

SHADOW STOCKS 2001:

OUT OF WALL STREET'S GLARE

By Kenneth J. Michal

A total of 209 stocks passed the Shadow Stock screens in 2001. An Excel spreadsheet with detailed financials for all of these stocks is at AAIL.com (go to Files from AAIL in the Download Library).

A regular feature of the *AAIL 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 Stock Exchange, the New York Stock Exchange, and Nasdaq:

- 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.

AAIL'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

(continued on page 18)

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

Kenneth J. Michal is associate editor of Computerized Investing.

SHADOW STOCKS 2001

Phone	Company (Exchange: Ticker)	Industry Group Number ⁺	Price-Earnings Ratio (X)	12-Month Earnings per Share (\$)	5-Year Annual Growth Rate (%)
(310) 788-1441	A.C.L.N. Limited (M: ACLNF)	1118	8.1	2.92	179.3
(218) 327-3434	A.S.V., Inc. (M: ASVI)	0206	61.5	0.13	38.0
(918) 583-2266	AAON, Incorporated (M: AAON)	0218	8.8	2.09	13.9
(212) 563-1036	Actrade Financial Tech. (M: ACRT)	0721	15.6	1.54	74.7
(713) 881-3600	Adams Resources & Energy (A: AE)	0609	6.7	2.10	16.0
(303) 792-7400	Air Methods Corporation (M: AIRM)	1109	6.6	0.59	30.8
(847) 279-6100	Akorn, Inc. (M: AKRN)	0803	20.5	0.34	19.8
(781) 237-6655	American Bilrite Inc. (A: ABL)	0112	6.0	2.41	-3.6
(978) 262-8700	American Science & Engin. (A: ASE)	1030	21.0	0.22	27.0
(631) 622-4700	American Technical Ceram. (A: AMK)	1024	7.6	1.41	37.5
(918) 573-2164	Apco Argentina Inc. (M: APAGF)	0609	10.4	2.64	3.1
(408) 749-1888	Applied Signal Technology (M: APSG)	1003	12.4	0.43	28.5
(516) 391-5262 *	ARCADIS (M: ARCAF)	0215	8.7	0.88	na
(301) 315-0027	Arguss Communications (N: ACX)	1024	12.5	0.75	30.2
(302) 453-6900	Artesian Resources Corp. (M: ARTNA)	1209	20.4	1.29	2.0
(212) 319-8400	ASI Solutions, Inc. (M: ASIS)	0909	19.7	0.82	34.1
(214) 220-4600	Associated Materials Inc. (M: SIDE)	0112	5.4	3.01	19.1
(401) 828-4000	Astro-Med, Inc. (M: ALOT)	1015	57.3	0.06	-11.2
(716) 447-9013	Astronics Corporation (M: ATRO)	0215	13.5	0.93	29.1
(800) 497-7659	Atlantis Plastics, Inc. (A: AGH)	0112	9.8	0.37	8.2
(763) 592-1900	Ault Incorporated (M: AULT)	1024	11.7	0.53	21.3
(914) 355-5300	Balchem Corporation (A: BCP)	0103	17.7	0.75	28.9
(305) 593-0770	Benihana, Inc. (M: BNHN)	0942	8.9	1.44	27.4
(415) 989-6580	BF Enterprises, Inc. (M: BFEN)	0215	17.2	0.63	20.4
(212) 483-2323	Biacore International AB (M: BCOR)	1030	68.7	0.67	121.2
(805) 963-8727	Big Dog Holdings, Inc. (M: BDOG)	0945	8.9	0.42	60.8
(732) 679-4000	Blonder Tongue Labs, Inc. (A: BDR)	1003	8.7	0.36	-53.9
(702) 792-7200 *	Boyd Gaming Corporation (N: BYD)	0912	2.8	1.24	-0.6
(714) 526-5533	Bridgford Foods Corp. (M: BRID)	0515	15.6	0.83	10.3
(978) 667-4111	BTU International Inc. (M: BTUI)	1033	10.7	0.76	3.1
(212) 575-3200	Cache, Inc. (M: CACH)	0945	10.7	0.29	-3.7
(404) 355-2820	Cagle's, Inc. (A: CGLA)	0515	12.8	0.78	-4.8
(732) 542-7711 *	Camtek LTD. (M: CAMT)	1030	16.4	0.46	na
(408) 542-1000 *	Catalyst Semiconductor (M: CATS)	1033	3.1	1.61	18.9
(707) 254-4200	Chalone Wine Group, Ltd. (M: CHLN)	0503	37.2	0.22	53.4
(304) 528-2700	Champion Industries, Inc. (M: CHMP)	0930	9.7	0.28	-0.6
(508) 279-1789	Chase Corporation (A: CCF)	0103	6.9	1.46	27.5
(302) 734-6799	Chesapeake Utilities (N: CPK)	1206	12.4	1.59	5.5
(203) 830-3400	Cognitronics Corporation (A: CGN)	1003	12.9	0.72	77.6
(303) 530-2660	Colorado MEDtech, Inc. (M: CMED)	0812	39.9	0.10	10.8
(610) 582-8711	Conestoga Enterprises (M: CENI)	0915	71.9	0.24	-15.5
(860) 669-8636	Connecticut Water Service (M: CTWS)	1209	19.9	1.54	2.1
(972) 393-3800	Craftmade International (M: CRTI)	0406	10.7	0.66	20.3
(203) 255-7902 *	Crystal Systems Solutions (M: CRY)	1036	21.3	0.35	142.0
(314) 727-3485	D&K Healthcare Resources (M: DKWD)	0803	7.6	1.96	48.5

