OUT OF WALL STREET'S SPOTLIGHT: SHADOW STOCKS 2000

By Kenneth J. Michal

A total of 257 stocks passed the Shadow Stock screens in 2000; however, the initial screens are only a starting point. Throughout the year, the *AAII Journal* presents articles to illustrate how investors can analyze the prospects of specific stocks by applying a variety of secondary screens.

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 yet 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 their overall risk.

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

Lastly, the time and effort it takes investors to analyze individual stocks may be better rewarded in the small-stock arena.

Shadow Stocks are identified by applying the following screening criteria to common stocks listed on the American, New York, and Nasdaq Exchanges:

- The company's common stock outstanding has a market value between $50 million and $250 million; this number, referred to as market capitalization, is determined by multiplying the number of shares outstanding by the market price per share. The greater-than-$50 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-$250 million screen eliminates large firms that are covered regularly by many financial analysts. Stocks of this size are often referred to as "micro-cap"stocks.
- The company has a relatively low level of institutional ownership—no more than 15%. This also eliminates small firms that are covered by a relatively large number of analysts.
- The company has had positive earnings per share for each of the last two most recent years and has five years of data available. By requiring five years of data and positive earnings, these companies have established a history.
- 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. Conglomerates, real estate investment trusts (REITs), and limited partnerships are also screened out.

AAII's *Stock Investor* program, which covers over 9,000 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, or if they merge, are acquired, go bankrupt, or are delisted from an exchange. If a stock exceeds or falls below the market value screen

(continued on page 19)

The Shadow Stock series was started by AAII in January 1985; the list is updated each year. AAII's Web site contains links to further information on each Shadow Stock.

Kenneth J. Michal is associate editor of Computerized Investing.

