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The great thing about penny stocks is you don't need to invest a lot of money to get a lot of stock. The flip side is, very few professional financial analysts do in-depth research on penny stocks. But two do. Tom Heysek and Andrew Kline. These guys live, breath and eat penny stocks. It's not much of a life but it's a living. Every week they share their opinions and tips on

penny stocks they've researched on the pages of USPennyStocks News. Everyday they send out their Daily Views with more solid penny stocks advice. Of course, with penny stocks as with any stocks there are no guarantees. We insist that you visit [disclaimer man](#) before signing up or buying stock. [Subscribe Now!](#)

### How Good is Tom and Andy's Advice?



Meet Tom



Meet Andy

**Mar 25:** recommend Axendra @ \$0.92 - Sell Apr 8 @ \$1.55

**Mar 25:** recommend Bsquare @ \$0.95 – Sell Apr 27 @ \$1.28

**April 13:** recommend Entrex @ \$0.84 – Sell April 20 @ \$1.01

[Click here for more examples >](#)

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#### NBGC

"I bought 10,000 shares for 6 cents. In less than a week, I bought it for 18 cents and made a profit of almost \$1,100 on a \$600 investment. Since then, I have bought and sold it twice, making a profit of more than \$500 each time."

#### DROOY

"I bought 800 shares of DROOY at \$2.59. My total cost was \$2,109.95. I was able to sell all 800 shares for \$2,402.05. Since then, I have bought and sold the stock 3 more times - taking half my profit to buy more stock, and using the other half for whatever I want."

#### CMKM

"I invested \$509.95 to buy CMKM and turned around and sold it for \$1,990.05 less than a month later" wrote a USP subscriber called Triple-A. This was showcased in our July 26th Newsletter."

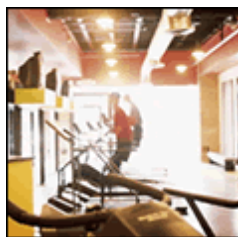
## Our Current Top Picks



#### Concorde America

(OTC: CNDD)  
Current \$5.00  
Projected \$30

[Learn more on this stock and buy >](#)



#### Absolute Health & Fitness

(OTC: AHFI)  
Current \$1.70  
Projected \$5

[Learn more on this stock and buy >](#)



#### Storage Innovation Technologies

(SGNJ)  
Current \$2.00  
Projected \$4

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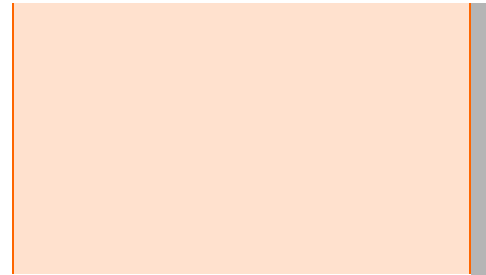
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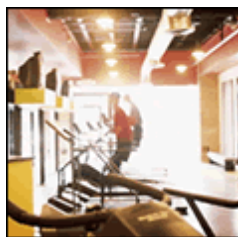
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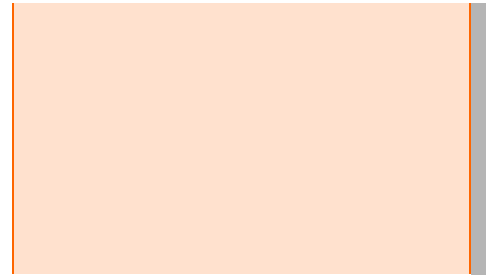
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## Our Top Picks

### This Month's USPennyStocks Recommendations



#### CONCORDE AMERICA (OTC: CNDD)

Category: **Global Employment**

Current Selling Price: **\$5.00**

Projected Value: **\$30.00**

In some Latin American countries the average worker earns \$60 a month. Europe is currently experiencing a zero population growth crisis resulting in crops being unharvested, no one to work community security or sanitation and more. Concorde America is a US based company with a plan and the resources to solve both problems. They have contracts with European countries and companies to screen and provide workers from Latin America (who will earn in excess of \$1500 a month plus receive health insurance and a pension plan).

[Buy Now >](#)

[Click for full research report on Concorde America >](#)



#### STORAGE INNOVATION TECHNOLOGIES (OTC: SGNJ)

Category: **Self-Storage and Personal Security**

Current Selling Price: **\$2.00**

Projected Value: **\$4.00**

Americans are more concerned with their personal safety and the protection of their property than ever. Self-storage is \$20 billion + category dominated by mom & pop style units that anyone with a bolt cutter and a pick-up truck could access. Storage Innovation Technologies will build, maintain and manage the most advanced, state-of-the art, ultra-secure storage facilities as well as underground shelters and panic rooms to protect against acts of terrorism, vandalism and natural disasters.

[Buy Now >](#)

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#### ABSOLUTE HEALTH AND FITNESS (AHFI)

Category: **Fitness Centers**

Current Selling Price: **\$1.70**

Projected Value: **\$5.00**

Absolute Health & Fitness currently owns and operates 4 fitness centers in the Southeast, and expects to add another 8 centers via acquisition, resulting in a company generating revenues in excess of \$10 million / year. A business combination with one other major fitness center operator is expected to more than double the Company's revenues to over \$23 million this year, and increase the number of its operating Business Units

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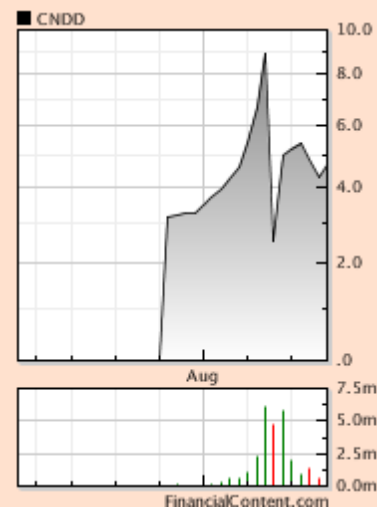
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### CNDD - Target Price \$30.00

[Concorde America](#)



### SGNJ - Target Price \$4.00

[Storage Innovation Technologies](#)

to 24.

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Watch Tom Heysek (Research Analyst & Editor of USPennyStocks.com News) Interview Absolute Health and Fitness CEO Brian Morris & Vice President Thomas Flynn.

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Watch Francis Gaskins (Research Analyst & Editor of IPO Desktop.com) Interview Absolute Health and Fitness CEO Brian Morris & Vice President Thomas Flynn.

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**NOT JUST ANY STOCK CAN BE A USPENNYSTOCK**

Our reputation is built on the quality of the recommendations we make. Our team of expert financial analysts and researchers put hundreds of hours into examining new penny stock opportunities. Out of every ten stocks we consider, only one will make the cut. Before ANY penny stock gets to our website or in our newsletter it needs to pass one of the toughest screening processes in the business.

- We investigate the management, their background, credentials and ethics
- We investigate the growth of the market sector being targeted by the company
- We examine the companies business and marketing plans thoroughly
- We make sure that the company's goals are realistic based on their capabilities and resources

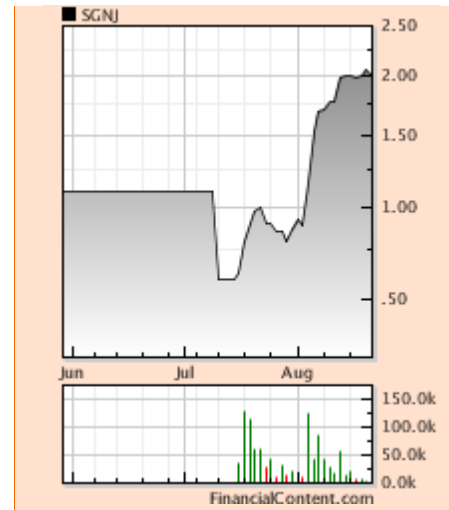
These are just a few of the basic criteria that a company must comply with in order to earn our recommendation. [See all criteria >](#)



"The only way we can succeed is if you succeed. Our entire existence is based on the quality and performance of the recommendations we make to our members."

Tom Heysek, USPennyStocks Senior Analyst

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**AHFI - Target Price \$5.00**  
[Absolute Health and Fitness](#)





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## Penny Stock Investing



Penny stocks like any stocks contain an element of risk but it doesn't cost as much to buy more shares so almost anybody can be a player.

all of these downsides and more. Yet, there's still no guarantee of success. A penny stock, like any stock, is an investment and all investments contain an element of risk.

### Side Two

With prices starting at under a dollar a share, penny stocks give the average, everyday person a chance to purchase a significant number of shares without having to take out a second mortgage. For instance, if a penny stock is selling for 50 cents a share you can buy 1000 shares for just \$500. If the value of the stock goes up just 25 cents you make a 50% return on the investment. \$500 might buy you only a few shares of better-known premium stocks. The point being, you should never invest more than you can afford to lose in any stock. But with penny stocks you can buy more shares for less.

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Overview

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His dad earns 1200% more a month in wages.  
 You earn a 1200% return on your investment.  
 Talk about a win-win.

The Bottom Line is a Better World  
 Concorde America (about 3\$ a share)

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## A Record of Success



Tom Heysek, our senior penny stock analyst, has provided advice on penny stocks that have earned a +29% return on investing.

Almost on a daily basis new stocks are offered at prices ranging from one penny to hundreds of dollars a share. At USPennyStocks we focus on stocks priced below \$5 a share.

The companies we feature must meet certain standards ([click here to visit criteria page](#)). If they meet these standards and if our research indicates that the stock will increase in value we agree to feature them as USPennyStocks recommended buys. Do we charge them for this? Yes we do. Why? Because the amount of effort, time, expense and research we pour into evaluating each and every low cost stock opportunity is second to none in the industry. Instead of promoting stocks via spam emailing and junk faxes, we use mass media advertising.

While most penny stocks represent precisely what penny stock critics think, there are some that are deserving of being in the limelight. There are some that represent truly worthwhile and legitimate investment opportunities. These rare exceptions to the penny stock rule provide the average person with an opportunity to participate in a significant way. For the same total dollar investment that it would cost to buy a few shares of a blue chip or preferred stock you could own hundreds or thousands of shares in a legitimate penny stock and reap the rewards that come with being a major shareholder.

Are there any guarantees? No. There never are in investing.

But dollar for dollar or, should we say, penny for penny – we don't believe you can find any other service anywhere that works as hard or cares as much about wanting to deliver success to each and every member.

- We take seriously investment opportunities that most others don't.
- We never put in front of our members a penny stock opportunity that we don't have total confidence in.
- Our success depends totally on the success of our members.

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\* Limited Time Offer

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Here's a handful of examples of a few Daily Views recommendations.

May 12th: Buy Identix (IDNX) at \$5.90

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### Is USPennyStocks.com News Worth It?

Assume you bought 1000 shares of every stock selling for less than \$1.00 that has appeared in USPennyStocks News since March...

#### USP News MAR 25

Recommend Axendra @ \$0.92  
 Sell April 8 @ \$1.55: + \$630

Recommend Bsquare @ \$0.95  
 Sell April 27 @ \$1.28: + \$330

#### USP News April 13

Recommend Entrex @ \$0.84  
 Sell April 20 @ \$1.01: + \$170

Recommend Littlefield @ \$0.76  
 Sell April 20 @ \$0.60: - \$160

#### USP News May 21

Recommend Newbridge @ \$0.08  
 Sell May 27 @ \$0.18: + \$100

#### USP News June 7

Recommend Apani Labs @ \$0.85  
 Sell July 27 @ \$0.90: + \$50

#### USP News June 14

Recommend Absolute Health @ \$0.95  
 Sell August 3 @ \$1.40: + \$450

#### USP News July 27

Recommend Agere @ \$0.96  
 Sell August 3 @ \$1.13: + \$170

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Sell May 25 at \$7.10  
If you bought 1000 shares you earned **\$1200**

**June 21st: Buy MFRI at \$3.14**  
Sell August 3rd at \$3.56  
If you bought 1000 shares you earned **\$420**

**March 2: Buy IOTN.OB at \$2.50**  
Sell March 5th at 3.50  
If you bought 1000 shares you earned **\$1000**

**January 27: Buy ABX Air at \$5.35**  
Sold February 24 at \$7.46  
If you bought 1000 shares you earned **\$2110**

**May 11: Buy Manchester (MCHUF.PK), the British Soccer Team at \$4.40**  
On May 14th, MCHUF pays a dividend of \$1.25 per share  
Then, on May 26, sell at \$4.25. Total income: \$5.50 (stock plus dividend)  
If you bought 1000 shares you earned \$1100

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## Feature Your Stock

### Want Your Stock Featured By USPennyStocks?

Lets face it, penny stocks don't have the greatest reputation. In the past unethical persons have used the lure of the potential of penny stocks to take advantage of investors. At USPennyStocks.com our number one obligation is to our members. We welcome any worthwhile, ethical company seeking to raise operating capital by offering shares at prices under \$5 per share. But, before we accept you as an 'approved' USPennyStocks featured stock, you'll have to meet the below criteria.

### USPennyStocks Penny Stock Standards

#### ETHICAL STANDARDS

All management personnel responsible for the day-to-day operations of the company must be willing to agree to a full and complete professional, criminal, civil and credit background check.

#### MANAGEMENT SKILLS STANDARDS

All management personnel must provide verifiable documentation attesting to their individual qualifications for their roles in the company. This would include but not be limited to; resumes, references, record of past accomplishments, etc.

#### MARKET POTENTIAL

There must be a clear, verifiable and growing market (demand) for whatever service or product the company is offering. The company must demonstrate a unique selling point or differential that sets itself apart from the competition within their segment or category.

#### BUSINESS AND MARKETING PLAN

The company must provide USPennyStocks analysts with business and marketing plans based on realistic goals that demonstrate a practical path toward reaching company objectives.

#### RESOURCES

The company must disclose all sources of funding and current resources available to the company in order to assure USPennyStocks and USPennyStocks members that the company has the capabilities to compete in the marketplace category from the outset.

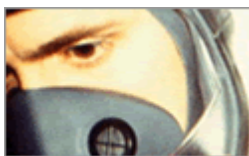
These are the 'basic' criteria we use to determine if a company's stock should be featured as a USPennyStock. There are others. For instance, we instantly distrust and disallow any company that comes across as wanting to be too secretive. We honor and respect the need for confidentiality in some things – in order for your company to maintain a competitive edge. However, if there's something we feel the investor has a right to know we will insist that they know it.

Now you know where we're coming from; the USPennyStock member comes first, last and always. Knowing this, if you would like to submit your company for consideration as a USPennyStock featured stock – [click here](#).

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His dad earns 1200% more a month in wages.  
You earn a 1200% return on your investment.  
Talk about a win-win. The Bottom Line is a Better World  
Concorde America (about 3\$ a share)

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## Our Top Picks

### This Month's USPennyStocks Recommendations



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Current Selling Price: **\$5.00**

Projected Value: **\$30.00**

In some Latin American countries the average worker earns \$60 a month. Europe is currently experiencing a zero population growth crisis resulting in crops being unharvested, no one to work community security or sanitation and more. Concorde America is a US based company with a plan and the resources to solve both problems. They have contracts with European countries and companies to screen and provide workers from Latin America (who will earn in excess of \$1500 a month plus receive health insurance and a pension plan).

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#### STORAGE INNOVATION TECHNOLOGIES (OTC: SGNJ)

Category: **Self-Storage and Personal Security**

Current Selling Price: **\$2.00**

Projected Value: **\$4.00**

Americans are more concerned with their personal safety and the protection of their property than ever. Self-storage is \$20 billion + category dominated by mom & pop style units that anyone with a bolt cutter and a pick-up truck could access. Storage Innovation Technologies will build, maintain and manage the most advanced, state-of-the art, ultra-secure storage facilities as well as underground shelters and panic rooms to protect against acts of terrorism, vandalism and natural disasters.

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#### ABSOLUTE HEALTH AND FITNESS (AHFI)

Category: **Fitness Centers**

Current Selling Price: **\$1.70**

Projected Value: **\$5.00**

Absolute Health & Fitness currently owns and operates 4 fitness centers in the Southeast, and expects to add another 8 centers via acquisition, resulting in a company generating revenues in excess of \$10 million / year. A business combination with one other major fitness center operator is expected to more than double the Company's revenues to over \$23 million this year, and increase the number of its operating Business Units

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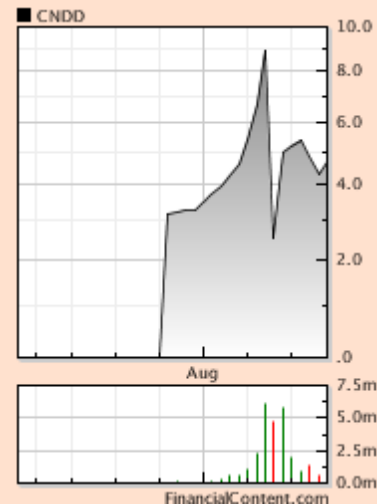
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### CNDD - Target Price \$30.00

[Concorde America](#)



### SGNJ - Target Price \$4.00

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to 24.

**CEO Interviews**

Watch Tom Heysek (Research Analyst & Editor of USPennyStocks.com News) Interview Absolute Health and Fitness CEO Brian Morris & Vice President Thomas Flynn.

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**NOT JUST ANY STOCK CAN BE A USPENNYSTOCK**

Our reputation is built on the quality of the recommendations we make. Our team of expert financial analysts and researchers put hundreds of hours into examining new penny stock opportunities. Out of every ten stocks we consider, only one will make the cut. Before ANY penny stock gets to our website or in our newsletter it needs to pass one of the toughest screening processes in the business.

- We investigate the management, their background, credentials and ethics
- We investigate the growth of the market sector being targeted by the company
- We examine the companies business and marketing plans thoroughly
- We make sure that the company's goals are realistic based on their capabilities and resources

These are just a few of the basic criteria that a company must comply with in order to earn our recommendation. [See all criteria >](#)



"The only way we can succeed is if you succeed. Our entire existence is based on the quality and performance of the recommendations we make to our members."

Tom Heysek, USPennyStocks Senior Analyst

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**AHFI - Target Price \$5.00**  
[Absolute Health and Fitness](#)



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## Penny Stock Investing



Penny stocks like any stocks contain an element of risk but it doesn't cost as much to buy more shares so almost anybody can be a player.

all of these downsides and more. Yet, there's still no guarantee of success. A penny stock, like any stock, is an investment and all investments contain an element of risk.

### Side Two

With prices starting at under a dollar a share, penny stocks give the average, everyday person a chance to purchase a significant number of shares without having to take out a second mortgage. For instance, if a penny stock is selling for 50 cents a share you can buy 1000 shares for just \$500. If the value of the stock goes up just 25 cents you make a 50% return on the investment. \$500 might buy you only a few shares of better-known premium stocks. The point being, you should never invest more than you can afford to lose in any stock. But with penny stocks you can buy more shares for less.

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## A Record of Success



Tom Heysek, our senior penny stock analyst, has provided advice on penny stocks that have earned a +29% return on investing.

Almost on a daily basis new stocks are offered at prices ranging from one penny to hundreds of dollars a share. At USPennyStocks we focus on stocks priced below \$5 a share.

The companies we feature must meet certain standards ([click here to visit criteria page](#)). If they meet these standards and if our research indicates that the stock will increase in value we agree to feature them as USPennyStocks recommended buys. Do we charge them for this? Yes we do. Why? Because the amount of effort, time, expense and research we pour into evaluating each and every low cost stock opportunity is second to none in the industry. Instead of promoting stocks via spam emailing and junk faxes, we use mass media advertising.

While most penny stocks represent precisely what penny stock critics think, there are some that are deserving of being in the limelight. There are some that represent truly worthwhile and legitimate investment opportunities. These rare exceptions to the penny stock rule provide the average person with an opportunity to participate in a significant way. For the same total dollar investment that it would cost to buy a few shares of a blue chip or preferred stock you could own hundreds or thousands of shares in a legitimate penny stock and reap the rewards that come with being a major shareholder.

Are there any guarantees? No. There never are in investing.

But dollar for dollar or, should we say, penny for penny – we don't believe you can find any other service anywhere that works as hard or cares as much about wanting to deliver success to each and every member.

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- We never put in front of our members a penny stock opportunity that we don't have total confidence in.
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#### USP News MAR 25

Recommend Axendra @ \$0.92  
Sell April 8 @ \$1.55: + \$630

Recommend Bsquare @ \$0.95  
Sell April 27 @ \$1.28: + \$330

#### USP News April 13

Recommend Entrex @ \$0.84  
Sell April 20 @ \$1.01: + \$170

Recommend Littlefield @ \$0.76  
Sell April 20 @ \$0.60: - \$160

#### USP News May 21

Recommend Newbridge @ \$0.08  
Sell May 27 @ \$0.18: + \$100

#### USP News June 7

Recommend Apani Labs @ \$0.85  
Sell July 27 @ \$0.90: + \$50

#### USP News June 14

Recommend Absolute Health @ \$0.95  
Sell August 3 @ \$1.40: + \$450

#### USP News July 27

Recommend Agere @ \$0.96  
Sell August 3 @ \$1.13: + \$170

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Sell May 25 at \$7.10  
If you bought 1000 shares you earned **\$1200**

**June 21st: Buy MFRI at \$3.14**  
Sell August 3rd at \$3.56  
If you bought 1000 shares you earned **\$420**

**March 2: Buy IOTN.OB at \$2.50**  
Sell March 5th at 3.50  
If you bought 1000 shares you earned **\$1000**

**January 27: Buy ABX Air at \$5.35**  
Sold February 24 at \$7.46  
If you bought 1000 shares you earned **\$2110**

**May 11: Buy Manchester (MCHUF.PK), the British Soccer Team at \$4.40**  
On May 14th, MCHUF pays a dividend of \$1.25 per share  
Then, on May 26, sell at \$4.25. Total income: \$5.50 (stock plus dividend)  
If you bought 1000 shares you earned \$1100

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## Feature Your Stock

### Want Your Stock Featured By USPennyStocks?

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### USPennyStocks Penny Stock Standards

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#### MARKET POTENTIAL

There must be a clear, verifiable and growing market (demand) for whatever service or product the company is offering. The company must demonstrate a unique selling point or differential that sets itself apart from the competition within their segment or category.

#### BUSINESS AND MARKETING PLAN

The company must provide USPennyStocks analysts with business and marketing plans based on realistic goals that demonstrate a practical path toward reaching company objectives.

#### RESOURCES

The company must disclose all sources of funding and current resources available to the company in order to assure USPennyStocks and USPennyStocks members that the company has the capabilities to compete in the marketplace category from the outset.

These are the 'basic' criteria we use to determine if a company's stock should be featured as a USPennyStock. There are others. For instance, we instantly distrust and disallow any company that comes across as wanting to be too secretive. We honor and respect the need for confidentiality in some things – in order for your company to maintain a competitive edge. However, if there's something we feel the investor has a right to know we will insist that they know it.

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## About Us

USPennyStocks.com is a business that generates revenue by providing investor awareness for companies trying to make investors aware of what they have to offer. In other words, they pay us to do this. However, this doesn't mean that we'll do what we do for any company that has a penny stock to sell. Ultimately, the success of USPennyStocks (and of the stocks we agree to feature) depends on the success of our members. The bottom line is pretty simple; if the stocks we feature fail to provide earnings for our members than we won't last very long will we? For this reason we're very careful about the stocks we agree to feature and promote. ([See our criteria page](#)).

Another big difference between USPennyStocks.com and most other web sites that provide Investor awareness of penny stocks is how we do business. If we send out an email or a fax it's only to people who have agreed to receive an email or a fax. We don't spam. We don't do 'mass fax blasts' to countless millions. We avoid under the radar marketing techniques and are as upfront about the risks associated with penny stock investing as possible. You'll never see the words "MUST BUY" on this site. In real life the only "MUST BUYS" are food, clothing and shelter for yourself and your family.

Whenever possible and assuming they meet with our criteria, we like to feature companies that work to provide benefits beyond those to the investors. Concorde America (OTC: CNDD) is an example. Sure, we feel it has a good chance to earn investors a nice chunk of change. At the same time, if successful, Concorde America will help thousands of Latin American moms and dads provide a better life for their families and help solve a serious labor shortage in Europe. It's a win across the board.

We also try to have a little fun with penny stock investing. Maybe you've seen our TV ads with Abe Lincoln wearing a Hawaiian shirt. And Tom Heysek, our senior financial analysts has decades of experience at this and can analyze with the best of them. But Tom is, well, a character and his writing style is as much fun as it is informative and smart.

In the final analysis, it's important to put penny stock investing in its proper perspective. You never want to invest more than you can afford to lose on a penny stock (or any stock for that matter). Penny stocks simply provide more people with a chance to own more stock without having to make a major financial commitment. So please, invest with your head – not over it and thank you for visiting USPennyStocks.com.

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## Meet Tom Heysek.



Tom Heysek, our financial investment guru and the editor of our USPennyStocks News newsletter. Tom is also the Director of Research for Asian American Capital, a San Francisco-based investment management and securities research company.

Tom's professional ladder began with JP Morgan's Trust & Investment Division in New York, where he spent 10 years building a solid foundation for his impressive career. Progressing further up the corporate ladder, he moved to the San Francisco HQ of the Crocker Bank where he took up a position as Corporate Banker.

With his strong business acumen, financial expertise and managerial proficiency, Tom was soon promoted to Director of Asia Pacific Merchant Bank based in Hong Kong. The years between 1985 and 1993 of Tom Heysek's thriving career were spent as Managing Director of the Consulting Shoppe. The company headquarters relocated from Singapore to San Francisco and re-named Asian American Capital in 1993.

This is where Heysek has remained and, to date continues to work with excellence and a passion for financial services. Mr Heysek's career spans over an incredible thirty years. His steady track record of professional success over the years means he has amassed a wealth of knowledge and experience in various sectors of the financial market and built a solid reputation as an undisputed leader and acclaimed expert in financial affairs.

Tom Heysek's investment advice on our featured penny stock picks comes from his background of professional financial achievement. You can therefore rest assured in the knowledge that your USPennyStocks investment consultant knows exactly what he is talking about and you can trust his advice.

Not only is Tom Heysek happy to share his expertise with USPennyStocks members, he also welcomes any of your comments or requests for information. Feel free to email him directly at [editor@USPennyStocks.com](mailto:editor@USPennyStocks.com).

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## Meet Andrew Kline.



Mr. Kline holds degrees in both Finance and Economics, and he is a member of the Mensa Society (San Francisco chapter). His interest in the stock market and commodities trading began in 1980, after Russia invaded Afghanistan. He found himself fascinated by the incredible fluctuations in gold prices over a very short period of time. Gold shot up to \$850 per ounce in 1980, and then fell to half that by the next year.

His formal training began in the early 1980's when he studied trading through professionals from Lachman & Co., a futures trading brokerage firm in Marin County, California. He quickly caught on, and was soon trading index, currency, metals, oil, and bond futures. His favorite index has always been the S&P 500.

In 1987 he opened his own consulting firm, specializing in finance, technical analysis and problem solving. He successfully managed this firm until 1995, when he realized that, to advance further, he needed to broaden his basic life experience. He has since traveled around the world, exposing himself to many different cultures. His travel experience includes a 5 year stay in South America, where he built and administered rural clinics for the poor and indigenous people of the region.

Upon his return, Mr. Kline began trading again. Although he continues to trade index futures, his interests have shifted more directly towards equities and options. Aside from his pertinent degrees, it is his extensive experience and vision that qualifies Andrew to speak to the effect of geopolitical and geostrategic fundamentals on markets. It is that knowledge of economic fundamentals along with his experience in technical analysis that makes Andrew an expert on "market timing."

Feel free to email him directly at [editor@USPennyStocks.com](mailto:editor@USPennyStocks.com).

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## InvestorTester Survey

Thanks for taking the time to participate in this test of your knowledge and experience when it comes to penny stock investing. In return for your time we will be selecting the names of five different people, at random, who have completed this questionnaire. These five people will receive a rare collectible penny valued at approximately \$500.

### Penny stock investing is:

Riskier     Less risky     Just as risky as any stock

### I have invested in penny stocks in the past.

Yes     No

### Before investing in penny stocks I do:

A lot     Some     Not much research.

### I have received messages in my fax machine about penny stocks.

Yes     No

### I actively seek out potentially strong penny stock opportunities.

Yes     No

### I generally trust research provided with penny stock recommendations.

Yes     No

### Penny stocks are a regular part of my investment portfolio strategy.

Yes     No

### As an investor I would consider myself:

Avid     Moderately active     Newcomer

### When assessing a penny stock opportunity the most important factor to me is:

Market potential     Quality of company management     Company business plan

### If a penny stock I buy goes up in value I am:

More likely     Less likely to sell quickly

Thank you for answering these questions. Now, for your prize!

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## Got Questions?

Here are some of the more frequently asked questions regarding penny stock investing. If you've got some that aren't on this page – [drop us an email](#).

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- [Section A - What Are Penny Stocks?](#)
- [Section B - Listing Penny Stocks](#)
- [Section C - Penny Stock Reporting Requirements](#)
- [Section D - Penny Stock Share Offers](#)
- [Section E - Penny Stock Brokers](#)
- [Section F - Assessing Penny Stock Investments](#)
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## SECTION A - WHAT ARE Penny Stocks?

### What is a Penny Stock?

The term 'Penny Stock' is used to refer to stocks that are low priced. Low priced, in this case, refers to stocks that sell at, or less than, five dollars. Penny Stocks generally trade in what is referred to as the [Over-the-Counter \(OTC\)](#) market, which would include the [OTC Bulletin Board](#) or the [Pink Sheets](#). Penny Stocks that we feature, generally, do not trade on the national exchanges.

Penny Stocks are also referred to as Microcap Stocks.

Learn about Penny Stocks. [Sign up now!](#)

### What is a Microcap Stock?

A Microcap Stock is also known as a Penny Stock. The term "microcap" is an abbreviation of the phrase "micro capitalization", or a company with a "micro" or low capitalization. Capitalization refers to the total value of a company.

Microcap Stocks or, if you prefer the term Penny Stocks, tend to trade in low volumes and their stock is relatively inexpensive.

### Where do Penny Stocks trade?

Penny Stocks generally trade in the [Over-The-Counter](#) market, more specifically, the [OTC Bulletin Board](#), or OTCBB or another electronic quotation system, the [Pink Sheets](#). Penny Stocks generally do not trade on the National Stock Exchanges, such as NASDAQ or the NYSE.

### How are Penny Stocks different from other Stocks?

The biggest differences between Penny Stocks and other stocks relate to a lack of public information, listing requirements and investment risk.

Penny Stocks do not have as onerous reporting requirements vis a vis the SEC and so one cannot always get information directly from the SEC's website.

Companies on the OTCBB or the Pink Sheets do not have to meet any minimum listing requirements, whereas companies that trade their stocks on major exchanges have requirements relating to amongst other things, a minimum amount of net assets and a minimum number of shareholders.

## Penny Stock Investing

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Penny Stock investments tend to be risky because the companies tend to be new and have little or no proven track record. This is also why investors can make serious money when they come upon a good Penny Stock investment.

### **Are Penny Stock Investments risky?**

All stock investments are risky. There are no guarantees in stock investment.

Penny Stock investments are often classified as very risky investments. Penny Stocks are low-priced shares of small companies not traded on any National Exchange or quoted on NASDAQ. Quoted prices for Penny Stocks are often unavailable because the shares tend to trade in low volumes.

The over-the-counter market is less liquid than national stock exchanges and so Penny Stock investors are often unable to sell their stock back to the dealer who sold the stock, since there may not be any willing buyers for that Penny Stock. While Penny Stock investments can be very lucrative, investors should understand the risks involved in investing in small, new companies.

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## **SECTION B - LISTING Penny Stocks**

### **What is the "Over-the-Counter" (OTC) market?**

Stocks that do not trade on recognized national stock exchanges, such as the New York Stock exchange or the NASDAQ, trade rather in markets described as "over-the-counter" (OTC).

The OTC market is less formal than the national exchanges when it comes to matters such as listing requirements and investor information and exists primarily to give relatively new and small companies access to public investor funding. The OTC market is, in essence a collection of broker-dealers, market makers, Penny Stock companies and investors from the public that generally interact with each other through the OTCBB or the Pink Sheets.

### **What is the OTC Bulletin Board?**

The OTCBB is an acronym for the Over-the-Counter Bulletin Board. This OTC bulletin Board is described as such basically because it is an electronic quotation system. The number of shares traded (volume) and the price information on exchange-listed stocks are all displayed on the OTCBB.

Subscribing brokers find the OTCBB useful to look up prices or enter quotes for the OTC securities. The OTCC is overseen rather than managed or owned by the NASD.

### **Is the OTCBB part of the NASDAQ Stock market?**

Although many people incorrectly assume that the Over-the-Counter Bulletin Board (OTCBB) is associated with the NASDAQ Stock market, the OTCBB is not at all a part of the NASDAQ.

### **What are the Pink Sheets?**

The "Pink Sheets", like the Over-the-Counter-Bulletin Board (OTCBB), is an electronic quotation system. The Pink sheets present quotes from broker dealers for many over-the-counter (OTC) securities. The Pink sheets are useful for brokers to publish their purchase and selling quotation prices.

The "Pink sheets" are named as such because pink was the original color of the page that this type of information was traditionally printed on.

A privately owned company, Pink Sheets LLC, publish the Pink Sheets. The Pink Sheets electronic quotation system is not registered with the Securities Exchange Commission (SEC) and neither is the company a broker-dealer of the National Association of Securities Dealers (NASD).

The Pink sheets are updated electronically on a daily basis and can be a useful source of information on public companies offering their shares in the OTC market.

### **What is the NASD?**

The NASD is the National Association of Securities Dealers, and is an association of brokers and dealers in the securities business.

### **What is the SEC?**

The acronym SEC stands for the United States Securities and Exchange Commission.

This Commission aims to protect investors and ensure that all investors, whether they invest on behalf of giant corporations or make up the individual investor on the street, should have access to certain basic information about an investment before they buy it. It is for this reason that the SEC necessitates the disclosure of financial and other information by public companies to the general public itself.

The SEC operates on the premise that it is only through the steady and comprehensive stream of accurate and reliable information that can people make investment choices of a sound and effective nature. The SEC exists primarily to devise rules and regulations that protect potential investors.

### **Are there any listing requirements to list a share in the OTC market?**

No, neither the Pink sheets nor the OTCBB require Penny Stock companies to meet any listing requirements before their share is quoted on their systems.

### **Are there any minimum listing standards that must be met in order to list a share in the OTC market?**

Companies that trade their stocks on the major national exchanges such as NASDAQ or the NYSE are required to meet minimum listing standards. There are no minimum listing standard that must be adhered to before Penny Stock shares can be listed on the OTCBB or the Pink Sheets and traded in the over-the-counter (OTC) market.

### **Can Private Companies be listed in the OTC Market?**

Yes, any private company, provided they subscribe to the Over-the-Counter Bulletin Board (OTCBB) or the Pink sheets, can sell their shares in the OTC market.

Learn more about listing standards now! [Click here](#) to join.

### **How does a Penny Stock Company become a public company?**

A Public company is a company that sells shares of its stock to the public. The [Securities and Exchange Commission \(SEC\)](#) regulates all public companies. If a Penny Stock company wanted to become a publicly held company, it could do so by following one of two methods.

- Either the Penny Stock company can issue stock in a transaction that is registered with the SEC or;
- register the company and its outstanding stock with the SEC.

Both methods of registration stimulate ongoing reporting duties. This means that the company must file periodic reports disclosing vital information to investors about its business, management methods and financial state.

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## **SECTION C - Penny Stock REPORTING REQUIREMENTS**

### **Do Penny Stock companies have to file reports with the SEC?**

In general, a company (including Penny Stock companies) must file reports with the SEC if it has 500 or more investors and \$10 million or more in assets; or it lists its securities on any one of the American, Boston, Cincinnati, Chicago, Nasdaq, New York, Pacific or Philadelphia stock exchanges.

If a Penny Stock company has voluntarily chosen to register their stock and file their reports, then this Penny Stock company will be required to file the same quarterly, annual and other regular reports.

Some Penny Stock companies voluntarily register their reports with the SEC.

### **What is EDGAR?**

EDGAR, or the Electronic Data Gathering And Retrieval system of the [SEC](#) allows companies to both file their own Financial Reports and access the corporate filings of other companies. The EDGAR system can be accessed from the Security Exchange Commission's (SEC) website.

### **Where do Penny Stock companies file financial reports with the SEC?**

Penny Stock companies can file their financial reports with the Security Exchange Commission (SEC) electronically by using the SEC's EDGAR system. The EDGAR database is available on the SEC website and includes a variety of annual quarterly reports and other such corporate filing information.

### **How do I get information about Penny Stock Companies?**

Your broker or investment adviser can provide you with information about the Penny Stock company and its disclosure documents.

One could contact the company and ask them whether they are registered with the SEC and files reports with the SEC.

Financial reports for Penny Stock Companies can be found at the Security Exchange Commission's (SEC) EDGAR system. This system is available on the SEC's website.

If you cannot find the company on EDGAR, you should contact your state securities regulator, which should give you access to the most recent reports the company has filed with its regulators.

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## **SECTION D - Penny Stock SHARE OFFERS**

### **Do Penny Stock companies have to register with the SEC in order to offer or sell securities to the public?**

Any company that desires to offer or put up shares for sale to the public at large must either register with the SEC or fulfill an exemption, in a general either under SEC Regulation A or D

### **What is a Regulation D offering?**

Smaller companies that offer and sell stocks without registering with the SEC can do so under an exemption which is termed Regulation D. Regulation D exempts companies that look to raise less than 12 million dollars per annum from registration.

Companies looking to raise up to five million dollars are also exempted by Regulation D provided that the companies sell to thirty-five or less individuals, or to any number of investors deemed "accredited", (these are investors required to meet standards of high net worth or income).

Although companies declaring an exemption under Regulation D are not required to register or file reports with the Securities Exchange Commission (SEC) these companies must however file a "Form D" within three days after the sale their stocks. A "Form D" is a document that details the names and addresses of stock promoters and owners.

### **What is a Regulation A offering?**

Regulation A exempts companies that raise less than five million dollars per annum from

registering their shares. Rather than file their securities through the electronic data and gathering retrieval system more commonly known as ([EDGAR](#)), these companies are only required to file with the SEC a printed copy of an "offering circular".

This "offering circular" contains financial statements and other corporate information relating to the company.

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## SECTION E - Penny Stock BROKERS

### Who can sell Penny Stocks to me?

A broker-dealer or a market maker can sell Penny Stocks to the public. Etrade or Scottrade are examples of reputable online brokerages that can and do sell Penny Stocks.

### What are market makers?

In the context of Penny Stock investments, market makers are firms that remain prepared to buy and sell a specific stock on a frequent and continuous basis at a price that is publicly quoted.

Market makers are in constant competition with one another for orders to buy or sell at prices publicly quoted. Market makers must, on the whole, be prepared to buy and sell at least one hundred shares of a stock they develop a market in.

Resultantly, a substantial order requested by an investor could possibly have to be filled by numerous market makers at potentially different prices. If, for example, a broker seeks to buy a stock but there are no offers to sell it, the market maker will fill the order himself by selling shares from his own account. This works in reverse too where, if a broker desires to sell but there is no buyer; the market maker then buys the shares.

Market makers have an important role to play in providing liquidity in the Over-the-counter (OTC) market, where Penny Stocks tend to trade.

### Who are the market makers?

In the [Over-The-Counter \(OTC\)](#) market, a [market maker](#) is the broker or trader responsible for maintaining a functioning market in an individual stock by standing ready to buy or sell shares. The market maker can be an individual or a firm.

### What questions should I ask the broker who sells the Penny Stocks?

1. Is the brokerage registered with a state securities regulator? Have they ever been investigated or disciplined by a state regulator, the [Securities Exchange Commission \(SEC\)](#) or any other organization, such as [NASD](#) or one of the stock exchanges?
  - How long has the brokerage firm been in business? How many arbitration awards have been filed against the firm?
  - Have you personally been involved in any arbitration cases? What happened?
  - Please describe your personal investment philosophy.
  - Describe your typical client. Please let me have the names and telephone numbers of some of your long-term clients.
  - How do you get paid? By commission? Amount of assets they manage? Another method?
  - Do I have any choices on how to pay you? Should I pay you by the transaction? Or a flat fee regardless of the number of transactions?
  - Do you make more money if I buy this stock rather than another? If you weren't making extra money, would your recommendation be the same?
  - Are you participating in a sales contest? Is this purchase really in my best interest, or are you trying to win a prize?
  - How much will I receive if I sell the stock again today?
  - Where do you send my order to be executed? Can we get a better price if we send it to another market?
  - How do I find out more about the stock broker who is trying to sell me Penny Stocks?
  - By contacting the state securities regulator you will be in a position to access information detailing whether or not the stock broker and his or her firm are registered, if they are in a possession of a business license, and if the broker or firm has been the subject of complaint or disciplinary action.
  - Under federal law, what information does my broker have to give me before I buy

- a Penny Stock?
- Your broker must reveal to you the bid and offer price quotes for the Penny Stock, as well as the number of share to which the quoted prices apply.
- You must be informed of the brokerage firm's compensation for facilitating the trade and the compensation amount allocated to the firm's salesperson.
- You must be given monthly account statements giving an estimate of the value of each Penny Stock owned by you.
- Your broker must send you a written statement for you to sign that accurately describes your financial situation, your investment experience and your investment goals. This document should also contain a statement of why your firm decided that Penny Stocks are a suitable investment for you.

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## SECTION F - ASSESSING Penny Stock INVESTMENTS

### What should I do if I want to make a Penny Stock investment?

Before making a Penny Stock investment, a potential investor should research each investment opportunity thoroughly and ask questions. Find out whether the Penny Stock company has registered its securities with the SEC or the state's securities regulators.

Make sure that you understand the company's business and its products or services. Be wary of companies that have no operating history, few assets, or no defined business purpose.

Is the company making money? How they rank in relation to their competitors?

Read carefully the most recent reports the company has filed with its regulators and pay attention to the Penny Stock company's financial statements, particularly if they are not audited or not certified by an accountant. If the company does not file reports with the SEC, ask your broker for the Rule 15c2-11 file on the company.

This file contains important information on the company. What are the specific risks associated with this Penny Stock investment? What is the maximum I could lose? Perform a background check on the management of the company with your state securities regulator, and find out whether they have ever made money for investors before this venture.

You should also find out whether the management of the company have ever run into trouble with the regulators or other investors.

- How liquid is this investment? How easy would it be to sell if I needed my money right away?
- Does this investment match my investment goals?
- Why is this investment suitable for me?
- How will this investment make money? (Dividends? Interest? Capital Gains?)
- What must happen for this investment to increase in value?
- What are the total fees to purchase, maintain and sell this investment?
- After all the fees are paid, how much does this investment have to increase in value before I break even?

Know the brokerage firm and the salespeople with whom you are dealing. The nature of the market for Penny Stock is such that you may have to rely on your original brokerage firm that sold you the stock to trading prices and to buy the stock back from you. Only use reputable brokerage firms such as Scottrade and Etrade where possible.

### How do I find out more about the people running a Penny Stock company?

To discover information regarding a Penny Stock company's owners or the particular people running the company you should contact your state securities regulator.

### How do I know that the Penny Stock that I am considering investing in is not fraudulent?

The lack of accurate and accessible information about some Penny Stocks means that they are made vulnerable to fraudulent activities. When there is no information available about Penny Stock companies fraudsters are given more leverage to manipulate a Penny Stock and spread false information.

The greater the volume of financial data and other information on a Penny Stock, accessible for the public consumption, the smaller the propensity for fraud taking place

## How do I protect myself from Internet fraud?

Internet fraud, as it relates to Penny Stock investments, generally involves the distribution of e-mails more commonly known as spam or junk mail. This spam would advertise misleading or false information about a Penny Stock company in the hopes to attract more investors.

Fraudsters also use aliases or "false identities" on Internet bulletin boards and chat rooms to secure anonymity from which they are able to lure potential Penny Stock investors with false investment tips deemed as "inside information".

Being vigilant about internet fraud, understanding the methods used, and most importantly performing thorough research into the Penny Stock company or companies you choose to invest with, are all steps that can be taken to ensure that you do not fall prey to the pervasions of internet fraud

## What are the typical Penny Stock scams?

Penny Stock scams are most predominately carried out in two ways, the "Pump and Dump" or the "Offshore" scams. The "Pump and Dump" scheme usually involves posted internet messages or telemarketers urge investors to speedily buy penny shares or sell before the price falls. The promoters will maintain that they possess "inside information" about a particular investment or business opportunity.

In reality the promoters may actually be company insiders or hired promoters who will themselves benefit after the sale of their own Penny Stocks once their "promotions" have cultivated an inflated stock price. Investors lose their money once the fraudulent party has sold their own penny shares, the generated hype has died down, and the price inevitably falls.

The Off-Shore Scam would normally be perpetrated by an unethical Penny Share company that sells unregistered Regulation S stock at a great discount to fraudsters posing as foreign investors. The fraudsters subsequently sell the stock to United States investors at elevated prices and the profit generated is shared by the Penny Stock company. The great volume of unregistered stock streaming into the US stimulates a price fall which, in turn, means the US investors suffer significant losses.

## What is Regulation S?

SEC Regulation S is a Penny Stock share offer exemption that allows companies to sell stock outside of the United States to foreign or off-shore investors without registering the stock with the SEC.

