

# Seeking Alpha $\alpha$

## Insider Buying: 8 Recent CEO Buys of More Than \$100,000

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The market has been choppy lately, but many CEOs continue to be bullish on their own company's prospects. I like to look at significant CEO and CFO buys as potential indicators of upside surprises. CEOs and CFOs should have a more intimate understanding of the day-to-day activity of the company, and it pays to follow their buys much more closely than director buys. Of course, this list should only be a starting point for research. Insiders are human too, and may fall trap to emotional buying like anyone else, so make sure you understand the company before you buy.

Following are eight companies with recent CEO buys of at least \$100,000:

**Versant Corp ([VSNT](#)):** CEO Bernhard Woebker spent \$101,000 buying 8,000 shares of company stock from June 2 to June 8. He now owns a total of 12,000 shares. Woebker took over on March 10, 2011. Versant is a tiny \$39 million market cap company. Their website calls them "an industry leader in specialized data management software, which helps companies to handle complex information in environments that have high performance and high availability requirements. Using the Versant Database Engine, customers cut hardware costs, speed and simplify development, significantly reduce administration costs, and deliver products with a strong competitive edge. Versant's solutions are deployed in a wide array of industries, including telecommunications, financial services, transportation, manufacturing, and defense."

That's pretty vague, so I'd suggest reading through the 10-Ks to get a better idea what that means. On the financial side, the company has been profitable over the last five years and has \$25 million in cash and no debt on the books. That's almost \$8 per share of cash and the stock is now at about \$12.50. Although they posted a half million dollar loss last quarter, the company is guiding to full year EPS of \$0.50.

**Quidel ([QDEL](#)):** Quidel was just upgraded to outperform by William Blair. Like Versant, Quidel has another vague description if you're not already familiar with the company. They call themselves a "leading manufacturer of diagnostic healthcare solutions." CEO Douglas Bryant bought company stock totaling \$150,705 on June 7 and 8, after buying nearly \$45,000 of stock just a month ago. Since April 25, Quidel shares are up about 25%.

**Tesla ([TSLA](#)):** CEO Musk Elon bought nearly \$41 million of company stock on June 8. This purchase came a few weeks after saying that he did not want to sell the company and thought it would continue to be independent. After this transaction, Elon owns more than 27 million shares. Tesla is a unique car maker, founded in 2003. Check out the all electric Tesla Roadster.

**Dana Holdings ([DAN](#)):** CEO Roger Wood bought just under \$200,000 of company shares on June 7. Dana Holdings is a vehicle part manufacturer focusing on driveline products, power technologies, and service parts. MarketWatch called it one of five risky stocks with potential earnings growth of at least 75% over the next year. After hearing the bullish comments from Ford ([F](#)) recently, if vehicle production can return to a more normalized level, Dana Holdings should benefit.

**Lihua International ([LIWA](#)):** Lihua is a China-based copper producer. It sports a market cap of \$188 million. This volatile stock is currently near its 52 week low. CEO Zhu Jianhua purchased \$105,800 worth of stock on June 2.

**DXP Enterprises ([DXPE](#)):** CEO David Little bought \$309,100 of company stock on June 3. DXP has a \$333 million market cap. They are an industrial equipment wholesaler headquartered in Houston, Texas. Last month they announced quarterly EPS of \$0.42. They've got a PE of 16 and forward PE of 10.5, if you're to believe the analyst estimates.

**Winmark Corp. ([WINA](#)):** Winmark owns consignment and other retail stores that buy, sell, and trade products. Brands include Play it Again Sports, Plato's Closet, and Once Upon a Child. I wrote about them back in March when CEO John Morgan also made large purchases. You can see those purchases [here](#). More recently, Morgan spent \$101,400 on June 6, buying at \$35.52. Winmark has doubled EPS from last year and has a 17 PE. Their balance sheet is solid, and it looks like momentum is on their side.

**Ebix (EBIX):** Ebix offers software and e-commerce products to the insurance industry. In May they announced record revenue and impressive earnings. On Wednesday they announced they had bought back one million shares since March 29, 2011. CEO Robin Raina bought more than \$500,000 worth of company stock on June 3. Raina now owns nearly 4 million shares. There are a few interesting and competing articles on Seeking Alpha about Ebix, and I'd encourage reading all of them to get a better understanding. If you believe the company's financials, shares would be cheap and Raina's purchase lends credence to the long case.

**Disclosure:** I have no positions in any stocks mentioned, and no plans to initiate any positions within the next 72 hours.