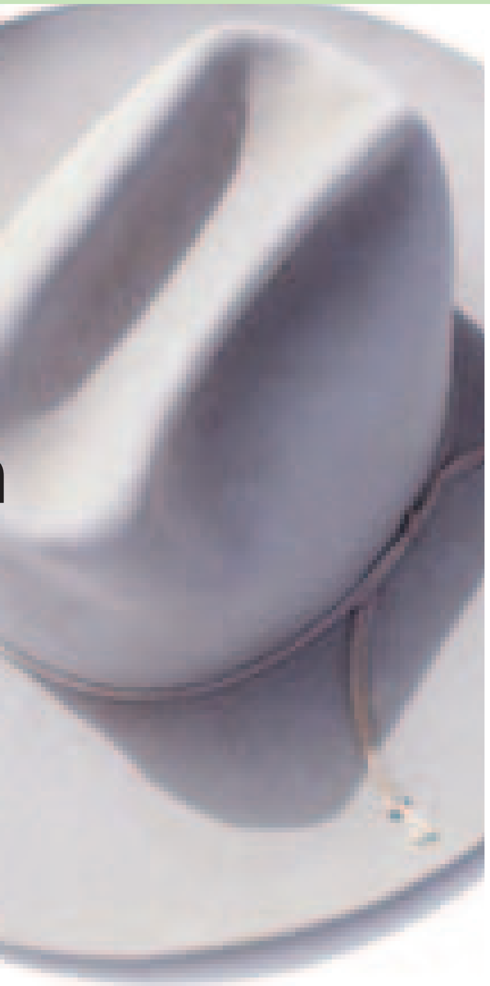
ANOTHER FORTUNE-BUILDING INVESTMENT OPPORTUNITY FROM
Richard Schmidt's
HOMERUN STOCK ALERT



Richard Schmidt:
America's most consistent investment advisor, has beaten the market every year for 12 years in a row!

This Texas company's nimble "land grab" could turn a $12 million investment into a $700 million fortune!

You can share in their success with the "Homerun Stock" revealed inside. Add it to your portfolio today and you could double your money in less than a year, just as you could have with some of my other recent recommendations:

- **TriMedia [TMEG] soared 167% in just 4 months!**
- **Sinovac Biotech [SNVBF] grew 219% in under 3 months!**
- **Stellar Technologies [SLLR] skyrocketed 248.21% in only 4 months!**

Dear Fellow Investor:

This clever little Texas company has a unique strategy for reducing the risk in oil and gas exploration. They wait for others to spend exploration money and take the chances, and then they step in to scoop up the profits.

Their techniques may infuriate the competition, but it could make shareholders ecstatic. The key to their success is… *(continued on page 3)*

FEN4040-A

Homerun Stocks are different.

They can double or triple in just a few months. But finding them requires the kind of skills acquired on the shop floor, not in an ivory tower.

Richard Schmidt has the remarkable distinction of having beaten the market every year for the past 12 years using conservative large cap stocks.

About a year ago, he expanded his recommendations to smaller companies, which turned out to be even more dynamic than his blue chip winners. For example:

- **Sinovac Biotech** (SNVBF) gained 219% in just 3 months!
- **Sonic Solutions** (SNIC) soared 275% in just 6 months!
- **Stellar Technologies** (SLLR) skyrocketed 248.21% in only 4 months!

Mr. Schmidt has dubbed these dynamic investments "Homerun Stocks." Like baseball's legendary sluggers, they either strike out or hit a home run. (Fortunately, as you'll see on page 21, his investing system gets you out of losing trades quickly.)

An investment icon's secret to success

The secret to making money with Homerun Stocks is knowing what the underlying business is really worth.

As Benjamin Graham, the father of modern securities analysis observed: *"In the short-term, the stock market is a voting machine; in the long-term, a weighing machine."*

What Graham meant was that although investor sentiment can determine a stock's day-to-day price movements, eventually the price will reflect the underlying value of the business. And who's better able to understand the true value of a business than a businessman?

Richard Schmidt, one of Graham's modern disciples, is uniquely qualified to follow in the master's footsteps.

It takes a businessman to understand business

Prior to launching his newsletter, Richard spent 30 years as an incredibly successful businessman and turnaround expert:

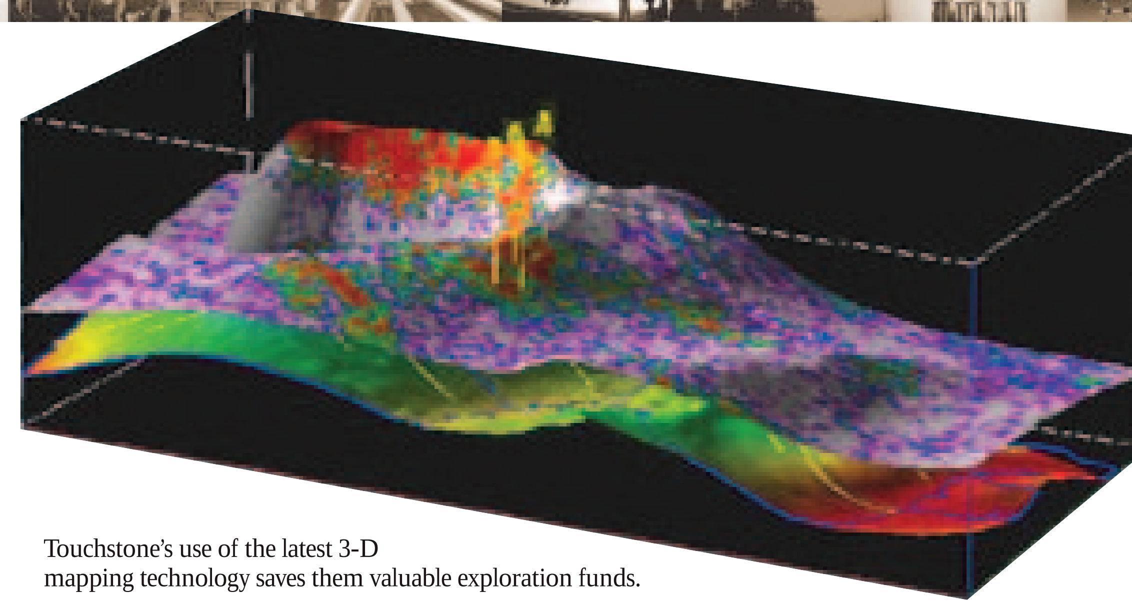
- While still in his early 20s, Richard directed a multimillion-dollar turnaround at Evans Products, a Fortune 500 company.
- As Caterpillar's youngest General Manager, he grew their Columbus, Ohio, dealership revenues from $150,000 to $3 million in one year.
- Breaking off on his own, he turned a tiny weight-loss franchise with annual sales of $60,000 into a $2.5 million-a-year juggernaut.

