

LIG ASSETS, INC. A Five-Bagger Is In The Cards

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LIG ASSETS, INC. (OTC:PK – LIGA - \$0.007)

Price Target: \$0.20

Rating: Speculative Buy

COMPANY SNAPSHOT

LIG Assets, Inc. is an opportunistic provider of funding and financing for early-stage, high-growth businesses and real estate projects. The Company focuses primarily on income-producing properties in commercial and residential real estate whose cash flow and operating leverage contribute to the overall value of the entire LIG Assets enterprise. Properties currently generating cash flow for LIG Assets include well over 200 residential and commercial properties throughout Texas. The Company also has other business interests in entertainment and majority ownership of South American Properties (OTCPK: SAMP).

KEY STATISTICS

Price as of 8/2/13	\$0.007
52 Wk High – Low	\$0.06 – 0.0051
Est. Shares Outstanding	130.0M
Market Capitalization	\$.91M
3 Mo Avg Vol	1,900,000
Exchange	OTC:PK

COMPANY INFORMATION

LIG Assets, Inc.
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KEY TAKEAWAYS

Since our May 2013 updated report, LIG has edged closer to a series of milestones and events that should result in big returns for the Company and investors, resulting in \$3-4M in net profit in 2013.

In a Chairman's letter, FP Management, one of LIG's largest residential property lenders and its property manager, affirmed that the loans for LIG's 235 properties are in good standing. Based on its most recent filing and a confirmation letter from FP, the book value for LIGA is over \$7.5M for its real estate alone. Thus, LIGA trades at a remarkable .7x its current market cap, indicating deep value in its shares and giving no consideration to other assets.

LIG just announced that it has partnered with Streamline Funding, a mortgage broker specializing in loans up to \$3M to expand its residential real estate ownership and hard money lending portfolio. Given the structure of the arrangement, for each \$10M in loans, LIG could earn up to \$1M over a 12-month period.

In addition to this funding, we expect a series of milestones and events in the coming weeks which should drive LIGA higher. These include closing of an LIG Entertainment sale (\$1M est. profit), receipt of fees associated with its casino deal, the addition of new board members, and the closing of commercial real estate transactions.

With a series of milestones, new loan arrangements, the good standing debt affirmation and its \$7.5M book value, it appears that a de-risking of the stock has occurred. We expect these events to help take LIGA to \$0.05 in the near term and \$0.20 in a year's time based on 7x \$4M in net income for 2013. We rate LIGA Speculative Buy.



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Bonus Milestones

Commercial Property Alliance - A "Strategic Alliance" announced on December 19, 2012 was a milestone event for LIG Assets, Inc. Through its alliance with Texas Real Estate Hedge Fund, LP and MMR Realty Advisors, LIG Assets can focus on commercial properties including multifamily, retail, hotel, and office. The Strategic Alliance allows LIG Assets to enter the market for much larger properties with valuations between \$1 million and \$100 million. The anticipated profit from turnover and/or leases is significant, and the opportunities to take positions in distressed and special situations are plentiful. Although these transactions can take longer to evolve, they can provide greater positive cash flow and potential profit.

The Strategic Alliance is also currently working with LIG's current lenders and potential acquisition targets to provide opportunities to finance at low rates. If successful, LIG Assets would generate significantly more cash each month.

Recent Trading History For LIGA

(Source: Stockta.com)





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Senior Analyst: Robert Goldman

Rob Goldman founded Goldman Small Cap Research in 2009 has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

Analyst Certification

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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