

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 1998 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 spotlight 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 8,200 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 105 firms that are new to the list (new listings are indicated by an asterisk).

The initial screen for Shadow Stocks is meant only to be a starting point—it is not a recommended list of companies. 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 enables individual investors to become familiar with the interpretation of financial data and the process of individual stock selection in a fundamental analysis framework.

Before making any investment de-
(continued on page 15)

John Bajkowski is AAII's senior financial analyst and editor of Computerized Investing. Wayne A. Thorp, assistant financial analyst at AAII, provided research assistance.

The Shadow Stock series was started by AAII in January 1985; the list is updated each year.

1998 Shadow Stocks

| Phone | Company (Exch: Ticker) | Industry Group Number* |
|--------------|--|------------------------|
| 918/583-2266 | AAON, Incorporated (M: AAOB) | 0218 |
| 713/780-8532 | ACR Group, Inc. (M: ACRG) | 0218 |
| 978/567-4000 | ACT Manufacturing (M: ACTM) | 1024 |
| 212/563-1036 | Actrade International (M: ACRT) | 0909 |
| 713/881-3600 | Adams Res & Energy (A: AE) | 0609 |
| 703/934-8130 | * Advanced Comm. Systems (M: ASCS) | 0915 |
| 303/792-7400 | * Air Methods Corp. (M: AIRM) | 1109 |
| 847/236-3800 | Akorn (M: AKRN) | 0803 |
| 425/882-2555 | Alcide Corp. (M: ALCD) | 0103 |
| 818/843-7220 | Align-Rite Int'l (M: MASK) | 1033 |
| 801/273-6600 | * ALPNET, Inc. (M: AILP) | 0909 |
| 702/433-8525 | * Alta Gold Co. (M: ALTA) | 0118 |
| 781/237-6655 | * American Bilrite Inc. (A: ABL) | 0112 |
| 412/776-4857 | American Eagle Outfitters (M: AEOS) | 0945 |
| 716/684-9700 | American Precision Indus. (N: APR) | 0209 |
| 606/873-5455 | * American Resources of DE (M: GASS) | 0609 |
| 978/262-8700 | * American Science & Engin. (A: ASE) | 0812 |
| 516/547-5700 | American Technical Ceram (A: AMK) | 1024 |
| 714/260-1200 | American Vanguard Corp. (M: AMGD) | 0103 |
| 702/227-9800 | American Vantage Cos. (M: ACES) | 0909 |
| 614/895-1313 | AmeriLink Corp. (M: ALNK) | 0215 |
| 760/471-1700 | Amistar Corp. (M: AMTA) | 1033 |
| 212/705-4700 | AMREP Corporation (N: AXR) | 0215 |
| 860/599-3910 | Analysis & Technology (M: AATI) | 0909 |
| 719/593-0093 | Analytical Surveys (M: ANLT) | 0909 |
| 417/725-9888 | * Applied Cellular Tech. (M: ACTC) | 1036 |
| 408/749-1888 | Applied Signal Technology (M: APSG) | 1003 |
| 212/506-5046 | * Aramex International Ltd. (M: ARMXF) | 1103 |
| 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 |
| 302/453-6900 | * Artesian Resources Corp. (M: ARTNA) | 1209 |
| 619/438-6610 | Ashworth (M: ASHW) | 0403 |
| 212/319-8400 | * ASI Solutions, Inc. (M: ASIS) | 0909 |
| 401/828-4000 | Astro-Med, Inc. (M: ALOT) | 1015 |
| 716/447-9013 | Astronics Corp. (M: ATRO) | 1024 |
| 212/353-8280 | ATC Group Svcs (M: ATCS) | 0975 |
| 212/627-9700 | Audits/Surveys Worldwide (A: ASW) | 0909 |
| 612/493-1900 | Ault Inc. (M: AULT) | 1024 |
| 616/698-0707 | Autocam Corp. (M: ACAM) | 0415 |
| 770/394-7070 | Automobile Protection (M: APCO) | 0909 |
| 212/593-7900 | * Axsys Technologies, Inc. (M: AXYS) | 1024 |
| 817/297-4361 | Aztec Manufacturing Co. (N: AZZ) | 0206 |
| 914/355-5300 | Balchem Corp. (A: BCP) | 0103 |
| 201/767-1400 | Baltek Corp. (M: BTEK) | 0209 |
| 207/990-6936 | Bangor Hydro-Electric (N: BGR) | 1203 |
| 612/331-8500 | * Barbers, Hairstyling (M: BBHF) | 0924 |
| 808/531-8400 | Barnwell Industries (A: BRN) | 0609 |
| 214/458-0601 | BeautiControl Cosmetics (M: BUTI) | 0521 |