Phone	Company (Exchange: Ticker)	Industry Group Number ⁺	Price-Earnings Ratio (X)	12-Month Earnings per Share (\$)	5-Year Annual Growth Rate (%)
(213) 624-7715	Daily Journal Corporation (M: DJCO)	0927	27.5	1.09	0.0
(605) 697-4000	Daktronics, Inc. (M: DAKT)	0903	14.5	0.87	45.2
(952) 944-3462	Datalink Corporation (M: DTLK)	1036	10.1	1.12	27.2
(609) 799-0071	Dataram Corporation (M: DRAM)	1021	11.4	1.22	61.5
(214) 357-9588 *	Dave & Buster's, Inc. (N: DAB)	0942	13.6	0.81	5.9
(859) 744-6171	Delta Natural Gas Company (M: DGAS)	1206	14.7	0.33	9.5
(212) 838-3777	Deswell Industries, Inc. (M: DSWL)	0112	7.4	2.19	10.0
(818) 841-3003	Dick Clark Productions (M: DCPI)	0921	12.8	0.87	45.2
(805) 446-4800	Diodes Incorporated (M: DIOD)	1033	6.6	1.80	17.2
(214) 891-6500	DocuCorp International (M: DOCC)	1036	12.5	0.17	-14.5
(212) 789-1500 *	Donna Karan International (N: DK)	0403	15.3	0.61	-13.8
(972) 864-8610	Dorchester Hugoton, Ltd. (M: DHULZ)	0609	12.3	1.33	6.4
(650) 969-7277	Drexler Technology Corp. (M: DRXR)	1021	22.6	0.64	32.2
(713) 673-6432 *	Dynacq International Inc. (M: DYII)	0806	12.4	0.86	46.3
(301) 428-9405 *	ECtel Ltd. (M: ECTX)	0915	26.6	0.46	59.5
(407) 849-1090	ELXI Corporation (M: ELXS)	0942	8.3	1.25	40.1
(919) 941-5185	Embrex, Inc. (M: EMBX)	0512	17.9	0.94	21.0
(334) 450-4774	EnergySouth, Inc. (M: ENSI)	1206	11.8	1.79	7.4
(215) 355-9100	Environmental Tectonics (A: ETC)	1030	20.9	0.40	29.7
(913) 621-9500	EPIQ Systems, Inc. (M: EPIQ)	1036	57.1	0.32	60.5
(812) 467-1200	Escalade, Inc. (M: ESCA)	0430	6.5	3.13	40.5
(352) 377-1140	Exactech, Inc. (M: EXAC)	0812	28.1	0.77	42.2
(210) 496-5300 *	Exploration Company of DE (M: TXCO)	0609	13.4	0.22	16.9
(516) 333-8230 *	E-Z-EM, Inc. (A: EZMA)	0812	9.7	0.61	28.7
(319) 547-6000	Featherlite, Inc. (M: FTNR)	0412	6.7	0.23	0.3
(317) 237-3678	FinishMaster, Inc. (M: FMST)	0103	13.7	0.41	-3.3
(800) 361-0800 *	Fletcher Challenge Forest (N: FFS)	0115	3.0	0.43	na
(203) 255-7902	Formula Systems (1985) (M: FORTY)	1036	5.0	5.88	245.9
(410) 224-8770 *	FTI Consulting, Inc. (A: FCN)	0924	10.9	0.91	13.1
(303) 464-3600	Gaiam, Inc. (M: GAIA)	0521	81.3	0.19	na
(801) 975-7200	Gentner Communications (M: GTNR)	1003	20.3	0.62	98.1
(205) 326-6101	Golden Enterprises, Inc. (M: GLDC)	0515	17.0	0.17	-25.0
(651) 224-2385	Great Northern Iron Ore (N: GNI)	0124	8.0	6.74	8.6
(525) 728-4800 *	Grupo Radio Centro, S.A. (N: RC)	0906	7.6	1.04	10.1
(213) 765-3100	Guess?, Inc. (N: GES)	0403	4.8	1.11	-4.5
(864) 225-6232	Hampshire Group, Limited (M: HAMP)	0403	6.0	1.41	-6.7
(909) 739-6200	Hansen Natural Corp. (M: HANS)	0506	8.8	0.46	38.0
(516) 434-1600	Hauppauge Digital, Inc. (M: HAUP)	1033	37.5	0.07	22.0
(612) 331-6910	Hawkins Chemical, Inc. (M: HWKN)	0103	10.3	0.81	12.0
(310) 410-9600 *	Herbalife International (M: HERBA)	0954	5.0	1.64	5.8
(800) 326-5789	Hickory Tech Corporation (M: HTCO)	0915	33.1	0.60	12.3
(212) 736-2300	HMG Worldwide Corporation (M: HMG)	0903	na	0.01	14.9
(443) 259-4900	Humphrey Hospitality Tr. (M: HUMP)	0933	9.5	0.74	-0.2
(212) 884-5000 *	Hungry Minds, Inc. (M: HMN)	0927	7.8	0.82	7.5
(215) 757-0200	ICT Group, Inc. (M: ICTG)	0909	20.1	0.50	51.6