SHADOW STOCKS 2000

Phone	Company (Exchange: Ticker)	Industry Group Number†	Price-Earnings Ratio (X)	12-Month Earnings per Share ($)	5-Yr EPS Growth Rate (X)
(973) 884-9555*	800-JR CIGAR, INC. (M: JRJR)	0524	10.9	0.80	44.7
(310) 393-3790 *	A.C.L.N. Limited (M: ACLNF)	1118	6.7	2.52	na
(218) 327-3434	A.S.V., Inc. (M: ASVI)	0206	64.9	0.21	60.8
(918) 583-2266	AAON, Incorporated (M: AAON)	0218	10.6	1.36	13.8
(212) 563-1036	Actrade International Ltd (M: ACRT)	0721	17.2	0.87	64.8
(713) 881-3600	Adams Resources & Energy (A: AE)	0609	6.7	1.27	9.9
(703) 934-8130	Advanced Comm. Systems (M: ACSC)	0915	24.8	0.77	54.2
(612) 933-9006	Ag-Chem Equipment Co. (M: AGCH)	0206	14.4	0.72	2.4
(303) 792-7400	Air Methods Corporation (M: AIRM)	1109	12.5	0.25	15.2
(847) 279-6100	Akorn, Inc. (M: AKRN)	0803	12.8	0.38	11.6
(781) 237-6655	American Biltrite Inc. (A: ABL)	0112	5.5	2.59	11.4
(716) 664-9600	American Locker Group (M: ALGI)	0209	4.7	1.20	69.2
(978) 262-8700	American Science & Engin. (A: ASE)	1030	22.7	0.32	20.3
(516) 622-4700	American Technical Ceram. (A: AMK)	1024	19.5	0.82	16.6
(212) 705-4700	AMREP Corporation (N: AXR)	0215	5.9	0.81	24.6
(317) 634-1000	Analytical Surveys, Inc. (M: ANLT)	0909	7.8	1.46	56.9
(781) 932-6616 *	Anika Therapeutics, Inc. (M: ANIK)	0803	44.1	0.16	24.4
(918) 588-2164	Apco Argentina Inc. (M: APAGF)	0609	39.1	0.78	–18.3
(408) 749-1888	Applied Signal Technology (M: APSG)	1003	13.5	1.04	20.6
(212) 752-5660	Aramex International Ltd. (M: ARMX)	1103	7.7	1.19	93.3
(301) 315-0027	Arguss Holdings, Inc. (M: ARGX)	1024	27.7	0.47	19.6
(212) 206-8800	Ark Restaurants Corp. (M: ARKR)	0942	6.5	1.33	14.7
(302) 453-6900	Artesian Resources Corp. (M: ARTNA)	1209	22.0	1.43	–0.4
(212) 319-8400	ASI Solutions, Inc. (M: ASIS)	0909	8.7	0.49	71.3
(214) 220-4600 *	Associated Materials Inc. (M: SIDE)	0215	7.2	2.27	–5.6
(401) 828-4000	Astro-Med, Inc. (M: ALOT)	1015	47.1	0.13	–28.3
(716) 447-9013	Astronics Corporation (M: ATRO)	1024	12.1	0.84	28.8
(510) 490-3008	ATG, Inc. (M: ATGC)	0975	9.6	0.45	67.9
(800) 497-7659	Atlantis Plastics, Inc. (A: AGH)	0112	11.3	1.24	11.6
(612) 493-1900	Ault Incorporated (M: AULT)	1024	22.0	0.41	22.3
(616) 698-0707	Autocam Corporation (M: ACAM)	0415	15.3	1.18	5.7
(201) 871-1500	Axsys Technologies, Inc. (M: AXYS)	1024	13.0	1.02	18.2
(817) 297-4361	Aztec Manufacturing Co. (N: AZZ)	1024	12.6	0.97	17.4
(805) 566-0234 *	Balance Bar Company (M: BBAR)	0515	31.0	0.44	69.5
(914) 355-5300	Balchem Corporation (A: BCP)	0103	13.3	0.60	36.2
(305) 593-0770	Benihana, Inc. (M: BNHN)	0942	11.3	1.32	28.7
(413) 442-1511 *	Berkshire Energy Resource (M: BERK)	1206	27.3	1.28	–4.5
(212) 354-1280 *	Bernard Chaus, Inc. (N: CHS)	0403	5.7	0.43	15.0
(415) 989-6580	BF Enterprises, Inc. (M: BFEN)	0215	6.3	1.03	7.2
(212) 483-2323	Biacore International AB (M: BCOR)	1030	21.2	0.46	20.8
(805) 963-8727	Big Dog Holdings, Inc. (M: BDOG)	0945	16.5	0.42	102.4
(732) 679-4000	Blonder Tongue Labs, Inc. (A: BDR)	1003	11.6	0.43	30.2