| Phone | Company (Exch: Ticker) | Industry Group Number* |
|--------------|---------------------------------------|------------------------|
| 305/593-0770 | Benihana (M: BNHN) | 0942 |
| 508/563-1000 | * Benthos, Inc. (M: BTHS) | 1024 |
| 413/442-1511 | Berkshire Gas Co. (M: BGAS) | 1206 |
| 415/989-6580 | * BF Enterprises, Inc. (M: BFEN) | 0215 |
| 212/483-2323 | * Biacore International AB (M: BCORY) | 1030 |
| 805/963-8727 | * Big Dog Holdings, Inc. (M: BDOG) | 0945 |
| 805/654-0643 | Biopool Int'l (M: BIPL) | 0803 |
| 757/887-2100 | Blessings Corp. (A: BCO) | 0112 |
| 602/957-0271 | Bowmar Instrument (A: BOM) | 1033 |
| 714/526-5533 | Bridgford Foods Corp. (M: BRID) | 0515 |
| 703/383-8000 | BTG, Inc. (M: BTGI) | 1036 |
| 978/667-4111 | BTU International (M: BTUI) | 1033 |
| 813/461-5656 | C.H. Heist Corp. (A: HST) | 0215 |
| 905/475-1030 | * Cabletel Communications (A: TTV) | 1024 |
| 212/575-3200 | Cache (M: CACH) | 0945 |
| 404/355-2820 | Cagle's (A: CGLA) | 0515 |
| 601/948-6813 | * Cal-Maine Foods, Inc. (M: CALM) | 0512 |
| 914/694-8600 | Candie's (M: CAND) | 0418 |
| 714/622-8400 | Capital Pacific Holdings (A: CPH) | 0215 |
| 704/359-8990 | * CCAIR, Inc. (M: CCAIR) | 1106 |
| 818/882-0883 | * Chad Therapeutics (A: CTU) | 0812 |
| 707/254-4200 | Chalone Wine Group (M: CHLN) | 0503 |
| 781/848-2810 | * Chase Corp. (A: CCF) | 0103 |
| 612/939-9000 | Check Technology (M: CTCQ) | 0218 |
| 800/223-2436 | Chemi-Trol Chemical Co. (M: CTRL) | 0218 |
| 410/843-5000 | * Chesapeake Biological Lab (M: CBLI) | 0803 |
| 302/734-6798 | Chesapeake Utilities (N: CPK) | 1206 |
| 847/439-1999 | Circuit Systems (M: CSVI) | 1024 |
| 408/982-9999 | CMC Industries (M: CMCI) | 1003 |
| 203/830-3400 | * Cognitronics Corp. (A: CGN) | 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 |
| 614/870-5000 | * CORE Materials Corp. (A: CME) | 0112 |
| 972/393-3800 | Craftmade Int'l (M: CRFT) | 0406 |
| 770/419-3355 | CryoLife, Inc. (N: CRY) | 0806 |
| 617/466-8080 | CTC Communications (M: CPTL) | 0915 |
| 808/326-1353 | Cyanotech Corp. (M: CYAN) | 0803 |
| 205/430-4000 | Cybox Computer Products (M: CBXC) | 1015 |
| 314/727-3485 | * D&K Healthcare Resources (M: DKWD) | 0803 |
| 216/328-5100 | D.I.Y. Home Warehouse (M: DIYH) | 0960 |
| 213/624-7715 | Daily Journal Co. (M: DJCO) | 0927 |
| 210/593-7000 | * Datapoint Corp. (N: DPT) | 1006 |
| 609/799-0071 | * Dataram Corp. (A: DTM) | 1021 |
| 801/977-3100 | * Daw Technologies (M: DAWK) | 0975 |
| 407/727-0660 | DBA Systems (M: DBAS) | 0203 |
| 518/747-6255 | Decora Industries (M: DECOD) | 0112 |
| 914/686-3600 | Del Global Technologies (M: DGTC) | 1024 |
| 516/844-2020 | Del Labs (A: DLI) | 0521 |

