

# Homerun Stock Alert

December 2004

Richard Schmidt's Medical Technology News

Complimentary Issue \$5.95 Value

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## Latenews



**Richard Schmidt,**  
– One of America's  
top stock advisors,  
has routinely  
introduced  
Homerun Stock  
Alert subscribers  
to stock picks that

have posted record-setting profits of 200%, 300% and higher, in months, not years!

According to the esteemed Hulbert Financial Digest, Richard's Homerun Stock Alert beat the market last year by a whopping 86%. This year, he's beating it by 44% annualized. All this while other investment newsletters are losing money.

Turn to page 2, and discover the secrets behind his stunning track record and how you could be pouring profits of this magnitude in to your portfolio, starting now!

## Inside

- How President Bush's election victory all but ensures profit-rich investment opportunities in 2005. (See page 2)
- Where to find stocks that can double your money in the next 12 months. (See page 10)
- Why the next 12 to 18 months will be the best opportunity of the coming years to build wealth and make a killing in the market...before a return to the most tranquil, slow growth markets in 5 decades! (See page 11)
- How to avoid the stocks that will suffer in the coming months, dragging down portfolios in the intense volatility ahead. (See page 15)

**Scientists developing a miracle of modern medical technology...**

# The world's first artificial liver!

**Could save the lives of millions, and make you a millionaire for life!**

**T**his little-known bio-technology company (named inside) accomplished what others called impossible... they duplicated the key

functions of the human liver for a device that can be used for liver disease treatments. The implications of this breakthrough are staggering to consider...

- 25 million Americans suffer from the deadly ravages of liver disease... 500 million worldwide. This device offers new, life-saving hope to all liver disease patients!

- R&D for new pharmaceuticals could be accelerated 2-3 years to save \$4.7 billion a year in drug testing expense and get new drugs to market faster...

- Sales for this company could skyrocket when every hospital, clinic and treatment center in America hears of this breakthrough for their patients!

Remarkably, word of this has not yet leaked to investment professionals, which means you now have a rare opportunity to get in early on what could reap a fortune in stock profits in 2005!

**From \$0 to a \$455 Billion Market in just 5 Years!**



**The short term gains in this stock could yield enormous profits!**

***\$5,000 invested today could become \$15,000 to \$20,000 in 12 months...but...***

**Longer term, this stock could literally make you rich!**  
***\$5,000 could grow to \$1 million in 5 years!***

continued on page 4

*While one of America's top stock advisors is writing that the time is prime for stunning gains of 200% to 400% in the coming year...*

# ***His track record suggests you should read every word!***



***Richard Schmidt is as good as it gets.***

If you read any investment advisor, Richard Schmidt should be number one on your list.

He's one of America's most often read and closely followed stock advisors for one over-riding reason. His stock recommendations have made many of his readers a fortune. Had you followed his picks last year alone, you could have seen your portfolio grow with picks like these...

EON LABS - increase over 400% in 15 months

CEL- SCI CORP - grew 190% in 4 months

SERALOGICAL CORP - grew 150% in 9 months

SIERRA HEALTH SERVICES - grew 210% in 12 months

Think it's a fluke? Don't believe it.

Over the last 12 years, Richard Schmidt has *beaten the market every single year along the way. Not one miss!*

That's a stock picking record nearly impossible to match from any advisor.

***And now, Richard Schmidt is telling us:***



***Thanks to the re-election of President Bush... You can make a fortune from the dramatic market shift that will take place over the next 12 to 18 months...***

*While most investors scrambled in 2004 just to break even (remarkably, some are even bragging because they didn't "lose too much!"), we posted gains that many missed. What's more, we're preparing now for enormous new profit opportunities in 2005 and 2006.*

*continued on page 10*

# A \$455 Billion Industry

***This promising artificial liver dialysis breakthrough could make you rich for life!***

Not a misprint! This stunning growth projection reflects the reality of liver disease... **a disease that afflicts 25 million patients in America alone...500 million worldwide!**

At present, no dialysis therapy exists for liver disease. This medical breakthrough could change all that within a few short years.

When the first artificial liver device is introduced, it will pour into a market that is **65 times greater than the market for kidney dialysis!**

Annual kidney dialysis revenue from the top two dialysis companies, Baxter International and Fresenius Medical Care, now surpass \$7 billion! Making liver dialysis a \$455 billion industry!

What's more, health officials worldwide are warning that this problem is only getting worse. Millions more liver patients will flood hospitals in the coming years as chronic disease and the spread of Hepatitis C takes its toll.

Investing now in the one company that holds a promising solution for an artificial liver device could be your entry point for an investment that will set you for life.

***World demand for HepaLife's technology could generate billions in annual sales revenue!***

HepaLife's "PICM-19H" cell line has already met or exceeded clinical targets for viability and efficacy at duplicating liver functions. From their September 22, 2004 news release, this quote:

*"PICM-19H has now been in continuous culture for over 22 months without presenting any detectable changes in hepatocyte morphology and function, a significant achievement. During this time, the cells have been repeatedly passaged (split and cultured) more than 30 times and have consistently retained their ability to differentiate into hepatocytes with excellent morphology and function."*

Company: HepaLife Technologies, Inc.

Symbol: OTCBB: HPLF

Growth projection: 400% 12 months  
3,000%-4,000% long-term

Recommendation: Buy Now

*Richard Schmidt's Homerun Stock Alert will teach you how to buy on the dips, sell on the spikes and build your wealth. For a risk-free subscription offer, please see pages 18-19, or call 1-800-663-2185, 24 hours a day/7 days a week.*

This is the achievement that no other medical research facility in the world has been able to duplicate. In a nutshell, it means that the biological component of the HepaLife artificial liver, the PICM-19H cell line, not only duplicates human liver functions, it survives in a culture that can be administered in a therapy...or in drug testing.

