here is the short cases:

\*\*1. Crazy Eddie, Inc.\*\*

\* \*\*Detail:\*\* Extreme overvaluation (P/E of 39x) -> \*\*Method Used:\*\* Valuation Analysis (Calculating P/E ratio from financials and market price).

\* \*\*Detail:\*\* Per-store valuation high ($24M/store vs. ~$700k for KFC comparison) -> \*\*Method Used:\*\* Valuation Analysis (Per-store calculation and competitor comparison).

\* \*\*Detail:\*\* Slowing same-store sales growth (initially 10%) -> \*\*Method Used:\*\* Financial Statement Analysis (Prospectus/10-Q review).

\* \*\*Detail:\*\* Contradictory same-store sales figures (15% in press release vs. 5% in 10-Q for same quarter) -> \*\*Method Used:\*\* Comparison between Press Release and Financial Statement (10-Q).

\* \*\*Detail:\*\* Rapidly rising inventories relative to sales growth -> \*\*Method Used:\*\* Financial Statement Analysis (Ratio analysis: Inventory Growth vs. Sales Growth in 10-Ks/10-Qs).

\* \*\*Detail:\*\* Dropping inventory turns -> \*\*Method Used:\*\* Financial Statement Analysis (Inventory Turnover calculation using 10-K/10-Q data).

\* \*\*Detail:\*\* Manual inventory accounting system -> \*\*Method Used:\*\* Management Statements/Company Communications (Mentioned by management as a strength, later seen as weakness).

\* \*\*Detail:\*\* Insiders (Antar family) sold ~$71.5M stock vs. $24.2M cumulative company net income -> \*\*Method Used:\*\* Prospectus & Proxy Analysis (Comparing disclosed insider sales value to cumulative net income from financials).

\* \*\*Detail:\*\* Excessive salaries/bonuses -> \*\*Method Used:\*\* Prospectus & Proxy Analysis (Executive Compensation section).

\* \*\*Detail:\*\* Generous stock option/SAR plans (cash payouts) -> \*\*Method Used:\*\* Prospectus & Proxy Analysis (Stock Option Plan description).

\* \*\*Detail:\*\* Related-party transactions (leases, inventory deals w/ family firms like Benel) -> \*\*Method Used:\*\* Prospectus & Proxy Analysis (Certain Transactions/Related Parties section).

\* \*\*Detail:\*\* Unusual family ventures linked (University of St. Lucia medical school) -> \*\*Method Used:\*\* Prospectus & Proxy Analysis (Certain Transactions/Related Parties section).

\* \*\*Detail:\*\* Undetermined pre-IPO interest-free loans to insiders -> \*\*Method Used:\*\* Prospectus Analysis (Disclosure of past practices).

\* \*\*Detail:\*\* Guarantee of bankrupt family shoe business (Shoe Time) -> \*\*Method Used:\*\* Prospectus Analysis (Disclosure of related party dealings).

\* \*\*Detail:\*\* Hype-driven diversification (Home Shopping venture announced) -> \*\*Method Used:\*\* Monitoring Press Releases & News/Company Announcements.

\* \*\*Detail:\*\* Insider selling (Eddie Antar sold 1.5M shares, gave away 500k) -> \*\*Method Used:\*\* Insider Transaction Tracking (Media reports, services like Vickers, likely Form 144).

\* \*\*Detail:\*\* Company announced buybacks while CEO sold heavily -> \*\*Method Used:\*\* Comparison of Company Announcements with Insider Transaction Tracking.

\* \*\*Detail:\*\* Sudden resignation of CEO Eddie Antar -> \*\*Method Used:\*\* Monitoring Press Releases/News.

\* \*\*Detail:\*\* Deteriorating gross margins -> \*\*Method Used:\*\* Financial Statement Analysis (Calculation from Income Statement in 10-Ks/10-Qs).

\* \*\*Detail:\*\* Discrepancy in management commentary (key spokesman Ed Colloton no longer working for company post-resignation) -> \*\*Method Used:\*\* Direct Inquiry/Communication check.

\* \*\*Detail:\*\* SEC inquiry initiated -> \*\*Method Used:\*\* Monitoring Regulatory Actions/News.

\* \*\*Detail:\*\* Credit line cut by Chemical Bank -> \*\*Method Used:\*\* Financial Statement Analysis (Likely 10-K footnote/MD&A disclosure).

\* \*\*Detail:\*\* Missing inventory ($45M-$65M), falsified reports -> \*\*Method Used:\*\* Post-mortem Investigation/Audits (Revealed by new management).

\*\*2. ZZZZ Best\*\*

\* \*\*Detail:\*\* Impossibly large announced carpet cleaning contract ($8M) -> \*\*Method Used:\*\* Industry Research/Competitor Analysis (Comparing announced value to known industry maximums).

\* \*\*Detail:\*\* No real contracts or revenues; money laundering -> \*\*Method Used:\*\* Investigation/Post-mortem Discovery (Details emerged after collapse).

\*\*3. Harrier, Inc.\*\*

\* \*\*Detail:\*\* High market cap ($84M) vs. minimal assets ($2.5M) / book value ($1.7M) -> \*\*Method Used:\*\* Valuation Analysis (Market Cap vs. Book Value/Assets from 10-Q).

\* \*\*Detail:\*\* Flawed 10-Q: Incorrect dates on balance sheet -> \*\*Method Used:\*\* Financial Statement Analysis (Basic review of 10-Q document).

\* \*\*Detail:\*\* Flawed 10-Q: Statement of Changes numbers did not add up mathematically -> \*\*Method Used:\*\* Financial Statement Analysis (Basic verification of calculations in 10-Q).