| Phone | Company (Exch: Ticker) | Industry Group Number* |
|--------------|--------------------------------------|------------------------|
| 606/744-6171 | Delta Natural Gas Co. (M: DGAS) | 1206 |
| 212/838-3777 | Deswell Industries (M: DSWLF) | 0112 |
| 617/863-5858 | * DeWolfe Companies (A: DWL) | 0939 |
| 818/841-3003 | Dick Clark Productions (M: DCPI) | 0921 |
| 805/446-4800 | Diodes Incorporated (A: DIO) | 1033 |
| 516/234-1400 | * Disc Graphics, Inc. (M: DSGR) | 0109 |
| 407/829-9000 | * Dixon Ticonderoga Co. (A: DXT) | 0518 |
| 310/834-2625 | Dominguez Services Corp. (M: DOMZ) | 1209 |
| 914/428-9098 | Drew Industries (A: DW) | 0209 |
| 716/684-8060 | Ecology and Environment (A: EEI) | 0975 |
| 212/716-2000 | * EDO Corp. (N: EDO) | 0203 |
| 918/622-4522 | Educational Development (M: EDUC) | 0927 |
| 408/945-1323 | * Elantec Semiconductor (M: ELNT) | 1033 |
| 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 |
| 518/346-6161 | * Environment One Corp. (M: EONE) | 0218 |
| 305/442-2060 | Equitrac Corp. (M: ETRC) | 1006 |
| 310/887-4300 | Equity Marketing (M: EMAK) | 0430 |
| 812/467-1200 | * Escalade, Inc. (M: ESCA) | 0430 |
| 906/632-2221 | ESELCO (M: EDSE) | 1203 |
| 518/584-4100 | Espey Mfg. & Electronics (A: ESP) | 1024 |
| 978/388-4000 | Essex County Gas Co. (M: ECGC) | 1206 |
| 352/377-1140 | * Exactech, Inc. (M: EXAC) | 0812 |
| 305/858-8200 | FDP Corp. (M: FDPC) | 1036 |
| 319/547-6000 | * Featherlite Mfg., Inc. (M: FTHR) | 0412 |
| 602/414-0300 | First American Health (M: FAHC) | 0909 |
| 612/576-3500 | First Team Sports (M: FTSP) | 0430 |
| 301/380-9000 | * Forum Retirement Partners (A: FRL) | 0806 |
| 919/975-2000 | Fountain Powerboat (M: FPWR) | 0430 |
| 713/672-9433 | Friedman Industries (A: FRD) | 0209 |
| 407/290-6000 | Gencor Industries (A: GX) | 0206 |
| 630/954-0400 | General Employment (A: JOB) | 0909 |
| 908/862-6200 | General Magnaplate Corp. (M: GMCC) | 0127 |
| 516/420-1900 | Genovese Drug Stores (A: GDXA) | 0954 |
| 205/326-6101 | Golden Enterprises (M: GLDC) | 0515 |
| 612/224-2385 | Great Northern Iron Ore (N: GNI) | 0124 |
| 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 |
| 214/692-4663 | * HealthCor Holdings (M: HCOR) | 0806 |
| 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 |
| 516/789-8228 | * Hi-Tech Pharmacal Co. (M: HITK) | 0803 |
| 407/363-9211 | Holiday RV Superstores (M: RVEE) | 0963 |