## What are the Penny Stock investment fraud 'red flags' to look out for?

The [SEC](#) suspends trading in a Penny Stock if it is under the impression that a company is distributing inaccurate, false or misleading information. If a Penny Stock's shares have been suspended, find out more information.

Be careful of [Penny Stock investments](#) where there exists no current financial information on the company but it is both widely recommended and advertised. High pressure sales tactics, where a salesperson speaks very emphatically about a "once in a life time opportunity, not to be missed" and you are being privilege to "confidential, inside information", are clear red flag signals of fraud. Be careful of Penny Stock companies that have large assets but small revenues.

This fraud involves attaching high values on the financial statements to assets completely unrelated to the company itself.

Strange items in the financial statements footnotes, an unusual loan for example, could be another indication that things may be amiss. Strange auditing issues such as a company's auditor's refusal to certify their financial statements or a change in accountants may also signal danger in the Penny Stock investment.

A Penny Stock investor should be careful of situations where insiders own large amounts of the stock in the company and are given the power to control most of the shares. In this situation, it may be easy to manipulate the Penny Stock share price to the detriment of a new investor.

A Penny Stock investor should be careful of investing in a Penny Stock when there is an unwillingness to provide access to written documentation about the Penny Stock



investment, including information a potential investor is entitled to in terms of law or regulations.

### **Where can I turn to for help if I become the subject of a Penny Stock scam?**

If you find that you have been targeted in a Penny Stock scam you should immediately contact your state's securities regulator and give them all information that you have at your disposal so that they could investigate the matter further.

You should also file a complaint through the Securities Exchange Commission's (SEC) website at their online complaint centre.

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## **SECTION G - EXECUTING Penny Stock INVESTMENTS**

### **What happens when I place an order to buy or sell a Penny Stock?**

Online brokerage accounts are not connected directly to the securities markets. If you are trading in Penny Stock shares through an online brokerage account, your order to buy or sell it sent over the internet to your broker who then decides which market to send it to for execution. Your order to buy or sell stock is not instantaneous.

### **What options does my broker have for executing my trade?**

If your stock is listed on an exchange your broker can direct your order to that particular exchange, or to another exchange in another area (regional exchange) or to a firm known as a "third market maker". A third market maker is a firm that is, at any time, ready to buy or sell shares listed on an exchange at prices that are publicly quoted. For shares trading in the over-the-counter (OTC) market, your broker can possibly send the order to a [market maker](#) in the stock.

Your broker can route your order to what is called an ECN (electronic communications network) which is a network that automatically matches buy and sell orders at specified prices. Your broker can also decide to send your order to another division of the broker's firm and your order is then filled out of the firm's own inventory. This is known as internalization and it allows your broker's firm to possibly make money on the difference between the purchase and sale price (the spread).

### **What is "payment for order flow"?**

Payment for order flow refers to the way in which regional exchanges or third market makers will pay your broker for directing your order to that specific exchange or market maker.

### **What is internalization?**

Internalization describes the practice of brokers opting to send your order to another division of the broker firm so that your order can be filled out of the firm's own inventory, giving the firm the opportunity to make money on the spread.

### **What is a limit order?**

A limit order is an order to sell or buy a stock at a particular price.

### **What is a market order?**

A market order is an order to buy or sell a stock at the current market price and, unless you indicate to the contrary, your broker will enter your order as a market order.

### **What is a bid price?**

This refers to the highest price that a market maker will pay at any specified time to buy a given number of shares in a Penny Stock.

### **What is the ask price?**

The ask price is also referred to as the 'offer' price and refers to the lowest price at which a

market maker will sell a specified number of shares of a Penny Stock.

### **What is the spread?**

The spread is the difference between the bid price and ask (offer) price. There exists a difference between the two prices because the ask price is certainly always higher than the bid price. Market makers make money on the spread when Penny Stocks are traded

### **What is the broker's mark-up or mark-down?**

The price that an investor pays for a Penny Stock includes the profits for the broker and the firm to which he is affiliated. Knowing what the mark-up or mark-down amounts are, will assist you to assess the overall value of the trade.

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## **SECTION H - MONITORING Penny Stock INVESTMENTS**

Where can I find quoted prices for stocks I am trading in the OTC market? Quoted Prices for stocks traded in the [Over-The-Counter \(OTC\)](#) market can be found on the Over-the-Counter [Bulletin Board \(OTCBB\)](#) or at the [Pink Sheets](#). If you are having any trouble in finding quoted prices for your Penny Stock investments, you should contact your [broker / dealer](#), who will be able to help you.

### **Where can I check how my Penny Stocks are trading?**

The Over-the-Counter Bulletin Board (OTCBB) and the Pink Sheets are both electronic quotation systems that allow one access to the most recent trading information on Penny Stocks.

### **What questions should I ask about the progress of my Penny Stock investments?**

How frequently do I get statements? Do I understand what the statement tells me? Does the return on my investment satisfy my expectations and is this rate of return a good reflection of what I was originally told to expect? How much money will I get back if I sell the Penny Stocks today? How much am I paying in commission or fees? Have my investment goals changed and are Penny Stock investments still suitable? What criteria should I use to decide when to sell?

### **What do I do if I suspect that something is amiss after I have made a Penny Stock investment?**

There is a limited time period during which you can take legal action.

You should immediately talk to your broker and explain your concerns. If you suspect that your broker is involved in fraudulent activity, document your complaint straightaway and send it to the firm. If a circumstance arises that your broker is unable to resolve proceed then to the broker's branch manager and re-explain your predicament.

Thereafter, if your problem remains unresolved, document your complaint in written form and send it to the compliance department at the firm's headquarters. If, after this, you are still not satisfied, send a letter to your state securities regulator and attach copies of all the documentation that you previously sent to the firm. You could also use the Security Exchange Commissions (SEC) online complaint form to lodge any complaints or problems that you may have encountered.

### **What happens to my Penny Stock shares if the company declares bankruptcy?**

A Penny Stock investor should be careful when investing in common stock of companies in Chapter 11 bankruptcy. Some people look to purchase the low-priced shares of these Penny Stock companies in the hopes that the price of the shares will rise after the company surfaces from a bankrupt state.

In actual fact, creditors are paid from the company's liquidated assets before common stockholders and the holders of these Penny Stock shares stand a very good chance of losing their whole investment.

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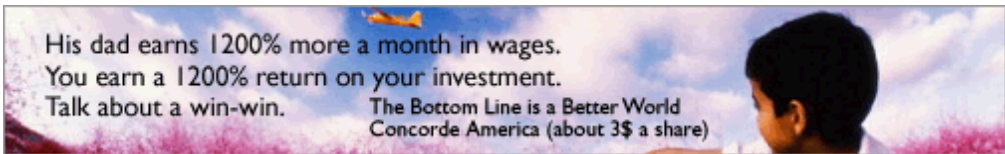
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## This Month's Recommendations




  
[English](#)
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[Russian](#)
[Spanish](#)

### CNDD - Concorde America - Strong Buy Recommendation

Yesterday, the common stock of Concorde America, Inc. was attacked by a group of short-sellers. For those of you who are not familiar with short selling, it occurs when individuals or groups get together to FORCE the price of a stock down in the hope that they can pick up those same shares at a cheaper price. **In other words, they want to buy your shares cheap!**

**We view this as a tremendous buying opportunity.** Our recommendations are still in place, and we feel that CNDD will see a price of \$38.00 per share over the next 6 months. If you are already invested in the stock, we see this as an opportunity to add to your positions. If you are new to CNDD, **this is a great chance to accumulate shares at a price we won't see again.**

**We will update you more on CNDD this weekend in our "Weekly Update" section.**

**News Release Disclaimer** - None of the views expressed in this email are of the Company, and NO company officials have been contacted regarding this information.

- [Market Data on Common Stock](#)
- [Why Concorde America \(OTC:CNDD\)](#)
- [Recommendations to Individual Investors](#)
- [Wide Angle View](#)
- [Nature of Business & Global Environment](#)
- [Management Team](#)
- [Earnings Per Share Model](#)
- [Independent Research](#)
- [Interactive Chart](#)

### MARKET DATA ON CNDD COMMON STOCK

**Recent Stock Price:** \$5.00  
**Shares Outstanding:** 210 million  
**Market Value:** \$630 million  
**Market Value to 2005 Projected Revenues:** 0.7 times  
**Recent Price to 2005 Projected Earnings Per Share:** 1.0 times

This Is Not A Typographical Error---Concorde America (CNDD) Is Currently Selling For One-Times Next Year's Earnings Per Share

Revenue & Earnings Outlook				
	Revenues	Net Income	Earnings per Share	Market Value @ 15x EPS Target
	<i>in millions</i>	<i>in millions</i>		<i>(P / E)</i>
2004(e)	US \$ 630	US \$ 420	US \$2.00	\$30/share
2005(e)	US \$ 915	US \$ 665	US \$3.00	\$45
2006(e)	US \$1,080	US \$ 839	US \$4.00	\$60

## Investor Center

This Month's Recommendations

Concorde America

Storage Innovation Technologies

Absolute Health & Fitness

Interactive Charts

USPennyStocks.com News

Your Profile

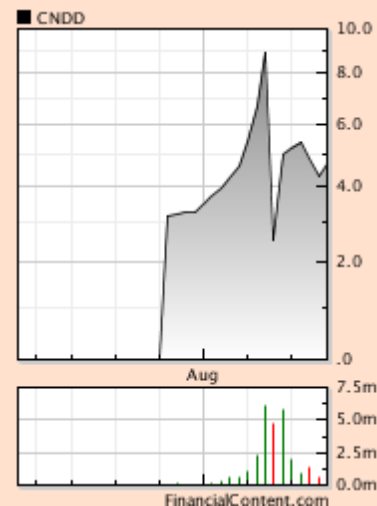
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### Get More Information About Concorde America

To receive free information on our Featured Penny Stock : "CNDD - Concorde America", free e-mail updates and other investor packages & offers, [click here](#).

### CNDD - Target Price \$30.00

Concorde America



### Disclaimer Man



*"I am Disclaimer Man. It's my job to make sure you understand the risks"*

## WHY CONCORDE AMERICA (OTC:CNDD)

Concorde America is one of those rare opportunities to invest in a venture that has the opportunity to be a significant global win across the board.

### The Opportunity

#### EUROPEAN NEED: Workers

Between 1994-2003 the population in Europe has declined by more than 81 million people. It's a phenomenon known as 'zero population growth.' One of the most significant catastrophic side effects of zero population growth is, it results in a significant shortage in workers to perform essential services such as farm labor, domestic, sanitation and security job.

European nations and companies have sought and attempted several solutions to the problem with little success and are embracing the Concorde America model as the most practical, affordable and immediate source of relief to the crisis.

#### LATIN AMERICAN NEED: Good Paying Jobs

Latin American countries have an abundance of qualified workers who are skilled in precisely the types of work the nations and companies of Europe are looking for. These Latin American workers currently earn an average income of about \$60 a month, have no pension plans, health or dental plans or benefits of any kind.

#### CONCORDE AMERICA SOLUTION: TAWF

It stands for Trans Atlantic Worker Fulfillment. In a nutshell, what Concorde America does is recruit, screen and provide workers from Latin American countries to meet the specific needs of European nations and companies. Europe gets the skilled ready-to-work labor force they need to maintain their economy. Latin American workers receive over \$1500 a month (1200% + pay increase), health benefits for themselves and their families and the opportunity to participate in a pension plan.

#### YOUR INVESTMENT OPPORTUNITY: Is Now

Concorde American is not only an enterprise that should succeed, it's an enterprise that must succeed. The company is working to make a difference that can simultaneously solve two significant global problems while providing investors with a strong return at the same time. We envision the following growth path for Concorde America stock over the next 36 months:

Based on projections that Europe will experience shortages of up to 40 million workers, the Trans-Atlantic Worker Fulfillment solution has the potential to become a \$200 Billion Dollar industry. This would put TAWF up there in the same ballpark as the automotive and microchip categories in sales.

As of right now, to our knowledge, there are no other competitors in the category. There are certainly no others who are positioned as strongly or structured as well as Concorde America to provide solutions to both the European and Latin American needs and offer such a rapid and significant return on investment as well.

#### CNDD HAS CONTRACTS TO DELIVER 350,000 WORKERS IN THREE YEARS

Spain has entered into an agreement with Concorde America to provide over 350,000 agricultural workers from Latin America over the next three years. This one contract alone will result in \$2.6 billion in revenue and earnings aggregating \$9.23 a share.

#### ALL OF EUROPE IS WATCHING

As an investor your money is riding on Concorde America's ability to fulfill this contract to the expectations of the Spaniards. But there will be another group watching even more closely - other European nations and businesses. Others in Europe won't wait for the entire three-year contract to be executed to make their judgment. They can't afford to. They need workers now. Once they see that Concorde America is successfully providing the labor Spain needs, the proverbial floodgates will open.

Revenue & Earnings Outlook

*associated with penny stocks BEFORE investing.*

If you would like to read the Disclaimer Man statement, [click here](#),

If you would like me to read it to you, [click here](#).



	Revenues	Net Income	Earnings per Share	Market Value @ 15x EPS Target
	<i>in millions</i>	<i>in millions</i>		<i>(P / E)</i>
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2005(e)	US \$ 915	US \$ 665	US \$3.00	\$45
2006(e)	US \$1,080	US \$ 839	US \$4.00	\$60

## RECOMMENDATION TO INDIVIDUAL INVESTORS

For more conservative individual investors, buy 2,000 shares putting half in your IRA, and the other half in a trading account. For more aggressive investors, consider committing up to \$50,000 into this stock, starting with a 10,000 share block, and building a position from there.

CNDD represents a business that can change not only a regional economy but also a worldwide economy. In the past, the stock market has generously rewarded the shareholders of such innovative companies (see Wide Angle View) and we expect the ten-bagger in CNDD's stock to be no different.

To receive free information on our Featured Penny Stock : "CNDD - Concorde America Inc", free e-mail updates and other investor packages & offers, [sign up here](#).

Want to buy CNDD? Our [recommended brokers](#) will make your investment a seamless process.

## WIDE ANGLE VIEW

The 25 Member States that form the European Union (EU) represent the second largest economic zone in the world with combined GDP of about \$7 Trillion. Since the fall of the Berlin Wall in 1989, however, these economies grew 1.95% annually versus a 2.89% annual growth for the USA<sup>1</sup>.

This 94 basis point slower rate of growth may not seem like much to the untrained eye, but when applied to a \$7 Trillion economic zone over a period of 14 years, this is a material rate of lost macro-economic prosperity. There was no Stock Market Bubble in Europe.

What crystallizes the commercial opportunities for Concorde and its stockholders is the population declines in Europe. The EU countries can no longer ignore this demographical fact---since it now affects their standing within the EU as well as on the global competitive stage.

The shortage of workers in the Infrastructure Industries (farming, domestic services and commercial security) is especially acute. This is the void in the European market that Concorde America fills. To the best of our knowledge, it is the ONLY publicly-traded company in this industry.

## NATURE OF BUSINESS & GLOBAL ENVIRONMENT

**Concorde America** is a publicly-traded holding company. Its ticker symbol on the stock exchange is --- **CNDD**. Through wholly-owned operating subsidiaries, CNDD is engaged in the business of providing unskilled contract-labor to private-sector companies operating in the 25-Member States that comprise the European Union, or EU.

The Company's contract-labor will be deployed into one of three sectors of the private client's economy ---

- i. agri-business;
- ii. domestic services; and
- iii. commercial & industrial security.

These are referred to as Infrastructure Jobs according to the *Far East Economic Review*, however, in America, more familiar job descriptions would be

- i. farm-workers;
- ii. maids and janitors;
- iii. rent-a-guard.

Economists at two large international banks --- HSBC and Barclays Group plc have independently plotted econometric forecasts based on (a) current demographic trends (i.e. **declining population**); and (b) 'reasonable' long term economic growth.

Their conclusions were remarkably similar: By 2015, there will be an acute shortage of workers to staff Infra- structure Jobs in the EU.

In order to credibly quantify, in terms of Earnings Per Share, the commercial opportunity within Concorde's grasp, and that of its shareholders', the potential investor needs to understand a few facts about Europe and the European Union---here's the abbreviated, though essential, version ~

The European Union is a Socio-Economic union of 25 Member States which when taken together (the Euro is the common currency) represents the Second Largest Macro-Economy in the world. It has also established itself as a factor-to-deal with in the global economy.

The EU alone stood in the way of **General Electric** (GE) acquiring Honeywell, and it is no accident that **Microsoft** (MSFT) has a European office in Brussels---Operational Headquarters of the EU.

To place the EU's commercial authority and relevance into perspective, GE and Microsoft represent the first and second largest public companies in the world (\$327 Billion and \$307 Billion, respectively). As mighty as this may seem, these large companies are sensitive and in some cases deferential to the EU's macro-market responsibilities.

**There are 25 Member States in the European Union.**

**Table One: The First Nine Members of the EU**

<b>Belgium</b> (as of 1973)	<b>Netherlands</b>
<b>Germany</b>	<b>Denmark</b>
<b>France</b>	<b>Ireland</b>
<b>Italy</b>	<b>United Kingdom</b>
<b>Luxembourg</b>	

**Plus these 16 ~**

Austria	Greece	Lithuania	Slovakia
Cyprus	Finland	Malta	Slovenia
Czech Republic	Hungary	Poland	Spain
Estonia	Latvia	Portugal	Sweden

At the same time that the EU's economic strength and highly regarded reputation in global commerce has increased, Europe's population is declining. For the ten years ended 2003, Europe's population declined by more than 81 million people.

This population decline is not only in relation to its share of the world's population, but in absolute numbers as well. In percentage terms, Europe's population declined by 10%, and represented 12% of the world's population (down from a 14% proportion ten years ago). Table TWO illustrates:

**Table Two: Europe's Declining Population**

	Population			As a Percent of World's Pop'l tn	
	1994	2003	% Chg	1994	2003
<b>Asia</b>	3,345,498	3,767,972	13%	59%	61%
<b>Africa</b>	722,814	815,680	13%	13%	13%
<b>North America</b>	288,788	315,169	9%	5%	5%
<b>Latin America</b>	474,240	531,718	12%	8%	9%
<b>Europe</b>	<b>806,967</b>	<b>725,870</b>	<b>-10%</b>	14%	12%
<b>Oceania/Australia</b>	28,366	31,018	9%	1%	<1%

<b>Totals</b>	5,666,673	6,187,427	9%	100%	100%
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Within Europe itself, the Muslim populations increased from 13 million to 32 million in 2003, and as a group, represent 4.4% of Europe's population, up from 1.6% ten years ago.

If this trend continues unchecked, this proportion increases to 12% by 2015, and 27% by 2025. This has been an unavoidable demographic development given the worker shortages that are already apparent in Europe.

Unavoidable --- until now. This is where **Concorde America** enters the investment picture with an alternative for selected EU Members:

**Recruit contract-labor for Infrastructure Jobs from those countries in Latin America that are culturally compatible with the customs and language of selected EU Member States.**

The Company's first contract is to provide 150,000 unskilled laborers to a private sector agribusiness company in Spain. A second contract for 50,000 unskilled agri-business laborers commences in the second quarter of 2005. The commercial terms of these contracts are spelled out in the Earnings Model section at the end of this report.

While private sector companies in every EU Member State are potential clients for Concorde's foreign-labor contract services, Spain and Italy will comprise the early geographical focus.

Concorde America provides a new solution to an aging problem --- staffing "Infrastructure Jobs", especially in agriculture where labor needs can be seasonal. Table THREE illustrates why Spain and Italy are amongst the first EU Member States to be receptive to the type of new- solution Concorde offers. In the five years ended 2003, among the ten largest EU economies --- Spain and Italy ranked at the bottom, meaning loss of market share, income and jobs.

**Table Three: Agricultural Income Levels for 10 Largest Member States in the E U**  
1998 - 2003

	1998 Index	2003 Index	Percent Chg
	(1994 - 1996 = 100)		
Portugal	73.7	123.4	67.4%
Austria	104.6	130.8	25.0%
Germany	116.0	123.4	17.5%
Netherlands	85.5	96.1	12.4%
France	98.0	104.0	6.1%
UK	101.5	107.4	5.8%
Ireland	109.4	111.4	1.8%
Belgium	80.0	80.1	0.1%
Spain	110.5	107.8	<b>-2.4%</b>
Italy	107.4	96.2	<b>-10.4%</b>
Agriculture Index	96.9	107.3	<b>10.7%</b>

The countries selected to fulfill Spain's demand for unskilled foreign labor is highlighted by the table below:

The Net-Take-Home pay for the 150,000 workers is 1,050 Euros per month (or US \$ 1,260).

The unskilled laborers for Concorde's first foreign-worker contract have been recruited from Honduras. The first 1,000 arrive in Spain August 1st, then, at the rate of 1,000 per day until the end of the year.

In order to appreciate the compelling economics to these contract- workers, recognize this: At US \$ 1,260 per month, that's a personal income of \$15,120 per annum --- OR, SIX times greater than that worker would earn by staying at home.

In conclusion --- Concorde's New Solutions to the Infrastructure Job shortage in the European Union offers affordable, and culturally- compatible, laborers to private sector companies and at the same time improves the financial lives and living standards of thousands of people.

...And in the process of delivering these commercial results, generate an attractive rate of return for the Company's shareholders.

**Table Four: Primary Recruiting Ground for Concorde**

Latin American Country	Per Capita Annual Income	Literacy Rate	Population
Honduras	US \$ 2,600	76%	6.9 million
Nicaragua	US \$ 2,500	68%	5.5 million
Ecuador	US \$ 3,100	93%	13.0 million
Relevant Data for other Countries in the Region			
Mexico	US \$ 9,000	92%	103.5 million
Columbia	US \$6,500	93%	44.2 million
Argentinian	US \$10,200	97%	38.4 million
Source: Eurostat - Economic Accounts for Agriculture (EAA)			

A discussion of the Global Environment would be incomplete without addressing competition. In the case of Concorde America, there isn't any --- at the moment. The first public mention in EU publications that deal with shortages in "Services of General Interest?" was a May 2003 "Green Paper".

Here's the link ~

[http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003\\_0270en01.pdf](http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003_0270en01.pdf)

As other international companies will inevitably seek to move into Concorde's commercial arena over the next few years, CNDD will have not only built a formidable barrier-to-entry but is likely to have locked-up the most lucrative Recruitment Assignments.

**Look to subsequent updates on "CNDD - Concorde America Inc" from USPennyStocks.com including Press Releases from the company, [sign up now](#) to subscribe to CNDD's Investor database and keep up to date with the latest advancements by the company!**

## MANAGEMENT TEAM

**Hartley Lord** is the Chairman and Chief Executive Officer of Concorde America with over 50 years of financial management and investment banking experience, with specialization in telecommunications. Mr. Lord is an Air Force Veteran and a graduate of the University of North Florida. He has been called a pioneer in the deregulation period of the telephony industry, during which time he founded Cardtel, Inc in 1985. **Julio Aspe** is President of the Company. He has over 20 years civil and tax law experience. Mr. Aspe has a law degree from Escuela Libre de Derecho in Mexico and a Masters in International Law from the Universita S. Tommaso in Rome. **Raul Mendez** is the Chief Technology Officer with over 18 years experience in application and database development, in industries ranging from insurance to manufacturing. Mr. Mendez earned his graduate degree in Business Administration from Florida International University. The systems he has installed to manage / monitor more than 1 million contract workers were essentially his programming.

## EARNINGS MODEL

There are three components to Concorde's Revenue Stream: (a) Placement Fees; (b) Subcontract-Sharing Fees; and (c) Contract Renewal Fees. Placement Fees equal 3,500 Euros per laborer, whether a Direct Placement or Subcontract-Labor. A Direct Placement means the contracted worker goes on the payroll of the private sector client.

Over the ten quarters (through 2006) covered by the attached Earnings Model, Concorde plans to recruit 350,000 contract-workers from Honduras to work for a private sector agri-business company in Spain for one year.

In exchange for delivering 350,000 workers to the Spanish private sector company, Concorde's is paid a Placement Fee of 1.2 Billion Euros (350,000 x 3,500 Euros), or **US**

**\$1,470 million.**

In addition, half of the Company's 350,000 worker requirement will provide for sharing in the worker's income stream over the course of the year. These payments DO NOT come out of the contract workers pay, but are an additional negotiated cost to the private sector client employing Concorde-sourced contract labor.

These Subcontract-Sharing payments generate another 853 million Euros (**US \$ 1,024 million** in revenues for Concorde received on a monthly basis over the period covered in the Earnings Model.

Finally, Concorde earns 400 Euros (US \$ 480) as a Renewal Fee for each contract-worker who renews his/her contract (it is unlikely the shortage of Infrastructure Jobs in the EU will diminish).

The Earnings Model assumes that 75% of the workers whose contracts are expiring renew over the period covered in the Earnings Model. Hence, the first contract of 150,000 workers assumes 112,500 (75% of 150,000 workers) renew after the first year, then 84,375 renew in year two. Renewal Fees Revenues are projected at 124 million Euros or **\$149 million.**

The table following summarizes the Revenue components:

**Placement Fees:** \$1,470 million

**Subcontract Fees:** \$1,024 million

**Renewal Fees:** \$ 131million

**Total: 2,625 million**

Against this revenue stream, direct expenses include \$500 to transport each worker, and administrative expenses that increase from \$7 million this year to \$30 million in 2006. In the earnings model, we have assumed a Tax provision of 20% - 30%, though it could be considerably less than this. With 210 million shares outstanding---the Earnings Per Share figures are:

2004 (e)	2005 (e)	2006 (e)
\$2.00	\$3.17	\$4.00

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## INDEPENDENT RESEARCH LINKS

Want to know more about the trends affecting the potential of this stock? One of the best ways is to search key phrases that provide independent research and studies conducted by people and organizations that could care less if you buy the stock or not. We have prepared a few key-phrases searches for you. When you click them you're taking to the first page of Google that contains information on the subject.

### CONCORDE AMERICA

**European population growth** (<http://www.google.com/search?hl=en&ie=UTF-8&q=European+Population+Growth&btnG=Google+Search>)

**European labor crisis** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=European+Labor+Crisis&btnG=Search>)

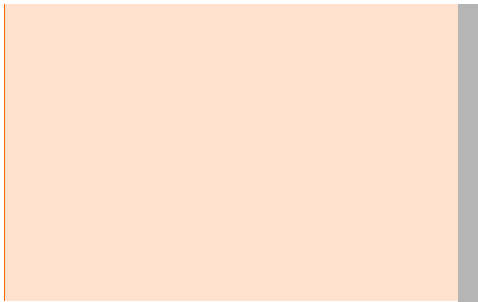
**European population crisis** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=European+Population+Crisis&btnG=Search>)

**Latin American Wages** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=Latin+American+Wages&btnG=Search>)

**Latin American Workers** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=Latin+American+Workers&btnG=Search>)

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### CNDD - Concorde America

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- [SOMMAIRE, ÉVALUATIONS ET CONCLUSIONS SUR L'INVESTISSEMENT](#)
- [RECOMMANDATIONS aux INVESTISSEURS INDIVIDUELS](#)
- [VUE D'ENSEMBLE](#)
- [NATURE de L'ENTREPRISE ET ENVIRONNEMENT GLOBAL](#)
- [ÉQUIPE DE GESTION](#)
- [MODÈLE DE GAINS PAR ACTION](#)
- [Financial Content](#)

### DONNÉES SUR LE CAPITAL-ACTIONS ORDINAIRE

Récent prix: 5,00 \$

Actions en circulation: 210 millions

Valeur au marché: 630 millions \$

Valeur au marché sur les revenus projetés en 2005 0,7fois

Récent prix sur les gains par actions projetés en 2005 1,0 fois

CECI N'EST PAS UNE ERREUR TYPOGRAPHIQUE ---CONCORDE AMERICA (CNDD) SE VEND ACTUELLEMENT À UNE FOIS LES GAINS PAR ACTION DE L'ANNÉE PROCHAINE

#### PERSPECTIVES DES REVENUS ET DES GAINS

Revenus	Revenus nets	Gains Par action	Valeur au marché @ 15x GPA indicatif
(en millions)	(en millions)		(C / B)
2004(e) US 630 \$	US 420 \$	US 2,00 \$	30 \$ /action
2005(e) US 915 \$	US 665 \$	US 3,00 \$	45 \$
2006(e) US 1 080 \$	US 839 \$	US 4,00 \$	60 \$

### SOMMAIRE, ÉVALUATIONS ET CONCLUSIONS SUR L'INVESTISSEMENT

1. D'ici à 2015, l'Europe s'attend à connaître une pénurie d'environ 40 millions de travailleurs dans l'industrie de l'infrastructure (agriculture, services domestiques, sécurité industrielle)
2. Les gouvernements européens ont été incapables de stopper cette pénurie de la main d'œuvre de l'infrastructure, une donnée économique et démographique apparente depuis le début des années 1990.
3. Les récentes initiatives commerciales de compagnies du secteur privé dans l'Union européenne sont prometteuses --- un investissement de 5 000 \$ US par travailleur pour localiser une main d'œuvre non qualifiée en provenance de régions sous-développées de l'économie mondiale.
4. Sur la base de cette pénurie de 40 millions de travailleurs, cet affaiblissement de la démographie se transforme alors en une industrie mondiale potentielle de 200 milliards de dollars.
5. En perspective de marché, une industrie de **200 milliards de dollars** n'est PAS extraordinaire --- l'industrie mondiale de l'automobile est de 200 milliards de dollars; il en va de même pour l'industrie des ordinateurs personnels et des puces électroniques.

« Les pessimistes voient des difficultés dans chaque opportunité; les optimistes voient une opportunité dans chaque difficulté » --- Winston

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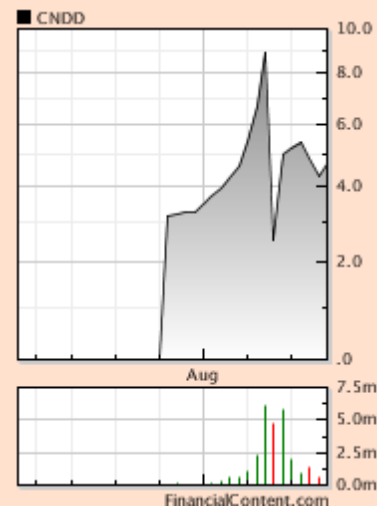
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### CNDD - Target Price \$30.00

Concorde America



### Disclaimer Man



"I am Disclaimer Man. It's my job to make sure you understand the risks"



Churchill

6. Joignez-vous à **Concorde America**, symbole : CNDD --- un symbole relativement nouveau dans cette industrie mondiale rapidement émergente.
7. Concorde America s'implique directement dans ce problème émergent de pénurie de main d'œuvre dans l'infrastructure en Europe en concluant des ententes avec des compagnies privées européennes afin de fournir des travailleurs non qualifiés.
8. Les premiers contrats CNDD sont avec des compagnies privées dans le secteur agricole en Espagne et pour lesquelles, la main d'œuvre sera localisée en Amérique latine, fournissant ainsi à cette clientèle une main- d'œuvre étrangère résidente « culturellement compatible » ~ d'où, notre sobriquet.  
**« Contrats de travailleurs immigrants » ou CTI**
9. CNDD a exécuté trois contrats (CTI) afin de faire parvenir 350 000 travailleurs sur les trois prochaines années.
10. Les **revenus** contractuels projetés de CNDD pour ces seuls trois contrats totalisent **2,6 milliards de dollars US** (environ 1 % de la TOTALITÉ DE L'INDUSTRIE MONDIALE) et les gains **9,23 \$ US l'action**.

Notre prix indicatif à court terme pour CNDD (3 – 6 mois) est de 6 \$ l'action. Ce prix indicatif est appuyé par les deux points reconnus suivants :

- i. **6 \$ / l'action** représente un multiple de deux fois les ventes de l'année prochaine ( 2 x 933 millions \$ - 1,8 milliard \$ divisé par les 210 millions d'actions émises);
- ii. Le flux monétaire actualisé de cette série de gains est de 6 \$ l'action.

Maintenir un multiple de deux fois les ventes produit un prix indicatif intermédiaire de 9 \$ / l'action; toutefois, dans le long terme (12 mois +), cette action a le potentiel pour atteindre 25 \$ - 30 \$ / l'action (voir la section « Fondement » ci-dessous)

PERSPECTIVES DES REVENUS ET DES GAINS			
Revenus	Revenus nets	Gains Par action	Valeur au marché @ 15x GPA indicatif
(en millions)	(en millions)		(C / B)
2004(e) US 630 \$	US 420 \$	US 2,00 \$	30 \$ /action
2005(e) US 915 \$	US 665 \$	US 3,00 \$	45 \$
2006(e) US 1 080 \$	US 839 \$	US 4,00 \$	60 \$

#### FONDEMENT DE CETTE FOURCHETTE DE PRIX INDICATIFS À LONG TERME ---

Reconnaissez que d'ici 12 mois, Concorde aura déjà exécuté son premier contrat CTI pour 150 000 travailleurs et commencera la réalisation du deuxième. Un troisième CTI est déjà en place pour l'année suivante. Aussi, les résultats d'exploitation pour 2004 seront transparents, tout comme le sera la crédibilité de la direction dans la communauté financière quand elle annoncera l'orientation ascendante des revenus et des gains.

De plus, il est fort probable que cet espace commercial (**contrat de travail pour main-d'œuvre étrangère**) aura considérablement plus de visibilité avec le public investisseur dans un an. Depuis que l'Union européenne ne s'est pas objectée à ce que ses membres répondent à la pénurie de travailleurs en important de la main d'œuvre étrangère en général, d'autres recruteurs et entreprises offrant des activités complémentaires à cette industrie attireront davantage l'attention. Cela ne peut qu'avantager l'investissement fait dans une compagnie comme CNDD, laquelle est la première compagnie publique dans cette zone commerciale.

#### RECOMMANDATIONS aux INVESTISSEURS INDIVIDUELS

Pour les investisseurs individuels plus conservateurs, achetez 2 000 actions en en mettant la moitié dans un compte de retraite individuel et l'autre moitié dans un compte de négociation. Pour les investisseurs plus agressifs, considérez engager jusqu'à 50 000 \$ dans ce stock en débutant avec un bloc de 10 000 actions et consolidant votre position à partir de ce moment.

CNDD représente une entreprise pouvant non seulement modifier l'économie régionale mais aussi l'économie mondiale. Les actionnaires de telles compagnies innovatrices ont été généreusement récompensés par le passé (voir Vue d'ensemble) et nous anticipons à ce que le stock gagnant de CNDD ne soit aucunement différent.

#### VUE D'ENSEMBLE

Les 25 États membres de l'Union européenne (UE) représentent la deuxième plus grande zone économique mondiale avec un PNB combiné d'environ 7 billions \$. Depuis la chute du mur de Berlin en 1989, la croissance de ces économies ne fut toutefois que de 1,95 % annuellement versus 2,89 % pour les USA<sup>1</sup>.

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Ce taux de croissance moindre de 94 points peut ne pas sembler beaucoup à l'œil non averti mais, appliqué à une zone économique de 7 billions \$ sur une période de 14 ans, il s'agit là d'un taux important de perte de prospérité macro-économique. Il n'y a pas eu de bulle du marché des actions en Europe.

Le déclin de la population en Europe cristallise les possibilités commerciales pour Concorde et ses actionnaires. Les pays de l'Union européenne ne peuvent ignorer plus longtemps ce fait démographique --- puisque cela affecte maintenant leur position au sein même de l'UE ainsi qu'au niveau concurrentiel global.

La pénurie de main-d'œuvre dans les industries de l'infrastructure (agriculture, services domestiques et sécurité commerciale) est particulièrement sévère. C'est ce vide dans le marché européen qu'occupe Concorde America. Au meilleur de notre connaissance, il s'agit de la SEULE compagnie publique dans cette industrie.

## NATURE de l'entreprise et environnement global

**Concorde America** est une société de portefeuille publique. Son symbole boursier est --- CNDD. Par le truchement de ces filiales détenues en propriété exclusive, CNDD est engagée dans l'entreprise de fourniture de main-d'œuvre contractuelle non qualifiée aux compagnies du secteur privé opérant dans les 25 États membres constituant l'Union européenne ou l'UE.

La main d'œuvre contractuelle de la compagnie sera déployée dans l'un des trois secteurs de l'économie privée du client ---

- i. l'industrie agricole;
- ii. les services domestiques;
- iii. la sécurité commerciale et industrielle.

Les emplois de ces secteurs sont référés comme emplois d'infrastructure selon le Far East Economic Review; toutefois, en Amérique, des descriptions d'emploi plus familières seraient

- i. travailleurs agricoles;
- ii. femmes de ménages et concierges;
- iii. location d'un gardien de sécurité.

Les économistes de deux grandes banques internationales --- HSBC et le Groupe Barclays plc ont de façon indépendante tracé les prévisions économétriques basées sur (a) les tendances démographiques (p. ex., le déclin de la population) et (b) la croissance économique « raisonnable » à long terme.

Leurs conclusions ont été remarquablement similaires : en 2015, l'UE fera face à une pénurie sévère de travailleurs pour doter en personnel les emplois dans l'infrastructure.

En vue de quantifier de manière crédible, en termes de gains par action, la possibilité commerciale à la portée de Concorde et de celle de ses actionnaires, l'investisseur potentiel doit comprendre quelques faits au sujet de l'Europe et de l'Union européenne --- en voici une version résumée quoiqu'essentielle ~

L'Union européenne est une union socio-économique de 25 États membres, lesquels pris ensemble (l'Euro est la monnaie commune) représentent la deuxième plus grande macro-économie mondiale. L'Union s'est également établie comme un acteur indispensable dans l'économie globale.

L'UE à elle seule s'est opposée à l'acquisition de Honeywell par **General Electric** (GE) et ce n'est pas un hasard si **Microsoft** (MSFT) a un bureau européen à Bruxelles --- Bureau central des opérations de l'UE.

Pour bien mettre en perspective l'autorité commerciale et la pertinence de l'UE, GE et Microsoft représentent les première et deuxième plus grandes compagnies publiques dans le monde (327 milliards \$ et 307 milliards \$, respectivement). Aussi gigantesque cela peut-il sembler, ces grandes compagnies sont sensibles et en certains cas déférentes envers les responsabilités du macro-marché de l'UE.

**L'Union européenne est constituée de 25 États membres ~**

**Tableau UN : les neufs premiers membres de l'Union européenne ont été ~**

<b>Belgique</b> (depuis 1973)	<b>Pays-Bas</b>
<b>Allemagne</b>	<b>Danemark</b>
<b>France</b>	<b>Irlande</b>
<b>Italie</b>	<b>Royaume-Uni</b>
<b>Luxembourg</b>	

en plus de ces 16 ~

Autriche	Grèce	Lituanie	Slovaquie
Chypre	Finlande	Malte	Slovénie
République tchèque	Hongrie	Pologne	Espagne
Estonie	Lettonie	Portugal	Suède

Au moment même où la force économique et la bonne cote de l'UE dans le commerce global prennent de l'ampleur, la population de l'Europe est en déclin. Pour les dix années se terminant en 2003, la population de l'Europe a déclinée de 81 millions de personnes.

Ce déclin de population n'est pas seulement relatif à sa quote-part dans la population mondiale mais également en chiffres absolus. En termes de pourcentage, la population de l'Europe a déclinée de 10 % et représente 12 % de la population mondiale (de 14 % qu'elle était il y a dix ans). Le tableau DEUX l'illustre:

**Tableau DEUX : déclin de la population de l'Europe**

	Population			En pourcentage de la population mondiale	
	1994	2003	% Chg	1994	2003
Asie	3 345 498	3 767 972	13%	59%	61%
Afrique	722 814	815 680	13%	13%	13%
Amérique du Nord	288 788	315 169	9%	5%	5%
Amérique latine	474 240	531 718	12%	8%	9%
<b>Europa</b>	<b>806 967</b>	<b>725 870</b>	<b>-10%</b>	14%	12%
Océanie / Australie	28 366	31 018	9%	1%	<1%
Totaux	5 666 673	6 187 427	9%	100%	100%

Au sein même de l'Europe, les populations musulmanes se sont accrues de 13 millions à 32 millions en 2003 et comme groupe, représentent 4,4 % de sa population, une augmentation de 1,6 % par rapport à il y a dix ans.

Si cette tendance se poursuit sans contrôle, cette proportion augmentera à 12 % en 2015 et 27 % en 2025. Ce développement démographique a été inévitable étant donné les pénuries de main d'œuvre déjà apparentes en Europe.

Inévitable --- jusqu'à maintenant. C'est ici que **Concorde America** se présente avec une alternative pour les membres sélectionnés de l'UE :

**Le recrutement d'une main d'œuvre contractuelle pour les emplois dans l'infrastructure, dans ces pays d'Amérique latine culturellement compatibles avec les coutumes et la langue des États membres sélectionnés de l'UE.**

Le premier contrat de la compagnie est de fournir 150 000 travailleurs non qualifiés à une compagnie du secteur privé de l'industrie agricole en Espagne. Un deuxième contrat pour 50 000 travailleurs non qualifiés dans la même industrie débute au deuxième trimestre de 2005. Les conditions commerciales de ces contrats sont précisées dans la section du modèle de gains à la fin de ce rapport.

Bien que les compagnies du secteur privé de chaque État membre de l'UE soient des clients potentiels pour les services contractuels de main d'œuvre étrangère, la première concentration géographique se fera sur l'Espagne et l'Italie.

Concorde America apporte une solution nouvelle à un vieux problème --- doter en personnel les « emplois d'infrastructure », plus particulièrement là où les besoins en main d'œuvre peuvent être saisonniers. Le tableau TROIS illustre pourquoi l'Espagne et l'Italie sont parmi les premiers États membres de l'UE à être réceptifs à ce type de nouvelle solution offerte par Concorde. Au cours des cinq dernières années se terminant en 2003, parmi les dix plus grandes économies de l'UE --- l'Espagne et l'Italie se sont classées au

dernier rang, ce qui signifie une perte de la part de marché, des revenus et des emplois.

**Tableau TROIS Niveaux des revenus agricoles pour les dix plus grands États membres dans l'UE**  
1998 – 2003

	<u>Index 1998</u>	<u>Index 2003</u>	<u>Chg en pourcentage</u>
	(1994 – 1996 = 100)		
Portugal	73,7	123,4	67,4%
Autriche	104,6	130,8	25,0%
Allemagne	116,0	123,4	17,5%
Pays-Bas	85,5	96,1	12,4%
France	98,0	104,0	6,1%
RU	101,5	107,4	5,8%
Irlande	109,4	111,4	1,8%
Belgique	80,0	80,1	0,1%
Espagne	110,5	107,8	<b>-2,4%</b>
Italie	107,4	96,2	<b>-10,4%</b>
Index agricole	96,9	107,3	<b>10,7%</b>

Les pays choisis pour réaliser la demande de l'Espagne en main d'œuvre étrangère non qualifiée sont mentionnés au tableau ci-dessous : Le salaire net à la maison pour les 150 000 travailleurs est de 1 050 € par mois (ou 1 260 US \$).

Les travailleurs non qualifiés pour le premier contrat de main-d'œuvre étrangère ont été recrutés au Honduras. Le premier contingent de 1 000 arrive en Espagne le 1er août puis, les arrivées se font au taux de 1 000 par jour jusqu'à la fin de l'année.

Aux fins d'apprécier les irrésistibles données économiques s'appliquant à ces travailleurs contractuels, considérez ceci : à 1 260 \$ US par mois, cela résulte en un revenu personnel de 15 120 \$ par année --- OU, SIX fois supérieur à ce qu'un travailleur gagnerait en demeurant chez lui.

En conclusion --- les nouvelles solutions de Concorde à la pénurie dans les emplois dans l'infrastructure de l'Union européenne offrent des travailleurs à un coût abordable et culturellement compatibles à des compagnies du secteur privé et en même temps améliorent le niveau économique et les standards de vie de milliers de personnes.

...et dans le processus de reddition de ces résultats commerciaux, génèrent un taux de retour attrayant pour les actionnaires de la compagnie.

**Tableau QUATRE : emplacements de recrutement primaire pour Concorde**

<u>Amérique latine</u> <u>Pays</u>	<u>Par Capita</u> <u>Revenus annuels</u>	<u>Alphabétisation</u> <u>Taux</u>	<u>Population</u>
Honduras	2 600 \$ US	76%	6,9 millions
Nicaragua	2 500 \$ US	68%	5,5 millions
Équateur	3 100 \$ US	93%	13,0 millions
Données pertinentes pour les autres pays de la région			
Mexique	9 000 \$ US	92%	103,5 millions
Colombie	6 500 \$ US	93%	44,2 millions
Argentine	10 200 \$ US	97%	38,4 millions
Source : Eurostat – Comptes économiques pour l'agriculture (CEA)			

Une discussion sur l'environnement global serait incomplète sans traiter de la concurrence. En ce qui concerne Concorde America, il n'y en a aucune --- en ce moment. La première mention dans les publications de l'UE traitant de pénurie dans les « Services d'intérêt général<sup>2</sup> » fut un « livre vert » datant de mai 2003.