\* \*\*Detail:\*\* Originated as a "blind pool" IPO with unspecified use of funds -> \*\*Method Used:\*\* Prospectus Analysis (IPO document review).

\* \*\*Detail:\*\* Questionable acquired rights/technology (Bioptron Lamp, biodynamics described vaguely) -> \*\*Method Used:\*\* Prospectus/10-K Analysis (Review of business description/acquisitions).

\* \*\*Detail:\*\* High management/consulting fees ($329k/year) paid to Swiss execs -> \*\*Method Used:\*\* Proxy/10-K Analysis (Review of compensation/related transactions).

\* \*\*Detail:\*\* Announced large contracts ($2.4M, $6M) did not match actual reported revenues -> \*\*Method Used:\*\* Comparison between Press Releases and Financial Statements (10-K/10-Q Revenue).

\* \*\*Detail:\*\* Insider selling occurred -> \*\*Method Used:\*\* Insider Transaction Tracking.

\* \*\*Detail:\*\* Negative press coverage questioning products (\*Barron's\*) -> \*\*Method Used:\*\* Media Analysis.

\* \*\*Detail:\*\* Company loaned money to investment banker's clients / bought stock in another client -> \*\*Method Used:\*\* Financial Statement Analysis (10-Q footnote/MD&A disclosure).

\*\*4. Medstone International, Inc.\*\*

\* \*\*Detail:\*\* High valuation post-IPO ($13 to $42) -> \*\*Method Used:\*\* Market Observation/Price Tracking.

\* \*\*Detail:\*\* Market cap ($130M) seemed excessive vs. competitor Candela Laser ($38M cap) -> \*\*Method Used:\*\* Competitor Analysis/Valuation Comparison (Using data from both prospectuses).

\* \*\*Detail:\*\* Product unpatented, facing strong competition -> \*\*Method Used:\*\* Prospectus Analysis (Product description, competition section).

\* \*\*Detail:\*\* Prospectus warnings (Limited history, deficit net worth, etc.) -> \*\*Method Used:\*\* Prospectus Analysis (Risk Factors/"Investment Considerations" section).

\* \*\*Detail:\*\* IPO proceeds used to pay officers for prior services ($1.4M) -> \*\*Method Used:\*\* Prospectus Analysis (Use of Proceeds section).

\* \*\*Detail:\*\* Insider selling before lockup expired (Founder/President Penfil) -> \*\*Method Used:\*\* Insider Transaction Tracking.

\* \*\*Detail:\*\* Chairman Payne resigned -> \*\*Method Used:\*\* Monitoring News/Press Releases.

\* \*\*Detail:\*\* Aggressive analyst hype ($4.40 EPS projection vs $0.33 actual) -> \*\*Method Used:\*\* Reading Analyst Reports.

\* \*\*Detail:\*\* Significant related-party sales (13% to Dr. Hammond) -> \*\*Method Used:\*\* Financial Statement Analysis (10-K footnote disclosure).

\* \*\*Detail:\*\* Special deals/consulting fees for Dr. Hammond -> \*\*Method Used:\*\* Prospectus/10-K Analysis (Related Party Transactions section).

\* \*\*Detail:\*\* Earnings miss (June 1989 loss) -> \*\*Method Used:\*\* Monitoring Earnings Announcements.

\* \*\*Detail:\*\* Rising inventories ($5.5M vs $385k) -> \*\*Method Used:\*\* Financial Statement Analysis (10-Q Balance Sheet comparison).

\* \*\*Detail:\*\* Management resignations continued (Penfil) -> \*\*Method Used:\*\* Monitoring News/Press Releases.

\* \*\*Detail:\*\* FDA compliance issues (X-ray system reports) -> \*\*Method Used:\*\* Monitoring Regulatory Actions/Company Announcements.

\* \*\*Detail:\*\* Failed FDA approval for gallstones -> \*\*Method Used:\*\* Monitoring Regulatory Actions/Company Announcements.

\* \*\*Detail:\*\* Shipments stopped pending FDA corrective action -> \*\*Method Used:\*\* Monitoring Regulatory Actions/Company Announcements.

\*\*5. Clinicorp, Inc.\*\*

\* \*\*Detail:\*\* Acquiring a company (PMA) in substantial decline -> \*\*Method Used:\*\* Prospectus Analysis (Risk Factors/Acquisition Description).

\* \*\*Detail:\*\* Ongoing litigation (fraud, deceptive practices) against acquired company/founder -> \*\*Method Used:\*\* Prospectus Analysis (Risk Factors/Legal Proceedings section).

\* \*\*Detail:\*\* Risky financing program (lending to start-ups) -> \*\*Method Used:\*\* Prospectus Analysis (Risk Factors/Business Description).

\* \*\*Detail:\*\* Inexperienced underwriter -> \*\*Method Used:\*\* Prospectus Analysis (Underwriter Description).

\* \*\*Detail:\*\* Stock price driven up by hype (Ray Dirks) -> \*\*Method Used:\*\* Monitoring Market Commentary/Media.

\*\*6. Happiness Express Inc. (HAPY)\*\*

\* \*\*Detail:\*\* Extreme product concentration (82% Power Rangers, 56% gloves) -> \*\*Method Used:\*\* Prospectus Analysis (Secondary Offering - Risk Factors/Business Description).

\* \*\*Detail:\*\* Power Rangers fad was peaking -> \*\*Method Used:\*\* Market/Product Cycle Awareness (General knowledge).

\* \*\*Detail:\*\* Non-exclusive licenses -> \*\*Method Used:\*\* Prospectus Analysis (Risk Factors/Business Description).

