BREAN MURRAY CARRET & CO.

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This Morning's Highlights

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Retail and Consumer Products

CACH, FOSL, MFB, RICK, URBN, WRC

1Q Preview: Europe and Various Forms of Dress (and Undress) Come to the Fore

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Company	Ticker	Rating	Price	Target	10E EPS / (P/E)	11E EPS / (P/E)
Cache, Inc.	CACH	Hold	$6.26	NA	$0.10 (62.6x)	$0.20 (31.3x)
Fossil Inc.	FOSL	Buy	$33.95	$44.00	$2.34 (14.5x)	$2.59 (13.1x)
Maidenform Brands, Inc.	MFB	Buy	$20.93	$24.00	$1.58 (13.2x)	$1.75 (12.0x)
Rick's Cabaret International Inc.	RICK	Buy	$10.49	$14.00	$0.97 (10.8x)	$1.10 (9.5x)
Urban Outfitters Inc.	URBN	Buy	$34.89	$45.00	$1.28A (27.3x)	$1.65 (21.1x)
The Warnaco Group, Inc.	WRC	Buy	$41.39	$55.00	$3.15 (13.1x)	$3.44 (12.0x)

Investment Summary

The 1Q earnings season kicks into full form for our universe, with roughly 30% of our companies announcing results. Key focus points will be Europe (via Fossil, Urban Outfitters and Warnaco), further market share gains in the innerwear market (Maidenform) and performers who do not wear innerwear (Rick's). We reiterate our Buy ratings on FOSL, MFB, RICK, URBN and WRC; we believe last week's pullback has been overdone and offers a buying opportunity for many key names.

The slow turnaround at Cache continues; while we do not expect excitement in the March quarter, June will be key.

We believe the shift towards more luxury-driven goods will be a key positive for Fossil.

Maidenform should be able to drive upside from department stores and continued gains in the higher margin shapewear market.

Rick's enjoyed the Super Bowl and the NBA All-Star game in 1Q; more importantly, going forward should be the turn at the Las Vegas club.

Urban Outfitters should amply demonstrate the power of differentiated looks; with store expansion on track, we believe it remains ideally positioned.

The uncertainty in Europe has affected WRC; we believe management will demonstrate the strength of its business model.

Gulf Resources, Inc.

GFRE $8.97
Buy/Target Price: $17

Current Bromine Market Dynamics; 1Q10 Earnings Preview

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EPS	Mar	Jun	Sep	Dec	FY	P/E	FY Rev. (mm)
FY09	$0.23	$0.29	$0.27	$0.21	$1.00	9.0x	$110.28
Prior	-	-	-	-	-	-	-
FY10	$0.23	$0.33	$0.39	$0.43	$1.38	6.5x	$156.25
Prior	*$0.26*	*$0.31*	-	*$0.41*	-	-	-
FY11	-	-	-	-	$1.69	5.3x	$201.61
Prior	-	-	-	-	-	-	-

Price	$8.97
52-Week High/Low	$14.94 - 1.92
Shares Outstanding (mm)	34.55
Market Cap. (mm)	$309.95
Average Daily Volume (mm)	0.20

Investment Summary

Favorable market development in 2H09 drives higher bromine prices into 2010

Demand for bromine is largely driven by industry applications of bromine-based products. The global financial crisis has caused sharp declines in demand from those markets. However, the global demand recovery for bromine-based products was apparent from the second half of 2009 into the first half of 2010, and has been consistently pushing bromine prices upward since bromine demand started to show a recovery in 2H09 over increasing industry applications. Albemarle Corp (ALB) released record 1Q10 earnings, and management attributed the company's record quarter to the high volume of demand for brominated flame retardants. ICL management also commented in its 1Q10 earnings release, "During the first two months of 2010, there was a marked resurgence of demand for the segment's drilling brines."

Supply fell short of demand, driving bromine spot prices in China to above RMB 17,000 per metric ton in the beginning of 2010, above RMB 18,000 by the end of February, and reaching RMB 20,000 by the end of March.

Factors contributing to imbalance in bromine supply and demand

- Small bromine producers forced out of the market amidst global economic slowdown due to inefficient production scale.
- More salt pan areas occupied by new economic development zones.
- Decreased bromine concentration after years of mining.
- Extreme weather conditions lowering production utilization.
- International competitors raising bromine prices.
- Broader bromine industry applications.