Voici le lien ~

[http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003\\_0270en01.pdf](http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003_0270en01.pdf)

Comme les autres compagnies internationales chercheront inévitablement à investir dans l'arène commerciale de Concorde au cours des quelques prochaines années, CNDD aura non seulement mis en place un obstacle formidable à l'entrée de ce marché mais aura sans doute contracté les commandes de recrutement les plus lucratives.

## ÉQUIPE DE GESTION

**Hartley Lord** est président du Conseil et Directeur général de Concorde America avec plus de 50 ans d'expérience en gestion financière et services d'investissement bancaires avec concentration dans le domaine des communications. M. Lord est un vétéran de la force aérienne et diplômé de la University of North Florida. Il fut considéré un pionnier pendant la période de déréglementation de l'industrie téléphonique et a fondé Cardtel Inc., en 1985. **Julio Aspe** est président de la compagnie. Il possède plus de 20 ans d'expérience dans le droit civil et fiscal. M. Aspe a obtenu son diplôme en droit de la Escuela Libre de Derecho à Mexico D.F., Mexico et une maîtrise en droit international de la Universita S. Tommaso à Rome, Italie. **Raul Mendez** est l'agent en chef des technologies avec plus de 18 ans d'expérience dans l'élaboration de bases de données et d'applications au sein d'industries allant de l'assurance à la fabrication. M. Mendez est diplômé en administration des affaires avec spécialisation en système d'information de gestion de la Florida International University à Miami, Floride. Les systèmes qu'il a installés pour gérer/contrôler plus de un (1) million de travailleurs contractuels sont essentiellement sa programmation.

## MODÈLES DE GAINS PAR ACTION

Il y a trois composantes au flux de revenus de Concorde : (a) les frais de placement; (b) les frais de quote-part de la sous-traitance; (c) les frais de renouvellement contractuels. Les frais de placement équivalent à 3 500 Euros par travailleur, que cela soit un placement direct ou une main-d'œuvre en sous-traitance. Un placement direct signifie que le travailleur contracté est inscrit sur la feuille de paie du client du secteur privé.

Sur les dix trimestres (jusqu'à 2006) couvert par le modèle de gains ci-joint, Concorde prévoit recruter 350 000 travailleurs contractuels du Honduras afin de travailler pour un (1) an en Espagne pour une compagnie du secteur privé de l'industrie agricole.

En échange de la livraison de 350 000 travailleurs à une compagnie du secteur privé espagnol, Concorde reçoit un frais de placement de 1,2 milliard d'Euros (350 000 x 3 500 Euros), ou **1 470 millions de dollars US**.

De plus, une quote-part calculée sur le flux des revenus de la moitié des 350 000 travailleurs nécessaires sera versé à la compagnie sur le cours d'une année. Ces paiements NE SONT PAS prélevés sur la paie des travailleurs contractuels mais sont un coût additionnel négocié avec le client du secteur privé employant la main-d'œuvre contractuelle localisée par Concorde.

Ces paiements de quotes-parts de sous-traitance génèrent un autre 853 millions d'Euros (**1 024 millions \$ US**) en revenus pour Concorde reçus sur une base mensuelle pour la période couverte dans le modèle de gains.

Finalement, Concorde gagne 400 Euros (480 \$ US) comme frais de renouvellement pour chaque travailleur contractuel renouvelant son contrat (il est peu probable que la pénurie d'emplois dans l'infrastructure de l'UE diminue).

Le modèle de gains assume que 75 % des travailleurs dont les contrats viennent à échéance renouvellent pour la période couverte dans le modèle de gains. Ainsi, 112 500 du premier contingent de 150 000 travailleurs (75 % de 150 000 travailleurs) renouvellent après la première année puis, 84 375 renouvellent dans la deuxième année. Les revenus des frais de renouvellement sont projetés à 124 millions d'Euros ou 149 millions de dollars.

Le tableau suivant résume les composantes du revenu :

<b>Frais de placement:</b>	1 470 millions \$
<b>Frais de sous-traitance:</b>	1 024 millions \$
<b>Frais de renouvellement:</b>	\$ 131 millions \$
<b>Total:</b>	<b>2 625 millions \$</b>

Déduit de ce flux de revenus, nous avons des frais directs comprenant 500 \$ pour le

transport de chaque travailleur ainsi que des frais administratifs augmentant de 7 millions \$ cette année à 30 millions \$ en 2006. Dans le modèle de gains, nous avons pris une provision pour taxes de 20 % - 30 % bien que cela puisse être considérablement moindre que ceci. Avec 210 millions d'actions en circulation --- les chiffres sur le gain par action sont : (VOIR le tableau sur le modèle de gains ci-joint)

2004 (e)	2005 (e)	2006 (e)
2,00 \$	3,17 \$	4,00 \$

<sup>1</sup> Source --- The Wall Street Journal, 8 juillet, 2004

<sup>2</sup>Postes que les américains appelleraient aides agricoles, femmes de ménage, concierges et location de gardien de sécurité

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### CNDD - Concorde America - Starke Kauf-Empfehlung

- [STAMMAKTIENDATEN \(SIEHE OBEN\)](#)
- [ZUSAMMENFASSUNG, BEWERTUNGEN, INVESTITIONSSCHLUSSFOLGERUNGEN](#)
- [EMPFEHLUNGEN fr INDIVIDUELLE INVESTOREN](#)
- [PANORAMABLICK](#)
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- [DAS FHRUNGSTEAM](#)
- [GEWINN JE AKTIE \(PROJEKTION\)](#)
- [Interaktive Karte](#)

### STAMMAKTIENDATEN

**Jngster Aktienkurs:** 5,00 USD

**Ausgegebene Aktien:** 210 Millionen

**Marktwert:** 630 Millionen USD

**Verhltnis von Marktwert zu Sollerlsen 2004:** 0,7:1

**Verhltnis von jngstem Preis zum voraussichtlichen Kursgewinn 2005:** 1:1

HIER HANDELT ES SICH NICHT UM EINEN DRUCKFEHLER - CONCORDE AMERICA (CNDD) WIRD DERZEIT TATSCHLICH ZU EINEM AKTIENPREIS GEHANDELT, DER DEM EINFACHEN KURS-GEWINN-VERHLTNIS ENTSPRICHT!

EINNAHMEN- UND GEWINNPROGNOSE				
	Einnahmen	Reingewinn	Gewinn pro Aktie	Marktwert bei 15x KGV-Ziel
	(in Millionen)	(in Millionen)		
2004(s)	630 USD	420 USD	2,00 USD	30 USD/Aktie
2005(s)	915 USD	665 USD	3,00 USD	45 USD
2006(s)	1.080 USD	839 USD	4,00 USD	60 USD

### ZUSAMMENFASSUNG, BEWERTUNGEN, INVESTITIONSSCHLUSSFOLGERUNGEN

1. Es wird prognostiziert, dass in Europa zwischen diesem und dem Jahr 2015 etwa 40 Millionen Arbeitskrfte in den Infrastrukturbranchen (Landwirtschaft, hauswirtschaftliche Dienstleistungen, Betriebsschutz) fehlen werden.
2. Es ist den europäischen Regierungen nicht gelungen, diesen Infrastruktur-Arbeitskrftemangel aufzuhalten, obwohl diese Entwicklung seit den frhen 1990er Jahren deutlich erkennbar war.
3. Jngste Bemhungen von Unternehmen aus der Privatwirtschaft in der Europäischen Union z. B. Investitionen von 5.000 USD fr die Beschaffung einer ungelerten Arbeitskraft aus den unterentwickelten Regionen der Welt - sind vielversprechend.
4. Umgerechnet auf den prognostizierten Mangel an 40 Millionen Arbeitskrften wird aus einer potentiell fatalen demographischen Entwicklung eine wirtschaftliche Chance im Umfang von 200 Milliarden US-Dollar.
5. Zum Vergleich: ein Geschftsvolumen von 200 Milliarden Dollar entspricht dem der Krafffahrzeug-, PC- oder Chipherstellungsbranche.

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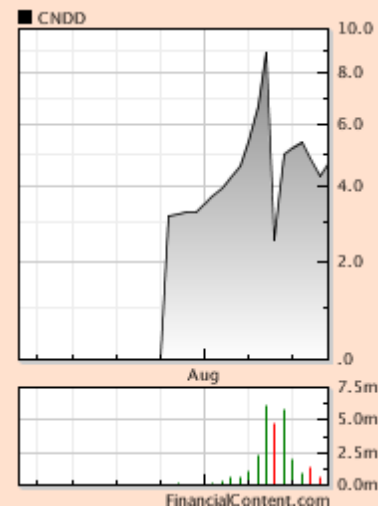
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### CNDD - Target Price \$30.00

Concorde America



### Disclaimer Man



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**Pessimisten sehen Schwierigkeiten in jeder Chance; Optimisten sehen Chancen in jeder Schwierigkeit. --- Winston Churchill**

6. Concorde America, Brsenkrzel: CNDD - ein relativ junges Unternehmen in der sich schnell entwickelnden weltweiten Branche, hat die Chancen erkannt.
7. Concorde America geht das Problem des wachsenden Mangels an Infrastruktur-Arbeitskrften in Europa auf direkte Weise an, indem es ungelernete Arbeiter an europische Privatunternehmen im Infrastruktur-Sektor vermittelt.
8. CNDD hat derzeit Vertrge mit Privatfirmen in der spanischen Landwirtschaft. Diesen Kunden werden auslndische Arbeitskrfte aus dem kulturell kompatiblen Lateinamerika vermittelt - daher die Bezeichnung

**Transatlantische Arbeitskraft-Vermittlung (TAWF).**

9. CNDD hat bereits drei TAWF-Vertrge ber die Vermittlung von insgesamt 350.000 Arbeitskrften ber eine Laufzeit von drei Jahren abgeschlossen.
10. Die geschtzten Erlse fr CNDD allein aus diesen drei Vertrgen erreichen 2,6 Milliarden US-Dollar (etwa 1 % des GESAMTEN WELTWEITEN GESCHFTSVOLUMENS) und damit insgesamt 9,23 USD Gewinn pro Aktie.

Unser kurzfristiges (3 bis 6 Monate) Kursziel fr CNDD liegt bei 6 Dollar pro Aktie. Dieses Kursziel wurde aus zwei erprobten Kalkulationen ermittelt:

1. 6 USD/Aktie entspricht dem zweifachen Umsatz des kommenden Jahres (2x 933 Millionen USD = 1,8 Milliarden USD geteilt durch 210 Millionen ausgegebener Aktien);
2. Der abgezinsten Cashflow dieser Einnahmenreihe betrgt 6 Dollar pro Aktie.

Whrend die Beibehaltung des zweifachen Umsatzes ein mittelfristiges Kursziel von 9 Dollar pro Aktie ergibt, hat die Aktie lngerfristig (12+ Monate) das Potential, einen Preis von 25 bis 30 Dollar zu erreichen (siehe auch den nachfolgenden Abschnitt Begrndung“).

HIER HANDELT ES SICH NICHT UM EINEN DRUCKFEHLER - CONCORDE AMERICA (CNDD) WIRD DERZEIT TATSCHLICH ZU EINEM AKTIENPREIS GEHANDELT, DER DEM EINFACHEN KURS-GEWINN-VERHLTNIS ENTSpricht!

EINNAHMEN- UND GEWINNPROGNOSE				
	Einnahmen	Reingewinn	Gewinn pro Aktie	Marktwert bei 15x KGV-Ziel
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2005(s)	915 USD	665 USD	3,00 USD	45 USD
2006(s)	1.080 USD	839 USD	4,00 USD	60 USD

**BEGRNDUNG fr die LNGERFRISTIGE KURSSPANNE** --- In 12 Monaten wird Concorde America bereits den ersten TAWF-Vertrag ber die Vermittlung von 150.000 Arbeitskrften erflft und mit der Umsetzung des zweiten Vertrags begonnen haben. Der dritte TAWF-Vertrag setzt im darauffolgenden Jahr ein. Hinzu kommt, dass die Betriebsergebnisse fr 2004 zu diesem Zeitpunkt bereits verffentlicht sein werden, was der Unternehmensfhrung unter den Investoren, insbesondere bezglich der positiven Gewinnaussichten Glaubwrdigkeit verleihen wird.

Auerdem ist es sehr wahrscheinlich, dass Concordes Branche (**Vermittlung auslndischer Arbeitskrfte**) nach Ablauf eines Jahres unter den Investoren einen wesentlich hheren Bekanntheitsgrad errungen haben wird. Da die Europäische Union ihren Mitgliedsstaaten freistellt, ihren Mangel an Arbeitskrften durch die Einfuhr von auslndischen Arbeitskrften zu beheben, werden Arbeitsvermittlungsfirmen und die mit der Branche verbundenen Sekundrunternehmen die Aufmerksamkeit der Investoren auf sich ziehen. Dies kann einem erstklassig platzierten Unternehmen wie CNDD, der ersten Aktiengesellschaft in diesem Geschäftsbereich, nur nutzen.

**EMPFEHLUNGEN fr INDIVIDUELLE INVESTOREN**

Konservativere Investoren sollten den Erwerb von 2.000 Aktien erwgen, von denen die Hlfte in einem Rentensparkonto deponiert und der Rest in einem Eigendepot gehalten werden sollte. Aggressivere Investoren sollten erwgen, einen Grundstock von 10.000 Dollar in diese Aktie zu investieren und diesen dann auf bis zu 50.000 Dollar auszubauen.

CNDD ist ein Unternehmen, das nicht nur einen regionalen Markt, sondern die weltweite

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Wirtschaft verändern kann. Die Börse hat die Anteilseigner derart innovativer Unternehmen (siehe auch Panoramablick) in der Vergangenheit großzügig belohnt, und wir erwarten dasselbe in diesem Fall.

## PANORAMABLICK

Mit ihren 25 Mitgliedsstaaten und einem kombinierten BIP von etwa 7 Billionen Dollar bildet die Europäische Union die zweitgrößte Wirtschaftszone der Welt. Seit dem Fall der Berliner Mauer verzeichnete die europäische Wirtschaft jedoch nur eine durchschnittliche jährliche Wachstumsrate von 1,95 % im Vergleich zu den 2,89 % der amerikanischen Wirtschaft im selben Zeitraum<sup>1</sup>.

Um 94 Basispunkte langsames Wachstum mag dem Laien nicht als viel erscheinen. Wenn dieser Unterschied jedoch auf eine 7 Billionen Dollar schwere Wirtschaftszone und einen Zeitraum von 14 Jahren angelegt wird, wird deutlich, welcher enormen makroökonomischen Verlust er beinhaltet. Es gab keine Spekulationsblase in Europa.

Die geschäftlichen Möglichkeiten für Concorde und seine Anteilseigner liegen in den schrumpfenden Bevölkerungen der europäischen Länder begründet. Die einzelnen EU-Staaten können diese demographische Tatsache nicht länger ignorieren, da sie ihre relative Position sowohl innerhalb der Europäischen Union selbst, als auch auf globaler Ebene beeinflusst.

Der Mangel an Arbeitskräften in den Infrastrukturbranchen (Landwirtschaft, hauswirtschaftliche Dienstleistungen, Betriebsschutz) ist besonders akut. Hier kommt Concorde America ins Spiel. Soweit wir wissen, ist Concorde America die EINZIGE Aktiengesellschaft, die in dieser Branche aktiv ist.

## AUFBAU DES UNTERNEHMENS & ALLGEMEINER AUSBLICK

**Concorde America** ist eine Aktiengesellschaft mit dem Börsensymbol CNDD. Über hundertprozentige Tochtergesellschaften befasst sich CNDD mit der Vermittlung ungelerner Vertragsarbeitskräfte an privatwirtschaftliche Unternehmen in den 25 Mitgliedstaaten der Europäischen Union.

Die Vertragsarbeitskräfte kommen hauptsächlich in einem der folgenden drei Sektoren der Privatwirtschaft zum Einsatz:

- i. Agrarindustrie,
- ii. hauswirtschaftliche Dienstleistungen und
- iii. Betriebsschutz.

Die Far East Economic Review, klassifiziert diese Stellen als Infrastruktur-Arbeitsplätze. Umgangssprachliche Berufsbezeichnungen wären

- i. Landarbeiter,
- ii. Putzkräfte und Hausmeister sowie
- iii. Wachschutzleute.

Wirtschaftswissenschaftler zweier großer internationaler Banken - HSBC und Barclays Group plc - haben unabhängig voneinander wirtschaftliche Prognosen auf der Basis von (a) der gegenwärtigen demographischen Entwicklung (d. h. schrumpfende Bevölkerungszahlen) und (b) realisiertem längerfristigem Wachstum entwickelt.

Sie kamen zu verblüffend ähnlichen Schlussfolgerungen: Bis zum Jahr 2015 wird in der Europäischen Union ein akuter Mangel an Arbeitskräften in den sogenannten Infrastrukturbranchen entstehen.

Um die wirtschaftlichen Möglichkeiten, die sich für Concorde America und seine Anteilseigner daraus ergeben, angemessen einschätzen zu können, ist es notwendig, einige Fakten über die Europäische Union zu kennen. Nachfolgend die wichtigsten Punkte im Krze:

Die Europäische Union (EU) ist eine soziökonomische Einheit aus 25 Mitgliedstaaten, die gemeinsam die zweitgrößte Makrowirtschaft der Welt bilden. Gemeinsame Währung ist der Euro. Die EU ist ein wichtiger Akteur in der Weltwirtschaft.

Nur die EU verhinderte den Erwerb von Honeywell durch **General Electric** (GE), und es ist kein Zufall, dass Microsoft (MSFT) gerade Brüssel zum Standort seines europäischen Unternehmenssitzes wählte.

Dazu muss man wissen, dass GE und Microsoft jeweils die größte bzw. zweitgrößte Aktiengesellschaft der Welt sind (Unternehmenswert 327 Milliarden bzw. 307 Milliarden

Dollar). Trotz ihrer bewältigenden Größe sind diese Unternehmen in gewisser Weise von den Entscheidungen der Wirtschaftsmacht EU abhängig.

**Die Europäische Union hat mittlerweile 25 Mitglieder.**

**Tabelle EINS - Die ersten neun Mitglieder der EU:**

<b>Belgien</b> (seit 1973)	<b>die Niederlande</b>
<b>Deutschland</b>	<b>Dänemark</b>
<b>Frankreich</b>	<b>Irland</b>
<b>Italien</b>	<b>Großbritannien</b>
<b>Luxemburg</b>	

**Die sechzehn jüngeren Mitglieder:**

Österreich	Griechenland	Litauen	Slowakei
Zypern	Finnland	Malta	Slowenien
Tschechische Republik	Ungarn	Polen	Spanien
Estland	Lettland	Portugal	Schweden

Während die EU jedoch in Bezug auf wirtschaftliches Volumen und Ansehen wächst, verringert sich ihre Bevölkerung. Innerhalb der zehn Jahre bis 2003 verlor Europa 81 Millionen Einwohner.

Dieser Bevölkerungsschwund ist nicht nur in absoluten Zahlen, sondern auch relativ zum Rest der Welt signifikant. Europas Bevölkerung schrumpfte um 10 % und macht nun 12 % der Weltbevölkerung aus (im Vergleich zu 14 % vor zehn Jahren), wie Tabelle ZWEI veranschaulicht.

**Tabelle ZWEI - Europas rückläufige Bevölkerung**

	<u>Einwohnerzahl</u>			<u>% der Weltbevölkerung</u>	
	<u>1994</u>	<u>2003</u>	<u>Veränderg. in %</u>	<u>1994</u>	<u>2003</u>
Asien	3.345.498.000	3.767.972.000	13%	59%	61%
Afrika	722.814.000	815.680.000	13%	13%	13%
Nordamerika	288.788.000	315.169.000	9%	5%	5%
Lateinamerika	474.240.000	531.718.000	12%	8%	9%
<b>Europa</b>	<b>806.967.000</b>	<b>725.870.000</b>	<b>-10%</b>	14%	12%
Ozeanien/ Australien	<u>28.366.000</u>	<u>31.018.000</u>	9%	<u>1%</u>	<u>&lt;1%</u>
Insgesamt	5.666.673.000	6.187.427.000	9%	100%	100%

Innerhalb Europas wuchs der Anteil der muslimischen Bevölkerung von 13 Millionen auf 32 Millionen im Jahr 2003. Er stieg damit von 1,6 % vor zehn Jahren auf 4,4 % an. Wenn dieser Trend sich unverändert fortsetzt, wird der Anteil der muslimischen Bevölkerung in Europa im Jahr 2015 12 % und im Jahr 2025 27 % betragen. Diese demographische Entwicklung schien aufgrund des Arbeitskräftemangels in Europa, der sich bereits bemerkbar macht, unausweichlich.

Unausweichlich - bis jetzt. Concorde America bietet den EU-Mitgliedsstaaten eine Alternative:

**Anwerbung von Arbeitskräften für Infrastruktur-Arbeiten auf Vertragsbasis aus Ländern in Lateinamerika, die mit den Gebräuchen und der Sprache bestimmter EU-Mitgliedsstaaten kulturell kompatibel sind.**

Der erste Vertrag des Unternehmens besteht in der Vermittlung von 150.000 ungelerten Arbeitskräften an ein privatwirtschaftliches Agrarunternehmen in Spanien. Ein Folgeauftrag über die Vermittlung von 50.000 ungelerten Landarbeitern setzt im zweiten Quartal 2005 ein. Die wirtschaftlichen Eckdaten dieser Verträge werden im Abschnitt zur Gewinnprojektion am Ende dieses Berichts genauer dargestellt.

Während die privatwirtschaftlichen Unternehmen aller EU-Mitgliedsstaaten potentielle

Kunden für Concorde America darstellen, konzentriert sich das Unternehmen vorerst in erster Linie auf Spanien und Italien.

Concorde America bietet eine neue Lösung für das Problem alternder Bevölkerungen - ausländische Arbeitskräfte für Infrastruktur-Arbeiten, insbesondere in der Landwirtschaft, wo viele saisonbedingte Aufgaben anfallen. Tabelle DREI zeigt, warum Spanien und Italien unter den ersten EU-Mitgliedsstaaten sind, in denen Concorde Americas Dienstleistungen positiv aufgenommen werden. Im Laufe der fünf Jahre bis 2003 zeigen Spanien und Italien unter den großen EU-Ländern eine negative Entwicklung der Einkommen in der Landwirtschaft, was zum Verlust von Marktanteilen, Einkommen und Arbeitsplätzen führen kann.

**Tabelle DREI**

**Einkommensentwicklung in der Landwirtschaft in den zehn größten EU-Staaten**  
1998 bis 2003

	1998 Index	2003 Index	Veränderg. in %
(1994 1996 = 100)			
Portugal	73,7	123,4	67,4%
Österreich	104,6	130,8	25,0%
Deutschland	116,0	123,4	17,5%
Niederlande	85,5	96,1	12,4%
Frankreich	98,0	104,0	6,1%
Großbritannien	101,5	107,4	5,8%
Irland	109,4	111,4	1,8%
Belgien	80,0	80,1	0,1%
Spanien	110,5	107,8	<b>-2,4%</b>
Italien	107,4	96,2	<b>-10,4%</b>
Landwirtschaftlicher Index	96,9	107,3	<b>10,7%</b>

Die Länder, die ausgewählt wurden, um Spaniens Bedarf an ungelernten Arbeitskräften zu decken, stehen in der nachfolgenden Tabelle. Das Nettoeinkommen der 150.000 Arbeitskräfte beträgt 1.050 im Monat (1.260 USD).

Die ungelernten Arbeitskräfte für den ersten Vertrag wurden in Honduras angeworben. Die ersten tausend Arbeitskräfte werden am 1. August in Spanien ankommen. Ihnen folgen bis zum Ende des Jahres weitere tausend Arbeitskräfte pro Tag.

Der Vorteil für die Vertragsarbeiter ist leicht auszumachen, wenn man sich die Zahlen verdeutlicht: Ein monatlicher Nettolohn von 1.260 Dollar bedeutet ein Jahreseinkommen von 15.120 Dollar - SECHS Mal soviel, wie dieselbe Arbeitskraft daheim in Honduras verdienen könnte.

Zusammengefasst lässt sich Folgendes sagen: Concorde Americas Lösung für den Mangel an Infrastruktur-Arbeitskräften in Europa bietet privatwirtschaftlichen Unternehmen kulturell-kompatible und erschwingliche Arbeitskräfte und verbessert gleichzeitig die finanzielle Situation und den Lebensstandard unzähliger Menschen...

... und nicht zuletzt generiert die Geschäftstätigkeit des Unternehmens attraktive Renditen für die Anteilseigner.

**Tabelle VIER - Concorde Americas primäre Anwerbeländer**

Lateinamerikanisches Land	Pro-Kopf-Einkommen (Jahr)	Alphabetisierungsrate	Bevölkerungszahl
Honduras	2.600 USD	76%	6,9 Millionen
Nikaragua	2.500 USD	68%	5,5 Millionen
Ecuador	3.100 USD	93%	13,0 Millionen
<u>Entsprechende Daten für andere Länder in der Region</u>			
Mexiko	9.000 USD	92%	103,5 Millionen
Kolumbien	6.500 USD	93%	44,2 Millionen
Argentinien	10.200 USD	97%	38,4 Millionen

Quelle: Eurostat Economic Accounts for Agriculture (EAA)

Zu jeder Errterung des Geschftsumfelds geht natrlich auch eine Analyse der Wettbewerber. Concorde America befindet sich in der beneidenswerten Position, bisher noch keine Konkurrenz zu haben. Die erste Erwhnung des Arbeitskrftemangels in Services of General Interest<sup>2</sup> in einer EU-Verffentlichung erfolgte in einem Grnbuch vom Mai 2003, das unter der folgenden URL heruntergeladen werden kann:

[http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003\\_0270en01.pdf](http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003_0270en01.pdf)

Natrlich werden andere internationale Unternehmen in den kommenden Jahren versuchen, in diesen Markt einzudringen. Bis dahin wird CNDD allerdings nicht nur ber verschiedene effektive Marktzugangssperren aufgebaut, sondern sich auch bereits die profitabelsten Vermittlungsvertrge gesichert haben.

## DAS FHRUNGSTEAM

**Hartley Lord**, der Vorsitzende und geschftsfhrende Direktor von Concorde America, verfgt ber mehr als fnfzig Jahre Erfahrung in Finanzmanagement und Investment-Banking mit Spezialisierung auf dem Gebiet der Telekommunikation. Herr Lord ist Veteran der amerikanischen Air Force und absolvierte ein Studium in Unternehmensfhrung an der University of North Florida. Als einer der Ersten nutzte er die Mglichkeiten, die sich aus der Deregulierung des Telekommunikationswesens ergaben und grndete 1985 das Unternehmen Cardtel, Inc. **Julio Aspe**, der Generaldirektor des Unternehmens, ist Anwalt mit mehr als zwanzig Jahren Erfahrung in Zivil- und Steuerrecht. Herr Aspe studierte Jura an der Escuela Libre de Derecho in Mexiko und anschlieend Vkerrecht an der italienischen Universita S. Tommaso in Rom. **Raul Mendez**, Concorde Americas technischer Direktor, verfgt ber 18 Jahre Erfahrung in der Entwicklung von Computeranwendungen und Datenbanken fr so unterschiedliche Anforderungen wie die von Versicherungsfirmlen und Herstellern. Er studierte Betriebswirtschaft mit Spezialisierung auf Managementinformationssystemen an der Florida International University. Die Systeme, die Concorde America verwendet, um mehr als eine Million Vertragsarbeiter zu verwalten, wurden zum grten Teil von Herrn Mendez persnlich entwickelt.

## GEWINN JE AKTIE (PROJEKTION)

Concorde Americas Einnahmenreihe hat drei Komponenten: (a) Vermittlungsgebhren, (b) Untervermittlungsanteile, und (c) Vertragsverlngerungsgebhren. Die Vermittlungsgebhren betragen 3.500 Euro pro Vertragsarbeiter; unabhngig davon, ob der Arbeiter ber einen Untervertrag beschftigt oder direkt von dem privatwirtschaftlichen Concorde-Kunden angestellt wird.

Im Laufe der zehn Quartale der Vertragslaufzeit (bis einschlielich 2006), die die beigeftgte Projektion abdeckt, plant Concorde die Vermittlung von 350.000 Arbeitskrften aus dem Honduras an ein privatwirtschaftliches Agrarunternehmen in Spanien fr jeweils ein Jahr.

Fr die Vermittlung dieser 350.000 Arbeitskrfte erhlt Concorde America Vermittlungsgebhren in Hhe von 1,2 Milliarden Euro (350.000 Arbeitskrfte x 3.500 Euro), **umgerechnet 1,47 Milliarden Dollar**.

Hinzu kommen Untervermittlungsanteile am Lohn der Arbeiter fr etwa die Hlfte der vermittelten Arbeitskrfte, die ber das gesamte Jahr hinweg gezahlt werden. Diese Zahlungen werden NICHT vom Lohn der Arbeitskrfte abgezogen, sondern sind Gebhren, die das privatwirtschaftliche Unternehmen zustzlich fr den Einsatz der Arbeitskrfte zahlt, die es nicht direkt anstellt.

Diese Untervermittlungsanteile bringen Concorde America zustzliche Zahlungen in Hhe von 853 Millionen Euro (**1,024 Milliarden Dollar**) ein, die in monatlichen Raten geleistet werden.

Schlielich erhlt Concorde weitere 400 Euro (480 USD) als Vertragsverlngerungsgebhren fr jede Arbeitskraft, die ihren Jahresvertrag erneuert. Da der Arbeitskrftemangel in den Infrastruktur-Branchen in der EU voraussichtlich von dauerhafter Natur sein wird, ist dies wahrscheinlich.

In der Gewinnprojektion sind wir davon ausgegangen, dass 75 % der Arbeitskrfte, deren Vertrge innerhalb des von dem Modell abgedeckten Zeitraums auslaufen, diese erneuern. Fr Concorde Americas ersten Vermittlungsvertrag ber 150.000 Arbeitskrfte hiee das, dass 112.500 Arbeitskrfte (75 % von 150.000) ihre Arbeitsvertrge nach dem ersten Jahr erneuern, und von diesen wiederum 84.375 nach dem zweiten Jahr ein weiteres Mal. Die geschtzten Vertragsverlngerungsgebhren belaufen sich daher auf 124 Millionen Euro bzw.

149 Millionen USD.

Die folgende Tabelle bietet einen Überblick über die drei Einnahmenreihen:

<b>Vermittlungsgebühren:</b>	1,470 Milliarden Dollar
<b>Untervermittlungsanteil:</b>	1,024 Milliarden Dollar
<b>Verlängerungsgebühren:</b>	\$ 0,131 Milliarden Dollar
<b>Gesamt:</b>	<b>2,625 Milliarden Dollar</b>

Diesen Einnahmen stehen direkte Ausgaben in Höhe von 500 Dollar pro Arbeiter für den Transport nach Spanien entgegen. Hinzu kommen Verwaltungsausgaben, die von 7 Millionen Dollar in diesem auf 30 Millionen Dollar im Jahr 2006 ansteigen werden. In der Projektion haben wir vorsichtshalber eine Steuerrückstellung von 20 bis 30 % berücksichtigt, wobei diese jedoch auch wesentlich geringer ausfallen könnte. Bei 210 Millionen ausgegebenen Aktien ergeben sich daher die folgenden Gewinne je Aktie (siehe auch das beigefügte Diagramm):

2004 (s)	2005 (s)	2006 (s)
2,00 USD	3,17 USD	4,00 USD

<sup>1</sup>Quelle --- The Wall Street Journal, 8. Juli 2004

<sup>2</sup>Stellen wie Landarbeiter, Putzkräfte und Hausmeister sowie Wachschutzleute

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- German
- Russian
- Spanish

### CNDD - Concorde America - .....

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	(...)	(...)		(... / ...)
2004(..)	630 .....	420 .....	2,00 .....	30 .....
2005(..)	915 .....	665 .....	3,00 .....	45 .....
2006(..)	1080 .....	839 .....	4,00 .....	60 .....

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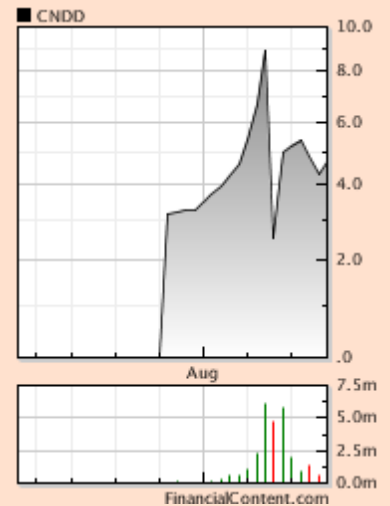
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### CNDD - Target Price \$30.00

Concorde America



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«.....» --- .....

6. .... Concorde America, .....: CNDD --- .....

7. Concorde America .....  
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8. .... CNDD .....  
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«.....» ..... TAWF

9. CNDD ..... TAWF ..... 350000 .....

10. .... CNDD ..... 2,6  
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.....);
- ii. .... 6  
.....

..... 9 ..... (12 ..... ) .....  
..... 25 - 30 ..... («.....» .....).

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	(.....)	(.....)		(..... / .....)
2004(.....)	630 .....	420 .....	2,00 .....	30 ...../.....
2005(.....)	915 .....	665 .....	3,00 .....	45 .....
2006(.....)	1080 .....	839 .....	4,00 .....	60 .....

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50000 .....; ..... 10000 .....

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CNDD .....  
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..... CNDD .....



25 ..... (.....), .....  
..... 7 .....  
..... 1989 ..... 1,95% .....  
..... 2,89% .....1.

..... 94 .....  
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**Concorde America** .....  
..... CNDD. ....  
CNDD .....  
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- i. ....;
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..... Far East Economic Review .....  
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- i. ....;
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- iii. ....

..... HSBC • Barclays Group plc .....  
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..... **General Electric (GE)** ..... Honeywell, .....  
..... **Microsoft (MSFT)** .....  
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Concorde America .....  
 ..... « ..... », ..... 3 .....  
 ..... Concorde. ..... 2003 .....  
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..... 3  
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 1998 - 2003

	..... 1998 .....	..... 2003 .....	% .....
	(1994 - 1996 = 100)		
.....	73,7	123,4	67,4%
.....	104,6	130,8	25,0%
.....	116,0	123,4	17,5%
.....	85,5	96,1	12,4%
.....	98,0	104,0	6,1%
.....	101,5	107,4	5,8%
.....	109,4	111,4	1,8%
.....	80,0	80,1	0,1%
.....	110,5	107,8	<b>-2,4%</b>
.....	107,4	96,2	<b>-10,4%</b>
..... / .....	96,9	107,3	<b>10,7%</b>

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 ..... 150000 .....  
 ..... 1050 ..... (..... 1260 .....)

..... Concorde .....  
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 1260 ..... 15120 .....  
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..... 4: ..... Concorde .....  
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.....	2600 ..... ..	76%	6,9 .....
.....	2500 ..... ..	68%	5,5 .....
.....	3100 ..... ..	93%	13,0 .....
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.....	9000 ..... ..	92%	103,5 .....
.....	6500 ..... ..	93%	44,2 .....
.....	10200 ..... ..	97%	38,4 .....
.....: Eurostat – ..... (EAA)			

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Concorde America .....  
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..... «.....» ..... 2003 ..

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[http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003\\_0270en01.pdf](http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003_0270en01.pdf)

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..... Concorde, ..... CNDD .....  
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..... Concorde America,  
..... 50-.....  
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..... 20-.....  
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..... 18-.....  
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..... 1 .....  
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..... Concorde .....: (a) .....; (b)  
.....; (c) .....  
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Concorde ..... 350000 .....  
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.....  
..... Concorde.

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..... ) .....

..... Concorde ..... 400 ..... (480 ..... ) .....  
..... (..... , .....  
..... ) .....

..... 75% .....  
.....  
..... 150000 ..... 112500 ..... (75% • 150000  
.....); ..... 84375 .....  
..... 124 ..... 149 .....

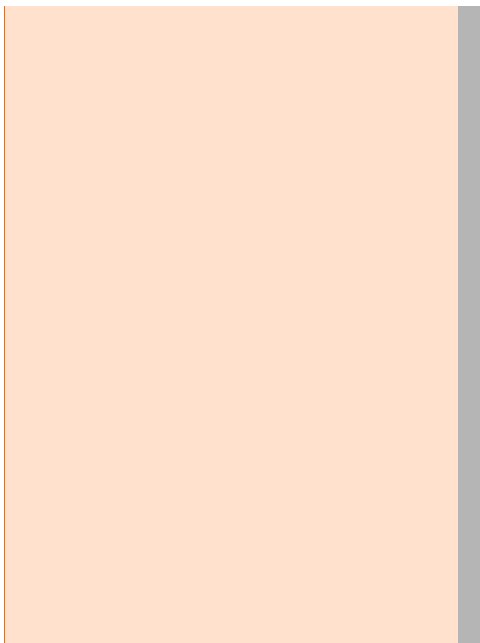
.....:  
.....: 1470 .....

.....: 1024 .....  
 .....: \$ 131.....  
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..... 500 .....  
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 ..... 30 ..... 2006 .....  
 ..... 20 - 30%, .....  
 ..... 210 .....: (.....  
 .....)

2004 (..)	2005 (..)	2006 (..)
2,00 .....	3,17 .....	4,00 .....

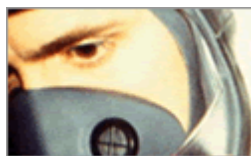
- 1..... --- ..... The Wall Street Journal, 8 ..... 2004 ..
- 2....., ..... , .....



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### CNDD - Concorde America - Recomendación de Compra Fuerte

- [INFORMACIÓN DE ACCIONES COMUNES \(VER ARRIBA\)](#)
- [RESUMEN, EVALUACIONES & CONCLUSIONES DE INVERSIÓN](#)
- [RECOMENDACIONES para los INVERSIONISTAS INDIVIDUALES](#)
- [PERSPECTIVA DE GRAN ÁNGULO](#)
- [NATURALEZA del AMBIENTE EMPRESARIAL Y GLOBAL](#)
- [EQUIPO DE GESTIÓN](#)
- [MODELO DE GANANCIAS POR ACCIÓN](#)
- [Contenido Financiero](#)

### INFORMACIÓN DE ACCIONES COMUNES

**Precio Reciente:** \$5.00

**Acciones en Circulación:** 210 millones

**Valor de Mercado:** \$630 millones

**Valor de mercado de ingresos proyectados para 2005** 0.7 veces

Precio reciente de ganancias por acción proyectadas para 2005 1.0 vez

ESTE NO ES UN ERROR TIPOGRÁFICO---CONCORDE AMERICA (CNDD) SE ESTÁ VENDIENDO ACTUALMENTE POR UNA VEZ LAS GANANCIAS POR ACCIÓN PARA EL PRÓXIMO AÑO

#### PANORAMA DE INGRESOS Y GANANCIAS

	Ingresos	Ingreso Neto	Ganancias Por Acción	Valor de Mercado a una meta de 15x GPA
	(en millones)	(en millones)	(P / G)	(P / G)
2004(e)	US \$ 630	US \$ 420	US \$2.00	\$30 / acción
2005(e)	US \$ 915	US \$ 665	US \$3.00	\$45
2006(e)	US \$1,080	US \$ 839	US \$4.00	\$60

### RESUMEN, EVALUACIONES & CONCLUSIONES DE INVERSIÓN

1. Entre ahora y el año 2015, se predice que Europa tendrá una escasez de aproximadamente 40 millones de trabajadores en las Industrias de Infraestructura (actividades agrícolas, servicios domésticos y seguridad industrial)
2. Los gobiernos europeos no han sido capaces de detener esta escasez de labor de infraestructura, un parámetro eco-demográfico que ha sido aparente desde comienzos de los 90.
3. Las recientes iniciativas comerciales de las compañías del sector privado en la Unión Europea prometen invertir US \$ 5.000 por trabajador para proporcionar mano de obra no calificada proveniente de regiones subdesarrolladas de la economía mundial.
4. Basándose en una escasez de 40 millones de trabajadores, esta demografía potencialmente decadente ahora se convierte en una industria mundial de \$200 billones.
5. Para poner esto en perspectiva de mercado, las industrias de \$ 200 billones NO son abundantes; los automóviles constituyen una industria mundial de \$200 billones; al igual que las industrias de fabricación de PCs y chips.

**"Los pesimistas ven dificultades en cada oportunidad; los optimistas ven una oportunidad en cada dificultad" --- Winston Churchill**

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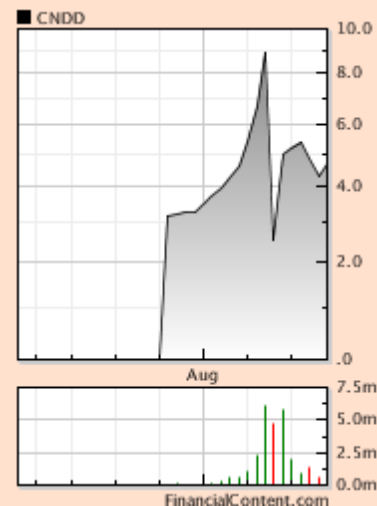
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### CNDD - Target Price \$30.00

Concorde America



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6. Ingrese a **Concorde America**, símbolo de valor: CNDD un participante relativamente nuevo en esta industria mundial que emerge rápidamente.
7. Concorde America aborda directamente la creciente escasez de trabajadores de infraestructura en Europa firmando contratos con compañías europeas privadas para proporcionar mano de obra no calificada a industrias de infraestructura.
8. Los contratos iniciales de CNDD son con compañías privadas en el sector agrícola de España, por cuyo contrato se proporcionará mano de obra proveniente de América Latina, para proporcionarle a sus clientes trabajadores extranjeros residentes que son "culturalmente compatibles"; de allí el nombre:

#### "Servicio de trabajadores transatlánticos", o STT

9. CNDD ha ejecutado tres contratos SST para entregar 350.000 trabajadores durante los próximos tres años.
10. Los Ingresos proyectados para CNDD solamente de estos tres contratos hacen un total de \$2,6 billones de dólares en ingresos por contratos(alrededor de 1% de TODA LA INDUSTRIA MUNDIAL) y Ganancias que añaden \$9,23 dólares Por Acción.

Nuestro precio objetivo por acción a corto plazo para CNDD (3 – 6 meses) es de \$6 por acción. Dos puntos comprobados de evaluación para generar este objetivo son:

- i. **\$6 por acción** representa un múltiplo de dos veces las ventas del próximo año( 2 x \$933 millones ó \$1,8 billón dividido por 210 millones de acciones emitidas);
- ii. El flujo de caja descontado de esta corriente de ganancias es de **\$ 6 por acción**.

Mantener un múltiplo de dos veces las ventas produce un objetivo intermedio de precio de \$ 9 por acción, sin embargo, a un plazo más largo (12 meses y más), esta acción tiene el potencial de alcanzar \$25 a \$30 por acción(vea la sección "Fundamentos" abajo)

ESTE NO ES UN ERROR TIPOGRÁFICO---CONCORDE AMERICA (CNDD)SE ESTÁ VENDIENDO ACTUALMENTE POR UNA VEZ LAS GANANCIAS POR ACCIÓN PARA EL PRÓXIMO AÑO

PANORAMA DE INGRESOS Y GANANCIAS			
Ingresos	Ingreso Neto	Ganancias Valor de Mercado a	
		Por Acción	una meta de 15x GPA
(en millones)	(en millones)	(P / G)	
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2005(e) US \$ 915	US \$ 665	US \$3.00	\$45
2006(e) US \$1,080	US \$ 839	US \$4.00	\$60

#### FUNDAMENTOS para este OBJETIVO DE RANGO DE PRECIOS A LARGO PLAZO ---

Reconozca que a partir de 12 meses, Concorde ya habrá ejecutado su primer contrato TAWFC por 150.000 trabajadores, y está comenzando la entrega de su segundo contrato. Un tercer contrato STT ya está en vigor para el año siguiente. También, los resultados de operación para el 2004 serán transparentes, al igual que la credibilidad de la administración con la comunidad inversora cuando anuncie su alza en ingresos y ganancias.

Además, es muy probable que este espacio comercial(**servicios de contratos de trabajadores extranjeros**)tenga considerablemente más visibilidad con el público inversor en un año. Debido a que la Unión Europea no objeta que sus miembros suplan su escasez de trabajadores importando mano de obra extranjera en general, otras empresas de reclutamiento de personal y los negocios auxiliares que mantienen esa industria atraerán más atención. Esto sólo puede beneficiar la prima de inversión asignada a una compañía como CNDD, que es la primera compañía pública en esta zona comercial.

#### RECOMENDACIONES para los INVERSIONISTAS INDIVIDUALES

Para los inversionistas individuales más conservadores: Comprar 2.000 acciones poniendo la mitad en su cuenta de jubilación individual, y la otra mitad en una cuenta comercial. Para los inversionistas más agresivos, considere comprometer hasta \$50.000 en esta acción, comenzando con un bloque de acciones de 10.000, y construyendo una posición desde allí.

CNDD representa un negocio que puede cambiar no sólo una economía regional, sino que también una economía mundial. En el pasado, el mercado de acciones ha recompensado generosamente a los accionistas de tales compañías innovadoras(ver perspectiva de gran ángulo) y esperamos que el rendimiento fabuloso en las acciones de CNDD no se diferencie.