\* \*\*Detail:\*\* Cash burn ($10M in 9 months) -> \*\*Method Used:\*\* Financial Statement Analysis (Prospectus - Statement of Cash Flows).

\* \*\*Detail:\*\* Inventory buildup post-Christmas -> \*\*Method Used:\*\* Financial Statement Analysis (Prospectus - Balance Sheet, noting Dec 31 date).

\* \*\*Detail:\*\* Significant insider selling in secondary offering -> \*\*Method Used:\*\* Prospectus Analysis (Secondary Offering - Selling Shareholders section).

\* \*\*Detail:\*\* High fixed future costs (royalties, exec comp) -> \*\*Method Used:\*\* Prospectus Analysis (Commitments/Contracts section or footnotes).

\* \*\*Detail:\*\* Subsequent earnings miss -> \*\*Method Used:\*\* Monitoring Earnings Announcements.

\*\*7. Coleco Industries, Inc.\*\*

\* \*\*Detail:\*\* Adam computer production delays, glitches, missed deadlines -> \*\*Method Used:\*\* Monitoring Press Releases/News & Supplier Checks.

\* \*\*Detail:\*\* Ballooning inventory (ColecoVision consoles) -> \*\*Method Used:\*\* Financial Statement Analysis (10-K/10-Q Balance Sheet).

\* \*\*Detail:\*\* Non-recurring gains, odd asset classifications -> \*\*Method Used:\*\* Financial Statement Analysis (Income Statement & Footnotes).

\* \*\*Detail:\*\* Misleading company press releases on production/earnings -> \*\*Method Used:\*\* Comparison of Press Releases vs. Actual Events/Financials.

\* \*\*Detail:\*\* Failed product demonstrations -> \*\*Method Used:\*\* Attending Company Events/Media Reports.

\* \*\*Detail:\*\* Supplier issues (canceled orders) -> \*\*Method Used:\*\* Supplier Checks/Industry Scuttlebutt.

\* \*\*Detail:\*\* Second fad (Cabbage Patch) peaked; company overproduced -> \*\*Method Used:\*\* Market/Product Cycle Awareness & Financial Statement Analysis (Inventory buildup).

\* \*\*Detail:\*\* Negative cash flow, eventual bankruptcy -> \*\*Method Used:\*\* Financial Statement Analysis & Tracking Company Status.

\*\*8. The Scoreboard, Inc. (BSBL)\*\*

\* \*\*Detail:\*\* Insider legal issues (Mays arbitration/assault) -> \*\*Method Used:\*\* Prospectus Analysis (Secondary - Legal Proceedings/Risk Factors).

\* \*\*Detail:\*\* Chairman Goldin's prior bankruptcy/default judgment -> \*\*Method Used:\*\* Prospectus Analysis (Secondary - Management Background).

\* \*\*Detail:\*\* Related-party sales (33% via son-in-law) -> \*\*Method Used:\*\* Prospectus Analysis (Secondary - Related Party Transactions).

\* \*\*Detail:\*\* Secondary prospectus pulled -> \*\*Method Used:\*\* Monitoring Underwriting/Market Activity.

\* \*\*Detail:\*\* Accounts Receivable growth >> Sales growth -> \*\*Method Used:\*\* Financial Statement Analysis (10-K/10-Q Ratio Analysis).

\* \*\*Detail:\*\* Finished Goods Inventory growth >> COGS growth -> \*\*Method Used:\*\* Financial Statement Analysis (10-K/10-Q Ratio Analysis).

\* \*\*Detail:\*\* Rising Prepaids -> \*\*Method Used:\*\* Financial Statement Analysis (10-K/10-Q Balance Sheet).

\* \*\*Detail:\*\* Negative operating cash flow despite simple model -> \*\*Method Used:\*\* Financial Statement Analysis (10-K/10-Q Statement of Cash Flows).

\* \*\*Detail:\*\* Consignment sales percentage (16% to QVC) -> \*\*Method Used:\*\* Financial Statement Analysis (10-K Footnote/MD&A on revenue sources).

\* \*\*Detail:\*\* Management denial of obvious cash/inventory problems -> \*\*Method Used:\*\* Monitoring Conference Calls.

\* \*\*Detail:\*\* Baseball card fad peaking -> \*\*Method Used:\*\* Reading Media Analysis (\*Forbes\*, \*WSJ\*).

\* \*\*Detail:\*\* Rising intangibles suggesting capitalized expenses -> \*\*Method Used:\*\* Financial Statement Analysis (10-K Balance Sheet & Footnotes).

\* \*\*Detail:\*\* Eventual earnings miss, restructuring charge, inventory write-down, bank default -> \*\*Method Used:\*\* Monitoring Company Announcements & Filings.

\*\*9. J. Bildner & Sons, Inc.\*\*

\* \*\*Detail:\*\* Weak IPO (reduced size/price) -> \*\*Method Used:\*\* Monitoring Underwriting/Market Activity.

\* \*\*Detail:\*\* Prospectus warnings (funding duration, expansion risks, mgmt inexperience) -> \*\*Method Used:\*\* Prospectus Analysis (IPO - Risk Factors).

\* \*\*Detail:\*\* Poor site selection/strategy mismatch -> \*\*Method Used:\*\* Store Checks/Site Visits.

\* \*\*Detail:\*\* Operational issues (product quality, staff knowledge) -> \*\*Method Used:\*\* Store Checks/Site Visits.

\* \*\*Detail:\*\* Expansion delays -> \*\*Method Used:\*\* Monitoring Company Announcements/Filings (10-K MD&A).

