Number*
(313) 567-4422	Detroit & Canada Tunnel (M: DTUN)	1109
(818) 841-3003	Dick Clark Productions (M: DCPI)	0921
(805) 446-4800	Diodes Incorporated (A: DIO)	1033
(310) 834-2625	Dominguez Services Corp. (M: DOMZ)	1209
(713) 439-7511	* DRCA Medical Corp. (A: DRC)	0806
(914) 428-9098	Drew Industries (A: DW)	0209
(319) 556-8392	* Eagle Point Software (M: EGPT)	1036
(716) 684-8060	Ecology and Environment (A: EEI)	0975
(918) 622-4522	Educational Development (M: EDUC)	0927
(717) 443-9575	EMCEE Broadcast Prod (M: ECIN)	1003
(717) 771-1700	* Emons Transportation Group (M: EMON)	1112
(406) 791-7500	Energy West (M: EWST)	1206
(603) 625-4000	EnergyNorth (N: EI)	1206
(314) 993-5880	* Engineered Support System (M: EASI)	0218
(305) 442-2060	* Equitrac Corp. (M: ETRC)	1006
(310) 887-4300	Equity Marketing (M: EMAK)	0430
(906) 632-2221	ESECO (M: EDESE)	1203
(518) 584-4100	Espey Mfg. & Electronics (A: ESP)	1024
(508) 388-4000	Essex County Gas Co. (M: ECGC)	1206
(415) 855-0400	* Euphonix (M: EUPH)	1030
(305) 858-8200	FDP Corp. (M: FDP)	1036
(602) 414-0300	First American Health (M: FAHC)	0909
(612) 576-3500	First Team Sports (M: FTSP)	0430
(508) 588-1220	First Years (M: KIDD)	0403
(516) 694-7773	Foilmark (M: FLMK)	0218
(919) 975-2000	* Fountain Powerboat (M: FPWR)	0430
(713) 672-9433	Friedman Industries (A: FRD)	0209
(407) 290-6000	Gencor Industries (A: GX)	0206
(907) 265-5600	General Communication (M: GNCMA)	0915
(630) 954-0400	* General Employment (A: JOB)	0909
(908) 862-6200	General Magnaplate Corp. (M: GMCC)	0127
(410) 290-2300	* General Physics Corp. (N: GPH)	0909
(516) 420-1900	Genovese Drug Stores (A: GDXA)	0954
(205) 326-6101	Golden Enterprises (M: GLDC)	0515
(770) 393-5050	Golden Poultry Co. (M: CHIK)	0515
(404) 874-3327	Graphic Industries (M: GRPH)	0930
(912) 888-9390	Gray Communica'ns Sys (N: GCS)	0927
(612) 224-2385	Great Northern Iron Ore (N: GNI)	0124
(301) 731-2300	Group 1 Software (M: GSOF)	1036
(864) 225-6232	* Hampshire Group (M: HAMP)	0403
(405) 329-4045	Harolds Stores (A: HLD)	0945
(612) 331-6910	Hawkins Chemical (M: HWKN)	0103
(612) 829-3500	Health Risk Management (M: HRMI)	0909
(612) 443-2500	HEI, Inc. (M: HEI)	1033
(408) 972-1990	* Hello Direct (M: HELO)	1003
(316) 269-4310	* High Plains Corp. (M: HIPC)	0103
(972) 466-0475	* Hillite Industries (M: HILI)	0415
(407) 363-9211	Holiday RV Superstores (M: RVEE)	0963
(508) 532-9000	Hyde Athletic Indus (M: HYDEA)	0418

* New to the Shadow Stock listing.

*See the Guide to Industry Group Numbers at the end of this article.

