

Stock Selections & Timing

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Not Much Change

Just a short article this week because I will be speaking at the Money Show in Las Vegas this week.

Basically, the market has come down to what should be support and so far, it is waffling there. The S&P 500 on the chart below looks weak, but the Industrials and Transports and

other indexes are still above support.

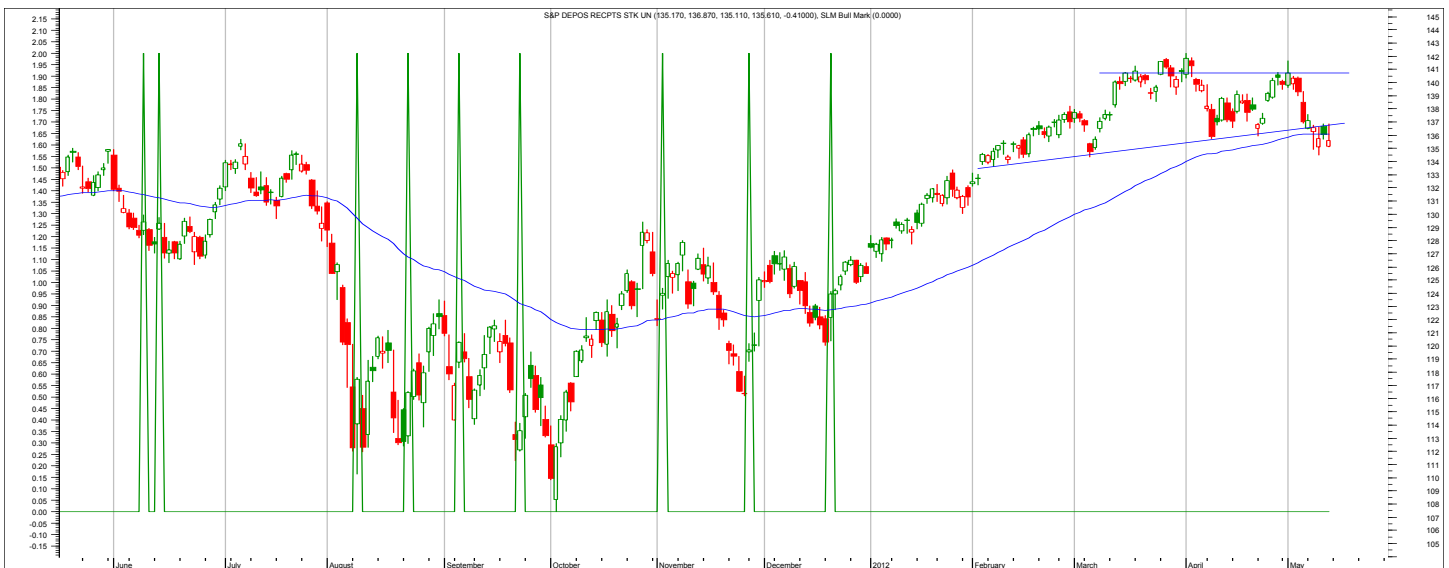
Fundamentally, the same sorts of problems continue to plague the market. Sovereign debt, Greece elections, China slowing faster and further than previously thought, European recession. About the only thing holding together is the domestic

economy. And there is the hope that the Fed will go through another quantitative easing.

Investor sentiment is also mixed. There is no excessive pessimism or optimism, but a feeling of grind it out.

So, monitor the stop levels. No new positions for now. See

(Continued on bottom left on page 4)



This is the daily chart of SPY (S&P 500 index). The green spikes show potential buying areas.

SCOREBOARD

Model	YTD	52-week	26-week	13-week	4-week	1-week
Stock Portfolio	4.2%	10.8%	7.3%	-0.7%	-0.1%	0.2%
Dow30 Portfolio	0.0%	-8.0%	2.1%	-2.8%	-0.7%	-0.5%
Wilshire 5000 TR	8.8%	2.2%	8.3%	0.9%	-1.1%	-0.9%
Dow Industrials	4.9%	1.8%	5.5%	0.1%	-0.2%	-1.7%

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Stock Portfolio

ACTION FOR		PORTFOLIO DETAILS					Value as of date:		5/11/2012					
Action Dates	Action Symbol	Action Price	# of Shares	Action Value	Symbol	Closing stop as of 5/7	Yield at buy	Buy Limit	Start Price	End Price	# of Shares	Current Value	Percent of Total	
19-Mar	watch	SIMG	tight stop											
20-Mar	sell	SIMG	5.890	1,500	8,825									
2-Apr	buy	TAXI	11.30	650	7,355	GENC		8.00	7.53	7.03	2,078	14,608.34	10.3%	
			about 5%			WTT		1.00	0.87	1.20	11,000	13,200.00	9.3%	
10-Apr	sell	ACAS	8.16	900	7,334									
13-Apr	sell	AOSL	8.89	1,000	8,880									
16-Apr	buy	USMO	13.13	500	6,575	FULL	7.00	11.9%	8.00	7.69	7.50	900	6,750.00	4.7%
			about 5%			USMO	12.65	7.5%	14.00	13.32	13.14	1,000	13,140.00	9.2%
						TAXI	10.00	7.1%	11.50	11.30	11.53	650	7,494.50	5.3%
						WWE	7.50	5.4%	9.00	8.91	8.79	500	4,395.00	3.1%
4-May	sell	MRVL	13.90	900	12,500	MRVL	14.00							
7-May	sell	DRAD	2.28	1,500	3,410									
			> 2.29											
7-May	buy	WWE	8.91	500	4,465									
9-May	sell	PKY	10.860	700	7,592									
			>10.75											
Dividends											2,763.22	1.9%		
Money Market											1.00	79,813	79,813.00	56.1%
Total Valuation=											142,164.06	100.0%		

REVIEW since last issue

5/14 GENC reported good earnings. USMO may have found a bottom with its good earnings too. TAXI shot up and is retracing, but I'll hold.