* New to the Shadow Stock listing.

⁺ See the Guide to Industry Group Numbers on page 19.

Data Source: AAIL's Stock Investor/Market Guide, Inc. Statistics are as of December 28, 2000.

Exchange Key: N = New York Stock Exchange

A = American Stock Exchange

M = Nasdaq

SHADOW STOCKS 2001

Phone	Company (Exchange: Ticker)	Industry Group Number*	Price-Earnings Ratio (X)	12-Month Earnings per Share (\$)	5-Year Annual Growth Rate (%)
(949) 206-2700	I-Flow Corporation (M: IFLO)	0812	3.1	0.48	37.4
(212) 889-7201	IIC Industries, Inc. (M: IICR)	0206	7.0	1.66	-18.7
(818) 407-9100 *	Image Entertainment, Inc. (M: DISK)	0921	9.0	0.37	-28.5
(201) 488-1200 *	Innodata Corporation (M: INOD)	1018	50.0	0.25	41.9
(978) 640-0460 *	Instrumentarium Corp. (M: INMRY)	0812	5.1	2.16	4.6
(301) 731-4233	Integral Systems, Inc. (M: ISYS)	1018	32.6	0.49	46.4
(212) 983-2640	Inter Parfums, Inc. (M: IPAR)	0521	19.0	0.51	-1.8
(214) 654-5000 *	Interphase Corporation (M: INPH)	1015	18.8	0.61	0.0
(406) 676-4900	Jore Corporation (M: JORE)	0218	33.0	0.15	45.7
(616) 459-3311 *	Knappe/Vogt Manufacturing (M: Knap)	0209	7.2	1.83	7.1
(949) 453-3990 *	Lantronix, Inc. (M: LTRX)	1015	637.5	0.01	5.9
(847) 967-1010	Lifeway Foods, Inc. (M: LWAY)	0515	40.4	0.13	23.2
(425) 487-4333	Mackie Designs Inc. (M: MKIE)	1003	8.9	0.62	-15.6
(203) 245-7664	Magellan Petroleum Corp. (M: MPET)	0609	13.8	0.07	14.9
(770) 955-7070	Manhattan Associates (M: MANH)	1036	90.7	0.57	0.0
(972) 471-7400	Mannatech, Inc. (M: MTEX)	0803	na	0.00	89.6
(727) 531-1700	MarineMax, Inc. (N: HZO)	0963	4.2	1.40	13.9
(715) 926-4216	Marten Transport, Ltd. (M: MRTN)	1115	5.9	2.04	7.7
(808) 877-3351	Maui Land & Pineapple Co. (A: MLP)	0515	40.7	0.58	26.2
(937) 291-8282	MCSI Inc. (M: MCSI)	1015	18.9	1.14	39.5
(973) 808-1819	Measurement Specialties (A: MSS)	1030	25.3	0.86	71.0
(408) 324-2020 *	Media Arts Group, Inc. (N: MDA)	0963	3.7	1.20	21.0
(631) 231-4600	Medical Action Industries (M: MDIC)	0812	8.3	0.42	82.1
(513) 271-3700	Meridian Diagnostics Inc. (M: KITS)	0803	10.1	0.49	11.1
(801) 253-1600	Merit Medical Systems (M: MMSI)	0812	33.1	0.17	17.7
(413) 568-9571	Mestek, Inc. (N: MCC)	0218	8.5	1.94	14.6
(732) 634-1500	Middlesex Water Company (M: MSEX)	1209	36.7	0.92	3.0
(630) 627-6900	Minuteman Int'l Inc. (M: MMAN)	0218	6.8	1.29	4.5
(516) 694-9555	Misonix, Inc. (M: MSON)	1030	12.5	0.72	31.6
(801) 224-0589	MITY Enterprises Inc. (M: MITY)	0421	11.3	0.58	21.5
(304) 387-5712	MTR Gaming Group, Inc. (M: MNTG)	0912	9.0	0.61	20.8
(800) 661-8831	Nam Tai Electronics, Inc. (M: NTAI)	1027	5.9	2.65	1.7
(408) 746-1600	Nanometrics Incorporated (M: NANO)	1030	14.0	1.08	25.2
(954) 581-0922	National Beverage Corp. (A: FIZ)	0506	11.7	0.79	12.5
(954) 760-6550 *	NationsRent, Inc. (N: NRI)	0939	5.4	0.37	70.1
(818) 591-0776	Nat'l Technical Systems (M: NTSC)	0909	40.6	0.03	2.1
(281) 243-0100	Newmark Homes Corp. (M: NHCH)	0215	5.0	2.03	22.8
(352) 732-5157	Nobility Homes, Inc. (M: NOBH)	0221	11.5	0.50	-4.6
(313) 245-5600	Noble International, Ltd. (M: NOBL)	0415	7.0	2.01	88.0
(757) 928-9000	Noland Company (M: NOLD)	0218	5.5	3.02	5.5
(330) 425-2330 *	North Coast Energy, Inc. (M: NCEB)	0609	11.0	0.45	23.2
(724) 443-9600	North Pittsburgh Systems (M: NPIS)	0915	16.4	0.67	5.2
(651) 784-1250	Northern Tech. Int'l (A: NTL)	0103	7.5	0.68	10.1
(203) 265-7701	Novamatrix Medical System (M: NMTX)	0812	10.2	0.41	7.0
(212) 983-1702	NUR Macroprinters Ltd. (M: NURM)	0218	15.6	0.55	71.4