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## PESPECTIVA DE GRAN ÁNGULO

Los 25 Estados Miembro que forman la Unión Europea(EU) representan la segunda zona económica más grande del mundo con GDP combinadas de \$7 trillones. Sin embargo, desde la caída del Muro de Berlín en 1989, estas economías crecieron un 1,95% anualmente frente al crecimiento anual de 2,89% para los Estados Unidos<sup>1</sup>.

Es posible que esta tasa de crecimiento más lento de 94 puntos no parezca mucho a los no entendidos, pero cuando se aplican a una zona económica de \$7 trillones en un período de 14 años, éste es una tasa material de prosperidad macro-económica perdida. No existía la burbuja del mercado de valores en Europa.

Lo que cristaliza las oportunidades comerciales para Concorde y sus accionistas es que la población de Europa está declinando. Los países de la EU no pueden ignorar más este hecho demográfico, puesto que ahora afecta su posición tanto dentro de la EU como en el escenario competitivo global.

La escasez de trabajadores en las industrias de infraestructura(actividades agrícolas, servicios domésticos y seguridad comercial)es especialmente aguda. Este es el vacío en el mercado europeo que Concorde America llena. Por lo que sabemos, es la ÚNICA compañía en esta industria que se cotiza en la bolsa.

## NATURALEZA DEL AMBIENTE EMPRESARIAL & GLOBAL

**Concorde America** es una compañía que se cotiza en la bolsa. Su símbolo de valor en la bolsa de comercio es CNDD. A través de subsidiarias de propiedad absoluta, CNDD está involucrada en el negocio de proporcionar mano de obra contratada no calificada a las compañías del sector privado que operan en los 25 Estados Miembro que componen la Unión Europea, o EU.

La mano de obra a contrato de la compañía será asignada a uno de los tres sectores de la economía privada del cliente ---

- i. Empresas agrícolas;
- ii. Servicios domésticos; y
- iii. Seguridad comercial & industrial.

A éstos se les llama empleos de infraestructura según el Informe Económico del Lejano Oriente, no obstante, en América, las descripciones más familiares de trabajo serían

- i. Trabajadores agrícolas;
- ii. Empleadas y encargados de limpieza y mantención;
- iii. Guardias.

Los economistas de dos grandes bancos internacionales, el HSBC y el Barclays Group plc han trazado independientemente pronósticos econométricos basados en (a) tendencias demográficas actuales(i.e.población en declive); y (b) crecimiento económico 'razonable' a largo plazo.

Sus conclusiones fueron notablemente similares: En el 2015, habrá una aguda escasez de trabajadores para llenar los puestos de empleos de infraestructura en la EU.

Para cuantificar de manera creíble la oportunidad comercial al alcance de Concorde, y la de sus accionistas, en términos de Ganancias por Acción, el inversionista potencial debe entender algunos hechos acerca de Europa y la Unión Europea. he aquí la versión abreviada aunque esencial:

La Unión Europea es una unión socio-económica de 25 Estados Miembros que cuando se consideran en conjunto(el euro es la moneda común)representa la segunda macroeconomía más grande del mundo. También se ha establecido como un factor que enfrentar en la economía global.

La EU sola se interpuso en el camino de **General Electric** (GE) cuando quiso adquirir Honeywell, y no es casualidad que **Microsoft** (MSFT) tenga una oficina Europea en Bruselas---Cuarteles Operacionales de los EU.

Para poner en perspectiva la autoridad y relevancia commercial de la EU, GE y Microsoft representan la primera y segunda compañía pública más grande del mundo(\$327 billones y \$307 billones, respectivamente). Por muy poderosas que parezcan, estas grandes



compañías son sensibles y en algunos casos deferentes a las responsabilidades del macromercado de la EU.

## Hay 25 Estados Miembros en la Unión Europea ~

**Tabla UNO: Los Primeros Nueve Miembros de la EU fueron ~**

<b>Bélgica</b> (en 1973)	<b>Holanda</b>
<b>Alemania</b>	<b>Dinamarca</b>
<b>Francia</b>	<b>Irlanda</b>
<b>Italia</b>	<b>Reino Unido</b>
<b>Luxemburgo</b>	

### Más estos 16 ~

Austria	Grecia	Lituania	Eslovaquia
Chipre	Finlandia	Malta	Eslovenia
República Checa	Hungría	Polonia	España
Estonia	Latvia	Portugal	Suecia

Al mismo tiempo que la fuerza económica y la alta reputación de la EU en el comercio global ha aumentado, la población de Europa va en declive. En los diez años terminados en el 2003, la población de Europa declinó en más de 81 millones de personas.

Este declive de la población no es sólo en relación a su cuota de población mundial, sino que también a cantidades absolutas. En terminos de porcentaje, la población de Europa disminuyó en 10%, y representó el 12% de la población mundial (bajó de una proporción de 14% hace diez años). La tabla DOS ilustra:

**Tabla DOS: Población de Europa en Declive**

	<u>Población</u>			<u>Como porcentaje de la población mundial</u>	
	<u>1994</u>	<u>2003</u>	<u>% Chg</u>	<u>1994</u>	<u>2003</u>
Asia	3.345.498	3.767.972	13%	59%	61%
África	722.814	815.680	13%	13%	13%
Norteamérica	288.788	315.169	9%	5%	5%
Latinoamérica	474.240	531.718	12%	8%	9%
<b>Europa</b>	<b>806.967</b>	<b>725.870</b>	<b>-10%</b>	14%	12%
Oceania / Australia	<u>28.366</u>	<u>31.018</u>	9%	<u>1%</u>	<u>&lt;1%</u>
Totales	5.666.673	6.187.427	9%	100%	100%

Dentro de Europa misma, las poblaciones musulmanas aumentaron desde 13 millones a 32 millones en el 2003, y como grupo, representan 4,4% de la población de Europa, cifra que subió del 1,6% que representaban hace diez años. Si esta tendencia continúa sin revisar, esta proporción aumentará a 12% en el 2015, y a 27% en el 2025. Este ha sido un desarrollo demográfico inevitable dada la escasez de trabajadores que ya es aparente en Europa.

Inevitable hasta ahora. Es aquí donde **Concorde America** entra en la escena de la inversión con una alternativa para miembros selectos de la EU:

### **Recluten mano de obra para trabajos de infraestructura de los países en América Latina que son culturalmente compatibles con las costumbres e idioma de los Estados Miembros seleccionados de la EU.**

El primer contrato de la compañía va a proporcionar 150,000 obreros no calificados a una compañía agrícola del sector privado en España. Un segundo contrato por 50,000 obreros agrícolas no calificados comienza el segundo trimestre del 2005. Los términos comerciales de estos contratos se anuncian en la sección del Modelo de Ganancias al final de este informe.

Mientras que las compañías del sector privado en todos los Estados Miembros de la EU son clientes potenciales para servicios de contrato de mano de obra extranjera de Concorde, España e Italia comprenderán el foco geográfico inicial.

Concorde America proporciona una nueva solución al problema de envejecimiento, proporcionando personal para "trabajos de infraestructura", especialmente en el sector de la agricultura donde las necesidades de mano de obra pueden ser estacionales. La tabla TRES ilustra por qué España e Italia están entre los primeros Estados Miembros de la EU receptivos al tipo de soluciones nuevas que Concorde ofrece. En los cinco años terminados en 2003, entre las diez economías más grandes de EU, España e Italia ocuparon el último lugar, lo que significa pérdida de acción de mercado, ingresos y trabajos.

**Tabla TRES Niveles de Ingresos Agrícolas para los 10 Estados Miembros más grandes de la E U**  
1998 – 2003

	<u>1998 Índice</u>	<u>2003 Índice</u>	<u>Porcentaje de cambio</u>
	(1994 – 1996 = 100)		
Portugal	73,7	123,4	67,4%
Austria	104,6	130,8	25,0%
Alemania	116,0	123,4	17,5%
Holanda	85,5	96,1	12,4%
Francia	98,0	104,0	6,1%
Reino Unido	101,5	107,4	5,8%
Irlanda	109,4	111,4	1,8%
Bélgica	80,0	80,1	0,1%
España	110,5	107,8	<b>-2,4%</b>
Italia	107,4	96,2	<b>-10,4%</b>
Índice agrícola	96,9	107,3	<b>10,7%</b>

Los países seleccionados para suplir la demanda española de mano de obra extranjera no calificada se destacan en la siguiente tabla:

El salario neto para los 150.000 trabajadores de 1.050 € mensuales (o \$ 1.260 dólares).

Los obreros no calificados para el primer contrato de trabajadores extranjeros de Concorde han sido reclutados de Honduras. Los primeros 1.000 llegan a España el primero de agosto, y después, con una frecuencia de 1.000 diarios hasta fines de año.

Para apreciar las economías que atraen a estos trabajadores con contrato, reconozca esto: A \$ 1.260 dólares mensuales, esto corresponde a un ingreso personal \$15.120 al año, o SEIS veces mayor que los que ese trabajador ganaría quedándose en su país.

En conclusión, las Nuevas Soluciones de Concorde para la escasez en los empleos de infraestructura en la Unión Europea ofrecen trabajadores asequibles y culturalmente compatibles a las compañías del sector privado y, al mismo tiempo, mejoran las vidas financieras y los estándares de vida de miles de personas.

...Y en el proceso de entrega de estos resultados comerciales, generan una atractiva tasa de ganancias para los accionistas de la compañía.

**Tabla CUATRO: Razón primaria del reclutamiento para Concorde**

<u>País Latinoamericano</u>	<u>Ingreso anual per capita</u>	<u>Tasa de Alfabetismo</u>	<u>Población</u>
Honduras	\$ 2.600 USD	76%	6,9 millones
Nicaragua	\$ 2.500 US	68%	5,5 millones
Ecuador	\$ 3.100 US	93%	13,0 millones
Información relevante para otros países de la región			
Méjico	\$ 9.000 US	92%	103,5 millones
Colombia	\$ 6.500 US	93%	44,2 millones
Argentina	\$10.200 US	97%	38,4 millones
Fuente: Eurostat – Cuentas Económicas para Agricultura (EAA)			

Una discusión del ambiente global estaría incompleta sin hablar de la competencia. En el caso de Concorde America, no hay ninguna, por el momento. La primera mención pública

en las publicaciones de EU que tratan de la escasez de "Servicios de Interés General<sup>2</sup>" fue en el "Libro Verde" de mayo del 2003.

Aquí está el vínculo ~

[http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003\\_0270en01.pdf](http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003_0270en01.pdf)

Como otras compañías internacionales inevitablemente tratarán de ingresar a la arena comercial de Concorde en los próximos años, CNDD no sólo habrá construido una formidable barrera de entrada, sino que también es probable que controle las asignaciones de reclutamiento más lucrativas.

## EQUIPO DE GESTIÓN

**Hartley Lord** es el presidente y director ejecutivo de Concorde America con más de 50 años de experiencia en banca de inversión y gestión financiera, con especialización en telecomunicaciones. Mr. Lord es un veterano de la Fuerza Aérea y graduado de la Universidad de Florida del Norte. Él ha sido llamado pionero en el período de liberalización de la industria telefónica, durante cuyo tiempo fundó Cardtel, Inc en 1985. **Julio Aspe** es Presidente de la compañía. Él posee más de 20 años de experiencia en derecho civil y tributario. El Sr. Aspe tiene un título en derecho de la Escuela Libre de Derecho de Méjico y una maestría en derecho internacional de la Universita S.Tommasso en Roma. **Raul Mendez** es el Director de Tecnología con más de 18 años de experiencia en desarrollo de aplicaciones y base de datos, en industrias que van desde los seguros a la fabricación. El Sr. Mendez obtuvo su título en administración de empresas en la Universidad Internacional de Florida. Los sistemas que ha instalado para manejar/ supervisar más de 1 millón de trabajadores a contrato fueron esencialmente sus programas.

## MODELO DE GANANCIAS POR ACCIÓN

Existen tres componentes en la corriente de ingresos de Concorde: (a) Honorarios de colocación; (b) Honorarios de subcontratos compartidos; y (c) Honorarios de renovación de contrato. Los honorarios de colocación equivalen a 3.500 Euros por obrero, ya sea una colocación directa o un subcontrato. Una colocación directa significa que el trabajador contratado va en la planilla de pago del cliente del sector privado.

En los diez semestres (hasta el 2006) cubiertos por el modelo de ganancias anexo, Concorde planea reclutar 350.000 trabajadores con contrato de Honduras para trabajar en una compañía agrícola del sector privado en España por un año.

A cambio de entregar 350.000 a la compañía española del sector privado, Concorde cobra una tarifa de colocación de 1.2 billones de Euros (350.000 x 3.500 Euros), o **\$1.470 millones de dólares**.

Además, la mitad de los ingresos proporcionados por la solicitud de 350.000 trabajadores de la compañía proporcionará contribuciones a la corriente de ingresos del trabajador durante el curso del año. Estos pagos NO provienen del salario de los trabajadores contratados, sino que son un costo adicional negociado para el cliente del sector privado que emplea mano de obra proporcionada por Concorde.

Estos pagos por sub-contratos compartidos generan otros 853 millones de Euros (**\$ 1.024 millones de dólares**) en ingresos para Concorde recibidos cada mes en el período cubierto en el Modelo de Ganancias.

Finalmente, Concorde gana 400 Euros (\$ 480 dólares) en honorarios de renovación por cada trabajador que renueva su contrato (es improbable que la escasez de trabajos de infraestructura en la EU disminuya).

El Modelo de Ganancias supone que 75% de los trabajadores cuyos contratos expiran se renuevan por el período cubierto en este Modelo de Ganancias. Por lo tanto, el primer contrato de 150.000 trabajadores supone que 112.500 (75% de los 150.000 trabajadores) renoverán después del primer año, luego 84.375 renoverán en el segundo año. Los ingresos por honorarios de renovación se proyectan en 124 millones de euros o \$149 millones.

La siguiente tabla resume los componentes de ingresos:

**Tarifas de colocación:** \$1,470 millones

**Tarifas de subcontrato:** \$1,024 millones

Tarifas de renovación: \$ \$ 131 millones

**Total: \$2,625**  
millones

Ante esta corriente de ingresos, los gastos directos incluyen \$500 para transportar a cada trabajador, y gastos administrativos que este año aumentarán de \$7 millones a \$30 millones en el 2006. En el modelo de ganancias, hemos supuesto una norma tributaria de 20% a 30%, aunque podría ser considerablemente menor que esto. Con 210 millones de acciones en circulación, las cifras de las ganancias por acción son: (VER Tabla de Modelo de Ganancias anexo)

2004 (e)	2005 (e)	2006 (e)
\$2.00	\$3.17	\$4.00

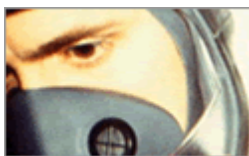
<sup>1</sup>Fuente --- The Wall Street Journal, 8 de julio del 2004

<sup>2</sup>Posiciones que los Estadounidenses llamarían mano de obra agrícola, empleadas domésticas, encargados de limpieza y mantención y guardias

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## This Month's Recommendations



### AHFI - Absolute Health and Fitness - Strong Buy Recommendation

- [Common Stock Data](#)
- [Summary & Investment Conclusion](#)
- [Stock Price Valuation Targets](#)
- [Recommendation to Individual Investors](#)
- [Business and Industry Environment](#)
- [Management Team](#)
- [Earnings Per Share Model](#)
- [Independent Research](#)
- [Interactive Chart](#)
- [CEO Interviews](#)

### COMMON STOCK DATA

Recent Stock Price: \$1.70	12 months Target Price: \$5.00
52-Week High: \$1.70	Shares Outstanding: 29.6 million
52-Week Low: \$0.40	Float: 3 million
Market Value: \$14.8 million	

	Sales	Net Income	Earnings per Share	Market Value to Sales	EPS
2003	\$8,275,553	\$1,686,658	\$0.08	1.8x	6.3x
2004(e)	\$23,500,000	\$4,970,000	\$0.16	0.6x	3.1x
2005(e)	\$51,625,000	\$13,500,000	\$0.35	0.3x	1.0x

### SUMMARY & INVESTMENT CONCLUSION

- **ABSOLUTE HEALTH & FITNESS** has recently debuted in the stock market, selling at about six times last year's earnings per share
- The physical fitness industry is highly fragmented and appears poised to consolidate amidst burgeoning consumer demand
- **AHFI's** premier corporate objective is to not only participate in the fitness industry's consolidation but to lead it
- Reflecting its existing fitness centers sales **growth of 25% and 40%** margins, plus several strategic business combinations, revenues and earnings are expected to at least double every year through 2006
- Based on valuations analytically-derived from three highly recognized methods, we suggest target stock prices at **\$1/share in the next 30 days, \$2-\$5/share by year end**, and for long term holders --- **\$5 - \$10/share next year and beyond**

To receive free information on our Featured Penny Stock : "AHFI - Absolute Health and Fitness", free e-mail updates and other investor packages & offers, [sign up here](#).

Want to buy AHFI? Our [recommended brokers](#) will make your investment a seamless process.

### STOCK PRICE VALUATION TARGETS

Three methods have been deployed to derive a Target Valuation range for this Company: (i) **PEG---** Price / Earnings to Growth Ratio; (ii) **Multiple of Sales Ratio**; and (iii) **Historical Market P/E** valuation.

**Absolute Health & Fitness** is expected to grow at 100% per annum over the next 3 three years --- from 8 ¢ in Earnings Per Share (EPS) in 2003 (see EPS Model at end of this report), to 16 ¢ this year, 35 ¢ in 2005 and 75 ¢ in 2006. Applying a P/E of 50 on EPS growth of such magnitude, and transparency, produces a **PEG** of 0.5 (a ratio under 1.0 is deemed conservative by fundamental

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### AHFI - Target Price \$5.00

Absolute Health and Fitness



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securities analysts). This translates into a **LONG TERM** target price of **\$8 / share** (50 x \$0.16 in EPS).

To derive a Nearer-Term target price, consider the multiple the market has assigned to **Bally Fitness' (symbol: BFT)** estimated earnings---after three years of losses. Applying current Bally's P/E of 16 to Absolute's estimated earnings of 16 ¢ yields a **Nearer-Term** target price of **\$2.00 - \$2.50** per share, which forms the basis for the lower end price range target by this year's end.

The best **multiple** at which the fitness industry has ever been valued is three times **sales**. For AHFI, this means 3 times \$51.6 million in forecast sales = \$155 million / 29.7 million shares outstanding = **\$5.20 / share** for a 6-month target price.

Finally, empirical studies of stock prices covering the past 75 years have determined that, on average, stocks sell for 16 times trailing EPS and 12 times forecast EPS. As Absolute Health begins to attract traders' coverage..if not research coverage..we suspect that these ratios will heavily influence early valuations in the stock market.

For AHFI, 16 times trailing EPS (of 8 ¢) equals **\$1.28** and 12 times forecast EPS (of 16 ¢) equals **\$1.92**. Hence, over the next 3-6 months, a trading range of **up to \$2 / share** seems reasonable. These Valuation Ranges establish Target Prices, summarized in this Table.

**Table One: Target Price Ranges to 2005**

Early Stage (now through 9/30)	Mid-Stage (4th Qtr, 2004)	Next Year (2005)
<b>\$0.40 - \$2.00</b>	<b>\$2.00 - \$5.00</b>	<b>\$5.00 - \$10.00</b>

Look to subsequent updates on "AHFI - Absolute Health and Fitness" from USPennyStocks.com including Press Releases from the company, [sign up here](#) to subscribe to AHFI's Investor database and keep up to date with the latest advancements by the company!

## RECOMMENDATION TO INDIVIDUAL INVESTORS

For Individual Investors seeking significant near-term capital appreciation on a modest investment position, in an emerging growth company, a **\$2,000 to \$10,000** investment in AHFI will buy up to 20,000 shares of stock at current prices. Given a minimum target price of \$5 / share next year, this represents an extraordinary profit opportunity.

Even the \$2 per share minimum target price expected at this year's end translates into a \$1.50 / share capital gain --- or a potential gain of \$6,000 on an initial \$2,000 investment (**\$35,000 potential gain on a \$10,000 initial investment**).

For more aggressive Individual Investors, consider a **\$25,000** investment position, to purchase up to 50,000 shares. Based on a fourth quarter-2004 Exit Strategy of \$3.50---the midpoint of the forecast range--- this position represents potential gains in excess of **\$100,000**.

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## BUSINESS AND INDUSTRY ENVIRONMENT

**Absolute Health & Fitness** currently owns and operates 4 fitness centers in the Southeast, and expects to add another 8 centers via acquisition, resulting in a company generating revenues in excess of \$10 million / year. A business combination with one other major fitness center operator is expected to more than double the Company's revenues to over \$23 million this year, and increase the number of its operating Business Units to 24.

Physical fitness is an \$11 Billion industry, though extremely fragmented. According to the Department of Commerce, there are approximately 8,000 exercise / fitness centers in the country with the seven companies listed in **TABLE TWO** below representing just over half of these units.

About half of these 8,000 physical fitness centers are owned / controlled by seven entities. The YMCA alone has 2,500 units. Another six companies own about 1,800 units. This means there are about 3,500 free-standing independent physical fitness centers in the country (with revenues approximating \$4 Billion) that are owned and operated by "mom-and-pop" proprietors---basically, family-run enterprises at the local, if not neighborhood, level.

Absolute Health intends to amalgamate a number of these independent entities under one corporate umbrella..and in the process, lead a consolidation of this highly fragmented industry. Its present operations **already represent a consolidation** of one company with eight fitness centers and another with four (resulting in the 12 current operating units).

What would motivate an independent fitness center operator to become part of a larger corporation? To answer this question, we look at the micro-economics of that industry and outline the industry's Business Model as it exists today.

Man statement, [click here](#),

If you would like me to read it to you, [click here](#).

- The vast majority of independent fitness center owners will be health enthusiasts.
- From there, owners fall into two basic categories: (i) Individuals who are 50+ and use a lump sum to launch a fitness center locally<sup>1</sup>; and (ii) Individuals in their 20's---and who have usually relied on family- funds to launch the fitness center.
- **TYPICAL BUSINESS MODEL** --- The average fitness center generates about \$1.2 million in annual revenues, and enables the owner to gross between \$150,000 and \$200,000 in income. There is no Inventory to manage, Accounts Receivable is a minor concern, and the steady nature of the revenue stream means that financing is probably not a major issue.

Industry Business Models do not change frequently. Changing industry fundamentals requires a trigger of such enormous impact that existing Business Models no longer are commercially relevant---and this is the rationale that led to the genesis of Absolute Health & Fitness.

There are now 180 million people in the USA over the age of 30, or 61% of the population. The Baby Boomers, as a group, represent 76 million people. These are compelling demographics that taken together can force an industry to change the manner in which its services are provided.

The distinguishing feature between AHFI and the rest of the independents comprising the fitness industry is its intentional focus to consolidate the better-run fitness centers nationwide, especially those local entities with commanding market shares, and unite these units all under one company.

This is the primary reason AHFI became a public company --- in order to provide the "currency" to not only rapidly consummate acquisitions but in the process, enrich all shareholders in AHFI.. including the former owners of the acquired fitness centers.

Indeed, AHFI's management expects to double the number of fitness centers under its corporate roof by the end of this year, primarily by acquisitions. As small as these acquisitions appear to be, the end result is that revenues shoot up to more than \$50 million annually, with Earnings of \$0.35 per share. Even a simple multiple of ten times earnings per share makes this potentially a \$3.50 stock.

There is a relevant historical stock market example to serve as a guideline. **US Delivery** was a ground-delivery company based in Denver with annual sales of about \$10 million. In 1993, the company began amalgamating independent ground delivery businesses nationwide. In 2 years, revenues exceeded \$100 million and by 1997, revenues approximated \$250 million.

US Delivery, in turn, was eventually acquired by Corporate Express. A \$5,000 investment in the stock of US Delivery in 1993 was worth \$94,000 in Corporate Express stock by 1999 --- a return of almost 20 times the initial investment.

Is the same magnitude of investment return achievable with Absolute Health & Fitness..? No one can answer that question with certainty. However, all the right elements appear to be in place for this formula to work again, and all to the financial advantage of the Individual Investor.

TABLE TWO images the identifiable major companies in the physical fitness segment of the economy.

**Table Two: Fitness Center Industry Leaders**

Company	Fitness Centers (#)	12 Month Revenues (mm)	# of Employees	Market Value (mm)	Mkt Val/ Revenues	Revenues/ Employee	Stock Symbol
<b>Bally Fitness</b>	420	\$954	22,000	\$143	15%	\$43 K	BFT
<b>Gold's Gym</b>	670	\$980	n/a	n/a	n/a	n/a	Private
<b>Sports Club</b>	10	\$132	2,223	\$28	21%	\$59 K	SCY
<b>Town Sports Int'l</b>	130	\$315	7,700	n/a	n/a	\$41 K	Private
<b>24 Hr Fitness WW</b>	300	\$525	n/a	n/a	n/a	n/a	Private
<b>World Gym Int'l</b>	290	\$250	n/a	n/a	n/a	n/a	Private
<b>YMCA</b>	2,500	\$4,200	n/a	n/a	n/a	n/a	Private
<b>Totals</b>	<b>4,320</b>	<b>\$7,356</b>					

The Fitness & Exercise segment of the US economy, therefore, is exceptionally well-poised for consolidation, similar to the consolidations that overtook a number of other service-related sectors of the economy over the past 30 years.



**Research indicates there are another 3,500 independently- owned ("Mom-and-Pop") fitness centers in the USA with revenues of \$4 Billion.**

Examples of a few other industry consolidations in the past will prove useful..

- There were thousands of newspaper companies in the 1960's --- today, that industry is controlled by fewer than ten companies.
- In the late 1960's / early 1970's, every town in America had numerous choices among Mom-and-Pop Burger stands --- before that industry consolidated into the three companies that own that space today --- either converting the better-run independents into their own Branded Name or putting them out of business.
- In the 1980's, Mom-and-Pop neighborhood convenience stores eventually gave way to 7-11's, Circle K's and other larger merchants, and more recently ~
- In the 1990's, numerous ground shipment delivery service companies prevailed until larger companies either acquired them or made their economic existence non-viable, and of course ~
- Consolidation of the "bloated" dot.com universe is living memory.

Not all service businesses or industries lend themselves to consolidation ~

- Dry cleaning services,
- shoe repair shops, and
- lawn / landscaping services

are three that immediately spring to mind. Characterized by *minimal capital requirements* to enter those businesses, hand-to-mouth financial needs to survive and a neighborhood-centric nature, these businesses are unlikely to ever consolidate into bigger commercial enterprises.

The collapse, and consolidation, of the dot.com universe will serve a useful purpose, since those events are living memory. For a brief moment, 1999 to be precise, it took minimal capital requirements to get into the dot.com business because venture capital was so readily available<sup>2</sup>.

By the end of 1999, the lost investment gain caused by not being in the next IPO that triples in a day was of greater concern than the potential loss on that investment. As the financial media sought these investors out, any venture capitalist with less than six deals in the pipeline was a piker..! And the money flowed. In other words, by making capital so easily abundant, venture capitalists were planting the seeds for the very consolidation they feared.

Commencing a systemic industry-wide consolidation..any industry..requires a trigger of such enormous impact that prior Business Models are no longer relevant. That systemic trigger for the exercise & fitness industry is the 180 million people over the age of 30.

***There is only one way to slow down this deterioration of human muscle: Exercise, specifically, muscle-stress exercise such as weights and other muscle-stress strengthening equipment. We believe that the demand for fitness services from this demographic to be sufficiently compelling to change the fundamentals of this highly fragmented industry.***

To receive free information on our Featured Penny Stock : "AHFI - Absolute Health and Fitness", free e-mail updates and other investor packages & offers, complete our [Contact Form](#).

A thumbnail sketch of the seven companies appearing in our industry table on page four follows, along with the web site of each ~

**Bally Fitness** is arguably the best-known fitness center operator in the USA, with 420 gyms in 29 states and Canada. Bally (stock symbol: BFT) is the largest fitness center operator that is a publicly-traded company. By design, its professed market is the 18 - 34 year old demographic. The company's genesis as a public company dates back to 1996 when it was spun-off from the gaming company, Bally Entertainment. HQ: Chicago [www.ballyfitness.com](http://www.ballyfitness.com)

**Sports Club** is the only other visible leader in this industry that is publicly-traded (stock symbol: SCY). It was organized in 1994 to amalgamate several up-market clubs in major metropolitan areas under one corporate umbrella. Presently, SCY has 10 clubs, located in Los Angeles, San Francisco, New York City and Washington, DC. Revenues per facility average between \$10 and \$15 million. HQ: Los Angeles. [www.thesportsclubla.com](http://www.thesportsclubla.com)

**Gold's Gym** has the most facilities in operation ---670 gyms in 26 countries. These are predominantly franchises, which are sold for \$500,000 to \$1.8 million per location. Purchasing smaller gyms and converting these into branded Gold's Gyms is a relatively new development in its business model. The first Gold's Gym was opened in 1965, so it is factually correct to state that this is the oldest company in the industry. HQ: Venice, CA; tel: 310-392-3005; web site [www.goldsgym.com](http://www.goldsgym.com).

**Town Sports International** was founded in 1973. It owns and operates 130 fitness centers, two-thirds of which are located in New York City. The remaining centers are located in Boston, Philadelphia and Switzerland. Given the metropolitan location of its clubs, per facility revenues of \$2.5 million are above the industry average. HQ: New York City; web site [www.mysportsclubs.com](http://www.mysportsclubs.com).

**24 Hour Fitness Worldwide** owns and operated 300 fitness centers in 16 states plus Europe and Asia. The Company began operations in 1983, making it the third oldest private sector fitness center chain after Gold's Gym and Town Sports. Recent acquisitions include two younger chains --- Q Clubs and Hart's Athletic Clubs. HQ: San Ramon, CA; web site [www.24hourfitness.com](http://www.24hourfitness.com).

**World Gym International** has 290 franchises, all in the Western Hemisphere, with most locations representing franchised businesses. HQ in Marina del Rey, CA; web site [www.worldgym.com](http://www.worldgym.com).

**YMCA** dates back to 1851 in the USA (1844 in the UK), and has 2,500 locations nationwide. Its role in the American socio- economy has morphed markedly in the past 5 years, given its leading role in community projects such as child care and Head-Start. Nevertheless, with 19 million people utilizing its facilities, any fitness industry discussion that does not include the YMCA is incomplete. The fact is, the "Y" is a pervasive presence in the burgeoning physical fitness industry. HQ: Chicago, IL; web site [www.ymca.com](http://www.ymca.com) pleasantly pervasive, if the Village People are to be believed, when they sang "It's fun to stay at the Y - M - C - A!"

**The tale of two fitness companies** ~ The following two charts tell a thousand page story about the only two fitness companies with a publicly-traded track record. At its current price, **Bally Fitness** (BFT) is about where it was when spun-off from Bally Entertainment in 1996.

**Sports Club** (SCY) has been on a downward spiral since 1998 --- when both BFT and SCY were in vogue. BFT peaked in July 1998 at \$37.56 / share, and commanded a Market Value of \$1.3 Billion, or about two times annual sales at the time. Market Value of BFT today: \$136 million.

SCY spiked up a little faster, being a small growth company. It peaked at \$9.25 / share in December 1997, giving the Company a \$167 million market value. Market value today: \$27 million.

The third graph following depicts the below average performance of both companies in relation to the S&P 500 Index. This explains why any portfolio manager whose investment performance is measured in relation to the S&P 500 (and most are) would not be investors in either of these companies. With changing fundamentals and an imminent industry consolidation, investment interest could easily rekindle this sector.





<sup>1</sup>People in this category are generally either individuals who have elected early retirement, receiving a lump sum payment OR ex- spouses using the proceeds from divorce settlements. <sup>2</sup>Look for the forthcoming book Growth, Puncture and Aftermath of The Bubble for a Millenium.

## MANAGEMENT TEAM

**Brian Morris** is Chief Executive Officer of Absolute Health & Fitness. He has been in the fitness industry for more than ten years. He joined AHFI in 1994 as a Salesman, worked his way up to become Chief Operating Officer, and after the merger that formed AHFI, was appointed CEO.

**Roland Rohm** is President of the Company, having been in the fitness industry since 1995. His responsibilities include ensuring the application of consistent operational procedures throughout the growing AHFI network. Prior to joining AHFI in a management capacity, Mr. Rohm had previously been a Franchisee of a Gold's Gym. **Thomas Flynn** is VP- Sales and Marketing. His primary responsibility is to increase each center's revenues, including corporate memberships and with affinity groups. Mr. Flynn has been with the Company since 1998.

**EARNINGS MODEL** Absolute Health & Fitness - Three Year Outlook:

	2003		2004 (e)		2005 (e)	
	Sales	Operating	Sales	Operating	Sales	Operating
Kapital Eng	\$2,028,729	\$1,032,557				
EFS	\$1,044,448	\$260,782				
Sampson's Gym	\$863,677	\$222,679				
Maynard	\$1,070,608	\$260,656				
KRS	\$1,098,531	\$302,074				
Garner	\$775,685	\$77,638				
Creedmore	\$1,193,027	\$217,272				
Fuquay	<u>\$200,848</u>	<u>\$35,854</u>				
Eight Core Cntrs	\$8,275,553	\$2,409,512	\$10,500,000	\$4,200,000	\$13,125,000	\$5,500,000
Four New Centers			\$3,000,000	\$900,000	\$6,000,000	\$2,500,000
Other 2004 Acq's			<u>\$10,000,000</u>	<u>\$2,000,000</u>	\$12,500,000	\$5,000,000
2005 Acquisitions					<u>\$20,000,000</u>	<u>\$4,000,000</u>
TOTALS	>>>>>>>>		\$23,500,000	\$7,100,000	\$51,625,000	\$17,000,000
Tax Provision		<u>\$722,854</u>		<u>\$2,130,000</u>		<u>\$3,500,000</u>
Net Income		\$1,686,658		\$4,970,000		\$13,500,000
Shares Outstanding	\$20,000,000	\$0.08	\$29,667,000	\$0.16	\$39,667,000	\$0.35

## INDEPENDENT RESEARCH LINKS

Want to know more about the trends affecting the potential of this stock? One of the best ways is to search key phrases that provide independent research and studies conducted by people and organizations that could care less if you buy the stock or not. We have pre-prepared a few key-phrase searches for you. When you click them you're taking to the first page of Google that contains information on the subject.

## ABSOLUTE HEALTH AND FITNESS

**Health Club Membership Trends** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=Health+Club+Membership+Trends&btnG=Search>)

**Health Club Membership Research** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=Health+Club+Membership+Research&btnG=Search>)

**Health Club Industry Trends** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=Health+Club+Industry+Trends&btnG=Search>)

**Health Club Industry Research** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=Health+Club+Industry+Research&btnG=Search>)

**Fitness Industry Research** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=Fitness+Industry+Research&btnG=Search>)

**Fitness Industry Trends** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=Fitness+Industry+Trends&btnG=Search>)

## CEO Interviews

Watch Tom Heysek (Research Analyst & Editor of USPennyStocks.com News) Interview Absolute Health and Fitness CEO Brian Morris & Vice President Thomas Flynn.

[View Interview >](#)

(Requires Microsoft Media Player)

Watch Francis Gaskins (Research Analyst & Editor of IPO Desktop.com) Interview Absolute Health and Fitness CEO Brian Morris & Vice President Thomas Flynn.

[View Interview >](#)

(Requires Microsoft Media Player)

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E-TRADE received Barrons' highest rating for 2004. E-TRADE's low commissions, expert service and user-friendly trading techniques make them a popular choice with investors. Opening an account with E-TRADE is simple, either call 1-800-387-2331, or apply online at [www.e-trade.com](http://www.e-trade.com) - once your account has been set-up, you can trade right away!

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by [Tom Heysek](#)

- **Concorde America** (CNDD.PK) was in the spotlight last week --- seems like the beginnings of a short squeeze OR problems with the fundamentals. Here's how we saw this commercial drama unfold last week. With swings in Market Value of \$1.4 Billion in a single day, it is surely one of the most active cheap stocks of the year. We distinguish between fact and fiction --- **INSIDE**
- Also joining the ranks of the Pink Sheets last week, **Trump Casinos & Resorts**, new symbol, DJTC.PK --- this is merely the first step in a very long process. Our conclusion: *Based on Mr. Trump's past close calls, and there have been two, that we know of...the first step is about as bad as it gets for shareholders.* In other words, it can only get better for shareholders from here on out.

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- Attack of the short-sellers! What are they trying to do?
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- Check out our past winners!
- "Market Cap" madness. What the heck is it? Or---bigger isn't always better!
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Tom Heysek, our financial investment guru and the editor of our USPennyStocks News newsletter. Tom is also the Director of Research for Asian American Capital, a San Francisco-based investment management...

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Mr. Kline holds degrees in both Finance and Economics, and he is a member of the Mensa Society (San Francisco chapter). His interest in the stock market and commodities trading began in 1980, after...

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## Put In Their Two ¢ents!

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## USPennyStocks News

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by [Tom Heysek](#)

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- At a stock price of 50 cents / share, \$1,000 will BUY you about 2,000 shares of DJTC.PK. Apply the 30 day wait-and-see period to ALL Penny Stock purchases, and hope for the best. Based on market history, this stock price is unlikely to get much worse, and there might just be a positive bounce with even the smallest morsel of good news. The Stock Market is that hungry for news.
- **Markland Technologies** is revisited. This company was the subject of a recent "Daily Views" feature--- here's what's happened, and likely to happen next --- just as "There's no crying in baseball...!"<sup>1</sup> "There's no HOLD in Penny Stocks"...if you can't justify buying more of a Penny Stock you own, then sell it."
- Re-introducing the investment community to **The ShortBusters Club** --- not having been heard from since March 2000, when the NASDAQ shot up to 5048 and selling everything short was the smart side of the trade. The Shorts were always right...perhaps the tide has turned, and this segues into CNDD.PK

### Companies Mentioned In This Edition

(in order of appearance in this week's update)

**Concorde America (CNDD.PK)**

**Markland Technologies (MRKL.OB)**

**Microsoft (MSFT)**

**PTS Products (PTSO.OB)**

**Cisco (CSCO)**

**Durban Deep (DROOY)**

**Trump Resorts & Casinos (DJTC.PK)**

**Archer-Daniels-Midland (ADM)**

**P-com (PCMC.OB)**

**Network Equipment (NWK)**

**CMKM Diamonds (CMKX.OB)**

**Newbridge Capital (NBGC.PK)**

(TO THE TUNE OF GHOSTBUSTERS)

"When the future looks bleak

And your stock is real weak ---

Who ya' gonna' call...**Short Busters**...!!!

When the Pump the Dumpers come

And you're feelin' kinda' dumb ---

Who ya' gonna' call...**Short Busters**...!!!

**Concorde America** debuted as a public company at \$ 3 / share last month. In the last few weeks, it has attained solid recognition and support in the stock market, which eagerly embraced the bright prospects for the Company's Basic Business, which is, providing unskilled labor in large quantities to private sector infrastructure industries in Europe. Our initial Report was published July 12 ([view that report](#)).

Frankly, we were surprised this Company attracted so much attention this early. Our view is that this unexpected attention reflects more the absence of anything else of interest going on in the stock market this summer than an inherent attraction to CNDD itself, nevertheless, the stock is now on the radar screens of just about all day-traders. This makes the Company an easy target to sell short, especially with misinformation.



In the final two trading days of last week, CNDD exhibited a swing in Market Value for both days of \$1.4 Billion. Remember, the OTC Bulletin Board has a total Market Value of only about \$2 Billion --- a statistic we present to ensure the average individual investor has a perspective on how visible CNDD has now become among the Penny Stocks, and in a relatively brief period of time.

Short Sellers are like packs of wolves, attacking in concert, which greatly exaggerates the swings in stock prices. CNDD reached a high of \$8.90 / share on Thursday then proceeded to nose-dive to \$2.51 by the close. The downward pressure continued Friday, before opening at \$1.75 / share. It closed the week at \$ 5 / share, up \$2.49 for the week. We estimate about \$50 million worth of CNDD stock traded last week, probably making it the most active Pink Sheet stock for the month of August.

The catalyst to this trading visibility and price-amplitude is a news release dated August 11th. The contents of that news release were inconsistent with the information provided to our research staff in the months of June and July, information that came directly from the Company.

The Almerimar Contract called for up to 700,000 workers over a 3 – 5 year period to be placed into the agricultural industry via a private sector Spanish Company. This alone represents about US\$ 3 Billion in contract revenues. More importantly, given the published figure of a 40 million worker shortfall in Europe in the infrastructure industries (like Farming, Domestic Security and Domestic Services), at a recruitment fee of US\$5,000 per worker, this represents a staggering \$200 Billion Global Business...!

Concorde America, therefore, represents barely 2% of this industry potential --- and it is possible the enthusiasm for this stock reflected the investment community's discovery of an overlooked, new industry. Indeed, if a company like Archer-Daniels-Midland is not looking into this industry, it should be---and so we wrote to the Chairman of ADM, Mr. G. Allen Andreas, just to alert him to a commercial opportunity for ADM's shareholders. [Click here for the basic July 12th Report on Concorde America.](#)

All research on this site is compiled from information believed to be reliable --- and so it is with our original projections for CNDD. Our disclaimers tell you this ([see our disclaimer](#)). On the other hand, this inconsistency in public information may be nothing more than an internal management reshuffling, perhaps even a struggle. Such internal struggles are not uncommon in young companies like CNDD as management personalities must be realigned to achieve the company's growth objectives.

We expect more information about CNDD's commercial prospects to be forthcoming in the next few days, so stay tuned to this site, and place it in your Favorite Places as this late-summer investment drama unfolds.

Our suggestion to individual investors at this time --- remain on the sidelines for a few more days to see where this story unfolds. If the forecasts provided by management were unreliable, then the projected operating results in the Basic Research Report are unreliable.

**If in the next few days, the Company re-validates projected operating results based on the information provided in June and July, then the stock most likely has a destiny with a \$20 per share stock price, and probably soon --- especially if the shorts stampede at the same time to cover their positions. Ordinarily, there is no such thing as a "HOLD" when it comes to Penny Stocks. However, given the likelihood that an overly aggressive group of Short-Sellers have temporarily depressed the stock, hang in there for a few more days.**

With the large cap companies in a tight trading range, it is not difficult to see where this added trading volume is coming from --- the overall market is bored with Large Cap ennui...! For example, **Microsoft's** trading volume over the last ten days alone is more than 9 million shares a day less than the trailing 3 month average volume. At an average price of \$27 / share, that's a loss of \$243 million in dollar value that is available to be invested elsewhere.

Penny Stock investing is different than conventional investing. There is no such thing as a "Hold" in Penny Stocks. Moreover, it is possible to know how a stock trades so well, that individual investors can trade a Penny Stock in a small range, and still make a profit. One of these is **Markland Technologies**. (MRKL: OTC.BB).

The stock is trading at about **50 ¢ / share**, which means using our subscribers' average financial commitment of \$ 500 (yes, \$500), you can probably buy 1,000 shares, plus broker's commissions. Here are three links to set up an online account

- [www.scottrade.com](http://www.scottrade.com)
- [www.etrade.com](http://www.etrade.com)
- [www.ameritrade.com](http://www.ameritrade.com)

All three of these online brokers can facilitate opening a new account to buy and sell these stocks. Here's the MRKL story ---

The Group's principal activity is to provide integrated security solutions to the Homeland Security marketplace. It provides emerging technology services and products to protect the country's borders, infrastructure assets, and personnel. The emerging technologies include automatic detection of explosives and illicit materials and cryptographic systems for secure communications.

The Group's principal end-customer is the United States Government. Until the big spending programs kick-in later this year, with \$ 8 million in cash, the Company has the financial wherewithal to wait. **Cash per share** equals **29¢** (there are 27 million shares outstanding), Research believes there is absolutely minimal downside to this stock. And 1,000 shares sure has a nice ring to it.

Markland's significant patent portfolio of innovative gas plasma antenna technology can potentially create a new model for secure WiFi data transmission. Their new approach towards WiFi data transmission will enable the industry to provide very cost effective and secure WiFi products. Their business model is to create a patent royalty revenue flow for this technology commercialization opportunity in the WiFi marketplace. This marketplace is presently estimated at \$4 billion per year and growing rapidly.

Finally, there is this from Aug. 3rd ---US Army's Night Vision and Electronic Sensors Directorate (NVESD) has just awarded EOIR Technologies Inc., a wholly owned subsidiary of Markland Technologies, contracts in the amount of \$1,985,823 for EOIR to provide support services for the development and testing of airborne sensors and data collection platforms over a 24 month performance period.

The link to MRKL's historical prices follows---

<http://finance.yahoo.com/q/hp?s=MRKL.OB&d=7&e=4&f=2004&g=d&a=7&b=9&c=1998&z=66&y=66>

The stock has ground down to a 10 cent to 20 cents trading range. On positioning 1,000 shares per trade --- it is possible to make a few hundred dollars as the stock moves up and down this smaller-than-usual trading range. Remember, this stock was as high as \$ 4 / share as recently as April --- so even a mid-range target price of \$2 / share will return a tidy profit---about \$1,500 on a \$500 investment.

Last week, we showcased **P-Com** (PCMC.OB) and **PTS Products** (PTSO.OB). Research was positive for P-com and negative for PTSO. In the process of checking out P-com's corporate offices in Campbell, CA, on the return trip, we passed by the Headquarters for **Network Equipment** (NWK) --- a name out of the past...!

