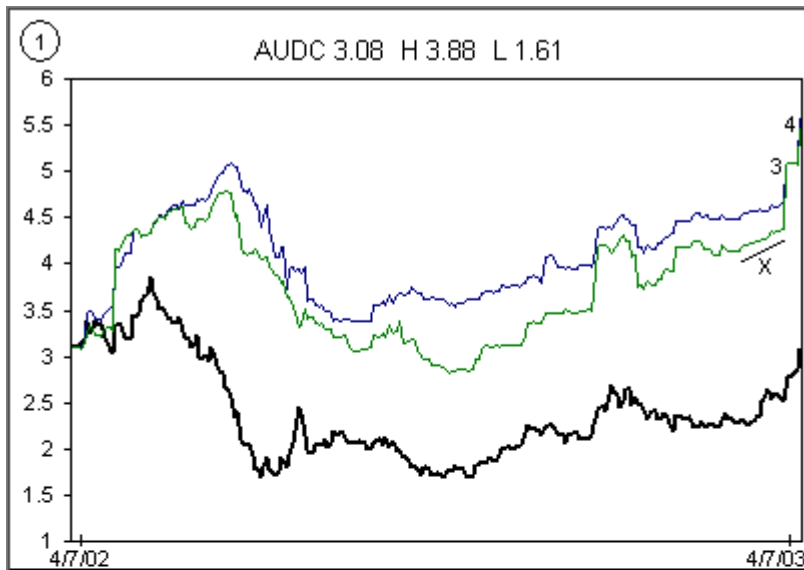
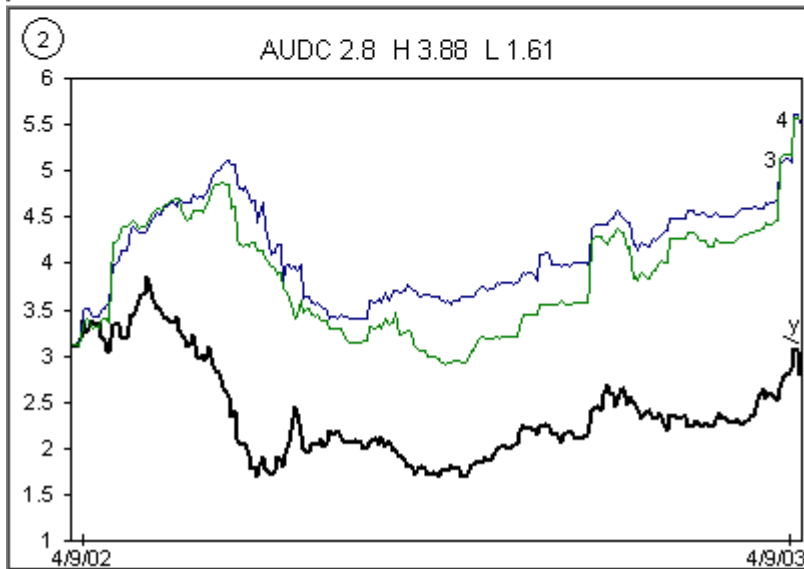


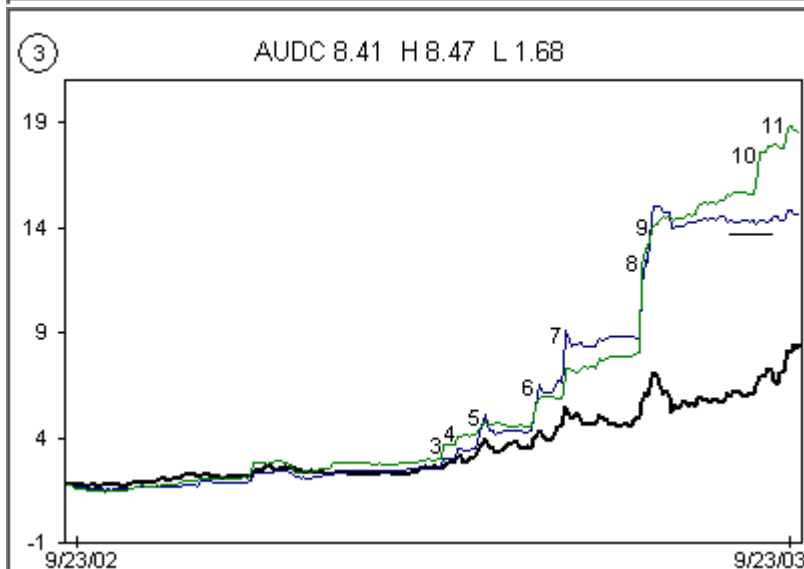
#### IV. BUYING STOCKS USING LSI CHARTS



The LSI Chart of AUDC shows positive spike activity beginning to form in a consecutive pattern culminating with 3 and 4. The positive spikes in the middle of the chart proved timely until the large negative spike 2/3 of the way through. The upward direction of the LSI Line at X provides good support for the positive spikes at 3 and 4. Thus, we are awaiting a positive divergence for a suitable entry point into AUDC.



An entry point arises with the sharp price pullback at Y on LSI Chart #2. As is typical, the entry point generally occurs over the first week to two weeks following a positive spike.



This view of AUDC five and a half months after LSI Chart #2 shows significant positive spike activity and multiple positive divergences along the way. Interestingly, following the positive spike at 9, the negative spike on the longer-term (blue) LSI Line was not confirmed by the shorter-term (green) LSI Line. Thus, long investors though having watched a significant retreat in share price would have seen solid gains longer-term.