(714) 526-5533	Bridgford Foods Corp. (M: BRID)	0515	11.1	0.87	9.5
(978) 667-4111	BTU International Inc. (M: BTUI)	1033	16.4	0.35	12.9
(212) 575-3200	Cache, Inc. (M: CACH)	0945	13.0	0.50	–4.8
(517) 347-1333 *	Cade Industries, Inc. (M: CADE)	0203	19.9	0.25	46.5
(404) 355-2820	Cagle's, Inc. (A: CGL.A)	0515	3.2	3.58	21.6
(601) 948-6813	Cal-Maine Foods, Inc. (M: CALM)	0512	29.7	0.12	81.1
(707) 254-4200	Chalone Wine Group, Ltd. (M: CHLN)	0503	11.1	0.78	na
(304) 528-2700	Champion Industries, Inc. (M: CHMP)	0930	11.0	0.38	9.2
(508) 279-1789	Chase Corporation (A: CCF)	0103	8.4	1.30	45.8
(302) 734-6799	Chesapeake Utilities (N: CPK)	1206	12.8	1.43	–1.3
(203) 830-3400	Cognitronics Corporation (A: CGN)	1003	16.2	1.04	28.2
(517) 423-4800	Colonel's International (M: COLO)	0415	29.5	0.25	7.1
(303) 530-2660	Colorado MEDtech, Inc. (M: CMED)	0812	10.3	0.78	37.2
(201) 840-4700 *	Computer Outsourcing Ser. (M: COSI)	1018	120.2	0.21	24.9
(516) 777-8900 *	Comtech Telecomm. Corp. (M: CMTL)	1003	11.5	1.28	29.7
(610) 582-8711	Conestoga Enterprises (M: CENI)	0915	36.7	0.47	5.4
(860) 669-8636	Connecticut Water Service (M: CTWS)	1209	20.1	1.59	2.8
(614) 870-5000	CORE Materials Corp. (A: CME)	0112	14.5	0.16	7.9
(972) 393-3800	Craftmade International (M: CRFT)	0406	10.5	0.69	19.6
(314) 727-3485	D&K Healthcare Resources (M: DKWD)	0803	8.6	1.70	25.0
(213) 624-7715	Daily Journal Corporation (M: DJCO)	0927	19.2	1.69	22.9
(605) 697-4000 *	Daktronics, Inc. (M: DAKT)	0903	17.3	1.46	9.0
(612) 944-3462 *	Datalink Corporation (M: DTLK)	1036	38.5	0.50	25.7
(609) 799-0071	Dataram Corporation (A: DTM)	1021	30.7	0.73	68.3
(518) 747-6255	Decora Industries, Inc. (M: DECO)	0112	11.7	0.23	50.3
(606) 744-6171	Delta Natural Gas Company (M: DGAS)	1206	18.2	0.86	–9.7
(212) 838-3777	Deswell Industries, Inc. (M: DSWL)	0112	10.0	1.55	14.2
(716) 223-4060	Detection Systems, Inc. (M: DETC)	0972	11.1	0.85	18.8
(818) 841-3003	Dick Clark Productions (M: DCPI)	0921	43.8	0.34	–11.7
(650) 404-6000 *	Digital Origin, Inc. (M: DODV)	1036	9.5	1.28	16.0
(805) 446-4800	Diodes Incorporated (A: DIO)	1033	30.3	0.71	8.7
(407) 829-9000	Dixon Ticonderoga Company (A: DXT)	0518	3.4	1.91	38.9
(214) 891-6500 *	DocuCorp International (M: DOCC)	1036	25.1	0.28	na
(310) 834-2625	Dominguez Services Corp. (M: DOMZ)	1209	42.0	0.72	–14.4
(972) 864-8610	Dorchester Hugoton, Ltd. (M: DHULZ)	0609	12.0	0.79	–1.4
(650) 969-7277 *	Drexler Technology Corp. (M: DRXR)	1021	21.7	0.45	25.7
(718) 340-6655 *	DualStar Technologies (M: DSTR)	0215	47.7	0.16	8.4
(913) 321-6392 *	Electronic Processing Inc (M: EPIQ)	1036	36.6	0.41	na
(407) 849-1090 *	ELXSI Corporation (M: ELXS)	0942	3.0	4.33	7.8
(919) 941-5185 *	Embrex, Inc. (M: EMBX)	0512	17.6	0.61	17.5
(603) 625-4000	EnergyNorth, Inc. (N: EI)	1206	32.4	1.70	–1.2
(334) 450-4774	EnergySouth, Inc. (M: ENSI)	1206	12.8	1.62	7.8
(314) 993-5880	Engineered Support System (M: EASI)	0218	8.9	1.35	64.6
(215) 355-9100 *	Environmental Tectonics (A: ETC)	1030	42.0	0.36	26.8