Phone	Company (Exchange: Ticker)	Industry Group Number*	Price-Earnings Ratio (X)	12-Month Earnings per Share (\$)	5-Year Annual Growth Rate (%)
(602) 952-8836	NZ Corporation (A: NZ)	0939	4.4	0.68	1.9
(952) 937-1107	Ontrack Data Int'l (M: ONDI)	1018	14.5	0.47	20.4
(858) 571-5555	Overland Data, Inc. (M: OVRL)	1021	25.6	0.34	23.4
(501) 361-9111	P.A.M. Transportation (M: PTSI)	1115	7.9	1.02	12.0
(973) 631-6190	Paravant, Inc. (M: PVAT)	1015	22.2	0.13	10.9
(978) 685-4341	Parlex Corporation (M: PRLX)	1024	11.8	1.16	26.2
(703) 679-4900 *	PEC Solutions, Inc. (M: PECS)	1018	28.0	0.36	na
(205) 591-3009 *	Pemco Aviation Group Inc. (M: PAGI)	0203	7.1	1.86	-10.5
(760) 772-9080 *	Penn Octane Corporation (M: POCC)	0609	71.4	0.09	17.4
(603) 882-5191	Pennichuck Corporation (M: PNW)	1209	18.5	1.54	11.3
(304) 842-6256	Petroleum Development (M: PETD)	0609	11.9	0.55	44.3
(972) 701-9955	Pizza Inn, Inc. (M: PZZI)	0942	7.5	0.25	2.5
(415) 974-1399	PLM International, Inc. (A: PLM)	0939	22.5	0.75	19.1
(303) 297-2100	Prima Energy Corporation (M: PENG)	0609	25.9	1.41	11.8
(617) 868-7455	Psychomedics Corp. (A: PMD)	0803	57.2	0.09	1.9
(216) 881-5300	Pubco Corporation (M: PUBO)	0206	2.8	2.50	22.1
(818) 592-0061 *	Qualstar Corporation (M: OBK)	1021	8.3	1.01	156.0
(305) 623-8700	Quipp, Inc. (M: QUIP)	0218	10.9	2.42	18.1
(707) 938-1960 *	Ravenswood Winery, Inc. (M: RWD)	0503	10.2	1.23	34.7
(910) 350-3100	Reeds Jewelers, Inc. (A: RJ)	0963	5.3	0.29	3.1
(305) 476-1757	Rica Foods, Inc. (A: RCF)	0515	16.8	0.32	24.0
(212) 751-1445 *	Richton International (A: RHT)	0206	7.7	3.04	47.7
(612) 944-8144	Rimage Corporation (M: RIMG)	1015	10.9	0.92	60.0
(954) 957-2600	Roadhouse Grill, Inc. (M: GRLL)	0942	27.4	0.04	18.7
(703) 847-8670	Rowe Companies (N: ROW)	0421	4.0	0.68	16.7
(410) 730-4377	RWD Technologies, Inc. (M: RWDI)	1018	21.9	0.14	8.1
(719) 576-3200 *	Saes Getters S.p.A. (M: SAESY)	0103	9.0	0.97	na
(515) 239-6000	Sauer-Danfoss Inc. (N: SHS)	0218	14.9	0.63	7.3
(847) 827-9494 *	Schawk, Inc. (N: SGK)	0930	16.8	0.52	-3.0
(510) 608-3400	Scientific Technologies (M: STIZ)	1030	13.8	0.57	3.8
(215) 646-6600	Selas Corp. of America (A: SLS)	0218	5.1	0.69	-11.3
(810) 987-2200	SEMCO Energy, Inc. (N: SEN)	1206	20.5	0.76	6.2
(716) 385-9500 *	Seneca Foods Corporation (M: SENE)	0515	19.3	1.11	23.5
(540) 984-4141 *	Shenandoah Telecommunic. (M: SHET)	0915	10.0	3.22	5.8
(612) 943-1951	Shuffle Master, Inc. (M: SHFL)	0912	21.2	0.53	41.9
(214) 631-1166	Silverleaf Resorts, Inc. (N: SVR)	0918	2.4	1.07	30.9
(408) 279-7800	SIW Corporation (A: SIW)	1209	22.8	4.48	11.3
(310) 318-3100	Skechers U.S.A., Inc. (N: SKX)	0418	15.5	1.04	98.7
(617) 421-5400	Sonesta Int'l Hotels Corp (M: SNSTA)	0918	6.4	1.25	71.0
(626) 915-1551	Southwest Water Company (M: SWWC)	1209	19.8	0.78	39.6
(616) 878-2000 *	Spartan Stores, Inc. (M: SPTN)	0957	3.7	1.64	18.2
(816) 233-8888 *	St. Joseph Light & Power (N: SJL)	1203	23.1	1.00	-11.7
(310) 792-7024	Summa Industries (M: SUMX)	0112	5.4	1.61	32.4
(301) 592-3000 *	Sunburst Hospitality Corp (N: SNB)	0918	17.3	0.40	-17.5
(520) 570-2000	Sunquest Inform. Systems (M: SUNQ)	1018	10.4	0.87	27.7

