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What is Stephens' game with NVEC?

Today, Marcus Mainord and Todd Cooper of Stephens, Inc. issued a report on NVE Corporation (NASDAQ: NVEC, \$36.16). Here is what they have to say: "Although we have preformed a great deal of due diligence to determine the value of NVEC's MRAM patents, at this time we can't say with certainty how essential NVEC's MRAM know-how is to the overall semiconductor memory market's transition to magnetic-based memory. Therefore, it is not prudent, in our opinion, to offer an opinion as to whether investors should be buying, selling, or holding NVEC's stock at the present time. In addition, we do not think putting a 12-month price target on the stock is appropriate."

So despite having "performed a great deal of due diligence" Messrs. Mainord and Cooper could not confirm that NVE's MRAM claims were true or even if NVE's self-described "watershed" MRAM patent might be useful to someone for something. Despite all their work Stephens could not find enough credible evidence to confirm that NVE possesses any value whatsoever.

Lets quickly recap the established facts about NVE's stock story. NVE's claim to possess valuable technology is wholly and completely unsubstantiated and unsupported. NVE has not provided a single verifiable supporting statement for any of its MRAM claims from any credible third party. There are hundreds of individuals involved in MRAM's early development and on-going attempts to commercialize an MRAM memory chip.

We understand that investors can fall prey to stock promotions based on claims of involvement in non-existing futuristic technologies like nanotechnology and MRAM. It is also understandable how NVE got investors to buy into its incredulous stock promotion. It took a great deal of deliberate effort by NVE and its stock promoters to create interest in its penny-stock scheme.

NVE was a local defunct private company when its lead investor merged it into the public shell of one of his other defunct investments. This gave NVE's lead investor and insider, a mechanism by which to profit from the dissemination of NVE's MRAM claims. Virtually all of NVE's insiders sold almost all of their stock as soon as NVE's stock scheme started catching investors' attention.

Investors do not need to pass judgment on NVE based solely on the clear statement made by its selling insiders. NVE's patents are public and investors can use the descriptions contained therein to determine exactly what it is and what it is good for, if anything. Also there is a great deal of literature available on MRAM's development and commercialization. Investors can search this material for mentions of NVE's MRAM ideas. We found none. Stephens didn't either. Perhaps investors should call Dan Baker, NVE's CEO who has a very a questionable stock promoting history, to ask for assistance.

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