***HepaLife's PICM-19H cell line could cut research costs for just one new drug by \$100 million!***

The latter point is a breakthrough in and of itself. It means that the HepaLife PICM-19H shows excellent promise for early testing in new drug research. Again from HepaLife's news:

*"With the cost to develop an FDA approved drug approaching \$1 billion and taking 10 to 15 years, a 10% improvement [potential made possible by the HepaLife cell line] could save \$100 million in development costs per drug."*



Since about one-third of all drugs fail due to liver toxicity, early testing with HepaLife's PICM-19H cell line could save the drug industry around \$2 billion annually.

That market application does not have to wait for clinical testing or FDA approvals. HepaLife could be generating revenues in 2006 in this market alone!

That's why it is essential that you consider HPLF for your portfolio today. At this stage, the growth potential to double or triple your HPLF investment in 2005 is very real. You do not want to miss this early opportunity. As word gets out, particularly among investors who follow medical technology, I anticipate HepaLife will skyrocket in value making it one of my best Homerun stock picks of the year.

**Dear Investor,**

When you look for stocks with meteoric profit potential, few investments surpass a company making breakthrough progress on a life-saving medical innovation. The news can trigger a stock-buying stampede!

**For example**, recently I reported on a Chinese company developing a very promising SARS vaccine. Within weeks of my buy recommendation, the stock shot up 345%!

### ***Sinovac 345% growth in just 9 weeks***

This wasn't a fluke. Since late in 2003, I've reported on a number of breakthrough medical companies that went on to make handsome, sometimes breathtaking profits. Had you received my recommendations...

You could have seen profits like these fill your portfolio:

- Fair Isaac Corp. (FIC) – gained 132% in 21 weeks**
- Stellar Technology (SLLR) – earned 248% in 4 months**
- Trimedia Group (TMEG) – grew 270% in just 6 weeks**

You may kick yourself for missing these, but you don't have to miss the next.

In this report, I'll show you how to get profit-making winners like these in your portfolio and start racking up profits that you may only dream about.

These are the kind of stocks I routinely find for my Homerun Stock Alert subscribers. And I'm going to start you today with one that could make those profits for you starting almost immediately.

Imagine the revenues that will flow into this exciting bio-technology firm

that's making significant progress toward introducing the world's first artificial liver.

This is a medical technology for which there is absolutely no alternative, a population of 25 million liver disease patients in America alone! 500 million worldwide!

When news of this hits Wall Street, this stock could go ballistic!

Investors getting in at this early stage will not only be investing for what could be stunning profits, they'll be investing in hope for millions of Americans desperately seeking solutions to their unanswered medical needs. That's why I believe...

If you know anything about medicine today, then you know that liver disease takes an enormous toll in suffering and lives. The numbers are simply frightening.

One in ten Americans will be struck with liver disease, most from such common causes as alcohol consumption, hepatitis, substance abuse, toxins in the environment, even misuse of over-the-counter medications like the pain-killer acetaminophene.

***27,000 patients die each year, and the death toll is growing for two key reasons.***

**1.** Liver disease is on the rise, projected to affect 31 million Americans by 2010.

***This company's work could dramatically improve the lives of 25 million Americans suffering the ravages of liver disease...***

***...making early investors seriously wealthy!***

***HepaLife Technologies, Inc. has the first-ever cellular components necessary for an artificial liver, a device that could answer the prayers of all liver disease patients...extending their lives...plus offering new hope to those that are terminally ill.***

For those waiting for a liver transplant, the line is long and the threat of death ever present. Most wait 3-5 years for a liver transplant donor that most likely will never come.

**2.** Very few effective treatments exist and transplant livers are rare, which is why liver disease is the #6 killer of all adults today ages 35 to 64, in the top ten for the entire population.

With this breakthrough there is hope, and it's coming from a little-known biotechnology firm HepaLife Technologies – a stock that you should own in your portfolio today!

***As an investment, now is a perfect time.***

**Investors take note:** Medicine's need for an artificial liver device is so acute, the immediate demand is projected to be 65 times greater than the current market for kidney dialysis. That is currently a \$10 billion market, suggesting the liver dialysis treatment could approach \$650 billion a year!

## Liver, heal thyself!



Treatments for liver disease fall broadly into two categories, healing and transplant. In both cases, HepaLife's artificial liver device should become essential for treating all liver disease patients, not just those in the most critical condition.

For transplant recipients, HepaLife's artificial liver device could keep patients alive for years longer than the usual 3-5 year waiting period for a suitable donor. For transplant patients, it could be used as a temporary artificial liver for those awaiting a liver transplant, thus lengthening the time they have available while an organ donor is located.

For those patients with chronic liver disease, HepaLife's artificial liver device should dramatically improve existing treatments. By taking the workload off the patient's liver the device allows the patient's liver time to heal itself...something the human liver is uniquely capable of doing on its own, given the chance.

At present, success in the animal trial stage is expected to be very promising. The critical cells needed to duplicate liver functions have already been proven effective. From the company's September 22, 2004 press release, the cells, "look like liver cells, behave like liver cells, and most importantly, perform (function) like liver cells."

Obviously, news of this development will get out soon...which is why you'll want to consider adding HepaLife to your portfolio right now...while the stock price is so low. This is such remarkably good news for medicine that I expect news to break any time now.

