

Welcome to the 2007 closing issue of the p1mX-CAT Trader, where we make our p1mX-CAT Sectors stock picks 2008, as highlighted on page 2.

In our last issue, we reported that the \$7 billion buyout of United Rental, Inc. (NYSE: URI) by private equity firm Cerberus Capital Management went sour, resulting in wasted time and money by URI management in the form of law suites in our opinion. The deal settled with a \$100 million breakup fee being paid by Cerberus.

On December 14th Home Solutions of America, Inc. (NASDAQ: HSOA) stated its financial reports for the first two quarters of 2007 had errors and should not be relied upon, as determined by an independent accounting firm's review.

According to a filing with the U.S. Securities Exchange Commission (SEC), HSOA claims it incorrectly recorded certain costs connected to a consulting agreement between HSOA and RG America, Inc. --- resulting in certain accounts receivable costs in excess of billings and accounts payable.

Since the first issue of the p1mX-CAT Trader on May 7, 2007 to December 31, 2007, HSOA went from \$4.92 to \$1.00, and if we would have listened to Nicholas Yulico with TheStreet.com, we could have made a nice profit shorting HSOA this year.

On December 6th in an 8-K SEC filing, Chary's Holding Company, Inc. (OTCPK: CHYS) stated that on November 28, 2007, Miller Ray Houser & Stewart LLP resigned as independent auditors of CHYS.

2008 Hurricane Predictions

On December 7, 2007, Philip J. Klotzbach and William M. Gray released their Extended Range Forecast of Atlantic Seasonal Hurricane Activity and U.S. Landfall Strike Probability for 2008, claiming a higher than normal season, with an increase in landfall strikes.

According to the release, the "Atlantic basin has the largest year-to-year variability of any of the global tropical cyclone basins" --- therefore, we would like to add that Mr. Klotzbach and Dr. Gray are as accurate as it gets this early in the season. Moreover, based on the change in U.S. weather patterns since September 2007, they may have hit a bullseye for the 2008 season with 13 named storms, 7 hurricanes and 3 intense hurricanes. *(Cont. on page 2)*

Top Equity Pick for 2008

This month we are focusing on PDG Environmental, Inc. (OTCBB: PDGE) which closed at \$0.59 on December 31, 2007, down \$0.61 from its 52-week high of \$1.20.

PDGE is in the growth mode and provides asbestos abatement, selective demolition, emergency response, disaster recovery and mold remediation services through 16 offices that are located coast-to-coast.

Based on PDG Environmental, Inc. nine-month return and stated backlog, PDGE should close its January 31 fiscal year with revenue of \$90 million to \$100 million, a record year for the Pittsburgh based specialty contractor. *(Cont. on page 3)*



PDG Environmental, Inc. (OTCBB: PDGE)

52-Week Chart • Complements: StockCharts.com

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2008 Hurricane Predictions (Cont. from page 1)

Now let's take a look at the Weather Research Center, Inc. (WRC) long range forecast for 2008, which was published on November 19, 2007. According to WRC, the 2008 hurricane season should bring 11 named storms, 5 intensified hurricanes and 4 U.S. landfalls, with Georgia to North Carolina and the Gulf Oil Block having a 90% change of landfall - each, and West Florida having a 70% change of a landfall.

For additional information, visit...

- www.tropical.atmos.colostate.edu/forecasts

- www.wxresearch.com/outlook

Additionally, AccuWeather, Met Office, NOAA, North Carolina State, and Tropical Storm Risk provide hurricane forecasts, which are linked on the p1m.com [Buoy Data & WebCam's](#) webpage, and links are updated as forecasts are reported.

The p2mX-CAT Mini Index

The (2007) p2mX-CAT Mini Index performed quite well, finishing the year at 936.62, representing an annual gain of 23.62% from January 5, 2007 to December 31, 2007.

The 2007 p2mX-CAT Mini Index had a year high of 1,080.76, or 42.64% on October 29, 2007.

If the (2007) p2mX-CAT Mini Index was a traded ETF, it would have finished the year with an overall ranking of 55 out of 580 ranked ETF's.

p1mX-CAT - 2008 Top Sector Picks

With the New Year upon us, the p1mX-CAT Trader decided to make its top sector picks for 2008. Our predictions will include three equities from each sector that should accelerate if a major hurricane makes landfall in 2008.

For the p3mX-CAT Index, which comprises 20 equities that perform emergency response (mitigation), we predict that Clean Harbors, Inc. (NASDAQ: CLHB), Crawford & Company (NYSE: CRD-B) and PDG Environmental, Inc. (OTCBB: PDGE).

We are predicting that Clean Harbors, Inc. (NASDAQ: CLHB) and Crawford & Company (NYSE: CRD-B) could see 25% to 40% gains, while PDG Environmental, Inc. (OTCBB: PDGE) has the potential of reaching gains of 150% to 200%. And with PDGE presently trading at \$ 0.59 per share, it's a steal.