\* \*\*Detail:\*\* Poor quality of earnings (hidden gain on asset sale) -> \*\*Method Used:\*\* Financial Statement Analysis (10-K Income Statement & Footnotes/MD&A analysis).

\* \*\*Detail:\*\* Aggressive accounting (capitalizing pre-opening/marketing costs) -> \*\*Method Used:\*\* Financial Statement Analysis (10-K Footnotes on Accounting Policy).

\* \*\*Detail:\*\* Rising prepaid expenses -> \*\*Method Used:\*\* Financial Statement Analysis (10-K Balance Sheet).

\* \*\*Detail:\*\* Rapid cash burn -> \*\*Method Used:\*\* Financial Statement Analysis (10-K Statement of Cash Flows).

\* \*\*Detail:\*\* Need for more financing than planned (overseas convertible debt) -> \*\*Method Used:\*\* Monitoring Financing Activities/Filings (10-K MD&A).

\* \*\*Detail:\*\* Deteriorating margins -> \*\*Method Used:\*\* Financial Statement Analysis (10-Q Income Statement calculation).

\* \*\*Detail:\*\* Store closures, asset sales -> \*\*Method Used:\*\* Monitoring Company Announcements.

\* \*\*Detail:\*\* Eventual bankruptcy -> \*\*Method Used:\*\* Tracking Company Status.

\*\*10. Jiffy Lube International, Inc. (JLUB)\*\*

\* \*\*Detail:\*\* Prospectus warnings (Capital needs, non-recurring income, controls, conflicts) -> \*\*Method Used:\*\* Prospectus Analysis (IPO & Secondary - Risk Factors/"Investment Considerations").

\* \*\*Detail:\*\* Insider dealing via BATH/Lone Star transaction inflated earnings/cash -> \*\*Method Used:\*\* Prospectus Analysis (Secondary - Detailed transaction description in footnotes/MD&A).

\* \*\*Detail:\*\* CEO Hindman sold stock in secondary offering -> \*\*Method Used:\*\* Prospectus Analysis (Secondary - Selling Shareholders).

\* \*\*Detail:\*\* Poor quality of earnings (non-recurring items exceeded EPS per O'glove) -> \*\*Method Used:\*\* Reading External Analysis (O'glove Quality of Earnings Report).

\* \*\*Detail:\*\* High receivables, franchisee credit issues -> \*\*Method Used:\*\* Financial Statement Analysis (10-Q) & Media Analysis (\*WSJ\* article).

\* \*\*Detail:\*\* Rising number of centers held for resale -> \*\*Method Used:\*\* Financial Statement Analysis (10-Q Footnote/MD&A).

\* \*\*Detail:\*\* Aggressive franchise terms advertised ("No money down") -> \*\*Method Used:\*\* Tracking Company Advertisements.

\* \*\*Detail:\*\* SEC disagreement with revenue recognition -> \*\*Method Used:\*\* Monitoring Regulatory Actions/Company Announcements.

\* \*\*Detail:\*\* Questionable use of capital (stock buyback, new HQ) -> \*\*Method Used:\*\* Monitoring Company Announcements.

\* \*\*Detail:\*\* Persistent negative operating cash flow -> \*\*Method Used:\*\* Financial Statement Analysis (Statement of Cash Flows in 10-Ks/10-Qs).

\* \*\*Detail:\*\* Funding gap filled by debt/equity issues -> \*\*Method Used:\*\* Monitoring Financing Activities.

\* \*\*Detail:\*\* Increased loan loss provisions -> \*\*Method Used:\*\* Financial Statement Analysis (10-Q Income Statement/Footnotes).

\* \*\*Detail:\*\* Large write-off including charge for Hindman's partnership -> \*\*Method Used:\*\* Monitoring Company Announcements.

\* \*\*Detail:\*\* Debt covenant default -> \*\*Method Used:\*\* Monitoring Company Announcements/Filings.

\* \*\*Detail:\*\* Dilutive bailout by Pennzoil -> \*\*Method Used:\*\* Monitoring Company Announcements/Filings.

\*\*11. Cott Corporation\*\*

\* \*\*Detail:\*\* High P/E ratio -> \*\*Method Used:\*\* Valuation Analysis.

\* \*\*Detail:\*\* Prospectus issues (lower margins/prices, large 'other assets', aggressive amortization, Pencer family dominance) -> \*\*Method Used:\*\* Prospectus Analysis (Secondary Offering).

\* \*\*Detail:\*\* CEO Pencer's prior company failure -> \*\*Method Used:\*\* Management Background Check.

\* \*\*Detail:\*\* Significant insider selling -> \*\*Method Used:\*\* Insider Transaction Tracking (Filings, Media - \*Financial Post\*).

\* \*\*Detail:\*\* High customer concentration (Wal-Mart pipeline fill risk) -> \*\*Method Used:\*\* Financial Statement Analysis (10-K disclosure) & Industry Knowledge.

\* \*\*Detail:\*\* Key analyst joined company IR -> \*\*Method Used:\*\* Monitoring Analyst/Personnel Changes.

\* \*\*Detail:\*\* Competitive threat (Coke/Pepsi price cuts) -> \*\*Method Used:\*\* Monitoring Competitive Environment.

\* \*\*Detail:\*\* Excessive executive compensation relative to earnings -> \*\*Method Used:\*\* Proxy Analysis.

\* \*\*Detail:\*\* Unusual stock deals benefiting insiders -> \*\*Method Used:\*\* Proxy Analysis (Related Transactions).

\* \*\*Detail:\*\* Inventory growth consistently exceeding COGS growth -> \*\*Method Used:\*\* Financial Statement Analysis (10-K/10-Q Ratio Analysis).