## *500 Million Liver Patients Worldwide...*

*A global epidemic in the making!*



World health officials are trumpeting alarms about the growing threat of liver disease. On May 27th, 2002, the BBC reported a "Liver disease epidemic warning" quoting the British

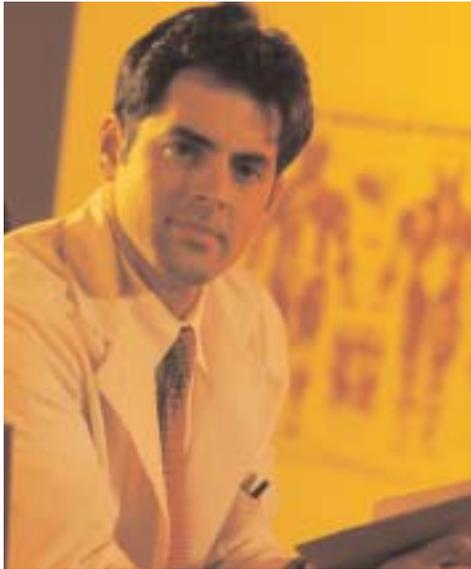
Liver Trust estimates that liver disease could kill 60,000 people this decade. In fact, 400,000 Brits are believed to be infected with hepatitis C, one of the leading causes of liver disease. And to make matters worse, hepatitis C is 10 times more infectious than HIV (AIDS).

Around the world, similar pro-rata figures point to an alarming growth in liver disease. And domestically, public health officials call liver disease and hepatitis C one of the most serious public health threats of the decade.

There is no question that the need for effective liver treatments will grow over the years to come. At the top of the list will be an artificial liver device, now on the threshold of reality thanks to HepaLife.

*All this points to a serious money making opportunity for investors.*

# ***HepaLife's exclusive rights to this key patent is an enormous barrier against competitive interlopers...and protects your long-term investment for decades!***



***What goes into the HepaLife artificial liver device is more important than the device itself...and that's what makes HepaLife's stock so promising both for short-term and long-term investors!***

HepaLife's rights to this or any new patent may literally lock out competition for 20 years or longer!

As you may imagine, the technology needed for an artificial liver device poses daunting mechanical challenges. But, they can be overcome, and perhaps even with more than one solution. That leaves an innovative company exposed to technology knock-offs through reverse-engineering and other approaches to patent infringement.

But not HepaLife! Its key patent is not for the mechanics, it's for the bio-technology that allows the device to function like a human liver, making it virtually impossible to knock-off or reverse engineer! Let me explain.

In a manner of speaking, you could say that our liver is incredibly "intelligent" ... it processes the toxins out of your body, controls key vital functions and manufactures essential compounds such as amino acids required for healthy living.

The most common causes of liver disease are linked to the toxins that the liver processes. If the liver is chronically overloaded with toxins such as alcohol, or viruses like hepatitis C, it can become diseased to the point that it fails. And when the liver fails, the patient dies.

Without laboring the point, no miracle of mechanics or electronics has yet been devised that can duplicate these many liver functions.

Thanks however to a stunning breakthrough in bio-technology, HepaLife scientists created a "living soup" of cellular biology that nearly exactly duplicates key functions of the human liver.

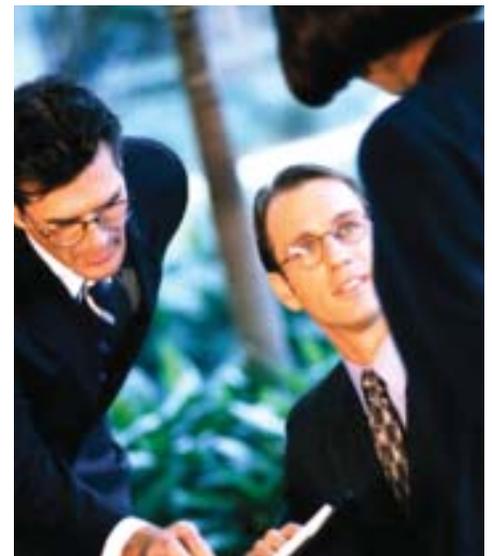
From an investor's perspective, there are a number of distinctions that have to be made very clear.

This is not a new prescription drug! Thus, it does not have short-term patent protection that allows generic alternatives to be produced in 5-7 years.

The patented technology used by HepaLife is protected for many years to come...and it can be renewed! That means the value of the stock can be projected to potential sales for 3 to 4 times longer than a new drug development. And that's without factoring in the patent renewal potential!

I can guarantee you that Wall Street factors that into the stock prices now.

You see, the market always discounts the future. That is to say, the more that can be projected into the future earnings of a company, the greater the value of the stock today.



***These factors lead me to believe that HepaLife could very quickly return staggering gains of 30 to 40 times the initial investment you make today.***



I don't know about you, but these are the kinds of investment opportunities I simply cannot pass up.

**That's 3,000% to 4,000% growth on an investment!**

**\$5,000 invested now could become \$200,000!**

**\$25,000 could make you a millionaire!**

**And it could happen in two years or less.**

In fact, these are exactly the kind of investment opportunities that I seek out for my Homerun Stock portfolio...and for subscribers to my Homerun Stock Alert newsletter.

If having stocks like HPLF in your portfolio appeals to your profit-making instincts, then you need to be receiving my Homerun Stock Alert newsletter right now.

But I don't want to stray too far from the story about HepaLife and why I believe it has the potential to be one of the best picks I'll ever put in my Homerun portfolio.

When I look at HPLF as an investment, I see 25 million Americans suffering liver disease right now...and 500 million liver patients worldwide. I'm not going to dismiss these numbers even for a moment, but there's another important factor in play, one that I alluded to earlier.

I also see a company that has the right people in place to get the job done.

***HepaLife appears to be the only company in the world today that is making real progress toward an artificial liver.***

What I want you to know now though is that this is not science still in a test tube. It's way beyond that now. The patented component of the technology has already been tested and proven in the one area where all other attempts have failed.