* 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

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| Phone | Company (Exch: Ticker) | Industry Group Number [†] |
|--------------|---------------------------------------|------------------------------------|
| 978/532-9000 | Hyde Athletic Indus (M: HYDEA) | 0418 |
| 408/379-0910 | Impact Systems (M: MPAC) | 1030 |
| 206/575-1594 | * IMPCO Technologies, Inc. (M: IMCO) | 0415 |
| 713/747-1025 | Industrial Holdings (M: IHII) | 0127 |
| 412/788-4353 | Industrial Scientific (M: ISCX) | 1030 |
| 301/731-4233 | Integral Systems (M: ISYS) | 1018 |
| 610/989-7000 | * Integrated Systems Cons. (M: ISCG) | 1012 |
| 805/484-8855 | * Interlink Electronics (M: LINK) | 1030 |
| 513/792-7000 | * Interlott Technologies (A: ILI) | 0912 |
| 518/782-1122 | Intermagnetics General (A: IMG) | 0812 |
| 314/727-0500 | Intrav Inc. (M: TRAV) | 0924 |
| 612/975-6200 | * IPI Inc. (M: INST) | 0930 |
| 212/605-0417 | * Iramco, Inc. (M: ISRL) | 0609 |
| 503/244-4673 | * ITEX Corp. (M: ITEX) | 0909 |
| 732/308-3000 | IVC Industries Inc. (M: IVCO) | 0803 |
| 212/983-2640 | Jean Philippe Fragrances (M: JEAN) | 0521 |
| 619/535-1706 | * JMAR Industries, Inc. (M: JMAR) | 1030 |
| 610/667-7700 | * Judge Group, Inc. (M: JUDG) | 1012 |
| 303/295-3995 | Key Production Co. (N: KP) | 0609 |
| 509/529-2161 | Key Technology (M: KTEC) | 0218 |
| 972/458-0028 | Keystone Consol Indus (N: KES) | 0121 |
| 303/574-1000 | Koala Corp. (M: KARE) | 0421 |
| 414/964-5000 | Koss Corp. (M: KOSS) | 0409 |
| 281/212-1233 | * KRUG International (A: KRG) | 0803 |
| 314/997-0800 | LaBarge (A: LB) | 0203 |
| 516/981-9700 | * Lakeland Industries, Inc. (M: LAKE) | 0812 |
| 210/344-3071 | Lancer Corp. (A: LAN) | 0218 |
| 303/649-1000 | Laser Technology (A: LSR) | 1030 |
| 847/967-1010 | * Lifeway Foods, Inc. (M: LWAY) | 0515 |
| 206/487-4333 | Mackie Designs Inc. (M: MKIE) | 1003 |
| 203/245-8380 | Magellan Petroleum (M: MPET) | 0609 |
| 305/532-1566 | * Magicworks Entertainment (A: MJK) | 0909 |
| 847/590-7000 | Market Facts (M: MFAC) | 0909 |
| 715/926-4216 | Marten Transport, Ltd. (M: MRTN) | 1115 |
| 803/637-7000 | Martin Color-Fi (M: MRCE) | 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) | 0412 |
| 516/231-4600 | * Medical Action Inds. (M: MDCI) | 0812 |
| na | * MER Telemanagement Sol. (M: MTSLF) | 1003 |
| 513/271-3700 | Meridian Diagnostics (M: KITS) | 0803 |
| 801/253-1600 | Merit Medical Systems (M: MMSI) | 0812 |
| 303/987-8000 | Mesa Laboratories (M: MLAB) | 1030 |
| 413/568-9571 | Mestek Inc. (N: MCC) | 0218 |
| 215/723-6751 | Met-Pro Corp. (A: MPR) | 0218 |
| 770/229-5995 | * Metrotrans Corp. (M: MTRN) | 0412 |
| 937/291-8282 | * Miami Computer Supply (M: MCSC) | 1027 |
| 978/538-6700 | Micron Corp. (M: MICN) | 1033 |

