

**Coffee Holding Co. Inc.
JVA
Investment Notes**

Please read Disclaimer at bottom of these notes!

Website: <http://www.coffeeholding.com/>

Company profile from their website “*Coffee Holding is a leading integrated wholesale coffee roaster and dealer in the United States and one of the few coffee companies that offers a broad array of coffee products across the entire spectrum of consumer tastes, preferences and price points. The Company's core products can be divided into three categories: Wholesale Green Coffee, Private Label Coffee and Branded Coffee. The Company's private label and branded coffee products are sold throughout the United States, Canada and abroad to supermarkets, wholesalers, and individually owned and multi-unit retail customers.*

Established in 1972, Coffee Holding has operated under the leadership of the Gordon family for over 35 years and has remained profitable through varying cycles in the coffee industry and the economy. Andrew Gordon, President, CEO, and CFO of Coffee Holding, and David Gordon, Executive Vice President-Operations, have worked with Coffee Holding for 22 and 24 years, respectively.”

Here is a site which has coffee news:

<http://www.atlanticspecialtycoffee.com/weekly-coffee-news/>

April 29, 2011 (5.30) Annual Meeting Notes April 28, 2011

I have never been to a Coffee Holding Co. meeting, and feel real comfortable with Andrew Gordon and Company looking out for shareholder interests. Andrew Gordon was the only representative from JVA who spoke. I was not thrilled with what I thought was a sarcastic response to my questions by Director Knepper. I was impressed with the legal representation of JVA, as frequently the attorney spoke up, and suggested that Mr. Gordon refrain from discussing certain issues. The staff (Ms. Lutz) was friendly and professional. I had the pleasure to run into, but not meet, Sterling Gordon. I am more comfortable with our investment (be it small) since our meeting. My thesis will no longer include concern over selection of auditors.

It was a fun day as well. As my 7th grade son joined me for Bring your child to work day. I asked many questions. The meeting was real small, and no other shareholders were either there, or just did not ask questions.

I project Coffee Holding Co. F2011 Revenue (10/31/11) to be \$90M. Gun to my head, I would think that revenue number is too low, but that is what I am going with for now.

I questioned the selection of what I thought was a smaller auditing firm ParenteBeard LLC. Andrew Gordon indicated that they have worked with the firm for years (Prior firm merged into new firm), and the staff and competence was excellent. He saw no reason for larger firm, as he feels service is excellent, and fees would probably be much higher. A partner from ParenteBeard LLC mentioned that ParenteBeard LLC has over 1,100 employees, and he thinks they are the 15th largest firm in USA. I searched Edgar Database, and ParenteBeard LLC seems to represent quite a few SEC filers. I am totally satisfied and comfortable with the ratification of ParenteBeard LLC.

"Challenging 12 months with commodity inflation." Caused by bad crops and weak USD. They also mentioned their own opinion that weak USD was because of current monetary policy (I offer no comment as to such.) He explained price of coffee was \$1.40 a year ago, versus over \$3.00 today.

JVA explained that customer and client selectivity is key. He explained that certain customers won't bend or understand the environment, and JVA will not succumb to such pressures. JVA seems to be focused on preserving gross margins, while at the same time being fair and realistic to the economic environment.

JVA mentioned that Private Label coffee is declining. JVA lost the Dollar General account. I asked what percentage of revenues was Dollar General to JVA. JVA thinks Dollar General accounted for approximately 2.5% of JVA's revenues. JVA mentioned this occurred around 3 months ago.

JVA discussed the Entenmanns contract which will expire during June 2011. Claims that Entenmanns was *"uncooperative."* Claims relationship was not profitable for JVA. *"We are better off as a company without Entenmanns."* Mr. Gordon explained, *"They were late to the party, and others had a presence."* *"It was not a proprietary license."*

I asked why JVA claimed Entenmanns in the 2010 Form 10-K, as having *"great success with the brand."* And now the contrary. I forget the exact or implied response. I think JVA just indicated that this is just one of those things that go wrong in business. I was satisfied with that response. JVA upon me asking mentioned that there will be a potential impairment of \$50k - \$150K during the 3rd quarter.