This real-world experience has provided Richard with a perspective that other investment advisors just don't have. He knows the ins and outs of inventory control, marketing, manufacturing technology, and all the other "everyday" tasks that go into making money in the real world.

Which probably explains why his recommendations are so much more successful than those of other newsletter writers. His latest recommendation, profiled in the following pages, looks likely to follow his prior Homerun Stock picks by doubling in value in 12 months or less.

After you've read Mr. Schmidt's insightful analysis of this promising new company (and after you've added some shares to your own portfolio), take advantage of the offer explained on page 26 to try his ***Homerun Stock Alert*** without risk or obligation.

Thanks to this special offer, you can be privy to the investing wisdom of America's most consistent investment advisor. And if that weren't enough, you'll also receive four proprietary research reports, valued at $96, absolutely FREE!



Touchstone's use of the latest 3-D mapping technology saves them valuable exploration funds.

How space-age technology and savvy local partners could turn an otherwise risky business into a potential Texas-sized herd of cash cows.

Oil and gas exploration, as you'll discover in the following pages, is one of the most profitable businesses you can imagine.

A single well, which may cost $1 million to drill, can generate annual revenues of $15 million starting in as little as 10 days.

A successful well can pay back its initial investment in as little as four months. After that, it could become a cash cow, producing profits month after month for as long as 10 years or more!

But there's a catch (as you knew there would be). You see, although oil and gas exploration can be outrageously profitable, it's also a notoriously risky business.

For starters, there's no guarantee that a company will actually hit a hydrocarbon deposit. And if they do, there's no assurance that the find will be big enough to be profitable.

The typical exploration company drills in areas where they think they'll find commercial quantities of oil and/or gas. However, Touchstone Resources USA, the company profiled in these pages, goes about things differently…

Instead of drilling where they *think* there's oil or gas, Touchstone drills in places where they *know* commercial quantities of oil or gas should exist. And the reason they know hydrocarbon deposits are there is

(continued on page 4)

Touchstone Resources USA, Inc.

Symbol:	OTCBB:TSNU
Current Price:	$1.50
One-Year Target Price:	$4.00
Recommendation:	STRONG BUY

Quick Take: A top pick for the aggressive part of your portfolio. (See page 18 for why even the most conservative investors need some aggressive stocks.) One of the best small cap oil/gas exploration companies out there because of its unique strategy for controlling risk.

(continued from page 3)

because someone else has already shelled out big bucks to find them.

Naturally, the companies that found the oil or gas in the first place aren't particularly happy when Touchstone pumps it out of the ground, but there's nothing they can do about it. These "oil patch pirates" might be outrageous, but their audacious "land grabs" are perfectly legal.

A French *faux pas* begets *beaucoup* bucks

Back in 1998, Petrofina, a Belgian company, made the first deep discovery of natural gas in an area of northern Mississippi known as the Black Warrior Basin. The initial discovery was at a depth of greater than 14,000 feet, but exploration now continues at a second, shallower horizon—which is not only much cheaper to reach when drilling, but also gives, in effect, two plays for the price of one.

Industry analysts estimate that Petrofina's discovery could produce $50,000 worth of gas *per day* from a single well! (Using a 300-day year to account for downtime, that's annual revenue of $15 million—from just one well!) A company that finds this much oil or gas would ordinarily rush to acquire leases on nearby land so they could fully exploit their discovery.

At about this time, however, Petrofina was in the process of being acquired by the French oil company, Total.

Oil & Gas 101:
Lesson 1

The industry uses the term hydrocarbon to mean any naturally occurring organic compound consisting of hydrogen and carbon. Hydrocarbons can be gases, liquids or solids.

The most common hydrocarbons are natural gas, oil, and coal. Some hydrocarbons, principally natural gas and oil, are sometimes found in close proximity.

And to make things even more complicated, the newly created TotalFina then merged with Elf Aquitaine (another French company) to form TotalFinaElf, the world's fourth-largest oil and gas company.

Because of the confusion created by the mergers, nobody at TotalFinaElf nailed down the leases on adjoining lands. In 2000, realizing their mistake, the French hired four land brokers to negotiate with property owners.

Unfortunately for the French, Touchstone and their partners grabbed some of the best leases right out from under their corporate nose. Having been tipped off by a local partner to what was happening (or not happening, to be more precise), Touchstone sent 30 land brokers to line up leases on 100,000 acres along the same geological trend.

This is just a summary of a modern-day land grab that reads like a mystery novel. For a more complete account of how Touchstone foiled the French, I urge you to send for a copy of my new Special Report called ***Petroleum Pirates & Profits: The Touchstone Story.***

I'll tell you how you can get a copy, *absolutely free*, in just a moment. But first, let's look at the numbers to see why…

Total's loss is Touchstone's gain

The folks at TotalFinaElf are undoubtedly kicking themselves for allowing Touchstone and its partners to tie up 100,000 prime acres in an area where they believe massive deposits of gas exist. That land, which constitutes between 80% and 85% of the acreage along the trend, could be a cash cow for Touchstone for years to come.

Over the course of the next six years (which is a conservative estimate of the life of this gas find), Touchstone and its partners can expect to drill between 20 and 40 wells. If they drill 32 wells at an average cost of $1.06 million per well, we would be looking at a total investment of $34 million.

Granted, that's a lot of money. But it pales in comparison to the value of the gas they could hope to recover—about $380 million at today's prices. And as we'll see shortly, those prices are likely to go up in the years ahead.