| Phone | Company (Exch: Ticker) | Industry Group Number [†] |
|--------------|--------------------------------------|------------------------------------|
| 847/758-3880 | Middleby Corp. (M: MIDD) | 0218 |
| 732/634-1500 | Middlesex Water Co. (M: MSEX) | 1209 |
| 801/233-6000 | Mining Services Int'l (M: MSIX) | 0103 |
| 630/627-6900 | Minuteman Int'l (M: MMAN) | 0218 |
| 516/694-9555 | * Misonix, Inc. (M: MSON) | 1030 |
| 801/224-0589 | * Mity-Lite, Inc. (M: MITY) | 0421 |
| 334/476-2720 | Mobile Gas Service Corp. (M: MBLE) | 1206 |
| 602/894-6311 | * Mobile Mini, Inc. (M: MINI) | 0109 |
| 702/825-3355 | * Monarch Casino & Resort (M: MCRI) | 0912 |
| 408/746-1600 | * Nanometrics Inc. (M: NANO) | 1030 |
| 516/842-9400 | Napco Security Systems (M: NSSC) | 0972 |
| 614/344-2102 | National Gas & Oil Co. (A: NLG) | 1206 |
| 914/722-9000 | National Home Health Care (M: NHHC) | 0806 |
| 818/591-0776 | * Nat'l Technical Systems (M: NTSC) | 1030 |
| 760/744-7340 | Natural Alternatives Intl (M: 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 |
| 757/928-9000 | Noland Co. (M: NOLD) | 0218 |
| 612/784-1250 | Northern Tech Int'l (A: NTI) | 0103 |
| 612/531-7340 | * Northstar Computer Forms (M: NSCF) | 0518 |
| 203/265-7701 | Novamatrix Medical Sys (M: NMTX) | 0812 |
| 516/396-5000 | Nu Horizons Electronics (M: NUHC) | 1024 |
| 414/327-1700 | Oilgear Company (M: OLGR) | 0218 |
| 215/674-5100 | * ORBIT/FR, Inc. (M: ORFR) | 1030 |
| 516/694-1800 | * P & F Industries (M: PFINA) | 0406 |
| 501/361-9111 | P.A.M. Transportation (M: PTIS) | 1115 |
| 405/948-1560 | * Panhandle Royalty Co. (M: PANRA) | 0609 |
| 915/684-3727 | Parallel Petroleum Corp. (M: PLLL) | 0609 |
| 978/685-4341 | Parlex Corp. (M: PRLX) | 1033 |
| 915/573-1104 | Patterson Energy (M: PTEN) | 0612 |
| 702/384-2425 | * Paul-Son Gaming Corp. (M: PSON) | 0912 |
| 304/842-6256 | * Petroleum Development (M: PETD) | 0609 |
| 610/691-0437 | Piercing Pagoda (M: PGDA) | 0963 |
| 813/577-4999 | Plasma-Therm (M: PTIS) | 1033 |
| 920/722-3451 | Plexus Corp. (M: PLXS) | 1024 |
| 415/974-1399 | * PLM International, Inc. (A: PLM) | 0939 |
| 303/297-2100 | Prima Energy Corp. (M: PENG) | 0609 |
| 203/358-5700 | PrimeEnergy Corp. (M: PNRG) | 0609 |
| 215/493-8900 | * Prophet 21, Inc. (M: PXXI) | 1012 |
| 508/755-4000 | * Providence & Worcester RR (A: PWX) | 1112 |
| 401/272-9191 | Providence Energy Corp. (N: PIV) | 1206 |
| 216/881-5300 | * Pubco Corp. (M: PUBO) | 0206 |
| 908/234-9220 | * Pure World, Inc. (M: PURW) | 0803 |
| 732/542-0060 | PVC Container Corp. (M: PVCC) | 0109 |
| 305/623-8700 | * Quipp, Inc. (M: QUIP) | 0218 |
| 609/486-1777 | RCM Technologies (M: RCMT) | 0909 |
| 215/569-3344 | * Reading Entertainment (M: RDGE) | 0921 |
| 910/350-3100 | Reeds Jewelers (M: REED) | 0963 |