The p5mX-CAT Index represents 20 equities that perform services to the offshore oil industry. These services range from ongoing maintenance, rig decommissioning, transporting, etc.

For 2008, we have picked ACGY S.A. (NASDAQ: ACGY), Gulfmark Offshore, Inc. (NYSE: GLF) and Seacor Holdings, Inc. (NYSE: CKH), which should see gains of 20% to 30% should the offshore oil rigs in the Gulf of Mexico sustain damage during the 2008 hurricane season.

The disaster recovery p7mX-CAT Index equities most likely to advance during 2008 should a major hurricane make landfall would be Aduddell Industries (OTCBB: ADDL), Shaw Group, Inc. (NYSE: SGR) and URS Corporation (NYSE: URS). Our estimated gain for Shaw Group and URS Corp. is somewhere around 10% to 20%, while we feel Aduddell Industries has potential gains of 50% to 110%.

The p9mX-CAT Index represents 20 firms that offer emergency restoration services or products to the utility industry. Our three picks include Performed Line Products Company (NASDAQ: PLPC), Pike Electric Corporation (NYSE: PEC) and SMF Energy Corporation (NASDAQ: FUEL).

Pike Electric Corporation and Performed Line Products Company should increase 25% to 45%, while SMF Energy Corporation could realize gains of 90% to 125% if a major hurricane makes landfall between North Carolina to Texas in 2008.

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The p1mX-CAT Trader is the official newsletter of the p1mX-CAT Group of IndicesSM and is available for free-download at p1m.com, and is published monthly. The p1mX-CAT Trader covers the equities listed within the p1mX-CAT Group of IndicesSM exclusively. The p1mX-CAT Trader does not make buy, hold or sell recommendation, however, we have been know to make *suggestions* on the p1mX-CAT IndexSM listed equities. Moreover, investors are encouraged to contact a financial consultant before trading on the equities or options mentioned within the p1mX-CAT Trader. Comments or questions should be addressed to the Editor at [editor\[at\] p1m.com](mailto:editor[at]p1m.com).

For additional information on the p1mX-CAT Group of IndicesSM --- Visit, www.p1m.com/p1mx-CAT.htm

Top Equity Pick for 2008 (Cont. from page 1)

Our 150% to 200% predicted gain of PDGE stock value for 2008, as stated on page 2 of this issue is based on the historical stock movement of PDGE, the Company's current position in the emergency response / disaster recovery industry, the predicted 2008 hurricane season and the way PDGE handled itself during the 2003, 2004 and 2005 hurricane seasons. (Cont. in right column)

PDGE Historical Values:

01/06/2003 ... \$0.23
06/02/2003 ... \$0.28 (start of hurricane season)
11/24/2003 ... \$0.38 (end of hurricane season)
12/29/2003 ... \$0.60 (also year high)

01/05/2004 ... \$0.56
03/31/2004 ... \$0.16 (year low)
06/01/2004 ... \$1.05 (start of hurricane season)
11/29/2004 ... \$0.91 (end of hurricane season)
12/27/2004 ... \$1.59 (also year high)

01/03/2005 ... \$1.40
06/06/2005 ... \$1.29 (start of hurricane season)
07/25/2005 ... \$0.96 (year low)
09/26/2005 ... \$2.30 (year high)
11/28/2005 ... \$1.97 (end of hurricane season)
12/27/2005 ... \$1.83

01/03/2006 ... \$1.95
02/21/2006 ... \$2.27 (year high)
06/05/2006 ... \$1.82 (start of hurricane season)
11/27/2006 ... \$0.875 (end of hurricane season)
11/20/2006 ... \$0.78 (year low)
12/26/2006 ... \$0.785

01/03/2007 ... \$0.78
06/04/2007 ... \$0.93 (start of hurricane season)
07/16/2007 ... \$1.20 (intraday - year high)
11/26/2007 ... \$0.82 (end of hurricane season)
12/28/2007 ... \$0.49 (intraday - year low)
12/31/2007 ... \$0.59

Top Equity Pick for 2008 (Cont. from left column)

PDGE has maintained steady growth through the weak to non-existent 2006 and 2007 hurricane seasons, which is primarily due to its ongoing asbestos abatement business and its steady growth in the disaster recovery industry due to its Flagship Services Group subsidiary, which has seen steady gains since PDGE purchased Flagship in September 2005.

PDGE insiders hold 20.23% of its stock, a plus, while one institutional investor, Perritt Emergency Opportunities (PREX) holds 2.20% of PDGE stock, and with small cap stocks expected to outperform the first half of 2008, other institutional investors may clime on board --- just recently (12/28/07), PDGE experienced heavy volume of 1,214,900 shares, resulting in PDGE to close up 6% on 12/28/07.