Network Equipment was once a darling of Wall Street. Its business today is providing global networking technology, primarily for mission-critical communications solutions.

In 1989, the Company was able to issue \$75 million of debt convertible into common stock at \$31.50 per share. Since then all but \$24 million has been converted into equity (and the debt itself does not mature until May 2014). Meanwhile, the Company floats into and out of Penny Stock status (a stock price of less than \$ 5 / share). Current Price --- \$6.37 / share.

What's remarkable about this stock price is that the Company has almost \$100 million in Cash, or **\$4.19 in Cash per Share**, two-thirds of the current stock price.

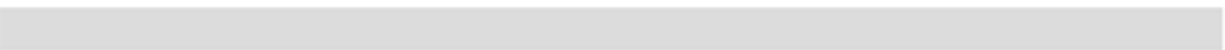
As illustrated in the five year graph below, NWK's stock price has been below \$ 5 /share for 23 of the past 60

months, or almost half the time. Here's the link to historical monthly prices, followed by the graph ~

<http://finance.yahoo.com/q/hp?s=NWK&a=05&b=30&c=1989&d=07&e=13&f=2004&g=m>

Basic Chart

Get Basic Chart(s) for:

NETWORK EQUIPMEN (NYSE)

Range: 1d 5d 3m 6m 1y 2y 5y max

Type: Bar | Line | Col

Scale: Linear | Log

Size: M | L

Compare:

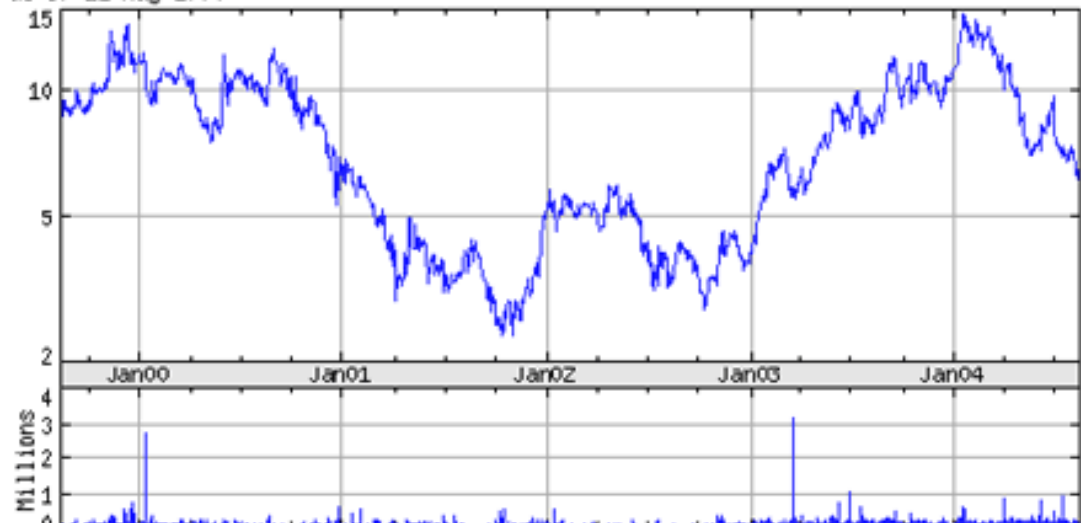
NWK vs

S&P

Nasdaq

Dow

NETWORK EQUIPMENT TECH  
as of 12-Aug-2004



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It appears that the recent sell-off in this stock reflects the larger than expected loss reported for the first quarter of the current fiscal year (FY ends March). NWK has lost about 10% of its value since August 4th. Research indicates this is an oversold position based on fundamentals. To wit ~

- While Revenues for the first quarter (ended June) for FY 2005 were \$29.1 million and 15% below first quarter Revenues of the year ago period, this compares favorably with \$27 million in Revenues for the fourth quarter of FY 2004;
- While NWK reported a loss of 3 cents per share in Q-1 versus Earnings Per Share of 3 cents a year ago, Q-1 looks very good indeed compared with the Q-4 loss of \$0.14 per share; and finally,
- With Cash per Share in excess of \$4, the individual investor is, in effect, purchasing a stake-holding in NWK for about \$2 / share (current stock price minus cash per share).

**An investment in NWK at this time represents excellent value for the Individual Investor**

In a market hungry for fresh thinking and new ideas, it seems to us that NWK would be a natural acquisition candidate for Cisco (CSCO).

In this joint-edition of [www.uspennystocks.com](http://www.uspennystocks.com), and [www.winningstockpicks.net](http://www.winningstockpicks.net), and by popular demand, we provide you with some useful testimonials about the real-life investment experiences of other Subscribers --- here are just a few ---

"I invested \$509.95 to buy **CMKM Diamonds** (symbol CMKX) and sold that position for \$1,990.05 (after deducting \$9.95 in Ameritrade commissions) less than a month later" wrote a USP subscriber called Triple-A. This was showcased in our [July 26th Newsletter](#).

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This from Sid in Sydney (seriously) "I guess I've been a closet Penny Stock investor because I ONLY buy stock that are less than \$ 5 / share. I like Gold Stocks. Last December, I had a US\$2,000 Certificate of Deposit maturing. The new interest rate was 1%., meaning 20 bucks a year.

Instead of renewing the CD, I bought 800 shares of **Durban Deep** (stock symbol: DROOY) at \$2.59. My total cost, including commissions to Schwab, where I opened the account) \$2,109.95 (I handed over the bank check for 2 Grand and wrote them a check for \$101.95).

Before the month ended, I was able to sell all 800 shares for \$2,402.05 (after Schwab commissions), getting over \$ 3 / share. Since then, I have bought and sold the stock 3 more times --- taking half my profit to buy more stock, and using the other half for whatever I want.

NOTE - we featured DROOY in our [July 26th edition](#).

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"I am 86 years old. In your May 26th edition (click here for link to that issue), you mentioned the casino stocks. I love Las Vegas. First went there in 1957. I should have bought land rather than chase show girls, but in that edition, you mentioned a stock called Newbridge Capital (NBGC). I bought 10,000 shares for 6 cents...!

In less than a week, I sought it for 18 cents and made a profit of almost \$1,100 on a \$600 investment. Since then, I have bought and sold it twice, making a profit of more than \$500 each time --- or almost a 100% return on my money.

Got an actual investment experience you want to share with us --- ? --- email it to [editor@pennystocks.com](mailto:editor@pennystocks.com)

Got an specific comment on Concorde America --- let's start a Message Board and email your posting to [messageboard@uspennystocks.com](mailto:messageboard@uspennystocks.com)

<sup>1</sup>Tom Hanks, as Eddie Duggan, Manager of the Racine Peaches in the movie "A League of Their Own"

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## About Us

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Another big difference between USPennyStocks.com and most other web sites that provide Investor awareness of penny stocks is how we do business. If we send out an email or a fax it's only to people who have agreed to receive an email or a fax. We don't spam. We don't do 'mass fax blasts' to countless millions. We avoid under the radar marketing techniques and are as upfront about the risks associated with penny stock investing as possible. You'll never see the words "MUST BUY" on this site. In real life the only "MUST BUYS" are food, clothing and shelter for yourself and your family.

Whenever possible and assuming they meet with our criteria, we like to feature companies that work to provide benefits beyond those to the investors. Concorde America (OTC: CNDD) is an example. Sure, we feel it has a good chance to earn investors a nice chunk of change. At the same time, if successful, Concorde America will help thousands of Latin American moms and dads provide a better life for their families and help solve a serious labor shortage in Europe. It's a win across the board.

We also try to have a little fun with penny stock investing. Maybe you've seen our TV ads with Abe Lincoln wearing a Hawaiian shirt. And Tom Heysek, our senior financial analysts has decades of experience at this and can analyze with the best of them. But Tom is, well, a character and his writing style is as much fun as it is informative and smart.

In the final analysis, it's important to put penny stock investing in its proper perspective. You never want to invest more than you can afford to lose on a penny stock (or any stock for that matter). Penny stocks simply provide more people with a chance to own more stock without having to make a major financial commitment. So please, invest with your head – not over it and thank you for visiting USPennyStocks.com.

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## Meet Tom Heysek.



Tom Heysek, our financial investment guru and the editor of our USPennyStocks News newsletter. Tom is also the Director of Research for Asian American Capital, a San Francisco-based investment management and securities research company.

Tom's professional ladder began with JP Morgan's Trust & Investment Division in New York, where he spent 10 years building a solid foundation for his impressive career. Progressing further up the corporate ladder, he moved to the San Francisco HQ of the Crocker Bank where he took up a position as Corporate Banker.

With his strong business acumen, financial expertise and managerial proficiency, Tom was soon promoted to Director of Asia Pacific Merchant Bank based in Hong Kong. The years between 1985 and 1993 of Tom Heysek's thriving career were spent as Managing Director of the Consulting Shoppe. The company headquarters relocated from Singapore to San Francisco and re-named Asian American Capital in 1993.

This is where Heysek has remained and, to date continues to work with excellence and a passion for financial services. Mr Heysek's career spans over an incredible thirty years. His steady track record of professional success over the years means he has amassed a wealth of knowledge and experience in various sectors of the financial market and built a solid reputation as an undisputed leader and acclaimed expert in financial affairs.

Tom Heysek's investment advice on our featured penny stock picks comes from his background of professional financial achievement. You can therefore rest assured in the knowledge that your USPennyStocks investment consultant knows exactly what he is talking about and you can trust his advice.

Not only is Tom Heysek happy to share his expertise with USPennyStocks members, he also welcomes any of your comments or requests for information. Feel free to email him directly at [editor@USPennyStocks.com](mailto:editor@USPennyStocks.com).

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## Meet Andrew Kline.



Mr. Kline holds degrees in both Finance and Economics, and he is a member of the Mensa Society (San Francisco chapter). His interest in the stock market and commodities trading began in 1980, after Russia invaded Afghanistan. He found himself fascinated by the incredible fluctuations in gold prices over a very short period of time. Gold shot up to \$850 per ounce in 1980, and then fell to half that by the next year.

His formal training began in the early 1980's when he studied trading through professionals from Lachman & Co., a futures trading brokerage firm in Marin County, California. He quickly caught on, and was soon trading index, currency, metals, oil, and bond futures. His favorite index has always been the S&P 500.

In 1987 he opened his own consulting firm, specializing in finance, technical analysis and problem solving. He successfully managed this firm until 1995, when he realized that, to advance further, he needed to broaden his basic life experience. He has since traveled around the world, exposing himself to many different cultures. His travel experience includes a 5 year stay in South America, where he built and administered rural clinics for the poor and indigenous people of the region.

Upon his return, Mr. Kline began trading again. Although he continues to trade index futures, his interests have shifted more directly towards equities and options. Aside from his pertinent degrees, it is his extensive experience and vision that qualifies Andrew to speak to the effect of geopolitical and geostrategic fundamentals on markets. It is that knowledge of economic fundamentals along with his experience in technical analysis that makes Andrew an expert on "market timing."

Feel free to email him directly at [editor@USPennyStocks.com](mailto:editor@USPennyStocks.com).

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### Penny stock investing is:

Riskier     Less risky     Just as risky as any stock

### I have invested in penny stocks in the past.

Yes     No

### Before investing in penny stocks I do:

A lot     Some     Not much research.

### I have received messages in my fax machine about penny stocks.

Yes     No

### I actively seek out potentially strong penny stock opportunities.

Yes     No

### I generally trust research provided with penny stock recommendations.

Yes     No

### Penny stocks are a regular part of my investment portfolio strategy.

Yes     No

### As an investor I would consider myself:

Avid     Moderately active     Newcomer

### When assessing a penny stock opportunity the most important factor to me is:

Market potential     Quality of company management     Company business plan

### If a penny stock I buy goes up in value I am:

More likely     Less likely to sell quickly

Thank you for answering these questions. Now, for your prize!

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## USPennyStocks News

[Tom Heysek](#) | [Andrew Kline](#)

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### Headlines

by [Andrew Kline](#)

- The truth about Concorde America's (CNDD) crazy moves.
- Attack of the short-sellers! What are they trying to do?
- Two new stock picks with great upside potential!
- Check out our past winners!
- "Market Cap" madness. What the heck is it? Or---bigger isn't always better!
- 4 great trading strategies for Penny Stocks. You want them, we have them.
- Market View: Is the price of oil becoming a problem?

We begin this week by turning our attention to Concorde America, Inc. (CNDD). Many of you must be wondering what happened last week that could cause such an "up and down" move in the price of the stock.

On Thursday, a group of "short-sellers" attacked the common stock of Concorde America, Inc. (CNDD). For those of you who are not familiar with short selling, it occurs when individuals or groups get together to FORCE the price of a stock down in the hope that they can pick up those same shares at a cheaper price. **In other words, they want to buy your shares cheap!**

These short sellers used the opportunity presented by a press release put out by the President of the company, Hartley Lord. **The press release** that the company didn't have the previously identified worker placement contracts, and that they have not publicly released estimates of future earnings potential.

We believe it is unfair of the company management to penalize honest investors, such as our subscribers, because of some internal power struggle within the company itself. **The company is contradicting its own stated figures!** We are advised, however, that the board of directors is currently taking steps to overcome their management problems, and put this company back on the right track. It is a sad situation that one company "bad apple" has chosen to "muddy the waters" of what we believe to be a company with great potential.

**A situation like this truly saddens us here at US PennyStocks because we work very hard to bring you honest and accurate information.** We know that you work hard for your money, and unfortunate mix-ups like this can put your investment at risk.

Stock market investing is a risky business. If it weren't, there wouldn't be such potential for reward. With that said, CNDD proceeded to fluctuate wildly between the close on Wednesday and the close of trading on Friday. Because of the company's inaccurate press release, the stock dropped from Wednesday's high of \$8.90 to \$2.51 on Thursday's close. It then recovered to close at \$5.00 on Friday.

We would like to clarify the process that went into our analysis and recommendations regarding this very promising company. **The data that went into our stock price projections was obtained through personal interviews with company representatives, study of company provided business plans, contracts "in hand," and projections of future contracts.**

The methods of research and analysis that we use at US PennyStocks are of the highest standards. We are proud of our work, and stand by our figures. At no time did we pull information out of thin air.

Consider the FACTS:

- In personal interviews, Hartley Lord (President---Concorde America) stated that the company has signed contracts for 150,000 worker placements in 2004, and signed contracts for 50,000 placements in 2005. He further projected estimated contracts of 250,000 new worker placements in 2005, and 300,000 new placements in 2006.
- The contracts are not with any governments this was a mistake made in the first press release from Paul Spreadbury, he also made a mistake in saying he was Paul Spreadbury "of" Concorde America when he is not a representative of the company. The truth we were told from the company when writing our reports was that the current contracts are brokered to agricultural concerns in the private sector. Future contracts will also be placed within the private sector.

Based on the company supplied structure and payment schedule for "in hand" contracts and estimated future contracts, along with company supplied cost estimates, our stock price projections are correct.

We strongly believe that this is a solid company with great potential for growth. Hopefully, by the time you read this newsletter, all internal problems for CNDD will have been worked out, and it can turn its attention back towards the goal of adding investor value.

### Market Moves

Major Indexes	31-Dec-03	30-Jul	6-Aug	13-Aug	% Chg week	% Chg YTD
DJIA	10,454	10,140	9,815	9,825	0.1%	-6.0%
NASDAQ	2,003	1,887	1,777	1,757	-1.1%	-12.3%
S&P 500	1,112	1,102	1,064	1,065	0.1%	-4.2%
Wilshire 5000	10,800	10,702	10,308	10,305	-0.03%	-4.6%
Russell 2000	557	551	520	517	-0.4%	-7.1%

### Recommendations

**Note:** the following picks and strategies are **completely unbiased**. We are not paid to recommend any stocks or strategy. Please be advised that investing in stocks is inherently risky, and investors should use great care before undertaking any market investments.

**2nd Note:** Please consider signing up for our very best service----the "**Advanced Notice Player**" membership! The recommendations we give you in the weekly newsletter are solid choices. The stock market, however, can change rapidly in the middle of the week.

If you sign up to receive our "Advanced Notice Tips" and "Daily Views," **you will get the information when it happens, not when it's over**. With more information, you will save money and you will make money. That's not a plug, that's a fact!!

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Although an emerging field, nanotechnology is already having a unique impact on several industry sectors. Altair Nanotechnologies (ALTI) has developed a unique, patented, scalable technology platform and is positioning itself through product innovation to become a leading supplier of nano-material technology and nano-materials worldwide.

ALTI manufactures a variety of crystalline and non-crystalline nano-materials of unique structure, performance, quality, and cost. Company products are used in many sectors including pharmaceuticals, thermal spray ceramic coatings, water treatment, titanium metals, solar energy, and advanced electrical energy storage devices. The company has installed semi-works capability with a capacity to produce hundreds of tons of nano-materials.

Altair Nanotechnologies (**ALTI**) has hit our target investment price of \$0.97 per share. We strongly believe that this stock is in an oversold position. We recommend that our subscribers **Buy ALTI at \$0.97 per share**. We are looking for a bounce to the \$1.40 per share level on any significant company news, or a rally of the NASDAQ Composite Index. We believe that ALTI has a great future in the Nanotechnology sector, and an investment in this stock will be well rewarded in the near-term.

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## Past Recommendations

In the past, if you had been an **"Advanced Notice Player,"** you would have had access to some of our great tips, BEFORE anyone else got them!!

The stock market keeps moving up and down and up again. There are many new opportunities to make money by investing in penny stocks. Our job is to find new opportunities for our members to invest in.

**Join our family of members now, and enjoy the benefits of our great stock tips!**

<b>Great Tips from Past Editions</b>				
Table is based on buying 1000 shares of each stock				
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Sometimes, investment terminology is tossed around without really being explained---large-cap, small-cap, mid-cap, micro-cap---what exactly do they mean? The investment analysts at US PennyStocks have decided to help you get down to basics regarding these different names.

Because large-cap stocks have periodically shown outstanding performance in the past, you may have heard that investing in them would be your best bet. But do large-cap stocks ALWAYS perform better than mid-cap and small-cap? We at US PennyStocks shout out a resounding **"No Way"!!!**

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The stock market remains under pressure, as world events continue to push oil to record new highs. The price of a barrel of oil---"black gold"---climbed to \$46.58 at the close on Friday. Wow! Earlier this month, we mention how difficult it would be for this market to rally in the face of high oil prices and geopolitical and macroeconomic events. ([see "Market View" Aug. 2nd edition](#))

This market, on a technical basis, is either oversold or near a short-term bottom right now! The trouble is that "fundamentals" can sometimes override "technical." We will soon be giving you an analysis of these two concepts in our "Daily Views" offering. For now, fundamentals refer to world events and economic data, while technicals refer to the actual levels of the stock market.

With company earnings season drawing to a close, world events are taking center stage as the driver to market direction. With the possibility for terrorism at the Olympics and elsewhere, high oil prices, and the uncertainty of the Presidential election all in play, investors are not tending to jump on any long-term rallies at this time. We do foresee short rallies (market bounces) over the next month. These bounces should provide for profit making opportunities to emerge.

The markets barely stabilized last week as the NASDAQ cut its recent loss streak down to 1%. We believe that this is temporary, and the DJIA (Dow) still has about 300 points downward movement ahead. This could easily happen next week. On the other hand, in the absence of terrible news, the markets could try to hold and move up a bit before the final "blow-off" to the downside.

**Email us at [editor@USPennyStocks.com](mailto:editor@USPennyStocks.com).**

Disclaimer: The opinions and beliefs of these newsletters written by Tom Heysek and Andrew Kline are not the opinions and beliefs of the owners of this website.

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## USPennyStocks News

### Headlines

by [Andrew Kline](#)

- The truth about Concorde America's (CNDD) crazy moves.
- Attack of the short-sellers! What are they trying to do?
- Two new stock picks with great upside potential!
- Check out our past winners!
- "Market Cap" madness. What the heck is it? Or---bigger isn't always better!
- 4 great trading strategies for Penny Stocks. You want them, we have them.
- Market View: Is the price of oil becoming a problem?

We begin this week by turning our attention to Concorde America, Inc. (CNDD). Many of you must be wondering what happened last week that could cause such an "up and down" move in the price of the stock.

On Thursday, a group of "short-sellers" attacked the common stock of Concorde America, Inc. (CNDD). For those of you who are not familiar with short selling, it occurs when individuals or groups get together to FORCE the price of a stock down in the hope that they can pick up those same shares at a cheaper price. **In other words, they want to buy your shares cheap!**

These short sellers used the opportunity presented by a press release put out by the President of the company, Hartley Lord. **The press release** that the company didn't have the previously identified worker placement contracts, and that they have not publicly released estimates of future earnings potential.

We believe it is unfair of the company management to penalize honest investors, such as our subscribers, because of some internal power struggle within the company itself. **The company is contradicting its own stated figures!** We are advised, however, that the board of directors is currently taking steps to overcome their management problems, and put this company back on the right track. It is a sad situation that one company "bad apple" has chosen to "muddy the waters" of what we believe to be a company with great potential.

**A situation like this truly saddens us here at US PennyStocks because we work very hard to bring you honest and accurate information.** We know that you work hard for your money, and unfortunate mix-ups like this can put your investment at risk.

Stock market investing is a risky business. If it weren't, there wouldn't be such potential for reward. With that said, CNDD proceeded to fluctuate wildly between the close on Wednesday and the close of trading on Friday. Because of the company's inaccurate press release, the stock dropped from Wednesday's high of \$8.90 to \$2.51 on Thursday's close. It then recovered to close at \$5.00 on Friday.

We would like to clarify the process that went into our analysis and recommendations regarding this very promising company. **The data that went into our stock price projections was obtained through personal interviews with company representatives, study of company provided business plans, contracts "in hand," and projections of future contracts.**

The methods of research and analysis that we use at US PennyStocks are of the highest standards. We are proud of our work, and stand by our figures. At no time did we pull information out of thin air.

Consider the FACTS:

- In personal interviews, Hartley Lord (President---Concorde America) stated that the company has signed contracts for 150,000 worker placements in 2004, and signed contracts for 50,000 placements in 2005. He further projected estimated contracts of 250,000 new worker placements in 2005, and 300,000 new

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The stock market remains under pressure, as world events continue to push oil to record new highs. The price of a barrel of oil--"black gold"---climbed to \$46.58 at the close on Friday. Wow! Earlier this month, we mention how difficult it would be for this market to rally in the face of high oil prices and geopolitical and macroeconomic events. ([see "Market View" Aug. 2nd edition](#))

This market, on a technical basis, is either oversold or near a short-term bottom right now! The trouble is that "fundamentals" can sometimes override "technical." We will soon be giving you an analysis of these two concepts in our "Daily Views" offering. For now, fundamentals refer to world events and economic data, while technicals refer to the actual levels of the stock market.

With company earnings season drawing to a close, world events are taking center stage as the driver to market direction. With the possibility for terrorism at the Olympics and elsewhere, high oil prices, and the uncertainty of the Presidential election all in play, investors are not tending to jump on any long-term rallies at this time. We do foresee short rallies (market bounces) over the next month. These bounces should provide for profit making opportunities to emerge.

The markets barely stabilized last week as the NASDAQ cut its recent loss streak down to 1%. We believe that this is temporary, and the DJIA (Dow) still has about 300 points downward movement ahead. This could easily happen next week. On the other hand, in the absence of terrible news, the markets could try to hold and move up a bit before the final "blow-off" to the downside.

Email us at [editor@USPennyStocks.com](mailto:editor@USPennyStocks.com).

Disclaimer: The opinions and beliefs of these newsletters written by Tom Heysek and Andrew Kline are not the opinions and beliefs of the owners of this website.

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## Meet Andrew Kline



**Mr. Kline** holds degrees in both Finance and Economics, and he is a member of the Mensa Society (San Francisco chapter). His interest in the stock market and commodities trading began in 1980, after Russia invaded Afghanistan. He found himself fascinated by the incredible fluctuations in gold prices over a very short period of time. Gold shot up to \$850 per ounce in 1980, and then fell to half that by the next year.

His formal training began in the early 1980's when he studied trading through professionals from Lachman & Co., a futures trading brokerage firm in Marin County, California. He quickly caught on, and was soon trading index, currency, metals, oil, and bond futures. His favorite index has always been the S&P 500.

In 1987 he opened his own consulting firm, specializing in finance, technical analysis and problem solving. He successfully managed this firm until 1995, when he realized that, to advance further, he needed to broaden his basic life experience. He has since traveled around the world, exposing himself to many different cultures. His travel experience includes a 5 year stay in South America, where he built and administered rural clinics for the poor and indigenous people of the region.

Upon his return, Mr. Kline began trading again. Although he continues to trade index futures, his interests have shifted more directly towards equities and options. Aside from his pertinent degrees, it is his extensive experience and vision that qualifies Andrew to speak to the effect of geopolitical and geostrategic fundamentals on markets. It is that knowledge of economic fundamentals along with his experience in technical analysis that makes Andrew an expert on "market timing."

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## USPennyStocks News

### Headlines

by [Tom Heysek](#)

- **Concorde America (CNDD.PK)** was in the spotlight last week --- seems like the beginnings of a short squeeze OR problems with the fundamentals. Here's how we saw this commercial drama unfold last week. With swings in Market Value of \$1.4 Billion in a single day, it is surely one of the most active cheap stocks of the year. We distinguish between fact and fiction --- INSIDE
- Also joining the ranks of the Pink Sheets last week, **Trump Casinos & Resorts**, new symbol, DJTC.PK --- this is merely the first step in a very long process. Our conclusion: Based on Mr. Trump's past close calls, and there have been two, that we know of...the first step is about as bad as it gets for shareholders. In other words, it can only get better for shareholders from here on out.
- At a stock price of 50 cents / share, \$1,000 will BUY you about 2,000 shares of DJTC.PK. Apply the 30 day wait-and-see period to ALL Penny Stock purchases, and hope for the best. Based on market history, this stock price is unlikely to get much worse, and there might just be a positive bounce with even the smallest morsel of good news. The Stock Market is that hungry for news.
- **Markland Technologies** is revisited. This company was the subject of a recent "Daily Views" feature--- here's what's happened, and likely to happen next --- just as "There's no crying in baseball...!"<sup>1</sup> "There's no HOLD in Penny Stocks"...if you can't justify buying more of a Penny Stock you own, then sell it."
- Re-introducing the investment community to **The ShortBusters Club** --- not having been heard from since March 2000, when the NASDAQ shot up to 5048 and selling everything short was the smart side of the trade. The Shorts were always right...perhaps the tide has turned, and this segues into CNDD.PK

### Companies Mentioned In This Edition

(in order of appearance in this week's update)

<b>Concorde America (CNDD.PK)</b>	<b>Trump Resorts &amp; Casinos (DJTC.PK)</b>
<b>Markland Technologies (MRKL.OB)</b>	<b>Archer-Daniels-Midland (ADM)</b>
<b>Microsoft (MSFT)</b>	<b>P-com (PCMC.OB)</b>
<b>PTS Products (PTSO.OB)</b>	<b>Network Equipment (NWK)</b>
<b>Cisco (CSCO)</b>	<b>CMKM Diamonds (CMKX.OB)</b>
<b>Durban Deep (DROOY)</b>	<b>Newbridge Capital (NBGC.PK)</b>

(TO THE TUNE OF GHOSTBUSTERS)

"When the future looks bleak  
And your stock is real weak ---  
Who ya' gonna' call...**Short Busters**...!!!

When the Pump the Dumpers come  
And you're feelin' kinda' dumb ---  
Who ya' gonna' call...**Short Busters**...!!!

**Concorde America** debuted as a public company at \$ 3 / share last month. In the last few weeks, it has attained solid recognition and support in the stock market, which eagerly embraced the bright prospects for the Company's Basic Business, which is, providing unskilled labor in large quantities to private sector infrastructure industries in Europe. Our initial Report was published July 12 ([view that report](#)).

Frankly, we were surprised this Company attracted so much attention this early. Our view is that this unexpected attention reflects more the absence of anything else of interest going on in the stock market this summer than an inherent attraction to CNDD itself, nevertheless, the stock is now on the radar screens of just about all day-traders. This makes the Company an easy target to sell short, especially with misinformation.

In the final two trading days of last week, CNDD exhibited a swing in Market Value for both days of \$1.4 Billion. Remember, the OTC Bulletin Board has a total Market Value of only about \$2 Billion --- a statistic we present to



ensure the average individual investor has a perspective on how visible CNDD has now become among the Penny Stocks, and in a relatively brief period of time.

Short Sellers are like packs of wolves, attacking in concert, which greatly exaggerates the swings in stock prices. CNDD reached a high of \$8.90 / share on Thursday then proceeded to nose-dive to \$2.51 by the close. The downward pressure continued Friday, before opening at \$1.75 / share. It closed the week at \$ 5 / share, up \$2.49 for the week. We estimate about \$50 million worth of CNDD stock traded last week, probably making it the most active Pink Sheet stock for the month of August.

The catalyst to this trading visibility and price-amplitude is a news release dated August 11th. The contents of that news release were inconsistent with the information provided to our research staff in the months of June and July, information that came directly from the Company.

The Almerimar Contract called for up to 700,000 workers over a 3 – 5 year period to be placed into the agricultural industry via a private sector Spanish Company. This alone represents about US\$ 3 Billion in contract revenues. More importantly, given the published figure of a 40 million worker shortfall in Europe in the infrastructure industries (like Farming, Domestic Security and Domestic Services), at a recruitment fee of US\$5,000 per worker, this represents a staggering \$200 Billion Global Business...!

Concorde America, therefore, represents barely 2% of this industry potential --- and it is possible the enthusiasm for this stock reflected the investment community's discovery of an overlooked, new industry. Indeed, if a company like Archer-Daniels-Midland is not looking into this industry, it should be---and so we wrote to the Chairman of ADM, Mr. G. Allen Andreas, just to alert him to a commercial opportunity for ADM's shareholders. [Click here for the basic July 12th Report on Concorde America.](#)

All research on this site is compiled from information believed to be reliable --- and so it is with our original projections for CNDD. Our disclaimers tell you this ([see our disclaimer](#)). On the other hand, this inconsistency in public information may be nothing more than an internal management reshuffling, perhaps even a struggle. Such internal struggles are not uncommon in young companies like CNDD as management personalities must be realigned to achieve the company's growth objectives.

We expect more information about CNDD's commercial prospects to be forthcoming in the next few days, so stay tuned to this site, and place it in your Favorite Places as this late-summer investment drama unfolds.

Our suggestion to individual investors at this time --- remain on the sidelines for a few more days to see where this story unfolds. If the forecasts provided by management were unreliable, then the projected operating results in the Basic Research Report are unreliable.

**If in the next few days, the Company re-validates projected operating results based on the information provided in June and July, then the stock most likely has a destiny with a \$20 per share stock price, and probably soon --- especially if the shorts stampede at the same time to cover their positions. Ordinarily, there is no such thing as a "HOLD" when it comes to Penny Stocks. However, given the likelihood that an overly aggressive group of Short-Sellers have temporarily depressed the stock, hang in there for a few more days.**

With the large cap companies in a tight trading range, it is not difficult to see where this added trading volume is coming from --- the overall market is bored with Large Cap ennui...! For example, **Microsoft's** trading volume over the last ten days alone is more than 9 million shares a day less than the trailing 3 month average volume. At an average price of \$27 / share, that's a loss of \$243 million in dollar value that is available to be invested elsewhere.

Penny Stock investing is different than conventional investing. There is no such thing as a "Hold" in Penny Stocks. Moreover, it is possible to know how a stock trades so well, that individual investors can trade a Penny Stock in a small range, and still make a profit. One of these is **Markland Technologies**. (MRKL: OTC.BB).

The stock is trading at about **50 ¢ / share**, which means using our subscribers' average financial commitment of \$ 500 (yes, \$500), you can probably buy 1,000 shares, plus broker's commissions. Here are three links to set up an online account

- [www.scottrade.com](http://www.scottrade.com)
- [www.etrade.com](http://www.etrade.com)

- [www.ameritrade.com](http://www.ameritrade.com)

All three of these online brokers can facilitate opening a new account to buy and sell these stocks. Here's the MRKL story ---

The Group's principal activity is to provide integrated security solutions to the Homeland Security marketplace. It provides emerging technology services and products to protect the country's borders, infrastructure assets, and personnel. The emerging technologies include automatic detection of explosives and illicit materials and cryptographic systems for secure communications.

The Group's principal end-customer is the United States Government. Until the big spending programs kick-in later this year, with \$ 8 million in cash, the Company has the financial wherewithal to wait. **Cash per share** equals **29¢** (there are 27 million shares outstanding), Research believes there is absolutely minimal downside to this stock. And 1,000 shares sure has a nice ring to it.

Markland's significant patent portfolio of innovative gas plasma antenna technology can potentially create a new model for secure WiFi data transmission. Their new approach towards WiFi data transmission will enable the industry to provide very cost effective and secure WiFi products. Their business model is to create a patent royalty revenue flow for this technology commercialization opportunity in the WiFi marketplace. This marketplace is presently estimated at \$4 billion per year and growing rapidly.

Finally, there is this from Aug. 3rd ---US Army's Night Vision and Electronic Sensors Directorate (NVESD) has just awarded EOIR Technologies Inc., a wholly owned subsidiary of Markland Technologies, contracts in the amount of \$1,985,823 for EOIR to provide support services for the development and testing of airborne sensors and data collection platforms over a 24 month performance period.

The link to MRKL's historical prices follows---

<http://finance.yahoo.com/q/hp?s=MRKL.OB&d=7&e=4&f=2004&g=d&a=7&b=9&c=1998&z=66&y=66>

The stock has ground down to a 10 cent to 20 cents trading range. On positioning 1,000 shares per trade --- it is possible to make a few hundred dollars as the stock moves up and down this smaller-than-usual trading range. Remember, this stock was as high as \$ 4 / share as recently as April --- so even a mid-range target price of \$2 / share will return a tidy profit---about \$1,500 on a \$500 investment.

Last week, we showcased **P-Com** (PCMC.OB) and **PTS Products** (PTSO.OB). Research was positive for P-com and negative for PTSO. In the process of checking out P-com's corporate offices in Campbell, CA, on the return trip, we passed by the Headquarters for **Network Equipment** (NWK) --- a name out of the past...!

Network Equipment was once a darling of Wall Street. Its business today is providing global networking technology, primarily for mission-critical communications solutions.

In 1989, the Company was able to issue \$75 million of debt convertible into common stock at \$31.50 per share. Since then all but \$24 million has been converted into equity (and the debt itself does not mature until May 2014). Meanwhile, the Company floats into and out of Penny Stock status (a stock price of less than \$ 5 / share). Current Price --- \$6.37 / share.

What's remarkable about this stock price is that the Company has almost \$100 million in Cash, or **\$4.19 in Cash per Share**, two-thirds of the current stock price.

As illustrated in the five year graph below, NWK's stock price has been below \$ 5 /share for 23 of the past 60 months, or almost half the time. Here's the link to historical monthly prices, followed by the graph ~

<http://finance.yahoo.com/q/hp?s=NWK&a=05&b=30&c=1989&d=07&e=13&f=2004&g=m>

## Basic Chart

Get Basic Chart(s) for:

GO

NETWORK EQUIPMEN (NYSE)

Edit

Range: 1d 5d 3m 6m 1y 2y 5y max

Type: Bar | Line | Col

Scale: Linear | Log

Size: M | L

Compare: NWK vs

S&P

Nasdaq

Dow

Compare

NETWORK EQUIPMENT TECH  
as of 12-Aug-2004



It appears that the recent sell-off in this stock reflects the larger than expected loss reported for the first quarter of the current fiscal year (FY ends March). NWK has lost about 10% of its value since August 4th. Research indicates this is an oversold position based on fundamentals. To wit ~

- While Revenues for the first quarter (ended June) for FY 2005 were \$29.1 million and 15% below first quarter Revenues of the year ago period, this compares favorably with \$27 million in Revenues for the fourth quarter of FY 2004;
- While NWK reported a loss of 3 cents per share in Q-1 versus Earnings Per Share of 3 cents a year ago, Q-1 looks very good indeed compared with the Q-4 loss of \$0.14 per share; and finally,
- With Cash per Share in excess of \$4, the individual investor is, in effect, purchasing a stake-holding in NWK for about \$2 / share (current stock price minus cash per share).

### **An investment in NWK at this time represents excellent value for the Individual Investor**

In a market hungry for fresh thinking and new ideas, it seems to us that NWK would be a natural acquisition candidate for Cisco (CSCO).

In this joint-edition of [www.uspennystocks.com](http://www.uspennystocks.com), and [www.winningstockpicks.net](http://www.winningstockpicks.net), and by popular demand, we provide you with some useful testimonials about the real-life investment experiences of other Subscribers --- here are just a few ---

"I invested \$509.95 to buy **CMKM Diamonds** (symbol CMKX) and sold that position for \$1,990.05 (after deducting \$9.95 in Ameritrade commissions) less than a month later" wrote a USP subscriber called Triple-A. This was showcased in our [July 26th Newsletter](#).

-----  
This from Sid in Sydney (seriously) "I guess I've been a closet Penny Stock investor because I ONLY buy stock that are less than \$ 5 / share. I like Gold Stocks. Last December, I had a US\$2,000 Certificate of Deposit maturing. The new interest rate was 1%., meaning 20 bucks a year.

Instead of renewing the CD, I bought 800 shares of **Durban Deep** (stock symbol: DROOY) at \$2.59. My total cost, including commissions to Schwab, where I opened the account) \$2,109.95 (I handed over the bank check for 2 Grand and wrote them a check for \$101.95).

Before the month ended, I was able to sell all 800 shares for \$2,402.05 (after Schwab commissions), getting over \$ 3 / share. Since then, I have bought and sold the stock 3 more times --- taking half my profit to buy more stock, and using the other half for whatever I want.

NOTE - we featured DROOY in our [July 26th edition](#).

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"I am 86 years old. In your May 26th edition (click here for link to that issue), you mentioned the casino stocks. I love Las Vegas. First went there in 1957. I should have bought land rather than chase show girls, but in that edition, you mentioned a stock called Newbridge Capital (NBGC). I bought 10,000 shares for 6 cents...!  
In less than a week, I sought it for 18 cents and made a profit of almost \$1,100 on a \$600 investment. Since then, I have bought and sold it twice, making a profit of more than \$500 each time --- or almost a 100% return on my money.

Got an actual investment experience you want to share with us --- ? --- email it to [editor@pennystocks.com](mailto:editor@pennystocks.com)

Got an specific comment on Concorde America --- let's start a Message Board and email your posting to [messageboard@uspennystocks.com](mailto:messageboard@uspennystocks.com)

<sup>1</sup>Tom Hanks, as Eddie Duggan, Manager of the Racine Peaches in the movie "A League of Their Own"

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## Meet Tom Heysek



Tom Heysek, our financial investment guru and the editor of our USPennyStocks News newsletter. Tom is also the Director of Research for Asian American Capital, a San Francisco-based investment management and securities research company.

Tom's professional ladder began with JP Morgan's Trust & Investment Division in New York , where he spent 10 years building a solid foundation for his impressive career. Progressing further up the corporate ladder, he moved to the San Francisco HQ of the Crocker Bank where he took up a position as Corporate Banker.

With his strong business acumen, financial expertise and managerial proficiency, Tom was soon promoted to Director of Asia Pacific Merchant Bank based in Hong Kong . The years between 1985 and 1993 of Tom Heysek's thriving career were spent as Managing Director of the Consulting Shoppe. The company headquarters relocated from Singapore to San Francisco and re-named Asian American Capital in 1993.

This is where Heysek has remained and, to date continues to work with excellence and a passion for financial services. Mr Heysek's career spans over an incredible thirty years. His steady track record of professional success over the years means he has amassed a wealth of knowledge and experience in various sectors of the financial market and built a solid reputation as an undisputed leader and acclaimed expert in financial affairs.

Tom Heysek's investment advice on our featured penny stock picks comes from his background of professional financial achievement. You can therefore rest assured in the knowledge that your USPennyStocks investment consultant knows exactly what he is talking about and you can trust his advice.

Not only is Tom Heysek happy to share his expertise with USPennyStocks members, he also welcomes any of your comments or requests for information. Feel free to email him directly at [editor@USPennyStocks.com](mailto:editor@USPennyStocks.com).



## This Month's Recommendations



[English](#)
[French](#)
[German](#)
[Russian](#)
[Spanish](#)

### CNDD - Concorde America - Strong Buy Recommendation

Yesterday, the common stock of Concorde America, Inc. was attacked by a group of short-sellers. For those of you who are not familiar with short selling, it occurs when individuals or groups get together to FORCE the price of a stock down in the hope that they can pick up those same shares at a cheaper price. **In other words, they want to buy your shares cheap!**

**We view this as a tremendous buying opportunity.** Our recommendations are still in place, and we feel that CNDD will see a price of \$38.00 per share over the next 6 months. If you are already invested in the stock, we see this as an opportunity to add to your positions. If you are new to CNDD, **this is a great chance to accumulate shares at a price we won't see again.**

**We will update you more on CNDD this weekend in our "Weekly Update" section.**

**News Release Disclaimer** - None of the views expressed in this email are of the Company, and NO company officials have been contacted regarding this information.

- [Market Data on Common Stock](#)
- [Why Concorde America \(OTC:CNDD\)](#)
- [Recommendations to Individual Investors](#)
- [Wide Angle View](#)
- [Nature of Business & Global Environment](#)
- [Management Team](#)
- [Earnings Per Share Model](#)
- [Independent Research](#)
- [Interactive Chart](#)

### MARKET DATA ON CNDD COMMON STOCK

**Recent Stock Price:** \$5.00  
**Shares Outstanding:** 210 million  
**Market Value:** \$630 million  
**Market Value to 2005 Projected Revenues:** 0.7 times  
**Recent Price to 2005 Projected Earnings Per Share:** 1.0 times

This Is Not A Typographical Error---Concorde America (CNDD) Is Currently Selling For One-Times Next Year's Earnings Per Share

Revenue & Earnings Outlook				
	Revenues	Net Income	Earnings per Share	Market Value @ 15x EPS Target
	<i>in millions</i>	<i>in millions</i>		<i>(P / E)</i>
2004(e)	US \$ 630	US \$ 420	US \$2.00	\$30/share
2005(e)	US \$ 915	US \$ 665	US \$3.00	\$45
2006(e)	US \$1,080	US \$ 839	US \$4.00	\$60

## Investor Center

This Month's Recommendations

Concorde America

Storage Innovation Technologies

Absolute Health & Fitness

Interactive Charts

USPennyStocks.com News

Your Profile

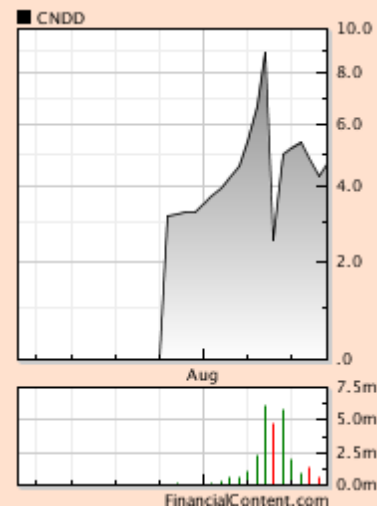
Log Off

### Get More Information About Concorde America

To receive free information on our Featured Penny Stock : "CNDD - Concorde America", free e-mail updates and other investor packages & offers, [click here](#).

### CNDD - Target Price \$30.00

Concorde America



### Disclaimer Man



"I am Disclaimer Man. It's my job to make sure you understand the risks"

## WHY CONCORDE AMERICA (OTC:CNDD)

Concorde America is one of those rare opportunities to invest in a venture that has the opportunity to be a significant global win across the board.

### The Opportunity

#### EUROPEAN NEED: Workers

Between 1994-2003 the population in Europe has declined by more than 81 million people. It's a phenomenon known as 'zero population growth.' One of the most significant catastrophic side effects of zero population growth is, it results in a significant shortage in workers to perform essential services such as farm labor, domestic, sanitation and security job.

European nations and companies have sought and attempted several solutions to the problem with little success and are embracing the Concorde America model as the most practical, affordable and immediate source of relief to the crisis.

#### LATIN AMERICAN NEED: Good Paying Jobs

Latin American countries have an abundance of qualified workers who are skilled in precisely the types of work the nations and companies of Europe are looking for. These Latin American workers currently earn an average income of about \$60 a month, have no pension plans, health or dental plans or benefits of any kind.

#### CONCORDE AMERICA SOLUTION: TAWF

It stands for Trans Atlantic Worker Fulfillment. In a nutshell, what Concorde America does is recruit, screen and provide workers from Latin American countries to meet the specific needs of European nations and companies. Europe gets the skilled ready-to-work labor force they need to maintain their economy. Latin American workers receive over \$1500 a month (1200% + pay increase), health benefits for themselves and their families and the opportunity to participate in a pension plan.

#### YOUR INVESTMENT OPPORTUNITY: Is Now

Concorde American is not only an enterprise that should succeed, it's an enterprise that must succeed. The company is working to make a difference that can simultaneously solve two significant global problems while providing investors with a strong return at the same time. We envision the following growth path for Concorde America stock over the next 36 months:

Based on projections that Europe will experience shortages of up to 40 million workers, the Trans-Atlantic Worker Fulfillment solution has the potential to become a \$200 Billion Dollar industry. This would put TAWF up there in the same ballpark as the automotive and microchip categories in sales.