5/7 DRAD has had a pretty good run and it's time to take profits. The company is making some management changes, but still reports losses. If it drops back under \$2, we may reenter, depending on the fundamentals.

WWE will be bought. See page 4.

TAXI reported excellent results and raised their dividend.

PKY issued stock at a premium (\$11.25) to its market price (about \$10), which is always a positive.

4/30 USMO came close to its new stop, but we're still long. I've also been watching a previous buy ANIK continue to soar on improving fundamentals; I sold way too soon. I'm also watching ACAS for a reentry point. It is still below NAV and they're buying back stock, which is accretive. Most other business development companies are issuing stock. DRAD has announced a few management changes, which should help bolster the stock.

	2010	2011	ytd 2012	Incptn	SD
Stock Portfolio	12.3%	21.4	4.2	42.2	14.8
W5000 TR	17.7%	0.5	8.8	28.7	10.6

This shows the returns of previous years, year to date (ytd), and from inception (incptn). It also shows standard deviation (SD).

Dow 30 Portfolio

ACTION FOR		PORTFOLIO DETAILS				Value as of date:		5/11/2012						
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop as of 3/19	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total	
						DIA							0.0%	
5-Mar	sell	AA	9.87	1,300	12,821									
			stopped out											
12-Mar	buy	HPQ	24.04	500	12,030									
			about 11%											
19-Mar	buy	UTX	85.00	150	12,760	HPQ	23.00		24.04	23.14	500	11,570.00	10.9%	
			about 11%			JNJ	64.00						0.0%	
5-Apr	sell	VZ	37.66	300	11,288	VZ	38.00						0.0%	
						UTX	81.00						0.0%	
10-Apr	sell	UTX	78.48	150	11,762									
13-Apr	sell	JNJ	63.54	200	12,698									
						Money Market					1.00	94,427	94,427.00	89.1%
												Total Valuation=	105,997.00	100.0%

Company	Symbol
Alcoa	AA
American Express	AXP
Boeing	BA
Bank of America	BAC
Caterpillar	CAT
Cisco	CSCO
Chevron	CVX
DuPont	DD
Disney	DIS
GE	GE
Home Depot	HD
Hewlett Packard	HPQ
IBM	IBM
Intel	INTC
Johnson & Johnson	JNJ

Company	Symbol
JP Morgan	JPM
Kraft	KFT
Coca-Cola	KO
McDonalds	MCD
3M Company	MMM
Merck	MRK
Microsoft	MSFT
Pfizer	PFE
Procter & Gamble	PG
ATT	T
Travelers	TRV
United Technologies	UTX
Verizon	VZ
Wal-Mart	WMT
Exxon Mobil	XOM

For this portfolio, we seek to outperform the Dow Industrials using proprietary timing and weighting formulas of the underlying thirty stocks of the Dow Industrials. We also will use the ETF that tracks the same. The symbol is DIA.

We monitor the underlying individual stocks for buys and sells in order to overweight the portfolio to what is expected to outperform and underweight the portfolio with what is expected to underperform.

REVIEW since last issue

5/14 No changes.

4/30 PG (Procter & Gamble) is nearing major support below \$60.

4/23 No changes as the market takes a short-term dip. But I will be watching to buy.

Feature Company

REITERATION



WWE (World Wrestling Entertainment) is a quirky company to be sure, but it looks attractive for a couple of reasons and so we'll take a small opening position.

It yields 5.4%.

It is entering new markets in the Middle East, which should help its growth potential.

The stock price is down about 50% over the last two years. To me this implies the bad news is discounted. And indeed, 2012's first quarter's report came in better than expected on 5/3 and the stock price jumped.

Accumulate a small position and we'll watch, hopefully, for the fundamentals to continue to improve which will drive the stock price back up. In the meantime, the 5.4% yield is nice.

(Continued from page 1)

the individual portfolio pages for any changes.

Lastly, I do want to comment again about GENC because, this seems to be one of those situations that is too good to be true.

They reported 2q earnings on 5/11. See the report at SEC.GOV. They reported \$90 million in cash and no debt. The market cap where it trades at about \$7/share is \$70 million. This means, if you could take it

over at current prices at a cost of say \$5 million to do so, you could pocket \$15 million, no risk. Plus own the business for free. In 30 some years of investing, I've seen these types of situations before. They're rare, but they do happen. You just need patience for the rest of the market to discover it.

Descriptions & Disclosures

PORTFOLIO DESCRIPTIONS (pages 2 and 3)

Our guiding goal is to provide the most return with the least risk.

The two portfolios were started on 1/1/10 with \$100,000. Beginning in 2012, the official portfolio for measuring the newsletter performance is the Stock Portfolio only.

Portfolio changes will usually be made at the close on Monday (the day this eNewsletter is posted), or if a position is stopped out, the close that day, unless otherwise noted.

Portfolios are updated through the preceding Friday's close.

Stock dividends are paid in cash. Interest is assumed to be zero for the money market (cash) position. Commission costs to buy and sell are assumed to be \$10.00 per trade.

The Wilshire 5000 TR (total return) includes dividend reinvestment.

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