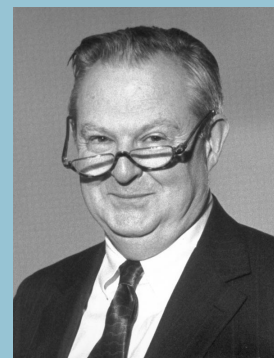


Since 1958

Number 523 February 2006  
Advanced Medical Institute, Inc.

# S

## ***EQUITIES*** pecial ituations



**Robert J. Flaherty**  
Editor

**Here's Your Valentine!** You thought I forgot you. This is the month of romance and I can only think of one suitable new St. Valentine's Day recommendation: Advanced Medical Institute. Here is a stock which can give more than your portfolio a lift. In front of my most recent conference audience ADVM.PK's IR lady Trudy Self gave me a company T-shirt emblazoned with their slogan: "One Sniff and You're Stiff!" I forgot my company introduction so I let Trudy make up a quick one of her own. She's good at that. Once she transposed some promotional copy on one of her clients and stated that the CEO could walk on water. No wonder his stock went up.

Like last issue's recommendation of the virtually unknown Korean-backed Rexahn Pharmaceuticals, Inc. ADVM made its first U. S. investment presentation at an *EQUITIES* conference. Its founder is a Russian pioneer in assisting those suffering from sexual dysfunction. However, he made the mistake of suggesting that his Communist bosses might need his services and had to seek asylum abroad before he was put in one in Siberia. But he has developed a solid profitable sex business in Australia and New Zealand. His clinics prescribe a nasal solution for premature ejaculation and erectile dysfunction. All that is wrong with this start-up now is that it needs more growth capital and greater exposure. We can't do anything about the first problem, but this report will help on the latter.

Be aware of this conflict. Advanced Medical Institute paid \$7,500 to attend our December 2005 Winter Conference and will pay another \$7,500 to attend our upcoming February 24, 2006 conference as we disclose in the Warning Box on page one below of this newsletter. But dozens of other companies are attending our conferences too and we haven't picked most of them for an *EQUITIES Special Situation*. That is because we are proud of our past record and want to stay on top as long as God and the very best we can do will permit.

**Great News from Hulbert Financial!** Once a year with great trepidation I telephone *Hulbert Financial* to find out how *EQUITIES Special Situations* did for the past year in comparison with the Wilshire 5000 Index. I'm always nervous. It's just me. At Harvard College I can remember worrying about the results of an exam I had taken only later to learn I received A. All that worrying over nothing.

Again we did better than I feared. For the 4th consecutive year *EQUITIES Special Situations* outperformed the Wilshire.

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WARNING: There is no fee for being selected as an *EQUITIES Special Situation*. Our only requirement is being a real company whose stock we believe has the potential to increase 50% to 100% over the next two years. Readers should be aware that Advanced Medical Institute paid \$7,500 to attend our December 2005 Winter Conference and will pay another \$7,500 to attend our upcoming February 24th Emerging Growth Stock Day XIII. We have tried to be objective, but may have failed. You readers must decide for yourself.

Be careful to place strict limits on your purchases. The price quoted for the recommended stock is of the date this report went to the printer, who naturally needs time to produce and mail our newsletter. For current quotations, go online. The recent price for the common stock of this recommendation on the The Pink Sheets was about \$2.50. Do not pay more than \$4.00 for this stock. If a stock rises out of our price range, there will always be another opportunity or another stock with a bargain price. Remember, the price you pay will determine your profit (or loss) when you sell.

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For 2005 *EQUITIES Special Situations* gained 14.78%, more than double the 6.2% for the Wilshire. On the phone, Hulbert Managing Editor John Kimball gave us our results and congratulated us. In return I thanked him for continuing to rank us during the years when I was so sick and had trouble getting issues out. I feel stronger now and this ranking makes me even feel better. We have one of the most consistent best newsletter performances in America.

This newsletter issue also is a landmark for me. On a Friday the 13th in February 1981, I gave Steve Forbes, whom I had helped train, my ten -minute notice, put myself in God's hands and bought *EQUITIES Magazine* from the estate of our late, great, founder Ralph Coleman, Jr. Known as Mr. OTC, Ralph served as our editor for an amazing 30 years producing an ocean of wonderful contrarian ideas until he died in the saddle.

