

# Microcapreport.com

## Update on stocks in past bullpens:

**Home Solutions of America (AMEX: HOM)** – stock originally hit screen during early 2004 and continues to hit screen. Stock rose in anticipation of good earnings, but couldn't hold. Stock is still a buy, especially on this dip. Been a long summer for this company, with lots of cheap stock for sale in the \$1.20 range, probably short-term traders taking stock off the table. Earnings report was strong, insiders bought in September 2004, lots of business ahead for HOM. Keep adding, eventual target is \$3.

**Merrimac Industries (AMEX: MRM)** – stock originally hit screen as of last quarter, good to see it hitting again. Company makes RF components for various industries including defense. On the surface stock looks attractive, with a little room to grow using an EV/EBITDA valuation of 8x. Could get 8x as the company is showing solid revenue and earnings growth and decent margin business. At 8x, stock is valued at \$11.37. Currently trades around book value, another reason to take a deeper look.

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