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Exchange Key: N = New York Stock Exchange
A = American Stock Exchange
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Phone	Company (Exch: Ticker)	Industry Group Number [†]
(561) 994-6191	* Hydron Technologies (M: HTEC)	0521
(818) 407-9100	* Image Entertainment (M: DISK)	0921
(408) 432-9100	* IMP, Inc. (M: IMPX)	1033
(408) 453-3700	Impact Systems (M: MPAC)	1030
(713) 747-1025	* Industrial Holdings (M: IHII)	0127
(412) 788-4353	Industrial Scientific (M: ISCX)	1030
(718) 625-7750	Innodata Corp. (M: INOD)	1018
(602) 902-1001	Insight Enterprises (M: NSIT)	1015
(301) 731-4233	Integral Systems (M: ISYS)	1018
(518) 782-1122	Intermagnetics General (A: IMG)	0812
(818) 709-1244	* International Remote Imaging (A: IRI)	1030
(314) 727-0500	Intrav Inc. (M: TRAV)	0924
(908) 308-3000	* IVC Industries Inc. (M: IVCO)	0803
(516) 273-5500	Jaco Electronics (M: JACO)	1024
(212) 983-2640	Jean Philippe Fragrances (M: JEAN)	0521
(314) 576-6100	Jones Medical Industries (M: JMEDI)	0803
(313) 662-2323	* JPE, Inc. (M: JPEI)	0415
(303) 837-0779	Key Production Co. (N: KP)	0609
(509) 529-2161	Key Technology (M: KTEC)	0218
(214) 458-0028	Keystone Consol Indus (N: KES)	0121
(610) 828-7261	Kleinert's (M: KLRT)	0403
(303) 574-1000	Koala Corp. (M: KARE)	0421
(414) 964-5000	Koss Corp. (M: KOSS)	0409
(314) 231-5960	LaBarge (A: LB)	0203
(210) 344-3071	Lancer Corp. (A: LAN)	0218
(303) 649-1000	Laser Technology (A: LSR)	1030
(216) 333-9250	Lesco (M: LSCO)	0103
(206) 725-0900	Lindal Cedar Homes (M: LNDL)	0215
(408) 737-3300	Logic Devices (M: LOGC)	1033
(203) 629-3333	Lynch Corp. (A: LGL)	1115
(206) 487-4333	* Mackie Designs Inc. (M: MKIE)	1003
(203) 245-7664	Magellan Petroleum (M: MPET)	0609
(714) 580-0700	* MAI Systems Corp. (A: NOW)	1012
(708) 590-7000	Market Facts (M: MFAC)	0909
(715) 926-4216	Marten Transport, Ltd. (M: MRTN)	1115
(803) 637-7000	Martin Color-Fi (M: MRCF)	0106
(205) 767-0330	Martin Industries (M: MTIN)	0209
(808) 544-6112	Mauna Loa Macadamia (N: NUT)	0509
(614) 431-5800	Max & Erma's Restaurants (M: MAXE)	0942
(810) 264-3611	McClain Industries (M: MCCL)	0209
(602) 808-8800	Medicis Pharmaci (M: MDRX)	0803
(310) 827-2737	Mercury Air Group (A: MAX)	1109
(513) 271-3700	Meridian Diagnostics (M: KITS)	0803
(410) 309-6830	* Meridian Medical Tech (M: MTEC)	0812
(801) 253-1600	Merit Medical Systems (M: MMSI)	0812
(303) 987-8000	* Mesa Laboratories (M: MLAB)	1030
(612) 726-5151	Mesaba Holdings (M: MAIR)	1106
(413) 568-9571	Mestek Inc. (N: MCC)	0218
(215) 723-6751	Met-Pro Corp. (A: MPR)	0218

