

INSIDE THIS ISSUE:

Something for Subscribers	p.2
NVLX: Short Squeeze	p.3

KEY TAKEAWAYS

- ⇒ *Three-year anniversary of The Goldman Guide and 1-year anniversary of pending for The 30-30 Report*
- ⇒ *Performance and changes in 3 years remarkable*
- ⇒ *Buy out of the money puts on the S&P 500, gold may return to some luster; buy health care and consumer stocks*
- ⇒ *NVLX about to start a short squeeze?*

KEY STATISTICS

Index	Close	2013
DJIA	14974	14.3%
S&P 500	1614	13.2%
NASDAQ	3379	11.9%
Russell 2K	954	12.4%

(figures are rounded)

A Landmark Issue

Happy Anniversary to us! This issue marks the three-year anniversary of our publishing the weekly *The Goldman Guide*.

Frankly, I did not think we would reach this mark, for a plethora of reasons.

A lot has changed. For starters, the key indices, which experienced a bit of a rollercoaster (especially during May 2010 when the S&P 500 Index declined by 8.3%) are all up anywhere from 44%-49% over the past 3 years.

Gold was around \$1185/oz. versus \$11473 today and it reached a high of around \$1900.

Today, the market is at all-time highs and 3 years ago investors were just hoping not to lose any more money. The sad thing is that considering that many investors stayed away from the market, most have not enjoyed the gains experienced over the past 3 years.

The economy was still losing jobs eking out gains via productivity alone and yet investors' appetite for risk was high despite losses and future uncertainty.

A number of investment banks that were major players in the small cap space have since merged or in most cases, just shut their doors. Electronic trading has taken on a whole new form yet major debacles have not been avoided.

As for Goldman Small Cap Research, we were just beginning to spread our wings and producing sponsored research on listed stocks, penny stocks, and non-sponsored stock and market research as well. When we began this newsletter, we have hundreds of subscribers. Now, we have many thousands and the redistribution reaches 6 figures. (cont'd)



The Goldman Guide

VOLUME 4 | ISSUE 1 | MAY 5, 2013

A Landmark² Issue (cont'd)

Looking Ahead

We are at the one-third pole of the calendar year and it feels as if the market is just going straight up. While we have seen the herd mentality be a driving force in the movement of individual stocks, it is not necessarily so in the general market. In fact, it might be better to do the opposite. Granted, the market has averaged a 5.4% decline for each of the past 3 years, so it is overdue for a gain. Still, 5 of the past 6 years have recorded monthly declines. While it is possible that the up party continues, we recommend buying out of the money puts on S&P 500 Index ETFs that have a June expiration. It could save you some money and reduce risk, in case the market heads south.

Gold may mount a comeback, driven by central banks not having any other place to put their money, rather than inflation. The global economy may be contracting but U.S. equities remain the best place for investors. Although bonds are still not a good home, short-term cash may prove to be wiser than going all in on equities. We still maintain that health care and consumer stocks may outperform certain tech sectors and would focus attention in these areas. As has been the case for the past several years, buy the stocks under accumulation and avoid those that can't get out of their own way. Be prepared to step in strongly if employment gains or positive revisions continue and step out as they decline. They will continue to play the role of big drivers of stock market direction.

Something Special For You

Three years ago, we planned to offer our subscribers more and varied content. We have done so with our daily blogs and premium small cap stock pick newsletter *The 30-30 Report*. In honor of the Guide and 30-30 anniversaries, we will be offering a special to all new 30-30 subscribers, and a rebate for all those that subscribed in May. Be on the lookout for an email on this after Mother's Day.

We also need your help. We have a number of new content and distribution initiatives and offerings planned for you (free and premium.) We will be sending out a very brief online survey to get the pulse of our subscribers and we would appreciate you taking 1-2 minutes to choose your responses.

Finally, at long last, we can say that the book we have been working on is nearly complete and we will provide you with more details as we get closer to publication.

Thank you very much for your continued support! Drop us an email anytime.



The Goldman Guide

VOLUME 4 | ISSUE 1 | MAY 5, 2013

The Anatomy of a Short Squeeze

If you have been watching Nuvilex, Inc. (OTCQB—NVLX) of late, you probably are witnessing, or are about to witness a classic short squeeze. And, it is a beautiful thing to behold. Let me explain what is going on here:

NVLX has an ownership base that includes a minority that is maniacally attached to the stock's story. Still, the stock is controversial and attracted vocal detractors which stir up the minority shareholders.

NVLX, which enjoyed a rise higher for a while, had a retreat down to around the \$0.03—0.04 level, before its big move higher. How did it get there? The catalyst for the decline, in our view, was a number of short-sellers who do not believe in valuation, management, business model, technology, etc. and became more prominent and vociferous in their vitriol against the Company, in the absence of buyers.