As of right now, to our knowledge, there are no other competitors in the category. There are certainly no others who are positioned as strongly or structured as well as Concorde America to provide solutions to both the European and Latin American needs and offer such a rapid and significant return on investment as well.

#### CNDD HAS CONTRACTS TO DELIVER 350,000 WORKERS IN THREE YEARS

Spain has entered into an agreement with Concorde America to provide over 350,000 agricultural workers from Latin America over the next three years. This one contract alone will result in \$2.6 billion in revenue and earnings aggregating \$9.23 a share.

#### ALL OF EUROPE IS WATCHING

As an investor your money is riding on Concorde America's ability to fulfill this contract to the expectations of the Spaniards. But there will be another group watching even more closely - other European nations and businesses. Others in Europe won't wait for the entire three-year contract to be executed to make their judgment. They can't afford to. They need workers now. Once they see that Concorde America is successfully providing the labor Spain needs, the proverbial floodgates will open.

Revenue & Earnings Outlook

*associated with penny stocks BEFORE investing.*

If you would like to read the Disclaimer Man statement, [click here](#),

If you would like me to read it to you, [click here](#).

	Revenues	Net Income	Earnings per Share	Market Value @ 15x EPS Target
	<i>in millions</i>	<i>in millions</i>		<i>(P / E)</i>
2004(e)	US \$ 630	US \$ 420	US \$2.00	\$30/share
2005(e)	US \$ 915	US \$ 665	US \$3.00	\$45
2006(e)	US \$1,080	US \$ 839	US \$4.00	\$60

## RECOMMENDATION TO INDIVIDUAL INVESTORS

For more conservative individual investors, buy 2,000 shares putting half in your IRA, and the other half in a trading account. For more aggressive investors, consider committing up to \$50,000 into this stock, starting with a 10,000 share block, and building a position from there.

CNDD represents a business that can change not only a regional economy but also a worldwide economy. In the past, the stock market has generously rewarded the shareholders of such innovative companies (see Wide Angle View) and we expect the ten-bagger in CNDD's stock to be no different.

To receive free information on our Featured Penny Stock : "CNDD - Concorde America Inc", free e-mail updates and other investor packages & offers, [sign up here](#).

Want to buy CNDD? Our [recommended brokers](#) will make your investment a seamless process.

## WIDE ANGLE VIEW

The 25 Member States that form the European Union (EU) represent the second largest economic zone in the world with combined GDP of about \$7 Trillion. Since the fall of the Berlin Wall in 1989, however, these economies grew 1.95% annually versus a 2.89% annual growth for the USA<sup>1</sup>.

This 94 basis point slower rate of growth may not seem like much to the untrained eye, but when applied to a \$7 Trillion economic zone over a period of 14 years, this is a material rate of lost macro-economic prosperity. There was no Stock Market Bubble in Europe.

What crystallizes the commercial opportunities for Concorde and its stockholders is the population declines in Europe. The EU countries can no longer ignore this demographical fact---since it now affects their standing within the EU as well as on the global competitive stage.

The shortage of workers in the Infrastructure Industries (farming, domestic services and commercial security) is especially acute. This is the void in the European market that Concorde America fills. To the best of our knowledge, it is the ONLY publicly-traded company in this industry.

## NATURE OF BUSINESS & GLOBAL ENVIRONMENT

**Concorde America** is a publicly-traded holding company. Its ticker symbol on the stock exchange is --- **CNDD**. Through wholly-owned operating subsidiaries, CNDD is engaged in the business of providing unskilled contract-labor to private-sector companies operating in the 25-Member States that comprise the European Union, or EU.

The Company's contract-labor will be deployed into one of three sectors of the private client's economy ---

- i. agri-business;
- ii. domestic services; and
- iii. commercial & industrial security.

These are referred to as Infrastructure Jobs according to the *Far East Economic Review*, however, in America, more familiar job descriptions would be

- i. farm-workers;
- ii. maids and janitors;
- iii. rent-a-guard.



Economists at two large international banks --- HSBC and Barclays Group plc have independently plotted econometric forecasts based on (a) current demographic trends (i.e. **declining population**); and (b) 'reasonable' long term economic growth.

Their conclusions were remarkably similar: By 2015, there will be an acute shortage of workers to staff Infra- structure Jobs in the EU.

In order to credibly quantify, in terms of Earnings Per Share, the commercial opportunity within Concorde's grasp, and that of its shareholders', the potential investor needs to understand a few facts about Europe and the European Union---here's the abbreviated, though essential, version ~

The European Union is a Socio-Economic union of 25 Member States which when taken together (the Euro is the common currency) represents the Second Largest Macro-Economy in the world. It has also established itself as a factor-to-deal with in the global economy.

The EU alone stood in the way of **General Electric** (GE) acquiring Honeywell, and it is no accident that **Microsoft** (MSFT) has a European office in Brussels---Operational Headquarters of the EU.

To place the EU's commercial authority and relevance into perspective, GE and Microsoft represent the first and second largest public companies in the world (\$327 Billion and \$307 Billion, respectively). As mighty as this may seem, these large companies are sensitive and in some cases deferential to the EU's macro-market responsibilities.

**There are 25 Member States in the European Union.**

**Table One: The First Nine Members of the EU**

<b>Belgium</b> (as of 1973)	<b>Netherlands</b>
<b>Germany</b>	<b>Denmark</b>
<b>France</b>	<b>Ireland</b>
<b>Italy</b>	<b>United Kingdom</b>
<b>Luxembourg</b>	

**Plus these 16 ~**

Austria	Greece	Lithuania	Slovakia
Cyprus	Finland	Malta	Slovenia
Czech Republic	Hungary	Poland	Spain
Estonia	Latvia	Portugal	Sweden

At the same time that the EU's economic strength and highly regarded reputation in global commerce has increased, Europe's population is declining. For the ten years ended 2003, Europe's population declined by more than 81 million people.

This population decline is not only in relation to its share of the world's population, but in absolute numbers as well. In percentage terms, Europe's population declined by 10%, and represented 12% of the world's population (down from a 14% proportion ten years ago). Table TWO illustrates:

**Table Two: Europe's Declining Population**

	Population			As a Percent of World's Pop'l tn	
	1994	2003	% Chg	1994	2003
<b>Asia</b>	3,345,498	3,767,972	13%	59%	61%
<b>Africa</b>	722,814	815,680	13%	13%	13%
<b>North America</b>	288,788	315,169	9%	5%	5%
<b>Latin America</b>	474,240	531,718	12%	8%	9%
<b>Europe</b>	<b>806,967</b>	<b>725,870</b>	<b>-10%</b>	14%	12%
<b>Oceania/Australia</b>	28,366	31,018	9%	1%	<1%

<b>Totals</b>	5,666,673	6,187,427	9%	100%	100%
---------------	-----------	-----------	----	------	------

Within Europe itself, the Muslim populations increased from 13 million to 32 million in 2003, and as a group, represent 4.4% of Europe's population, up from 1.6% ten years ago.

If this trend continues unchecked, this proportion increases to 12% by 2015, and 27% by 2025. This has been an unavoidable demographic development given the worker shortages that are already apparent in Europe.

Unavoidable --- until now. This is where **Concorde America** enters the investment picture with an alternative for selected EU Members:

**Recruit contract-labor for Infrastructure Jobs from those countries in Latin America that are culturally compatible with the customs and language of selected EU Member States.**

The Company's first contract is to provide 150,000 unskilled laborers to a private sector agribusiness company in Spain. A second contract for 50,000 unskilled agri-business laborers commences in the second quarter of 2005. The commercial terms of these contracts are spelled out in the Earnings Model section at the end of this report.

While private sector companies in every EU Member State are potential clients for Concorde's foreign-labor contract services, Spain and Italy will comprise the early geographical focus.

Concorde America provides a new solution to an aging problem --- staffing "Infrastructure Jobs", especially in agriculture where labor needs can be seasonal. Table THREE illustrates why Spain and Italy are amongst the first EU Member States to be receptive to the type of new- solution Concorde offers. In the five years ended 2003, among the ten largest EU economies --- Spain and Italy ranked at the bottom, meaning loss of market share, income and jobs.

**Table Three: Agricultural Income Levels for 10 Largest Member States in the E U**  
1998 - 2003

	1998 Index	2003 Index	Percent Chg
	(1994 - 1996 = 100)		
Portugal	73.7	123.4	67.4%
Austria	104.6	130.8	25.0%
Germany	116.0	123.4	17.5%
Netherlands	85.5	96.1	12.4%
France	98.0	104.0	6.1%
UK	101.5	107.4	5.8%
Ireland	109.4	111.4	1.8%
Belgium	80.0	80.1	0.1%
Spain	110.5	107.8	<b>-2.4%</b>
Italy	107.4	96.2	<b>-10.4%</b>
Agriculture Index	96.9	107.3	<b>10.7%</b>

The countries selected to fulfill Spain's demand for unskilled foreign labor is highlighted by the table below:

The Net-Take-Home pay for the 150,000 workers is 1,050 Euros per month (or US \$ 1,260).

The unskilled laborers for Concorde's first foreign-worker contract have been recruited from Honduras. The first 1,000 arrive in Spain August 1st, then, at the rate of 1,000 per day until the end of the year.

In order to appreciate the compelling economics to these contract- workers, recognize this: At US \$ 1,260 per month, that's a personal income of \$15,120 per annum --- OR, SIX times greater than that worker would earn by staying at home.

In conclusion --- Concorde's New Solutions to the Infrastructure Job shortage in the European Union offers affordable, and culturally- compatible, laborers to private sector companies and at the same time improves the financial lives and living standards of thousands of people.

...And in the process of delivering these commercial results, generate an attractive rate of return for the Company's shareholders.

**Table Four: Primary Recruiting Ground for Concorde**

Latin American Country	Per Capita Annual Income	Literacy Rate	Population
Honduras	US \$ 2,600	76%	6.9 million
Nicaragua	US \$ 2,500	68%	5.5 million
Ecuador	US \$ 3,100	93%	13.0 million
Relevant Data for other Countries in the Region			
Mexico	US \$ 9,000	92%	103.5 million
Columbia	US \$6,500	93%	44.2 million
Argentinian	US \$10,200	97%	38.4 million
Source: Eurostat - Economic Accounts for Agriculture (EAA)			

A discussion of the Global Environment would be incomplete without addressing competition. In the case of Concorde America, there isn't any --- at the moment. The first public mention in EU publications that deal with shortages in "Services of General Interest?" was a May 2003 "Green Paper".

Here's the link ~

[http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003\\_0270en01.pdf](http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003_0270en01.pdf)

As other international companies will inevitably seek to move into Concorde's commercial arena over the next few years, CNDD will have not only built a formidable barrier-to-entry but is likely to have locked-up the most lucrative Recruitment Assignments.

**Look to subsequent updates on "CNDD - Concorde America Inc" from USPennyStocks.com including Press Releases from the company, [sign up now](#) to subscribe to CNDD's Investor database and keep up to date with the latest advancements by the company!**

## MANAGEMENT TEAM

**Hartley Lord** is the Chairman and Chief Executive Officer of Concorde America with over 50 years of financial management and investment banking experience, with specialization in telecommunications. Mr. Lord is an Air Force Veteran and a graduate of the University of North Florida. He has been called a pioneer in the deregulation period of the telephony industry, during which time he founded Cardtel, Inc in 1985. **Julio Aspe** is President of the Company. He has over 20 years civil and tax law experience. Mr. Aspe has a law degree from Escuela Libre de Derecho in Mexico and a Masters in International Law from the Universita S. Tommaso in Rome. **Raul Mendez** is the Chief Technology Officer with over 18 years experience in application and database development, in industries ranging from insurance to manufacturing. Mr. Mendez earned his graduate degree in Business Administration from Florida International University. The systems he has installed to manage / monitor more than 1 million contract workers were essentially his programming.

## EARNINGS MODEL

There are three components to Concorde's Revenue Stream: (a) Placement Fees; (b) Subcontract-Sharing Fees; and (c) Contract Renewal Fees. Placement Fees equal 3,500 Euros per laborer, whether a Direct Placement or Subcontract-Labor. A Direct Placement means the contracted worker goes on the payroll of the private sector client.

Over the ten quarters (through 2006) covered by the attached Earnings Model, Concorde plans to recruit 350,000 contract-workers from Honduras to work for a private sector agri-business company in Spain for one year.

In exchange for delivering 350,000 workers to the Spanish private sector company, Concorde's is paid a Placement Fee of 1.2 Billion Euros (350,000 x 3,500 Euros), or **US**

**\$1,470 million.**

In addition, half of the Company's 350,000 worker requirement will provide for sharing in the worker's income stream over the course of the year. These payments DO NOT come out of the contract workers pay, but are an additional negotiated cost to the private sector client employing Concorde-sourced contract labor.

These Subcontract-Sharing payments generate another 853 million Euros (**US \$ 1,024 million** in revenues for Concorde received on a monthly basis over the period covered in the Earnings Model.

Finally, Concorde earns 400 Euros (US \$ 480) as a Renewal Fee for each contract-worker who renews his/her contract (it is unlikely the shortage of Infrastructure Jobs in the EU will diminish).

The Earnings Model assumes that 75% of the workers whose contracts are expiring renew over the period covered in the Earnings Model. Hence, the first contract of 150,000 workers assumes 112,500 (75% of 150,000 workers) renew after the first year, then 84,375 renew in year two. Renewal Fees Revenues are projected at 124 million Euros or **\$149 million.**

The table following summarizes the Revenue components:

**Placement Fees:** \$1,470 million

**Subcontract Fees:** \$1,024 million

**Renewal Fees:** \$ 131million

**Total: 2,625 million**

Against this revenue stream, direct expenses include \$500 to transport each worker, and administrative expenses that increase from \$7 million this year to \$30 million in 2006. In the earnings model, we have assumed a Tax provision of 20% - 30%, though it could be considerably less than this. With 210 million shares outstanding---the Earnings Per Share figures are:

2004 (e)	2005 (e)	2006 (e)
\$2.00	\$3.17	\$4.00

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## INDEPENDENT RESEARCH LINKS

Want to know more about the trends affecting the potential of this stock? One of the best ways is to search key phrases that provide independent research and studies conducted by people and organizations that could care less if you buy the stock or not. We have prepared a few key-phrases searches for you. When you click them you're taking to the first page of Google that contains information on the subject.

### CONCORDE AMERICA

**European population growth** (<http://www.google.com/search?hl=en&ie=UTF-8&q=European+Population+Growth&btnG=Google+Search>)

**European labor crisis** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=European+Labor+Crisis&btnG=Search>)

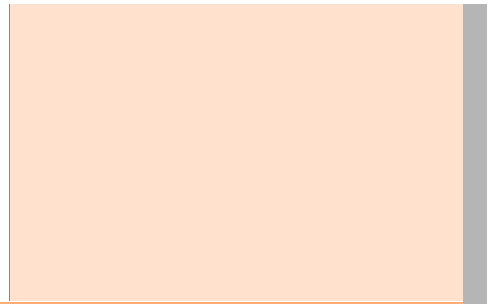
**European population crisis** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=European+Population+Crisis&btnG=Search>)

**Latin American Wages** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=Latin+American+Wages&btnG=Search>)

**Latin American Workers** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=Latin+American+Workers&btnG=Search>)

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### CNDD - Concorde America

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- [SOMMAIRE, ÉVALUATIONS ET CONCLUSIONS SUR L'INVESTISSEMENT](#)
- [RECOMMANDATIONS aux INVESTISSEURS INDIVIDUELS](#)
- [VUE D'ENSEMBLE](#)
- [NATURE de l'ENTREPRISE ET ENVIRONNEMENT GLOBAL](#)
- [ÉQUIPE DE GESTION](#)
- [MODÈLE DE GAINS PAR ACTION](#)
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### DONNÉES SUR LE CAPITAL-ACTIONS ORDINAIRE

Récent prix: 5,00 \$

Actions en circulation: 210 millions

Valeur au marché: 630 millions \$

Valeur au marché sur les revenus projetés en 2005 0,7fois

Récent prix sur les gains par actions projetés en 2005 1,0 fois

CECI N'EST PAS UNE ERREUR TYPOGRAPHIQUE ---CONCORDE AMERICA (CNDD) SE VEND ACTUELLEMENT À UNE FOIS LES GAINS PAR ACTION DE L'ANNÉE PROCHAINE

#### PERSPECTIVES DES REVENUS ET DES GAINS

Revenus	Revenus nets	Gains Par action	Valeur au marché @ 15x GPA indicatif
(en millions)	(en millions)		(C / B)
2004(e) US 630 \$	US 420 \$	US 2,00 \$	30 \$ /action
2005(e) US 915 \$	US 665 \$	US 3,00 \$	45 \$
2006(e) US 1 080 \$	US 839 \$	US 4,00 \$	60 \$

### SOMMAIRE, ÉVALUATIONS ET CONCLUSIONS SUR L'INVESTISSEMENT

1. D'ici à 2015, l'Europe s'attend à connaître une pénurie d'environ 40 millions de travailleurs dans l'industrie de l'infrastructure (agriculture, services domestiques, sécurité industrielle)
2. Les gouvernements européens ont été incapables de stopper cette pénurie de la main d'œuvre de l'infrastructure, une donnée économique et démographique apparente depuis le début des années 1990.
3. Les récentes initiatives commerciales de compagnies du secteur privé dans l'Union européenne sont prometteuses --- un investissement de 5 000 \$ US par travailleur pour localiser une main d'œuvre non qualifiée en provenance de régions sous-développées de l'économie mondiale.
4. Sur la base de cette pénurie de 40 millions de travailleurs, cet affaiblissement de la démographie se transforme alors en une industrie mondiale potentielle de 200 milliards de dollars.
5. En perspective de marché, une industrie de **200 milliards de dollars** n'est PAS extraordinaire --- l'industrie mondiale de l'automobile est de 200 milliards de dollars; il en va de même pour l'industrie des ordinateurs personnels et des puces électroniques.

« Les pessimistes voient des difficultés dans chaque opportunité; les optimistes voient une opportunité dans chaque difficulté » --- Winston

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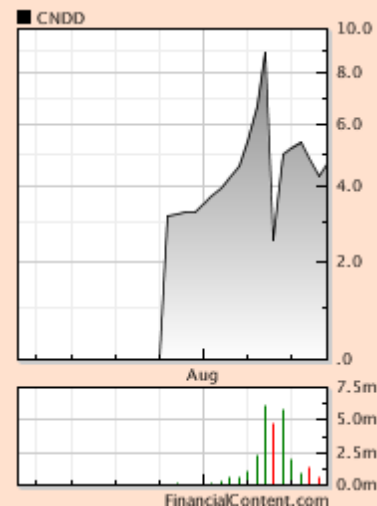
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### CNDD - Target Price \$30.00

Concorde America



### Disclaimer Man



"I am Disclaimer Man. It's my job to make sure you understand the risks"

Churchill

6. Joignez-vous à **Concorde America**, symbole : CNDD --- un symbole relativement nouveau dans cette industrie mondiale rapidement émergente.
7. Concorde America s'implique directement dans ce problème émergent de pénurie de main d'œuvre dans l'infrastructure en Europe en concluant des ententes avec des compagnies privées européennes afin de fournir des travailleurs non qualifiés.
8. Les premiers contrats CNDD sont avec des compagnies privées dans le secteur agricole en Espagne et pour lesquelles, la main d'œuvre sera localisée en Amérique latine, fournissant ainsi à cette clientèle une main- d'œuvre étrangère résidente « culturellement compatible » ~ d'où, notre sobriquet.  
 « **Contrats de travailleurs immigrants** » ou **CTI**
9. CNDD a exécuté trois contrats (CTI) afin de faire parvenir 350 000 travailleurs sur les trois prochaines années.
10. Les **revenus** contractuels projetés de CNDD pour ces seuls trois contrats totalisent **2,6 milliards de dollars US** (environ 1 % de la TOTALITÉ DE L'INDUSTRIE MONDIALE) et les gains **9,23 \$ US l'action**.

Notre prix indicatif à court terme pour CNDD (3 – 6 mois) est de 6 \$ l'action. Ce prix indicatif est appuyé par les deux points reconnus suivants :

- i. **6 \$ / l'action** représente un multiple de deux fois les ventes de l'année prochaine ( 2 x 933 millions \$ - 1,8 milliard \$ divisé par les 210 millions d'actions émises);
- ii. Le flux monétaire actualisé de cette série de gains est de 6 \$ l'action.

Maintenir un multiple de deux fois les ventes produit un prix indicatif intermédiaire de 9 \$ / l'action; toutefois, dans le long terme (12 mois +), cette action a le potentiel pour atteindre 25 \$ - 30 \$ / l'action (voir la section « Fondement » ci-dessous)

PERSPECTIVES DES REVENUS ET DES GAINS			
Revenus	Revenus nets	Gains Par action	Valeur au marché @ 15x GPA indicatif
(en millions)	(en millions)		(C / B)
2004(e) US 630 \$	US 420 \$	US 2,00 \$	30 \$ /action
2005(e) US 915 \$	US 665 \$	US 3,00 \$	45 \$
2006(e) US 1 080 \$	US 839 \$	US 4,00 \$	60 \$

#### FONDEMENT DE CETTE FOURCHETTE DE PRIX INDICATIFS À LONG TERME ---

Reconnaissez que d'ici 12 mois, Concorde aura déjà exécuté son premier contrat CTI pour 150 000 travailleurs et commencera la réalisation du deuxième. Un troisième CTI est déjà en place pour l'année suivante. Aussi, les résultats d'exploitation pour 2004 seront transparents, tout comme le sera la crédibilité de la direction dans la communauté financière quand elle annoncera l'orientation ascendante des revenus et des gains.

De plus, il est fort probable que cet espace commercial (**contrat de travail pour main-d'œuvre étrangère**) aura considérablement plus de visibilité avec le public investisseur dans un an. Depuis que l'Union européenne ne s'est pas objectée à ce que ses membres répondent à la pénurie de travailleurs en important de la main d'œuvre étrangère en général, d'autres recruteurs et entreprises offrant des activités complémentaires à cette industrie attireront davantage l'attention. Cela ne peut qu'avantager l'investissement fait dans une compagnie comme CNDD, laquelle est la première compagnie publique dans cette zone commerciale.

#### RECOMMANDATIONS aux INVESTISSEURS INDIVIDUELS

Pour les investisseurs individuels plus conservateurs, achetez 2 000 actions en en mettant la moitié dans un compte de retraite individuel et l'autre moitié dans un compte de négociation. Pour les investisseurs plus agressifs, considérez engager jusqu'à 50 000 \$ dans ce stock en débutant avec un bloc de 10 000 actions et consolidant votre position à partir de ce moment.

CNDD représente une entreprise pouvant non seulement modifier l'économie régionale mais aussi l'économie mondiale. Les actionnaires de telles compagnies innovatrices ont été généreusement récompensés par le passé (voir Vue d'ensemble) et nous anticipons à ce que le stock gagnant de CNDD ne soit aucunement différent.

#### VUE D'ENSEMBLE

Les 25 États membres de l'Union européenne (UE) représentent la deuxième plus grande zone économique mondiale avec un PNB combiné d'environ 7 billions \$. Depuis la chute du mur de Berlin en 1989, la croissance de ces économies ne fut toutefois que de 1,95 % annuellement versus 2,89 % pour les USA<sup>1</sup>.

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Ce taux de croissance moindre de 94 points peut ne pas sembler beaucoup à l'œil non averti mais, appliqué à une zone économique de 7 billions \$ sur une période de 14 ans, il s'agit là d'un taux important de perte de prospérité macro-économique. Il n'y a pas eu de bulle du marché des actions en Europe.

Le déclin de la population en Europe cristallise les possibilités commerciales pour Concorde et ses actionnaires. Les pays de l'Union européenne ne peuvent ignorer plus longtemps ce fait démographique --- puisque cela affecte maintenant leur position au sein même de l'UE ainsi qu'au niveau concurrentiel global.

La pénurie de main-d'œuvre dans les industries de l'infrastructure (agriculture, services domestiques et sécurité commerciale) est particulièrement sévère. C'est ce vide dans le marché européen qu'occupe Concorde America. Au meilleur de notre connaissance, il s'agit de la SEULE compagnie publique dans cette industrie.

## NATURE de l'entreprise et environnement global

**Concorde America** est une société de portefeuille publique. Son symbole boursier est --- CNDD. Par le truchement de ces filiales détenues en propriété exclusive, CNDD est engagée dans l'entreprise de fourniture de main-d'œuvre contractuelle non qualifiée aux compagnies du secteur privé opérant dans les 25 États membres constituant l'Union européenne ou l'UE.

La main d'œuvre contractuelle de la compagnie sera déployée dans l'un des trois secteurs de l'économie privée du client ---

- i. l'industrie agricole;
- ii. les services domestiques;
- iii. la sécurité commerciale et industrielle.

Les emplois de ces secteurs sont référés comme emplois d'infrastructure selon le Far East Economic Review; toutefois, en Amérique, des descriptions d'emploi plus familières seraient

- i. travailleurs agricoles;
- ii. femmes de ménages et concierges;
- iii. location d'un gardien de sécurité.

Les économistes de deux grandes banques internationales --- HSBC et le Groupe Barclays plc ont de façon indépendante tracé les prévisions économétriques basées sur (a) les tendances démographiques (p. ex., le déclin de la population) et (b) la croissance économique « raisonnable » à long terme.

Leurs conclusions ont été remarquablement similaires : en 2015, l'UE fera face à une pénurie sévère de travailleurs pour doter en personnel les emplois dans l'infrastructure.

En vue de quantifier de manière crédible, en termes de gains par action, la possibilité commerciale à la portée de Concorde et de celle de ses actionnaires, l'investisseur potentiel doit comprendre quelques faits au sujet de l'Europe et de l'Union européenne --- en voici une version résumée quoiqu'essentielle ~

L'Union européenne est une union socio-économique de 25 États membres, lesquels pris ensemble (l'Euro est la monnaie commune) représentent la deuxième plus grande macro-économie mondiale. L'Union s'est également établie comme un acteur indispensable dans l'économie globale.

L'UE à elle seule s'est opposée à l'acquisition de Honeywell par **General Electric** (GE) et ce n'est pas un hasard si **Microsoft** (MSFT) a un bureau européen à Bruxelles --- Bureau central des opérations de l'UE.

Pour bien mettre en perspective l'autorité commerciale et la pertinence de l'UE, GE et Microsoft représentent les première et deuxième plus grandes compagnies publiques dans le monde (327 milliards \$ et 307 milliards \$, respectivement). Aussi gigantesque cela peut-il sembler, ces grandes compagnies sont sensibles et en certains cas déférentes envers les responsabilités du macro-marché de l'UE.

**L'Union européenne est constituée de 25 États membres ~**

**Tableau UN : les neufs premiers membres de l'Union européenne ont été ~**



<b>Belgique</b> (depuis 1973)	<b>Pays-Bas</b>
<b>Allemagne</b>	<b>Danemark</b>
<b>France</b>	<b>Irlande</b>
<b>Italie</b>	<b>Royaume-Uni</b>
<b>Luxembourg</b>	

en plus de ces 16 ~

Autriche	Grèce	Lituanie	Slovaquie
Chypre	Finlande	Malte	Slovénie
République tchèque	Hongrie	Pologne	Espagne
Estonie	Lettonie	Portugal	Suède

Au moment même où la force économique et la bonne cote de l'UE dans le commerce global prennent de l'ampleur, la population de l'Europe est en déclin. Pour les dix années se terminant en 2003, la population de l'Europe a déclinée de 81 millions de personnes.

Ce déclin de population n'est pas seulement relatif à sa quote-part dans la population mondiale mais également en chiffres absolus. En termes de pourcentage, la population de l'Europe a déclinée de 10 % et représente 12 % de la population mondiale (de 14 % qu'elle était il y a dix ans). Le tableau DEUX l'illustre:

**Tableau DEUX : déclin de la population de l'Europe**

	<u>Population</u>			<u>En pourcentage de la population mondiale</u>	
	<u>1994</u>	<u>2003</u>	<u>% Chg</u>	<u>1994</u>	<u>2003</u>
Asie	3 345 498	3 767 972	13%	59%	61%
Afrique	722 814	815 680	13%	13%	13%
Amérique du Nord	288 788	315 169	9%	5%	5%
Amérique latine	474 240	531 718	12%	8%	9%
<b>Europa</b>	<b>806 967</b>	<b>725 870</b>	<b>-10%</b>	14%	12%
Océanie / Australie	<u>28 366</u>	<u>31 018</u>	9%	<u>1%</u>	<u>&lt;1%</u>
Totaux	5 666 673	6 187 427	9%	100%	100%

Au sein même de l'Europe, les populations musulmanes se sont accrues de 13 millions à 32 millions en 2003 et comme groupe, représentent 4,4 % de sa population, une augmentation de 1,6 % par rapport à il y a dix ans.

Si cette tendance se poursuit sans contrôle, cette proportion augmentera à 12 % en 2015 et 27 % en 2025. Ce développement démographique a été inévitable étant donné les pénuries de main d'œuvre déjà apparentes en Europe.

Inévitable --- jusqu'à maintenant. C'est ici que **Concorde America** se présente avec une alternative pour les membres sélectionnés de l'UE :

**Le recrutement d'une main d'œuvre contractuelle pour les emplois dans l'infrastructure, dans ces pays d'Amérique latine culturellement compatibles avec les coutumes et la langue des États membres sélectionnés de l'UE.**

Le premier contrat de la compagnie est de fournir 150 000 travailleurs non qualifiés à une compagnie du secteur privé de l'industrie agricole en Espagne. Un deuxième contrat pour 50 000 travailleurs non qualifiés dans la même industrie débute au deuxième trimestre de 2005. Les conditions commerciales de ces contrats sont précisées dans la section du modèle de gains à la fin de ce rapport.

Bien que les compagnies du secteur privé de chaque État membre de l'UE soient des clients potentiels pour les services contractuels de main d'œuvre étrangère, la première concentration géographique se fera sur l'Espagne et l'Italie.

Concorde America apporte une solution nouvelle à un vieux problème --- doter en personnel les « emplois d'infrastructure », plus particulièrement là où les besoins en main d'œuvre peuvent être saisonniers. Le tableau TROIS illustre pourquoi l'Espagne et l'Italie sont parmi les premiers États membres de l'UE à être réceptifs à ce type de nouvelle solution offerte par Concorde. Au cours des cinq dernières années se terminant en 2003, parmi les dix plus grandes économies de l'UE --- l'Espagne et l'Italie se sont classées au

dernier rang, ce qui signifie une perte de la part de marché, des revenus et des emplois.

**Tableau TROIS Niveaux des revenus agricoles pour les dix plus grands États membres dans l'UE**  
1998 – 2003

	<u>Index 1998</u>	<u>Index 2003</u>	<u>Chg en pourcentage</u>
	(1994 – 1996 = 100)		
Portugal	73,7	123,4	67,4%
Autriche	104,6	130,8	25,0%
Allemagne	116,0	123,4	17,5%
Pays-Bas	85,5	96,1	12,4%
France	98,0	104,0	6,1%
RU	101,5	107,4	5,8%
Irlande	109,4	111,4	1,8%
Belgique	80,0	80,1	0,1%
Espagne	110,5	107,8	<b>-2,4%</b>
Italie	107,4	96,2	<b>-10,4%</b>
Index agricole	96,9	107,3	<b>10,7%</b>

Les pays choisis pour réaliser la demande de l'Espagne en main d'œuvre étrangère non qualifiée sont mentionnés au tableau ci-dessous : Le salaire net à la maison pour les 150 000 travailleurs est de 1 050 € par mois (ou 1 260 US \$).

Les travailleurs non qualifiés pour le premier contrat de main-d'œuvre étrangère ont été recrutés au Honduras. Le premier contingent de 1 000 arrive en Espagne le 1er août puis, les arrivées se font au taux de 1 000 par jour jusqu'à la fin de l'année.

Aux fins d'apprécier les irrésistibles données économiques s'appliquant à ces travailleurs contractuels, considérez ceci : à 1 260 \$ US par mois, cela résulte en un revenu personnel de 15 120 \$ par année --- OU, SIX fois supérieur à ce qu'un travailleur gagnerait en demeurant chez lui.

En conclusion --- les nouvelles solutions de Concorde à la pénurie dans les emplois dans l'infrastructure de l'Union européenne offrent des travailleurs à un coût abordable et culturellement compatibles à des compagnies du secteur privé et en même temps améliorent le niveau économique et les standards de vie de milliers de personnes.

...et dans le processus de reddition de ces résultats commerciaux, génèrent un taux de retour attrayant pour les actionnaires de la compagnie.

**Tableau QUATRE : emplacements de recrutement primaire pour Concorde**

<u>Amérique latine</u> <u>Pays</u>	<u>Par Capita</u> <u>Revenus annuels</u>	<u>Alphabétisation</u> <u>Taux</u>	<u>Population</u>
Honduras	2 600 \$ US	76%	6,9 millions
Nicaragua	2 500 \$ US	68%	5,5 millions
Équateur	3 100 \$ US	93%	13,0 millions
Données pertinentes pour les autres pays de la région			
Mexique	9 000 \$ US	92%	103,5 millions
Colombie	6 500 \$ US	93%	44,2 millions
Argentine	10 200 \$ US	97%	38,4 millions
Source : Eurostat – Comptes économiques pour l'agriculture (CEA)			

Une discussion sur l'environnement global serait incomplète sans traiter de la concurrence. En ce qui concerne Concorde America, il n'y en a aucune --- en ce moment. La première mention dans les publications de l'UE traitant de pénurie dans les « Services d'intérêt général<sup>2</sup> » fut un « livre vert » datant de mai 2003.

Voici le lien ~

[http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003\\_0270en01.pdf](http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003_0270en01.pdf)

Comme les autres compagnies internationales chercheront inévitablement à investir dans l'arène commerciale de Concorde au cours des quelques prochaines années, CNDD aura non seulement mis en place un obstacle formidable à l'entrée de ce marché mais aura sans doute contracté les commandes de recrutement les plus lucratives.

## ÉQUIPE DE GESTION

**Hartley Lord** est président du Conseil et Directeur général de Concorde America avec plus de 50 ans d'expérience en gestion financière et services d'investissement bancaires avec concentration dans le domaine des communications. M. Lord est un vétéran de la force aérienne et diplômé de la University of North Florida. Il fut considéré un pionnier pendant la période de déréglementation de l'industrie téléphonique et a fondé Cardtel Inc., en 1985. **Julio Aspe** est président de la compagnie. Il possède plus de 20 ans d'expérience dans le droit civil et fiscal. M. Aspe a obtenu son diplôme en droit de la Escuela Libre de Derecho à Mexico D.F., Mexico et une maîtrise en droit international de la Universita S. Tommaso à Rome, Italie. **Raul Mendez** est l'agent en chef des technologies avec plus de 18 ans d'expérience dans l'élaboration de bases de données et d'applications au sein d'industries allant de l'assurance à la fabrication. M. Mendez est diplômé en administration des affaires avec spécialisation en système d'information de gestion de la Florida International University à Miami, Floride. Les systèmes qu'il a installés pour gérer/contrôler plus de un (1) million de travailleurs contractuels sont essentiellement sa programmation.

## MODÈLES DE GAINS PAR ACTION

Il y a trois composantes au flux de revenus de Concorde : (a) les frais de placement; (b) les frais de quote-part de la sous-traitance; (c) les frais de renouvellement contractuels. Les frais de placement équivalent à 3 500 Euros par travailleur, que cela soit un placement direct ou une main-d'œuvre en sous-traitance. Un placement direct signifie que le travailleur contracté est inscrit sur la feuille de paie du client du secteur privé.

Sur les dix trimestres (jusqu'à 2006) couvert par le modèle de gains ci-joint, Concorde prévoit recruter 350 000 travailleurs contractuels du Honduras afin de travailler pour un (1) an en Espagne pour une compagnie du secteur privé de l'industrie agricole.

En échange de la livraison de 350 000 travailleurs à une compagnie du secteur privé espagnol, Concorde reçoit un frais de placement de 1,2 milliard d'Euros (350 000 x 3 500 Euros), ou **1 470 millions de dollars US**.

De plus, une quote-part calculée sur le flux des revenus de la moitié des 350 000 travailleurs nécessaires sera versé à la compagnie sur le cours d'une année. Ces paiements NE SONT PAS prélevés sur la paie des travailleurs contractuels mais sont un coût additionnel négocié avec le client du secteur privé employant la main-d'œuvre contractuelle localisée par Concorde.

Ces paiements de quotes-parts de sous-traitance génèrent un autre 853 millions d'Euros (**1 024 millions \$ US**) en revenus pour Concorde reçus sur une base mensuelle pour la période couverte dans le modèle de gains.

Finalement, Concorde gagne 400 Euros (480 \$ US) comme frais de renouvellement pour chaque travailleur contractuel renouvelant son contrat (il est peu probable que la pénurie d'emplois dans l'infrastructure de l'UE diminue).

Le modèle de gains assume que 75 % des travailleurs dont les contrats viennent à échéance renouvellent pour la période couverte dans le modèle de gains. Ainsi, 112 500 du premier contingent de 150 000 travailleurs (75 % de 150 000 travailleurs) renouvellent après la première année puis, 84 375 renouvellent dans la deuxième année. Les revenus des frais de renouvellement sont projetés à 124 millions d'Euros ou 149 millions de dollars.

Le tableau suivant résume les composantes du revenu :

<b>Frais de placement:</b>	1 470 millions \$
<b>Frais de sous-traitance:</b>	1 024 millions \$
<b>Frais de renouvellement:</b>	\$ 131 millions \$
<b>Total:</b>	<b>2 625 millions \$</b>

Déduit de ce flux de revenus, nous avons des frais directs comprenant 500 \$ pour le

transport de chaque travailleur ainsi que des frais administratifs augmentant de 7 millions \$ cette année à 30 millions \$ en 2006. Dans le modèle de gains, nous avons pris une provision pour taxes de 20 % - 30 % bien que cela puisse être considérablement moindre que ceci. Avec 210 millions d'actions en circulation --- les chiffres sur le gain par action sont : (VOIR le tableau sur le modèle de gains ci-joint)

2004 (e)	2005 (e)	2006 (e)
2,00 \$	3,17 \$	4,00 \$

<sup>1</sup> Source --- The Wall Street Journal, 8 juillet, 2004

<sup>2</sup>Postes que les américains appelleraient aides agricoles, femmes de ménage, concierges et location de gardien de sécurité

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### CNDD - Concorde America - Starke Kauf-Empfehlung

- [STAMMAKTIENDATEN \(SIEHE OBEN\)](#)
- [ZUSAMMENFASSUNG, BEWERTUNGEN, INVESTITIONSSCHLUSSFOLGERUNGEN](#)
- [EMPFEHLUNGEN fr INDIVIDUELLE INVESTOREN](#)
- [PANORAMABLICK](#)
- [AUFBAU DES UNTERNEHMENS & ALLGEMEINER AUSBLICK](#)
- [DAS FHRUNGSTEAM](#)
- [GEWINN JE AKTIE \(PROJEKTION\)](#)
- [Interaktive Karte](#)

### STAMMAKTIENDATEN

Jngster Aktienkurs: 5,00 USD

Ausgegebene Aktien: 210 Millionen

Marktwert: 630 Millionen USD

Verhlnis von Marktwert zu Sollerlsen 2004: 0,7:1

Verhlnis von jngstem Preis zum voraussichtlichen Kursgewinn 2005: 1:1

HIER HANDELT ES SICH NICHT UM EINEN DRUCKFEHLER - CONCORDE AMERICA (CNDD) WIRD DERZEIT TATSCHLICH ZU EINEM AKTIENPREIS GEHANDELT, DER DEM EINFACHEN KURS-GEWINN-VERHLTNIS ENTSpricht!

EINNAHMEN- UND GEWINNPROGNOSE				
	Einnahmen	Reingewinn	Gewinn pro Aktie	Marktwert bei 15x KGV-Ziel
	(in Millionen)	(in Millionen)		
2004(s)	630 USD	420 USD	2,00 USD	30 USD/Aktie
2005(s)	915 USD	665 USD	3,00 USD	45 USD
2006(s)	1.080 USD	839 USD	4,00 USD	60 USD

### ZUSAMMENFASSUNG, BEWERTUNGEN, INVESTITIONSSCHLUSSFOLGERUNGEN

1. Es wird prognostiziert, dass in Europa zwischen diesem und dem Jahr 2015 etwa 40 Millionen Arbeitskrfte in den Infrastrukturbranchen (Landwirtschaft, hauswirtschaftliche Dienstleistungen, Betriebsschutz) fehlen werden.
2. Es ist den europäischen Regierungen nicht gelungen, diesen Infrastruktur-Arbeitskrftemangel aufzuhalten, obwohl diese Entwicklung seit den frhen 1990er Jahren deutlich erkennbar war.
3. Jngste Bemhungen von Unternehmen aus der Privatwirtschaft in der Europäischen Union z. B. Investitionen von 5.000 USD fr die Beschaffung einer ungelerten Arbeitskraft aus den unterentwickelten Regionen der Welt - sind vielversprechend.
4. Umgerechnet auf den prognostizierten Mangel an 40 Millionen Arbeitskrften wird aus einer potentiell fatalen demographischen Entwicklung eine wirtschaftliche Chance im Umfang von 200 Milliarden US-Dollar.
5. Zum Vergleich: ein Geschftsvolumen von 200 Milliarden Dollar entspricht dem der Krafffahrzeug-, PC- oder Chipherstellungsbranche.

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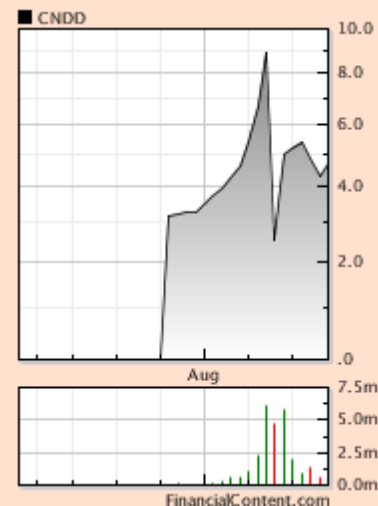
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### CNDD - Target Price \$30.00

Concorde America



### Disclaimer Man



"I am Disclaimer Man. It's my job to make sure you understand the risks"

**Pessimisten sehen Schwierigkeiten in jeder Chance; Optimisten sehen Chancen in jeder Schwierigkeit. --- Winston Churchill**

6. Concorde America, Brsenkrzel: CNDD - ein relativ junges Unternehmen in der sich schnell entwickelnden weltweiten Branche, hat die Chancen erkannt.
7. Concorde America geht das Problem des wachsenden Mangels an Infrastruktur-Arbeitskrften in Europa auf direkte Weise an, indem es ungelernete Arbeiter an europische Privatunternehmen im Infrastruktur-Sektor vermittelt.
8. CNDD hat derzeit Vertrge mit Privatfirmen in der spanischen Landwirtschaft. Diesen Kunden werden auslndische Arbeitskrfte aus dem kulturell kompatiblen Lateinamerika vermittelt - daher die Bezeichnung

**Transatlantische Arbeitskraft-Vermittlung (TAWF).**

9. CNDD hat bereits drei TAWF-Vertrge ber die Vermittlung von insgesamt 350.000 Arbeitskrften ber eine Laufzeit von drei Jahren abgeschlossen.
10. Die geschtzten Erlse fr CNDD allein aus diesen drei Vertrgen erreichen 2,6 Milliarden US-Dollar (etwa 1 % des GESAMTEN WELTWEITEN GESCHFTSVOLUMENS) und damit insgesamt 9,23 USD Gewinn pro Aktie.

Unser kurzfristiges (3 bis 6 Monate) Kursziel fr CNDD liegt bei 6 Dollar pro Aktie. Dieses Kursziel wurde aus zwei erprobten Kalkulationen ermittelt:

1. 6 USD/Aktie entspricht dem zweifachen Umsatz des kommenden Jahres (2x 933 Millionen USD = 1,8 Milliarden USD geteilt durch 210 Millionen ausgegebener Aktien);
2. Der abgezinst Cashflow dieser Einnahmenreihe betrgt 6 Dollar pro Aktie.

Whrend die Beibehaltung des zweifachen Umsatzes ein mittelfristiges Kursziel von 9 Dollar pro Aktie ergibt, hat die Aktie lngerfristig (12+ Monate) das Potential, einen Preis von 25 bis 30 Dollar zu erreichen (siehe auch den nachfolgenden Abschnitt Begrndung“).

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2006(s)	1.080 USD	839 USD	4,00 USD	60 USD

**BEGRNDUNG fr die LNGERFRISTIGE KURSSPANNE** --- In 12 Monaten wird Concorde America bereits den ersten TAWF-Vertrag ber die Vermittlung von 150.000 Arbeitskrften erflft und mit der Umsetzung des zweiten Vertrags begonnen haben. Der dritte TAWF-Vertrag setzt im darauffolgenden Jahr ein. Hinzu kommt, dass die Betriebsergebnisse fr 2004 zu diesem Zeitpunkt bereits verffentlicht sein werden, was der Unternehmensfhrung unter den Investoren, insbesondere bezglich der positiven Gewinnaussichten Glaubwrdigkeit verleihen wird.

