



The Goldman Guide

Inside this issue:

**We Need
a Big Scandal**

**48 Hours
Before F-Day**

**In Case You
Missed it...LIGA,
GOHE, IZEA**

We Need a Big Scandal

We haven't had a really good scandal for a while and I am so bored with European depressions and Facebook articles. I am not talking about Bernie Madoff proportions but I am not talking about simple resume lying like the now former Yahoo! (NASDAQ—YHOO) CEO. Or the \$2B JP Morgan (NYSE—JPM) trading loss. We've heard them for years.

Some are more memorable than others, like the Kidder Peabody situation which involved an up and coming African American trader who lost over \$200M. Lawsuits ensued and it was front page news of *The Wall Street Journal* for weeks.

The first really big loss occurred when Nick Leeson, then at Barings Bank, only the oldest merchant bank in London (established in 1765) took the damn thing down in 1995, after losing \$1.3 B in 1995 by betting on the wrong side in futures contracts. When you take down a venerable name, yours becomes a memorable, if not infamous one.

Others are equally egregious, like the Amaranth Advisors \$6B loss from betting on the wrong side of natural gas. Long-Term Capital Management, which had Nobel Laureates in the firm in an operating and advisory capacity folded after losing nearly \$5 billion and crushing major investment firms' balance sheets. In their case, bad bets on Russia did them in.

The one I am speaking of came to light almost exactly 16 years ago. Bre-X was a Calgary-based stock that supposedly had 70M troy ounces of gold estimated to be in the ground on a property it owned in Borneo. The stock peaked at around \$300 per share which valued the company at over \$4 billion. Less than year later, Bre-X, which started out as a penny stock, became worthless when it was discovered it was a total fraud. Enough of this Europe crap and Facebook countdowns. Give us a scandal. At least they are interesting.

Key Takeaways

- ⇒ The market needs a major scandal to get out of this funk
- ⇒ We are close to a correction
- ⇒ We may be pounding the table soon
- ⇒ The Avengers will drive this stock higher
- ⇒ News on LIGA, GOHE,
- ⇒ IZEA a new spec buy rec

48 Hours From F-Day



Will investors be dropping F-bombs on Friday?

Well, folks, we are officially 48 hours away from F-day. The definition of F-day I leave up to you. It could stand for Facebook IPO Day. It could represent “finally”, the hype can end day. Some tired folks might view it as “F” it already. Or, you are “F’d” or will be “F’d” if you buy it. Then again, maybe it is just plain Friday.

Me? I could care less.

I am more fascinated by this stuff in Europe. Would you buy a stock that has meaningful exposure to the Continent? Man, you would become incontinent if you did!

Meanwhile, the S&P 500 Index is creeping up to a 10% drop from its intra-day high. By my calculations we are over 8% down from that high. The 10% figure is correction territory but I don’t think we get there for a bit. Still, it is bears watching as program trading will kick in soon which could have yet another bad effect on a skittish market.

For those of you that are avid readers of our pages, you know we have been battering down the hatches for 2 months. We were early. I always am. Most of the time that it is a good thing although every once in a while it can be bad.

When we get past that correction inflection point and the media piles on, sentiment changes, etc., you must be prepared. For at that moment we just may begin pounding the table. There are plenty of companies who should have a really good 2013 and for some it starts in 2H12.

Valuations will come down and the noise will be just that, noise.

In the meantime, today really is hump day. There are 7, count ‘em 7 different economic or economy related pieces of news due out today including: housing starts, permits, mortgage index, capacity utilization, FOMC meeting notes, industrial production and crude inventories. Add in the mess in Europe and drops in Asia and there will be information overload. It would not surprise me if the Street does not know what to make of what.

It’s like the old joke: Guess what? That’s what.

And then there’s 1 day before F-Day.

Key Statistics

<u>Index</u>	<u>Close</u>	<u>YTD</u>
DJIA	12,632	3.4%
S&P 500	1331	5.8%
NASDAQ	2894	11.1%
Russell 2K	777	4.9%

(figures are rounded)

In case you missed it...

LIG Assets (OTCPK – LIGA—\$0.05) had news yesterday. LIGA announced it signed a letter of intent to acquire 100% of First Run Multimedia Corporation of Canada for CDN \$350,000. The closing shall take place on or before June 4, 2012. LIG expects this acquisition to complement SuiteMagic.

First Run Multimedia Corporation has been providing movies to the lodging industry and private cable television to hotels and apartment buildings for over 22 years. It is estimated that First Run contracts its services to include over 3000 hotel rooms in mostly small to medium size hotels and motels.

Global Payout (OTCPK GOHE—\$0.075) also had news. GOHE reached an agreement with Boundless Payment Solutions, Inc., to issue international debit cards to foreign residents. Through BPS' direct bank relationships, GOHE has launched a prepaid debit MasterCard with Cirrus/Maestro that can be issued to residents of most international countries. The prepaid debit card will be linked to a bank account that will allow cardholders higher usage limits and more banking flexibility. Cardholders can access cash at over 1 million ATM locations and purchase goods and services from 30 million locations and online merchants. The international bank issuer provides for internet account access and 24/7 customer service in 16 languages. GOHE is currently issuing cards to qualified international businesses.

We initiated coverage of **IZEA (OTCQB—IZEA—\$0.39)** on Monday. Yes, we know the stock totally tanked making us look foolish. Don't worry. The model is great and trading has been a little wacky recently. It's a great story. Probably a great entry point. Check out our report first, for all the details.

IZEA is the world leader in social media sponsorships (SMS), a critical component of Internet advertising. Industry estimates suggest that SMS could reach \$3.1 billion by 2014 and as the only company that has mastered SMS aggregation and monetization, IZEA stands to reap huge rewards.

IZEA's metrics are staggering. Under the SMS format, companies compensate social media publishers to share sponsored content within their respective social networks. To date, IZEA, the pioneer in SMS, has recorded 3 million social media sponsorships. Clients range from Coca-Cola, AT&T, Kraft, Hilton, Microsoft, and other household names to mom and pop businesses.

Until next week...



GOHE goes international



IZEA founder and CEO is a real evangelist for the industry

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Rob Goldman founded Goldman Small Cap Research (GSCR) in 2009. Rob has over 20 years of investment and research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell-side analyst, he was a senior member of Piper Jaffray's Technology team. Prior to joining Piper, Rob led Josephthal & Co.'s Emerging Growth Research Group. Rob has also served as Chief Investment Officer of two boutique investment management firms, where he managed Small Cap Growth and Balanced portfolios and *The Blue and White Fund*. As an investment manager, Rob's model portfolio was once ranked the 4th best small cap growth performer in the U.S. by *Money Manager Review*. In addition to his work at GSCR, Rob is the editor of Penny Stock Junction (www.pennystockjunction.com).

Analyst Certification

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Through its Opportunity Research product, the Company has been compensated for research services in the amount of \$4,500 by LIG Assets, \$12,000 by Global Payout Inc.. In addition, the Company has been compensated \$8,000 by a third party for research services on IZEA Inc..

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