GFRE 1Q10 Earnings Preview – Tweaking Our Quarterly Numbers

On the back of current bromine market conditions in China, we are confident that the company is on a fast growth track, benefiting from favorable industry dynamics. However, we expect its 1Q10 revenues and net income to come in slightly lower than our expectations, mainly due to the following reasons: (1) lower-than-expected production output due to lower utilization caused by extreme weather facing the quarter, as well as the timing of the Chinese New Year in the quarter; (2) lower-than-expected bromine ASP realized in 1Q10 due to the time lag between China and the global spot market, not reaching $2,700 until March; (3) Lower Crude Salt output which has the highest gross margin among its product portfolio causing lower-than-expected gross margin expansion; and (4) higher operating expenses due to some accounting adjustments related to tax and non-cash items.

We believe the favorable demand/supply dynamics facing the world bromine market will most likely hold for the remainder of 2010 and keep bromine prices buoyant at the high levels, although they might advance at a milder pace in 2H10 relative to 1H10. We expect the company to secure bromine ASPs of above RMB 20,000 per ton starting in May, after realizing an ASP of approximately RMB 19,000 per ton in April, and we should see a strong recoupment of revenues and earnings in 2Q10, reflective of higher bromine ASP and gross margin.

Fuel Tech, Inc.

FTEK $5.85
Buy/Target Price: $10 (from $13)

Slight 1Q10 Miss on Lower APC Sales – Maintaining Buy, but Lowering Target to $10

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EPS	Mar	Jun	Sep	Dec	FY	P/E	FY Rev. (mm)
FY09	$(0.07)	$(0.01)	$(0.03)	$0.01	$(0.10)	NM	$71.40
Prior	-	-	-	-	-	-	-
FY10	$0.01A	$0.00	$0.04	$0.07	$0.12	48.8x	$80.62
Prior	*$0.04*	*$0.04*	*$0.05*	*$0.06*	*$0.20*	-	-
FY11	-	-	-	-	$0.35	16.6x	$102.22
Prior	-	-	-	-	*$0.50*	-	-

Price	$5.85
52-Week High/Low	$12.69 - 5.27
Shares Outstanding (mm)	24.21
Market Cap. (mm)	$141.65
Average Daily Volume	161,356

Investment Summary

Overall, Fuel Tech posted a slight 1Q10 miss, largely based on lower-than-expected Air Pollution Control (APC) sales. This was due to a lack of certainty surrounding the Clean Air Interstate Rule (CAIR). As a result, we are lowering our target price to $10. However, while there is still uncertainly surrounding CAIR, we believe that we are close to a revised set of federal rules. This should ultimately increase demand for Fuel Tech's products, significantly. At current levels, we believe Fuel Tech's stock price is more than reflecting this uncertainty, and, as such, we would be we would be long-term buyers here.

Discussion

- **Slight 1Q10 Miss:** Fuel Tech reported 1Q10 EPS of $0.01 from continuing operations, below consensus estimates of $0.03. EBITDA came in at roughly $980k, also below consensus of $2.2 million. The main reason for the miss was slightly lower-than-expected sales from Fuel Tech's Air Pollution Control (APC) segment. The Fuel Chem segment was basically in line with our expectations.

- **Lower APC Sales, but Backlog Remains Reasonably Strong:** Total 1Q10 APC sales were $8.2 million, versus $10.5 million in 4Q09. We had been expecting sales of $10.8 million for 1Q10. In the press release, Fuel Tech noted that, "this relatively low level of activity reflects the impact of deferred APC outlays by electric utilities and industrial customers. With the anticipated reinstatement of CAIR and the growth of new product lines, an increase in APC orders is expected for the remaining three quarters of 2010." The APC segment contract backlog as of March 31 was $21 million, down from $27 million last quarter. However, the company expects an increase in APC orders throughout the rest of this year, due to the anticipated restatement of CAIR and the growth of new product lines.

- **Relative In-Line Fuel Chem Sales:** Total 1Q10 Fuel Chem sales were $9.4 million, versus $8.1 million in 4Q09. We had been expecting sales of $9.8 million for 1Q10. Gross margins increased from 48% in 4Q09 to 55% in 1Q10. The increased margins were primarily the result of a demonstration unit going commercial, which added about $2 million in revenues without incurring any extra costs. If we were to back out the effect of the gain, margins would have been 43%.