Auerdem ist es sehr wahrscheinlich, dass Concordes Branche (**Vermittlung auslndischer Arbeitskrfte**) nach Ablauf eines Jahres unter den Investoren einen wesentlich hheren Bekanntheitsgrad errungen haben wird. Da die Europäische Union ihren Mitgliedsstaaten freistellt, ihren Mangel an Arbeitskrften durch die Einfuhr von auslndischen Arbeitskrften zu beheben, werden Arbeitsvermittlungsfirmen und die mit der Branche verbundenen Sekundrunternehmen die Aufmerksamkeit der Investoren auf sich ziehen. Dies kann einem erstklassig platzierten Unternehmen wie CNDD, der ersten Aktiengesellschaft in diesem Geschäftsbereich, nur nutzen.

**EMPFEHLUNGEN fr INDIVIDUELLE INVESTOREN**

Konservativere Investoren sollten den Erwerb von 2.000 Aktien erwgen, von denen die Hlfte in einem Rentensparkonto deponiert und der Rest in einem Eigendepot gehalten werden sollte. Aggressivere Investoren sollten erwgen, einen Grundstock von 10.000 Dollar in diese Aktie zu investieren und diesen dann auf bis zu 50.000 Dollar auszubauen.

CNDD ist ein Unternehmen, das nicht nur einen regionalen Markt, sondern die weltweite

associated with penny stocks BEFORE investing.

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Wirtschaft verändern kann. Die Börse hat die Anteilseigner derart innovativer Unternehmen (siehe auch Panoramablick) in der Vergangenheit großzügig belohnt, und wir erwarten dasselbe in diesem Fall.

## PANORAMABLICK

Mit ihren 25 Mitgliedsstaaten und einem kombinierten BIP von etwa 7 Billionen Dollar bildet die Europäische Union die zweitgrößte Wirtschaftszone der Welt. Seit dem Fall der Berliner Mauer verzeichnete die europäische Wirtschaft jedoch nur eine durchschnittliche jährliche Wachstumsrate von 1,95 % im Vergleich zu den 2,89 % der amerikanischen Wirtschaft im selben Zeitraum<sup>1</sup>.

Um 94 Basispunkte langsames Wachstum mag dem Laien nicht als viel erscheinen. Wenn dieser Unterschied jedoch auf eine 7 Billionen Dollar schwere Wirtschaftszone und einen Zeitraum von 14 Jahren angelegt wird, wird deutlich, welcher enormen makroökonomischen Verlust er beinhaltet. Es gab keine Spekulationsblase in Europa.

Die geschäftlichen Möglichkeiten für Concorde und seine Anteilseigner liegen in den schrumpfenden Bevölkerungen der europäischen Länder begründet. Die einzelnen EU-Staaten können diese demographische Tatsache nicht länger ignorieren, da sie ihre relative Position sowohl innerhalb der Europäischen Union selbst, als auch auf globaler Ebene beeinflusst.

Der Mangel an Arbeitskräften in den Infrastrukturbranchen (Landwirtschaft, hauswirtschaftliche Dienstleistungen, Betriebsschutz) ist besonders akut. Hier kommt Concorde America ins Spiel. Soweit wir wissen, ist Concorde America die EINZIGE Aktiengesellschaft, die in dieser Branche aktiv ist.

## AUFBAU DES UNTERNEHMENS & ALLGEMEINER AUSBLICK

**Concorde America** ist eine Aktiengesellschaft mit dem Börsenkrzel CNDD. Über hundertprozentige Tochtergesellschaften befasst sich CNDD mit der Vermittlung ungelerner Vertragsarbeitskräfte an privatwirtschaftliche Unternehmen in den 25 Mitgliedstaaten der Europäischen Union.

Die Vertragsarbeitskräfte kommen hauptsächlich in einem der folgenden drei Sektoren der Privatwirtschaft zum Einsatz:

- i. Agrarindustrie,
- ii. hauswirtschaftliche Dienstleistungen und
- iii. Betriebsschutz.

Die Far East Economic Review, klassifiziert diese Stellen als Infrastruktur-Arbeitsplätze. Umgangssprachliche Berufsbezeichnungen wären

- i. Landarbeiter,
- ii. Putzkräfte und Hausmeister sowie
- iii. Wachschutzleute.

Wirtschaftswissenschaftler zweier großer internationaler Banken - HSBC und Barclays Group plc - haben unabhängig voneinander wirtschaftliche Prognosen auf der Basis von (a) der gegenwärtigen demographischen Entwicklung (d. h. schrumpfende Bevölkerungszahlen) und (b) realistischem längerfristigem Wachstum entwickelt.

Sie kamen zu verblüffend ähnlichen Schlussfolgerungen: Bis zum Jahr 2015 wird in der Europäischen Union ein akuter Mangel an Arbeitskräften in den sogenannten Infrastrukturbranchen entstehen.

Um die wirtschaftlichen Möglichkeiten, die sich für Concorde America und seine Anteilseigner daraus ergeben, angemessen einschätzen zu können, ist es notwendig, einige Fakten über die Europäische Union zu kennen. Nachfolgend die wichtigsten Punkte in Kürze:

Die Europäische Union (EU) ist eine soziökonomische Einheit aus 25 Mitgliedstaaten, die gemeinsam die zweitgrößte Makrowirtschaft der Welt bilden. Gemeinsame Währung ist der Euro. Die EU ist ein wichtiger Akteur in der Weltwirtschaft.

Nur die EU verhinderte den Erwerb von Honeywell durch **General Electric** (GE), und es ist kein Zufall, dass Microsoft (MSFT) gerade Brüssel zum Standort seines europäischen Unternehmenssitzes wählte.

Dazu muss man wissen, dass GE und Microsoft jeweils die größte bzw. zweitgrößte Aktiengesellschaft der Welt sind (Unternehmenswert 327 Milliarden bzw. 307 Milliarden

Dollar). Trotz ihrer bewältigenden Größe sind diese Unternehmen in gewisser Weise von den Entscheidungen der Wirtschaftsmacht EU abhängig.

**Die Europäische Union hat mittlerweile 25 Mitglieder.**

**Tabelle EINS - Die ersten neun Mitglieder der EU:**

<b>Belgien</b> (seit 1973)	<b>die Niederlande</b>
<b>Deutschland</b>	<b>Dänemark</b>
<b>Frankreich</b>	<b>Irland</b>
<b>Italien</b>	<b>Großbritannien</b>
<b>Luxemburg</b>	

**Die sechzehn jüngeren Mitglieder:**

Österreich	Griechenland	Litauen	Slowakei
Zypern	Finnland	Malta	Slowenien
Tschechische Republik	Ungarn	Polen	Spanien
Estland	Lettland	Portugal	Schweden

Während die EU jedoch in Bezug auf wirtschaftliches Volumen und Ansehen wächst, verringert sich ihre Bevölkerung. Innerhalb der zehn Jahre bis 2003 verlor Europa 81 Millionen Einwohner.

Dieser Bevölkerungsschwund ist nicht nur in absoluten Zahlen, sondern auch relativ zum Rest der Welt signifikant. Europas Bevölkerung schrumpfte um 10 % und macht nun 12 % der Weltbevölkerung aus (im Vergleich zu 14 % vor zehn Jahren), wie Tabelle ZWEI veranschaulicht.

**Tabelle ZWEI - Europas rückläufige Bevölkerung**

	<u>Einwohnerzahl</u>			<u>% der Weltbevölkerung</u>	
	<u>1994</u>	<u>2003</u>	<u>Veränderg. in %</u>	<u>1994</u>	<u>2003</u>
Asien	3.345.498.000	3.767.972.000	13%	59%	61%
Afrika	722.814.000	815.680.000	13%	13%	13%
Nordamerika	288.788.000	315.169.000	9%	5%	5%
Lateinamerika	474.240.000	531.718.000	12%	8%	9%
<b>Europa</b>	<b>806.967.000</b>	<b>725.870.000</b>	<b>-10%</b>	14%	12%
Ozeanien/ Australien	<u>28.366.000</u>	<u>31.018.000</u>	9%	<u>1%</u>	<u>&lt;1%</u>
Insgesamt	5.666.673.000	6.187.427.000	9%	100%	100%

Innerhalb Europas wuchs der Anteil der muslimischen Bevölkerung von 13 Millionen auf 32 Millionen im Jahr 2003. Er stieg damit von 1,6 % vor zehn Jahren auf 4,4 % an. Wenn dieser Trend sich unverändert fortsetzt, wird der Anteil der muslimischen Bevölkerung in Europa im Jahr 2015 12 % und im Jahr 2025 27 % betragen. Diese demographische Entwicklung schien aufgrund des Arbeitskräftemangels in Europa, der sich bereits bemerkbar macht, unausweichlich.

Unausweichlich - bis jetzt. Concorde America bietet den EU-Mitgliedsstaaten eine Alternative:

**Anwerbung von Arbeitskräften für Infrastruktur-Arbeiten auf Vertragsbasis aus Ländern in Lateinamerika, die mit den Gebräuchen und der Sprache bestimmter EU-Mitgliedsstaaten kulturell kompatibel sind.**

Der erste Vertrag des Unternehmens besteht in der Vermittlung von 150.000 ungelerten Arbeitskräften an ein privatwirtschaftliches Agrarunternehmen in Spanien. Ein Folgeauftrag über die Vermittlung von 50.000 ungelerten Landarbeitern setzt im zweiten Quartal 2005 ein. Die wirtschaftlichen Eckdaten dieser Verträge werden im Abschnitt zur Gewinnprojektion am Ende dieses Berichts genauer dargestellt.

Während die privatwirtschaftlichen Unternehmen aller EU-Mitgliedsstaaten potentielle



Kunden für Concorde America darstellen, konzentriert sich das Unternehmen vorerst in erster Linie auf Spanien und Italien.

Concorde America bietet eine neue Lösung für das Problem alternder Bevölkerungen - ausländische Arbeitskräfte für Infrastruktur-Arbeiten, insbesondere in der Landwirtschaft, wo viele saisonbedingte Aufgaben anfallen. Tabelle DREI zeigt, warum Spanien und Italien unter den ersten EU-Mitgliedsstaaten sind, in denen Concorde Americas Dienstleistungen positiv aufgenommen werden. Im Laufe der fünf Jahre bis 2003 zeigen Spanien und Italien unter den großen EU-Ländern eine negative Entwicklung der Einkommen in der Landwirtschaft, was zum Verlust von Marktanteilen, Einkommen und Arbeitsplätzen führen kann.

**Tabelle DREI**

**Einkommensentwicklung in der Landwirtschaft in den zehn größten EU-Staaten**  
1998 bis 2003

	1998 Index	2003 Index	Veränderg. in %
(1994 1996 = 100)			
Portugal	73,7	123,4	67,4%
Österreich	104,6	130,8	25,0%
Deutschland	116,0	123,4	17,5%
Niederlande	85,5	96,1	12,4%
Frankreich	98,0	104,0	6,1%
Großbritannien	101,5	107,4	5,8%
Irland	109,4	111,4	1,8%
Belgien	80,0	80,1	0,1%
Spanien	110,5	107,8	<b>-2,4%</b>
Italien	107,4	96,2	<b>-10,4%</b>
Landwirtschaftlicher Index	96,9	107,3	<b>10,7%</b>

Die Länder, die ausgewählt wurden, um Spaniens Bedarf an ungelernten Arbeitskräften zu decken, stehen in der nachfolgenden Tabelle. Das Nettoeinkommen der 150.000 Arbeitskräfte beträgt 1.050 im Monat (1.260 USD).

Die ungelernten Arbeitskräfte für den ersten Vertrag wurden in Honduras angeworben. Die ersten tausend Arbeitskräfte werden am 1. August in Spanien ankommen. Ihnen folgen bis zum Ende des Jahres weitere tausend Arbeitskräfte pro Tag.

Der Vorteil für die Vertragsarbeiter ist leicht auszumachen, wenn man sich die Zahlen verdeutlicht: Ein monatlicher Nettolohn von 1.260 Dollar bedeutet ein Jahreseinkommen von 15.120 Dollar - SECHS Mal soviel, wie dieselbe Arbeitskraft daheim in Honduras verdienen könnte.

Zusammengefasst lässt sich Folgendes sagen: Concorde Americas Lösung für den Mangel an Infrastruktur-Arbeitskräften in Europa bietet privatwirtschaftlichen Unternehmen kulturell-kompatible und erschwingliche Arbeitskräfte und verbessert gleichzeitig die finanzielle Situation und den Lebensstandard unzähliger Menschen...

... und nicht zuletzt generiert die Geschäftstätigkeit des Unternehmens attraktive Renditen für die Anteilseigner.

**Tabelle VIER - Concorde Americas primäre Anwerbeländer**

Lateinamerikanisches Land	Pro-Kopf-Einkommen (Jahr)	Alphabetisierungsrate	Bevölkerungszahl
Honduras	2.600 USD	76%	6,9 Millionen
Nikaragua	2.500 USD	68%	5,5 Millionen
Ecuador	3.100 USD	93%	13,0 Millionen
<u>Entsprechende Daten für andere Länder in der Region</u>			
Mexiko	9.000 USD	92%	103,5 Millionen
Kolumbien	6.500 USD	93%	44,2 Millionen
Argentinien	10.200 USD	97%	38,4 Millionen

Quelle: Eurostat Economic Accounts for Agriculture (EAA)

Zu jeder Errterung des Geschftsumfelds geht natrlich auch eine Analyse der Wettbewerber. Concorde America befindet sich in der beneidenswerten Position, bisher noch keine Konkurrenz zu haben. Die erste Erwhnung des Arbeitskrftemangels in Services of General Interest<sup>2</sup> in einer EU-Verffentlichung erfolgte in einem Grnbuch vom Mai 2003, das unter der folgenden URL heruntergeladen werden kann:

[http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003\\_0270en01.pdf](http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003_0270en01.pdf)

Natrlich werden andere internationale Unternehmen in den kommenden Jahren versuchen, in diesen Markt einzudringen. Bis dahin wird CNDD allerdings nicht nur ber verschiedene effektive Marktzugangssperren aufgebaut, sondern sich auch bereits die profitabelsten Vermittlungsvertrge gesichert haben.

## DAS FHRUNGSTEAM

**Hartley Lord**, der Vorsitzende und geschftsfhrende Direktor von Concorde America, verfgt ber mehr als fnfzig Jahre Erfahrung in Finanzmanagement und Investment-Banking mit Spezialisierung auf dem Gebiet der Telekommunikation. Herr Lord ist Veteran der amerikanischen Air Force und absolvierte ein Studium in Unternehmensfhrung an der University of North Florida. Als einer der Ersten nutzte er die Mglichkeiten, die sich aus der Deregulierung des Telekommunikationswesens ergaben und grndete 1985 das Unternehmen Cardtel, Inc. **Julio Aspe**, der Generaldirektor des Unternehmens, ist Anwalt mit mehr als zwanzig Jahren Erfahrung in Zivil- und Steuerrecht. Herr Aspe studierte Jura an der Escuela Libre de Derecho in Mexiko und anschlieend Vkerrecht an der italienischen Universita S. Tommaso in Rom. **Raul Mendez**, Concorde Americas technischer Direktor, verfgt ber 18 Jahre Erfahrung in der Entwicklung von Computeranwendungen und Datenbanken fr so unterschiedliche Anforderungen wie die von Versicherungsfirmlen und Herstellern. Er studierte Betriebswirtschaft mit Spezialisierung auf Managementinformationssystemen an der Florida International University. Die Systeme, die Concorde America verwendet, um mehr als eine Million Vertragsarbeiter zu verwalten, wurden zum grten Teil von Herrn Mendez persnlich entwickelt.

## GEWINN JE AKTIE (PROJEKTION)

Concorde Americas Einnahmenreihe hat drei Komponenten: (a) Vermittlungsgebhren, (b) Untervermittlungsanteile, und (c) Vertragsverlngerungsgebhren. Die Vermittlungsgebhren betragen 3.500 Euro pro Vertragsarbeiter; unabhngig davon, ob der Arbeiter ber einen Untervertrag beschftigt oder direkt von dem privatwirtschaftlichen Concorde-Kunden angestellt wird.

Im Laufe der zehn Quartale der Vertragslaufzeit (bis einschlielich 2006), die die beigeftgte Projektion abdeckt, plant Concorde die Vermittlung von 350.000 Arbeitskrften aus dem Honduras an ein privatwirtschaftliches Agrarunternehmen in Spanien fr jeweils ein Jahr.

Fr die Vermittlung dieser 350.000 Arbeitskrfte erhlt Concorde America Vermittlungsgebhren in Hhe von 1,2 Milliarden Euro (350.000 Arbeitskrfte x 3.500 Euro), **umgerechnet 1,47 Milliarden Dollar**.

Hinzu kommen Untervermittlungsanteile am Lohn der Arbeiter fr etwa die Hlfte der vermittelten Arbeitskrfte, die ber das gesamte Jahr hinweg gezahlt werden. Diese Zahlungen werden NICHT vom Lohn der Arbeitskrfte abgezogen, sondern sind Gebhren, die das privatwirtschaftliche Unternehmen zustzlich fr den Einsatz der Arbeitskrfte zahlt, die es nicht direkt anstellt.

Diese Untervermittlungsanteile bringen Concorde America zustzliche Zahlungen in Hhe von 853 Millionen Euro (**1,024 Milliarden Dollar**) ein, die in monatlichen Raten geleistet werden.

Schlielich erhlt Concorde weitere 400 Euro (480 USD) als Vertragsverlngerungsgebhren fr jede Arbeitskraft, die ihren Jahresvertrag erneuert. Da der Arbeitskrftemangel in den Infrastruktur-Branchen in der EU voraussichtlich von dauerhafter Natur sein wird, ist dies wahrscheinlich.

In der Gewinnprojektion sind wir davon ausgegangen, dass 75 % der Arbeitskrfte, deren Vertrge innerhalb des von dem Modell abgedeckten Zeitraums auslaufen, diese erneuern. Fr Concorde Americas ersten Vermittlungsvertrag ber 150.000 Arbeitskrfte hiee das, dass 112.500 Arbeitskrfte (75 % von 150.000) ihre Arbeitsvertrge nach dem ersten Jahr erneuern, und von diesen wiederum 84.375 nach dem zweiten Jahr ein weiteres Mal. Die geschtzten Vertragsverlngerungsgebhren belaufen sich daher auf 124 Millionen Euro bzw.

149 Millionen USD.

Die folgende Tabelle bietet einen Überblick über die drei Einnahmenreihen:

<b>Vermittlungsgebühren:</b>	1,470 Milliarden Dollar
<b>Untervermittlungsanteil:</b>	1,024 Milliarden Dollar
<b>Verlängerungsgebühren:</b>	\$ 0,131 Milliarden Dollar
<b>Gesamt:</b>	<b>2,625 Milliarden Dollar</b>

Diesen Einnahmen stehen direkte Ausgaben in Höhe von 500 Dollar pro Arbeiter für den Transport nach Spanien entgegen. Hinzu kommen Verwaltungsausgaben, die von 7 Millionen Dollar in diesem auf 30 Millionen Dollar im Jahr 2006 ansteigen werden. In der Projektion haben wir vorsichtshalber eine Steuerrückstellung von 20 bis 30 % berücksichtigt, wobei diese jedoch auch wesentlich geringer ausfallen könnte. Bei 210 Millionen ausgegebenen Aktien ergeben sich daher die folgenden Gewinne je Aktie (siehe auch das beigefügte Diagramm):

2004 (s)	2005 (s)	2006 (s)
2,00 USD	3,17 USD	4,00 USD

<sup>1</sup>Quelle --- The Wall Street Journal, 8. Juli 2004

<sup>2</sup>Stellen wie Landarbeiter, Putzkräfte und Hausmeister sowie Wachschutzleute

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- 6. .... Concorde America, .....: CNDD --- .....
- 7. Concorde America .....  
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- 8. .... CNDD .....  
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<<.....>> ..... TAWF

- 9. CNDD ..... TAWF ..... 350000 .....
- 10. .... CNDD ..... 2,6  
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..... CONCORDE AMERICA (CNDD) .....  
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2004(.....)	630 .....	420 .....	2,00 .....	30 ...../.....
2005(.....)	915 .....	665 .....	3,00 .....	45 .....
2006(.....)	1080 .....	839 .....	4,00 .....	60 .....

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- ii. ....;
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	1994	2003	% .....	1994	2003
.....	3 345 498	3 767 972	13%	59%	61%
.....	722 814	815 680	13%	13%	13%
.....	288 788	315 169	9%	5%	5%
.....	474 240	531 718	12%	8%	9%
.....	<b>806 967</b>	<b>725 870</b>	<b>-10%</b>	14%	12%
...../.....	<u>28 366</u>	<u>31 018</u>	9%	<u>1%</u>	<u>&lt;1%</u>
.....	5 666 673	6 187 427	9%	100%	100%

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 1998 - 2003

	..... 1998 .....	..... 2003 .....	% .....
	(1994 - 1996 = 100)		
.....	73,7	123,4	67,4%
.....	104,6	130,8	25,0%
.....	116,0	123,4	17,5%
.....	85,5	96,1	12,4%
.....	98,0	104,0	6,1%
.....	101,5	107,4	5,8%
.....	109,4	111,4	1,8%
.....	80,0	80,1	0,1%
.....	110,5	107,8	<b>-2,4%</b>
.....	107,4	96,2	<b>-10,4%</b>
..... / .....	96,9	107,3	<b>10,7%</b>

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.....	6500 ..... ..	93%	44,2 .....
.....	10200 ..... ..	97%	38,4 .....
.....: Eurostat – ..... (EAA)			



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[http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003\\_0270en01.pdf](http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003_0270en01.pdf)

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..... Cardtel, Inc • 1985 •  
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..... 18-.....  
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..... 1 .....  
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..... Concorde .....: (a) .....; (b)  
.....; (c) .....  
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Concorde ..... 350000 .....  
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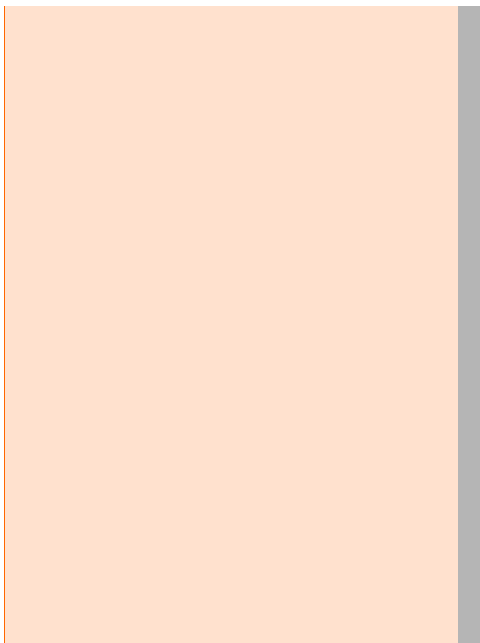
.....: 1470 .....

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2004 (..)	2005 (..)	2006 (..)
2,00 .....	3,17 .....	4,00 .....

- 1..... --- ..... The Wall Street Journal, 8 ..... 2004 ..
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### CNDD - Concorde America - Recomendación de Compra Fuerte

- [INFORMACIÓN DE ACCIONES COMUNES \(VER ARRIBA\)](#)
- [RESUMEN, EVALUACIONES & CONCLUSIONES DE INVERSIÓN](#)
- [RECOMENDACIONES para los INVERSIONISTAS INDIVIDUALES](#)
- [PERSPECTIVA DE GRAN ÁNGULO](#)
- [NATURALEZA del AMBIENTE EMPRESARIAL Y GLOBAL](#)
- [EQUIPO DE GESTIÓN](#)
- [MODELO DE GANANCIAS POR ACCIÓN](#)
- [Contenido Financiero](#)

### INFORMACIÓN DE ACCIONES COMUNES

**Precio Reciente:** \$5.00

**Acciones en Circulación:** 210 millones

**Valor de Mercado:** \$630 millones

**Valor de mercado de ingresos proyectados para 2005** 0.7 veces

Precio reciente de ganancias por acción proyectadas para 2005 1.0 vez

ESTE NO ES UN ERROR TIPOGRÁFICO---CONCORDE AMERICA (CNDD) SE ESTÁ VENDIENDO ACTUALMENTE POR UNA VEZ LAS GANANCIAS POR ACCIÓN PARA EL PRÓXIMO AÑO

#### PANORAMA DE INGRESOS Y GANANCIAS

	Ingresos	Ingreso Neto	Ganancias Por Acción	Valor de Mercado a una meta de 15x GPA
	(en millones)	(en millones)	(P / G)	(P / G)
2004(e)	US \$ 630	US \$ 420	US \$2.00	\$30 / acción
2005(e)	US \$ 915	US \$ 665	US \$3.00	\$45
2006(e)	US \$1,080	US \$ 839	US \$4.00	\$60

### RESUMEN, EVALUACIONES & CONCLUSIONES DE INVERSIÓN

1. Entre ahora y el año 2015, se predice que Europa tendrá una escasez de aproximadamente 40 millones de trabajadores en las Industrias de Infraestructura (actividades agrícolas, servicios domésticos y seguridad industrial)
2. Los gobiernos europeos no han sido capaces de detener esta escasez de labor de infraestructura, un parámetro eco-demográfico que ha sido aparente desde comienzos de los 90.
3. Las recientes iniciativas comerciales de las compañías del sector privado en la Unión Europea prometen invertir US \$ 5.000 por trabajador para proporcionar mano de obra no calificada proveniente de regiones subdesarrolladas de la economía mundial.
4. Basándose en una escasez de 40 millones de trabajadores, esta demografía potencialmente decadente ahora se convierte en una industria mundial de \$200 billones.
5. Para poner esto en perspectiva de mercado, las industrias de \$ 200 billones NO son abundantes; los automóviles constituyen una industria mundial de \$200 billones; al igual que las industrias de fabricación de PCs y chips.

**"Los pesimistas ven dificultades en cada oportunidad; los optimistas ven una oportunidad en cada dificultad" --- Winston Churchill**

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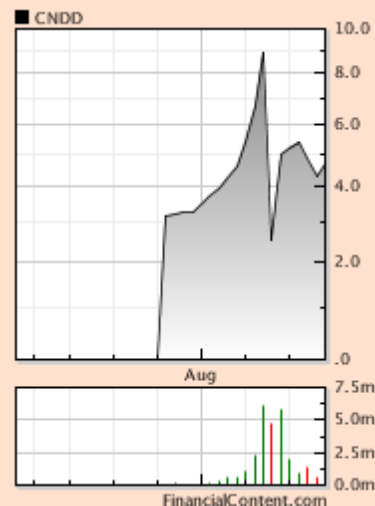
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### CNDD - Target Price \$30.00

Concorde America



### Disclaimer Man



*"I am Disclaimer Man. It's my job to make sure you understand the risks"*

6. Ingrese a **Concorde America**, símbolo de valor: CNDD un participante relativamente nuevo en esta industria mundial que emerge rápidamente.
7. Concorde America aborda directamente la creciente escasez de trabajadores de infraestructura en Europa firmando contratos con compañías europeas privadas para proporcionar mano de obra no calificada a industrias de infraestructura.
8. Los contratos iniciales de CNDD son con compañías privadas en el sector agrícola de España, por cuyo contrato se proporcionará mano de obra proveniente de América Latina, para proporcionarle a sus clientes trabajadores extranjeros residentes que son "culturalmente compatibles"; de allí el nombre:

#### "Servicio de trabajadores transatlánticos", o STT

9. CNDD ha ejecutado tres contratos SST para entregar 350.000 trabajadores durante los próximos tres años.
10. Los Ingresos proyectados para CNDD solamente de estos tres contratos hacen un total de \$2,6 billones de dólares en ingresos por contratos(alrededor de 1% de TODA LA INDUSTRIA MUNDIAL) y Ganancias que añaden \$9,23 dólares Por Acción.

Nuestro precio objetivo por acción a corto plazo para CNDD (3 – 6 meses) es de \$6 por acción. Dos puntos comprobados de evaluación para generar este objetivo son:

- i. **\$6 por acción** representa un múltiplo de dos veces las ventas del próximo año( 2 x \$933 millones ó \$1,8 billón dividido por 210 millones de acciones emitidas);
- ii. El flujo de caja descontado de esta corriente de ganancias es de **\$ 6 por acción**.

Mantener un múltiplo de dos veces las ventas produce un objetivo intermedio de precio de \$ 9 por acción, sin embargo, a un plazo más largo (12 meses y más), esta acción tiene el potencial de alcanzar \$25 a \$30 por acción(vea la sección "Fundamentos" abajo)

ESTE NO ES UN ERROR TIPOGRÁFICO---CONCORDE AMERICA (CNDD)SE ESTÁ VENDIENDO ACTUALMENTE POR UNA VEZ LAS GANANCIAS POR ACCIÓN PARA EL PRÓXIMO AÑO

PANORAMA DE INGRESOS Y GANANCIAS			
Ingresos	Ingreso Neto	Ganancias Valor de Mercado a	
		Por Acción	una meta de 15x GPA
(en millones)	(en millones)	(P / G)	
2004(e) US \$ 630	US \$ 420	US \$2.00	\$30 / acción
2005(e) US \$ 915	US \$ 665	US \$3.00	\$45
2006(e) US \$1,080	US \$ 839	US \$4.00	\$60

#### FUNDAMENTOS para este OBJETIVO DE RANGO DE PRECIOS A LARGO PLAZO ---

Reconozca que a partir de 12 meses, Concorde ya habrá ejecutado su primer contrato TAWFC por 150.000 trabajadores, y está comenzando la entrega de su segundo contrato. Un tercer contrato STT ya está en vigor para el año siguiente. También, los resultados de operación para el 2004 serán transparentes, al igual que la credibilidad de la administración con la comunidad inversora cuando anuncie su alza en ingresos y ganancias.

Además, es muy probable que este espacio comercial(**servicios de contratos de trabajadores extranjeros**)tenga considerablemente más visibilidad con el público inversor en un año. Debido a que la Unión Europea no objeta que sus miembros suplan su escasez de trabajadores importando mano de obra extranjera en general, otras empresas de reclutamiento de personal y los negocios auxiliares que mantienen esa industria atraerán más atención. Esto sólo puede beneficiar la prima de inversión asignada a una compañía como CNDD, que es la primera compañía pública en esta zona comercial.

#### RECOMENDACIONES para los INVERSIONISTAS INDIVIDUALES

Para los inversionistas individuales más conservadores: Comprar 2.000 acciones poniendo la mitad en su cuenta de jubilación individual, y la otra mitad en una cuenta comercial. Para los inversionistas más agresivos, considere comprometer hasta \$50.000 en esta acción, comenzando con un bloque de acciones de 10.000, y construyendo una posición desde allí.

CNDD representa un negocio que puede cambiar no sólo una economía regional, sino que también una economía mundial. En el pasado, el mercado de acciones ha recompensado generosamente a los accionistas de tales compañías innovadoras(ver perspectiva de gran ángulo) y esperamos que el rendimiento fabuloso en las acciones de CNDD no se diferencie.

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## PESPECTIVA DE GRAN ÁNGULO

Los 25 Estados Miembro que forman la Unión Europea(EU) representan la segunda zona económica más grande del mundo con GDP combinadas de \$7 trillones. Sin embargo, desde la caída del Muro de Berlín en 1989, estas economías crecieron un 1,95% anualmente frente al crecimiento anual de 2,89% para los Estados Unidos<sup>1</sup>.

Es posible que esta tasa de crecimiento más lento de 94 puntos no parezca mucho a los no entendidos, pero cuando se aplican a una zona económica de \$7 trillones en un período de 14 años, éste es una tasa material de prosperidad macro-económica perdida. No existía la burbuja del mercado de valores en Europa.

Lo que cristaliza las oportunidades comerciales para Concorde y sus accionistas es que la población de Europa está declinando. Los países de la EU no pueden ignorar más este hecho demográfico, puesto que ahora afecta su posición tanto dentro de la EU como en el escenario competitivo global.

La escasez de trabajadores en las industrias de infraestructura(actividades agrícolas, servicios domésticos y seguridad comercial)es especialmente aguda. Este es el vacío en el mercado europeo que Concorde America llena. Por lo que sabemos, es la ÚNICA compañía en esta industria que se cotiza en la bolsa.

## NATURALEZA DEL AMBIENTE EMPRESARIAL & GLOBAL

**Concorde America** es una compañía que se cotiza en la bolsa. Su símbolo de valor en la bolsa de comercio es CNDD. A través de subsidiarias de propiedad absoluta, CNDD está involucrada en el negocio de proporcionar mano de obra contratada no calificada a las compañías del sector privado que operan en los 25 Estados Miembro que componen la Unión Europea, o EU.

La mano de obra a contrato de la compañía será asignada a uno de los tres sectores de la economía privada del cliente ---

- i. Empresas agrícolas;
- ii. Servicios domésticos; y
- iii. Seguridad comercial & industrial.

A éstos se les llama empleos de infraestructura según el Informe Económico del Lejano Oriente, no obstante, en América, las descripciones más familiares de trabajo serían

- i. Trabajadores agrícolas;
- ii. Empleadas y encargados de limpieza y mantención;
- iii. Guardias.

Los economistas de dos grandes bancos internacionales, el HSBC y el Barclays Group plc han trazado independientemente pronósticos econométricos basados en (a) tendencias demográficas actuales(i.e.población en declive); y (b) crecimiento económico 'razonable' a largo plazo.

Sus conclusiones fueron notablemente similares: En el 2015, habrá una aguda escasez de trabajadores para llenar los puestos de empleos de infraestructura en la EU.

Para cuantificar de manera creíble la oportunidad comercial al alcance de Concorde, y la de sus accionistas, en términos de Ganancias por Acción, el inversionista potencial debe entender algunos hechos acerca de Europa y la Unión Europea. he aquí la versión abreviada aunque esencial:

La Unión Europea es una unión socio-económica de 25 Estados Miembros que cuando se consideran en conjunto(el euro es la moneda común)representa la segunda macroeconomía más grande del mundo. También se ha establecido como un factor que enfrentar en la economía global.

La EU sola se interpuso en el camino de **General Electric** (GE) cuando quiso adquirir Honeywell, y no es casualidad que **Microsoft** (MSFT) tenga una oficina Europea en Bruselas---Cuarteles Operacionales de los EU.

Para poner en perspectiva la autoridad y relevancia commercial de la EU, GE y Microsoft representan la primera y segunda compañía pública más grande del mundo(\$327 billones y \$307 billones, respectivamente). Por muy poderosas que parezcan, estas grandes

compañías son sensibles y en algunos casos deferentes a las responsabilidades del macromercado de la EU.

## Hay 25 Estados Miembros en la Unión Europea ~

**Tabla UNO: Los Primeros Nueve Miembros de la EU fueron ~**

<b>Bélgica</b> (en 1973)	<b>Holanda</b>
<b>Alemania</b>	<b>Dinamarca</b>
<b>Francia</b>	<b>Irlanda</b>
<b>Italia</b>	<b>Reino Unido</b>
<b>Luxemburgo</b>	

### Más estos 16 ~

Austria	Grecia	Lituania	Eslovaquia
Chipre	Finlandia	Malta	Eslovenia
República Checa	Hungría	Polonia	España
Estonia	Latvia	Portugal	Suecia

Al mismo tiempo que la fuerza económica y la alta reputación de la EU en el comercio global ha aumentado, la población de Europa va en declive. En los diez años terminados en el 2003, la población de Europa declinó en más de 81 millones de personas.

Este declive de la población no es sólo en relación a su cuota de población mundial, sino que también a cantidades absolutas. En terminos de porcentaje, la población de Europa disminuyó en 10%, y representó el 12% de la población mundial (bajó de una proporción de 14% hace diez años). La tabla DOS ilustra:

**Tabla DOS: Población de Europa en Declive**

	<u>Población</u>			<u>Como porcentaje de la población mundial</u>	
	<u>1994</u>	<u>2003</u>	<u>% Chg</u>	<u>1994</u>	<u>2003</u>
Asia	3.345.498	3.767.972	13%	59%	61%
África	722.814	815.680	13%	13%	13%
Norteamérica	288.788	315.169	9%	5%	5%
Latinoamérica	474.240	531.718	12%	8%	9%
<b>Europa</b>	<b>806.967</b>	<b>725.870</b>	<b>-10%</b>	14%	12%
Oceania / Australia	<u>28.366</u>	<u>31.018</u>	9%	<u>1%</u>	<u>&lt;1%</u>
Totales	5.666.673	6.187.427	9%	100%	100%

Dentro de Europa misma, las poblaciones musulmanas aumentaron desde 13 millones a 32 millones en el 2003, y como grupo, representan 4,4% de la población de Europa, cifra que subió del 1,6% que representaban hace diez años. Si esta tendencia continúa sin revisar, esta proporción aumentará a 12% en el 2015, y a 27% en el 2025. Este ha sido un desarrollo demográfico inevitable dada la escasez de trabajadores que ya es aparente en Europa.

Inevitable hasta ahora. Es aquí donde **Concorde America** entra en la escena de la inversión con una alternativa para miembros selectos de la EU:

### **Recluten mano de obra para trabajos de infraestructura de los países en América Latina que son culturalmente compatibles con las costumbres e idioma de los Estados Miembros seleccionados de la EU.**

El primer contrato de la compañía va a proporcionar 150,000 obreros no calificados a una compañía agrícola del sector privado en España. Un segundo contrato por 50,000 obreros agrícolas no calificados comienza el segundo trimestre del 2005. Los términos comerciales de estos contratos se anuncian en la sección del Modelo de Ganancias al final de este informe.

Mientras que las compañías del sector privado en todos los Estados Miembros de la EU son clientes potenciales para servicios de contrato de mano de obra extranjera de Concorde, España e Italia comprenderán el foco geográfico inicial.

Concorde America proporciona una nueva solución al problema de envejecimiento, proporcionando personal para "trabajos de infraestructura", especialmente en el sector de la agricultura donde las necesidades de mano de obra pueden ser estacionales. La tabla TRES ilustra por qué España e Italia están entre los primeros Estados Miembros de la EU receptivos al tipo de soluciones nuevas que Concorde ofrece. En los cinco años terminados en 2003, entre las diez economías más grandes de EU, España e Italia ocuparon el último lugar, lo que significa pérdida de acción de mercado, ingresos y trabajos.

**Tabla TRES Niveles de Ingresos Agrícolas para los 10 Estados Miembros más grandes de la E U**  
1998 – 2003

	<u>1998 Índice</u>	<u>2003 Índice</u>	<u>Porcentaje de cambio</u>
	(1994 – 1996 = 100)		
Portugal	73,7	123,4	67,4%
Austria	104,6	130,8	25,0%
Alemania	116,0	123,4	17,5%
Holanda	85,5	96,1	12,4%
Francia	98,0	104,0	6,1%
Reino Unido	101,5	107,4	5,8%
Irlanda	109,4	111,4	1,8%
Bélgica	80,0	80,1	0,1%
España	110,5	107,8	<b>-2,4%</b>
Italia	107,4	96,2	<b>-10,4%</b>
Índice agrícola	96,9	107,3	<b>10,7%</b>

Los países seleccionados para suplir la demanda española de mano de obra extranjera no calificada se destacan en la siguiente tabla:

El salario neto para los 150.000 trabajadores de 1.050 € mensuales (o \$ 1.260 dólares).

Los obreros no calificados para el primer contrato de trabajadores extranjeros de Concorde han sido reclutados de Honduras. Los primeros 1.000 llegan a España el primero de agosto, y después, con una frecuencia de 1.000 diarios hasta fines de año.

Para apreciar las economías que atraen a estos trabajadores con contrato, reconozca esto: A \$ 1.260 dólares mensuales, esto corresponde a un ingreso personal \$15.120 al año, o SEIS veces mayor que los que ese trabajador ganaría quedándose en su país.

En conclusión, las Nuevas Soluciones de Concorde para la escasez en los empleos de infraestructura en la Unión Europea ofrecen trabajadores asequibles y culturalmente compatibles a las compañías del sector privado y, al mismo tiempo, mejoran las vidas financieras y los estándares de vida de miles de personas.

...Y en el proceso de entrega de estos resultados comerciales, generan una atractiva tasa de ganancias para los accionistas de la compañía.

**Tabla CUATRO: Razón primaria del reclutamiento para Concorde**

<u>País Latinoamericano</u>	<u>Ingreso anual per capita</u>	<u>Tasa de Alfabetismo</u>	<u>Población</u>
Honduras	\$ 2.600 USD	76%	6,9 millones
Nicaragua	\$ 2.500 US	68%	5,5 millones
Ecuador	\$ 3.100 US	93%	13,0 millones
Información relevante para otros países de la región			
Méjico	\$ 9.000 US	92%	103,5 millones
Colombia	\$ 6.500 US	93%	44,2 millones
Argentina	\$10.200 US	97%	38,4 millones
Fuente: Eurostat – Cuentas Económicas para Agricultura (EAA)			

Una discusión del ambiente global estaría incompleta sin hablar de la competencia. En el caso de Concorde America, no hay ninguna, por el momento. La primera mención pública

en las publicaciones de EU que tratan de la escasez de "Servicios de Interés General<sup>2</sup>" fue en el "Libro Verde" de mayo del 2003.

Aquí está el vínculo ~

[http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003\\_0270en01.pdf](http://europa.eu.int/eur.lex/en/com/gpr/2003/com2003_0270en01.pdf)

Como otras compañías internacionales inevitablemente tratarán de ingresar a la arena comercial de Concorde en los próximos años, CNDD no sólo habrá construido una formidable barrera de entrada, sino que también es probable que controle las asignaciones de reclutamiento más lucrativas.

## EQUIPO DE GESTIÓN

**Hartley Lord** es el presidente y director ejecutivo de Concorde America con más de 50 años de experiencia en banca de inversión y gestión financiera, con especialización en telecomunicaciones. Mr. Lord es un veterano de la Fuerza Aérea y graduado de la Universidad de Florida del Norte. Él ha sido llamado pionero en el período de liberalización de la industria telefónica, durante cuyo tiempo fundó Cardtel, Inc en 1985. **Julio Aspe** es Presidente de la compañía. Él posee más de 20 años de experiencia en derecho civil y tributario. El Sr. Aspe tiene un título en derecho de la Escuela Libre de Derecho de Méjico y una maestría en derecho internacional de la Universita S.Tommasso en Roma. **Raul Mendez** es el Director de Tecnología con más de 18 años de experiencia en desarrollo de aplicaciones y base de datos, en industrias que van desde los seguros a la fabricación. El Sr. Mendez obtuvo su título en administración de empresas en la Universidad Internacional de Florida. Los sistemas que ha instalado para manejar/ supervisar más de 1 millón de trabajadores a contrato fueron esencialmente sus programas.

## MODELO DE GANANCIAS POR ACCIÓN

Existen tres componentes en la corriente de ingresos de Concorde: (a) Honorarios de colocación; (b) Honorarios de subcontratos compartidos; y (c) Honorarios de renovación de contrato. Los honorarios de colocación equivalen a 3.500 Euros por obrero, ya sea una colocación directa o un subcontrato. Una colocación directa significa que el trabajador contratado va en la planilla de pago del cliente del sector privado.

En los diez semestres (hasta el 2006) cubiertos por el modelo de ganancias anexo, Concorde planea reclutar 350.000 trabajadores con contrato de Honduras para trabajar en una compañía agrícola del sector privado en España por un año.

A cambio de entregar 350.000 a la compañía española del sector privado, Concorde cobra una tarifa de colocación de 1.2 billones de Euros (350.000 x 3.500 Euros), o **\$1.470 millones de dólares**.

Además, la mitad de los ingresos proporcionados por la solicitud de 350.000 trabajadores de la compañía proporcionará contribuciones a la corriente de ingresos del trabajador durante el curso del año. Estos pagos NO provienen del salario de los trabajadores contratados, sino que son un costo adicional negociado para el cliente del sector privado que emplea mano de obra proporcionada por Concorde.

Estos pagos por sub-contratos compartidos generan otros 853 millones de Euros (**\$ 1.024 millones de dólares**) en ingresos para Concorde recibidos cada mes en el período cubierto en el Modelo de Ganancias.

Finalmente, Concorde gana 400 Euros (\$ 480 dólares) en honorarios de renovación por cada trabajador que renueva su contrato (es improbable que la escasez de trabajos de infraestructura en la EU disminuya).

El Modelo de Ganancias supone que 75% de los trabajadores cuyos contratos expiran se renuevan por el período cubierto en este Modelo de Ganancias. Por lo tanto, el primer contrato de 150.000 trabajadores supone que 112.500 (75% de los 150.000 trabajadores) renoverán después del primer año, luego 84.375 renoverán en el segundo año. Los ingresos por honorarios de renovación se proyectan en 124 millones de euros o \$149 millones.