Based on the economics of the exploration industry (which we'll look at next), if Touchstone and its partners are able to complete a successful well on the Black Warrior project, its stock could soar at least 400%.

Although the Black Warrior property could be immensely profitable for the company, it's not their most promising project. In just a moment, we'll look at what could be an even bigger bonanza. But first, let me demonstrate what happens when a small cap energy company strikes oil or gas…

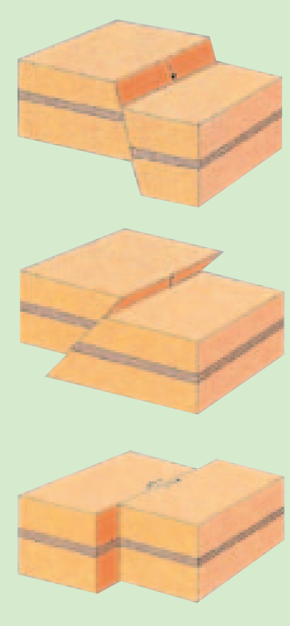
Overnight riches for savvy investors when a successful find is discovered

Because of the economics of the business, a successful well could propel the stock of a small cap energy company dramatically higher virtually overnight. For example:

- **Niko Resources** [TSX: NKO] opened at $26.10 on May 13, 2003, the day it announced a major gas find off the coast of India. A month later, it closed at $28.65, handing investors a one-month gain of **9.7% (or 116.4% on an annualized basis)**.
- **ATP Oil & Gas Corporation** [NASDAQ: ATPG] opened at $5.57 on February 10, 2004, the day it began pumping gas from a North Sea discovery. Less than a month later, it hit $6.30

(continued on page 6)

Oil & Gas 101:
Lesson 2



Top: Normal fault
Middle: Thrust or Reverse fault
Bottom: Strike-Slip fault

Common usage of the term "reservoir" to describe hydrocarbon deposits has led people to envision large underground lakes of oil and gas. In reality, hydrocarbons exist as droplets trapped in rocks that were once the bed of ancient rivers, streams, and lakes.

Over millions of years, the movement of the earth has squeezed these once-flat layers of rock, causing them to bend and buckle and, in some instances, fold back on themselves.

Oil and gas move through these layers until they hit a "fault" or break in the layer of rock layers, which can trap the oil and gas. The fields frequently align themselves in patterns referred to as "trends" or "plays."

Once a company finds oil or gas, it attempts to lease acreage along the trend so it will be able to sink multiple wells and remove as much of its find as possible.

Oil & Gas 101:
Lesson 3

The industry uses the term "reserves" a number of different ways. "Possible" reserves are hydrocarbon deposits that geologists think exist, but for which they have no actual proof.

"Proved producing" reserves are at the other end of the spectrum. These are hydrocarbon deposits that are known to exist in commercial quantities because successful wells have already been drilled and are in production.

In addition to being reported differently on a company's balance sheet, various types of reserves have different value as collateral for loans used to develop a project (or explore elsewhere).

What follows are the various types of reserves according to standard industry practice (arranged from most speculative to most definite) and the amount of money an exploration company could borrow against each:

- **Possible or provable:** No borrowing value
- **Proved undeveloped:** 10% of estimated value of discovery
- **Proved producing behind pipe:** 20%–30% of estimated value of discovery
- **Proved producing:** 70% or 80% of estimated value of discovery

To learn how various types of reserves affect Touchstone (and the price of its stock), see the new Special Report, Petroleum Pirates & Profits: The Touchstone Story. Read on to learn how to request your FREE copy.

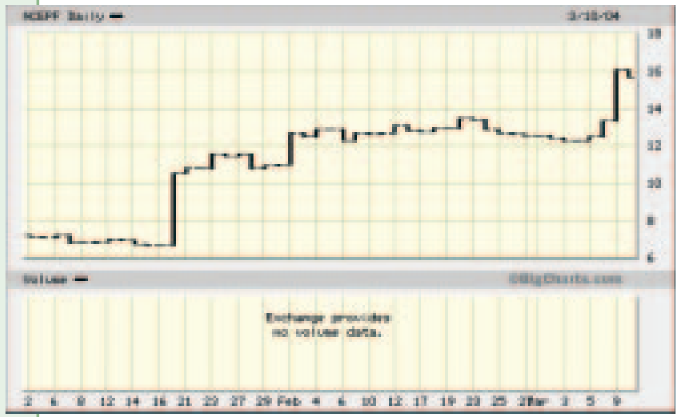
Hitting a Home Run with Touchstone

Stock price today	$1.50
Future value per share added by assuming a Black Warrior gas strike	$5.50
Future value of stock price assuming Black Warrior gas strike	$7.00
Value added by additional projects	(read on for details)
Eventual "Homerun Stock" price	(read on for details)

(continued from page 5)

—a 13.1% gain **(or more than 157% on an annualized basis)**.

- **New Cairn Energy PLC** [OTCBB: NCEPF] was trading at just over $6 in January 2004 when they announced an oil discovery in Bangladesh. The stock soared to $10, then past $12. In March they confirmed another discovery, and in a single day, the stock went from $12 to $16. Investors who got in early earned **266% in just three months**!

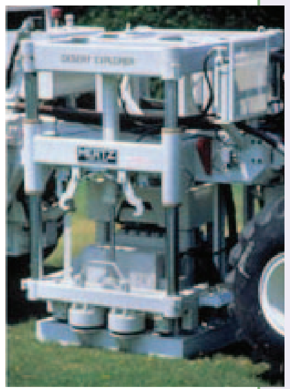


Like Touchstone, these are small cap exploration companies. But Touchstone should have an unfair advantage because it's drilling in areas where it knows hydrocarbons already exist. Moreover, it doesn't have the political or climatic uncertainties of India, Bangladesh, or the storm-tossed North Sea.

Personally, I think Touchstone will do much better than other exploration companies because of their unique risk-reduction strategy, which combines local partners with some pretty amazing technology…

X-ray vision turns oilmen into supermen

As I explained above, oil and gas moves through a trend until it hits a fault. Drill on the "right" side of a fault and you have a good chance of hitting the hydrocarbons in the fault. Drill on the "wrong" side of the fault and you'll have a dry hole.



