

Untapped Wealth

February, 2010 Edition

Bridging the Gap

In this fast paced world, transferring information from one place to another with lightning fast speed is of utmost importance. Imagine if the buy/sell orders get delayed or that important piece of software you ordered did not arrive on time.

This is precisely the reason why both the companies under review exist. One provides critically important data transfer services, while the other transfers tech products from one place to another in physical form. Their existence in this market for more than a decade accentuates their credibility further. And if they could survive 2008-09 financial crises, I believe they can survive anything. Without wasting much time, let's get down to business straight away and review the stocks in detail.

Tim Fields
Editor-In-Chief
Untapped Wealth

RCN[®] 

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ModusLink
GLOBAL SOLUTIONS

Dear Investors, we will be reviewing RCN Corp. (RCNI: \$10.54*) and ModusLink Global Solutions, Inc. (MLNK: \$9.62*) in February.

Herndon, Virginia based RCN Corp is a broadband services provider, which provides video, internet and voice services through high-speed optical fiber network in Washington, D.C., Philadelphia, Lehigh Valley (PA), New York City, Boston and Chicago.

The client base of the company comprises of retail and small and medium businesses (SMB). Apart from the above mentioned services, RCN also provides high-capacity data transport services large corporations in its geographical areas of operations. All the services of the company are distributed under different brands, which are - RCN (for retail or residential consumers), RCN Business (for SMBs) and RCN Metro (for large businesses).

RCN has license to provide digital communication services to 5 million residential and commercial customers. At present, the company serves more than 428,000 thousand customers through its extensively spread optical fiber network exceeding 7,000 miles. Corporate clientele of RCN includes telecom companies, local exchange offices and other digital service companies.

RCN was established in 1997, which was later acquired by NEON Communications Group, Inc in 2007. Subsequent to acquisition, the company's business was divided into two key segment on

comprising of residential and SMB clients, while the other catering to large corporate clients.

Other stock that is being reviewed this month is Massachusetts based ModusLink Global Solutions, Inc., a leading company operating in supply chain business process management. This global leader in supply change management solutions serves some of the biggest names in storage and communications, computing, consumer electronics and software space. In short, the company mostly serves businesses operating in technology space.

ModusLink functions through its wholly owned subsidiaries viz. ModusLink Corporation, ModusLink Open Channel Solutions, Inc. and ModusLink PTS, Inc. There are five niches the company (along with its subsidiaries) operates in, which includes - Americas, Asia, Europe, ModusLink OCS and ModusLink PTS. These operating segments are based on geographies as well as the function it performs.

The company was originally established in 1986 as CMGI, Inc, which after a series of mergers and acquisitions came to be known as ModusLink Global Solutions, Inc. Some of the recent acquisitions made by the company include - Open Channel Solutions, an e-business management solutions company and PTS Electronics, Inc. in 2008, a repair and reverse logistic services company operating in consumer electronics space.

Service Spread

RCN's service spectrum includes

- Video services
 - Basic and signature services
 - Enhanced digital services
 - Premium channels
 - High-definition television
 - Video on demand and subscription video on demand
 - Digital video recorder
 - Pay-per-view
 - Lehigh valley studio
 - Bulk video services
- High-speed data services
- Voice services
- RCN and RCN business services network
-

On the other hand, ModusLink Global Solutions, Inc. service portfolio comprises of -

- Supply Chain
 - Factory Supply
 - Optimized Configuration
- Aftermarket Services
- e-Business
- Entitlement Management

Risk Factors

Both the companies are prone to certain risk factors. These can be summarized individually as follows -

For RCN Corp -

- History of losses and also had filed for Chapter 11 in 2004.
- Stringent regulations at national, state and local level
- Extreme dependence on third party equipment suppliers
- Damage to any portion of optical fiber network might cripple the services in larger areas leading to loss of revenue and customers too.
- Increased content acquisition costs
- Highly competitive market
- Inability

ModusLink is prone to following risk factors -

- Limited client group
- Capital intensive business model which might limit further growth.
- Change in technology or supply change methods change, it might seriously affect the revenue stream.
- No assurance on minimum orders as clients pass on the orders as their clients order them.
- Paper thin operating margins, hence, a change in tax structure eats away profits.

In The End

Since both the companies are technologically oriented, and they need to keep up with changing technologies to keep the registers ringing. They have been doing this for a considerable period; hence can be considered as good bets.

Untapped Wealth

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The ideas and information in this newsletter are of value only if you've done your research. It is entirely likely the recommendations made within these pages will result in losses...such is life.

Thank you for reading, best of luck.