** New to the Shadow Stock listing.*
†See the Guide to Industry Group Numbers at the end of this article.
Data Source: AAII's Stock Investor/Market Guide, Inc. Statistics are as of December 31, 1999.

Exchange Key: N = New York Stock Exchange
A = American Stock Exchange
M = Nasdaq

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(812) 467-1200	Escalade, Inc. (M: ESCA)	0430	7.0	1.86	5.6
(305) 825-2458	European Micro Holdings (M: EMCC)	1006	85.7	0.07	5.5
(352) 377-1140	Exactech, Inc. (M: EXAC)	0812	20.7	0.57	29.1
(319) 547-6000	Featherlite, Inc. (M: FTHR)	0412	7.9	0.71	11.6
(317) 237-3678 *	FinishMaster, Inc. (M: FMST)	0103	14.2	0.56	–9.6
(604) 668-5800 *	Fletcher's Fine Foods Ltd (M: FLCHF)	0515	148.1	0.13	na
(203) 255-7902	Formula Systems (1985) (M: FORTY)	1036	10.1	4.17	23.9
(713) 672-9433	Friedman Industries (A: FRD)	0209	8.7	0.39	15.3
(303) 464-3600 *	Gaiam, Inc. (M: GAIA)	0521	83.6	0.19	na
(407) 290-6000	Gencor Industries, Inc. (A: GX)	0206	3.5	1.82	64.6
(630) 954-0400	General Employment Ent. (A: JOB)	0909	7.9	0.60	33.8
(801) 975-7200 *	Gentner Communications (M: GTNR)	1003	36.8	0.38	31.2
(516) 256-1000 *	Global Payment Tech. Inc. (M: GPTX)	1027	12.7	0.73	4.6
(513) 771-8287	Globe Business Resources (M: GLBE)	0939	12.3	1.05	–5.9
(205) 326-6101	Golden Enterprises, Inc. (M: GLDC)	0515	25.0	0.10	–18.5
(651) 224-2385	Great Northern Iron Ore (N: GNI)	0124	8.9	6.13	13.1
(213) 765-3100	Guess ?, Inc. (N: GES)	0403	22.7	0.96	–17.9
(864) 225-6232	Hampshire Group, Limited (M: HAMP)	0403	4.6	1.90	23.8
(909) 739-6200	Hansen Natural Corp. (M: HANS)	0506	9.8	0.44	40.3
(405) 329-4045	Harolds Stores Inc. (A: HLD)	0945	15.0	0.25	8.0
(516) 434-1600 *	Hauppauge Digital, Inc. (M: HAUP)	1033	26.5	0.76	na
(612) 331-6910	Hawkins Chemical, Inc. (M: HWKN)	0103	9.8	0.89	13.3
(408) 972-1990	Hello Direct, Inc. (M: HELO)	1003	21.6	0.69	5.9
(800) 326-5789	Hickory Tech Corporation (M: HTCO)	0915	13.3	1.13	12.9
(212) 736-2300 *	HMG Worldwide Corp. (M: HMGC)	0903	50.0	0.14	29.3
(402) 371-2520 *	Humphrey Hospitality Tr. (M: HUMP)	0918	7.6	1.03	7.9
(215) 757-0200 *	ICT Group, Inc. (M: ICTG)	0909	33.1	0.37	47.6
(949) 206-2700 *	I-Flow Corporation (M: IFLO)	0812	18.0	0.22	16.9
(212) 889-7201 *	IIC Industries, Inc. (M: IICR)	0206	18.3	0.54	na
(562) 860-6666	IMPCO Technologies, Inc. (M: IMCO)	0415	16.4	0.85	18.7
(301) 731-4233	Integral Systems, Inc. (M: ISYS)	1018	100.3	0.44	32.8
(212) 983-2640 *	Inter Parfums, Inc. (M: IPAR)	0521	15.8	0.60	–5.4
(406) 676-4900 *	Jore Corporation (M: JORE)	0218	14.7	0.53	na
(509) 529-2161	Key Technology, Inc. (M: KTEC)	0218	12.0	0.75	30.3
(303) 574-1000	Koala Corporation (M: KARE)	0421	18.4	0.76	25.0
(913) 888-1770	LabOne, Inc. (M: LABS)	0806	14.0	0.49	–0.7
(847) 967-1010	Lifeway Foods, Inc. (M: LWAY)	0515	31.5	0.23	46.1
(314) 946-6525	LMI Aerospace, Inc. (M: LMIA)	0203	12.5	0.24	100.0
(425) 487-4333	Mackie Designs Inc. (M: MKIE)	1003	22.8	0.23	17.1
(203) 245-7664	Magellan Petroleum Corp. (M: MPET)	0609	25.0	0.05	14.9
(770) 955-7070 *	Manhattan Associates (M: MANH)	1036	92.2	0.08	93.3
