

VISTA PARTNERS

November 2009
Newsletter

Coverage List

- Dot VN, Inc.
- Dreams, Inc.
- Emission & Power Solutions, Plc.
- GTX Corp.
- Javo Beverage Co.
- Raptor Pharmaceuticals
- Vicor Technologies, Inc.

Watchlist

- Bionovo Inc.
- Cytori Therapeutics, Inc.
- Pure Cycle Corp.
- NVE Corp

Below you will find Vista Partners' current roster of companies under coverage through November 2009. We believe these companies should outperform major indices over the next six to twelve months. For more information on any or all of the company's listed below, please visit www.vistap.com.

Dollar Weakness

By Ross Silver, CEO & Principal Analyst

[Nouriel Roubini](#) was recently on [CNBC](#) talking about the "The Mother of all Carry Trades" which he believes is the main reason why we are rallying. Many people, including me, have been attributing the rally to an improvement in fundamentals, low interest rates, government intervention, etc. After reading through his [article](#), I think he makes a good point but I disagree with him and I will explain why in the next paragraph. Roubini states in his article that traders have been going short the dollar and buying any global risky asset. This is why stock prices, gold prices, oil prices, you name it have gone up in the last seven months.

What Roubini goes on to state in his article is that he believes this rapid increase in equity prices, commodity prices, etc. is simply a bubble that will burst and he expects it to burst in the next 6-12 months as the dollar gets stronger. When it bursts, what has boomed will come crashing down, such as the market. He could be right but I argue that companies have cut the fat, raised necessary capital and are poised to get aggressive in 2010 and show real improvements in their business, such as growing top line by raising prices. I also expect a seldomly used word over the past 12 months to make a return and that is HIRING. If companies show that their businesses are growing and not just holding their ground in 2010 I think the share price appreciation we have seen over the last 7 months is justified. I do not think there will be crash but instead a continued rally throughout 2010 and continued expansion of valuations.

Many institutional fund managers have pulled their money from the equity markets over the last month which has led to a significant decrease in share prices as well as liquidity in the small/micro cap space. I believe this is a big mistake on their part and I intend to capitalize by adding to my small/micro cap positions. The reason they are pulling their money out is because they have made their return for the year and want to lock in their profits. Just remember, these funds will have to deploy their money again in 2010 and you want to be in before they are.

On a lighter note, this weekend is the [Breeders Cup](#) at Santa Anita racetrack in Pasadena, CA. I am a huge fan of horse racing and the Breeders Cup is the [Super Bowl](#) of thoroughbred horse racing. As a teenager I would spend hours reading the [Racing Form](#) and breeding journals and can still name the breeding fees for every sire standing at stud in North America. I have no idea why I find it interesting that Holy Bull is standing for \$10,000 next year, but I do. One day my Dad showed me the [Wall Street Journal](#), the Racing Form of companies, from that day on I was hooked on the stock market. Some of my picks for the big Breeders Cup races are below and GO Yankees*!

*I am not baseball fan, I just know that Dreams (ticker: DRJ) will sell more Yankees gear than Phillies gear because there are more Yankees fans than Phillies fans.

Breeders Cup selections:

Dirt Mile: Neko Bay, 20-1 is a gift, I am not afraid of the European horses. Midshipman is very dangerous.

Sprint: Gayego. Zensational looks tough but draws the rail and has speed horses drawn next to him, they will go too fast early.

Turf: Conduit. Nobody else scares me.

Classic: I am rooting for Zenyatta but don't think she can beat the boys, Gio Ponti is my pick, actually scratch that, Zenyatta is my pick, go get'em girl!

Our Mission

Vista Partners is focused solely on small cap companies and in this newsletter edition, providing winning picks for the Breeders Cup ☺. The key to investing in small caps is to mitigate risks, in order to mitigate risks investors must understand the business, the capabilities of management and stay informed. Our research and newsletters are meant to serve as a tool for investors to help them stay current, understand the business and provide an overview on the effectiveness of management. I strongly believe our current portfolio of companies under coverage will outperform any index or hedge fund over the next few years. With that said, I offer you our top selections on the next page.