- **EPA Moving Forward with Revised CAIR:** On the conference call, management said that the EPA recently submitted a revised CAIR to the White House for review. Fuel Tech expects the EPA to ultimately publish a revised CAIR in mid-2010. This is roughly in line with our original projections, and as such, is a good sign for the likely pick-up in demand for Fuel Tech's APC products.

- **Valuation:** We are maintaining our Buy rating, but are lowering our target price from $13 to $10. Our $10 target is derived from a detailed earnings model using both a P/E and EV/EBITDA multiple approach. We are using a 20x 2012 P/E multiple of our $0.50 EPS estimate, and a 9.0x 2012 EV/EBITDA multiple of our $26.2 million EBITDA estimate. We are decreasing our 2010 and 2011 EPS estimates from $0.20 and $0.50, respectively, to $0.12 and $0.35, respectively. Our decreased estimates and target are primarily the result of lower APC sales flowing forward.

Rentech, Inc.

RTK $1.16
Buy/Target Price: $2.50

After Recent Successful United Airlines Flight, Rentech is Well-Positioned to Commercialize its Synthetic Fuels Technology

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EPS	Dec	Mar	Jun	Sep	FY	P/E	FY Rev. (mm)
FY09	$(0.01)	$(0.15)	$0.20	$(0.03)	$0.02	68.0x	$183.7
Prior	-	-	-	-	-	-	-
FY10	$(0.07)A	$(0.06)A	$0.01	$(0.01)	$(0.14)	NM	$134.3
Prior	-	*$(0.03)*	*$0.03*	-	*$(0.06)*	-	-
FY11	NA	NA	NA	NA	$(0.05)	NM	$176.2
Prior	-	-	-	-	*$(0.01)*	-	-

Price	$1.16
52-Week High/Low	$2.93 - 0.45
Shares Outstanding (mm)	214.73
Market Cap. (mm)	$249.06
Average Daily Volume (mm)	2.44

Investment Summary

Recently, Rentech's synthetic jet fuel powered the first U.S. commercial flight on certified alternative fuels. Rentech's successful demonstration on a United Airlines flight was a clear step in the right direction for the ultimate commercialization of Rentech's synthetic fuels technology. In addition, Rentech also announced fiscal 2Q10 results on Friday. The company posted a slight EPS miss versus consensus estimates, primarily due to weaker fertilizer prices than we expected. However, importantly, Rentech's major synthetic fuels projects are progressing on schedule, and below budgeted costs. With Rentech getting closer to the commercialization of its synthetic fuels technology, we are maintaining our Buy rating. When we combine the value of REMC (Rentech's fertilizer plant) and Rialto (Rentech's first planned synthetic fuels plant), we believe the company is worth $2.50 per share (unchanged). With over 100% upside potential from current levels, we'd suggest that long-term investors buy at current levels.

Discussion

- **Slight 2QFY10 Miss:** Rentech posted a slight 2QFY10 miss versus consensus estimates, primarily due to weaker fertilizer prices than we had expected. 2QFY10 adjusted EPS from continuing operations was $(0.06), versus consensus estimates of $(0.05). Revenue from fertilizer sales was $19.2 million versus $25.5 million in the previous quarter and $16.4 million in the same period last year.

- **Reiteration of REMC Guidance:** Rentech reiterated 2010 EBITDA guidance well in excess of $30 million at its REMC fertilizer plant. Ammonia prices were only $368/ton in 2QFY10. Importantly, on the conference call, management said that recent contracts were getting signed in the $440/ton range. As such, we would expect a strong pick-up in this business in the second half of the year.

- **Positive Commercialization Developments:** Recently, Rentech's synthetic jet fuel powered the first U.S. commercial flight on certified alternative fuels. Rentech's successful demonstration on a United Airlines flight was a clear step in the right direction for the commercialization of Rentech's synthetic fuels technology. Ultimately, Rentech has four types of projects for which it can recognize revenues: 1) Repowering boilers; 2) Standalone biomass to power; 3) Biomass to synthetic fuels and power (Rialto); 4) Fossil fuels and biomass to synthetic fuels and power (Natchez). Currently, Rentech is in discussions with potential customers for #1 and #2, as these could represent potential near- to medium-term areas of potential revenue, both in the U.S. and abroad. Lastly, on the conference call, management said that its major synthetic fuels projects are progressing on schedule, and below budgeted costs. Rialto's total front-end engineering and design (FEED) costs are likely to come in well under $20 million, which is less than half of what the company originally budgeted at the end of last year.

