Volanti started the month of November with $165,003.84 in the account.

During the month, we evaluated many of our positions and an eye on realigning our portfolio with our philosophy. Out are shipping companies and deep value positions in Costamare (NYSE:CMRE) and Tsakos (TSE:TNP), health and wellness firms in Weight Watchers (NYSE:WTW) and GNC Holdings (NYSE:GNC), and bio-pharma firm Opko Health (NYSE:OPK). In are Sporting Goods retailer Dick's (NYSE:DKS) and Cinema owner operator AMC Entertainment (NYSE:AMC).

On November 27th, we purchased 1,200 shares of AMC Entertainment Inc. (NYSE:AMC) at a per share price of $14.25. AMC is a leading theater operator. The sector has been hit by a string of poor quarters where the quality of releases had suffered. The high fixed cost, capital intensive industry suffers during this part of the cycle and shares fell, too much in our opinion. Now trading well below book value, below 0.5 times sales, 4 times cashflow and yielding 5.7%, we welcome the market reaction pushing the price down almost 60% in the year. We feel this is a quality operation and cashflow stream, the hype around the death of the cinema experience is well overdone, AMC will compete well and is investing in enhancing the experience for theater goers, and the risk is priced attractively as the cycle turns and quality movies are being released. We patiently waited for the chart to turn around and entered our position on the breakout.

On November 27th, we sold our position in GNC Holdings Inc. (NYSE:GNC), receiving $5.39 for each of our 2,600 shares. GNC is in a tough position today as it competes in an ever challenging environment. With little flexibility and a lot of debt on the books, management is handcuffed with few options to change the current path. Cashflow will be used to reduce debt levels for the foreseeable future with refinancing on the horizon. The company is increasingly reliant on its reward program successfully gaining participation and providing a sticky customer base at a reasonable cost. Competition from Amazon and others drive pricing and margins down. Almost 50% of the float is sold short causing potential for large upward volatility if the above trend reverses and the shorts cover. Given the above and the opportunity to establish a position in DKS, which we feel is the more quality company in the retail space with a better win / loss probability and opportunity to grow into a larger company in three to five years, we exited the position.

On November 15th, we sold 1,600 shares of OPKO Health Inc. (NASDAQ:OPK) for $4.67 per share. The upward potential of the bio pharma side of the business has not been materializing as hoped. It may still see its day, with some promising developments in the pipeline, but there is not much certainty and not much of a floor with no tangible book. It will continue fighting and chug along but it may be some time before the stock price yields us gains and it does not pay a dividend while we wait. It has little debt on the balance sheet and stable revenue on the diagnostics side of the business. That said, this is a heavily shorted stock where the upside catalysts have not come to fruition. Disappointedly, it is time to move on and deploy our assets toward stocks generating strong cashflow today.

On November 13th, we sold our shares in both Costamare Inc. (NYSE:CMRE 3,500 shares @ $5.83) and Tsakos Energy Navigation (NYSE:TNP 3,400 shares @ $4.45). The headwinds facing the shipping industry continue to mount. The high fixed cost nature of the space has pushed day rates to very low levels as supply outstrips demand. The incredibly low price to book value gives credence to the quality of the book and potential for writedowns. Although there is some room for optimism in recent months, these deep value plays or 'cigar butts' as Graham would put it - highly capital intensive industries with low switching costs leading to cyclicality and price wars – do not provide the moat we are after. Oppose to waiting to get that 'last puff out of the cigar' as that price to value gap we identified when purchasing this stock closes (and collecting the dividend as we wait), we decided to reposition to portfolio to brighter pastures with more potential to grow into larger companies over the next few years.

On November 16th, we bought 600 shares of Dick's Sporting Goods (NYSE:DKS) for $28.75 per share. The reasons for the shares going on sale are well publicized, perhaps most loudly by the CEO himself on the Q2 conference call describing the current sporting goods marketplace as "very competitive and dynamic… By design, we will be more promotional and increase our marketing efforts for the remainder of the year, as we will aggressively protect our market share". Management went on and issued a softer profit outlook for the full year. With rivals' bankruptcies, including those of City Sports and Sports Authority, the market has a lot of inventory to work through.

Although intense competition will persist despite the bankruptcies mentioned above from the likes of Amazon and various specialty retailers, we now have an opportunity to purchase a solid company, with a proven ability to compete profitably, at 2010 prices.

On November 6th, we closed our short position in Weight Watchers Inc. (NYSE:WTW) by purchasing 600 shares at a price of $45.30 per share. The stock and company had a lot of momentum behind it leading into earnings, where improving fundamentals and strong subscriber growth over the last 12 months began to move the probability of scenarios justifying the current stock price up. As we were nearing our tolerance for loss and the probabilities moving against us, we exited the position ahead of earnings.

At the end of November our account balance is $168,780 USD

Since Inception 25 Month Return: 12.52%   Annualized Since Inception Return: 5.38%