

Monthly  
Stock  
Monitor

May 1, 2006



HIGHLIGHTS

Broadway Financial.....Improved Earnings  
Lions Gate Entertainment.....'07 Earnings Guidance  
Massey Energy.....Initiated Coverage March 10<sup>th</sup>  
Penn Virginia Resources Partners LP.....Continued Earnings Growth  
Sirius Satellite Radio.....4 Million Subscribers and Growing  
Supertel Hospitality.....Dividend Increase on Heels of Solid Earnings

COMMENTS AND UPDATES

Broadway Financial (BYFC--\$10.65)

BYFC reported 4Q05 earnings of \$0.37/share versus \$0.25/share during 4Q04. The earnings improvement was the result of re-pricing variable loans and the company slowing the rise of liability costs. Net interest margin declined on a quarter-to-quarter basis, to 3.18% from 3.45% due to increases in the rates paid on interest bearing liabilities that were only partially offset by a rise in the yield on average interest earning assets. However, when examining sequential quarters, 4Q05 net interest margin (3.18%) showed improvement over 3Q05's margin (3.06%). Net interest income, before loan loss provision, during 4Q05 rose \$26,000 to \$2.4 million. Non-interest income increased 36.5% to \$456,000, from \$334,000, primarily due to higher loan repayment fees and deposit fees. Loan repayment fees were \$124,000 versus \$87,000 and deposit fees totaled \$267,000 versus \$149,000. Non-interest expense rose 2.58% to \$2.0 million from higher occupancy and other expenses. ROA and ROE ratios improved to 0.82% from 0.61% and to 14.69% from 11.21%, respectively. BYFC's efficiency ratio declined to 70.1% from 72.1%. Deposits increased to \$209.5 million from \$195.5 million and loans declined to \$228.5 million from \$237.8 million. Total assets grew to \$292.3 million from \$276.5 million. Maintain NEUTRAL and \$11.95 target price. (SFM)

Lions Gate Entertainment (LGF--\$9.31)

LGF reported net income of \$3.1 million during 3Q06 compared to \$3.4 million during 3Q05. Revenues on a quarter-to-quarter comparison rose to \$231 million from \$190.4 million. EBITDA during the quarter declined to \$7.8 million from \$12.1 million and free cash flow fell to \$19.2 million from \$32 million in the prior year's quarter. These declines were due to increased softness in the home entertainment market and increased advertising expenses to promote LGF's recent film releases such as Crash, Lord of War, Saw II, Waiting, In the Mix, The Devil's Rejects and High Tension. The company incurred a \$4 million charge related to the bankruptcy of video retailer Musicland. The movie, Saw II, grossed \$87 million at the box office during the quarter and the television production unit generated \$26 million. During its quarterly conference call LGF management lowered FY2006 guidance for free cash flow to \$85 million from \$100 million, EBITDA to \$4 million from \$15 million, and net income to \$20 million from \$35 million. While lowering guidance, management expects 4Q06 results to generate significant revenue growth as its recent box office successes will positively impact its bottom and top lines. (SFM)

For important disclosure information regarding the Firm's rating system, valuation methods and potential conflicts of interest, please refer to the back page of this report.

### Massey Energy (MEE--\$39.48)

We initiated coverage of Massey Energy (MEE) on March 10<sup>th</sup> with an OUTPERFORM rating. MEE is the 4th largest coal production company in the US. The company extracts and processes coal from its mines located in the Central Appalachia area traversing the states of West Virginia, Kentucky, and Virginia. In 2005, MEE had revenues of \$2.2 billion, coal sales accounted for \$1.78 billion and the remaining \$422 million were derived from freight/transportation, purchased coal, and other operations. Presently, there are strong fundamentals within the coal industry. With high demand coming from electric utilities, and pricing currently at \$50/ton, could lead to pricing of \$53-\$54/ton by 2007-2008. MEE's stock came under selling pressure from the news of January's mine disasters and ongoing labor problems. These two problems are not unique to MEE; they have also affected other coal producers. MEE believes they can solve their labor issues and mine productivity during the next 1-2 quarters. If this goal is accomplished then profit margins could improve and push MEE's shares towards our \$43 target price. These shares are recommended for aggressive/speculative investors and we are maintaining our OUTPERFORM rating. (SFM)