- **Valuation:** We are maintaining our Buy rating on Rentech, as well as our target price of $2.50 per share. Our target price consists of two components: (1) a detailed model of Rentech's fertilizer business (REMC), using a P/E multiple approach based on the company's peer group; and (2) An NPV approach for Rentech's first commercial synthetic fuels and renewable power plant (Rialto).

The York Water Company

YORW $13.17
Buy/Target Price: $18.00

Reports 1Q10; Maintaining Buy Rating and $18 Target Price

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EPS	Mar	Jun	Sep	Dec	FY	P/E	FY Rev. (mm)
FY09	$0.13	$0.17	$0.18	$0.16	$0.64	20.5x	$37.04
Prior	-	-	-	-	-	-	-
FY10	$0.15A	$0.16	$0.19	$0.19	$0.67	19.7x	$38.60
Prior	*$0.13*	-	-	-	*$0.66*	-	-
FY11	$0.14	$0.17	$0.21	$0.18	$0.70	18.9x	$45.48
Prior	-	-	-	-	*$0.69*	-	-

Price	$13.17
52-Week High/Low	$17.95 - 13.04
Shares Outstanding (mm)	12.58
Market Cap. (mm)	$165.65
Average Daily Volume (mm)	0.03

Investment Summary

1Q10 results in line with expectations. The York Water Company announced 1Q10 results that were in line to slightly better than expected. Revenue in the quarter of $9 million came in just under our $9.1 million estimate and was up 3% YoY over the same quarter last year. EPS in the quarter of $0.15 came in nicely above our estimate of $0.13, and increased $0.02 from the same quarter last year. Contributing to the results were higher water revenues from growth in the customer base, an increase in the Distribution System Improvement Charge (DSIC), and lower expenses. We are maintaining our Buy rating and $18 target price, based on a P/E multiple of 26x our 2011 EPS estimate of $0.70.

Discussion

- **1Q10 results hold no surprises.** Revenue in the quarter of $9 million was up 3% and came in just shy of our $9.1 million estimate. EPS in the quarter of $0.15 was up from $0.13 a year ago and beat our estimate by two cents. Contributing to the results were higher water revenues from growth in the customer base, an increase in the DSIC, and lower expenses. Also contributing were lower retirement costs and administrative expenses, lower interest expenses due to a reduction in debt, and lower distribution system maintenance.

- **Continued capex spending.** During the quarter, York invested $1.5 million in construction projects, the majority of which was for upgrades and additions to current facilities and various replacements of aging infrastructure. The company plans to continue to invest in infrastructure to ensure water quality and reliability.

- **Adjusting estimates.** We have made the following adjustments: our 2010 EPS estimate is $0.67, up from $0.66 and our 2011 EPS estimate is $0.70, up from $0.69. We consider the changes insignificant from a valuation perspective.

The overlooked opportunity. Among East Coast-based water utilities, The York Water Company is often the overlooked "youngest child" in a geographic region that includes older big brothers **Aqua America (WTR, $17.39, BUY)** and **American Water Works (AWK, $20.71, BUY),** which seem to grab the lion's share of investors' attention. Lack of liquidity and market capitalization are certainly issues to contend with, but we believe the company's organic growth profile in terms of send-out is as attractive as either of the aforementioned names, perhaps better. We are maintaining our Buy rating and $18 target price on the shares of York Water Company, based on the shares attaining a level of 26x our 2011 EPS estimate of $0.70. The shares have historically traded within a forward P/E range of 23x-24x, and a trailing P/E range of 20x-32x. We consider our target price attainable within the next 12-month period, and we note the current yield of 3.9% provides additional upside. *We recommend aggressive accumulation at current levels.*

Aqua America, Inc.