So even though Touchstone and its partners have 100,000 prime acres along the Black Warrior trend, they can't just drill at random. Instead, they're using a technology known as 3-Dimensional (3-D) Seismic Mapping to pinpoint the best places to locate their wells.

In a nutshell, geologists generate sound waves (a form of vibration), which move through the earth. As they pass through different strata, the waves are affected or filtered in a particular way.

Upon their return to the surface, the sound waves are recorded and fed into a computer.

Using sophisticated modeling software, the computer translates this seismic data into a 3-dimensional view of what lies

(continued on page 8)

Oil & Gas 101:
Lesson 4

Geologists generate seismic energy (i.e., vibrations or sound) in a number of ways. The simplest is by detonating dynamite in holes dug in the ground.

They also use air guns, which release highly compressed air into water-filled pits (or directly into the ocean when working offshore). Another way to generate seismic energy is with truck-mounted vibrator units.

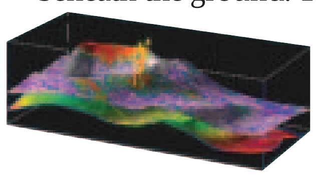
To record the seismic energy when it returns from its trip through the earth, geologists use instruments called geophones or seismometers, which can be laid on the ground or seafloor. They also use hydrophones, which can be towed behind a boat or suspended inside a water-filled hole.

For more about this fascinating technology, be sure to read the new Special Report, Petroleum Pirates & Profits: The Touchstone Story.

Read on to learn how to request your FREE copy.

(continued from page 7)

beneath the ground. This allows geologists



to see the location, characteristics, and extent of rock layers, hydrocarbon deposits, fault lines, water, etc.

Touchstone is using this technology on all five of its projects in an effort to further reduce risk even though one of those projects (which we'll look at momentarily) has such an abundance of gas that the technology isn't even needed.

But before we get to that project, let's look at one in which this amazing technology has played a crucial role…

Touchstone's "Louisiana Purchase"

There's a treasure in the Gulf of Mexico, off the coast of Louisiana. It's not gold from a sunken Spanish treasure galleon, but something far more valuable—a huge hydrocarbon reservoir.

The major oil and gas companies discovered this immense reservoir back in the 1950s. But even the largest international companies don't have enough money to lease thousands of square miles of open water.

Touchstone and its partners cleverly leased 3,500 acres adjacent to and, in at least one instance, smack dab in the middle of, producing oil and gas fields. Now they're using a super-sophisticated version of the 3-D technology we just looked at to tap these proven reservoirs from their own property.

- Touchstone and its partners are drilling a 13,500-foot well in the midst of seven producing wells. This well could attempt to develop proved undeveloped reserves.

Hitting a Home Run with Touchstone

Stock price today	$1.50
Future value per share added by assuming a Black Warrior gas strike	$5.50
Future value per share added by assuming a Louisiana Purchase gas strike	$2.00
Future stock price assuming gas strike in both Black Warrior and Louisiana Purchase	$9.00
Value added by additional projects	(read on for details)
Eventual "Homerun Stock" price	(read on for details)

As we saw on page 6, proved reserves are valued more highly than unproved reserves.

- Within the next two months, Touchstone and its partners will drill a well into the same trend that has already produced over 225 billion cubic feet of natural gas.

Is there risk? Of course, but it's the type of risk I can live with.

In both cases, Touchstone and its partners will be operating in only 10 to 35 feet of water, avoiding the cost and risk associated with deep-water drilling.

To develop these properties, Touchstone plans to invest $10 million, much of which could come from bank loans if unproved reserves become proved reserves on their balance sheet. They estimate that their Louisiana Purchase could generate profits of $110 million over 10 years—in effect, turning every dollar invested into eleven dollars.

Abandoned geologists get revenge (and Touchstone gets a windfall)

From the air, the city of Wharton, Texas, appears to be just another small town like the hundreds of others that dot the Texas countryside. But beneath the lands surrounding this town of 9,200 lies a vast storehouse of mineral wealth that has made millions for the major oil companies for half a century.

Back in the mid-1980s, however, Wharton County started to change. The majors began to pull out of the area, selling off their wells to smaller operators or, in some instances, just shutting them down.

This happened primarily because these mature fields, although still generating plenty of cash, were "unprofitable" to the majors according to their standardized industry accounting practices.

The major's pullout from Wharton County resulted in wave after wave of layoffs. Some of the people who found themselves out of work had been in the business for decades and either couldn't or wouldn't move to a different area or a different line of work.

Two former employees of a major oil company approached Touchstone and offered a lifetime of experience…plus information of incalculable value.

In addition to knowing Wharton County like the back of their hand, these guys were privy to techniques and technology not

(continued on page 10)

Here's how to invest in Touchstone Resources

- Go online or call your discount broker to invest in Touchstone Resources [OTCBB:TSNU].
- Go to my website: (www.homerunwinner.com) for more information about Touchstone.
- Read my newsletter, ***Homerun Stock Alert***, for more recommendations like Touchstone.

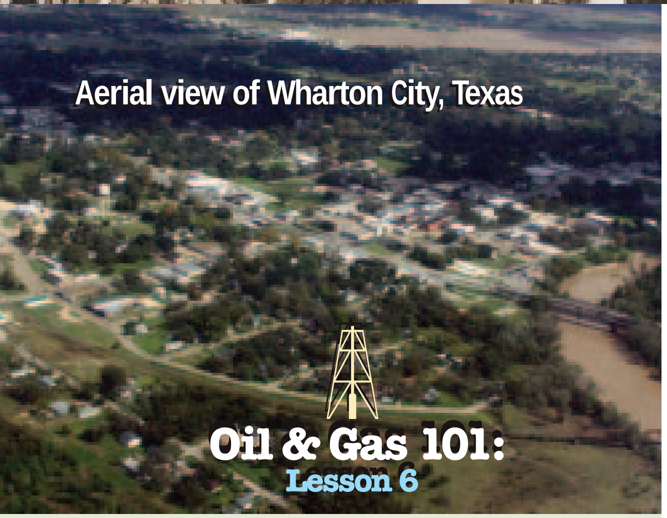
Oil & Gas 101:
Lesson 5

At one time, oil and gas wells were vertical shafts sunk straight down into the earth. But thanks to technological advances, drillers are now able to drill what are called directional wells in which a shaft is sunk vertically for a given distance.