Phone	Company (Exch: Ticker)	Industry Group Number [†]
(508) 531-6464	* Micron Corp. (M: MICN)	1033
(914) 738-8400	Micro Bio-Medics (M: MBMI)	0812
(847) 741-3300	Middleby Corp., The (M: MIDD)	0218
(908) 634-1500	Middlesex Water Co. (M: MSEX)	1209
(516) 420-9800	Milgray Electronics (M: MGRY)	1024
(801) 261-5666	Mining Services Int'l (M: MSIX)	0103
(708) 627-6900	Minuteman Int'l (M: MMAN)	0218
(334) 476-2720	Mobile Gas Service Corp. (M: MBLE)	1206
(503) 375-9300	* Morrow Snowboards (M: MRRW)	0430
(516) 842-9400	Napco Security Systems (M: NSSC)	0972
(305) 581-0922	National Beverage Corp. (A: FIZ)	0506
(614) 344-2102	National Gas & Oil Co. (A: NLG)	1206
(914) 722-9000	* National Home Health Care (M: NHHC)	0806
(513) 762-6500	National Sanitary Supply (M: NSSX)	0521
(313) 277-2277	National TechTeam (M: TEAM)	1018
(619) 744-7340	Natural Alternatives Intl (A: NAI)	0803
(602) 952-8836	New Mexico & Arizona Land (A: NZ)	0939
(610) 891-8200	* Nobel Education Dynamics (M: NEDI)	0969
(352) 732-5157	Nobility Homes (M: NOBH)	0221
(804) 928-9000	Noland Co. (M: NOLD)	0218
(910) 483-0315	North Carolina Nat'l Gas (N: NCG)	1206
(612) 784-1250	Northern Tech Int'l (A: NTI)	0103
(203) 265-7701	Novamatrix Medical Sys (M: NMIX)	0812
(516) 226-6000	Nu Horizons Electronics (M: NUHC)	1024
(414) 327-1700	Oilgear Company, The (M: OLGR)	0218
(901) 683-7868	Omega Health Systems (M: OHSI)	0806
(610) 275-4500	* Owosso Corp. (M: OWOS)	1024
(501) 361-9111	P.A.M. Transportation (M: PTIS)	1115
(505) 271-2200	* Panatech R & D Corp. (M: PNTE)	0218
(315) 738-0600	PAR Technology Corp. (N: PTC)	1027
(915) 684-3727	Parallel Petroleum Corp. (M: PLLL)	0609
(508) 685-4341	Parlex Corp. (M: PRLX)	1033
(954) 316-9008	Parlux Fragrances (M: PARL)	0521
(915) 573-1104	Patterson Energy (M: PTEN)	0612
(305) 889-1600	* Perfumania (M: PRFM)	0954
(602) 948-8003	* Photocomm, Inc. (M: PCOM)	1024
(610) 691-0437	Piercing Pagoda (M: PGDA)	0963
(813) 577-4999	Plasma-Therm (M: PTIS)	1033
(414) 722-3451	Plexus Corp. (M: PLXS)	1024
(606) 282-7111	Pomeroy Computer Res'ce (M: PMRY)	0966
(303) 297-2100	Prima Energy Corp. (M: PENG)	0609
(512) 328-2892	Prime Medical Services (M: PMSI)	0806
(203) 358-5700	* PrimeEnergy Corp. (M: PNRG)	0609
(303) 443-6136	Pro-Dex (M: PDEX)	0812
(401) 272-9191	Providence Energy Corp. (N: PVV)	1206
(908) 542-0060	* PVC Container Corp. (M: PVCC)	0109
(609) 486-1777	* RCM Technologies (M: RCMT)	0909
(910) 350-3100	Reeds Jewelers (M: REED)	0963
(212) 687-4741	REFAC Technology Devlp (A: REF)	0721

Phone	Company (Exch: Ticker)	Industry Group Number [†]
(314) 537-9715	* Reliv International (M: RELV)	0515
(813) 854-2351	Reptron Electronics (M: REPT)	1024
(609) 751-0033	* RF Power Products (A: RFP)	1024
(540) 983-3800	Roanoke Gas Co. (M: RGCO)	1206
(303) 259-0554	Rocky Mountain Chocolate (M: RMCF)	0957
(310) 538-4932	Rotronics Manufacturing (A: RMI)	0109
(612) 638-0500	Rottlund Company (M: RHOM)	0215
(540) 389-8671	Rowe Furniture Corp. (N: ROW)	0421
(508) 653-0844	Sage Labs (M: SLAB)	1024
(708) 803-4600	* Salton/Maxim Housewares (M: SALT)	0406
(514) 939-3477	Sand Technology Sys (M: SDCF)	1015
(601) 649-4030	Sanderson Farms (M: SAFM)	0515
(510) 608-3400	Scientific Technologies (M: STIZ)	1030
(310) 458-1574	Scope Industries (A: SCP)	0515
(303) 373-4860	Scott's Liquid Gold (N: SGD)	0521
(419) 893-9401	Seaway Food Town (M: SEWY)	0957
(215) 646-6600	Selas Corp. of America (A: SLS)	0218
(708) 956-8000	* SigmaTron Int'l (M: SGMA)	1024
(408) 279-7810	SJW Corp. (A: SJW)	1209
(513) 874-1188	* Skyline Chili (A: SKC)	0942
(609) 727-1500	* SL Industries (N: SL)	1024
(412) 933-3300	* SMT Health Services (M: SHED)	0806
(617) 421-5400	* Sonesta Int'l Hotels Corp. (M: SNSTA)	0918
(818) 915-1551	Southwest Water Co. (M: SWWC)	1209
(814) 835-4000	Spectrum Control (M: SPEC)	1024
(201) 798-0090	* Square Indus (M: SQAI)	0909
(212) 751-3100	Starrett Corp. (A: SHO)	0215
(954) 971-0600	Stephan Co., The (A: TSC)	0521
(714) 753-7864	* STM Wireless (M: STMI)	1003
(718) 832-1212	* Strober Organization, The (M: STRB)	0960
(610) 391-9200	* Submicron Systems (M: SUBM)	1033
(310) 792-7024	* Summa Industries (M: SUMX)	0112
(408) 744-0100	Supertex (M: SUPX)	1033
(541) 967-6575	Synthetech (M: NZYM)	0103
(303) 790-9111	* T-NETIX Inc. (M: TNTX)	1036
(213) 780-8250	Tarrant Apparel Group (M: TAGS)	0403
(617) 523-2030	* Tech/Ops Sevcon (A: TO)	1024
(813) 535-0572	Technology Research (M: TRCI)	1024
(404) 381-8338	Theragenics Corp. (M: THRX)	0803
(412) 244-6400	* Thermal Industries (M: THMP)	0209
(617) 622-1000	Thermo Voltek Corp. (A: TVL)	1024
(516) 789-5000	TII Industries (M: TIII)	1024
(503) 626-6775	Timberline Software (M: TMBS)	1036
(415) 928-3200	Todd-AO Corp. (M: TODDA)	0921
(201) 812-1100	Total-Tel USA Commun. (M: TELU)	0915
(718) 553-4300	* Tower Air, Inc. (M: TOWR)	1106
(847) 272-1000	Trans Leasing Int'l (M: TLII)	0939
(813) 248-3878	TransCor Waste Serv (M: TRCW)	0975
(716) 352-7777	* Transmaton, Inc. (M: TRNS)	1030