* New to the Shadow Stock listing.

* See the Guide to Industry Group Numbers on page 19.

Data Source: AAIL's Stock Investor/Market Guide, Inc. Statistics are as of December 28, 2000.

Exchange Key: N = New York Stock Exchange

A = American Stock Exchange

M = Nasdaq

SHADOW STOCKS 2001

Phone	Company (Exchange: Ticker)	Industry Group Number ^c	Price-Earnings Ratio (X)	12-Month Earnings per Share (\$)	5-Year Annual Growth Rate (%)
(408) 363-8000 *	Sunrise Telecom, Inc. (M: SRTI)	1030	9.8	0.41	na
(248) 619-2800 *	Syntel, Inc. (M: SYNT)	1018	27.4	0.21	56.3
(541) 967-6575	Synthetech, Inc. (M: NZYM)	0103	212.5	0.01	4.9
(502) 585-5544	Sypris Solutions, Inc. (M: SYPR)	1024	15.3	0.46	-4.5
(323) 780-8250	Tarrant Apparel Group (M: TAGS)	0403	18.1	0.20	7.2
(781) 229-7896	Tech/Ops Sevcon, Inc. (A: TO)	1024	10.0	0.91	2.1
(954) 493-8601	Technisource, Inc. (M: TSRC)	1018	8.2	0.18	31.1
(212) 269-2266	Texas Pacific Land Trust (N: TPL)	0933	26.8	1.33	-6.8
(781) 622-1000 *	Thermo Fibertek, Inc. (A: TFT)	0218	11.9	0.29	10.0
(609) 520-9100	Total Research Corp. (M: TOTL)	0909	22.8	0.14	14.9
(914) 925-1140 *	Tremont Advisers Inc. (M: TMAV)	0909	24.4	0.52	na
(809) 476-4044 *	TRICOM S.A. (N: TDR)	0915	13.4	0.59	5.5
(800) 603-8076 *	Trinity Biotech plc (M: TRIB)	0803	11.3	0.20	15.7
(949) 250-3280	Troy Group, Inc. (M: TROY)	1036	12.7	0.42	86.7
(631) 231-0333	TSR, Inc. (M: TSRI)	1036	4.1	0.89	46.6

* New to the Shadow Stock listing.

^cSee the Guide to Industry Group Numbers on page 19.

Data Source: AAIL's Stock Investor/Market Guide, Inc. Statistics are as of December 28, 2000.