\* \*\*Detail:\*\* Rising "other assets" (deferred costs) -> \*\*Method Used:\*\* Financial Statement Analysis (10-K/10-Q Balance Sheet & Footnotes).

\* \*\*Detail:\*\* Accounting questions raised by media (\*Worth\*) -> \*\*Method Used:\*\* Media Analysis.

\* \*\*Detail:\*\* Earnings warnings/guidance reductions -> \*\*Method Used:\*\* Monitoring Company Guidance.

\*\*12. Snapple Beverage Corporation\*\*

\* \*\*Detail:\*\* Fad product nature, premium pricing -> \*\*Method Used:\*\* Market/Product Awareness.

\* \*\*Detail:\*\* High P/E multiple -> \*\*Method Used:\*\* Valuation Analysis.

\* \*\*Detail:\*\* Heavy competition -> \*\*Method Used:\*\* Industry Analysis.

\* \*\*Detail:\*\* Significant insider selling in secondary offering -> \*\*Method Used:\*\* Prospectus Analysis (Secondary Offering).

\* \*\*Detail:\*\* Rising receivables (initial sign) -> \*\*Method Used:\*\* Financial Statement Analysis (10-Q Balance Sheet).

\* \*\*Detail:\*\* Significant inventory buildup relative to COGS growth (Days inventory rising) -> \*\*Method Used:\*\* Financial Statement Analysis (10-Q/10-K Ratio Analysis - Key Indicator).

\* \*\*Detail:\*\* Operating margins fell -> \*\*Method Used:\*\* Financial Statement Analysis (10-Q Income Statement Calculation).

\* \*\*Detail:\*\* Earnings missed estimates -> \*\*Method Used:\*\* Monitoring Earnings Announcements.

\* \*\*Detail:\*\* Management admitted inventory problem (pipeline full) -> \*\*Method Used:\*\* Monitoring Conference Calls/Management Commentary.

\* \*\*Detail:\*\* Acquired at much lower price -> \*\*Method Used:\*\* Monitoring M&A Activity.

\*\*13. Media Vision Technology, Inc.\*\*

\* \*\*Detail:\*\* Product becoming commodity, short life cycles, many competitors -> \*\*Method Used:\*\* Market/Industry Analysis.

\* \*\*Detail:\*\* Valuation disconnect (Market cap >> realistic profit potential) -> \*\*Method Used:\*\* Valuation Analysis (Market size/profitability modeling).

\* \*\*Detail:\*\* Minimal R&D spending relative to industry -> \*\*Method Used:\*\* Financial Statement Analysis (Income Statement).

\* \*\*Detail:\*\* High receivables growth -> \*\*Method Used:\*\* Financial Statement Analysis (10-Q Balance Sheet).

\* \*\*Detail:\*\* Questionable inventory levels (Finished goods % discrepancy) -> \*\*Method Used:\*\* Financial Statement Analysis (Comparison of management claims vs. 10-Q footnote).

\* \*\*Detail:\*\* Negative cash flow -> \*\*Method Used:\*\* Financial Statement Analysis (Statement of Cash Flows).

\* \*\*Detail:\*\* Low ROE requiring constant financing -> \*\*Method Used:\*\* Financial Statement Analysis (ROE & Sustainable Growth Rate calculation).

\* \*\*Detail:\*\* Insider selling -> \*\*Method Used:\*\* Insider Transaction Tracking (Prospectus, filings).

\* \*\*Detail:\*\* Shift to new business line (CD-ROM publishing) -> \*\*Method Used:\*\* Monitoring Management Strategy/Announcements.

\* \*\*Detail:\*\* Exaggerated management claims (OEM deals, game sales projections) -> \*\*Method Used:\*\* Checking Management Statements vs. Reality (e.g., contacting Dell).

\* \*\*Detail:\*\* Product unavailable at retail despite claims ("Critical Path") -> \*\*Method Used:\*\* Distribution Channel Checks.

\* \*\*Detail:\*\* Questionable accounting (capitalizing software costs, inconsistent cleanup before deals) -> \*\*Method Used:\*\* Financial Statement Analysis (Footnotes, timing comparisons).

\* \*\*Detail:\*\* Fraud (Channel stuffing, shipping bad product, capitalizing party) -> \*\*Method Used:\*\* Post-mortem Investigation/Media Reports (\*SF Chronicle\*).

\*\*14. National Education Corporation\*\*

\* \*\*Detail:\*\* Receivables growth >> Sales growth; inadequate allowance -> \*\*Method Used:\*\* Financial Statement Analysis (10-K/10-Q Ratio Analysis).

\* \*\*Detail:\*\* Aggressive/complex revenue recognition policies -> \*\*Method Used:\*\* Financial Statement Analysis (10-K Footnotes on Accounting Policy).

\* \*\*Detail:\*\* Poor quality of earnings (boosted by prior charge-off, acq. synergies) -> \*\*Method Used:\*\* Financial Statement Analysis (Income Statement Analysis).

\* \*\*Detail:\*\* Large intangible assets with long amortization -> \*\*Method Used:\*\* Financial Statement Analysis (Balance Sheet & Footnotes).

\* \*\*Detail:\*\* President Cwiertnia quit despite discouraging contract terms -> \*\*Method Used:\*\* Proxy Analysis & Monitoring Management Changes.

\* \*\*Detail:\*\* Industry issues (Vocational school defaults) -> \*\*Method Used:\*\* Industry Research/Media Analysis (\*Barron's\*).

\* \*\*Detail:\*\* Earnings warnings and losses -> \*\*Method Used:\*\* Monitoring Company Announcements.