"Café Caribe is doing well." (From my 12/10 notes, Café Caribe is a specialty espresso coffee that targets espresso coffee drinkers and, in particular, the Hispanic consumer market.) JVA stated there are *"opportunities on the horizon, and Café Caribe could potentially be larger nationally."*

We know that Green Mountain Coffee Roasters accounted for 44% of Coffee Holding Co. Revenue for the 3 months ended 1/31/11.

I asked the question to JVA, "*Are you concerned at all that Green Mountain Coffee Roasters is a large part of your Accounts Receivable?*" Andrew Gordon CEO responded they are not at all concerned. They feel Green Mountain Coffee Roasters is a well run company and a prompt payer. I should have further discussed M. Block, but it didn't cross my mind till now.

I asked if SEC has contacted Coffee Holding Co. in regards to the SEC investigation. They answered, "*No.*" Side note, I am waiting to hear back from Green Mountain Coffee Roasters if the investigation is completed or still on-going.

"*GMCR is pushing green coffee, and that is benefitting JVA.*" Coffee Holding Co. Believes that they are Green Mountain Coffee Roasters largest supplier of coffee. Mentioned that green coffee does not require Capex. Green coffee is anticipated to be JVA's growth. They claim it is very profitable.

OPTCO investment is growing. JVA anticipates there will be an additional pay-out to OPTCO, because all goals have been hit.

"*GMCR concentration to JVA business is dramatic.*" JVA mentioned that Green Mountain Coffee Roasters is transparent and feels there is no Accounts Receivable risk. JVA thinks that the relationship with Green Mountain Coffee Roasters R is symbiotic.

Director, Mr. Knepper, had the opportunity to ask Mr. Andrew Gordon a question during the Q&A during today's annual meeting. As a JVA fiduciary, he asked, "*What do you think tonight's lottery number will be?*"

Mr. Knepper was asked (by me), "*Would you mind giving the reason that you sold 6,000 shares last year?*" Mr. Knepper responded the sale was to pay for a wedding.

I asked what is the current balance on the line of credit? JVA responded it is "*negligible.*" I mentioned the term "*negligible*" could be subjective. I asked if Mr. Gordon would consider the most recent quarterly balance of \$1.8M to be "*negligible.*" He did mention, he did think that is a negligible amount, and the current balance is around \$1M.

I asked if there could be a "*black swan*" event in regards to trading. I would like to know if any trading could lead to real bad things for JVA. "What could go wrong?" JVA and attorney's mentioned they could not answer that. Mr. Gordon referred me to the risks section of SEC filings. I will just note that I did receive an email from JVA in December, where I posed the same question, and the response to the same question was "*No, a blowup could not occur.*" Probably nothing. I did reread the risks section in the 1/31/11 10-Q and saw nothing that addressed my concerns.

April 28, 2011 (5.33)



Insider Trading Chronology

Coffee Holding Co Inc (JVA)

Chronological Insider Trades

This section gives a chronological listing of the insider trading activity of executive officers within Coffee Holding Co Inc. From left to right, the columns give the details of the transactions by showing the name and title of the person who made the transaction on a particular date. It further shows that they bought or sold a certain number of shares at a particular price through a certain type of transaction. Finally, it shows what percent of the person's holdings were traded and how many shares the person held once the transaction was complete.

Name, Title	Transaction	Transactions During 2010	# of Shares	Price(\$)	Type	% of Holdings Traded	Now Holds
Knepper, Barry, DIR	Sold	06/15	6,000 ▼	5.50	Direct, Sell	100	0
Gordon, Rachelle L, B/O	Sold	03/10	37,851 ▼	0.00	Indirect, Non Open Market	9.2	371,841
Gordon, Rachelle L, B/O	Sold	03/10	37,851 ▼	0.00	Direct, Non Open Market	18.0	172,241
Gordon, Sterling A, B/O	Sold	03/10	37,851 ▼	0.00	Direct, Non Open Market	9.2	371,841
Gordon, Sterling A, B/O	Sold	03/10	37,851 ▼	0.00	Indirect, Non Open Market	18.0	172,241

March 25, 2011 (5.62)

"STATEN ISLAND, N.Y., March 25, 2011 (GLOBE NEWSWIRE) -- Coffee Holding Co., Inc. (Nasdaq:JVA) (the "Company") today announced that its license agreement with Entenmann's will expire on March 31, 2011, pursuant to the terms of the agreement.