Then, the drill head, which is mounted on a joint similar to the human wrist, is rotated and drilling continues. The resultant shaft deviates from the vertical, allowing the driller to, in essence, drill sideways.

If the shaft deviates 90 degrees, it is referred to as a horizontal well. Because a horizontal well usually penetrates a greater length of the hydrocarbon reservoir, it can be more efficient than a vertical well.

To learn how Touchstone utilizes directional drilling in its operations, see the new Special Report, Petroleum Pirates & Profits: The Touchstone Story. Read on to learn how to request your FREE copy.



Aerial view of Wharton City, Texas

Oil & Gas 101:
Lesson 6

Accounting rules require oil and gas companies to apportion their overhead to all wells in operation during that time period. These rules don't have much impact on smaller companies with limited overhead.

But they have a significant impact on the major oil companies with expensive home offices, corporate jets, and thousands of corporate employees.

Because of these accounting rules, a well can have a positive cash flow but still be considered "unprofitable" on paper.

And since executives of publicly held corporations often have incentive compensation linked to the company's "profitability," these "unprofitable" wells are sold or closed as soon as possible.

Because of these accounting rules, the major oil and gas companies have almost completely stopped exploring for hydrocarbons in the continental United States, opening the door for smaller companies like Touchstone.

To learn more request your free copy of Petroleum Pirates & Profits: The Touchstone Story.

(continued from page 9)

used by the industry at large. I can't reveal this proprietary technology here, but you'll find (a few) more details in your free Special Report, ***Petroleum Pirates & Profits: The Touchstone Story.***

As a result of this partnership, Touchstone has leases on approximately 1,100 acres adjacent to land where a big energy company has already extracted more than 100 billion cubic feet (bcf) of natural gas and several million barrels of oil.

Two other companies have just found significant hydrocarbons approximately a mile both to the east and to the west of Touchstone's leases.

Hitting a Home Run with Touchstone

Stock price today	$1.50
Future value per share added by assuming a Black Warrior gas strike	$5.50
Future value per share added by assuming a Louisiana Purchase gas strike	$2.00
Future value per share added by assuming a Wharton County gas strike	$2.00
Expected stock price after Black Warrior, Louisiana Purchase and Wharton County	$11.00
Value added by additional projects	(read on for details)
Eventual "Homerun Stock" price	(read on for details)

As with the Louisiana project explained above, Touchstone has prime acreage located between two known hydrocarbon deposits. They anticipate drilling 3 to 5 wells, which could produce profits of $60 to $100 million.

Touchstone milks the majors' last cash cow…Ole'!

The Vicksburg trend is an oil-rich area that runs from southern Texas to north-eastern Mexico. It's sometimes referred to as the major oil companies' last cash cow in the continental United States.

Until recently, the majors have operated wells in this area, but are now in the process of pulling out, as they have in Wharton County and elsewhere around the country. *(See Lesson 6 on the far left of this spread for the economics behind this.)*

As with its Wharton County project that we just looked at, Touchstone got involved in the Vicksburg trend by partnering with an individual who had worked for one of the large oil companies with extensive experience and relationships in the area.

As a result of this partnership, Touchstone now finds itself the proud part owner of leases on more than 4,000 acres, much of it surrounded by areas still operated by larger oil companies.

Touchstone and its partners have already drilled two wells on this acreage that are both producing gas at significant commercial rates. They plan to drill up to an additional 30 wells that they estimate could produce 140 bcf of natural gas, which would be worth $700 million at today's prices.

When you read your Free Special Report, ***Petroleum Pirates & Profits: The Touchstone Story,*** you'll discover the two reasons our intrepid pirates of the oil patch managed to tie up these valuable leases…

1. Instead of using out-of-town land brokers to negotiate leases with landowners, Touchstone granted broad authority to its brokers to make final decisions on the ground in front of the landowners themselves.

2. Touchstone's lease negotiators could not only speak the language of oil, they could speak Spanish…the native tongue of the area's predominantly Hispanic landowners.

As Wes Franklin, Touchstone's executive vice president, put it, "The other landmen may have had MBAs, but ours drank tequila with the landowners."

Hitting a Home Run with Touchstone

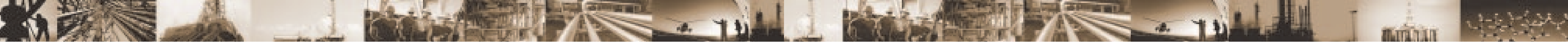
Stock price today	$1.50
Future value per share added by assuming a Black Warrior gas strike	$5.50
Future value per share added by assuming a Louisiana Purchase gas strike	$2.00
Future value per share added by assuming a Wharton County gas strike	$2.00
Future value per share added by assuming a Vicksburg gas strike	$0.50
Expected stock price after Black Warrior, Louisiana Purchase, Wharton County, and Vicksburg	$11.50
Value added by additional projects	(read on for details)
Eventual "Homerun Stock" price	(read on for details)

Sad Saudis and Touchstone's Taranaki Basin

Mention the word "oil" and two countries immediately come to mind: Saudi Arabia and Texas. (Yes, I know Texas isn't a country, but try telling that to a Texan.)