WTR $17.39
Buy/Target Price: $26

Reports 1Q10; Maintaining Buy Rating and $26 Target Price

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EPS	Mar	Jun	Sep	Dec	FY	P/E	FY Rev. (mm)
FY09	$0.14	$0.19	$0.25	$0.20	$0.77	22.7x	$670.54
Prior	-	-	-	-	-	-	-
FY10	$0.16A	$0.22	$0.28	$0.24	$0.89	19.4x	$707.53
Prior	-	-	-	-	*$0.91*	-	-
FY11	$0.20	$0.24	$0.29	$0.25	$0.98	17.8x	$764.13
Prior	-	-	-	-	-	-	-

Price	$17.39
52-Week High/Low	$18.73 - 15.39
Shares Outstanding (mm)	136.94
Market Cap. (mm)	$2,381.39
Average Daily Volume (mm)	0.80

Investment Summary

Aqua America reported 1Q10 results that essentially matched expectations. Revenue in the quarter of $160.5 million (a 4% YoY increase) came in just slightly below our $166 million estimate, and EPS of $0.16 matched our estimate. Contributing to the increase were higher revenue from rate increases and management's ability to control costs, as operation and maintenance expenses grew less than 1%.

Our opinion is that improvements in the underlying operational model should allow the company to reap benefits for years to come. These improvements, coupled with timely rate relief, continued investment in infrastructure and tuck-in acquisitions set the stage for improved 2010 and 2011 performance, in our view. We reiterate our Buy rating and $26 target price, based on the shares attaining a level of 26x our 2011 EPS estimate of $0.98.

Discussion

- **Quarterly results hold no surprises.** Aqua America reported 1Q10 revenue of $160.5 million, which was up 4% from the same quarter last year, and came in slightly below our $166 million estimate. The increase was primarily due to rate increases. Net income grew 17% to a record $21.5 million (enhanced by an after-tax gain of $1.3 million on the sale of investments), and EPS in the quarter of $0.16 matched our estimate. Most impressive in the quarter was management's ability to control costs, as operations and maintenance expenses grew less than 1%, and the O&M to revenue ratio dropped to 42.1% compared to 43.4% the same quarter last year.

- **Rate case update.** YTD, Aqua has received rate awards in New York, North Carolina, Missouri, Ohio, and infrastructure surcharges in other states, totaling an estimated $12.2 million in annualized revenue increases. The company also has another $65 million of rate cases pending, and another $20 million of rate relief filing expected for later in 2010, which should favorably impact 2011 results.

- **More interest on acquisition front.** In 2009, the company completed 18 acquisitions. This year, Aqua is expecting to return to a more normalized acquisition rate of about 25 – 30, and has completed 8 thus far in 2010. Opportunities are beginning to materialize throughout all of the company's service territories.

- **Dividend increase.** On May 3, 2010, the Board of Directors declared a quarterly cash dividend payment of $0.145 per share to all shareholders on May 17, 2010, which reflects the 7.4% increase announced in August 2009. This is the 19^{th} dividend increase in the last 18 years.

Water Utilities, Flow Technology and Purification

AWK, AWR, CCC, CWCO, CWT, IEX, MPR, MWA, SBS, SJW, TTEK, VE, WTR, WTS, YORW

Water Works Weekly

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An ugly week no matter how you slice it. Across our industry sub segments, performance was less than stellar last week. Only one of the segments managed to outperform the benchmarks (the S&P 500, NASDAQ Composite, and the Powershares Water ETF, which were down 6.4%, 7.9%, and 9.0%, respectively), and only one equity across the entire universe finished in positive territory. The best performer was the Distribution segment, down 6.2%. The Water Solutions - Filtration segment came in second, falling 7.4%. The Water Solutions segment dropped 10.0%, while the Flow Technology segment came in last, dropping 10.5%.

YTD, three of the four segments are now outperforming the benchmarks. The Water Solutions – Filtration segment remains the top performer, up 9.0%. Distribution stocks also continue to do well (up 3.1%), and the Flow Technology segment continues to outperform the benchmarks (up 2.0%).

Top Ideas

Water Utilities

SBS: Sabesp is our top pick across our global water utility universe. Many of the risks (country, foreign exchange, acquisition limitations, and lack of regulation) that kept investors away from this name have either dissipated or been rendered largely irrelevant. Brazil was recently increased to investment grade status, the real has been strong relative to the dollar, and as of 2007 SBS can make acquisitions outside of Sao Paulo. As for regulation, ARSESP recently began regulation of water standards and will take over the tariff making process in the near future. Further, SBS trades at a large discount to the peer group, despite having the highest EBITDA margins. The shares also typically have the highest yield across our covered universe, and the corporate charter states at least 25% of net income must be paid as dividends (the actual payout ratio has been higher). We recommend investors take or add to existing positions at current levels.