"After three years of difficulty in gaining distribution on the Entenmann's line of coffee, the licensing agreement will expire at the end of this month under the terms of the agreement. While we are disappointed in our failure to successfully execute our plan for this brand, our ability to execute was adversely affected by supermarket shelves being dominated by Super Premium brands like Starbucks, Dunkin Donuts and Peets, each of which was released into the retail market prior to us being able to get into the market with our brand. Although we will have a small one time write-down on packaging and other intellectual property belonging to Entenmann's, we believe our operating results will improve without the expenses incurred by us under this license agreement," said Andrew Gordon, President and CEO of the Company.

"Annual revenues under the license agreement have steadily declined and now stand at less than \$500,000 per year which means we will not see any significant hit to our top line. As such, we have not achieved our minimum revenue under the contract, but were still required to pay a minimum royalty of \$100,000 per year under the agreement. Between the minimum royalty payments and expenses incurred in connection with promotional activity required at our accounts combined with the higher prices of Premium Arabica green coffee, we were unable to maintain profitability on these products. We will now utilize the time and effort expended under this agreement to focus on our own proprietary brands like Cafe Caribe, which already enjoys a widespread distribution and loyal following from their consumer demographic. We will convert all of our supermarket slots from the Entenmann's items to our own proprietary brands, which we expect will give us increased distribution and better margins than we were receiving under current conditions," added Mr. Gordon."

March 18, 2011 (7.69) Sold off 25% of our position

JVA has had a nearly double run-up from our initial purchase. We sold off 25% of our position today at an average price of \$7.30.

Morningstar 3/17/11 (5.92)

Coffee Holding Company, Inc. JVA [Nasdaq] | ★★★

Last Price	Fair Value	Consider Buy	Consider Sell	Uncertainty	Economic Moat™	Stewardship	Morningstar Credit Rating	Industry
5.40 USD	6.00 USD	3.00 USD	12.00 USD	Very High	None	C	—	Packaged Foods



Some Analysis of ours

Company Name	Coffee Holding Co.
Symbol	JVA
Date Worked On	28-Apr-11

Base Year	31-Oct-11
Price	\$5.33
Shares Outstanding	5,500,823
Market Capitalization	\$29,319,387
Cash and CE	\$2,869,014
Long Term Debt	\$0
Minority Interests	\$0
Goodwill	\$440,000
Intangibles	\$144,375
Other Intangibles	\$180,000
Enterprise Value	\$26,450,373
Short Term Debt	\$1,816,859
Stockholders Equity	\$14,356,429
Depreciation and Amortization	\$500,000
CapEx	\$500,000
Revenues	\$90,000,000
Total Assets	\$24,495,246
Net Income	\$2,300,000
Dividend	\$0.12
Interest Expense	\$500,000
Net Income Before Taxes	\$3,800,000
Enterprise Value Per Share	\$4.81
Price To Enterprise Value	110.85%

Total Debt	\$1,816,859
Total Debt / Net Income	78.99%
Total Debt Per Share	\$0.33
Tangible Book Value	\$13,592,054
Book Value Per Share	\$2.61
Tangible Book Value Per Share	\$2.47
Price / Book Value	204.22%
Price / Tangible Book Value	215.71%
Price / Earnings Ratio	12.75
Enterprise Value / Earnings Ratio	11.50
Earnings Yield	7.84%
Price To Sales Ratio	32.58%
Net Income / Total Assets	9.39%
Total Assets / (Revenues/365)	99.34
Enterprise Value / Revenues	29.39%
Goodwill / Total Assets	1.80%
Goodwill / Stockholders Equity	3.06%
Debt / Equity	12.66%
Average P/E Last 10 Years	0.0
Cash Flow	\$2,300,000
Cash Flow Per Share	0.42
Cash Flow Yield	7.84%
Price / Cash Flow	12.75
Revenues Per Share	\$16.36
Net Income Per Share	\$0.42

