Zacks Small-Cap Research

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Jammin Java Corp. (JAMN-OTCQB)

JAMN: SEC announces complaint. Coverage discontinued.

OUTLOOK

Today, the SEC announced a complaint of fraud charges against Jammin Java's former CEO Shane Whittle. The complaint also charges Jammin' Java. As a result of the complaint and the uncertainty of the scope of the SEC's investigation, we are discontinuing coverage.

Current Recommendation	**Hold**
Prior Recommendation	Buy
Date of Last Change	11/17/2015
Current Price (11/17/15)	$0.07
Six- Month Target Price	**$0.07**

SUMMARY DATA

52-Week High	**$0.31**
52-Week Low	**$0.06**
One-Year Return (%)	**-66.70**
Beta	**0.59**
Average Daily Volume (shrs.)	**123,076**
Shares Outstanding (million)	**125.546**
Market Capitalization ($mil.)	**$8.2**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**6.9**
Insider Ownership (%)	**12.0**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**155.5**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/M**
P/E using 2016 Estimate	**N/M**
P/E using 2017 Estimate	**7.0**
Zacks Rank	**N/A**

Risk Level	**Above Average**
Type of Stock	**Small-Growth**
Industry	**Beverages-Soft**
Zacks Rank in Industry	**N/A**

ZACKS ESTIMATES

Net Revenue
(in thousands of $)

	Q1 (Apr)	Q2 (Jul)	Q3 (Oct)	Q4 (Jan)	Year (Jan)
2014	817 A	1,605 A	2,193 A	1,029 A	5,654 A
2015	2,121 A	2,078 A	2,517 A	2,184 A	8,901 A
2016	2,581 A	2,868 A	4,273 E	5,098 E	14,820 E
2017					19,500 E

Earnings per Share
(EPS is operating earnings before non recurring items)

	Q1 (Apr)	Q2 (Jul)	Q3 (Oct)	Q4 (Jan)	Year (Jan)
2014	-$0.00 A	-$0.01 A	-$0.01 A	-$0.04 A	-$0.07 A
2015	-$0.02 A	-$0.03 A	-$0.02 A	-$0.02 A	-$0.09 E
2016	-$0.01 A	-$0.01 A	-$0.00 E	-$0.00 E	-$0.02 E
2017					$0.01 E

Zacks Projected EPS Growth Rate - Next 5 Years % **N/A**

Quarterly EPS may not equal annual EPS total due to rounding.