WTR: Within the U.S. water utility group, Aqua America is our top pick. WTR's fundamentals are improving; the company continues to file for timely rate relief and is being treated fairly by regulators. Against this backdrop, the shares have continued to decline, and have reached price levels where we consider them to be the most attractive based on historical P/E multiples and dividend yield relative to the water utility peer group.

CCC: Calgon Carbon remains our top pick in the water solutions segment. We believe there is significant upside from current EPS levels forecasted for 2010 in 2011 and 2012 due to the potential for increased revenue from additional capacity in the company's activated carbon and reactivation business lines, along with higher UV technology sales. We believe Calgon Carbon is positioned for strong overall growth across multiple business lines in coming years, and we recommend investors take or add to positions now before these catalysts begin to appreciably show in quarterly financial results.

Clean Energy

AMSC, COMV, ELON, ENOC, ESE, ITRI

Clean Energy Weekly Review

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Smart Grid stocks posted a sharp pullback last week, underperforming a severe decline in broad market indices, driven largely by euro zone debt contagion fears even as 1Q10 EPS reports continued to post. Smart Grid stocks declined 9% last week, underperforming severe 6% to 8% declines in broad market indices. Key news last week was focused again on euro zone debt contagion fears, with continued uncertainty for a Greek bailout, riotous behavior in that country given difficult austerity measures to be implemented and a Moody's credit rating downgrade of Portugal. The market decline last week was widespread, sparing few sectors, and wiping out a majority of YTD broad market gains. Key smart grid company news last week was focused on 1Q EPS reports, with Buy-rated EnerNOC (ENOC) and Hold-rated ESCO Technologies (ESE) and Echelon (ELON) each posting results largely in line with our expectations (see details later in this report). We continue to expect stable EPS in line or ahead of consensus expectations combined with generally optimistic outlooks emanating from management conference calls, with a specific focus on positioning for remaining stimulus fund award contracts. We maintain our long-term positive macro bias on the sector as reporting season accelerates in the weeks ahead, with Hold-rated Comverge (COMV) and Buy-rated American Superconductor (AMSC) next on deck this week. Our select list of Buy-rated names is detailed below.

Buys (Smart Grid): American Superconductor (AMSC), EnerNOC (ENOC), Itron (ITRI)

Natural Gas & Electric Utilities

ATO, CHG, CNP, CPK, GAS, LG, NJR, NST, NU, NWN, PNY, SJI, SWX, UIL, UTL, VVC, WGL

Utility Weekly Review

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Downstream gas and electric utilities declined sharply last week, outperforming broad market indices which fell far further, amid euro zone debt fears and a dramatic late-week market tumble. Natural gas distributors and electric transmission and distribution utilities declined 4% to 5% last week, outperforming deeper 6% to 8% slides in broad market indices. Key news last week was again focused on the euro zone debt crisis, with contagion fears spreading as the European Central Bank rebuffed further Greek aid, its population rioted against required austerity measures and as Moody's cut Portugal's rating. Broad markets moved lower on the news, with a dramatic 1,000 point drop in the DJIA at one point amidst the angst and tied in part purportedly to a financial glitch. The pullback essentially erased YTD market gains and eroded investor confidence in financial markets despite modest economic growth (consumer spending, employment, etc.) data. Key utility sector news was focused on 1Q EPS reports, with a majority of sector names posting results. Results have largely met our macro thesis for stable if lackluster results from our group of non-generation exposed names combined with positive forward outlooks tied to pending rate relief and ongoing development of infrastructure projects. We continue to recommend our select list of names given the current market environment.