[GTX Corp \(GTXO.OB\)](#)

Current Price: \$0.18

Target Price: under review, pending annual update

GTX entered into an exclusive product test agreement with [MNX](#) to develop an industry first, proprietary GPS enabled transport container. Over the following 2 quarters the Companies will collaborate on product development, market analysis and global testing. The business of Life Science, Medical and Pharmaceutical transportation is on the rise, increasing the need to connect globally outsourced service providers with medical and clinical research facilities. MNX is making the investment to become a leader in providing a fast, accurate and trackable chain-of-custody solution to the sector with a GPS solution empowered by GTX Corp. This market represents one of MNX's fastest growing sectors and with the implementation of this new technology, expect to increase their market share of this multibillion dollar vertical market. This is now the fourth, revenue producing, vertical market in which GTX will compete. The GTX Corp 2-way GPS platform is already being used to track [athletes](#), [seniors](#) and [children](#)

The current valuation is below book value and does not reflect the Company's accounts receivables, contracts, patents and growing intellectual property, inventory and the value of its two wholly owned subsidiaries LOCiMobile and CANS, which are both starting to generate revenues. The Company's balance sheet is healthy with no debt and management continues to operate at a very low burn rate.

With the introduction of its GPS iPhone Apps, currently downloaded in over 50 countries, the Company has managed to garner attention on an International stage and is in current negotiations with several companies throughout the world.

GTX Corp. develops and integrates customizable miniaturized Global Positioning System (GPS) tracking and cellular location technology for consumer products and service applications. For additional information on GTX Corp. please download our update of coverage report dated November 11, 2008; the report is available on our website, www.vistap.com.

www.vistap.com.

[DOT VN, Inc. \(DTVJ\)](#)

Current Price: \$0.37

Target Price: **\$1.40**

The Company announced that it signed a strategic partnership agreement with SaoBacDau Technologies Group (SBD), a highly recognized Vietnamese industry leader in system integration services. In the agreement, SBD will become a value-added reseller of Dot VN products, providing IT and telecom integration services for E-Band virtual fiber (wireless) technology and EMS stationary and mobile data center units,

both of which Dot VN is the exclusive provider/distributor for the country of Vietnam and a provider for Southeast Asia. SBD will provide installation, maintenance and technical support for firms and organizations that are implementing these hardware solutions. This is a significant deal for Dot VN and will greatly enhance revenues going forward.

We believe Dot VN is at an inflection point. The Company is in the process of rolling out new service offerings which will begin to dramatically change the Company's revenue picture in the next few months. The Company is already the dominant figure in the domain registration industry in Vietnam, an industry that will continue to grow as more and more Vietnamese citizens gain access to the internet. Dot VN is capturing almost every commercially viable business associated with the internet in Vietnam. The Company has contracts with government agencies which essentially give them a monopoly within these industries and as the internet grows in Vietnam, so does Dot VN. With that said, we believe the current stock price presents an excellent entry point for investors.

Dot VN provides a variety of domain name registration and website hosting services and will soon offer a broad array of hardware, software and communications services. The Company's domain name registration services will act as a gateway product for their other services which include website hosting and creation tools, e-commerce and security solutions and productivity and marketing tools. These services can be purchased independently or as bundled suites of offerings designed to meet the specific needs of customers. The Company markets their services both at the initial point of purchase as well as throughout the customer lifecycle. The Company's services are designed to provide customers with an end to end business solution for all their technology, online marketing and communication needs. The Company's suite of services is best-of-breed in the industry in terms of comprehensiveness, performance, functionality and ease of use.

For additional information on Dot VN, Inc. please download our initiation of coverage report dated September 9, 2009; the report is available on our website, www.vistap.com.

Dreams, Inc. (DRJ)

Current Price: \$1.37

Target Price: **under review**

Dreams **share price** has steadily risen since the previous newsletter and is **up nearly 50%** in the last 30 days. The Company recently announced a new web syndication deal with one of the nation's highest circulation newspapers—the [Minneapolis Star-Tribune](#). This deal will provide another outlet to purchase licensed sports products, as well as provide the Star-Tribune with an additional stream of income. Dreams will be providing the design, development, marketing, customer service and fulfillment of an online Fan Shop, including an unprecedented selection of more than 120,000 team products in all categories including apparel, novelties, collectibles, home and office,

etc. In addition, Dreams will provide this media outlet with sophisticated Search Engine Optimization (SEO), targeted database marketing, expert customer service and same day shipping. This deal is significant in that it further expands Dreams distribution platform with another respected media/newspaper client. Dreams currently has USA Today, the Baltimore Sun and the Boston Globe as clients.