When reviewing PDGE historical stock values and the five-year weekly chart below, please notice the 2004 and 2005 values, where PDGE made considerable gains due to two busy hurricane seasons. And with 2008 early bird hurricane predictions calling for an above normal hurricane season, and when coupled with the La Nina weather patterns that started during September 2007, our 2008 prediction of 150% to 200% gain for PDGE is realistic.

PDG Environmental, Inc. is a steal at \$0.59 and in our opinion should be trading between \$1.50 to \$1.95 based on its present growth in the disaster recovery industry, which includes the restoration and reconstruction of commercial facilities after fires, tornadoes, etc.

PDGE is gaining steady ground in the restoration industry, moreover, unlike other publicly traded companies in this industry, PDG Environmental, Inc. and its Flagship subsidiary brings professionalism and integrity to the industry. PDGE has maintained an excellent presence in the asbestos abatement and selective demolition industry, which works hand-in-hand with its emergency response services.

William Yobe, contributing author to the p1mX-CAT Trader has provided emergency response marketing and operational consulting to PDG Environmental, Inc. in the past, and may do so in the future.

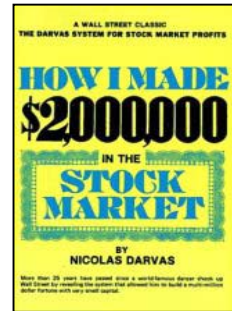


Note stock movement in chart above during 2004 and 2005 after hurricane landfalls

Recommended Reading

For our end-of-year issue, we are recommending "How I Made \$2,000,000 in the Stock Market" by Nicolas Darvas, a true classic. Darvas was a stock market novice when he started trading stocks and learned that success in the stock market was based on a techno-fundamental philosophy that evolved into the 'box theory' trading system --- a system Darvas himself developed while traveling the globe as a professional dancer.

Darvas started his trading career with \$3 thousand and massed a small fortune of \$2.2 million in the 1950's based on news and data from the weekly publication, Barron's.



This book is entertaining and a must read, since the trading legends of the 1990's and of today must have read this book and adapted some of the Darvas principles, or saw some of the same patterns during their early trading days.

As an example, although Darvas does not explain his stock picking system, the stocks mentioned in his book were fundamentally sound at that time, a Martin Zweig philosophy. Next, he liked the best of breed, a Jim Cramer saying, and Darvas never sold his holding when they were rising in price and always cut his losses, two sound trading principles recommended by William J. O'Neal, founder of the Investor Business Daily.

When writing this column, we scanned some of the 113 customer reviews of this book at Amazon.com, and Steve Burns from Nashville Tennessee sums it up better than anyone with his posted "8 Key Lessons" review...

- 1) Always have a stop loss order in place when you buy stocks (cut your losses)
- 2) Watch unexpected volume surges (institutional investors)
- 3) Never sell a stock that is rising in price --- Only sell on declines
- 4) Watch price boxes that develop in stocks --- buy at breakouts
- 5) Take emotion out of trading, set your rules and follow them
- 6) Stay away from the rumors and mob mentality of Wall Street
- 7) Watch stock prices and go with the patterns you watch develop
- 8) Look for the break away stocks that will make you rich, trade the stocks that are at their 52 week high if they are growth stocks and if they appear to be breaking new highs

In conclusion, "How I Made \$2,000,000 in the Stock Market" by Nicolas Darvas is a great book, especially how Darvas takes you through his learning curves that he developed into a trading system that worked. However, with all great financial reading of yesteryears, we need to read between-the-lines and relate the books principles to modern times.

To purchase your copy of "How I Made \$2,000,000 in the Stock Market" by Nicolas Darvas, visit your local book store, or Amazon.com at: www.amazon.com/How-Made-000-Stock-Market/dp/0818403969.

Oil Spill Clean Up

During 2007, there were 36,855 oil and chemical spill incidents reported in the U.S. --- up from 35,714 in 2005.

Chemical and oil spill incidents are monitored by the National Response Center (NRC), which is the sole federal point of contact when reporting oil, chemical, radiological, biological and etiological discharges in the United States. In addition, the NRC maintains agreements with a variety of federal entities regarding incident notifications and trigger criteria, as well as takes Terrorist/Suspicious Activity Reports and Maritime Security Breach reports.



The NRC operation is based on the National Oil and Hazardous Substances Pollution Plan Overview, a/k/a the National Contingency Plan or NCP, which is the federal government's blueprint for responding to both oil spills and hazardous substance releases.

There are six p1mX-CAT IndexSM member firms that would have involvement in the oil and chemical spill clean up industry; Clean Harbors, Inc. (NASDAQ: CLHB), Ecology and Environment, Inc. (AMEX: EEI), Seacor Holdings, Inc. (NYSE: CKH), URS Corporation (NYSE: URS) Veolia Environment (NYSE: VE) and Versar, Inc. (AMEX: VSR).

For additional information on the National Response Center, visit www.nrc.uscg.mil, photo above --- Complements of Seacor Holdings, Inc. www.seabulkinternational.com.