(972) 471-7400 *	Mannatech, Inc. (M: MTEX)	0803	12.7	0.41	na
(727) 531-1700 *	MarineMax, Inc. (N: HZO)	0963	8.1	1.17	–32.6
(715) 926-4216	Marten Transport, Ltd. (M: MRTN)	1115	7.9	1.64	6.6
(808) 877-3351 *	Maui Land & Pineapple Co. (A: MLP)	0515	18.7	0.93	18.4
(614) 431-5800	Max & Erma's Restaurants (M: MAXE)	0942	37.3	0.19	9.9
(973) 808-1819 *	Measurement Specialties (A: MSS)	1030	17.4	1.20	28.8
(516) 231-4600	Medical Action Industries (M: MDCI)	0812	12.1	0.29	35.7
(301) 855-8070 *	Medical Advisory Systems (A: DOC)	1018	56.5	0.23	na
(513) 271-3700	Meridian Diagnostics Inc. (M: KITS)	0803	25.9	0.28	18.5
(801) 253-1600	Merit Medical Systems (M: MMSI)	0812	18.1	0.40	3.3
(413) 568-9571	Mestek, Inc. (N: MCC)	0218	3.7	5.48	31.4
(937) 291-8282	Miami Computer Supply (M: MCSC)	1027	42.7	0.87	61.5
(732) 634-1500	Middlesex Water Company (M: MSEX)	1209	19.6	1.63	1.5
(801) 233-6000	Mining Services Int'l (M: MSIX)	0103	15.0	0.20	16.2
(630) 627-6900	Minuteman Int'l Inc. (M: MMAN)	0218	9.5	0.96	7.1
(516) 694-9555	Misonix, Inc. (M: MSON)	1030	10.7	0.49	24.3
(801) 224-0589	Mity-Lite, Inc. (M: MITY)	0421	18.3	0.85	21.2
(480) 894-6311	Mobile Mini, Inc. (M: MINI)	0109	25.9	0.83	41.6
(914) 921-7200 *	Mobius Management Sys (M: MOBI)	1036	264.6	0.03	36.9
(775) 825-3355	Monarch Casino & Resort (M: MCRI)	0912	43.8	0.12	46.1
(304) 387-5712 *	MTR Gaming Group, Inc. (M: MNTG)	0912	9.6	0.32	21.5
(800) 661-8831 *	Nam Tai Electronics, Inc. (M: NTAI)	1027	37.5	0.37	–17.9
(408) 746-1600	Nanometrics Incorporated (M: NANO)	1030	503.1	0.04	33.2
(954) 581-0922	National Beverage Corp. (A: FIZ)	0506	11.3	0.73	0.6
(818) 591-0776	Nat'l Technical Systems (M: NTSC)	0909	14.9	0.26	21.7
(602) 952-8836	New Mexico & Arizona Land (A: NZ)	0939	8.2	0.61	19.2
(281) 243-0100 *	Newmark Homes Corp. (M: NHCH)	0215	4.3	1.38	66.7
(352) 732-5157	Nobility Homes, Inc. (M: NOBH)	0221	8.1	0.65	15.7
(248) 433-3093 *	Noble International, Ltd. (M: NOBL)	0415	11.1	1.29	na
(757) 928-9000	Noland Company (M: NOLD)	0218	10.9	1.64	12.3
(724) 443-9600	North Pittsburgh Systems (M: NPSI)	0915	17.2	0.86	9.7
(651) 784-1250	Northern Tech. Int'l (A: NTI)	0103	12.1	0.62	17.2
(612) 531-7340	Northstar Computer Forms (M: NSCF)	0518	11.0	0.89	4.8
(203) 265-7701	Novametrix Medical System (M: NMTX)	0812	30.9	0.16	20.1
(516) 396-5000	Nu Horizons Electronics (M: NUHC)	1024	20.4	0.65	–4.2
(212) 983-1702 *	NUR Macroprinters Ltd. (M: NURM)	0218	161.6	0.07	23.4
(305) 485-7000	Omega Research, Inc. (M: OMGA)	1036	30.0	0.20	5.2
(781) 622-1000 *	Onix Systems Inc. (A: ONX)	1030	19.8	0.31	41.5
(612) 937-1107 *	Ontrack Data Int'l (M: ONDI)	1018	26.8	0.45	60.3
(619) 571-5555	Overland Data, Inc. (M: OVRL)	1021	28.8	0.26	81.1
(281) 494-8282 *	OYO Geospace Corp. (M: OYOG)	1030	29.3	0.35	53.8
(516) 694-1800	P & F Industries (M: PFINA)	0406	5.4	1.20	27.8
(501) 361-9111	P.A.M. Transportation (M: PTSI)	1115	8.7	1.28	11.2
(713) 332-6145 *	PalEx, Inc. (M: PALX)	0109	16.7	0.42	47.6
(407) 727-3672 *	Paravant, Inc. (M: PVAT)	1015	8.2	0.44	na