Dreams is one of the leaders in the sports licensed products industry. The Company's vertically integrated multi-channel offering gives it strategic advantages against competitors and allows it to benefit from synergies across its business segments. The Company has grown its e-commerce revenues from \$4 million in 2004 to nearly \$47 million in 2008. We believe the e-commerce division alone is worth at least 4x the current market cap and we believe industry leader [GSI](#) is taking notice of the JCPenney and Wal-Mart syndication wins as well as this most recent syndication win.

For additional information on Dreams, Inc. please download our update of coverage report dated August 27, 2009; the report is available on our website, www.vistap.com.

[Emission & Power Solutions, Plc \(EPI.F\)](#)

Current Price: EUR 1.09

Target Price: **TBA**

[Emission & Power Solutions, Plc](#) began trading on the [Frankfurt Stock Exchange](#) under the symbol EPI (Yahoo Finance ticker: EPI.F, Bloomberg ticker: EPI:GR). Based on the opening day price of Euro 1.00, EPS has a market capitalization of approximately euro 24 million. In addition the Company announced two new purchase orders for the Company's FX Reactor from distributors to Fortune 500 companies. This is significant in that these orders provide continued validation for the Company's products.

EPS is a "clean tech" company that licenses, acquires, develops, deploys, and transfers technologies dedicated to improving fuel economy while also reducing environmentally harmful exhaust emissions. Using advanced fuel treatment devices, EPS has developed a proprietary multi-phase process utilizing engineered flow patterns in order to restructure fuel hydrocarbons. This increases fuel efficiency and produces a cleaner burn during the engine's combustion cycle. EPS has a portfolio of technologies in production and development and continues to expand its patented product line.

EPS' primary product is the FX Reactor In Line Device that reduces fuel consumption, increases horsepower, and significantly reduces emissions. The FX Reactor is an aftermarket apparatus that can be added directly into the fuel line of any diesel engine. EPS is also developing a Potentiometric Sensor that selectively detects and measures combustion gases, allowing for a further reduction in emissions and improved fuel efficiency. The third technology EPS is developing is an On Board Distillation System that vaporizes fuel in order to produce a cleaner engine start and reduce total hydrocarbon emissions.

[Javo Beverage Company, Inc. \(JAVO.OB\)](#)

Current Price: \$0.20

Target Price: **\$0.72**

Peet's Coffee & Tea Inc (NASDAQ:PEET) reported on Monday that it has entered into a definitive agreement to acquire coffee roaster and supplier Diedrich Coffee Inc (NASDAQ:DDRX) for a total of approximately \$213M in cash and stock. This is great news for Javo as this deal provides a valuation benchmark. We believe Javo's current value to be similar to that of what Diedrich was acquired for. Javo's currently installed dispensers have an annual revenue run rate of \$35 million. We believe the Company will have close to 14,000 installed dispensers by year end which equates to cash flow breakeven, a significant milestone for the Company and this achievement will serve as major catalyst for the stock.

In addition, the Company announced that TravelCenters of America, LLC, headquartered in Westlake, Ohio and a leading national convenience chain of travel centers in 41 states and Canada, will utilize Javo's ice coffees to enhance its beverage program. Travel Centers of America, operating under the TA and Petro Stopping Center brands, is offering new flavors of iced coffee, such as French Vanilla and Mocha Iced Lattes at most of its 232 company and franchise-operated locations nationwide. This is a nice win for the Company and will further expand Javo's installed dispenser base.

Javo has consistently grown top line for the past four years. We should point out that in 2005 Javo produced \$6.2M in revenues, four years later the Company is on pace to produce \$35M+ in revenues with its existing installed dispenser base. This growth serves as validation of the business as well as the management team. We believe Javo's current valuation represents an excellent entry point for investors.

Javo manufactures and sells concentrated beverage solutions that allow restaurants in the food service industry and food and beverage manufacturers in the retail industry to serve popular new specialty coffees and teas. For additional information on Javo, please download our update of coverage report dated September 1, 2009; the report is available on our website, www.vistap.com.