HepaLife is working with a cell line that almost perfectly mimics the functions of the human liver, and it is a cell line that can be kept viable in vitro for extended periods of time, in repeated use.

According to HepaLife product development teams, this has been the biggest stumbling block to the development of a working artificial liver. When word of this gets out, the stock price could take off, leaving unprepared investors on the platform wondering when the train left!

The news of HepaLife's progress toward an artificial liver device could break anytime soon. It's just too far along in development for it not to. When it does, a lot of people could fly to this stock when they first hear about it, which is why investing now is essential for achieving the profit goals I've defined.



***Just the mention of a working artificial liver device could be all it takes to send HepaLife's stock skyrocketing.***

HepaLife's artificial liver device may one day become the only living hope for a public health threat that will eclipse AIDS by 2010.

***I'm referring to the swelling problem of hepatitis infection in the American population, and in particular, hepatitis C.***



Public health officials are saying that hepatitis C is growing at such an alarming rate, the number of diagnosed cases in the U.S. will soon surpass the AIDS epidemic. Hepatitis C destroys livers, so in a few years, American medicine could face a devastating crisis in advanced stage liver disease.

There's more. As you know, alcoholism and drug abuse are among America's top public health challenges. Chronic alcohol use leads to cirrhosis of the liver, a disease that progressively damages the liver to the point that it ceases to function, or becomes infected with cancer.

*But here's a startling fact that few people recognize...*

***Chronic abuse of common medications, even the over-the-counter pain killer acetamenophine, can lead to serious liver problems in an aging population.***

The point to be made is that the HepaLife artificial liver device could very well be a blockbuster medical breakthrough that becomes household knowledge as surely as kidney dialysis and bypass surgery.

But all that is well down the road, and our objective is to invest profitably today. That's why I see one more thing that that tells me HepaLife has the making of a medical market miracle.

Now, if you're a little ahead of me in this, you may well be asking, "That's all well and good, Richard, but what if the final tests fail and the product never gets out?"

Glad you asked. Here's that second part of the HepaLife artificial liver device that will all but guarantee chart-busting sales!

***Pharmaceutical companies could pay a king's ransom for HepaLife's patented technology...because it could save them billions annually getting new drugs to market!***

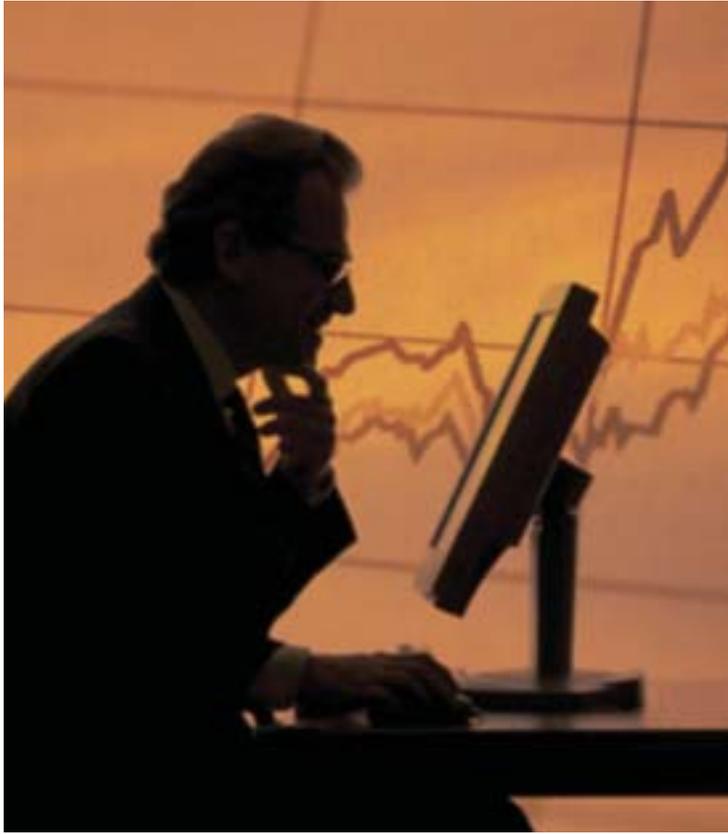
What most people don't know is that the number one reason a new drug gets dinged by the FDA (Food and Drug Administration) is liver toxicity. Most pharmaceutical companies have tens of millions invested in new drug research before a formula even comes close to a human patient. Liver toxicity is one of the last, yet crucial determinants of FDA approval.

In fact, many drugs are already known to be effective against the target disease when it is discovered but the affect on the human liver makes it unfit for medical uses.

Using HepaLife's liver cell line to simulate human liver reaction to new drugs, pharmaceutical companies could trim years of research and millions of dollars off the development costs of new drugs. This part of HepaLife's capabilities are well on their way to be proven, after which all that will remain is the marketing challenge. That should be a slam dunk.

But before HepaLife goes after this very lucrative business, it wants to cross the finish line for the world's first ever artificial human liver device.

**Since progress toward that goal is moving quickly, I strongly recommend you to consider HPLF as a stock you should have in your portfolio NOW!**



**Company:** HepaLife Technologies, Inc.  
**Symbol: OTCBB:** HPLF  
**Growth projection:** 400% 12 months  
 3,000%-4,000% long-term  
**Recommendation:** Buy Now

*Richard Schmidt's Homerun Stock Alert will teach you how to buy on the dips, sell on the spikes and build your wealth.*

*For a risk-free subscription offer, please see pages 18-19, or call 1-800-663-2185, 24 hours a day/7 days a week.*



***Homerun stocks are often milked in the first year of our investment, meaning we take some of the profits at a time when the profits are highest... then make the longer term money with zero-risk dollars!***

Breakout news can trigger rush buying of a stock that creates a surge in share prices to unsustainable levels. Near the peak, when new investors are blindly buying at any price, we're sitting on shares that have been purchased early on at half the price or better.