In the final negotiations I was determined that in the future I would remain "a pure journalist" and never pick a stock. (I had secretly worked on the *Forbes Special Situations* and helped break in a new *Forbes Special Situations* editor when the need suddenly arose.) But the Coleman estate lawyer sternly told me that I could not have our flagship *EQUITIES Magazine*, then called *OTC Review*, unless I also took its sister *EQUITIES Special Situations*, then called *OTC Special Situations*, where I would have to recommend at least one stock a month. And I lusted for the magazine. In 30 seconds I reversed myself and also became editor -in -chief of this newsletter. Twenty five years have flown by, and I am amazed to note at the top of this page we are on issue Number 523.

I've had hot streaks earlier when I hit almost every pitch. In the early 1980's this newsletter ranked Number One in long-term portfolio gains for 14 consecutive months among all the investment services monitored by Select Information Exchange. Then Mark Hulbert, now part of CBS Market Watch, started his own *Hulbert Financial* rankings and initially left us out. Suddenly SIE's Number Two newsletter became Mark's Number One and subscribers flooded in elsewhere. When we finally did get ranked by Hulbert we had cooled off.

I have had periods of pride when I made a fool out of myself. Once I recommended an *EQUITIES Special Situation* and a short seller called me up and gleefully informed me that one of the officers had falsified his academic credentials and was a convicted drug felon. He predicted that I wouldn't do anything about it. After I confirmed in some very old small town newspapers that the anonymous caller did indeed speak the truth, I called the SEC, also put out a SELL and wrote in both this newsletter and our sister magazine "It's not nice to fool Mother Flaherty."

Why did I make that mistake? Afterwards I decided it was more than my usual MBA flaw of being too close to management and sympathetic to an entrepreneur's struggles. My soft spot did me in. It does that now and then. I had been writing positively about so many MIT and Ivy League- educated entrepreneurs especially from Harvard Business School, I felt guilty I was slighting the less elitist schools. One of the guys in that fraud graduated from Notre Dame and his background looked impressive. I didn't know part of it was fictional. So I decided to give the start-up a break. I gave them a big splash and got myself all muddy. Well I didn't make that mistake again. I'd rather make new ones.

Then I began once a year doing something my friend Sir John Templeton always stressed. At least once a year and preferably more, do financial Spring cleaning. Study your portfolio and ask would you buy each company now at the price it is selling at? Do you like stocks you haven't recommended more than the ones you are holdings? If so, recommend the new good ones and sell the successes or limited successes. Spend your time on what is positive and productive. See opportunities you would have missed. Avoid wasting your time dwelling on past mistakes. That's all part of how Sir John applies the Power of Positive Thinking to investing and it works.

So I came to keep periodically pruning our portfolios. For a period I was so confused I had no good ideas I liked. Fortunately, I had the magazine and just borrowed from the wise men and women in our Favorites of the Famous panel of stock pickers or my other wise friends and companies which presented at our conferences. Meanwhile over the years many of our flashy new rivals which initially copied us went bankrupt. Then I got my groove back.

Funny thing, I really came to enjoy picking stocks for *EQUITIES Special Situations*. I loved what I thought I would hate. It is very different than doing a journalism article on a company where you put in the pros and cons and hopefully tilt enough in one direction so the reader knows if this is a good company, but ... or a bad company, but... Unless you are very careful often you leave the reader more confused than when you started. In a special situation just by picking a stock as this month's buy, you are telling readers you think the stock at that price is ok. You are as clear as a Roman emperor. You give a stock a thumb's up, not a thumb's down. As I have grown older, I have come to prize communication which is simple.

Bowing to the trend to be politically correct, let us acknowledge that past performance does not guarantee future success and all hot streaks end. But let me also add Sophie Tucker was right: It is much more fun to be up than down.

Why have I done better over the last four years? I have learned to sell my winners sooner and harvest big gains. Even harder, I have learned to give up and sell and admit it when I have made a mistake and my former exciting Up and Comer is just another busted concept stock. At Harvard Business School one of my favorite professors, George F. F. Lombard in his final lecture to my class in 1961 ended with this strange advice - at least I thought it was strange at the time. A student asked how we could adapt to the world with all its bewildering changes. George said, "Just stay loose!" Today it makes sense in this complex world where what you were sure of yesterday gets you in trouble tomorrow.