### Penn Virginia Resource Partners LP (PVR--\$31.90)

Penn Virginia Resource Partners LP reported 2005 operating income of \$76.9 million compared to \$40.5 million during 2004. Distributable cash flow, on a year over year comparison, rose to \$82.6 million from \$52.9 million. Net income was \$2.38/unit versus \$1.86/unit. The overall increases were attributed to higher coal royalty revenues resulting from higher commodity prices, related services income, and positive contributions from the company's midstream natural gas business acquired during 1Q05. PVR management raised the cash distribution to unit holders by 8% to an annualized rate of \$2.60/unit. Additionally, PVR announced a 2-for-1 split of the partnership's common and subordinated units effective 4/4/06. (SFM)

### Sirius Satellite Radio (SIRI--\$4.62)

Mel Karmazin, CEO of Sirius Satellite Radio (SIRI) recently gave an upbeat assessment of his company in a Wall Street Article dated 4/03/06. He noted the company now has over 4 million subscribers and expects this number to grow to 6 million by year-end. One potential driver to draw new subscribers will be the addition of NASCAR to the SIRI line up. Karmazin expects the cost per subscriber to decline to \$110 by year-end from \$139 as of year-end 2005. In the last quarter conference call, SIRI said it expects to be free cash flow positive by 4Q06 and generate over \$1 billion in revenues during 2007, thus producing positive free cash flow for the entire year. Furthermore, Karmazin anticipates SIRI generating \$3 billion in revenues, and \$1 billion in free cash flow by 2010. We believe the progress of SIRI towards positive free cash flow by 4Q06 and hitting the 6 million subscriber mark by 4Q06 could be short-term catalyst for SIRI shares. These shares are for aggressive/speculative investors. Maintaining our OUTPERFORM rating and our \$8 price target. (SFM)

### Supertel Hospitality (SPPR--\$5.32)

Supertel Hospitality reported full year 2005 funds from operations (FFO) of \$0.80 per share. This was essentially in-line with our expectations. More importantly, the company once again announced an increase in the quarterly dividend to \$0.09 per share from \$0.07 per share. This now equates to an annual dividend of \$0.36 per share for an approximate dividend yield of 6.6%. No change to our 2007 FFO estimate of \$0.75 per share, which takes into account the recent dilution related to the convertible preferred offering. Maintain OUTPERFORM and \$6.50 target price. (BAB)

Stocks in the outlined text are priced as of April 24, 2005.

### Changes to the Large Cap Focus & Special Situations Lists:

Large Cap Focus: Added: National Oilwell Varco, and Hartford Financial Services. Deleted: Aetna, Inc., Neurocrine Biosciences, Inc., and Watson Pharmaceuticals.

Large Cap Focus List		Focus List Recommended		4/24/06 Price	% Return Relative to S&P	12 Month Target		EPS Estimates		P/E Ratios		Yield %
Ticker	Date	Price	Price			Price	Return %	FY1	FY2	FY1	FY2	
<i>Consumer</i>												
Bunge Limited	BG	12/30/05	56.61	59.19	-0.52	70	18.3	4.40	4.96	13.46	11.93	0.0
CVS Corporation	CVS	3/8/05	28.92	29.27	-5.01	35	19.6	1.60	1.82	18.29	16.08	0.9
Kohl's Corporation	KSS	12/30/05	48.60	54.12	5.99	58	7.2	2.84	NA	19.02	NA	0.0
<i>Energy</i>												
National Oilwell Varco	NOV	3/29/06	62.90	70.00	7.84	87	24.3	3.00	4.29	23.35	16.32	0.0
<i>Financials</i>												
Allstate Corporation	ALL	12/30/05	54.07	55.65	-1.78	63	13.2	6.35	6.05	8.76	9.20	0.0
Capital One Financial	COF	12/30/05	86.40	85.56	-6.30	100	16.9	7.80	8.45	10.97	10.13	0.1
Hartford Financial Services	HIG	3/29/06	79.24	85.43	6.04	103	20.6	8.60	9.35	9.94	9.13	1.4
<i>Healthcare</i>												
Eli Lilly	LLY	12/30/05	56.59	52.56	-11.81	64	21.8	3.18	3.46	16.55	15.18	2.9
<i>Industrials</i>												
Aviall, Inc.	AVL	12/30/05	28.80	37.29	24.12	45	20.7	1.97	2.17	18.88	17.17	0.0
Deere & Co.	DE	12/30/05	68.11	86.48	22.23	103	19.1	6.85	8.00	12.62	10.81	1.3
<i>Materials</i>												
Ashland Inc.	ASH	2/24/2006	65.37	72.51	7.66	79	9	3.76	4.18	19.26	17.34	1.5
Dow Chemical	DOW	12/30/05	43.82	41.17	-10.56	56	36.0	5.00	5.25	8.24	7.84	3.4
<i>Technology</i>												
Ingram Micro	IM	12/30/05	19.93	19.28	-8.62	23	19.3	1.53	1.69	12.60	11.41	0.0
Motorola	MOT	1/17/06	24.03	22.34	-7.29	30	34.3	1.31	1.49	17.08	15.02	0.7
Texas Instruments	TXN	12/30/05	32.07	35.03	3.97	40	14.2	1.60	1.91	21.89	18.34	0.3