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A = American Stock Exchange
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(978) 685-4341	Parlex Corporation (M: PRLX)	1024	29.9	0.88	17.5
(603) 882-5191 *	Pennichuck Corporation (M: PNNW)	1209	24.2	1.36	16.8
(713) 860-1000 *	Pentacon, Inc. (N: JIT)	0127	15.6	0.20	27.2
(541) 344-1189 *	Percon Incorporated (M: PRCN)	0972	17.6	0.84	30.5
(304) 842-6256	Petroleum Development (M: PETD)	0609	7.6	0.50	25.2
(972) 701-9955	Pizza Inn, Inc. (M: PZZI)	0942	15.3	0.27	5.9
(608) 741-7183 *	Playcore, Inc. (A: PCO)	0430	9.4	0.86	–6.6
(415) 974-1399	PLM International, Inc. (A: PLM)	0939	13.7	0.43	32.9
(212) 850-5600	Point of Sale Limited (M: POSI)	1036	30.5	0.48	53.8
(303) 297-2100	Prima Energy Corporation (M: PENG)	0609	20.1	1.20	13.9
(215) 493-8900	Prophet 21, Inc. (M: PXXI)	1012	22.4	0.44	5.9
(508) 755-4000	Providence & Worcester RR (A: PWX)	1112	13.3	0.60	8.3
(401) 272-9191	Providence Energy Corp. (N: PVY)	1206	28.6	1.30	–4.7
(617) 868-7455	Psychemedics Corp. (A: PMD)	0803	41.7	0.12	12.9
(216) 881-5300	Pubco Corporation (M: PUBO)	0206	6.2	1.30	55.8
(732) 542-0060	PVC Container Corporation (M: PVCC)	0109	22.4	0.29	20.6
(305) 623-8700	Quipp, Inc. (M: QUIP)	0218	7.7	2.09	57.7
(201) 529-2020 *	RADCOM Ltd. (M: RDCM)	1015	47.7	0.15	18.9
(626) 744-1150 *	Radica Games Limited (M: RADA)	0430	6.7	1.10	–17.5
(910) 350-3100	Reeds Jewelers, Inc. (A: RJI)	0963	5.5	0.55	5.6
(201) 943-4400	REFAC (A: REF)	0721	4.0	1.01	10.2
(503) 284-7581 *	Rentrak Corporation (M: RENT)	0921	14.7	0.48	18.9
(305) 476-1757 *	Rica Foods, Inc. (A: RCF)	0515	30.0	0.40	16.1
(612) 944-8144 *	Rimage Corporation (M: RIMG)	1015	13.3	1.20	15.8
(954) 489-9699	Roadhouse Grill, Inc. (M: GRLL)	0942	7.9	0.52	20.2
(540) 389-8671	Rowe Companies (N: ROW)	0421	8.0	1.06	19.5
(410) 730-4377 *	RWD Technologies, Inc. (M: RWDT)	1018	16.5	0.63	65.9
(847) 803-4600	Salton, Inc. (N: SFP)	0406	8.9	3.74	59.2
(601) 649-4030 *	Sanderson Farms, Inc. (M: SAFM)	0515	5.8	1.47	3.8
(515) 239-6000	Sauer Inc. (N: SHS)	0218	10.9	0.83	39.9
(702) 221-1111	Saxton Incorporated (M: SXTN)	0215	2.2	1.20	34.4
(303) 581-5600 *	SCC Communications Corp. (M: SCCX)	1018	49.0	0.12	–12.3
(510) 608-3400	Scientific Technologies (M: STIZ)	1030	11.8	0.46	12.1
(419) 893-9401	Seaway Food Town, Inc. (M: SEWY)	0957	14.5	1.12	30.1
(215) 646-6600	Selas Corp. of America (A: SLS)	0218	29.1	0.23	19.8
(810) 987-2200 *	SEMCO Energy, Inc. (M: SMGS)	1206	15.8	0.75	–4.4
(510) 970-9775	Shoe Pavilion, Inc. (M: SHOE)	0945	5.9	0.37	69.5
(612) 943-1951	Shuffle Master, Inc. (M: SHFL)	0912	13.5	0.63	33.2
(408) 988-8000	Siliconix Incorporated (M: SILI)	1033	27.1	4.85	–37.4
(214) 631-1166 *	Silverleaf Resorts, Inc. (N: SVR)	0918	4.7	1.53	47.4
(408) 279-7800	SJW Corporation (A: SJW)	1209	25.1	4.80	6.8
(310) 318-3100 *	Skechers U.S.A., Inc. (N: SKX)	0418	9.5	0.40	na