\* \*\*Detail:\*\* Obscure accounting explanations for charges -> \*\*Method Used:\*\* Financial Statement Analysis (10-Q MD&A review).

\* \*\*Detail:\*\* Rising prepaid marketing expenses -> \*\*Method Used:\*\* Financial Statement Analysis (10-Q Balance Sheet).

\* \*\*Detail:\*\* Negative operating cash flow -> \*\*Method Used:\*\* Financial Statement Analysis (10-Q Statement of Cash Flows).

\*\*15. Autotote Corporation (TOTE)\*\*

\* \*\*Detail:\*\* High valuation vs. competitors -> \*\*Method Used:\*\* Competitor Analysis/Valuation Comparison.

\* \*\*Detail:\*\* Incomprehensible/aggressive accounting (revenue rec, cost amortization/capitalization) -> \*\*Method Used:\*\* Financial Statement Analysis (10-K Footnotes on Accounting Policy).

\* \*\*Detail:\*\* Negative operating cash flow -> \*\*Method Used:\*\* Financial Statement Analysis (10-Q Statement of Cash Flows).

\* \*\*Detail:\*\* Late SEC filings (10-K) -> \*\*Method Used:\*\* Monitoring SEC Filing Timeliness.

\* \*\*Detail:\*\* Insider selling via complex equity swap -> \*\*Method Used:\*\* Insider Transaction Tracking (13-D Filing analysis).

\* \*\*Detail:\*\* Questionable contract announcement (Mexico deal validity questioned) -> \*\*Method Used:\*\* Media Analysis (\*SD Bus. Journal\*)/Checking Contract Claims.

\* \*\*Detail:\*\* Accumulated depreciation dropped suspiciously -> \*\*Method Used:\*\* Financial Statement Analysis (Sequential Balance Sheet comparison - P&E schedule).

\* \*\*Detail:\*\* Eventual filing delays again, auditor questions, losses -> \*\*Method Used:\*\* Monitoring Company Announcements/Filings.

\*\*16. Western Savings and Loan Association (Weasel)\*\*

\* \*\*Detail:\*\* High P/B, P/TBV ratios -> \*\*Method Used:\*\* Valuation Analysis.

\* \*\*Detail:\*\* Shift to risky direct investments (real estate, securities) -> \*\*Method Used:\*\* Financial Statement Analysis (10-K Balance Sheet & MD&A).

\* \*\*Detail:\*\* Questionable asset valuation (inflated values for Thousand Trails, Broadview preferred) -> \*\*Method Used:\*\* Financial Statement Analysis (Detailed review of investment portfolio schedules & footnotes, comparing carrying value to market/reality).

\* \*\*Detail:\*\* High exposure to risky loans (Construction, Acq/Dev) -> \*\*Method Used:\*\* Financial Statement Analysis (Loan portfolio breakdown in 10-K).

\* \*\*Detail:\*\* Weak equity cushion, close to regulatory jeopardy -> \*\*Method Used:\*\* Financial Statement Analysis (Capital ratio calculation, comparison to regulatory minimums).

\* \*\*Detail:\*\* Weak/non-recurring earnings (dependent on asset sales, gains) -> \*\*Method Used:\*\* Financial Statement Analysis (Quality of Earnings analysis, NII breakdown).

\* \*\*Detail:\*\* Insider enrichment (salaries, stock purchases, loans, partnerships) -> \*\*Method Used:\*\* Proxy Analysis.

\* \*\*Detail:\*\* Asset swaps to hide losses (Thousand Trails to Southmark) -> \*\*Method Used:\*\* Financial Statement Analysis (10-K Footnotes/MD&A on significant transactions).

\* \*\*Detail:\*\* Rising REO, falling earnings, dividend cut -> \*\*Method Used:\*\* Financial Statement Analysis (Tracking key metrics in 10-Qs).

\* \*\*Detail:\*\* Change in auditors -> \*\*Method Used:\*\* Monitoring Auditor Changes (8-K filing).

\* \*\*Detail:\*\* Eventual seizure by regulators -> \*\*Method Used:\*\* Tracking Company Status/Regulatory Actions.

\*\*17. Capitol Life Insurance Co.\*\*

\* \*\*Detail:\*\* Low surplus relative to assets -> \*\*Method Used:\*\* Statutory Financial Statement Analysis (Blue Book - Balance Sheet).

\* \*\*Detail:\*\* High concentration of risky/illiquid/related-party assets (RE, defaulted bonds, parent/affiliate securities) -> \*\*Method Used:\*\* Statutory Financial Statement Analysis (Blue Book - Schedules A, B, BA, D analysis).

\* \*\*Detail:\*\* NAIC ratings appeared too optimistic on related-party debt -> \*\*Method Used:\*\* Statutory Financial Statement Analysis (Comparing Schedule D rating to known parent status).

\* \*\*Detail:\*\* Low calculated surplus coverage of problem assets -> \*\*Method Used:\*\* Statutory Financial Statement Analysis (Calculation based on identified problem assets vs. adjusted surplus).

\*\*18. Integrated Resources, Inc.\*\*

\* \*\*Detail:\*\* Business model reliant on tax shelters vulnerable to Tax Act -> \*\*Method Used:\*\* Analysis of External Factors/Business Model Review.

\* \*\*Detail:\*\* Extreme insider enrichment (salary, bonus, options, loans, partnerships) -> \*\*Method Used:\*\* Proxy Analysis.

\* \*\*Detail:\*\* Weak balance sheet (low equity, high receivables w/ deferred fees, rising prepaids) -> \*\*Method Used:\*\* Financial Statement Analysis (10-K/10-Q Balance Sheet & Footnotes).