Anderson & Strudwick Special Situations												
Ticker	Rating	4/24/06 Price	12 Month Target Price	EPS Estimates F05	EPS Estimates F06	P/E Ratios F05	P/E Ratios F06	Yield %				

<i>Cyc/Svc</i>												
Lakeland Industries ■ (Jan)	LAKE	1	18.47	25.00	1.30	1.60	14.2	11.5	0.0			
Metrotek	MEK	1	15.40	20.00	0.19	0.76	81.1	20.3	0.0			
Noble International ■	NOBL	1	16.30	24.00	1.02	1.75	16.0	14.2	1.6			
Penn Virginia Resource	PVR	1	30.92	58.00	2.87 A	3.10	10.8	10.0	4.9			
Suburban Propane (Sept)	SPH	1	29.26	39.00	0.70 A	0.77	41.8	38.0	8.5			
Veri-Tek International ✓	VCC	1	3.45	NA	-0.09	0.50	NA	6.9	0.0			

<i>Consumer</i>												
Lions Gate Entertainment (MAR)	LGF	1	9.40	13.50	0.23 A	0.28	40.9	33.6	0.0			
Playboy Enterprises	PLA	1	13.07	16.00	-0.03	0.68	-435.7	19.2	0.0			
Sirius Satellite Radio	SIRI	1	4.81	8.00	-0.66	NA	NA	NA	0.0			
Smithfield Foods (Apr)	SFD	1	27.29	32.00	2.66 A	2.30	10.3	11.9	0.0			
Walt Disney (SEP)	DIS	1	27.27	34.00	1.28 A	1.47	21.3	18.6	1.0			

<i>Utility</i>												
AGL Resources	ATG	2	35.24		2.48 A	2.60	14.2	13.6	4.2			
Chesapeake Utilities	CPK	2	29.76		1.72	1.84	17.3	16.2	3.7			
CMS Energy	CMS	1	13.66	22.00	0.95	1.10	14.4	12.4	0.0			
Calpine	CPNLQ	3	0.23		-1.30	UR	-0.2	NA	0.0			
Dominion Resources	D	2	74.05		4.53 A	5.15	16.3	14.4	3.7			
Great Plains Energy	GXP	1	28.55	34.00	2.23 A	2.34	12.8	12.2	5.8			
MGE Energy	MGEE	2	30.95		1.65	1.78	18.8	17.4	4.1			
NiSource	NI	1	20.89	27.00	1.42 A	1.45	14.7	14.4	4.4			
Peoples Energy (SEP)	PGL	1	36.28	46.00	2.26 A	2.28	16.1	15.9	5.9			
Pepco Holdings	POM	2	23.10		1.50	1.48	15.4	15.6	4.4			
Piedmont Natural Gas (OCT)	PNY	2	24.80		1.32 A	1.39	18.8	17.8	3.8			
Progress Energy	PGN	1	42.45	48.00	3.29 A	2.70	12.9	15.7	5.4			
Public Service Enterprise Group	PEG	2	66.10		3.67 A	3.82	18.0	17.3	3.3			
RGC Resources (SEP)	RGCO	2	25.11		1.68 A	1.76	14.9	14.3	4.7			
SEMCO Energy	SEN	2	5.26		0.30	0.33	17.5	15.9	0.0			
TECO Energy	TE	1	16.45	19.00	1.22 A	1.31	13.5	12.6	4.5			
WGL Holdings (SEP)	WGL	2	29.33		2.09 A	2.19	14.0	13.4	4.3			
WPS Resources	WPS	2	49.58		4.10 A	4.35	12.1	11.4	4.3			