Stocks like HPLF have such potential, they can become so profitable so quickly, that the share price of the stock overshoots dramatically in the market rush to buy. Sometimes prices soar past a double, getting into triple, even quadruple growth ranges.

That can leave early investors in rarified air, sitting on huge profits that may continue to grow...or might correct back to a less frenzied buying level.

This is a dilemma you'll love...

As a subscriber to the Homerun Stock Alert, you not only receive timely buy recommendations, you also receive the alerts you need to make selling decisions to lock in your profits. Some subscribers simply take it all, waiting in cash for the next big Homerun buying opportunity.

## ***Here's What I Recommend You Consider Now:***

- 1.** Invest in HPLF today. Today's share price is an excellent entry point and could become another winner in our Homerun Stock portfolio. Like all Homerun Stocks, you should consider this to be an aggressive investment and limit your risk amount, typically no more than 5% of your portfolio.
- 2.** Subscribe now to the Homerun Stock Alert and begin receiving all my buy and sell alerts for stocks that fit my Homerun Stock Alert objective to double your money in 12 months or less.
- 3.** Take advantage of my low-cost, no-risk subscription offer detailed on pages 18-19. With my Best Deal offer comes 5 of my most timely Special Reports, sent as a free gift for subscribing now.

***We are about to enter what could be the greatest investing years of our adult lifetime, but they will be unlike any years you remember in recent times. Instead, 2005 will mark the beginning of a decade-long era that's...***

***A welcome return to the investment climate of the 1950s!***

Boom or Bust? Bull or Bear? Neither for now...we're walking into a reprise of the tranquil years of the Eisenhower era which I'll tell you more about in a moment...and how that will make the next 12-18 months sure fire profit makers.

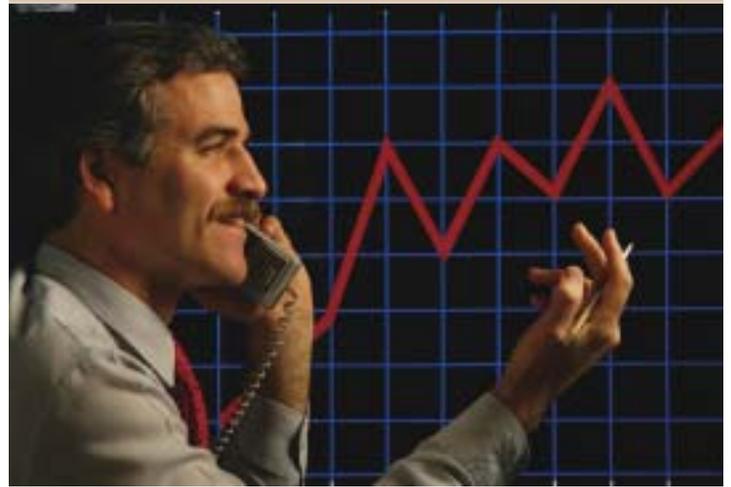
How can I draw this conclusion? Let's look at the facts. While everyone else is micro-analyzing details that could support just about any economic forecast, the big picture points to one very clear conclusion.

## ***You could enjoy GRAND SLAM GAINS with HepaLife (HPLF)***

Thanks to President Bush's brilliant strategy for invigorating our economy...now assured by his second term, we are continuing a period of low inflation, low interest rates and a sideways economy. And if you look back, you won't find any period of time where all three factors are aligned this way until you visit the 1950s.

Back then, the Eisenhower administration was at the helm of an American economy forging a solid framework for the years to come. That's where we'll find our Homerun winners, in the framework of that new economy.

The Homerun Stock Alert portfolio could be making profits for you in 2005, just like it has for subscribers in 2004.



***"Don't just make money - make a lot of money."***

***Investing in HepaLife now means your investment could grow as high as 500% in just a few months.***



***Dear Profit-Seeking Investor,***

***T***oday, you should be prepared for times that will see dramatic changes in the market ahead. Over the next 12 to 18 months, volatility in the broad markets will be coupled with soaring growth in certain sectors poised for explosive gains following the re-election of President Bush.

Positive volatility will give way to steady market growth as it did in the 1950s.

That's because the 1950s were marked by two seemingly different market dynamics. On one hand, the broad markets moved in sideways volatility. The Dow languished for years doing little to build real wealth for investors.

For mutual fund and index fund investors, these will be tough years ahead. Count your blessings if you break even.

But for those with the vision to see where the new economy is being forged, and the leaders of industry in the decades ahead are being born, the next few years will be exciting times indeed.

**1.** The stage is set for innovation and entrepreneurship to blossom as leaders of tomorrow's economy are born! Now, thanks to an accelerated pace of change, the front-running companies you invest in today should return stunning growth in a fraction of the time it took five decades ago!

**2.** Small-cap and micro-cap companies will become lifetime wealth-builders for investors who make the right plays in growth industries.

**3.** Some established companies will see a resurgence of growth as their down days pass and new glory times rise again.

**4.** Bear market pundits will eat their words, and their followers will eat their losses, as the economic stimulation of President Bush's first term take hold and reward patient investors.

***You do not want to be on the sidelines as this market gets under way. In this report, I'll tell you more about the strategies and investments we're preparing for now, beginning with:***

## ***Four Avenues for Wealth Building Over the Next 12 to 18 Months!***

Prepare yourself for triple-digit profit making in 2005 and 2006. I'll be focusing on 4 key areas of growth in the economy that will produce the majority of my Homerun winners.