\* \*\*Detail:\*\* Poor quality of earnings (non-recurring items, accounting changes) -> \*\*Method Used:\*\* Financial Statement Analysis (10-K/10-Q Income Statement & Footnotes).

\* \*\*Detail:\*\* Persistent negative operating cash flow -> \*\*Method Used:\*\* Financial Statement Analysis (10-K/10-Q Statement of Cash Flows).

\* \*\*Detail:\*\* Dependence on external financing (debt/equity issues) -> \*\*Method Used:\*\* Financial Statement Analysis (Statement of Cash Flows - Financing section) & Monitoring Financing Activities.

\* \*\*Detail:\*\* Troubled insurance subsidiaries holding related paper -> \*\*Method Used:\*\* Statutory Financial Statement Analysis (Subsidiaries' Blue Books).

\* \*\*Detail:\*\* Insider selling at a premium (Zises to ICH) -> \*\*Method Used:\*\* Insider Transaction Tracking (13D filings/News).

\* \*\*Detail:\*\* Eventual cash crunch, default, bankruptcy -> \*\*Method Used:\*\* Monitoring Company Announcements/Filings.

\*\*19. Summit Technology, Inc. (BEAM)\*\*

\* \*\*Detail:\*\* Long/uncertain FDA approval timeline -> \*\*Method Used:\*\* Regulatory Process Analysis.

\* \*\*Detail:\*\* Weak patent position vs. competitor VISX -> \*\*Method Used:\*\* Competitive Analysis/Patent Research.

\* \*\*Detail:\*\* Market size projections seemed overly optimistic -> \*\*Method Used:\*\* Market Size/Potential Analysis (Modeling).

\* \*\*Detail:\*\* Business model shift (reliance on consumables/fees) -> \*\*Method Used:\*\* Monitoring Management Strategy/Presentations.

\* \*\*Detail:\*\* Resistance to high per-procedure fees -> \*\*Method Used:\*\* Industry Scuttlebutt/Checking with Potential Customers (Ophthalmologists).

\* \*\*Detail:\*\* Persistent operating losses -> \*\*Method Used:\*\* Financial Statement Analysis (Income Statements).

\* \*\*Detail:\*\* Negative cash flow requiring equity offerings -> \*\*Method Used:\*\* Financial Statement Analysis (Statement of Cash Flows) & Monitoring Financing Activities.

\* \*\*Detail:\*\* Deteriorating fundamentals (rising receivables/inventory, write-downs, layoffs) -> \*\*Method Used:\*\* Financial Statement Analysis (10-Qs).

\* \*\*Detail:\*\* Competitive/legal entanglements (Pillar Point JV) -> \*\*Method Used:\*\* Monitoring News/Filings.

\* \*\*Detail:\*\* Safety/efficacy questions debated -> \*\*Method Used:\*\* Monitoring Industry Conferences/Publications.

\* \*\*Detail:\*\* Post-approval disappointing results -> \*\*Method Used:\*\* Monitoring Earnings Announcements.

\* \*\*Detail:\*\* Post-approval insider selling -> \*\*Method Used:\*\* Insider Transaction Tracking.

\*\*20. Harcourt Brace Jovanovich, Inc. (HBJ)\*\*

\* \*\*Detail:\*\* Excessive leverage post-recapitalization -> \*\*Method Used:\*\* Balance Sheet Analysis (Debt ratios).

\* \*\*Detail:\*\* Questionable ability to service debt -> \*\*Method Used:\*\* Cash Flow Analysis (Pro forma projections).

\* \*\*Detail:\*\* Weakening core business fundamentals (Publishing costs/returns, Parks competition) -> \*\*Method Used:\*\* Financial Statement Analysis (Segment data in 10-K/10-Q) & Industry Analysis.

\* \*\*Detail:\*\* Forced asset sale (Parks division) -> \*\*Method Used:\*\* Monitoring Company Announcements.

\* \*\*Detail:\*\* Over-optimistic analyst valuations for asset sale -> \*\*Method Used:\*\* Reading Analyst Reports.

\* \*\*Detail:\*\* Realistic valuation showed sale provided minimal relief -> \*\*Method Used:\*\* Valuation Analysis (Comparable multiples) & Cash Flow Analysis (Post-sale pro forma).

\* \*\*Detail:\*\* Continued deterioration post-sale -> \*\*Method Used:\*\* Financial Statement Analysis (10-Qs).

\* \*\*Detail:\*\* Eventual bankruptcy -> \*\*Method Used:\*\* Tracking Company Status.

\*\*21. Texas Air Corporation\*\*

\* \*\*Detail:\*\* Lorenzo's poor track record -> \*\*Method Used:\*\* Management Track Record Assessment.

\* \*\*Detail:\*\* Negative equity -> \*\*Method Used:\*\* Balance Sheet Analysis.

\* \*\*Detail:\*\* Huge losses per share -> \*\*Method Used:\*\* Financial Statement Analysis (Income Statement).

\* \*\*Detail:\*\* Cash flow dependent on debt/asset sales -> \*\*Method Used:\*\* Financial Statement Analysis (Statement of Cash Flows).

\* \*\*Detail:\*\* Over-optimistic analyst NAV for Eastern assets -> \*\*Method Used:\*\* Reading Analyst Reports & Performing Independent Asset Valuation Analysis.

\* \*\*Detail:\*\* Operational difficulties (Eastern strike, bankruptcy) -> \*\*Method Used:\*\* Monitoring News/Labor Relations/Legal Filings.

\* \*\*Detail:\*\* Market mania/takeover speculation driving price -> \*\*Method Used:\*\* Monitoring Market Sentiment/News.