<i>Financial</i>												
Albemarle First Bank ■ ✓	AFBK	2	15.45		0.20	UR	77.3	NA	0.0			
Broadway Financial	BYFC	2	11.00		0.99 A	1.03	11.1	10.7	1.9			
Center Financial ■	CLFC	2	23.54		1.48 A	1.66	15.9	14.2	0.7			
Commonwealth Bankshares ■ ✱ ✓	CWBS	2	29.29		1.62 A	1.78	18.1	16.5	0.9			
Mercantile Bankshares	MRBK	2	38.62		NA	NA	NA	NA	NA			
First Capital Bank	FCRV	2	19.00		NA	NA	NA	NA	NA			
First Commerce Bank	GRAN	2	19.77		NA	NA	NA	NA	NA			
First Community Bank	FCBP	2	56.46		2.97 A	3.06	19.0	18.5	1.7			
First Trust Bank	NCFT	2	21.00		NA	NA	NA	NA	NA			
First Regional Bancorp	FRGB	1	88.91	82.00	6.18 A	7.10	14.4	12.5	0.0			
FNB Corp	FNBP	2	32.95		NA	NA	NA	NA	NA			
FNB Financial ■	FNBP	1	15.15	24.00	1.33 A	1.20	11.4	12.6	3.0			
Hanmi Financial ■	HAFC	2	17.34		1.17 A	1.38	14.8	12.6	1.2			
International Bankshares	IBOC	2	28.35		NA	NA	NA	NA	NA			
James Monroe Bancorp	JMBI	2	23.48		NA	NA	NA	NA	NA			
Middleburg Financial Corp.	MBRG	2	34.48		NA	NA	NA	NA	NA			
National Mercantile Bancorp ■	MBLA	1	16.32	20.00	0.97 A	1.16	16.8	14.1	0.0			
Northern States Financial	NSFC	1	21.50	35.00	0.49 A	0.52	43.9	41.3	0.6			
Pacific Mercantile Bank ■	PMBC	1	19.39	21.00	0.52	0.70	37.3	27.7	0.0			
Premier Community Bankshares	PREM	2	21.69		NA	NA	NA	NA	NA			
Shore Financial	SHBK	2	17.20		NA	NA	NA	NA	NA			
Village Bank & Trust Financial ■	VBFC	1	13.50	15.00	0.61 A	0.70	22.1	19.3	0.0			
UCBH Holdings	UCBH	2	18.90		NA	NA	NA	NA	NA			
Union Bankshares ■	UBSH	1	41.34	48.00	2.81 A	3.07	14.7	13.5	1.9			
Virginia Commonwealth Fin. Corp.	VFGI	2	40.76		NA	NA	NA	NA	NA			
Virginia National Bank	VABK	2	41.60		NA	NA	NA	NA	NA			

<i>Media &amp; Telecom</i>												
Paxson Communications	ION	2	0.89		UR	UR	NA	NA	0.0			

<i>Technology</i>												
Aladdin Knowledge Systems	ALDN	1	23.45	23.00	0.97 A	1.12	24.2	20.9	0.0			
EFJohnson	EFJI	1	10.37	14.00	0.62	NA	NA	NA	NA			

<i>Transportation</i>												
Rush Enterprises ■	RUSHA	2	19.31		1.79 A	2.10	10.8	9.2	0.0			

<i>REITS</i>												
Highland Hospitality ✧	HIH	1	12.61	13.00	0.75 A	1.05	16.8	12.0	4.4			
Supertel Hospitality ✧ ✧ ■	SPPR	1	5.40	6.50	0.82 A	0.75	6.6	7.2	5.9			
Monmouth Real Estate ✧ ■	MNRTA	2	8.11		0.60 A	0.60	13.5	13.5	7.3			
W. P. Carey ✧	WPC	2	27.45		2.55	NA	10.8	NA	6.8			

■ Anderson & Strudwick makes a market in this security  
 ✓ A&S has performed investment banking services within the last twelve months  
 ✧ Covered by CSFB  
 E Estimated Earnings  
 V Data refers to fiscal year ending one year later than column heading  
 A Actual

✱ A&S employee/employees serve on Board of Directors  
 ✧ Funds from operations used for EPS  
 UR Under Review  
 NA Not Applicable

1 - Outperform  
 2 - Neutral  
 3 - Underperform

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