Return on Equity		16.02%
Bond Rating (S&P)	N/A	
Growth Rate		5.00%
Dividend Yield		2.25%
Dividend / Net Income		28.70%
Dividend / Cash Flow		28.70%
Interest Coverage Ratio		8.60
Insider Activity	Some sales	
Buy-Backs	No	
Dilution	No	
Management Compensation	Fair	
Price to buy more		\$4.00
Price to sell or consider reducing		\$8.00
Action (Buy, Hold or Sell)	Hold	
Portfolio Allocation Suggestion		0.50%

Inventories						
	31-Jan-11	31-Oct-10	31-Oct-09	31-Oct-08	31-Oct-07	31-Oct-06
Packed Coffee	\$1,689,184	\$1,566,678	\$1,388,547	\$1,135,700	\$1,233,457	\$700,284
Green Coffee	\$4,500,650	\$5,952,225	\$2,484,518	\$3,147,572	\$2,379,212	\$1,466,161
Packaging Supplies	\$724,329	\$671,517	\$927,078	\$763,282	\$859,428	\$733,098
Total	\$6,914,163	\$8,190,420	\$4,800,143	\$5,046,554	\$4,472,097	\$2,899,543
Packed Coffee	24.43%	19.13%	28.93%	22.50%	27.58%	24.15%
Green Coffee	65.09%	72.67%	51.76%	62.37%	53.20%	50.57%
Packaging Supplies	10.48%	8.20%	19.31%	15.12%	19.22%	25.28%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Employees	Not disclosed	67	56	87	83	
% Revenues to GMCR	44%	47%	35%	32%	25%	

Coffee Holding Co.

As of Date

January 31, 2011

EV Analysis

April 28, 2011

Share Outstanding 5,500,823.00
Share Price \$5.34
Market Capitalization \$29,374,394.82

Less: Cash and Short Term Investments (\$2,869,014.00)
Add: Long Term Debt \$1,816,859.00
Minority Interest \$0.00
Enterprise Value \$28,322,239.82

EV per share \$5.15

Stockholders' Equity \$14,356,429.00

Adjustments:
Goodwill (\$440,000.00)

Tradenames	(\$180,000.00)
Other Intangibles	(\$144,375.00)

Net Stockholders' Equity	\$13,592,054.00
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Adjusted Book Value per Share	\$2.47
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Quick Projections

April 28, 2011

Revenue	\$90,000,000.00
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Net Margin % before tax	3.90%
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Net Margin before taxes	\$3,510,000.00
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Tax Rate	35.00%
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Corporate Taxes	\$1,228,500.00
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Net Income after Taxes	\$2,281,500.00
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Net Margin %	2.54%
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Shares Outstanding	5,500,823.00
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eps	\$0.41
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FV of current equity and future earnings

28-Apr-11

Adjusted Stockholder's Equity	\$13,592,054.00
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Net Income after Taxes	\$2,281,500.00
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Growth Rate of Net Profit for 10N	5.00%
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Growth Rate of Net Profit after 10N through 15N	5.00%
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FV of Net Profit in 10N	\$3,716,323.09
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FV of Net Profit in 15N	\$4,743,074.64
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FV of tangible book value plus Net Profits for 10N	\$50,836,485.55
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FV of tangible book value plus Net Profits for years 11 - 15N	\$85,416,700.21
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Current Enterprise Value	\$28,322,239.82
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FV of tangible book value plus Net Profits for 10N	(\$50,836,485.55)
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Years	10
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ROI on tangible book value plus Net Profits for 10N	6.02%
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FV of tangible book value plus Net Profits for 10N	\$50,836,485.55
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FV of tangible book value multiplier	1.50
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FV of Tangible Book Value using BV multiplier in year 10 **\$76,254,728.32**

Current Enterprise Value \$28,322,239.82
FV of tangible book value plus Net Profits for years 11 - 15N (\$85,416,700.21)
Years 15
ROI on tangible book value plus Net Profits for 15N 7.64%

FV of tangible book value plus Net Profits for 15N \$85,416,700.21
FV of tangible book value multiplier 1.5