| Phone | Company (Exch: Ticker) | Industry Group Number [†] |
|--------------|--|------------------------------------|
| 212/687-4741 | REFAC Technology Devlp (A: REF) | 0721 |
| 314/537-9715 | Reliv' International (M: RELV) | 0515 |
| 813/854-2351 | Reptron Electronics (M: REPT) | 1024 |
| 609/627-6100 | RF Power Products (A: RFP) | 1024 |
| 212/826-4300 | * Riddell Sports Inc. (M: RIDL) | 0430 |
| 540/983-3800 | Roanoke Gas Co. (M: RGCO) | 1206 |
| 310/538-4932 | Rotonics Manufacturing (A: RMI) | 0109 |
| 612/638-0500 | Rottlund Company (M: RHOM) | 0215 |
| 540/389-8671 | Rowe Furniture Corp. (N: ROW) | 0421 |
| 303/573-1660 | * Royal Gold, Inc. (M: RGLD) | 0118 |
| 508/653-0844 | Sage Labs (M: SLAB) | 1024 |
| 847/803-4600 | Salton/Maxim Housewares (M: SALT) | 0406 |
| 514/939-3477 | Sand Technology Sys (M: SDCF) | 1015 |
| 702/221-1111 | * Saxton Incorporated (M: SXTN) | 0215 |
| 864/288-2432 | * ScanSource, Inc. (M: SCSC) | 1015 |
| 503/227-7908 | * Schmitt Industries, Inc. (M: SMIT) | 1030 |
| 510/608-3400 | Scientific Technologies (M: STIZ) | 1030 |
| 310/458-1574 | Scope Industries (A: SCP) | 0515 |
| 419/893-9401 | Seaway Food Town (M: SEWV) | 0957 |
| 215/646-6600 | Selas Corp. of America (A: SLS) | 0218 |
| 716/655-5990 | * Servotronics, Inc. (A: SVI) | 0521 |
| 612/943-1951 | * Shuffle Master, Inc. (M: SHFL) | 0912 |
| 847/956-8000 | SigmaTron Int'l (M: SGMA) | 1024 |
| 408/279-7810 | SJW Corp. (A: SJW) | 1209 |
| 513/874-1188 | Skyline Chili (A: SKC) | 0942 |
| 602/254-9777 | * Skymall, Inc. (M: SKYM) | 0948 |
| 609/727-1500 | SL Industries (N: SL) | 1024 |
| 541/995-8214 | * SMC Corp. (M: SMCC) | 0412 |
| 617/421-5400 | Sonesta Int'l Hotels Corp. (M: SNSTA) | 0918 |
| 626/915-1551 | Southwest Water Co. (M: SWWC) | 1209 |
| 864/288-8877 | * Span-America Medical (M: SPAN) | 0812 |
| 814/835-4000 | Spectrum Control (M: SPEC) | 1024 |
| 203/328-7300 | * Star Gas Partners, L.P. (M: SGASZ) | 0609 |
| 516/938-2016 | * Star Multi Care Services (M: SMCS) | 0806 |
| 212/616-3200 | Starrett Corp. (A: SHO) | 0215 |
| 954/971-0600 | Stephan Co. (A: TSC) | 0521 |
| 718/446-1800 | * Steven Madden, Ltd. (M: SHOO) | 0418 |
| 310/792-7024 | Summa Industries (M: SUMX) | 0112 |
| 608/755-4777 | * Swing-N-Slide Corp. (A: SWG) | 0430 |
| 407/254-1500 | * Symetrics Industries, Inc. (M: SYMT) | 1003 |
| 541/967-6575 | Synthetech (M: NZYM) | 0103 |
| 213/780-8250 | Tarrant Apparel Group (M: TAGS) | 0403 |
| 614/848-3995 | * Team America Corp. (M: TMAM) | 0909 |
| 617/523-2030 | Tech/Ops Sevcon (A: TO) | 1024 |
| 813/535-0572 | Technology Research (M: TRCI) | 1024 |
| 617/622-1000 | * Thermo Sentron, Inc. (A: TSR) | 0218 |
| 617/622-1000 | Thermo Voltek Corp. (A: TVL) | 1024 |
| 503/615-3200 | * ThrustMaster, Inc. (M: TMSR) | 1015 |
| 503/626-6775 | Timberline Software (M: TMBS) | 1036 |

LIST CONTINUES ON FOLLOWING PAGE

* 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

1998 Shadow Stocks

| Phone | Company (Exch: Ticker) | Industry Group Number* |
|--------------|------------------------------------|------------------------|
| 847/272-1000 | TLII Liquidating (M: TLII) | 0939 |
| 303/790-9111 | T-NETIX Inc. (M: TNTX) | 1036 |
| 213/962-5304 | Todd-AO Corp. (M: TODDA) | 0921 |
| 201/812-1100 | Total-Tel USA Commun. (M: TELU) | 0915 |
| 916/933-4525 | * Track 'n Trail (M: TKTL) | 0945 |
| 248/852-1990 | * Trans-Industries, Inc. (M: TRNI) | 0903 |
| 716/352-7777 | Transmation, Inc. (M: TRNS) | 1030 |
| 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 |
| 415/616-8111 | U.S. Home & Garden (M: USHG) | 0103 |
| 972/991-8400 | U.S. Lime & Minerals (M: USLM) | 0212 |

| Phone | Company (Exch: Ticker) | Industry Group Number* |
|--------------|-------------------------------------|------------------------|
| 713/297-7000 | * U.S. Physical Therapy (M: USPH) | 0806 |
| 303/412-2500 | Ultimate Electronics (M: ULTE) | 0966 |
| 314/997-2250 | * Ultradata Systems, Inc. (M: ULTR) | 1027 |
| 770/424-3684 | UniComp (M: UCMP) | 1012 |
| 516/932-2000 | Uniflex (A: UFX) | 0109 |
| 713/754-6650 | * Unimar Indonesian Units (A: UMR) | 0609 |
| 847/541-2525 | Unimed Pharmaceuticals (M: UMED) | 0803 |
| 516/273-0900 | * United-Guardian, Inc. (A: UG) | 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 |
| 713/462-8700 | Vallen Corp. (M: VALN) | 0812 |
| 415/492-1500 | Valley Forge Corp.(A: VF) | 1024 |