When I first became editor of this *EQUITIES Special Situations Newsletter* it was regulated by the SEC and the states of Pennsylvania and New York. Then the SEC tried to put a convicted felon out of the financial newsletter business and I initially sided with the SEC. Bad guys shouldn't be able to publish and hurt investor readers. But the U. S. Supreme Court found that there were not two kinds of speech, one free and the other commercial which could be regulated by self-appointed censors. Next a lady friend at the SEC suggested that we should deregister after that decision and we did. I also thought if the Supreme Court decided that we shouldn't wear a regulator's collar then we newsletter editors must have the courage to do the things we think are best for our readers. We alone know. We must dare to be free. Our own fears are the biggest restrictions we face, not the phantoms outside. Would I have advocated some of the regulatory reforms we have successfully championed or initiated or even picked and deliberately defended some of the controversial stocks under attack from powerful abusive naked short sellers if we had remained regulated? Honestly, I doubt it.

**Coming Attractions:** As one of our family of readers you are invited in person or in cyberspace to attend our future conferences or to suggest companies for us to invite. On Friday February 24, 2006 at New York City's Yale Club, at 50 Vanderbilt Avenue opposite Grand Central Station, we will hold our *EQUITIES* Emerging Growth Stock Day XIII Conference. Exciting growth companies from Australia, Canada, China and Korea have signed up to come. The event will use our one-day, speak-to-the-entire-audience format. A special team of *EQUITIES* writers will cover the conference to report to the astute investor and executive readers of our sister publication *EQUITIES Magazine*.

Company presentations will also be webcast at [www.equitiesmagazine.com](http://www.equitiesmagazine.com). The site will have a hyperlink to the webcast on our home page and you will be able to listen to any of *EQUITIES* conference presentations while still in your office or your home. Starting at 7:45 a.m. Wall Street's legendary gadfly Ray Dirks will start us off with which stocks he thinks are hot. Then at 8 a.m. presenting companies will begin to outline their growth strategies until the afternoon. We hope to find more winners for you.

Then on April 21, we will run our *EQUITIES* Spring conference and on June 9 our *EQUITIES* 55th Anniversary Summer Conference.

If your company would like to present at an *EQUITIES* conference, please contact *EQUITIES* new Publisher David Bernard at 800-709-7005 or Editor Bob Flaherty at 914-831-1151.

**Advanced Medical Institute, Inc.**  
**[www.avmd.com.au](http://www.avmd.com.au)**

**Innovative treatments for sexual dysfunction.**  
**Rewarding its patients with renewed pleasure and its stockholders with profitability.**  
**Expanding its operations into New Zealand and going public in the U.S.**  
**Considering entering the massive U.S. market.**

Pink Sheets:	AVMD.PK	Shares Outstanding:	31.1 million
Recent Price:	US\$ 2.50	Estimated Float:	10.4 million
52-Week Price Range:	US\$ 2.50 – 1.00	Stock Market Cap:	US\$ 78 million
Shareholders' Equity:	US\$ 0.8 million*	Long-Term Debt:	US\$ 0.1 million
Book Value per Share:	US\$ 0.026	Total Assets:	US\$ 4.9 million*
Dividend:	nil		

\*AMI Australia acquired PE Patent Holdco Pty Limited, the holder of certain intellectual property utilized in its Australian premature ejaculation treatments in November 2005, for US\$5.5 million in consideration for the issue of 5 million restricted shares. This transaction is expected to increase total assets and shareholders equity by US\$ 5.5 million.

Fiscal Year	Revenue	Net Income	Earnings
Ending June 30	(thou.)	(thou.)	Per Share
2005	US\$ 15,560	US\$ 1,036	US\$ 0.04
2004	US\$ 13,425	US\$ 266	US\$ 0.02

**Nasdaq Composite: 2262.58    Dow Jones Industrials: 10793.62    S&P 500: 1264.03**

## RECOMMENDATION

**Using the slogan “One sniff and you’re stiff!”** to promote its fast acting nasal spray formulation for people suffering from sexual dysfunction, Advanced Medical Institute’s technology has become a recognized name in Australia for the treatment of erectile dysfunction (ED) and premature ejaculation (PE). Having already established a chain of treatment centers in Australia, AMI is currently exploring expansion possibilities in Western Europe, Asia and the U.S.