Phone	Company (Exchange: Ticker)	Industry Group Number ^c	Price-Earnings Ratio (X)	12-Month Earnings per Share (\$)	5-Year Annual Growth Rate (%)
(973) 365-2799 *	Tutogen Medical, Inc. (A: TTC)	0812	21.7	0.24	15.2
(972) 991-8400	U.S. Lime & Minerals Inc. (M: USLM)	0212	16.1	0.31	5.1
(713) 297-7000	U.S. Physical Therapy (M: USPH)	0806	25.5	1.05	23.5
(303) 412-2500	Ultimate Electronics Inc. (M: ULTE)	0966	19.6	1.16	1.3
(516) 466-6464 *	United Capital Corp. (A: AFP)	1003	4.3	3.47	41.1
(603) 772-0775	UNITIL Corporation (A: UTL)	1203	17.5	1.52	-0.9
(617) 323-9200	Uno Restaurant Corp. (N: UNO)	0942	25.8	1.00	13.1
(801) 954-7100	USANA Health Sciences Inc. (M: USNA)	0521	3.4	0.45	74.8
(561) 622-5656	Wackenhut Corporation (N: WAK)	0972	10.7	1.27	61.5
(914) 986-8080	Warwick Valley Telephone (M: WWWV)	0915	10.9	3.72	26.6
(919) 325-3000	Waste Industries, Inc. (M: WWIN)	0975	9.0	0.67	24.0
(925) 930-5300	Westaff, Inc. (M: WSTF)	0909	4.3	0.44	2.3
(540) 896-7001 *	WLR Foods, Inc. (M: WLRF)	0515	67.0	0.21	-31.9
(918) 664-8200	XETA Technologies, Inc. (M: XETA)	1003	15.2	0.72	32.5

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

exchange. If a stock exceeds or falls below the market value screen 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, 209 stocks passed all of our screens for the Shadow Stock list, with 47 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 five-year annual 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 209 stocks. This file can be retrieved from the AAIL Web site (www.aail.com) at the Download Library and under Files from AAIL.

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 *AAIL Journal* and the AAIL 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 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. F