| Phone | Company (Exch: Ticker) | Industry Group Number* |
|--------------|------------------------------------|------------------------|
| 401/334-1188 | Valley Resources (A: VR) | 1206 |
| 612/832-3200 | Vaughn Communication (M: VGHN) | 0921 |
| 703/750-3000 | * Versar, Inc. (A: VSR) | 0975 |
| 703/960-4600 | VSE Corp. (M: VSEC) | 0612 |
| 203/975-1100 | Warrantech Corp. (M: WTEC) | 0909 |
| 918/241-1000 | * Webco Industries, Inc. (A: WEB) | 0127 |
| 718/417-3770 | Western Beef (M: BEEF) | 0957 |
| 201/420-2796 | Wilshire Oil Co. of Texas (N: WOC) | 0609 |
| 716/475-0100 | * World of Science (M: WOSI) | 0963 |
| 918/664-8200 | * Xeta Corp. (M: XETA) | 1003 |
| 513/489-8849 | Zaring National Corp. (M: ZHOM) | 0215 |
| 416/365-8080 | Zemex Corp. (N: ZMX) | 0212 |
| 914/747-7474 | Zing Technologies (M: ZING) | 1033 |

* 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

For more details: The 1998 Shadow Stock list is available at our Web site (www.aail.com) in a downloadable spreadsheet that contains detailed statistics for each stock. The spreadsheet file is linked to the view-only version of this article, which can be found under "current issue" in the AAIL Journal area as well as in the Stock Screens area. Also, the spreadsheet can be accessed through the Download Library under Files from AAIL.

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 8,200 companies (800/428-2244). Monthly and quarterly subscriptions are available on CD-ROM for Windows systems. Stock screening articles and results can be obtained on-line through America Online at keyword AAIL and at AAIL's Web site at www.aail.com in the Stock Screens area.

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.

(continued from page 11)

cision, you should gather all pertinent information and understand the investment thoroughly. Also, keep in mind that no one investment technique will

be best in all market environments and that the techniques that worked in the past may not prove to 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  prove their value over time.