AMI’s treatment programs are designed for patients who suffer from ED and PE. ED is the inability to achieve and maintain an erection necessary for sexual intercourse. PE is the inability to postpone an ejaculation until the proper moment. Such failures cause the male to lose self esteem and his mate to be unsatisfied. The problem of sexual dysfunction is far more common than many people realize. In fact, half of all men over 40 at times experience some form of ED, and 10 % suffer from total sexual dysfunction.

Worldwide, approximately 152 million men are believed to have some degree of ED. The U.S. Federal Drug Administration advisory committee reports that there are over 30 million impotent men in the U.S. and 30 million Europeans with this condition. This equates to approximately 20% of the male population in these areas. The number of men suffering from PE is believed to be even higher.

In early 2005, founding Chairman and CEO Dr. Jack Vaisman, Ph.D., a pioneer in the direct marketing of impotency treatment in Australia, increased AMI’s focus on the still relatively untapped PE market. He has seen sales increase consistently on a month-to-month basis. A sign of continued success is the news that in his first quarter of fiscal 2006 ending September 30, revenues rose to \$5.1 million, versus only \$2.8 million in the corresponding quarter of 2005. This financial achievement resulted from a 32% rise in patients with ED and a 230% rise for those with PE.

In recent years, the subject of sexual dysfunction has come out of the closet and into the mainstream media. It is no longer considered a taboo subject. Top-rated TV shows like Oprah Winfrey and Dr. Phil have featured the subject of sexual dysfunction affecting both men and women. This problem does not only affect older men. Television and print advertisements have featured young virile looking men, suggesting the problem is not one of aging. On primetime television, commercials can be seen talking about the benefits of Viagra, Levitra or Cialis. Former U.S. Senator Bob Dole, well over 70, was featured in Viagra television advertisements urging men to seek treatment for this “health and quality of life” problem. In October, AMI ran a series of television and radio spots in Australia advancing the benefits of its treatment programs for both younger and older men.

Unlike rivals such as Viagra, Levitra and Cialis, AMI’s pharmacological formulations are not affected by food intake. These competing medications are in pill form and must therefore be absorbed by the gastrointestinal tract before they can begin to take effect. This gives AMI’s nasal spray technology a substantial medical and commercial advantage. Medications that are administered through the mucosal passages are absorbed into the body almost instantaneously. As a result, AMI believes that its new applications employing its nasal spray delivery system are more efficient and faster acting in treating ED and PE than other current treatments on the market. The company’s medications have full Australian Therapeutic Goods Administration approvals to be prescribed by accredited medical practitioners.

On July 2005, AMI began providing treatment programs in the New Zealand market. The company has now formed a separate wholly owned subsidiary, AMI New Zealand, for the purpose of carrying on business in that country. It has also opened its first New Zealand clinic in Auckland, the country’s largest city, and has arranged for two of AMI’s doctors, who are fully licensed to practice in New Zealand, to relocate to Auckland.

AMI NZ has also entered into a contracting arrangement with Spectrum Pharmaceuticals, a fully licensed New Zealand compounding pharmacy, to fill prescriptions for AMI NZ’s patients.

In November 2005, AMI Australia acquired PE Patent Holdco Pty Limited, the holder of certain intellectual property utilized in its Australian PE treatments for US\$5.5 million in consideration for the issue of 5 million restricted shares.

PE Patent Holdco is the owner of an innovation patent that covers various methods of treatment delivery via nasal inhalation and topical application of certain formulations used in AMI’s treatment programs for PE. The innovation patent expires on July 9, 2012.

PE Patent has submitted an application for a standard patent in Australia. If the standard patent is granted, the length of protection will be extended to July 9, 2024.