Buys (Gas Utilities): New Jersey Resources (NJR), Northwest Natural Gas (NWN), Piedmont Natural Gas (PNY), South Jersey Industries (SJI)

Buys (Electric Utilities): Northeast Utilities (NU), NSTAR (NST), UIL Holdings (UIL), Unitil (UTL), Vectren (VVC)

Important Disclosures

Ratings and Target Price History

For historical rating and target price information please use the following links:

AMSC: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=AMSC&analystid=93&re=1&width=500&height=350&wmf=1

ATO: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=ATO&analystid=93&re=1&width=500&height=350&wmf=1

AWK: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=AWK&analystid=93&re=1&width=500&height=350&wmf=1

AWR: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=AWR&analystid=93&re=1&width=500&height=350&wmf=1

CACH: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=CACH&analystid=93&re=1&width=500&height=350&wmf=1

CCC: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=CCC&analystid=93&re=1&width=500&height=350&wmf=1

CHG: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=CHG&analystid=93&re=1&width=500&height=350&wmf=1

CNP: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=CNP&analystid=93&re=1&width=500&height=350&wmf=1

COMV: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=COMV&analystid=93&re=1&width=500&height=350&wmf=1

CPK: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=CPK&analystid=93&re=1&width=500&height=350&wmf=1

CWCO: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=CWCO&analystid=93&re=1&width=500&height=350&wmf=1

CWT: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=CWT&analystid=93&re=1&width=500&height=350&wmf=1

ELON: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=ELON&analystid=93&re=1&width=500&height=350&wmf=1

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FOSL: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=FOSL&analystid=93&re=1&width=500&height=350&wmf=1

FTEK: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=FTEK&analystid=93&re=1&width=500&height=350&wmf=1

GAS: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=GAS&analystid=93&re=1&width=500&height=350&wmf=1

GFRE: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=GFRE&analystid=93&re=1&width=500&height=350&wmf=1

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ITRI: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=ITRI&analystid=93&re=1&width=500&height=350&wmf=1

LG: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=LG&analystid=93&re=1&width=500&height=350&wmf=1

MFB: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=MFB&analystid=93&re=1&width=500&height=350&wmf=1

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YORW: http://www2.investars.com/cgi-bin/charts/_nasdaq.exe?f=1&s=YORW&analystid=93&re=1&width=500&height=350&wmf=1

All prices are as of the market close on 5/7/2010.

At the time this report was published, Brean Murray, Carret & Co., LLC made a market in the securities of Cache, Inc., Consolidated Water Co., Ltd., Urban Outfitters Inc., The York Water Company, American Superconductor Corporation, Comverge, Inc., EnerNOC, Inc., Itron, Inc., Fuel Tech, Inc., Echelon Corp., Tetra Tech Inc., Gulf Resources, Inc., Rick's Cabaret International Inc. and Fossil Inc.

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Brean Murray, Carret & Co. Stock Rating System

Buy - Expected to appreciate by at least 10% within the next 12 months.
Hold - Fully valued, not expected to appreciate or decline materially within the next 12 months.
Sell - Expected to decline by at least 10% within the next 12 months.

	# of Securities	% of Total Securities	# of IB-Related Securities in Past 12 mos.	% of Total Securities
BUY	143	70.79%	20	13.99%
HOLD	50	24.75%	1	2%
SELL	5	2.48%	0	0%
NOT RATED	4	1.98%	0	0%
TOTAL	**202**			

Note : Stock price volatility may cause temporary non-alignment of some ratings with some target prices.

Valuation Methodology and Risks

Fuel Tech (FTEK): Our $10 target is derived from a detailed earnings model using both a P/E and EV/EBITDA multiples approach. We are using a 20x 2012 P/E multiple of our $0.50 EPS estimate, and a 9.0x 2012 EV/EBITDA multiple of our $26.2 million EBITDA estimate. Risks to the achievement of our target price include those associated with cost inflation, a competitive market, risks, the company's focus on the Asian market, its dependence on utilities' capital expenditures, and its dependence on environmental regulations.

Rentech (RTK): Our $2.50 target price consists of two components: (1) a detailed model of Rentech's fertilizer business (REMC), using a P/E multiple approach based on the company's peer group; and (2) An NPV approach for Rentech's first commercial synthetic fuels and renewable power plant (Rialto). Risks to the achievement of our target price include the potential need for subsidies, uncertainty of pending lawsuits, and the volatility of energy prices.

Gulf Resources, Inc. (GFRE): Our $17 target price is based on the shares trading at 12x our 2010 GAAP EPS estimate. Risks to the achievement of our target price include integration risks, dilution to existing shareholders, customer concentration, supplier concentration, annual renewal of government mineral resource rights, hundreds of smaller operations continuing to extract bromine without licenses, high costs to meet environmental regulations, raw material prices, and environmental concerns.