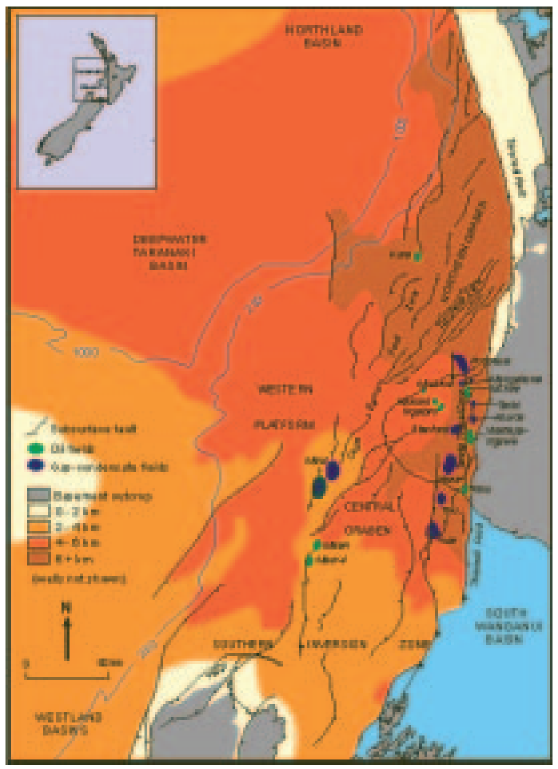
What few people realize is that one of the

(continued on page 12)



(continued from page 11)
world's largest hydrocarbon deposits is half a world away from the Middle East in New Zealand's Taranaki Basin.

What makes New Zealand so unique is the fact that its oil and gas deposits are virtually untouched. Over the years, the Kiwis have imported most of their energy needs, leaving their vast domestic oil and gas deposits in the ground.



New Zealand: Like Texas 50 years ago.

Drilling in New Zealand is like drilling in Texas 50 years ago. There are huge structures of oil and gas, but a total of only about 200 wells have been drilled in the entire country in its history.

Compare this with the estimated 500,000 wells that have been drilled in Texas or the large reservoirs that have already been drilled in Saudi Arabia and you begin to get a picture of New Zealand's tremendous potential.

Hitting a Home Run with Touchstone

Stock price today	$1.50
Future value per share added by assuming a Black Warrior gas strike	$5.50
Future value per share added by assuming a Louisiana Purchase gas strike	$2.00
Future value per share added by assuming a Wharton County gas strike	$2.00
Future value per share added by assuming a Vicksburg gas strike	$0.50
Future value per share added by assuming a Taranaki Basin gas strike	$2.50
Eventual "Homerun Stock" price	$14.00

Touchstone has partnered with a local company that has the technology, the contacts, and leases on over 2 million prime acres—everything needed for enormous success except for cold hard cash.

As you'll discover in your free Special Report, ***Petroleum Pirates & Profits: The Touchstone Story,*** Touchstone supplied the cash in exchange for an 8% interest in an operation that could be worth $130 million to Touchstone when it's in full swing.

Touchstone's stock could take off like a rocket if any one of the five projects profiled in these pages works out as planned. If all five succeed, you're looking at the potential for a stunning 1,000% gain!

But, of course, profits of that magnitude don't come without risk. What makes Touchstone so unique is the fact that they've actively taken steps to minimize that risk.

Touchstone's formula for reducing risk

- Instead of concentrating in just one area, Touchstone has a portfolio of five different properties, diversifying risk across a wide geographic spectrum.
- On all of their projects, Touchstone has teamed up with savvy local partners who not only split the risk, but provide capital, manpower, and know-how.
- Their staff has a combined experience of more than 100 years in the oil business, having spent much of that time with

(continued on page 14)

Will the Saudis strike out?

For more than half a century, Saudi Arabia has been the world's largest oil producer. But the kingdom's oil fields are in decline, prompting many experts in government and industry to question whether production can continue at its present pace, much less at the level that will be needed to satisfy future demand.

At present, Saudi Aramco, the state-owned oil company, pumps approximately 10 million barrels per day, most of it from Ghawar, the world's largest oil field. Standard procedure at Ghawar (and other Saudi fields) is to inject seawater into the field to help move the oil to the surface.

Over time, however, the proportion of seawater to oil increases until it reaches a point where it's no longer economical to extract the oil from the oil/water mixture. Because of increasing difficulties in managing the seawater, the Ghawar fields are becoming "very costly to maintain," according to one Saudi oil official.

Adding to the problem is that the injection of seawater causes the field to become unstable, increasing the likelihood of a collapse.

Production at Ghawar and other mature Saudi oil fields is declining at about 8% per year. In public, Saudi oil executives are optimistic about their ability to supply the world's oil needs. But in private, officials are less confident.

"We don't see us as the ones making sure the oil is there for the rest of the world," one senior executive said in an interview. And at an oil conference in 2002, Sadad al-Husseini, Saudi Aramco's leading geologist, warned that "natural declines in existing capacity are real and must be replaced."

Edward O. Price Jr., a former top Saudi Aramco and Chevron executive says, "the world should not expect more from the Saudis." He expects global oil markets to be in short supply by 2015.

While that's bad news for everyone who uses oil, it's good news for companies like Touchstone, which could see their profits soar as oil prices escalate.

To learn more request your free copy of Petroleum Pirates & Profits: The Touchstone Story.

(continued from page 13)

some of the world's largest oil and gas companies.

- Touchstone doesn't have the many layers of decision-making like the major oil companies so they can act and react quickly to any opportunities or problems that may arise.
- They use cutting-edge technology like 3-D seismic mapping to greatly increase their chances of finding oil and gas.
- When drilling offshore, they stick to areas where the water is shallow, leaving the more expensive, riskier, deep-water operations to others.
- Most importantly, they don't waste time and money chasing after oil and gas that *might* be there. Instead they concentrate on properties where they *know* hydrocarbon deposits should exist.

Touchstone has managed to reduce the risk of the exploration business while keeping the profit potential. It's the investment equivalent of having your cake and eating it, too.

But bear in mind that the numbers we're working with here are based on super-conservative oil and gas prices. For example, I'm using $25 a barrel for oil instead of the $38 price for oil futures in effect as I write this. Most experts are convinced that higher prices are right around the corner…

Energy crisis ahead?

Converted communists, a despicable despot, and Saudi sheiks may appear to have little in common. But this trio could have a major impact on world oil markets in the years ahead.

The converted communists in this evolving saga are the inhabitants of the People's Republic of China—all 1.3 billion of them. The despot is Hugo Chavez, the leader of Venezuela. And the Saudis…well, you know all too well who they are.

China is quietly becoming one of the world's fastest-growing markets for oil and gas. The Chinese economy is growing enormously, and it needs ever-increasing supplies of energy to keep its industrial and civilian infrastructure in operation.

