

LANDSTAR, INC.

Attractive Entry Point LDSR; Recent Industry M&A Confirms Strategy

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November 20, 2018

LANDSTAR, INC. (OTC – LDSR - \$0.0034)

Price Target: \$0.027

Rating: Speculative Buy

COMPANY SNAPSHOT

LandStar, Inc., through its wholly owned subsidiary Data443™ Risk Mitigation, Inc., enables secure data – across local devices, network, cloud, and databases – at rest and in flight. ClassiDocs™, the company's award-winning data classification and governance technology, provides GDPR compliance and DSAR management coupled with DLP, CASB, SIEM, and cloud solutions to provide user-enabled, governance-enabled, up-to-date security for every data point, every time. The WordPress-based GDPR Framework enables organizations of all sizes to comply with the GDPR and other privacy frameworks. ClassiDocs™ for Blockchain provides an active implementation for blockchain transactions from inadvertent disclosure and data leaks.

KEY STATISTICS

| | |
|-------------------------|---------------------|
| Price as of 11/19/18 | \$0.0034 |
| 52 Week High – Low | \$0.0266 - \$0.0002 |
| Est. Shares Outstanding | 4.48B |
| Market Capitalization | \$14.2M |
| Average Volume | 13,380,146 |
| Exchange | OTCPK |

COMPANY INFORMATION

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INVESTMENT HIGHLIGHTS

Conclusion: At current prices, LDSR is just plain cheap. Following recent announcements regarding new marketing channels and an LOI (soon to be a closed acquisition), LDSR's shares have sold off. In our view it is a simple "buy on rumor sell on news" situation—making LDSR very attractive for investors seeking outsized returns.

But, wait...there's more: From a trading perspective, it has been our experience that while most investors are preparing or enjoying themselves during the Thanksgiving Week, a dearth of sellers leads low-priced stocks such as LDSR to higher levels. Given the backdrop of recent news and its current positioning, LDSR seems to fit the bill.

Cybersecurity M&A is heating up in the past week alone. Noted mobile player Blackberry is buying Cylance, an enterprise cyber firm for \$1.4 billion. Forescout bought SecurityMatters for \$113 million. Buyout firm Thomas Bravo is reportedly considering buying software security giant Symantec. Ironically, this rumor comes on the heels of Symantec executing 2 acquisitions of its own—in the past 2 weeks.

LDSR's aggressive roll-up strategy on track. We maintain that LDSR could reach an \$10M annual revenue run-rate in 1Q19. and an annual revenue run-rate that exceeds \$40M in 2020.

LDSR's shares could be news-driven and that is a good thing. New acquisitions, offerings, and markets should drive LDSR's stock to new levels.

SENIOR ANALYST: ROBERT GOLDMAN

Rob Goldman founded Goldman Small Cap Research in 2009 and 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

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