Although shorts are supposed to have difficulty borrowing stock or at least restrictions, we have found that naked short-sellers abound. As a result, once they sunk their teeth in NVLX, it was very hard for the stock to bounce back, in the absence of substantive news or a re-valuation of the company (our reports). This put the first pressure on the shorts as it approached the \$0.08 level. Try as they might, they were unable to smack the price down, as new investors have clearly learned the story and are not jaded like the evil shorts.

Now that it has produced new highs on heavy volume, and the secret is out (thanks to the Buyins.net) report about the level of stock short) we believe that some of the shorts could begin to drop off. Still, there is a long way to go before a squeeze kicks in. But, now that we have had a couple of closes at new highs, it looks like a short squeeze may be starting to emerge.

Why? The shorts have already taken a big hit, and that is always a trigger for short covering. This added buying causes a major and swift move to unprecedented heights. We would recommend buying along with their short-covering given the low valuation afforded the stock and the great wind at its back.

Until next week...



The Goldman Guide

VOLUME 4 | ISSUE 1 | MAY 5, 2013

1498 Reisterstown Road, Suite 286
Baltimore Maryland 21208
Phone: 410.609.7100
info@goldmanresearch.com
www.goldmanresearch.com

Analyst: Robert Goldman

Rob Goldman founded Goldman Small Cap Research in 2009. Rob 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 Jaffrey'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*. 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 The Stock Junction (www.TheStockJunction.com.)

Analyst Certification

I, Robert Goldman, hereby certify that the view expressed in this newsletter 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 publication.

Disclaimer

This newsletter was prepared for informational purposes only. *Goldman Small Cap Research*, (a division of Two Triangle Consulting Group, LLC) produces research via two formats: *Goldman Select Research*, which typically highlights small cap and mid cap companies, and *Goldman Opportunity Research*, which includes micro cap companies. The *Select* product reflects the Firm's internally generated stock ideas while the *Opportunity* product reflects sponsored research reports. GSCR was compensated \$4,000 by the Company for a research subscription service and has been compensated by a third party for various Nuvilex articles.

It is important to note that while we may track performance separately, we utilize the same coverage criteria in determining coverage of all stocks in both research formats. Please view the company's individual disclosures for each engagement, which can be found in each company-specific report. All information contained in this newsletter and in our reports were provided by the Companies or generated from our own due diligence. Our analysts are responsible only to the public, and are paid in advance to eliminate pecuniary interests, retain editorial control, and ensure independence. Analysts are compensated on a per report basis and not on the basis of his/her recommendations. The Firm has not been compensated nor does it expect to be compensated for the any research services for any of the other companies mentioned in this newsletter. Please read the disclaimers found on the initiation reports and updates for compensation disclosure and research subscription terms.

The information used and statements of fact made have been obtained from sources considered reliable but we neither guarantee nor represent the completeness or accuracy. *Goldman Small Cap Research* did not make an independent investigation or inquiry as to the accuracy of any information provided by the Company, or other firms. *Goldman Small Cap Research* relied solely upon information provided by the Company through its filings, press releases, presentations, and through its own internal due diligence for accuracy and completeness. Such information and the opinions expressed are subject to change without notice. A *Goldman Small Cap Research* report, note, or newsletter is not intended as an offering, recommendation, or a solicitation of an offer to buy or sell the securities mentioned or discussed. This report or newsletter does not take into account the investment objectives, financial situation, or particular needs of any particular person. This report or newsletter does not provide all information material to an investor's decision about whether or not to make any investment. Any discussion of risks in this presentation is not a disclosure of all risks or a complete discussion of the risks mentioned. Neither *Goldman Small Cap Research*, nor its parent, is registered as a securities broker-dealer or an investment adviser with the FINRA or with any state securities regulatory authority.

ALL INFORMATION IN THIS REPORT OR NEWSLETTER IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESSED OR IMPLIED, OR REPRESENTATIONS OF ANY KIND. TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, *TWO TRIANGLE CONSULTING GROUP, LLC* WILL NOT BE LIABLE FOR THE QUALITY, ACCURACY, COMPLETENESS, RELIABILITY OR TIMELINESS OF THIS INFORMATION, OR FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT MAY ARISE OUT OF THE USE OF THIS INFORMATION BY YOU OR ANYONE ELSE (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF OPPORTUNITIES, TRADING LOSSES, AND DAMAGES THAT MAY RESULT FROM ANY INACCURACY OR INCOMPLETENESS OF THIS INFORMATION). TO THE FULLEST EXTENT PERMITTED BY LAW, *TWO TRIANGLE CONSULTING GROUP, LLC* WILL NOT BE LIABLE TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY, OR OTHER THEORY WITH RESPECT TO THIS PRESENTATION OF INFORMATION.