Auto sales in China for January and February 2004 rose 60% over the same period in 2003! Add this demand to the requirements of China's manufacturing sector, and it's easy to see why economists estimate that China's oil demands will soar.

The law of supply and demand dictates

(continued on page 16)

Touchstone's executives have 146 years of combined experience in the oil and gas business!

Stephen Harrington, Chairman and CEO, has over 3 years of industry experience, most recently as the Chairman and CEO of Continental Southern Resources, an OTC-listed exploration and production company. During the time he was at the helm of Continental, the company's market cap increased from approximately $20 million to over $250 million.

Mark Bush, President, has over 20 years of experience in all phases of oil and gas exploration. He began his career as a Land Manager at Lawless Energy in Midland, Texas, in 1983. He was responsible for obtaining leases and managing well activity for the company's Permian Basin operations.

In 1988, Mr. Bush founded the first of several successful independent oil and gas exploration and development companies.

He has explored for hydrocarbons all over the world, from the Middle East to the Far East. In addition to serving as Touchstone's president, Mr. Bush is a member of the Management Board of APICO, a limited partnership that has holdings in Thailand of over 2 million acres. He attended Texas Tech University.

Wes Franklin, Executive Vice President, has over 34 years of experience in the E & P segment of the petroleum industry. Mr. Franklin spent over 16 years in senior management positions at Tenneco Oil Company and Fina Oil and Chemical Company before joining Touchstone.

Mr. Franklin has a B.S. in Geology from Washington State University and an M.S. in Geology from Oregon State University. He is a registered geologist with both the state of Washington and the American Association of Petroleum Geologists.

Chris Barden, Vice President of Drilling and Production, has 28 years of engineering experience. He has held engineering and executive positions with a number of companies, starting with Amoco. In recent years, Mr. Barden has directed the drilling of wells in a variety of difficult conditions in places as diverse as Texas, Kazakhstan, Thailand and New Zealand.

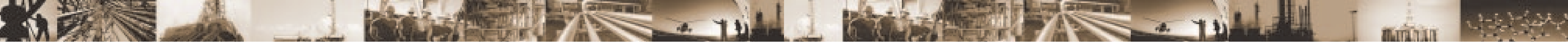
A graduate of Auburn University with a B.S. in Chemical Engineering, he is a Registered Professional Engineer in Louisiana and a member of the Society of Petroleum Engineers (SPE).

Randall Salge, Vice President of Engineering, has 32 years of experience in all phases of oil and gas exploration and production operations. During his career, he has worked as a petroleum engineer for Amoco and has held a number of engineering and management positions at TotalFinaElf and its predecessor companies.

Although Mr. Salge has worked on projects around the world, he is regarded as one of the most knowledgeable experts on drilling in Texas, Louisiana, and Mississippi. A member of the Society of Petroleum Engineers for 32 years, he holds a B.S. in Chemical Engineering from Texas A&I University.

Bill Rieniets, Vice President of Exploration, has over 29 years of experience in oil and gas exploration and exploitation geosciences. Mr. Rieniets began his career running seismic field crews in Louisiana and the Texas Gulf Coast region. He then spent 10 years at Tenneco, in a variety of positions, including Senior Exploration Geophysicist.

After a stint at two regional exploration companies, he became a private consultant and earned a reputation as a master of new seismic technologies, including 3-D seismic mapping. Mr. Rieniets graduated from Nicholls State University with a B.S. in Geology.



"I can't believe where my portfolio is today. Like many investors, I was nervous as prices were tumbling.

But I took to heart your advice and…in just 90 days, my portfolio increased in value by 100%!" —***Randy Warren,*** *California*

(continued from page 15)

that China's growing energy requirements will cause oil and natural gas prices to escalate in the years ahead. And those price increases are likely to be exacerbated by any reduction in supply.

That's where Venezuela and the Saudis come into play…

Nature's cruel irony (and its impact on your finances)

It's ironic that some of the world's biggest hydrocarbon deposits are located in countries that are among the most unstable.

Venezuela is a prime example. It's the world's sixth largest supplier of oil, pumping 1,100 billion barrels per year (roughly 8% of the world's supply).

The country is in a state of chaos, thanks to the Marxist policies of Hugo Chavez, its populist president. His attempt to take over the country's oil industry has led to social strife, which is crippling oil production.

As you'll discover in your free Special Report, ***Petroleum Pirates & Profits: The Touchstone Story,*** the situation in Venezuela is much worse than most people realize.

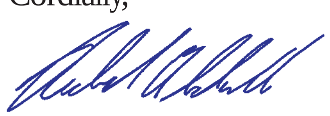
As for Saudi Arabia, as we saw on page 12, their oil fields are in decline. In addition, continued unrest in the aftermath of 9/11 and the War on Terrorism raises the possibility of supply interruptions like the Arab Oil Embargo of the 1970s.

So, between reduced supplies from major producers and vastly increased demand by China, there's a good possibility that oil and gas prices will increase in the years ahead.

If that happens, it will be bad news for American consumers…but good news for Touchstone shareholders, who could see the stock soar even more.

Unless you plan to live in a cave, there's no way you can resign your status as a consumer. But what you can do is become a Touchstone shareholder and let rising energy prices put money *into* your pocket.

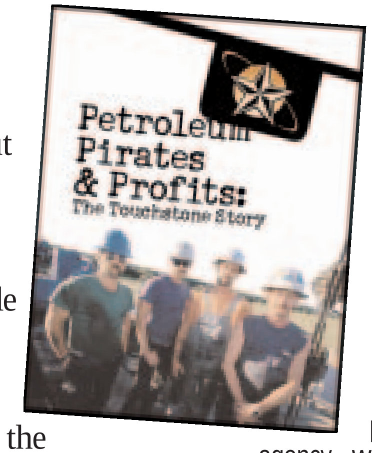
Cordially,



Richard Schmidt, Editor & Publisher
Homerun Stock Alert

P.S. In the limited space available here, I've tried to give you an overview of Touchstone's unique strategy for reducing risk by drilling in areas where they know oil and gas should exist rather than in places where they think hydrocarbons should be.