Knowing what I know now about how the economy flowed in the 1950s, coupled with my understanding of the kind of companies that blossom in

that environment, I'm targeting our growth prospects in 4 key categories:

- 1. Tomorrow's Titans***
- 2. Fallen Angels***
- 3. Regulatory Stocks***
- 4. Preparing for the 2005 Market.***

*You can learn more about each of these categories by reading my series of Special Reports I'll send to you FREE with my Best Value subscription offer (that includes My 100% Money Back Triple Guarantee). First, let me tell you more about each.*



# Wealth Builder #1

## Tomorrow's Titans

As the name implies, these are the companies that will rise to market-dominating heights.

For investors today, they can become enormous profit makers. They're small, innovative and driven by the high-octane fuel of the entrepreneurial spirit. They've also latched on to something big, the right product at the right time, targeted to a market that can quickly accelerate their growth to stratospheric heights.

This is precisely where a company like HepaLife (OTCBB: HPLF) fits in. I anticipate it will be like one of many 200% to 400% growth stocks I've found for subscribers in the past.

Microsoft, Dell and McDonalds were all part of this group at one time. They start out small and unknown, then skyrocket in value. A recent addition is a company I picked in the early '90s called Komag (KOMG), a supplier of thin-film media for the computer industry.

I knew that thin film technology would be essential to the emerging computer and technology sectors, that no matter who won the computer pricing wars, they would all need and buy KOMG products. At the time, KOMG was selling at just \$2 a share. Since then, it soared past \$20!

A \$10,000 investment would have grown to \$100,000. That's a solid 1,000% gain!

There are more stocks like this to find and get in your portfolio. You'll learn how I find and pick stocks like KOMG in this free report I'll send with your subscription: Dream Stocks: How to Recognize Tomorrow's Titans Today.



Send for your  
free report  
today.  
Details on  
page 23  
A \$29 value!

The quick answer is, we've already sold...so hold on for now. There are plenty more stocks like this coming up anyway.

The current sideways trending of the market has played harsh on a number of good companies that fell out of favor on Wall Street.

In fact, my special report, Fallen Angels, Former Flyers that Will Soar Once More gets into the details of how those companies can be spotted and what separates the strong rebounders from those that hit bottom like a wet sponge.

# Wealth Builder #2

## Fallen Angels

You'd be amazed at the number of good companies that get hammered by unusual circumstances that devalue their stock. Some of these are companies that you want to find and buy at the time when their stock is suffering the most.

My experience shows that the strong companies almost always roar back with a vengeance, creating huge profits for investors in a very short time frame.

Identifying stocks at the bottom of a slump is something we have done very well with.

J.P. Morgan is a perfect example. The stock plunged to \$15.26 in October, 2002. We put the buy on in that range. It has since hit a \$43.49 high in April 2004 for a whopping 283% growth in 19 months. It's now channeling on a new base just below \$40.

If you had invested \$10,000 at the stock's low and sold at the peak, you would have \$28,300 today. Not bad!

Which begs the question, is this a buy time or a sell time?



Send for your  
free report  
today.  
Details on  
page 23  
A \$29 value!

And there are plenty of wet sponges too.

Consider the plight of all the investors that loaded up on Sun Microsystems when it plunged from \$60 to \$30! A bargain at the \$30 level? Not hardly. It bounced back up to \$35 then fell off a cliff. Right now, you can buy Sun for about \$4.50, where it's been floating for about a year.

Here's the key. To make money with a Fallen Angel, you have to know:

- Why the stock dropped in the first place. Was it a signal of a serious problem, or did investors overreact?
- How much the company is really worth. My hands-on experience is invaluable here.

• How long will the recovery take? The secret here is identifying a trigger that could propel the stock price skyward. That's usually found by sleuthing and calling company executives, something I do a lot of.

I don't have room in this report to explain all the details of this very profitable strategy we use for picking Homerun stocks. But I do want you to know more about it.

You receive a free copy of this valuable report with my Best Deal subscription offer to Homerun Stock Alert. What's more, any "fallen angels" that I have identified for a buy now will be on my Homerun Recommended Stock List right now, so you can get in on the profit makers we've spotted for today's market.

Now, here's another winner that most investors overlook.

## Wealth Builder #3

### Regulatory Stocks

Companies that are impacted by government regulations can move very quickly on changes in how they must do business.

Sometimes changes lead to soaring profits. For example:

When the Federal Trade Commission altered regulations on how the financial industry processes credit applications, investors threw their hands in the air complaining about the new cost load on lenders.

However, for every new cost, there is a new beneficiary, a company that will reap windfall sales from the changes.

Since I follow regulations carefully, I put a buy recommendation out for subscribers to buy FAIR Isac Corp. (FIC), the company that supplies the software required by the new regulations.

Within 5 months from January to May of 2003, Fair Isaac soared 132%!

In a similar situation, the Centers for Disease Control and Preventions targeted grant money to companies that could research cures for West Nile Virus. CEL-SCI (SCM) was one of the companies and my quick alert to subscribers got them on early, before Wall Street pros got on board.

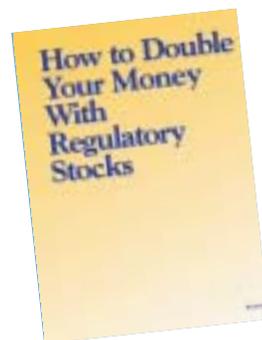
In just 5 months CEL-SCI soared 300%

When you follow the trend of upcoming regulations, it's an open door to uncover the companies that stand to benefit from change.

You can learn how to get advance notice of impending regulations, which is particularly important if you invest in any sector where you have special expertise.