## BUSINESS

Advanced Medical Institute operates 17 medical clinics throughout Australia for the treatment of sexual dysfunction in men and women. Currently, the company has a staff of 186, including 33 medical personnel and has captured approximately 25% of the Australian ED and PE treatment market. The company provides medical services, pharmaceuticals and associated support services. Its treatment programs utilize new technologies that provide practical non-invasive methods of drug delivery and leverage existing drug products with known safety and efficacy. The company offers

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various program options including injections, lozenges, tablets and nasal spray for the treatment of ED and PE.

Each of AMI Australia's treatment options are prescribed by licensed Australian and New Zealand doctors and prepared and delivered by an Australian or a New Zealand registered compounding pharmacy in full compliance with Australian and New Zealand regulatory requirements. AMI Australia's products and services are only available by prescription and are sold on an "off-label" basis. These treatment options are generally only available through the company's medical clinics.

AMI Australia's 93% owned subsidiary, Intelligent Medical Technologies Pty Limited, holds the exclusive worldwide rights and license from Sheiman Ultasonic Research Foundation Pty Limited to utilize and sub-license certain inventions, patents and other intellectual property relative to certain ultrasonic nebulizer technology for the treatment of sexual dysfunction in men and women, including impotence, premature ejaculation and the treatment of certain female arousal disorders.

The license includes the right to manufacture, market, sell and distribute products based on the technology and patents within the sexual dysfunction market. IMT also has the option to extend its field of use to the treatment of prostate diseases. IMT acquired its license in order to develop an ultrasonic nebulizer to deliver medications directly into patients' lungs, which is believed to be more efficient and clinically effective than any other alternative treatment option and allowing much lower dosage levels thereby reducing the likelihood of medication side effects.

Five working prototypes have been produced with additional prototypes incorporating further improvements scheduled for completion by the end of the year.

In July, IMT filed four patent applications in relation to its next generation nebulizer device, which IMT believes will be granted within the next two calendar years.

AMI reaches potential patients through extensive print radio and television direct advertising and supports these efforts with a national call center in Sydney, Australia. The company recently extended its marketing efforts to New Zealand and now reaches most of that country through a network of phone lines and video conferencing facilities which enable patients to work directly on a customized treatment program one-on-one with AMI's medical personnel.

## HISTORY

Advanced Medical Institute (formerly Hawksdale Financial Visions, Inc.) became a public company via a share exchange and merger with a shell corporation in January 2005, and then merged with American Medical Institute Pty Limited, an Australian-owned company (AMI Australia). AMI Australia was established in February 2001 when it acquired two chains of medical clinics, Health Services for Men and Australia Momentum Health, both providing treatments for sexual dysfunction. In July 2005, it commenced operations in New Zealand.

For much more on management's background see the AVMD.PK conference presentation story our sister publication *EQUITIES Magazine* Fall/Winter 2005, pages 12 and 16. Russian sex pioneer Jack Vaisman upset his Communist bosses when he suggested that even they could suffer from sexual dysfunction. Fortunately Australia granted him asylum. Starting in 1993 his shocking (for then) sex advertisements brought him immediate success, turning his \$9,000 investment into millions.

## MANAGEMENT

Jack Vaisman, Ph.D., 60, is founder, chairman, CEO and president of Advanced Medical Institute. Vaisman is a pioneer in the direct marketing of impotency treatment in Australia. Since 2001, he has served as the managing director and CEO of AMI Australia. He was also the founder and director of On Clinic International in Australia, a predecessor of AMI Australia. Vaisman graduated from Ukraine University in 1968 with a Bachelor of Medicine, a Master of Gynecology and in 1974 a Ph.D. in Medical Science. He became an Associate Professor of Gynecology at the University of Advanced Medical Training (Ukraine) in 1976 and migrated to Australia in 1987. He has more than 35 years of experience and expertise in the field of sexual health care provision and was recently granted an innovation patent in the field of ED and PE treatment by the Australian patent office.

Forhad Khan, 44, is senior vice president operations and COO. Khan has served as secretary and member of the board of AMI since March 2005. Since 2001, he has been the general manager and COO of AMI Australia. Before joining AMI, he founded and was the director and sole operator of Australian Momentum Health Pty Limited, a provider of impotency treatments in Australia. Prior to that, he was operations manager for On Clinic International Pty Limited. Khan holds a M.A. in commerce and accounting.