Fossil (FOSL): Our $44 target price translates to 17x our 2011 EPS projection. An investment in FOSL is subject to a number of company-specific risks: (1) the company's customer base remains somewhat fashion oriented; a fashion "miss" could result in poor results; (2) the company is heavily dependent upon the continued strength of its core Fossil Brand; (3) we believe the company's core customer continues to be affected by general economic trends; (4) the company's high level of international sales exposes it to country risk; and (5) the company's domestic operations are heavily dependent on the ailing department store channel.

Maidenform Brands, Inc. (MFB): Our target price of $24 translates to 14x our 2011 EPS estimate. Risks to the achievement of our target price include: (1) further mix shift changes to the lower margin mass merchant channel could lead to operating deleverage; (2) the company is dependent upon continued technology innovation to drive premium margins and sales; (3) the company depends on a limited customer base – financial difficulties for loyal customers could lead to bad results for Maidenform; and (4) Maidenform's competitors have greater financial resources, resulting in reduced profitability and market share for Maidenform.

Rick's Cabaret International Inc. (RICK): Our $14 target price translates to 12.7x our FY11 EPS projection. Risks to the achievement of our target price include: (1) the company's ability to operate is dependent on local, state and federal laws; (2) the industry remains highly competitive; (3) Rick's key Las Vegas club has remained a material drag on earnings; (4) we believe the company's core customer continues to be affected by general economic trends; (5) the company remains highly indebted; (6) a key thesis for investing in Rick's is management's ability to successfully acquire and integrate new clubs; there can be no guarantee they will make further acquisitions or that they will succeed; and (7) for investors the limited trading volume will serve to exacerbate price movements.

Urban Outfitters (URBN): Our $45 target price is based on the shares trading at 23x our FY12 EPS forecast. Risks to the achievement of our target price include: (1) the company's customer base remains fashion-oriented; (2) the company's core customer is somewhat economic dependent; (3) with a limited number of outlet stores, the company is highly dependent on reducing inventory at the store level. A material miss could result in significant store operating disruptions; (4) the company is in a continued growth phase; there is no guarantee the company's offerings will be accepted in new markets or that new store economics will continue to improve; and (5) Urban Outfitters competes with materially larger competitors.

The Warnaco Group, Inc. (WRC): Our $55 target price translates to 16.0x our 2011 estimate. Risks to the achievement of our target price include: (1) the company's customer base remains somewhat fashion oriented; a fashion "miss" could result in poor result; (2) the company is heavily dependent upon the continued strength of the Calvin Klein brand; (3) we believe the company's core customer continues to be affected by general economic trends; (4) the company's high level of international sales exposes it to currency and country risk; and (5) the company's domestic operations are heavily dependent on the ailing department store channel.

York Water (YORW): Our $18 target price is based on our expectation that the shares will reach a P/E multiple of 26x our 2011 EPS estimate of $0.70. Risks to the achievement of our target price include unfavorable weather, acquisition integration, interest rate variability, environmental/ public health responsibilities, macroeconomic conditions and regulatory climate.

American States Water: Our $45 target price is based on the shares attaining a level of 20x our 2011 EPS estimate of $2.24. Risks to the achievement of our target price include integration of acquisitions, weather, environmental regulations, regulation of rates, and interest rates.

Aqua America: Our $26 target price is based on the shares achieving a P/E multiple of 26x our 2011 EPS estimate of $0.98. Risks to the achievement of our target price include weather, acquisitions, interest rates, environmental / public health responsibilities and regulatory climate.

Calgon Carbon: Our $24 target price is based on the shares attaining a level of approximately 24x our 2011 EPS estimate of $1.09.Risks: global macroeconomic conditions, foreign exchange exposure, changes in environmental regulations.

Sabesp: Our target price of $66 is based on the shares attaining a P/E multiple of just over 8x our 2011 EPADR estimate of $8.58. Risks to the achievement of our target price include majority government ownership, legislation, currency fluctuations, environmental regulations, outstanding accounts receivable, water supply agreements and weather.

Analyst Certification

We, Eric Beder, Jennifer Sung, Liang Hsu, CFA, Jeremy Sussman, Michael Gaugler, Christopher Noon and Daniel Fidell, hereby certify that the views expressed in this research report accurately reflect our personal views about any and all of the subject securities or issuers referred to in this document. The analyst and associate analyst further certify that they have not received and will not be receiving direct or indirect compensation in exchange for expressing the recommendation contained in this publication.

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