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KEY POINTS

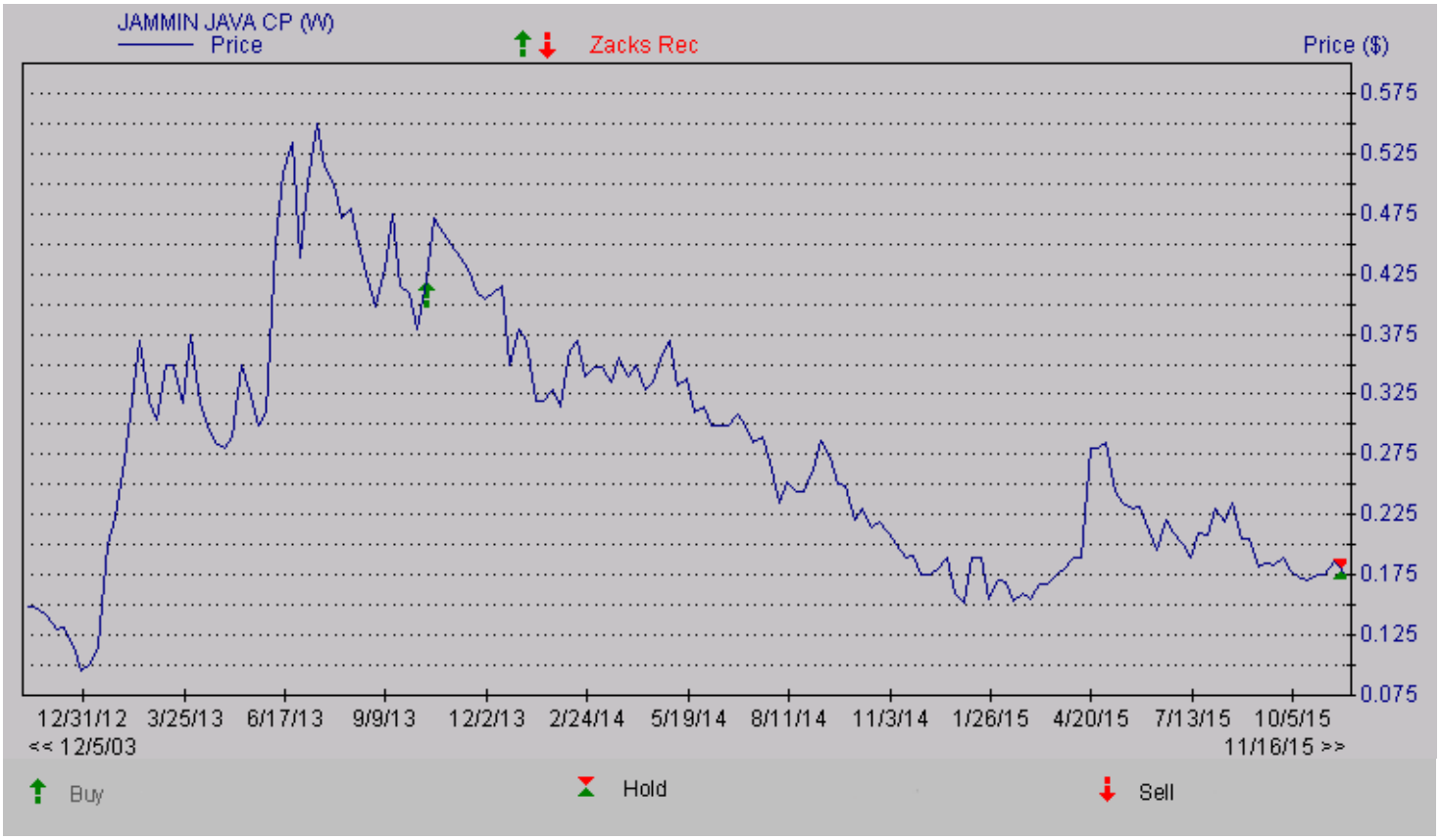
- Today, the SEC announced fraud charges against Jammin Java's former CEO Shane Whittle. The complaint also charges Jammin' Java. http://www.sec.gov/news/pressrelease/2015-259.html
- As a result, Jammin Java's stock declined 54% today.
- Shane Whittle has been cited as a well-known stock promoter in internet postings. Also, the price action of JAMN during the first half of 2011 was typical of a pump-and-dump scheme, which was well documented by newsletters and web postings at the time.
- Anh Tran replaced Shane Whittle as CEO in August 2011. Since then, Jammin Java has pursued a business strategy that has been successfully delivering increasing sales of ethically-farmed premium coffees through the expansion of the company's distribution network, the partnership with Mother Parkers and product innovation.
- Nevertheless, we are **discontinuing coverage** due to the uncertainty of the scope of the SEC's investigation. During calendar 2011, Jammin Java benefitted through stock sales totaling $2.46 million, which, if required to be disgorged, would negatively impact the company's financial ability to continue as a going concern. Also, the SEC's complaint will require a significant amount of management's time, which will hamper the current efforts to roll-out EcoCups and to further expand the company's distribution footprint.

RECENT NEWS

SEC announces fraud charges against Jammin Java, Shane Whittle, et al.

Today, November 17, 2015, the SEC announced fraud charges against Jammin' Java, Shane Whittle, Weaver, Sun, Berlinger, Wheatley, Miller, and Al-Barwani with conducting an illegal offering in violation of Sections 5(a) and 5(c) of the Securities Act of 1933. The SEC's complaint was filed in the U.S. District Court for the Central District of California

HISTORICAL ZACKS RECOMMENDATIONS



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Buy/Outperform: The analyst expects that the subject company will outperform the broader U.S. equity market over the next one to two quarters.
Hold/Neutral: The analyst expects that the company will perform in line with the broader U.S. equity market over the next one to two quarters.
Sell/Underperform: The analyst expects the company will underperform the broader U.S. Equity market over the next one to two quarters.

The current distribution is as follows: Buy/Outperform- 25.5%, Hold/Neutral- 55.2%, Sell/Underperform – 15.5%. Data is as of midnight on the business day immediately prior to this publication.