

# BUYINS.NET

DIRECTOR OF RESEARCH: Thomas Ronk PH (800) 715-9999 EMAIL: tom@buyins.net DATE: 6-21-2005

## INSIDE THIS ISSUE:

CTTY 1

About Us 2

### RECENT HEADLINES

06-21-2005 13:45 StreetInsider Alert for DJ:INDU

06-21-2005 12:50 Big Movers in the Stock Market

06-21-2005 10:10 StreetInsider Alert for CTTY

06-21-2005 09:58 Catuity Signs New Client, First User of CALS; CertifiChecks to ...

06-09-2005 10:16 Catuity Strengthens Loyalty Patent Portfolio; European Patent Office Awards EMV-Focused ...

05-09-2005 09:20 BUYINS.NET: Naked Short Web Site Announces INFY, SGI, ANX, NINE, ...

05-02-2005 12:14 BUYINS.NET: CTTY, AWA, SGU, IPEX, UAIRQ Have Been Added To ...

BUYINS.NET offers a proprietary research and trading service uncovering illegal naked short selling in stocks on the NYSE, AMEX, NASDAQ, OTCBB and PINKSHEETS. For more information please visit [www.buyins.net](http://www.buyins.net)

## CTTY EXPLODES TO UPSIDE

On May 2, 2005 Buyins.net announced that Catuity, Inc. (NASDAQ:CTTY) had been added to the NASDAQ Naked Short Threshold List. The stock opened the day at \$4.53 and has jumped \$18.05 to an intraday high of \$22.58. On May 9th, Buyins.net announced that CTTY had been removed from the naked short clients because the failure to deliver had been resolved. Small floats can explode!



Omnitrading advisor issued a buy recommendation at \$4.10. The long trade is still in force and is up nearly 400% in 5 trading sessions.

## FUNDAMENTAL HIGHLIGHTS AT CTTY

Detroit developer of retail software, Catuity, inked a software deal with CertifiChecks, a private provider of gift-certificate processing services. Financial terms weren't disclosed. The agreement is the first contract for Catuity's Advanced Loyalty System loyalty and gift

card software. It calls for CertifiChecks to deploy Catuity's software as a turnkey hosted application to be sold to merchants and chain stores already using CertifiChecks paper-based products. CBS MarketWatch's interview says deployment is expected early in the

third quarter. CertifiChecks, which was founded in 1999, partners with more than 70,000 merchants across the U.S., including Army & Air Force Exchange Service and the Defense Commissary Agency.

## WWW.BUYINS.NET

417 Orchid Ave.  
Corona Del Mar, CA 92625

Phone: 800-715-9999  
Fax: 815-328-0698

Email: tom@buyins.net

## Trading Solutions to Naked Short Selling

All material herein was prepared by BUYINS.NET, based upon information believed to be reliable. The information contained herein is not guaranteed by BUYINS.NET to be accurate, and should not be considered to be all-inclusive. The companies that are discussed in this opinion have not approved the statements made in this opinion. This opinion contains forward-looking statements that involve risks and uncertainties. This material is for informational purposes only and should not be construed as an offer or solicitation of an offer to buy or sell securities. BUYINS.NET is not a licensed broker, broker dealer, market maker, investment banker, investment advisor, analyst or underwriter. Please consult a broker before purchasing or selling any securities viewed on or mentioned herein. BUYINS.NET may receive compensation in cash or shares from independent third parties or from the companies mentioned.

BUYINS.NET affiliates, officers, directors and employees may also have bought or may buy the shares discussed in this opinion and may profit in the event those shares rise in value. Market commentary provided by Thomas Ronk.

BUYINS.NET will not advise as to when it decides to sell and does not and will not offer any opinion as to when others should sell; each investor must make that decision based on his or her judgment.

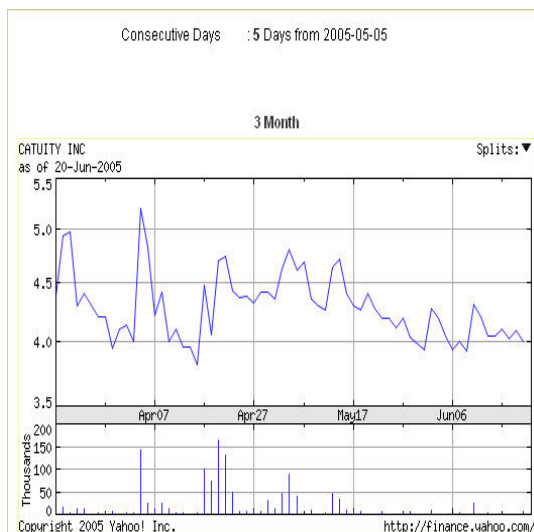
All Rights Reserved. Copyright 2005 Buyins.net

## REVERSE ENGINEERING TODAY'S TOP GAINERS FOR TOMORROW'S BIG WINNERS

Average Volume (3 month):	20,476.6
Average Volume (10 day):	2,528.57
Shares Outstanding:	778.00K
Float:	712.12K
% Held by Insiders:	8.50%
% Held by Institutions:	0.20%
Shares Short (as of 10-May-05):	7.57K
Short Ratio (as of 10-May-05):	0.2
Short % of Float (as of 10-May-05):	1.10%
Shares Short (prior month):	4.34K

Catuity, Inc. had been on the NASDAQ naked short list for from April 29th to May 5th. Regulation SHO took effect January 3, 2005, and provides a new regulatory framework governing short selling of securities. It was designed with the objective of simplifying and modernizing short sale regulation and providing controls where they are most needed. At the conclusion of each settlement day, data is provided on securities in which: 1) there are at least 10,000 shares in aggregate failed deliveries for the security for five consecutive settlement days, and 2) these failures constitute at least 0.5% of the issuer's total shares outstanding. Regulation SHO mandates that, if a clearing agent has had a fail-to-deliver position for 13 consecutive settlement days, that clearing agent, and the broker/dealer it clears for, must purchase securities to close out its fail to deliver position.

The short position in shares of CTTY appears relatively small compared to its outstanding float. Currently, there are 7,570 shares declared short as of May 10th. The low float of only 712,000 shares is the cause for the huge runup in CTTY shares today. The investor feeding frenzy is more technical than fundamental.



This intraday chart of CTTY on June 21st shows a dramatic increase in volume and price.