(541) 995-8214	SMC Corporation (M: SMCC)	0412	20.1	0.19	–28.9
(703) 317-2424 *	Softworks, Inc. (M: SWRX)	1036	37.4	0.26	82.1
(617) 421-5400	Sonesta Int'l Hotels Corp. (M: SNSTA)	0918	5.3	1.44	–12.2
(626) 915-1551	Southwest Water Co. (M: SWWC)	1209	17.2	0.87	92.6
(954) 971-0600	Stephan Co. (A: TSC)	0521	14.4	0.26	–29.1
(310) 792-7024	Summa Industries (M: SUMX)	0112	7.5	1.54	26.6
(520) 570-2000	Sunquest Inform. Systems (M: SUNQ)	1018	14.4	0.94	17.6
(541) 967-6575	Synthetech, Inc. (M: NZYM)	0103	10.1	0.37	33.4
(502) 585-5544 *	Sypris Solutions, Inc. (M: SYPR)	1024	9.4	0.96	–23.0
(323) 780-8250	Tarrant Apparel Group (M: TAGS)	0403	6.2	1.56	40.0
(614) 848-3995	Team America Corporation (M: TMAM)	0909	25.9	0.22	–21.2
(617) 523-2030	Tech/Ops Sevcon, Inc. (A: TO)	1024	9.3	1.10	25.5
(954) 493-8601 *	Technisource, Inc. (M: TSRC)	1018	13.4	0.44	121.2
(212) 269-2266	Texas Pacific Land Trust (N: TPL)	0933	23.9	1.60	33.7
(781) 622-1000	Thermedics Detection (A: TDX)	1030	25.0	0.27	–4.9
(781) 622-1000	Thermo Sentron, Inc. (A: TSR)	0218	22.3	0.65	39.5
(213) 962-5304	Todd-AO Corporation (M: TODDA)	0921	127.1	0.24	19.4
(609) 520-9100 *	Total Research Corp. (M: TOTL)	0909	44.5	0.17	27.7
(516) 391-9898	Toymax International, Inc (M: TMAX)	0430	7.1	0.66	–5.1
(248) 852-1990	Trans-Industries, Inc. (M: TRNI)	0903	12.5	0.44	57.4
(425) 498-2500	Trendwest Resorts, Inc. (M: TWRI)	0918	11.4	1.98	29.4
(949) 250-3280 *	Troy Group, Inc. (M: TROY)	1036	38.5	0.39	na
(651) 483-0900	TSI Incorporated (M: TSII)	1030	14.2	0.83	17.4
(516) 231-0333	TSR, Inc. (M: TSRI)	1036	9.6	0.86	58.9
(415) 616-8111	U.S. Home & Garden, Inc. (M: USHG)	0103	35.2	0.08	15.7
(972) 991-8400	U.S. Lime & Minerals Inc. (M: USLM)	0212	9.9	0.71	136.5
(713) 297-7000	U.S. Physical Therapy (M: USPH)	0806	13.7	0.62	21.9
(303) 412-2500	Ultimate Electronics Inc. (M: ULTE)	0966	26.9	0.92	–8.1
(603) 772-0775	UNITIL Corporation (A: UTL)	1203	20.1	1.78	0.2
(617) 323-9200	Uno Restaurant Corp. (N: UNO)	0942	14.8	0.75	6.2
(801) 954-7100 *	USANA, Inc. (M: USNA)	0521	10.6	0.47	na
(530) 661-6600 *	Valley Media, Inc. (M: VMIX)	0430	7.1	0.99	35.1
(401) 334-1188	Valley Resources, Inc. (A: VR)	1206	26.5	0.84	–1.6
(303) 371-1560 *	Vari-L Company, Inc. (M: VARL)	1024	59.1	0.58	29.0
(561) 622-5656 *	Wackenhut Corporation (N: WAK)	0972	17.8	0.84	28.5
(203) 975-1100	Warrantech Corporation (O: WTEC)	0909	8.8	0.17	38.0
(914) 986-8080	Warwick Valley Telephone (M: WWVY)	0915	17.3	2.72	20.1
(919) 325-3000 *	Waste Industries, Inc. (M: WWIN)	0975	14.1	0.80	28.8
(918) 241-1000	Webco Industries, Inc. (A: WEB)	0127	12.7	0.26	18.7
(925) 930-5300 *	Westaff, Inc. (M: WSTF)	0909	137.5	0.06	na
(203) 255-7902 *	Wiztec Solutions Ltd. (M: WIZTF)	1036	13.5	1.66	32.4
(918) 664-8200	Xeta Corporation (M: XETA)	1003	34.6	0.96	71.9
(408) 919-4111	Zoran Corporation (M: ZRAN)	1033	136.0	0.41	15.7