FV of Tangible Book Value using BV multiplier in year 15 **\$128,125,050.32**

Potential Future EV using BV multiplier above

Current Enterprise Value \$28,322,239.82
FV of Tangible Book Value using BV multiplier in year 10 (\$76,254,728.32)
Years 10
ROI on FV of Tangible Book Value using BV multiplier in year 10 10.41%

Current Enterprise Value \$28,322,239.82
FV of Tangible Book Value using BV multiplier in year 15 (\$128,125,050.32)
Years 15
ROI on FV of Tangible Book Value using BV multiplier in year 15 10.59%

Sanity Checks:

P/E in future

FV of Net Profit in 15N \$4,743,075
P/E estimate 10.00

Market Cap on above -\$47,430,746
Years 15
Current Enterprise Value \$28,322,240
ROI in 15N using above 3.50%

Potential Revenue Growth

Current Revenues	\$90,000,000
Growth Rate of Revenues for 10N	5.00%
Growth Rate of Revenues after 10N through 15N	5.00%
FV of Revenues in 10N	(\$146,600,516)
FV of Revenues in 15N	\$187,103,536
FV of Revenues in 15N	\$187,103,536
Revenue Multiplier based on AI Meyer Rule of Thumb net margins	0.75
Possible Market Cap year 15	(\$140,327,652)
Years	15
Current Enterprise Value	\$28,322,240
ROI in 15N using above	11%

Company	Coffee Holding Co.
Report Date	28-Apr-11
Price	5.33
Growth Rate	5.00%
Price/Sales	0.33
Price/ Net Cash Flow	16.15
Price/ Net Book Value	2.14
P/E Ratio Current	13.00
P/E Ratio Year 2	11.84
Current Ratio	2.29
Quick Ratio	1.55
LT Debt / Shr. Equity	12.66%
LT Debt / Current Assets	8.49%
Return on Shr. Equity	16.02%
PEG Ratio (Current)	2.60
PEG Ratio Year 2	2.37
PEGY Ratio (Current)	1.79
PEGY Ratio Year 2	1.63
Graham Ratio (current)	27.83
Graham Ratio Year 2	25.35
Growth Flow Ratio (<12=nrm)	13.00
Cash King (s/b > 10 %)	2.02%
Flow Ratio (s/b < 1.25)	2.46

Intrinsic Value (current)	6.07
Intrinsic Value Year 2	6.66
Intrinsic Value Year 3	6.99
Intrinsic Value Year 4	7.34
Intrinsic Value Year 5	7.71
Intrinsic Value / Price (current)	13.85%
Intrinsic Value / Price Year 2	24.95%
Intrinsic Value / Price Year 3	31.20%
Intrinsic Value / Price Year 4	37.76%
Intrinsic Value / Price Year 5	44.65%

December 16, 2010 (3.75 15th close)

Established small position on the 15th at \$3.75.

Each of their name brands is directed at a particular segment of the coffee market. Their branded coffees are:

Café Caribe is a specialty espresso coffee that targets espresso coffee drinkers and, in particular, the Hispanic consumer market;

S&W is an upscale canned coffee established in 1921 and includes Premium, Premium Decaf, French Roast, Colombian, Colombian Decaf, Swiss Water Decaf, Kona, Mellow'd Roast and IL CLASSICO lines;

Café Supremo is a specialty espresso that targets espresso drinkers of all backgrounds and tastes. It is designed to introduce coffee drinkers to the tastes of dark roasted coffee;

Don Manuel is produced from the finest 100% Colombian coffee beans. Don Manuel is an upscale quality product which commands a substantial premium compared to the more traditional brown coffee blends. We also use this known trademark in our food service business because of the high brand quality;

Fifth Avenue is a blended coffee that has become popular as an alternative for consumers who purchase private label or national branded coffee. We also market this brand to wholesalers who do not wish to undertake the expense of developing a private label coffee program under their own name;

Via Roma is an Italian espresso targeted at the more traditional espresso drinker;

Il CLASSICO is an S&W brand espresso product; and

Entenmann's line of coffee products consists of three canned coffees and six different bagged coffees, each of which is made from superior quality 100% Arabica specialty coffee beans that represent less than 10% of all coffee beans grown in the world.