GUIDE TO INDUSTRY GROUP NUMBERS

Industry Group	Industry	Percentage of 2001 Shadow Stocks*	Industry Group	Industry	Percentage of 2001 Shadow Stocks*	Industry Group	Industry	Percentage of 2001 Shadow Stocks*
01	BASIC MATERIALS	6.7%	0509	Crops	0.0%	0933	Real Estate Operations	1.0%
0103	Chemical Manufacturing	3.3%	0512	Fish/Livestock	0.5%	0936	Recreational Activities	0.0%
0106	Chemicals—Plastics & Rubbers	0.0%	0515	Food Processing	3.8%	0939	Rental & Leasing	1.4%
0109	Containers & Packaging	0.0%	0518	Office Supplies	0.0%	0942	Restaurants	2.9%
0112	Fabricated Plastic & Rubber	2.4%	0521	Personal & Household Prods.	1.4%	0945	Retail (Apparel)	1.0%
0115	Forestry & Wood Products	0.5%	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	0.0%	06	ENERGY	4.3%	0954	Retail (Drugs)	0.5%
0124	Metal Mining	0.5%	0603	Coal	0.0%	0957	Retail (Grocery)	0.5%
0127	Misc. Fabricated Products	0.0%	0606	Oil & Gas—Integrated	0.0%	0960	Retail (Home Improvement)	0.0%
0130	Non-Metallic Mining	0.0%	0609	Oil & Gas Operations	4.3%	0963	Retail (Specialty Non-Apparel)	1.4%
0133	Paper & Paper Products	0.0%	0612	Oil Well Services & Equip	0.0%	0966	Retail (Technology)	0.5%
						0969	Schools	0.0%
02	CAPITAL GOODS	10.5%	07	FINANCIAL	0.5%	0972	Security Systems & Servs	0.5%
0203	Aerospace and Defense	0.5%	0703	Consumer Financial Services	0.0%	0975	Waste Management Servs	0.5%
0206	Construction & Agri. Mach.	1.9%	0706	Insurance (Accident & Health)	0.0%			
0209	Construction—Supp. & Fix.	0.5%	0709	Insurance (Life)	0.0%	10	TECHNOLOGY	25.4%
0212	Construction—Raw Mat'ls	0.5%	0712	Insurance (Miscellaneous)	0.0%	1003	Communications Equipment	3.3%
0215	Construction Services	1.9%	0715	Insurance (Property & Casualty)	0.0%	1006	Computer Hardware	0.0%
0218	Misc. Capital Goods	4.8%	0718	Investment Services	0.0%	1012	Computer Networks	0.0%
0221	Mobile Homes & RVs	0.5%	0721	Misc. Financial Services	0.5%	1015	Computer Peripherals	2.9%
			0724	Money Center Banks	0.0%	1018	Computer Services	3.8%
03	CONGLOMERATES	0.0%	0727	Regional Banks	0.0%	1021	Computer Storage Devices	1.9%
0303	Conglomerates	0.0%	0730	S&Ls/Savings Banks	0.0%	1024	Electronic Instrum'ts & Controls	2.9%