Dilip Shrestha, 29, joined AMI Australia in 2001 as controller and became CFO in March 2005. Prior to joining AMI, he was a financial officer with Australian Momentum Health Pty Ltd. He began his career as an administrator with Kalinchowk Trading Company Ltd. He has an M.A. in e-commerce, a Graduate Diploma of IS and e-commerce, and a B.A. in business accounting all from Central Queensland University. Shrestha is the co-developer of AMI's in-house pro-

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prietary enterprise software which is designed to oversee and manage patient's treatment program from first contact to program completion.

## FINANCES

For the fiscal year ending June 30, 2005, Advanced Medical Institute posted revenues of \$15.5 million, up 16% from \$13.4 million for the fiscal year ending June 30, 2004. In the comparable periods, the company generated net income of \$1 million, or \$0.04 a share, compared to \$266,543, or \$0.02 a share. In the first quarter of fiscal 2006 ending September 30, 2005, AMI posted a net income loss of \$227,059, down from \$288,286 in the same period a year earlier. The company expects to be profitable for the full fiscal year.

**Financial Sheet Data**  
**Fiscal Year Ending June 30**  
 (\$ in Thousands except for Per Share Amounts)

	2005	2004
Revenue	US\$ 15,560	US\$ 13,425
Net Income	US\$ 1,036	US\$ 266
Earnings per Share	US\$ 0.04	US\$ 0.02

**BALANCE SHEET DATA**  
**(Fiscal Year Ending June 30, 2005)**

Total Assets:	US\$ 4.9 million
Long-Term Debt:	US\$ 0.8 million
Shareholders' Equity:	US\$ 573
Book Value Per Share:	US\$0.026
Shares Outstanding:	31.1 million

## COMPETITION

While AMI competes with better known brands like Viagra, Levitra and Cialis for ED, it knows of no competitor for premature ejaculation where the problem is accelerating at an even more uncontrollable pace. However, in the broader context of sexual dysfunction there are countless experts, books, radio and TV shows devoted to the subject of how to fix your love life. AMI faces a battle to make itself heard above the noise.

## RISKS

Any small company competing in a market composed of giant medical companies and competing for visibility in the financial markets is faced with a major challenge. Nevertheless, AMI is profitable and addressing a niche business where it has demonstrated the ability to be innovative. Like many medical product/device businesses, AMI will not be immune to legal actions for any number of reasons. In July 2004 legal proceedings were brought against AMI in the Federal Court of Sydney, Australia alleging misleading and deceptive conduct relating to advertising and promotion of a nasal spray form of treatment for ED.

Vaisman dreams of expanding into the U.S. where the needs are great. But often in the U.S marketing power is more important than the product or service sold. AVMD will need a lot of growth capital, but currently it is operating on a financial shoe string. So unless AVMD can attract the support of a powerful underwriter or venture backer, progress will not be at full speed.

To date this thinly-traded stock is largely unfamiliar to American investors and trading here has been modest. U.S. investors still have not adopted the global point of view of Sir. John Templeton. Most of those who have tend to concentrate on large well-known companies, not speculative start-ups like AMI. So investors will need to be romanced to attract their attention.

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**Lichter, Yu & Associates, San Diego, CA**

**Follow Up**

Since our last newsletter came out in January, three of our open recommendations rose, 10 fell and one stayed even. Five of our six SELLS rose. Only Satellite Newspapers took a dive. Did I sell the wrong six stocks? No. We wanted to sell while everything was swell. I'm sure most of those who chose to cash in got their stock price and probably better.

**Fatter Profits:** On the upside there was good news at Medifast, which is focusing on morbid obesity and preventing diabetes. MED is up 91%. We sold it earlier for over a 100% gain and the odds are we will do it again!

**Infinity Ahead:** More good news came from Renaissance Capital Growth and Income Fund III. Founder Russell Cleveland's team sacked famous name auditors Ernst & Young, who didn't get his financials out, replacing them with a new no name group KBA. RENN finally made a settlement with the SEC over a lingering fee dispute. But with the SEC issue disturbing them the old auditors couldn't agree on wording with RENN and lots of other things. Inability to catch up late figures are preventing RENN from regaining its lost Nasdaq-stock listing. Success could very well mean a higher share price for the fund. In the meantime, shares of RENN must remain trading on the Pink Sheets. The ignominy of it all.