LIST CONTINUES ON FOLLOWING PAGE

* New to the Shadow Stock listing.

[†]See the Guide to Industry Group Numbers at the end of this article.

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A = American Stock Exchange
M = Nasdaq

1997 Shadow Stocks

Phone	Company (Exch: Ticker)	Industry Group Number*
(305) 892-3300	* Transmedia Network (N: TMNV)	0909
(919) 775-2201	Trion (M: TRON)	0218
(616) 649-0545	Triple S Plastics (M: TSSS)	0112
(612) 483-0900	TSI Incorporated (M: TSII)	1030
(516) 231-0333	* TSR, Inc. (M: TSRI)	1036
(972) 462-0100	* TST/Impreso (M: TSTI)	0518
(412) 843-8200	Tuscarora Incorporated (M: TUSC)	0109
(415) 616-8111	* U.S. Home & Garden (M: USHG)	0103
(972) 991-8400	U.S. Lime & Minerals (M: USLM)	0212
(303) 413-2500	Ultimate Electronics (M: ULTE)	0966
(214) 280-9675	Ultrak (M: ULTK)	1024
(814) 234-6000	Uni-Marts (A: UNI)	0957
(770) 424-3684	UniComp (M: UCMP)	1012

Phone	Company (Exch: Ticker)	Industry Group Number*
(516) 932-2000	Uniflex (A: UFX)	0109
(516) 437-3300	Uniforce Services (M: UNFR)	0909
(847) 541-2525	* Unimed Pharmaceuticals (M: UMED)	0803
(603) 772-0775	UNITIL Corp. (A: UTL)	1203
(617) 323-9200	Uno Restaurant Corp. (N: UNO)	0942
(906) 487-5000	Upper Peninsula Energy (M: UPEN)	1203
(214) 680-9700	* USDATA Corp. (M: USDC)	1036
(713) 462-8700	Vallen Corp. (M: VALN)	0812
(415) 492-1500	Valley Forge Corp.(A: VF)	1024
(401) 334-1188	Valley Resources (A: VR)	1206
(805) 523-0322	* Variflex, Inc. (M: VFLX)	0430
(612) 832-3200	Vaughn Communication (M: VGHN)	0921
(615) 269-1900	Volunteer Capital (N: VCC)	0942

Phone	Company (Exch: Ticker)	Industry Group Number*
(703) 960-4600	VSE Corp. (M: VSEC)	0215
(203) 975-1100	Warrantech Corp. (M: WTEC)	0909
(301) 772-8900	Washington Homes (N: WHI)	0215
(770) 623-0096	* Wegener Corp. (M: WGNR)	1003
(718) 417-3770	Western Beef (M: BEEF)	0957
(503) 238-0109	* Wholesome & Hearty Foods (M: WHFI)	0515
(503) 684-8600	Williams Controls (M: WMCO)	0415
(201) 420-2796	Wilshire Oil Co. of Texas (N: WOC)	0609
(513) 489-8849	Zaring Homes (M: ZHOM)	0215
(416) 365-8080	Zemex Corp. (N: ZMX)	0212
(914) 747-7474	Zing Technologies (M: ZING)	1033
(314) 291-5110	Zoltek Companies (M: ZOLT)	1024
(617) 423-1072	ZOOM Telephonics (M: ZOOM)	1003

* New to the Shadow Stock listing.