[Raptor Pharmaceutical Corp. \(RPTP\)](#)

Current Price: \$3.25

Target Price: **\$6.56**

Raptor announced positive findings from the completed treatment phase of its open-label Phase 2a clinical trial of delayed-release cysteamine bitartrate ("DR Cysteamine") in adolescent patients with non-alcoholic steatohepatitis ("NASH"), a progressive form of liver disease believed to affect 2% to 5% of the U.S. population. At the completion of the initial six-month treatment phase, the study achieved the

primary endpoint: mean blood levels of alanine aminotransferase ("ALT"), a common biomarker for NASH, were reduced by over 50%. Additionally, over half of the study participants had achieved normalized ALT levels by the end of the treatment phase. There are no currently approved drug therapies for NASH. These interim results have established proof-of-concept and support further clinical development of DR Cysteamine in NASH.

The Company also announced that data from a clinical trial of NGX426, the Company's orally administered non-opioid, AMPA/kainate antagonist, will be presented at the 12th International Conference on the Mechanisms and Treatment of Neuropathic Pain, to be held November 20-21, 2009 in San Francisco. The objective of the single center, double-blind, randomized study conducted by Mark Wallace, M.D., Professor of Clinical Anesthesiology at the Center for Pain Medicine of the University of California at San Diego, was to demonstrate that the orally administered prodrug NGX426, maintains the analgesic effect previously shown for the active moiety tezampanel. Using a cross-over design, a total of 18 study subjects received single doses of 90 mg of NGX426, 150 mg of NGX426 or placebo in each of three treatment periods. Pain was induced by injecting 250 ug of capsaicin between layers of skin in the forearm at 30 minutes and 120 minutes after dosing. This is yet another valuable asset in Raptor's clinical pipeline. The Company plans to continue to explore options with NGX426 in the treatment of pain, which potentially include spinning-out or partnering this program to ensure that shareholders receive the maximum value from this potentially groundbreaking drug.

In addition, Raptor will potentially have their cystinosis drug on the market in 1H 2011. The fact that Raptor is potentially 18 months away from producing revenues represents a significant opportunity for investors and why we believe Raptor's share price will increase substantially from current levels. Raptor currently has a balanced pipeline of clinical and preclinical programs. The Company is currently involved in four Phase II clinical programs. The Company's clinical trials address indications representing large markets worldwide: ALDH2 deficiency and NASH; along with Orphan Indications which typically have a shorter development cycle: cystinosis, and Huntington's Disease. ALDH2 deficiency and Huntington's Disease each represent potentially billion dollar markets.

Raptor Pharmaceutical Corp. is a development-stage biopharmaceutical company leveraging novel drug-targeting platforms and reformulated therapeutics to improve treatment outcomes among patients with liver disorders, infectious diseases, cancer, and genetic diseases. For additional information on Raptor Pharmaceuticals Corp. please download our update of coverage report dated September 2, 2009, the report is available on our website at www.vistap.com.

[Vicar Technologies, Inc. \(VCRT.OB\)](#)

Current Price: \$0.75

Target Price: **\$2.96**

The Company announced that Andriy Batchinsky, MD, a researcher with the U.S. Army Institute of Surgical Research (USAISR), will present findings from a study of Vicor's PD2i VS (Vital Sign) at the American Heart Association's Resuscitation Science Symposium 2009 on November 14-15, 2009 in Orlando, Florida. Dr. Batchinsky will present "Does Heart-Rate Complexity Analysis Work in the Real World? Changes in the Point Correlation Dimension of Heart Rate During Prehospital Lifesaving Interventions" on November 14, 2009 at 9:30am EST. The study is one of several that have been performed under a collaborative research and development agreement (CRADA) between Vicor and the USAISR entered into in January 2008. The collaboration is continuing. The American Heart Association's Resuscitation Science Symposium (ReSS) is an international forum for fundamental, translational, clinical and population scientists and care providers to discuss recent advances related to treating cardiopulmonary arrest and life-threatening traumatic injury. This is significant news for Vicor considering it is a great honor to be invited to present at the conference and even more of an honor that Dr. Batchinsky is presenting Vicor's data considering Dr. Batchinsky is a researcher with the U.S. Army and not affiliated with Vicor.