Guide to Industry Group Numbers

| Industry Group Number | Industry | Percentage of 1998 Shadow Stocks* | Industry Group Number | Industry | Percentage of 1998 Shadow Stocks* | Industry Group Number | Industry | Percentage of 1998 Shadow Stocks* |
|---------------------------------|---------------------------------|-----------------------------------|-----------------------|---------------------------------|-----------------------------------|--------------------------|----------------------------------|-----------------------------------|
| 01 Basic Materials | | 9.0% | 0509 | Crops | 0.3% | 0933 | Real Estate Operations | 0.0% |
| 0103 | Chemical Manufacturing | 3.0% | 0512 | Fish/Livestock | 0.3% | 0936 | Recreational Activities | 0.0% |
| 0106 | Chemicals—Plastics and Rubbers | 0.3% | 0515 | Food Processing | 2.1% | 0939 | Rental & Leasing | 1.2% |
| 0109 | Containers & Packaging | 1.5% | 0518 | Office Supplies | 0.6% | 0942 | Restaurants | 1.5% |
| 0112 | Fabricated Plastic & Rubber | 2.1% | 0521 | Personal & Household Products | 1.5% | 0945 | Retail (Apparel) | 1.5% |
| 0115 | Forestry & Wood Products | 0.0% | 0524 | Tobacco | 0.0% | 0948 | Retail (Catalog & Mail Order) | 0.3% |
| 0118 | Gold & Silver | 0.6% | | | | 0951 | Retail (Department & Discount) | 0.0% |
| 0121 | Iron & Steel | 0.3% | 06 Energy | | 4.8% | 0954 | Retail (Drugs) | 0.3% |
| 0124 | Metal Mining | 0.3% | 0603 | Coal | 0.0% | 0957 | Retail (Grocery) | 0.6% |
| 0127 | Misc. Fabricated Products | 0.9% | 0606 | Oil & Gas—Integrated | 0.0% | 0960 | Retail (Home Improvement) | 0.3% |
| 0130 | Non-Metallic Mining | 0.0% | 0609 | Oil & Gas Operations | 4.2% | 0963 | Retail (Specialty Non-Apparel) | 1.2% |
| 0133 | Paper & Paper Products | 0.0% | 0612 | Oil Well Services & Equip | 0.6% | 0966 | Retail (Technology) | 0.3% |
| | | | | | | 0969 | Schools | 0.3% |
| 02 Capital Goods | | 12.3% | 07 Financial | | 0.3% | 0972 | Security Systems & Services | 0.3% |
| 0203 | Aerospace and Defense | 0.9% | 0703 | Consumer Financial Services | 0.0% | 0975 | Waste Management Services | 1.2% |
| 0206 | Construction & Agri. Machinery | 0.9% | 0706 | Insurance (Accident & Health) | 0.0% | | | |
| 0209 | Construction—Supplies and Fixt. | 1.5% | 0709 | Insurance (Life) | 0.0% | 10 Technology | | 24.0% |
| 0212 | Construction—Raw Materials | 0.6% | 0712 | Insurance (Miscellaneous) | 0.0% | 1003 | Communications Equipment | 3.3% |
| 0215 | Construction Services | 2.7% | 0715 | Insurance (Property & Casualty) | 0.0% | 1006 | Computer Hardware | 0.6% |
| 0218 | Misc. Capital Goods | 5.4% | 0718 | Investment Services | 0.0% | 1012 | Computer Networks | 1.2% |
| 0221 | Mobile Homes & RVs | 0.3% | 0721 | Misc. Financial Services | 0.3% | 1015 | Computer Peripherals | 1.5% |
| | | | 0724 | Money Center Banks | 0.0% | 1018 | Computer Services | 0.3% |
| 03 Conglomerates | | 0.0% | 0727 | Regional Banks | 0.0% | 1021 | Computer Storage Devices | 0.3% |
| 0303 | Conglomerates | 0.0% | 0730 | S&Ls/Savings Banks | 0.0% | 1024 | Electronic Instrum'ts & Controls | 6.6% |
| | | | | | | 1027 | Office Equipment | 0.6% |
| 04 Consumer Cyclical | | 7.5% | 08 Healthcare | | 9.0% | 1030 | Scientific & Tech Instruments | 4.5% |
| 0403 | Apparel/Accessories | 0.9% | 0803 | Biotechnology & Drugs | 3.9% | 1033 | Semiconductors | 3.3% |
| 0406 | Appliances & Tools | 0.9% | 0806 | Healthcare Facilities | 1.8% | 1036 | Software & Programming | 1.8% |
| 0409 | Audio & Video Equipment | 0.3% | 0809 | Major Drugs | 0.0% | | | |
| 0412 | Auto & Truck Manufacturers | 1.2% | 0812 | Medical Equipment & Supplies | 3.3% | 11 Transportation | | 2.1% |
| 0415 | Auto & Truck Parts | 0.6% | | | | 1103 | Air Courier | 0.3% |
| 0418 | Footwear | 0.9% | 09 Services | | 19.3% | 1106 | Airline | 0.3% |
| 0421 | Furniture & Fixtures | 0.9% | 0903 | Advertising | 0.3% | 1109 | Misc. Transportation | 0.3% |
| 0424 | Jewelry & Silverware | 0.0% | 0906 | Broadcasting & Cable TV | 0.0% | 1112 | Railroads | 0.6% |
| 0427 | Photography | 0.0% | 0909 | Business Services | 5.1% | 1115 | Trucking | 0.6% |
| 0430 | Recreational Products | 1.8% | 0912 | Casinos & Gaming | 1.2% | 1118 | Water Transportation | 0.0% |
| 0433 | Textiles—Non-Apparel | 0.0% | 0915 | Communications Services | 0.9% | | | |
| 0436 | Tires | 0.0% | 0918 | Hotels & Motels | 0.3% | 12 Utilities | | 6.3% |
| | | | 0921 | Motion Pictures | 1.2% | 1203 | Electric Utilities | 1.2% |
| 05 Consumer/Non-Cyclical | | 5.1% | 0924 | Personal Services | 0.6% | 1206 | Natural Gas Utilities | 3.3% |
| 0503 | Beverages (Alcoholic) | 0.3% | 0927 | Printing & Publishing | 0.6% | 1209 | Water Utilities | 1.8% |
| 0506 | Beverages (Non-Alcoholic) | 0.0% | 0930 | Printing Services | 0.3% | | | |

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