*See the Guide to Industry Group Numbers at the end of this article.

Data Source: AAIL's Stock Investor/Market Guide, Inc.

Exchange Key

N = New York Stock Exchange

A = American Stock Exchange

M = Nasdaq

(continued from page 15)

the process of individual stock selection in a fundamental analysis framework.

Before making any investment decision, you should gather all pertinent information and understand the in-

vestment thoroughly. Also, keep in mind that no one investment technique will be best in all market environments and that techniques that worked in the past may not be as useful in the future.

Diversifying your investments, mini-

mizing taxes and transaction costs, maintaining a portfolio of investments at a level of risk that you are comfortable with, and taking a longer-term perspective are investment approaches that will prove their value over time.



Sources of Information for Small Stocks

Corporate Reports

The annual report contains the income statement, cash flow statement, and balance sheet for recent years and a summary of earnings and dividends. The 10-K incorporates the annual corporate report sent to shareholders, detailed financial statements and exhibits organized by lines of business. Annual reports are available by writing or calling the firm, or through one of the following sources:

Public Register's Annual Report Service

Request reports by phone at 800/4-ANNUAL, by fax at 860/974-2229, or through the Internet at www.prars.com.

SEC—EDGAR

All publicly traded firms must file quarterly and annual reports electronically with the Securities & Exchange Commission. The SEC makes this electronic database available free at its Web site (www.sec.gov).

Stock Exchanges

Stock exchanges have listings that publicize and promote corporations. Nasdaq (301/590-6142) publishes an annual Nasdaq Fact Book and Company Directory and maintains a Web site at www.nasdaq.com with quotes and links to company sites. The American Stock Exchange publishes an annual Amex Fact Book (212/306-1386) and maintains a Web site at www.amex.com. The New York Stock Exchange's Web site is at www.nyse.com.

Hoovers Inc.

Hoover's publishes annual handbooks on American businesses, including emerging companies, which contain profiles of each company. Their Web site at www.hoovers.com offers free company profiles and links to company sites, along with more in-depth company reports for a fee.

Standard & Poor's Corp.

Standard & Poor's publishes various reports on companies available in libraries or by calling (800) 221-5277: the S&P Stock Guide (monthly), S&P Stock Reports (bimonthly); and S&P Register of Corporations, Directors, and Executives (annually). Their Web site at www.stockinfo.standardpoor.com offers subscription services and ordering of company reports for a fee.

Stock Investor

AAIL's software program and stock database provides in-depth company fundamentals on 7,200 companies (800/428-2244). Updated quarterly and available for Windows or DOS on disk or CD-ROM. Stock screening articles and results can be obtained on-line through America Online at keyword AAIL. AAIL also maintains a Web site at www.aail.org.

Value Line Publishing

The Value Line Investment Survey and Value Line Investment Survey—Expanded Edition offer comprehensive one-page reports of companies that are updated continuously (800/634-3583). The Investment Survey for Windows is an electronic subscription version on CD-ROM.