All this is really a fall out over widespread worries in American business about managements and auditors being sued after passage of the Sarbanes Oxley law. A little controversy now and everyone runs. Congress's goal was to improve the flood of honest information. Instead the unintended consequences sometimes turn a stream into a trickle. That puts RENN fans like me in a pickle.

Our RENN recommendation is already up 528%. Why are we sticking around when we have harvested many smaller winners? Another year of RENN's dividends and hopefully additional capital gains deducted from our original purchase price and our cost base will fall to zero or below. Then our return on our RENN recommendation will be INFINITY. Won't that mess up Mark Hulbert's computers when he updates our ranking? Let my friend Ray Dirks continue to boast about his 10 stock picks which rose over 10,000%. How many times has he achieved INFINITY?

**Enjoy Your Valentine!**



**Robert J. Flaherty  
Editor-In-Chief**

*David Bernard*

**David Bernard  
Publisher**

# EQUITIES Special Situations Recommendations Still Open on 1/1/06 and Subsequent Recommendations

COMPANY	DATE RECOMMENDED	RECOMMENDED PRICE	RECENT PRICE	PCT. CHG.	B-H-S
<b>NASDAQ:PESI</b>					
Perma Fix Environmental	2/01	1.875	1.63	-13	Sold
<b>NASDAQ:REFR</b>					
Research Frontiers	7/01	25.98	5.11	-80	Buy
<b>NYSE:IEX</b>					
IDEX Corporation <sup>1</sup>	11-12/01	21.29	42.75	+101	Sold
<b>NYSE:PPD</b>					
Pre-Paid Legal Services <sup>2</sup>	6/02	16.80	37.76	+125	Buy
<b>RENN.PK</b>					
Renaissance Capital <sup>3</sup>	8-12/02	1.91	12.00	+528	Buy
<b>AMEX:AXO</b>					
AXS-One	2-4/03	0.72	1.95	+171	Sold
<b>AMEX:IOC</b>					
InterOil Corporation	7-12/03	20.49	17.21	-16	Buy
<b>GTHA.OB</b>					
GeneThera	1-4/04	1.83	0.104	-94	Sold

- 1 Purchase price adjusted for dividends of \$0.56 in both 2002 and 2003; a 3 For 2 Stock split in June 2004 and dividends of \$0.48 in 2004 and in 2005 and \$0.12 in 2006.
- 2 Purchase price adjusted downward for a dividend of \$0.50 in January 2005 and \$0.30 in May 2005 and \$0.30 in January 2006.
- 3 Purchase price adjusted for dividends of \$0.10 in 2003, \$0.40 in 2003 and capital gains of \$0.85 in 2004 and dividends of \$0.40. In January 2005 purchase price

COMPANY	DATE RECOMMENDED	RECOMMENDED PRICE	RECENT PRICE	PCT. CHG.	B-H-S
<b>GWES.OB</b>					
Great Western Land & Rec.	5-8/04	0.30	0.51	+70	Buy
<b>AVSO.OB</b>					
Avatech Solutions	10-11/04	0.37	1.68	+354	Buy
<b>AMEX:MED</b>					
Medifast, Inc.	12-04	3.59	6.85	+91	Buy
<b>NASDAQ:SBGI</b>					
Sinclair Broadcast Group <sup>4</sup>	1-05	7.65	8.15	+7	Buy
<b>PBEGF.PK &amp; PBG.TO</b>					
Petrobank Energy & Resources	2-05	3.00	10.84	+261	Sold
<b>NASDAQ:UNTD</b>					
United Online <sup>5</sup>	3-4/05	8.00	13.32	+67	Buy
<b>EACC.OB</b>					
eAutoclaims, Inc.	5-05	0.12	0.28	+133	Buy
<b>SNWP.OB</b>					
Satellite Newspapers	6-05	0.11	0.08	-27	Sold
<b>RPTN.OB</b>					
Raptor Networks Technology	7-8/05	0.51	0.83	+63	Buy
<b>MSEL.PK</b>					
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