Keep in mind, government regulations impact almost every business sector, so knowing how to stay in front of these changes can not only lead you to potential winners, it can get you out of stocks that may be adversely affected.

*That's why you'll want to read all the guidelines I describe in my special report: **How to Double Your Money With Regulatory Stocks. You receive a free copy of this report with my risk-free Best Deal subscription offer detailed on page 23 of this publication.***



**Send for your free report today.**  
**Details on page 23**  
**A \$29 value!**

Finally, let me tell you about a category of stock that is going to soar in the "Eisenhower" years ahead.

## Wealth Builder #4

### Preparing for the 2005 Market.

The most important report you will read from my library will be the one that few others are prepared for now: How to Prepare For The Déjà Vu Market That's Right Around The Corner.

**Here is the important point:**

**To profit in 2005 and 2006, you must be ready for the evolution to calmer markets...and the double to triple profit making opportunities that unfold over the next 12 to 18 months.**

Let me make this very clear. I'm calling this coming market the déjà vu market because it so closely parallels the market we experienced in the



1950s. That was a time very similar to now. Back then, our country was dealing with the Korean War and the Cold War...now it's Iraq and terrorism.

For a lot of advisors, the bad news is pushing their readers into the wrong investment choices. In the 1950s, despite all the fear about communism, the economy thrived! It's no different today, though things do move at a much faster pace.

## ***That's why the coming 12 to 18 months are so critical for investors to prepare for.***

During this time, you will find the biggest profits to be made...the kind of profits that will be harder to find in mid-2006 and beyond. So, you'll want to make the right choices now, especially if you are building your retirement wealth.

Other signs that are making news are also setting the stage for the déjà vu days ahead.

Let's start with prospects for inflation.

Some say we're heading for a time like the late 70s when inflation soared. For many reasons to numerous to list here,

that simply is unlikely to happen again (details are in my special report, Déjà Vu Market).

***I project we will see inflation, but it will inch it's way up from current 2% rates to 3% or less. For comparison, inflation was 2.9% at the end of Ike's first term.***

Interest rates will also stay low. Federal rates are right around the 1.5% mark, very much like the mid 1950s and they're unlikely to change that much in the near term.

***Unemployment will also continue to drop. I expect this trend to continue into the neighborhood of 4%. Even at present levels, unemployment is now lower than the 1970s, 1980s and 1990s. Again, today's unemployment is at comparable levels with the Eisenhower years.***

Finally, the Federal budget will continue to show a deficit. But because of low interest, it will not have the dire impact that the doomsayers are forecasting. They're comparing today's deficit with that of the 1970s

when interest rates were off the chart! That's apples to oranges!

What most people don't remember is that during the Eisenhower years, we had debt as well.

That's why you'll want to read this important special report, one that I'm sending free to everyone who subscribes now to the Homerun Stock Alert.

The 1950s was so long ago, few people can relate to how the market performed as an investing climate. Instead, they lock onto what they call a negative trend, project it to calamity, and have everyone that follows them running for cover.

I've researched this at length and my views are grounded in historical precedence, not present day gnashing of teeth!

That creates exceptional profit opportunities for prepared investors now. In time, the run-for-cover advisors will be proven wrong and the tide will have already reached the high water mark. By then, your profits will have built to a point that no one will have come close to matching.

To find out more about my 2005-2006 forecasts, let me send you a free copy of: How To Prepare For The Déjà Vu Market That's Right Around The Corner.

***For example, a \$50 million innovation for GE will barely make a dent in their \$33± share price. But a \$50 million innovation for a company the size of HepaLife could trigger explosive share price gains!***



**Send for  
your free  
report today.  
Details on  
page 23  
A \$29 value!**



You'll also learn more about the surprising impact that terrorism could have on the American economy and why the next few years will be unlike any other.

I know that some of the things I've told you in this report run counter to the advice that you may be hearing from others, but when you look at the market objectively and historically, the direction is clear...

**Over the next 12-18 months, you are in the very best position to double your wealth, perhaps more, if you make the right moves now.**

Right now, you may be wisely asking yourself, "What if you're wrong, Richard. What if things do start heading south?"

Good question. And for right now, I do not believe I'm off base because my Homerun Stock Alert is beating

the market in 2004 by 44% annualized. The only reason it's not doing better is because many of the picks we have now are still growing, they haven't yet peaked!

What's more, you don't want to be on the sidelines right now because we are making money and most others are not.

However, I'm a realist as well. If things start to turn the other way, be assured that as a subscriber, you'll be the first to know!

That's why my 12-year track record has beaten the market every single year. Not a single miss.

**And I'll start you out today with your first Homerun Stock pick: HepaLife (OTCBB: HPLF).**

The rest, well, I want to invite you to get the rest with a no-risk offer that guarantees you are satisfied with the forecasts and the picks you get in the Homerun Stock Alert.

If you'll take advantage of today's new subscriber offers to the Homerun Stock Alert, I'll start your subscription immediately with My 100% Money-Back Triple Guarantee. See page 18.

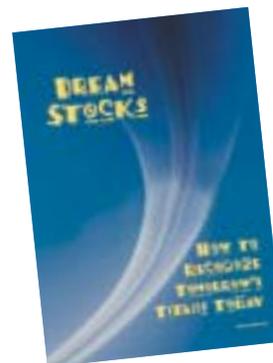
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And because quality investment advice shouldn't cost you an arm and a leg, I've priced the Homerun Stock Alert subscription very reasonably.

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A \$48 Value!**



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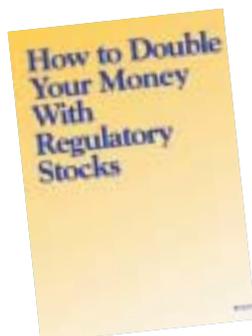
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And don't forget to consider HepLife (HPLF) for your portfolio now. In a few months, you could be thanking me to the tune of 200% or better growth!