Questions upon reading various filings:

1. Why the change of auditors from 2008 to 2009? – “No change. Auditors merged with new firm and retained new firm’s name. No change in personnel doing fieldwork.”
2. Headcount - Why has it gone down? – “Closed Brooklyn operating plant to consolidate production in Colorado”
3. Coffee Prices - How affecting you? How about trading? Is it possible we could see a negative gross margin? JVA claims not possible to see a negative gross margin.
4. Sterling National Bank - Is that Sterling Bancorp (STL) ?
5. Does Andrew and David have hobbies? Mountain sports? Where at?
6. How does GMCR acquisition spree affect their buying from you. Were any of the company’s acquired by GMCR customers of JVA? - “Obviously able and do buy more. Acquisitions were not customers of Coffee Holding therefore no cannibalism here.”
7. Succession plans for Andrew and David? – “None. Both are young and excited about growing the business.”
8. Is there a moat? I can’t really find one.
9. Trading seems very important. Couldn’t a blow up occur? JVA claims the answer is no.
10. Any affect from the A&P bankruptcy? - “None. C&S buys our products for A&P. No A/R liability issue.”
11. What happened with Sav-A-Lot? Major customer through 2006. – “Would not compete on pricing levels they asked for. We will lose volume but overall gross margins will improve. With coffee prices here this account would have been a disaster.”

Information I have collected:

1. The Daily Weighted Average price of Colombian Mild Arabica were as follows on specific dates.

<http://dev.ico.org/prices/p2.htm>

December 31, 2009 \$192.11
 March 31, 2010 \$205.71
 June 30, 2010 \$224.49
 September 30, 2010 \$247.77
 October 28, 2010 \$235.86
 November 8, 2010 \$249.06

This index price has increased just under 30% from December 31, 2010 till November 8, 2010.

2. Leslie Lutz appears to be assistant to Andrew Gordon. Can contact her for IR.
3. Third generation, family run firm.
4. Various data

	2009	2008	2007	2006	2005	2004	2003	2002
Employees	56	87	83	79	74	62	36	33
% Revenues to GMCR	35%	32%	25%	(1)	(2)	(2)	(2)	(2)

(1) GMCR + Sav-A-Lot. Hence, I did not compute.

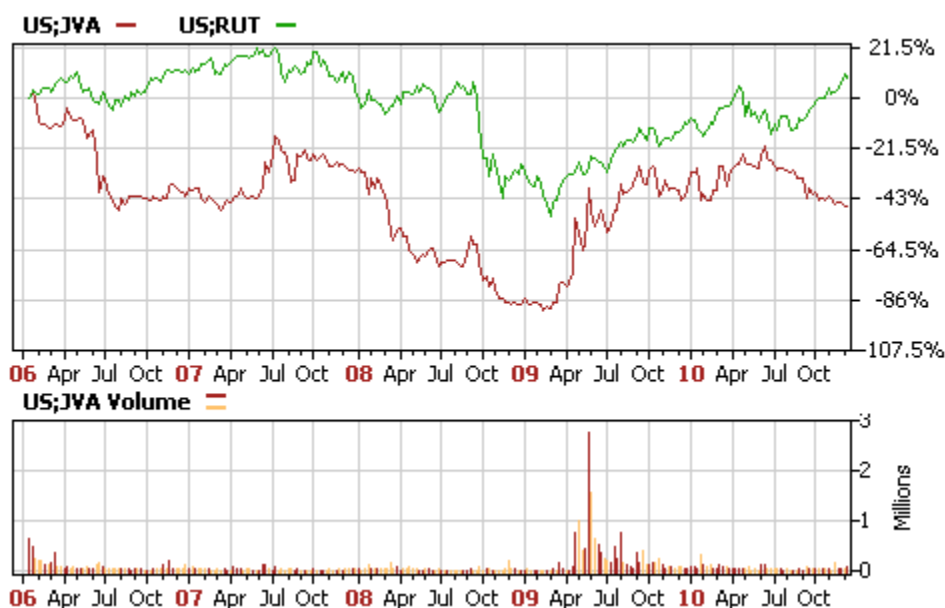
(2) Did not look for

Inventory Metrics:

	2009	2008	2007	2006
Packed Coffee	1388547	1135700	1233457	700284
Green Coffee	2484518	3147572	2379212	1466161
Packaging Supplies	927078	763282	859428	733098

Total	4800143	5046554	4472097	2899543
Packed Coffee	28.93%	22.50%	27.58%	24.15%
Green Coffee	51.76%	62.37%	53.20%	50.57%
Packaging Supplies	19.31%	15.12%	19.22%	25.28%
Total	100.00%	100.00%	100.00%	100.00%

5 Year Chart



Principal Thesis:

1. Gordon's have skin in the game, with a reasonable and fair compensation.

I have not spoken with management yet. Via readings of various filings my gut is saying that the Gordon's obviously know their business and have it in their blood. They have a lot of related party transactions, and the certain ability to take advantage of this, yet in a legal manner. I have seen it a million times before, from small businesses (unnamed) to large businesses (CFC, TYC , etc.). Yet, I am thinking that the Gordon's are on our side, and are looking to build wealth in the company.

A 13-D was filed on 3/12/10 and Andrew and immediate family owns 1,144,908 shares, or 21% of Common. David owns 1,199,908 shares as filed on same date, or 22.1% of Common.

In 2009 Andrew's compensation was \$492K, and David's was \$353K.

I have to read prior filings to determine if management has been forthcoming in the past.

2. I know coffee prices have been going up. Seems to kind of guarantee concerns for 4Q10. Wouldn't be surprised to see a negative operating margin. Yet, would that kill the stock? Not sure. Been around a long time, fairly healthy, one would think they could get through that. Very tied into GMCR. Yet, A/R at 7/31/10, was not as concentrated to total, as are revenues. Question would be, "Is the stock price of \$3.76 reflected in short term operational difficulty?"

3. Fundamental ratios are all showing value, unless a value trap, very possible.

4. Insiders have not been selling (nor buying). Barry Knepper bought 6000 shares in 4/07 at \$4., and sold 6/10 at \$5.50.

5. Price history if fairly poor for the shareholder. What would change that?

Two- Minute Drill:

Long time family business. Gordon's have major skin in the game (I am assuming that most of their net worth is tied up in this company, I could be incorrect.) They do own 42% as of last filing 3/12/10. Price of coffee going up, and has gone up quickly since last reporting. Expecting weak gross margins. Lots of risk here, hence our allocation is unusually small. Recent acquisitions have a cost, and could backfire. Customer concentration is a concern, but they have survived for 38 years, and I am assuming (perhaps wrongly so) that will continue. Inflation costs concerning. Evidence will continue to show in FYE reporting 10/31/10. Reporting expected in January. Choice of auditors is a smaller firm, and their merged firms for 10/31/09 (Hence, new Auditor name, but same auditor. Not familiar with current firm, certainly not a Tier 1 firm. Price to Sales, P/E etc. are all showing potential value. Yet, insolvency could creep up. Gordon's are no longer guaranteeing debt. Lots of related party transactions. Futures trading gains and losses are recorded in cost of sales. That seems legal, but unusual.

Disclaimer

If you are a client of ours, and if you have questions regarding Coffee Holding Co. Inc. please call our office. If you are not a client of Redfield, Blonsky & Co. LLC Investment Management Division and are reading these

notes, we urge you to do your own research. We will not be responsible for any person making an investment decision based on these notes. These notes are a "by-product" of our research. We are not responsible for the accuracy of these notes. We are not responsible for errors that may occur in these notes. Please do not rely on us to monitor or update this or any other report we may issue. In theory, we could come across some type of data or idea, which causes us to eliminate our long or short position of Coffee Holding Co. Inc. from our portfolios. We will not notify reader's revisions to these notes. We are not responsible to keep readers of these notes updated for changes or material errors or for any reason whatsoever. We manage portfolios for clients, and those clients are our greatest concern as it relates to investing. Certain clients of Redfield, Blonsky & Co LLC may not have Coffee Holding Co. Inc. in their portfolios. There could be various reasons for this. Again, if you would like to discuss Coffee Holding Co. Inc., please contact Ronald R. Redfield, CPA, PFS (partner in charge of investment management division).

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