In addition, the Company is on the verge of producing revenues, will report data from the DAN clinical study, complete research under the Research and Development Agreement with the US Army and report data from this agreement as well as complete the PD2i analysis of data with the University of Rochester and the Catalan Institute of Cardiovascular Sciences in Barcelona. The Company intends to secure CE Mark clearance in Europe for the PD2i Analyzer, PD2i-VS and PD2i Cardiac Analyzer which should permit the generation of revenues in the not too distant future. The successful completion of the aforementioned events will significantly increase the value of the Company and will increase Vicor's visibility amongst multi-billion dollar diagnostic companies such as [St. Jude](#), [Medtronic](#) and others.

Vicor Technologies, Inc. is a medical diagnostics company focused on commercializing noninvasive diagnostic technology products based on its point correlation dimension algorithm (the PD2i Algorithm). The Company is commercializing four diagnostic medical products, which employs software utilizing the PD2i Algorithm, the PD2i Analyzer, the PD2i-VS (Vital Sign), the PD2i Cardiac Analyzer and the PD2i OR/ICU. The PD2i Analyzer, received 510(k) marketing clearance from the Food and Drug Administration (FDA) on December 29, 2008 (a significant milestone). The PD2i Analyzer displays and analyzes electrocardiographic (ECG) information that measures heart rate variability (HRV). For additional information on Vicor Technologies, Inc. please download our initiation of coverage report dated August 11, 2009, the report is available on our website at www.vistap.com.

Watch list:

[Bionovo Inc.](#) (ticker: **BNVI):** Raised money and can now focus on receiving approval for Manerba Phase III trial and finding a partner for Manerba. Positive data from Phase 1B Trial of Bezielle for Metastatic Breast Cancer. Lead candidate Manerba market potential in the billions.

Cytori Therapeutics, Inc. (ticker: CYTX): Strong partnerships, approval in Asia-Pacific and Europe, seeking approval in U.S.

Pure Cycle Corp. (ticker: PCYO): Water becoming more expensive, tap fees have doubled in last five years.

NVE Corp. (ticker: NVEC): Highly profitable, small float, strong Q3 earnings, excellent buying opportunity at current level.

ABOUT US

Vista Partners provides independent equity research for Institutional and Individual Investors. We focus on publicly traded small cap companies with a market capitalization under \$600 million. It is our mission to provide investors with a research product that will enable them to make well informed and profitable investment decisions. Privacy Policy:

<http://www.vistap.com/privacy/>

Vista Partners LLC is a Registered Investment Adviser pursuant to the Investment Advisers Act of 1940.

Copyright 2005-2009 Vista Partners LLC. All Rights Reserved.

LEGAL NOTES AND DISCLOSURES

This document has been prepared by Vista Partners LLC ("Vista") based upon information provided by the Companies herein ("Companies") based upon information believed to be reliable. Vista has not independently verified such information. The companies that are discussed in this newsletter have not approved the statements made in this newsletter. Some of the information in this newsletter relates to future events or future business and financial performance. Such statements constitute forward-looking information within the meaning of the Private Securities Litigation Act of 1995. Such statements can be only predictions and the actual events or results may differ from those discussed due to, among other things, the risks described in Companies reports on Forms 10-K, 10-Q, 8-K and other forms filed from time to time. The content of this newsletter with respect to companies have been compiled primarily from information available to the public released by Companies through news releases and SEC filings. Companies are solely responsible for the accuracy of that information. [Certain summaries of scientific activities and outcomes have been condensed to aid the reader in gaining a general understanding.]

Vista is not a licensed broker, broker dealer, market maker, investment banker, or underwriter. This newsletter is published solely for informational purposes and is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any state. Past performance does not guarantee future performance. Please consult a broker before purchasing or selling any securities viewed on www.vistap.com or mentioned herein. Vista has been compensated for administrative distribution by one or more of the companies mentioned herein. Vista and the author owns stock, both restricted and unrestricted, in one or more of the companies mentioned. Free additional information about Companies and their public filings, as well as free copies of this report can be obtained in either a paper or electronic format by calling 310.744.5268 or visiting <http://www.vistap.com>