Guide to Industry Group Numbers

Industry Group Number	Industry	Percentage of 1997 Shadow Stocks*	Industry Group Number	Industry	Percentage of 1997 Shadow Stocks*	Industry Group Number	Industry	Percentage of 1997 Shadow Stocks*
01	Basic Materials	7.5%	0509	Crops	0.3%	0933	Real Estate Operations	0.0%
0103	Chemical Manufacturing	3.0%	0512	Fish/Livestock	0.0%	0936	Recreational Activities	0.0%
0106	Chemicals—Plastics and Rubbers	0.3%	0515	Food Processing	2.7%	0939	Rental & Leasing	0.6%
0109	Containers & Packaging	1.2%	0518	Office Supplies	0.6%	0942	Restaurants	1.8%
0112	Fabricated Plastic & Rubber	1.8%	0521	Personal & Household Products	2.4%	0945	Retail (Apparel)	1.2%
0115	Forestry & Wood Products	0.0%	0524	Tobacco	0.0%	0948	Retail (Catalog & Mail Order)	0.0%
0118	Gold & Silver	0.0%				0951	Retail (Department & Discount)	0.0%
0121	Iron & Steel	0.3%	06	Energy	2.7%	0954	Retail (Drugs)	0.6%
0124	Metal Mining	0.3%	0603	Coal	0.0%	0957	Retail (Grocery)	1.2%
0127	Misc. Fabricated Products	0.6%	0606	Oil & Gas—Integrated	0.0%	0960	Retail (Home Improvement)	0.6%
0130	Non-Metallic Mining	0.0%	0609	Oil & Gas Operations	2.4%	0963	Retail (Specialty Non-Apparel)	0.9%
0133	Paper & Paper Products	0.0%	0612	Oil Well Services & Equip	0.3%	0966	Retail (Technology)	0.6%
						0969	Schools	0.3%
02	Capital Goods	13.8%	07	Financial	0.3%	0972	Security Systems & Services	0.3%
0203	Aerospace and Defense	0.6%	0703	Consumer Financial Services	0.0%	0975	Waste Management Services	1.2%
0206	Construction & Agric. Machinery	0.9%	0706	Insurance (Accident & Health)	0.0%			
0209	Construction—Suppl. and Fixt.	2.4%	0709	Insurance (Life)	0.0%	10	Technology	26.4%
0212	Construction—Raw Materials	0.6%	0712	Insurance (Miscellaneous)	0.0%	1003	Communications Equipment	3.0%
0215	Construction Services	3.6%	0715	Insurance (Property & Casualty)	0.0%	1006	Computer Hardware	0.3%
0218	Misc. Capital Goods	5.1%	0718	Investment Services	0.0%	1012	Computer Networks	0.9%
0221	Mobile Homes & RVs	0.6%	0721	Misc. Financial Services	0.3%	1015	Computer Peripherals	1.5%
			0724	Money Center Banks	0.0%	1018	Computer Services	1.5%
03	Conglomerates	0.0%	0727	Regional Banks	0.0%	1021	Computer Storage Devices	0.0%
0303	Conglomerates	0.0%	0730	S&Ls/Savings Banks	0.0%	1024	Electronic Instrum'ts & Controls	9.0%
						1027	Office Equipment	0.3%
04	Consumer Cyclical	7.2%	08	Healthcare	7.5%	1030	Scientific & Tech Instruments	2.7%
0403	Apparel/Accessories	1.5%	0803	Biotechnology & Drugs	3.0%	1033	Semiconductors	4.8%
0406	Appliances & Tools	0.6%	0806	Healthcare Facilities	2.1%	1036	Software & Programming	2.4%
0409	Audio & Video Equipment	0.3%	0809	Major Drugs	0.0%			
0412	Auto & Truck Manufacturers	0.0%	0812	Medical Equipment & Supplies	2.4%	11	Transportation	3.0%
0415	Auto & Truck Parts	1.5%				1103	Air Courier	0.0%
0418	Footwear	0.6%	09	Services	18.3%	1106	Airline	0.6%
0421	Furniture & Fixtures	0.9%	0903	Advertising	0.0%	1109	Misc. Transportation	0.6%
0424	Jewelry & Silverware	0.0%	0906	Broadcasting & Cable TV	0.0%	1112	Railroads	0.3%
0427	Photography	0.3%	0909	Business Services	4.5%	1115	Trucking	1.5%
0430	Recreational Products	1.5%	0912	Casinos & Gaming	0.0%	1118	Water Transportation	0.0%
0433	Textiles—Non-Apparel	0.0%	0915	Communications Services	1.2%			
0436	Tires	0.0%	0918	Hotels & Motels	0.3%	12	Utilities	6.3%
			0921	Motion Pictures	1.5%	1203	Electric Utilities	1.2%
05	Consumer/Non-Cyclical	6.9%	0924	Personal Services	0.3%	1206	Natural Gas Utilities	3.6%
0503	Beverages (Alcoholic)	0.6%	0927	Printing & Publishing	0.9%	1209	Water Utilities	1.5%
0506	Beverages (Non-Alcoholic)	0.3%	0930	Printing Services	0.3%			

*Percentages will not add up to 100% due to rounding.
Adapted from Market Guide's industry classifications.