Yours for profitable investing,

**Richard Schmidt, Editor and Publisher**  
**Homerun Stock Alert**

P.S. Remember I mentioned earlier in this report that we have a tech stock heading to the moon right now? Well, the entry point is still good, but you won't want to wait too long. If you miss this one though, I've another I'm about to publish which can get you started with two right out of the gate. With this second pick, plus HPLF in your portfolio today, you're well on the way with stocks that could double your money this year...perhaps make you wealthy in the years ahead.

Take advantage of my no-risk subscription offer to get these picks, the profit-locking sell alerts, and all the free special reports in your hands. Call now, **1-800-663-2185 (24/7)** and we can get you started right away, including your own password for immediate access to the Homerun Stock Alert website.

P.P.S. Call now and you'll also receive this 5th "Quick Reply" Bonus Report: My #1

**Growth Stock for 2005! This is a \$29 value that all my subscribers look forward to each year. Now is the perfect time to grab this winner and take off! I'll send your free copy if you call within the next 10 days.**

Our 24-hour subscription hot line is now open: **CALL 1-800-663-2185**

**When small companies turn ideas and innovation into market-breaking sales, investors get rich seemingly overnight.**

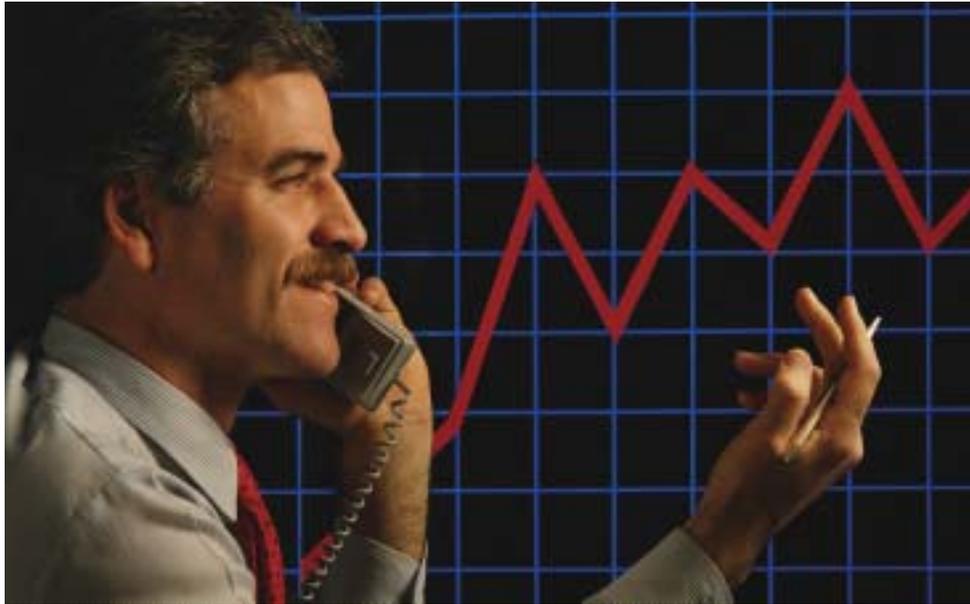
However, do not make the mistake that many innovators make, thinking that a great idea will have the world knocking at your door. Let me assure you that after years in business myself, I've learned it's not that simple. Companies with great ideas come and go. That makes investing in a good idea a crapshoot more often than not.

The companies that actually establish a foothold in the market (and make early investors rich) are the ones that not only have the great ideas, they have the resources to turn those ideas into shareholder profits. Those are the kind of companies I seek out for my Homerun Stock portfolio.

Winning companies have a number of common characteristics I look for that defy easy description. What I mean is that you can study the fundamentals, read the SEC 10Q filings, track down the market research, etc. and at the end of the day, you still don't know if the company can actually build on what it promises.

That's why I search high and low for innovators with the savvy to be the best at what they make...and the best at putting what they make into the market.

At a minimum, you can call this a gut check...but let me be clear about one



thing...it is absolutely essential for sorting through a crowded field of innovation to find those few companies that promise the richest returns for investors.

***Let me give you an example:***

***In December of 2003, I issued a buy alert for a company called TriMedia, a company that hardly anyone in the investing community knew of...so none caught on to the fact that they had just signed a contract with Sony that would shoot their share prices to the moon! In less than 3 weeks, this is what happened:***

***We invested in TMEG shares just days before it soared from \$1.01 to a high of \$2.46!***

***Subscribers to my Homerun Stock Alert newsletter who acted on my buy alert saw as much as \$1,450 profit for every \$1,000 invested, all in less than 21 days.***

***Another fluke? I don't think so. Just one month later, in January 2004, I put the alert out for Sinovac Biotech. This company was entering human trials for a very promising vaccine against SARS. You may remember this; SARS is so frightening, it literally broke Toronto tourism in 2003 when a few isolated cases were reported to public health officials. Within days of my buy alert, this is what happened:***

Many of my subscribers jumped on SNVBF shares then watched it skyrocket from \$1.72 to a high of \$6.95 within 9 weeks!

This time, subscribers who acted quickly saw as much as \$3,040 profit for every \$1,000 invested, all in less than 21 days!

I'm still getting emails thanking me for these! And remarkably, there's more...

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3. Go to [www.homerunstockalert.com](http://www.homerunstockalert.com) to view a full version of this report online.

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Reply within 10 business days, and you will receive, as a special thank you, this FREE bonus report, My #1 Growth Stock For 2005.



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Richard Schmidt

**You really have nothing to lose and everything to gain!**

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