La siguiente tabla resume los componentes de ingresos:

**Tarifas de colocación:** \$1,470 millones

**Tarifas de subcontrato:** \$1,024 millones



**Tarifas de renovación:** \$ 131 millones

**Total:** **\$2,625**  
millones

Ante esta corriente de ingresos, los gastos directos incluyen \$500 para transportar a cada trabajador, y gastos administrativos que este año aumentarán de \$7 millones a \$30 millones en el 2006. En el modelo de ganancias, hemos supuesto una norma tributaria de 20% a 30%, aunque podría ser considerablemente menor que esto. Con 210 millones de acciones en circulación, las cifras de las ganancias por acción son: (VER Tabla de Modelo de Ganancias anexo)

2004 (e)	2005 (e)	2006 (e)
\$2.00	\$3.17	\$4.00

<sup>1</sup>Fuente --- The Wall Street Journal, 8 de julio del 2004

<sup>2</sup>Posiciones que los Estadounidenses llamarían mano de obra agrícola, empleadas domésticas, encargados de limpieza y mantención y guardias

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## This Month's Recommendations



### AHFI - Absolute Health and Fitness - Strong Buy Recommendation

- [Common Stock Data](#)
- [Summary & Investment Conclusion](#)
- [Stock Price Valuation Targets](#)
- [Recommendation to Individual Investors](#)
- [Business and Industry Environment](#)
- [Management Team](#)
- [Earnings Per Share Model](#)
- [Independent Research](#)
- [Interactive Chart](#)
- [CEO Interviews](#)

### COMMON STOCK DATA

Recent Stock Price: \$1.70	12 months Target Price: \$5.00
52-Week High: \$1.70	Shares Outstanding: 29.6 million
52-Week Low: \$0.40	Float: 3 million
Market Value: \$14.8 million	

	Sales	Net Income	Earnings per Share	Market Value to Sales	EPS
2003	\$8,275,553	\$1,686,658	\$0.08	1.8x	6.3x
2004(e)	\$23,500,000	\$4,970,000	\$0.16	0.6x	3.1x
2005(e)	\$51,625,000	\$13,500,000	\$0.35	0.3x	1.0x

### SUMMARY & INVESTMENT CONCLUSION

- **ABSOLUTE HEALTH & FITNESS** has recently debuted in the stock market, selling at about six times last year's earnings per share
- The physical fitness industry is highly fragmented and appears poised to consolidate amidst burgeoning consumer demand
- **AHFI's** premier corporate objective is to not only participate in the fitness industry's consolidation but to lead it
- Reflecting its existing fitness centers sales **growth of 25% and 40%** margins, plus several strategic business combinations, revenues and earnings are expected to at least double every year through 2006
- Based on valuations analytically-derived from three highly recognized methods, we suggest target stock prices at **\$1/share in the next 30 days, \$2-\$5/share by year end**, and for long term holders --- **\$5 - \$10/share next year and beyond**

To receive free information on our Featured Penny Stock : "AHFI - Absolute Health and Fitness", free e-mail updates and other investor packages & offers, [sign up here](#).

Want to buy AHFI? Our [recommended brokers](#) will make your investment a seamless process.

### STOCK PRICE VALUATION TARGETS

Three methods have been deployed to derive a Target Valuation range for this Company: (i) **PEG---** Price / Earnings to Growth Ratio; (ii) **Multiple of Sales Ratio**; and (iii) **Historical Market P/E** valuation.

**Absolute Health & Fitness** is expected to grow at 100% per annum over the next 3 three years --- from 8 ¢ in Earnings Per Share (EPS) in 2003 (see EPS Model at end of this report), to 16 ¢ this year, 35 ¢ in 2005 and 75 ¢ in 2006. Applying a P/E of 50 on EPS growth of such magnitude, and transparency, produces a **PEG** of 0.5 (a ratio under 1.0 is deemed conservative by fundamental

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Concorde America  
 Storage Innovation Technologies

### Absolute Health & Fitness

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### AHFI - Target Price \$5.00

Absolute Health and Fitness



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securities analysts). This translates into a **LONG TERM** target price of **\$8 / share** (50 x \$0.16 in EPS).

To derive a Nearer-Term target price, consider the multiple the market has assigned to **Bally Fitness' (symbol: BFT)** estimated earnings---after three years of losses. Applying current Bally's P/E of 16 to Absolute's estimated earnings of 16 ¢ yields a **Nearer-Term** target price of **\$2.00 - \$2.50** per share, which forms the basis for the lower end price range target by this year's end.

The best **multiple** at which the fitness industry has ever been valued is three times **sales**. For AHFI, this means 3 times \$51.6 million in forecast sales = \$155 million / 29.7 million shares outstanding = **\$5.20 / share** for a 6-month target price.

Finally, empirical studies of stock prices covering the past 75 years have determined that, on average, stocks sell for 16 times trailing EPS and 12 times forecast EPS. As Absolute Health begins to attract traders' coverage..if not research coverage..we suspect that these ratios will heavily influence early valuations in the stock market.

For AHFI, 16 times trailing EPS (of 8 ¢) equals **\$1.28** and 12 times forecast EPS (of 16 ¢) equals **\$1.92**. Hence, over the next 3-6 months, a trading range of **up to \$2 / share** seems reasonable. These Valuation Ranges establish Target Prices, summarized in this Table.

**Table One: Target Price Ranges to 2005**

Early Stage (now through 9/30)	Mid-Stage (4th Qtr, 2004)	Next Year (2005)
<b>\$0.40 - \$2.00</b>	<b>\$2.00 - \$5.00</b>	<b>\$5.00 - \$10.00</b>

Look to subsequent updates on "AHFI - Absolute Health and Fitness" from USPennyStocks.com including Press Releases from the company, [sign up here](#) to subscribe to AHFI's Investor database and keep up to date with the latest advancements by the company!

## RECOMMENDATION TO INDIVIDUAL INVESTORS

For Individual Investors seeking significant near-term capital appreciation on a modest investment position, in an emerging growth company, a **\$2,000 to \$10,000** investment in AHFI will buy up to 20,000 shares of stock at current prices. Given a minimum target price of \$5 / share next year, this represents an extraordinary profit opportunity.

Even the \$2 per share minimum target price expected at this year's end translates into a \$1.50 / share capital gain --- or a potential gain of \$6,000 on an initial \$2,000 investment (**\$35,000 potential gain on a \$10,000 initial investment**).

For more aggressive Individual Investors, consider a **\$25,000** investment position, to purchase up to 50,000 shares. Based on a fourth quarter-2004 Exit Strategy of \$3.50---the midpoint of the forecast range--- this position represents potential gains in excess of **\$100,000**.

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## BUSINESS AND INDUSTRY ENVIRONMENT

**Absolute Health & Fitness** currently owns and operates 4 fitness centers in the Southeast, and expects to add another 8 centers via acquisition, resulting in a company generating revenues in excess of \$10 million / year. A business combination with one other major fitness center operator is expected to more than double the Company's revenues to over \$23 million this year, and increase the number of its operating Business Units to 24.

Physical fitness is an \$11 Billion industry, though extremely fragmented. According to the Department of Commerce, there are approximately 8,000 exercise / fitness centers in the country with the seven companies listed in **TABLE TWO** below representing just over half of these units.

About half of these 8,000 physical fitness centers are owned / controlled by seven entities. The YMCA alone has 2,500 units. Another six companies own about 1,800 units. This means there are about 3,500 free-standing independent physical fitness centers in the country (with revenues approximating \$4 Billion) that are owned and operated by "mom-and-pop" proprietors---basically, family-run enterprises at the local, if not neighborhood, level.

Absolute Health intends to amalgamate a number of these independent entities under one corporate umbrella..and in the process, lead a consolidation of this highly fragmented industry. Its present operations **already represent a consolidation** of one company with eight fitness centers and another with four (resulting in the 12 current operating units).

What would motivate an independent fitness center operator to become part of a larger corporation? To answer this question, we look at the micro-economics of that industry and outline the industry's Business Model as it exists today.

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- The vast majority of independent fitness center owners will be health enthusiasts.
- From there, owners fall into two basic categories: (i) Individuals who are 50+ and use a lump sum to launch a fitness center locally<sup>1</sup>; and (ii) Individuals in their 20's---and who have usually relied on family- funds to launch the fitness center.
- **TYPICAL BUSINESS MODEL** --- The average fitness center generates about \$1.2 million in annual revenues, and enables the owner to gross between \$150,000 and \$200,000 in income. There is no Inventory to manage, Accounts Receivable is a minor concern, and the steady nature of the revenue stream means that financing is probably not a major issue.

Industry Business Models do not change frequently. Changing industry fundamentals requires a trigger of such enormous impact that existing Business Models no longer are commercially relevant---and this is the rationale that led to the genesis of Absolute Health & Fitness.

There are now 180 million people in the USA over the age of 30, or 61% of the population. The Baby Boomers, as a group, represent 76 million people. These are compelling demographics that taken together can force an industry to change the manner in which its services are provided.

The distinguishing feature between AHFI and the rest of the independents comprising the fitness industry is its intentional focus to consolidate the better-run fitness centers nationwide, especially those local entities with commanding market shares, and unite these units all under one company.

This is the primary reason AHFI became a public company --- in order to provide the "currency" to not only rapidly consummate acquisitions but in the process, enrich all shareholders in AHFI.. including the former owners of the acquired fitness centers.

Indeed, AHFI's management expects to double the number of fitness centers under its corporate roof by the end of this year, primarily by acquisitions. As small as these acquisitions appear to be, the end result is that revenues shoot up to more than \$50 million annually, with Earnings of \$0.35 per share. Even a simple multiple of ten times earnings per share makes this potentially a \$3.50 stock.

There is a relevant historical stock market example to serve as a guideline. **US Delivery** was a ground-delivery company based in Denver with annual sales of about \$10 million. In 1993, the company began amalgamating independent ground delivery businesses nationwide. In 2 years, revenues exceeded \$100 million and by 1997, revenues approximated \$250 million.

US Delivery, in turn, was eventually acquired by Corporate Express. A \$5,000 investment in the stock of US Delivery in 1993 was worth \$94,000 in Corporate Express stock by 1999 --- a return of almost 20 times the initial investment.

Is the same magnitude of investment return achievable with Absolute Health & Fitness..? No one can answer that question with certainty. However, all the right elements appear to be in place for this formula to work again, and all to the financial advantage of the Individual Investor.

TABLE TWO images the identifiable major companies in the physical fitness segment of the economy.

**Table Two: Fitness Center Industry Leaders**

Company	Fitness Centers (#)	12 Month Revenues (mm)	# of Employees	Market Value (mm)	Mkt Val/ Revenues	Revenues/ Employee	Stock Symbol
<b>Bally Fitness</b>	420	\$954	22,000	\$143	15%	\$43 K	BFT
<b>Gold's Gym</b>	670	\$980	n/a	n/a	n/a	n/a	Private
<b>Sports Club</b>	10	\$132	2,223	\$28	21%	\$59 K	SCY
<b>Town Sports Int'l</b>	130	\$315	7,700	n/a	n/a	\$41 K	Private
<b>24 Hr Fitness WW</b>	300	\$525	n/a	n/a	n/a	n/a	Private
<b>World Gym Int'l</b>	290	\$250	n/a	n/a	n/a	n/a	Private
<b>YMCA</b>	2,500	\$4,200	n/a	n/a	n/a	n/a	Private
<b>Totals</b>	<b>4,320</b>	<b>\$7,356</b>					

The Fitness & Exercise segment of the US economy, therefore, is exceptionally well-poised for consolidation, similar to the consolidations that overtook a number of other service-related sectors of the economy over the past 30 years.

**Research indicates there are another 3,500 independently- owned ("Mom-and-Pop") fitness centers in the USA with revenues of \$4 Billion.**

Examples of a few other industry consolidations in the past will prove useful..

- There were thousands of newspaper companies in the 1960's --- today, that industry is controlled by fewer than ten companies.
- In the late 1960's / early 1970's, every town in America had numerous choices among Mom-and-Pop Burger stands --- before that industry consolidated into the three companies than own that space today --- either converting the better-run independents into their own Branded Name or putting them out of business.
- In the 1980's, Mom-and-Pop neighborhood convenience stores eventually gave way to 7-11's, Circle K's and other larger merchants, and more recently ~
- In the 1990's, numerous ground shipment delivery service companies prevailed until larger companies either acquired them or made their economic existence non-viable, and of course ~
- Consolidation of the "bloated" dot.com universe is living memory.

Not all service businesses or industries lend themselves to consolidation ~

- Dry cleaning services,
- shoe repair shops, and
- lawn / landscaping services

are three that immediately spring to mind. Characterized by *minimal capital requirements* to enter those businesses, hand-to-mouth financial needs to survive and a neighborhood-centric nature, these businesses are unlikely to ever consolidate into bigger commercial enterprises.

The collapse, and consolidation, of the dot.com universe will serve a useful purpose, since those events are living memory. For a brief moment, 1999 to be precise, it took minimal capital requirements to get into the dot.com business because venture capital was so readily available<sup>2</sup>.

By the end of 1999, the lost investment gain caused by not being in the next IPO that triples in a day was of greater concern than the potential loss on that investment. As the financial media sought these investors out, any venture capitalist with less than six deals in the pipeline was a piker..! And the money flowed. In other words, by making capital so easily abundant, venture capitalists were planting the seeds for the very consolidation they feared.

Commencing a systemic industry-wide consolidation..any industry..requires a trigger of such enormous impact that prior Business Models are no longer relevant. That systemic trigger for the exercise & fitness industry is the 180 million people over the age of 30.

***There is only one way to slow down this deterioration of human muscle: Exercise, specifically, muscle-stress exercise such as weights and other muscle-stress strengthening equipment. We believe that the demand for fitness services from this demographic to be sufficiently compelling to change the fundamentals of this highly fragmented industry.***

To receive free information on our Featured Penny Stock : "AHFI - Absolute Health and Fitness", free e-mail updates and other investor packages & offers, complete our [Contact Form](#).

A thumbnail sketch of the seven companies appearing in our industry table on page four follows, along with the web site of each ~

**Bally Fitness** is arguably the best-known fitness center operator in the USA, with 420 gyms in 29 states and Canada. Bally (stock symbol: BFT) is the largest fitness center operator that is a publicly-traded company, By design, its professed market is the 18 - 34 year old demographic. The company's genesis as a public company dates back to 1996 when it was spun-off from the gaming company, Bally Entertainment. HQ: Chicago [www.ballyfitness.com](http://www.ballyfitness.com)

**Sports Club** is the only other visible leader in this industry that is publicly-traded (stock symbol: SCY). It was organized in 1994 to amalgamate several up-market clubs in major metropolitan areas under one corporate umbrella. Presently, SCY has 10 clubs, located in Los Angeles, San Francisco, New York City and Washington, DC. Revenues per facility average between \$10 and \$15 million. HQ: Los Angeles. [www.thesportsclubla.com](http://www.thesportsclubla.com)

**Gold's Gym** has the most facilities in operation ---670 gyms in 26 countries. These are predominantly franchises, which are sold for \$500,000 to \$1.8 million per location. Purchasing smaller gyms and converting these into branded Gold's Gyms is a relatively new development in its business model. The first Gold's Gym was opened in 1965, so it is factually correct to state that this is the oldest company in the industry. HQ: Venice, CA; tel: 310-392-3005; web site [www.goldsgym.com](http://www.goldsgym.com).

**Town Sports International** was founded in 1973. It owns and operates 130 fitness centers, two-thirds of which are located in New York City. The remaining centers are located in Boston, Philadelphia and Switzerland. Given the metropolitan location of its clubs, per facility revenues of \$2.5 million are above the industry average. HQ: New York City; web site [www.mysportsclubs.com](http://www.mysportsclubs.com).

**24 Hour Fitness Worldwide** owns and operated 300 fitness centers in 16 states plus Europe and Asia. The Company began operations in 1983, making it the third oldest private sector fitness center chain after Gold's Gym and Town Sports. Recent acquisitions include two younger chains --- Q Clubs and Hart's Athletic Clubs. HQ: San Ramon, CA; web site [www.24hourfitness.com](http://www.24hourfitness.com).

**World Gym International** has 290 franchises, all in the Western Hemisphere, with most locations representing franchised businesses. HQ in Marina del Rey, CA; web site [www.worldgym.com](http://www.worldgym.com).

**YMCA** dates back to 1851 in the USA (1844 in the UK), and has 2,500 locations nationwide. Its role in the American socio- economy has morphed markedly in the past 5 years, given its leading role in community projects such as child care and Head-Start. Nevertheless, with 19 million people utilizing its facilities, any fitness industry discussion that does not include the YMCA is incomplete. The fact is, the "Y" is a pervasive presence in the burgeoning physical fitness industry. HQ: Chicago, IL; web site [www.ymca.com](http://www.ymca.com) pleasantly pervasive, if the Village People are to be believed, when they sang "It's fun to stay at the Y - M - C - A!"

**The tale of two fitness companies** ~ The following two charts tell a thousand page story about the only two fitness companies with a publicly-traded track record. At its current price, **Bally Fitness** (BFT) is about where it was when spun-off from Bally Entertainment in 1996.

**Sports Club** (SCY) has been on a downward spiral since 1998 --- when both BFT and SCY were in vogue. BFT peaked in July 1998 at \$37.56 / share, and commanded a Market Value of \$1.3 Billion, or about two times annual sales at the time. Market Value of BFT today: \$136 million.

SCY spiked up a little faster, being a small growth company. It peaked at \$9.25 / share in December 1997, giving the Company a \$167 million market value. Market value today: \$27 million.

The third graph following depicts the below average performance of both companies in relation to the S&P 500 Index. This explains why any portfolio manager whose investment performance is measured in relation to the S&P 500 (and most are) would not be investors in either of these companies. With changing fundamentals and an imminent industry consolidation, investment interest could easily rekindle this sector.





<sup>1</sup>People in this category are generally either individuals who have elected early retirement, receiving a lump sum payment OR ex- spouses using the proceeds from divorce settlements. <sup>2</sup>Look for the forthcoming book Growth, Puncture and Aftermath of The Bubble for a Millenium.

**MANAGEMENT TEAM**

**Brian Morris** is Chief Executive Officer of Absolute Health & Fitness. He has been in the fitness industry for more than ten years. He joined AHFI in 1994 as a Salesman, worked his way up to become Chief Operating Officer, and after the merger that formed AHFI, was appointed CEO. **Roland Rohm** is President of the Company, having been in the fitness industry since 1995. His responsibilities include ensuring the application of consistent operational procedures throughout the growing AHFI network. Prior to joining AHFI in a management capacity, Mr. Rohm had previously been a Franchisee of a Gold's Gym. **Thomas Flynn** is VP- Sales and Marketing. His primary responsibility is to increase each center's revenues, including corporate memberships and with affinity groups. Mr. Flynn has been with the Company since 1998.

**EARNINGS MODEL** Absolute Health & Fitness - Three Year Outlook:



	2003		2004 (e)		2005 (e)	
	Sales	Operating	Sales	Operating	Sales	Operating
Kapital Eng	\$2,028,729	\$1,032,557				
EFS	\$1,044,448	\$260,782				
Sampson's Gym	\$863,677	\$222,679				
Maynard	\$1,070,608	\$260,656				
KRS	\$1,098,531	\$302,074				
Garner	\$775,685	\$77,638				
Creedmore	\$1,193,027	\$217,272				
Fuquay	<u>\$200,848</u>	<u>\$35,854</u>				
Eight Core Cntrs	\$8,275,553	\$2,409,512	\$10,500,000	\$4,200,000	\$13,125,000	\$5,500,000
Four New Centers			\$3,000,000	\$900,000	\$6,000,000	\$2,500,000
Other 2004 Acq's			<u>\$10,000,000</u>	<u>\$2,000,000</u>	\$12,500,000	\$5,000,000
2005 Acquisitions					<u>\$20,000,000</u>	<u>\$4,000,000</u>
TOTALS	>>>>>>>>		\$23,500,000	\$7,100,000	\$51,625,000	\$17,000,000
Tax Provision		<u>\$722,854</u>		<u>\$2,130,000</u>		<u>\$3,500,000</u>
Net Income		\$1,686,658		\$4,970,000		\$13,500,000
Shares Outstanding	\$20,000,000	\$0.08	\$29,667,000	\$0.16	\$39,667,000	\$0.35

## INDEPENDENT RESEARCH LINKS

Want to know more about the trends affecting the potential of this stock? One of the best ways is to search key phrases that provide independent research and studies conducted by people and organizations that could care less if you buy the stock or not. We have pre-prepared a few key-phrase searches for you. When you click them you're taking to the first page of Google that contains information on the subject.

## ABSOLUTE HEALTH AND FITNESS

**Health Club Membership Trends** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=Health+Club+Membership+Trends&btnG=Search>)

**Health Club Membership Research** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=Health+Club+Membership+Research&btnG=Search>)

**Health Club Industry Trends** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=Health+Club+Industry+Trends&btnG=Search>)

**Health Club Industry Research** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=Health+Club+Industry+Research&btnG=Search>)

**Fitness Industry Research** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=Fitness+Industry+Research&btnG=Search>)

**Fitness Industry Trends** (<http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=Fitness+Industry+Trends&btnG=Search>)

## CEO Interviews

Watch Tom Heysek (Research Analyst & Editor of USPennyStocks.com News) Interview Absolute Health and Fitness CEO Brian Morris & Vice President Thomas Flynn.



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Watch Francis Gaskins (Research Analyst & Editor of IPO Desktop.com) Interview Absolute Health and Fitness CEO Brian Morris & Vice President Thomas Flynn.

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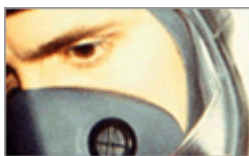
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“Penny stocks like any stocks come with an element of risk. In fact, many financial and investment experts will tell you that penny stocks are generally riskier than traditional common or blue chip stocks.

In many instances they're right. America is a society that thrives on commerce. This means new businesses are starting up all the time and most of them are in need of capital to realize their goals. One of the routes some take to raise this capital is to sell shares Over-the-Counter (OTC) as penny stocks.

Risks to the investor include inexperienced, unqualified or even unethical management teams at these companies. The companies may have set goals that simply can't be achieved with the resources they have available to them. The market conditions that motivated the creation of the business in the first place could change thus affecting earning forecasts. Well-funded unexpected competition could negatively impact the growth of a company offering penny stock shares.

Past performance of a penny stock (or any stock) should never be considered as a guarantee or rock-solid indicator of future performance. Persons should use caution when investing in penny stocks; while the opportunity for a good return is present so is the risk for loss – even the loss of your entire investment.

At USPennyStocks.com we want people to make informed investments. We don't recommend just any penny stock. The research we provide to support our conclusions, comes from the companies as well as from independent sources. We also provide search tools to help you find other independent and unbiased research and information on the companies and the trends upon which we base our recommendations. Even so, no amount of research (ours or yours) can guarantee the performance of any stock – penny stock or otherwise. Because of this, we assume no responsibility and cannot be held liable for the future performance of the stocks we recommend.

Investing in penny stocks can be a profitable – even fun – experience. Because the initial prices of the stocks are so low it's possible for persons earning a modest income to purchase a reasonably significant number of shares. Therein lies the temptation. If you do decide to purchase penny stocks, avoid the temptation to invest more than you can afford to lose.

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## Got Questions?

Here are some of the more frequently asked questions regarding penny stock investing. If you've got some that aren't on this page – [drop us an email](#).

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- [Section A - What Are Penny Stocks?](#)
- [Section B - Listing Penny Stocks](#)
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## SECTION A - WHAT ARE Penny Stocks?

### What is a Penny Stock?

The term 'Penny Stock' is used to refer to stocks that are low priced. Low priced, in this case, refers to stocks that sell at, or less than, five dollars. Penny Stocks generally trade in what is referred to as the [Over-the-Counter \(OTC\)](#) market, which would include the [OTC Bulletin Board](#) or the [Pink Sheets](#). Penny Stocks that we feature, generally, do not trade on the national exchanges.

Penny Stocks are also referred to as Microcap Stocks.

Learn about Penny Stocks. [Sign up now!](#)

### What is a Microcap Stock?

A Microcap Stock is also known as a Penny Stock. The term "microcap" is an abbreviation of the phrase "micro capitalization", or a company with a "micro" or low capitalization. Capitalization refers to the total value of a company.

Microcap Stocks or, if you prefer the term Penny Stocks, tend to trade in low volumes and their stock is relatively inexpensive.

### Where do Penny Stocks trade?

Penny Stocks generally trade in the [Over-The-Counter](#) market, more specifically, the [OTC Bulletin Board](#), or OTCBB or another electronic quotation system, the [Pink Sheets](#). Penny Stocks generally do not trade on the National Stock Exchanges, such as NASDAQ or the NYSE.

### How are Penny Stocks different from other Stocks?

The biggest differences between Penny Stocks and other stocks relate to a lack of public information, listing requirements and investment risk.

Penny Stocks do not have as onerous reporting requirements vis a vis the SEC and so one cannot always get information directly from the SEC's website.

Companies on the OTCBB or the Pink Sheets do not have to meet any minimum listing requirements, whereas companies that trade their stocks on major exchanges have requirements relating to amongst other things, a minimum amount of net assets and a minimum number of shareholders.

## Penny Stock Investing

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Penny Stock investments tend to be risky because the companies tend to be new and have little or no proven track record. This is also why investors can make serious money when they come upon a good Penny Stock investment.

### **Are Penny Stock Investments risky?**

All stock investments are risky. There are no guarantees in stock investment.

Penny Stock investments are often classified as very risky investments. Penny Stocks are low-priced shares of small companies not traded on any National Exchange or quoted on NASDAQ. Quoted prices for Penny Stocks are often unavailable because the shares tend to trade in low volumes.

The over-the-counter market is less liquid than national stock exchanges and so Penny Stock investors are often unable to sell their stock back to the dealer who sold the stock, since there may not be any willing buyers for that Penny Stock. While Penny Stock investments can be very lucrative, investors should understand the risks involved in investing in small, new companies.

Minimize your risk with updates on investment trends, [subscribe now!](#)

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## **SECTION B - LISTING Penny Stocks**

### **What is the "Over-the-Counter" (OTC) market?**

Stocks that do not trade on recognized national stock exchanges, such as the New York Stock exchange or the NASDAQ, trade rather in markets described as "over-the-counter" (OTC).

The OTC market is less formal than the national exchanges when it comes to matters such as listing requirements and investor information and exists primarily to give relatively new and small companies access to public investor funding. The OTC market is, in essence a collection of broker-dealers, market makers, Penny Stock companies and investors from the public that generally interact with each other through the OTCBB or the Pink Sheets.

### **What is the OTC Bulletin Board?**

The OTCBB is an acronym for the Over-the-Counter Bulletin Board. This OTC bulletin Board is described as such basically because it is an electronic quotation system. The number of shares traded (volume) and the price information on exchange-listed stocks are all displayed on the OTCBB.

Subscribing brokers find the OTCBB useful to look up prices or enter quotes for the OTC securities. The OTCC is overseen rather than managed or owned by the NASD.

### **Is the OTCBB part of the NASDAQ Stock market?**

Although many people incorrectly assume that the Over-the-Counter Bulletin Board (OTCBB) is associated with the NASDAQ Stock market, the OTCBB is not at all a part of the NASDAQ.

### **What are the Pink Sheets?**

The "Pink Sheets", like the Over-the-Counter-Bulletin Board (OTCBB), is an electronic quotation system. The Pink sheets present quotes from broker dealers for many over-the-counter (OTC) securities. The Pink sheets are useful for brokers to publish their purchase and selling quotation prices.

The "Pink sheets" are named as such because pink was the original color of the page that this type of information was traditionally printed on.

A privately owned company, Pink Sheets LLC, publish the Pink Sheets. The Pink Sheets electronic quotation system is not registered with the Securities Exchange Commission (SEC) and neither is the company a broker-dealer of the National Association of Securities Dealers (NASD).

The Pink sheets are updated electronically on a daily basis and can be a useful source of information on public companies offering their shares in the OTC market.

### **What is the NASD?**

The NASD is the National Association of Securities Dealers, and is an association of brokers and dealers in the securities business.

### **What is the SEC?**

The acronym SEC stands for the United States Securities and Exchange Commission.

This Commission aims to protect investors and ensure that all investors, whether they invest on behalf of giant corporations or make up the individual investor on the street, should have access to certain basic information about an investment before they buy it. It is for this reason that the SEC necessitates the disclosure of financial and other information by public companies to the general public itself.

The SEC operates on the premise that it is only through the steady and comprehensive stream of accurate and reliable information that can people make investment choices of a sound and effective nature. The SEC exists primarily to devise rules and regulations that protect potential investors.

### **Are there any listing requirements to list a share in the OTC market?**

No, neither the Pink sheets nor the OTCBB require Penny Stock companies to meet any listing requirements before their share is quoted on their systems.

### **Are there any minimum listing standards that must be met in order to list a share in the OTC market?**

Companies that trade their stocks on the major national exchanges such as NASDAQ or the NYSE are required to meet minimum listing standards. There are no minimum listing standard that must be adhered to before Penny Stock shares can be listed on the OTCBB or the Pink Sheets and traded in the over-the-counter (OTC) market.

### **Can Private Companies be listed in the OTC Market?**

Yes, any private company, provided they subscribe to the Over-the-Counter Bulletin Board (OTCBB) or the Pink sheets, can sell their shares in the OTC market.

Learn more about listing standards now! [Click here](#) to join.

### **How does a Penny Stock Company become a public company?**

A Public company is a company that sells shares of its stock to the public. The [Securities and Exchange Commission \(SEC\)](#) regulates all public companies. If a Penny Stock company wanted to become a publicly held company, it could do so by following one of two methods.

- Either the Penny Stock company can issue stock in a transaction that is registered with the SEC or;
- register the company and its outstanding stock with the SEC.

Both methods of registration stimulate ongoing reporting duties. This means that the company must file periodic reports disclosing vital information to investors about its business, management methods and financial state.

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## **SECTION C - Penny Stock REPORTING REQUIREMENTS**

### **Do Penny Stock companies have to file reports with the SEC?**

In general, a company (including Penny Stock companies) must file reports with the SEC if it has 500 or more investors and \$10 million or more in assets; or it lists its securities on any one of the American, Boston, Cincinnati, Chicago, Nasdaq, New York, Pacific or Philadelphia stock exchanges.

If a Penny Stock company has voluntarily chosen to register their stock and file their reports, then this Penny Stock company will be required to file the same quarterly, annual and other regular reports.

Some Penny Stock companies voluntarily register their reports with the SEC.

#### **What is EDGAR?**

EDGAR, or the Electronic Data Gathering And Retrieval system of the [SEC](#) allows companies to both file their own Financial Reports and access the corporate filings of other companies. The EDGAR system can be accessed from the Security Exchange Commission's (SEC) website.

#### **Where do Penny Stock companies file financial reports with the SEC?**

Penny Stock companies can file their financial reports with the Security Exchange Commission (SEC) electronically by using the SEC's EDGAR system. The EDGAR database is available on the SEC website and includes a variety of annual quarterly reports and other such corporate filing information.

#### **How do I get information about Penny Stock Companies?**

Your broker or investment adviser can provide you with information about the Penny Stock company and its disclosure documents.

One could contact the company and ask them whether they are registered with the SEC and files reports with the SEC.

Financial reports for Penny Stock Companies can be found at the Security Exchange Commission's (SEC) EDGAR system. This system is available on the SEC's website.

If you cannot find the company on EDGAR, you should contact your state securities regulator, which should give you access to the most recent reports the company has filed with its regulators.

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### **SECTION D - Penny Stock SHARE OFFERS**

#### **Do Penny Stock companies have to register with the SEC in order to offer or sell securities to the public?**

Any company that desires to offer or put up shares for sale to the public at large must either register with the SEC or fulfill an exemption, in a general either under SEC Regulation A or D

#### **What is a Regulation D offering?**

Smaller companies that offer and sell stocks without registering with the SEC can do so under an exemption which is termed Regulation D. Regulation D exempts companies that look to raise less than 12 million dollars per annum from registration.

Companies looking to raise up to five million dollars are also exempted by Regulation D provided that the companies sell to thirty-five or less individuals, or to any number of investors deemed "accredited", (these are investors required to meet standards of high net worth or income).

Although companies declaring an exemption under Regulation D are not required to register or file reports with the Securities Exchange Commission (SEC) these companies must however file a "Form D" within three days after the sale their stocks. A "Form D" is a document that details the names and addresses of stock promoters and owners.

#### **What is a Regulation A offering?**

Regulation A exempts companies that raise less than five million dollars per annum from

registering their shares. Rather than file their securities through the electronic data and gathering retrieval system more commonly known as ([EDGAR](#)), these companies are only required to file with the SEC a printed copy of an "offering circular".

This "offering circular" contains financial statements and other corporate information relating to the company.

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## SECTION E - Penny Stock BROKERS

### Who can sell Penny Stocks to me?

A broker-dealer or a market maker can sell Penny Stocks to the public. Etrade or Scottrade are examples of reputable online brokerages that can and do sell Penny Stocks.

### What are market makers?

In the context of Penny Stock investments, market makers are firms that remain prepared to buy and sell a specific stock on a frequent and continuous basis at a price that is publicly quoted.

Market makers are in constant competition with one another for orders to buy or sell at prices publicly quoted. Market makers must, on the whole, be prepared to buy and sell at least one hundred shares of a stock they develop a market in.

Resultantly, a substantial order requested by an investor could possibly have to be filled by numerous market makers at potentially different prices. If, for example, a broker seeks to buy a stock but there are no offers to sell it, the market maker will fill the order himself by selling shares from his own account. This works in reverse too where, if a broker desires to sell but there is no buyer; the market maker then buys the shares.

Market makers have an important role to play in providing liquidity in the Over-the-counter (OTC) market, where Penny Stocks tend to trade.

### Who are the market makers?

In the [Over-The-Counter \(OTC\)](#) market, a [market maker](#) is the broker or trader responsible for maintaining a functioning market in an individual stock by standing ready to buy or sell shares. The market maker can be an individual or a firm.

### What questions should I ask the broker who sells the Penny Stocks?

1. Is the brokerage registered with a state securities regulator? Have they ever been investigated or disciplined by a state regulator, the [Securities Exchange Commission \(SEC\)](#) or any other organization, such as [NASD](#) or one of the stock exchanges?
  - How long has the brokerage firm been in business? How many arbitration awards have been filed against the firm?
  - Have you personally been involved in any arbitration cases? What happened?
  - Please describe your personal investment philosophy.
  - Describe your typical client. Please let me have the names and telephone numbers of some of your long-term clients.
  - How do you get paid? By commission? Amount of assets they manage? Another method?
  - Do I have any choices on how to pay you? Should I pay you by the transaction? Or a flat fee regardless of the number of transactions?
  - Do you make more money if I buy this stock rather than another? If you weren't making extra money, would your recommendation be the same?
  - Are you participating in a sales contest? Is this purchase really in my best interest, or are you trying to win a prize?
  - How much will I receive if I sell the stock again today?
  - Where do you send my order to be executed? Can we get a better price if we send it to another market?
  - How do I find out more about the stock broker who is trying to sell me Penny Stocks?
  - By contacting the state securities regulator you will be in a position to access information detailing whether or not the stock broker and his or her firm are registered, if they are in a possession of a business license, and if the broker or firm has been the subject of complaint or disciplinary action.
  - Under federal law, what information does my broker have to give me before I buy

- a Penny Stock?
- Your broker must reveal to you the bid and offer price quotes for the Penny Stock, as well as the number of share to which the quoted prices apply.
- You must be informed of the brokerage firm's compensation for facilitating the trade and the compensation amount allocated to the firm's salesperson.
- You must be given monthly account statements giving an estimate of the value of each Penny Stock owned by you.
- Your broker must send you a written statement for you to sign that accurately describes your financial situation, your investment experience and your investment goals. This document should also contain a statement of why your firm decided that Penny Stocks are a suitable investment for you.

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## SECTION F - ASSESSING Penny Stock INVESTMENTS

### What should I do if I want to make a Penny Stock investment?

Before making a Penny Stock investment, a potential investor should research each investment opportunity thoroughly and ask questions. Find out whether the Penny Stock company has registered its securities with the SEC or the state's securities regulators.

Make sure that you understand the company's business and its products or services. Be wary of companies that have no operating history, few assets, or no defined business purpose.

Is the company making money? How they rank in relation to their competitors?

Read carefully the most recent reports the company has filed with its regulators and pay attention to the Penny Stock company's financial statements, particularly if they are not audited or not certified by an accountant. If the company does not file reports with the SEC, ask your broker for the Rule 15c2-11 file on the company.

This file contains important information on the company. What are the specific risks associated with this Penny Stock investment? What is the maximum I could lose? Perform a background check on the management of the company with your state securities regulator, and find out whether they have ever made money for investors before this venture.

You should also find out whether the management of the company have ever run into trouble with the regulators or other investors.

- How liquid is this investment? How easy would it be to sell if I needed my money right away?
- Does this investment match my investment goals?
- Why is this investment suitable for me?
- How will this investment make money? (Dividends? Interest? Capital Gains?)
- What must happen for this investment to increase in value?
- What are the total fees to purchase, maintain and sell this investment?
- After all the fees are paid, how much does this investment have to increase in value before I break even?

Know the brokerage firm and the salespeople with whom you are dealing. The nature of the market for Penny Stock is such that you may have to rely on your original brokerage firm that sold you the stock to trading prices and to buy the stock back from you. Only use reputable brokerage firms such as Scottrade and Etrade where possible.

### How do I find out more about the people running a Penny Stock company?

To discover information regarding a Penny Stock company's owners or the particular people running the company you should contact your state securities regulator.

### How do I know that the Penny Stock that I am considering investing in is not fraudulent?

The lack of accurate and accessible information about some Penny Stocks means that they are made vulnerable to fraudulent activities. When there is no information available about Penny Stock companies fraudsters are given more leverage to manipulate a Penny Stock and spread false information.

The greater the volume of financial data and other information on a Penny Stock, accessible for the public consumption, the smaller the propensity for fraud taking place

## How do I protect myself from Internet fraud?

Internet fraud, as it relates to Penny Stock investments, generally involves the distribution of e-mails more commonly known as spam or junk mail. This spam would advertise misleading or false information about a Penny Stock company in the hopes to attract more investors.

Fraudsters also use aliases or "false identities" on Internet bulletin boards and chat rooms to secure anonymity from which they are able to lure potential Penny Stock investors with false investment tips deemed as "inside information".

Being vigilant about internet fraud, understanding the methods used, and most importantly performing thorough research into the Penny Stock company or companies you choose to invest with, are all steps that can be taken to ensure that you do not fall prey to the pervasions of internet fraud

## What are the typical Penny Stock scams?

Penny Stock scams are most predominately carried out in two ways, the "Pump and Dump" or the "Offshore" scams. The "Pump and Dump" scheme usually involves posted internet messages or telemarketers urge investors to speedily buy penny shares or sell before the price falls. The promoters will maintain that they possess "inside information" about a particular investment or business opportunity.

In reality the promoters may actually be company insiders or hired promoters who will themselves benefit after the sale of their own Penny Stocks once their "promotions" have cultivated an inflated stock price. Investors lose their money once the fraudulent party has sold their own penny shares, the generated hype has died down, and the price inevitably falls.

The Off-Shore Scam would normally be perpetrated by an unethical Penny Share company that sells unregistered Regulation S stock at a great discount to fraudsters posing as foreign investors. The fraudsters subsequently sell the stock to United States investors at elevated prices and the profit generated is shared by the Penny Stock company. The great volume of unregistered stock streaming into the US stimulates a price fall which, in turn, means the US investors suffer significant losses.

## What is Regulation S?

SEC Regulation S is a Penny Stock share offer exemption that allows companies to sell stock outside of the United States to foreign or off-shore investors without registering the stock with the SEC.

## What are the Penny Stock investment fraud 'red flags' to look out for?

The [SEC](#) suspends trading in a Penny Stock if it is under the impression that a company is distributing inaccurate, false or misleading information. If a Penny Stock's shares have been suspended, find out more information.

Be careful of [Penny Stock investments](#) where there exists no current financial information on the company but it is both widely recommended and advertised. High pressure sales tactics, where a salesperson speaks very emphatically about a "once in a life time opportunity, not to be missed" and you are being privilege to "confidential, inside information", are clear red flag signals of fraud. Be careful of Penny Stock companies that have large assets but small revenues.

This fraud involves attaching high values on the financial statements to assets completely unrelated to the company itself.

Strange items in the financial statements footnotes, an unusual loan for example, could be another indication that things may be amiss. Strange auditing issues such as a company's auditor's refusal to certify their financial statements or a change in accountants may also signal danger in the Penny Stock investment.

A Penny Stock investor should be careful of situations where insiders own large amounts of the stock in the company and are given the power to control most of the shares. In this situation, it may be easy to manipulate the Penny Stock share price to the detriment of a new investor.

A Penny Stock investor should be careful of investing in a Penny Stock when there is an unwillingness to provide access to written documentation about the Penny Stock

investment, including information a potential investor is entitled to in terms of law or regulations.

### **Where can I turn to for help if I become the subject of a Penny Stock scam?**

If you find that you have been targeted in a Penny Stock scam you should immediately contact your state's securities regulator and give them all information that you have at your disposal so that they could investigate the matter further.

You should also file a complaint through the Securities Exchange Commission's (SEC) website at their online complaint centre.

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## **SECTION G - EXECUTING Penny Stock INVESTMENTS**

### **What happens when I place an order to buy or sell a Penny Stock?**

Online brokerage accounts are not connected directly to the securities markets. If you are trading in Penny Stock shares through an online brokerage account, your order to buy or sell it sent over the internet to your broker who then decides which market to send it to for execution. Your order to buy or sell stock is not instantaneous.

### **What options does my broker have for executing my trade?**

If your stock is listed on an exchange your broker can direct your order to that particular exchange, or to another exchange in another area (regional exchange) or to a firm known as a "third market maker". A third market maker is a firm that is, at any time, ready to buy or sell shares listed on an exchange at prices that are publicly quoted. For shares trading in the over-the-counter (OTC) market, your broker can possibly send the order to a [market maker](#) in the stock.

Your broker can route your order to what is called an ECN (electronic communications network) which is a network that automatically matches buy and sell orders at specified prices. Your broker can also decide to send your order to another division of the broker's firm and your order is then filled out of the firm's own inventory. This is known as internalization and it allows your broker's firm to possibly make money on the difference between the purchase and sale price (the spread).

### **What is "payment for order flow"?**

Payment for order flow refers to the way in which regional exchanges or third market makers will pay your broker for directing your order to that specific exchange or market maker.

### **What is internalization?**

Internalization describes the practice of brokers opting to send your order to another division of the broker firm so that your order can be filled out of the firm's own inventory, giving the firm the opportunity to make money on the spread.

### **What is a limit order?**

A limit order is an order to sell or buy a stock at a particular price.

### **What is a market order?**

A market order is an order to buy or sell a stock at the current market price and, unless you indicate to the contrary, your broker will enter your order as a market order.

### **What is a bid price?**

This refers to the highest price that a market maker will pay at any specified time to buy a given number of shares in a Penny Stock.

### **What is the ask price?**

The ask price is also referred to as the 'offer' price and refers to the lowest price at which a

market maker will sell a specified number of shares of a Penny Stock.

### **What is the spread?**

The spread is the difference between the bid price and ask (offer) price. There exists a difference between the two prices because the ask price is certainly always higher than the bid price. Market makers make money on the spread when Penny Stocks are traded

### **What is the broker's mark-up or mark-down?**

The price that an investor pays for a Penny Stock includes the profits for the broker and the firm to which he is affiliated. Knowing what the mark-up or mark-down amounts are, will assist you to assess the overall value of the trade.

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## **SECTION H - MONITORING Penny Stock INVESTMENTS**

Where can I find quoted prices for stocks I am trading in the OTC market? Quoted Prices for stocks traded in the [Over-The-Counter \(OTC\)](#) market can be found on the Over-the-Counter [Bulletin Board \(OTCBB\)](#) or at the [Pink Sheets](#). If you are having any trouble in finding quoted prices for your Penny Stock investments, you should contact your [broker / dealer](#), who will be able to help you.

### **Where can I check how my Penny Stocks are trading?**

The Over-the-Counter Bulletin Board (OTCBB) and the Pink Sheets are both electronic quotation systems that allow one access to the most recent trading information on Penny Stocks.

### **What questions should I ask about the progress of my Penny Stock investments?**

How frequently do I get statements? Do I understand what the statement tells me? Does the return on my investment satisfy my expectations and is this rate of return a good reflection of what I was originally told to expect? How much money will I get back if I sell the Penny Stocks today? How much am I paying in commission or fees? Have my investment goals changed and are Penny Stock investments still suitable? What criteria should I use to decide when to sell?

### **What do I do if I suspect that something is amiss after I have made a Penny Stock investment?**

There is a limited time period during which you can take legal action.

You should immediately talk to your broker and explain your concerns. If you suspect that your broker is involved in fraudulent activity, document your complaint straightaway and send it to the firm. If a circumstance arises that your broker is unable to resolve proceed then to the broker's branch manager and re-explain your predicament.

Thereafter, if your problem remains unresolved, document your complaint in written form and send it to the compliance department at the firm's headquarters. If, after this, you are still not satisfied, send a letter to your state securities regulator and attach copies of all the documentation that you previously sent to the firm. You could also use the Security Exchange Commissions (SEC) online complaint form to lodge any complaints or problems that you may have encountered.

### **What happens to my Penny Stock shares if the company declares bankruptcy?**

A Penny Stock investor should be careful when investing in common stock of companies in Chapter 11 bankruptcy. Some people look to purchase the low-priced shares of these Penny Stock companies in the hopes that the price of the shares will rise after the company surfaces from a bankrupt state.

In actual fact, creditors are paid from the company's liquidated assets before common stockholders and the holders of these Penny Stock shares stand a very good chance of losing their whole investment.

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