Postmaster: Send address changes to Untapped Wealth, 103 NE 4th Street,

*Indicates Initial Recommended Price

Symbol	Last Trade	Change	Volume	Shrs	Holdings Value	Day's Value Change	Price Paid	Gain/Loss
IDSY	3:38pm ET	2.94 0.00	17,754	1	\$2.94	\$0.00 0.00%	12.32	↓ \$9.38 ↓ 76.14%
RZ	3:40pm ET	1.04 ↑ 0.02	306,425	1	\$1.04	↑ \$0.02 ↑ 1.96%	13.00	↓ \$11.96 ↓ 92.00%
XDSL.OB	3:28pm ET	0.025 ↑ 0.001	2,535,654	1	\$0.03	↑ \$0.00 ↑ 4.17%	0.07	↓ \$0.05 ↓ 64.29%
API	3:32pm ET	0.57 ↓ 0.01	28,100	1	\$0.57	↓ \$0.01 ↓ 1.72%	2.65	↓ \$2.08 ↓ 78.49%
CLWR	3:40pm ET	6.755 ↑ 0.195	1,735,548	1	\$6.76	↑ \$0.20 ↑ 2.97%	-	
NSPH	3:40pm ET	3.37 ↑ 0.17	187,726	1	\$3.37	↑ \$0.17 ↑ 5.31%	4.00	↓ \$0.63 ↓ 15.75%
DTV	3:40pm ET	34.855 ↑ 0.115	7,055,504	1	\$34.85	↑ \$0.11 ↑ 0.33%	22.35	↑ \$12.50 ↑ 55.95%
ACM	3:40pm ET	28.64 ↑ 0.49	384,587	1	\$28.64	↑ \$0.49 ↑ 1.74%	24.99	↑ \$3.65 ↑ 14.61%
DLTR	3:40pm ET	56.86 ↑ 0.68	636,164	1	\$56.86	↑ \$0.68 ↑ 1.21%	37.00	↑ \$19.86 ↑ 53.68%
FDO	3:40pm ET	35.39 ↑ 0.15	2,488,605	1	\$35.39	↑ \$0.15 ↑ 0.43%	20.87	↑ \$14.52 ↑ 69.57%
DDM	3:39pm ET	45.13 ↑ 0.95	1,599,321	1	\$45.13	↑ \$0.95 ↑ 2.15%	25.80	↑ \$19.33 ↑ 74.92%
QLD	3:40pm ET	60.758 ↑ 1.828	5,869,431	1	\$60.76	↑ \$1.83 ↑ 3.10%	30.85	↑ \$29.91 ↑ 96.95%
RST	3:40pm ET	21.85 ↑ 0.25	251,211	1	\$21.85	↑ \$0.25 ↑ 1.16%	23.00	↓ \$1.15 ↓ 5.00%
XEL	3:40pm ET	21.18 ↑ 0.12	1,450,152	1	\$21.18	↑ \$0.12 ↑ 0.57%	18.54	↑ \$2.64 ↑ 14.24%
GRRF	3:38pm ET	3.3101 ↑ 0.0001	74,661	1	\$3.31	↑ \$0.00 ↑ 0.00%	3.02	↑ \$0.29 ↑ 9.61%
ACTS	3:33pm ET	2.35 0.00	74,144	1	\$2.35	\$0.00 0.00%	2.13	↑ \$0.22 ↑ 10.33%
MEA	3:40pm ET	6.07 ↑ 0.08	542,709	1	\$6.07	↑ \$0.08 ↑ 1.34%	4.50	↑ \$1.57 ↑ 34.89%
PTI	3:30pm ET	21.75 ↑ 0.35	15,139	1	\$21.75	↑ \$0.35 ↑ 1.64%	17.53	↑ \$4.22 ↑ 24.07%
KONG	3:38pm ET	7.78 ↑ 0.03	122,097	1	\$7.78	↑ \$0.03 ↑ 0.39%	13.25	↓ \$5.47 ↓ 41.28%
CRIC	3:40pm ET	9.93 ↑ 0.13	80,160	1	\$9.93	↑ \$0.13 ↑ 1.33%	14.20	↓ \$4.27 ↓ 30.07%
CBPO	3:40pm ET	9.58 ↓ 0.12	70,197	1	\$9.58	↓ \$0.12 ↓ 1.24%	8.05	↑ \$1.53 ↑ 19.01%
VITC	3:29pm ET	11.04 ↑ 0.04	30,104	1	\$11.04	↑ \$0.04 ↑ 0.36%	8.88	↑ \$2.16 ↑ 24.32%
FTNT	3:40pm ET	17.13 ↑ 0.26	354,033	1	\$17.13	↑ \$0.26 ↑ 1.54%	17.05	↑ \$0.08 ↑ 0.47%
GTEC	3:40pm ET	12.99 ↑ 0.88	82,477	1	\$12.99	↑ \$0.88 ↑ 7.27%	14.25	↓ \$1.26 ↓ 8.84%
CTXNY.PK	3:25pm ET	2.75 ↑ 0.04	11,769	1	\$2.75	↑ \$0.04 ↑ 1.48%	2.65	↑ \$0.10 ↑ 3.77%
PGSVY.PK	3:33pm ET	13.60 ↑ 0.57	49,429	1	\$13.60	↑ \$0.57 ↑ 4.37%	12.35	↑ \$1.25 ↑ 10.12%
RCNI	3:39pm ET	15.18 ↑ 2.92	15,821,057	1	\$15.18	↑ \$2.92 ↑ 23.82%	10.54	↑ \$4.64 ↑ 44.02%
MLNK	3:39pm ET	11.024 ↑ 0.274	189,816	1	\$11.02	↑ \$0.27 ↑ 2.55%	9.62	↑ \$1.40 ↑ 14.59%
Total					\$463.85	↑ \$10.41 ↑ 2.30%		↑ \$83.63 ↑ 22.39%