						1027	Office Equipment	0.5%
04	CONSUMER CYCLICAL	5.3%	08	HEALTHCARE	8.1%	1030	Scientific & Tech Instruments	4.3%
0403	Apparel/Accessories	1.9%	0803	Biotechnology & Drugs	2.9%	1033	Semiconductors	1.9%
0406	Appliances & Tools	0.5%	0806	Healthcare Facilities	1.0%	1036	Software & Programming	3.8%
0409	Audio & Video Equipment	0.0%	0809	Major Drugs	0.0%			
0412	Auto & Truck Manufacturers	0.5%	0812	Medical Equip. & Supplies	4.3%	11	TRANSPORTATION	1.9%
0415	Auto & Truck Parts	0.5%				1103	Air Courier	0.0%
0418	Footwear	0.5%	09	SERVICES	23.9%	1106	Airline	0.0%
0421	Furniture & Fixtures	1.0%	0903	Advertising	1.0%	1109	Misc. Transportation	0.5%
0424	Jewelry & Silverware	0.0%	0906	Broadcasting & Cable TV	0.5%	1112	Railroads	0.0%
0427	Photography	0.0%	0909	Business Services	2.9%	1115	Trucking	1.0%
0430	Recreational Products	0.5%	0912	Casinos & Gaming	1.4%	1118	Water Transportation	0.5%
0433	Textiles—Non-Apparel	0.0%	0915	Communications Services	3.3%			
0436	Tires	0.0%	0918	Hotels & Motels	1.4%	12	UTILITIES	5.7%
			0921	Motion Pictures	1.0%	1203	Electric Utilities	1.0%
05	CONSUMER/NON-CYCLICAL	7.7%	0924	Personal Services	0.5%	1206	Natural Gas Utilities	1.9%
0503	Beverages (Alcoholic)	1.0%	0927	Printing & Publishing	1.0%	1209	Water Utilities	2.9%
0506	Beverages (Non-Alcoholic)	1.0%	0930	Printing Services	1.0%			

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

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.

AAIL.com

AAIL's Stock Investor Quotes, news, a financial snapshot, charts, S&P Reports, and link to SEC filings of company reports can be accessed free by AAIL members at www.aail.com in the Tools area. Also, AAIL'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 AAIL'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 www.valueline.com.

Other Sources on the Web for Stock Data & Research

CBS MarketWatch
cbs.marketwatch.com

Motley Fool
www.fool.com

MSN MoneyCentral Investor
moneycentral.msn.com

Morningstar.com
www.morningstar.com

Quicken.com
www.quicken.com

Quote.com
www.quote.com

SmartMoney.com
www.smartmoney.com

Wall Street City
www.wallstreetcity.com

Yahoo! Finance
quote.yahoo.com