** New to the Shadow Stock listing.*
†See the Guide to Industry Group Numbers at the end of this article.
Data Source: AAII's Stock Investor/Market Guide, Inc. Statistics are as of December 31, 1999.

Exchange Key: N = New York Stock Exchange
A = American Stock Exchange
M = Nasdaq

GUIDE TO INDUSTRY GROUP NUMBERS

Industry Group Number	Industry	Percentage of 2000 Shadow Stocks*
01	**BASIC MATERIALS**	**7.8%**
0103	Chemical Manufacturing	3.1%
0106	Chemicals—Plastics and Rubber	0.0%
0109	Containers & Packaging	1.2%
0112	Fabricated Plastic & Rubber	2.3%
0115	Forestry & Wood Products	0.0%
0118	Gold & Silver	0.0%
0121	Iron & Steel	0.0%
0124	Metal Mining	0.4%
0127	Misc. Fabricated Products	0.8%
0130	Non-Metallic Mining	0.0%
0133	Paper & Paper Products	0.0%
02	**CAPITAL GOODS**	**11.2%**
0203	Aerospace and Defense	0.8%
0206	Construction & Agri. Mach.	1.9%
0209	Construction—Supp. & Fix.	0.8%
0212	Construction—Raw Materials	0.4%
0215	Construction Services	2.3%
0218	Misc. Capital Goods	4.7%
0221	Mobile Homes & RVs	0.4%
03	**CONGLOMERATES**	**0.0%**
0303	Conglomerates	0.0%
04	**CONSUMER CYCLICAL**	**8.5%**
0403	Apparel/Accessories	1.6%
0406	Appliances & Tools	1.2%
0409	Audio & Video Equipment	0.0%
0412	Auto & Truck Manufacturers	0.8%
0415	Auto & Truck Parts	1.6%
0418	Footwear	0.4%
0421	Furniture & Fixtures	1.2%
0424	Jewelry & Silverware	0.0%
0427	Photography	0.0%
0430	Recreational Products	1.9%
0433	Textiles—Non-Apparel	0.0%
0436	Tires	0.0%
05	**CONSUMER/NON-CYCLICAL**	**8.1%**
0503	Beverages (Alcoholic)	0.4%
0506	Beverages (Non-Alcoholic)	0.8%
0509	Crops	0.0%
0512	Fish/Livestock	0.8%
0515	Food Processing	3.5%
0518	Office Supplies	0.8%
0521	Personal & Household Prods.	1.6%
0524	Tobacco	0.4%
06	**ENERGY**	**2.3%**
0603	Coal	0.0%
0606	Oil & Gas—Integrated	0.0%
0609	Oil & Gas Operations	2.3%
0612	Oil Well Services & Equip	0.0%
07	**FINANCIAL**	**0.8%**
0703	Consumer Financial Services	0.0%
0706	Insurance (Accident & Health)	0.0%
0709	Insurance (Life)	0.0%
0712	Insurance (Miscellaneous)	0.0%
0715	Insurance (Prop. & Casualty)	0.0%
0718	Investment Services	0.0%
0721	Misc. Financial Services	0.8%
0724	Money Center Banks	0.0%
0727	Regional Banks	0.0%
0730	S&Ls/Savings Banks	0.0%
08	**HEALTHCARE**	**5.4%**
0803	Biotechnology & Drugs	2.3%
0806	Healthcare Facilities	0.8%
0809	Major Drugs	0.0%
0812	Medical Equip. & Supplies	2.3%
09	**SERVICES**	**20.5%**
0903	Advertising	1.2%
0906	Broadcasting & Cable TV	0.0%
0909	Business Services	3.5%
0912	Casinos & Gaming	1.2%
0915	Communications Services	1.9%
0918	Hotels & Motels	1.6%
0921	Motion Pictures	1.2%
0924	Personal Services	0.0%
0927	Printing & Publishing	0.4%
0930	Printing Services	0.4%
0933	Real Estate Operations	0.4%
0936	Recreational Activities	0.0%
0939	Rental & Leasing	1.2%
0942	Restaurants	2.7%
0945	Retail (Apparel)	1.6%
0948	Retail (Catalog & Mail Order)	0.0%
0951	Retail (Depart. & Discount)	0.0%
0954	Retail (Drugs)	0.0%
0957	Retail (Grocery)	0.4%
0960	Retail (Home Improvement)	0.0%
0963	Retail (Specialty Non-Apparel)	0.8%
0966	Retail (Technology)	0.4%
0969	Schools	0.0%
0972	Security Systems & Services	1.2%
0975	Waste Management Services	0.8%
10	**TECHNOLOGY**	**26.4%**
1003	Communications Equipment	3.1%
1006	Computer Hardware	0.4%
1012	Computer Networks	0.4%
1015	Computer Peripherals	1.6%
1018	Computer Services	3.1%
1021	Computer Storage Devices	1.2%
1024	Electronic Instrm'ts & Controls	4.3%
1027	Office Equipment	1.2%
1030	Scientific & Tech Instruments	4.3%
1033	Semiconductors	1.9%
1036	Software & Programming	5.0%
11	**TRANSPORTATION**	**2.3%**
1103	Air Courier	0.4%
1106	Airline	0.0%
1109	Misc. Transportation	0.4%
1112	Railroads	0.4%
1115	Trucking	0.8%
1118	Water Transportation	0.4%
12	**UTILITIES**	**6.2%**
1203	Electric Utilities	0.4%
1206	Natural Gas Utilities	3.1%
1209	Water Utilities	2.7%

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

by 50%—above $375 million or below $25 million—for two years in a row, it 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, 257 stocks passed all of our screens for the Shadow Stock list, with 77 firms that are new to the list (new listings are indicated by an asterisk).

In addition to the company name, phone number, and a four-digit industry group number, we include each firm's price-earnings (P/E) ratio, earnings per share (EPS) figure, and

Sources of Information for Small and Micro-Cap 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 (301/590-6142) and maintains a Web site at www.amex.com. The New York Stock Exchange's Web site is at www.nyse.com.

AAII.com
AAII's Stock Investor
Quotes, news, a financial snapshot, charts and link to SEC filings of company reports can be accessed free by AAII members at www.aaii.com in the Tools area. Also, AAII's Stock Investor software provides in-depth fundamentals on over 9,000 firms (800/428-2244). Monthly and quarterly subscriptions are available on CD-ROM for Windows systems. Stock screening articles and results can be obtained at AAII's Web site in the Stock Screens area.

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.

Market Guide
Market Guide publishes financial information for over 9,000 companies through software and on-line on their Web site at www.marketguide.com.

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.

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. Their Web site is at valueline.com.

five-year EPS growth rate. The price-earnings ratio is based on the trailing 12-month earnings per share and is computed by dividing the last price by earnings per share. The price-earnings ratio is a measure of the market's expectations regarding the firm's earnings growth and risk. Earnings per share is simply the total earnings per outstanding share of common stock for the latest 12-month period. The earnings per share growth rate helps to indicate the strength of the company's earnings growth.

We have also prepared an Excel spreadsheet that contains detailed financials for all 257 stocks. This file can be retrieved from the AAII Web site (www.aaii.com) at the Download Library and under Files from AAII.

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* and the AAII Web site present 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 decisions, 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 environments and that the techniques that worked in the past may not be as useful in the future.

Diversifying your investments, minimizing taxes and transactions 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 the most valuable over time. ◆