\* \*\*Detail:\*\* Projected continued cash burn -> \*\*Method Used:\*\* Cash Flow Analysis (Modeling future losses).

\*\*22. Kay Jewelers, Inc.\*\*

\* \*\*Detail:\*\* Declining same-store sales -> \*\*Method Used:\*\* Financial Statement Analysis (10-K/10-Q MD&A).

\* \*\*Detail:\*\* Rising inventories -> \*\*Method Used:\*\* Financial Statement Analysis (Balance Sheet).

\* \*\*Detail:\*\* Deteriorating receivables quality/recourse liability -> \*\*Method Used:\*\* Financial Statement Analysis (Footnotes/MD&A) & Media Analysis (\*WSJ\*).

\* \*\*Detail:\*\* Leveraged balance sheet -> \*\*Method Used:\*\* Balance Sheet Analysis.

\* \*\*Detail:\*\* History of failed takeover rumors -> \*\*Method Used:\*\* Monitoring Historical News/Market Activity.

\* \*\*Detail:\*\* Dividend suspended -> \*\*Method Used:\*\* Monitoring Company Announcements.

\* \*\*Detail:\*\* Weak earnings reported -> \*\*Method Used:\*\* Monitoring Earnings Announcements.

\* \*\*Detail:\*\* Company put itself up for sale -> \*\*Method Used:\*\* Monitoring Company Announcements.

\* \*\*Detail:\*\* Realistic valuation suggested limited upside -> \*\*Method Used:\*\* Valuation Analysis (Revenue multiple comparison).

\* \*\*Detail:\*\* Eventual sale confirmed valuation -> \*\*Method Used:\*\* Monitoring M&A Process/Deal Terms.

\*\*23. Morrison Knudsen Corporation\*\*

\* \*\*Detail:\*\* Declining core operating income -> \*\*Method Used:\*\* Financial Statement Analysis (Income Statement analysis, separating operating from non-operating).

\* \*\*Detail:\*\* Heavy reliance on "Other Income" and Gains on Asset Sales -> \*\*Method Used:\*\* Financial Statement Analysis (Income Statement & Footnote analysis).

\* \*\*Detail:\*\* Negative operating cash flow -> \*\*Method Used:\*\* Financial Statement Analysis (Statement of Cash Flows).

\* \*\*Detail:\*\* Rising use of sale-leasebacks (implied by rising rental expense) -> \*\*Method Used:\*\* Financial Statement Analysis (Tracking specific expense lines over time).

\* \*\*Detail:\*\* Rising inventories relative to sales -> \*\*Method Used:\*\* Financial Statement Analysis (Ratio analysis).

\* \*\*Detail:\*\* Rising "costs and earnings in excess of billings" -> \*\*Method Used:\*\* Financial Statement Analysis (Balance Sheet line item tracking).

\* \*\*Detail:\*\* Eventual large operating losses, write-downs, Agee ouster, bankruptcy -> \*\*Method Used:\*\* Monitoring Company Announcements/Filings.

\*\*24. Sun State Savings and Loan Association (SSSL)\*\*

\* \*\*Detail:\*\* High concentration in risky loans (Acq/Dev, Construction) -> \*\*Method Used:\*\* Financial Statement Analysis (10-K Loan Portfolio Breakdown).

\* \*\*Detail:\*\* Direct RE investments/JVs with unfavorable terms -> \*\*Method Used:\*\* Financial Statement Analysis (10-K Asset Schedules & Footnotes).

\* \*\*Detail:\*\* Rising NPLs vs. low reserves; rising foreclosures -> \*\*Method Used:\*\* Financial Statement Analysis (10-K Asset Quality metrics).

\* \*\*Detail:\*\* Weak equity cushion -> \*\*Method Used:\*\* Financial Statement Analysis (Capital ratio calculation).

\* \*\*Detail:\*\* Aggressive lending continuation -> \*\*Method Used:\*\* Management Commentary/Industry Observation.

\* \*\*Detail:\*\* Unsolicited bids from questionable suitor (Maniatis) -> \*\*Method Used:\*\* Monitoring M&A Activity & Bidder Background Check (13D, Regulatory Findings).

\* \*\*Detail:\*\* Reported losses, warnings of falling below capital requirements -> \*\*Method Used:\*\* Monitoring Company Announcements.

\* \*\*Detail:\*\* Eventual seizure by regulators -> \*\*Method Used:\*\* Tracking Company Status/Regulatory Actions.

\*\*25. Valley National Corporation\*\*

\* \*\*Detail:\*\* Large exposure to construction/development loans -> \*\*Method Used:\*\* Financial Statement Analysis (Annual Report Loan Portfolio Breakdown).

\* \*\*Detail:\*\* Rising NPAs vs. potentially inadequate reserves (Reserve/NPA ratio below peers) -> \*\*Method Used:\*\* Financial Statement Analysis (Asset Quality metrics, Peer Comparison - often via Analyst Reports).

\* \*\*Detail:\*\* Analyst conflict (Peabody vs. Brown) signaling uncertainty -> \*\*Method Used:\*\* Reading Analyst Reports.

\* \*\*Detail:\*\* Management denial/complacency/attacking critics -> \*\*Method Used:\*\* Monitoring Management Statements/Presentations & News Reports.

\* \*\*Detail:\*\* Stock price volatility driven by rumors/short dynamics -> \*\*Method Used:\*\* Market Observation/Monitoring Trading Activity.

\* \*\*Detail:\*\* Eventual large losses, dividend suspension -> \*\*Method Used:\*\* Monitoring Company Announcements.