But what I've presented here is just the tip of the iceberg. I encourage you to send for a FREE copy of my new Special Report ***Petroleum Pirates & Profits: The Touchstone Story***, which provides an exhaustive analysis of this company, including:



- Geological details about each of its five projects, with projected drilling depths, estimated reserves, and a timetable for exploration and recovery.
- A spreadsheet showing the financial details for each project, with estimated investment, costs, profits, etc.
- Ten-year cash flow projections (wait 'till you see the numbers!).
- The behind-the-scenes story of how Touchstone managed to acquire its leases…often right from under the nose of much larger competitors. (This section reads more like a paperback thriller than a company analysis!)
- An eye-opening analysis of today's oil and gas market and what's likely to happen in the years ahead. (Trust me, this is NOT what you read in the newspapers.)

See page 27 to learn how you can receive a complimentary copy of this proprietary report.

"Just four words say it all for your investment service: SOLID MONEY-MAKING ADVICE!!" —***J.S.,*** *stockbroker, Dublin, Ohio*

If you liked Ike, thought hula hoops were "cool" and considered building a backyard bomb shelter, you're going to love what lies ahead…

Get ready to revisit the 1950s!

I wasn't trading Homerun Stocks in the 1950s. But if I had, I no doubt would have racked up some impressive profits. Ditto for every other decade since then.

That's because stocks like Touchstone (profiled in the article beginning on page 3) are capable of generating truly incredible profits, regardless of what the rest of the market is doing.

But for reasons that I'll explain momentarily, the biggest profits are likely to be made in the next 18 to 24 months. Once this window of opportunity closes, America's economy (and markets) will revert to something very close to what we experienced during the Eisenhower administration of the 1950s.

Welcome to the "Déjà vu Market"!

The old saying, "the more things change, the more they stay the same," is about to be played out in the American economy. According to my research, once we get past the next 18–24 month period:

- **Inflation**, currently running at 1.9%, will slowly creep up to somewhere between 2.8% and 3.0%. By comparison, in December 1956, at the end of Ike's first term, inflation was 2.9%.
- **Interest rates** will remain relatively low, with the federal funds rate hovering between 1.95% and 2.75%—on a par with the 2.48% rate that was in effect at the end of 1955.
- **The federal budget** will show a deficit during Bush's second term, just as it did during most years of the Eisenhower administration. But because this debt will carry historically low interest rates, it won't have the dire impact many pundits are predicting.
- **Unemployment** will continue to drop, reaching a level comparable to the 4.2% rate that prevailed in December of both 1955 and 1956.

This last point is particularly interesting in view of the pronouncements by some of the "experts" that we're experiencing a so-called "jobless recovery."

The doomsayers are wrong again!

As I explain more fully in my new research report, ***How to Prepare for the "Déjà vu Market" that's Right Around the Corner*** (which I'll tell you more about in just a moment) people who make dire predictions about America's economy are consistently wrong.

The professional doomsayers are wrong for many reasons, not the least of which is an inability to put things in context. To illustrate my point, take a look at *Figure 1*, which shows the unemployment rate from 1993 to the present.

Figure 1
10-Year Unemployment Rate in January, 1993 – 2003

The doomsayers use this chart to argue that after dropping from 7% back in 1993, the unemployment rate is heading back up. "We're having a jobless recovery," they cry. "The country is losing jobs to places like China and India," they intone during interviews on CNBC.

But take a look at the next chart, *Figure 2*, which covers the period from 1950 to the present. When you look at the long term, our current unemployment rate not only doesn't look too bad, it appears to be pretty darned good.

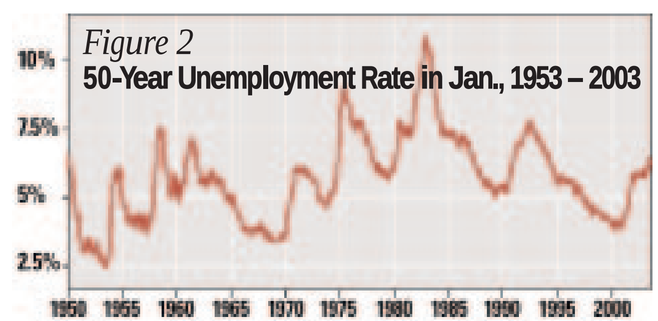


Figure 2
50-Year Unemployment Rate in Jan., 1953 – 2003

Unemployment, interest rates, productivity, deficits, and virtually every other economic variable are far more cyclical than most people realize.

After we finish unwinding the excesses of the market bubble of the late 1990s (which will take a couple of years), we'll revert to an economy strikingly similar to the one we had in the 1950s.

Ignore the doomsayers who proclaim "this time things are different." Instead, read ***How to Prepare for the "Déjà vu Market" that's Right Around the Corner***. When you're finished, you'll have a better understanding of our economy and stock market than the "experts" who spend more time doing interviews than conducting research.

"But, Richard," you probably want to ask, "how can we have an Eisenhower-era economy with the constant threat of terrorism hanging over our heads?"

Prosperity amid turmoil

We look back on the 1950s with nostalgia, but we sometimes forget that during those years, America faced—and overcame—formidable challenges that were every bit as daunting as those facing us today.

We fought a war in Korea that claimed over 33,600 American lives. We were also engaged in a so-called Cold War that had some uncanny parallels to our current War on Terrorism.

Today, we have a new Department of Homeland Security, airport screenings, and the Patriot Act. Back in the '50s, school children were taught to "duck and cover," and people built fallout shelters in their backyards.

Like the War on Terrorism, the Cold War cost money. Most of us have probably forgotten that Eisenhower, the champion of "Moderate Republicanism," ran a federal budget deficit five of his eight years in office.

Despite the turmoil of the 1950s, which had as great an impact as the threat of terrorism today, our economy not only

(continued on page 20)

(continued from page 19)

survived, but thrived. Terrorists may harm our economy, but they won't destroy it, regardless of what the doomsayers may say.

As this fact sinks in and the economy begins to resemble the one we had during the Eisenhower era, the stock market will undergo a remarkable transformation…

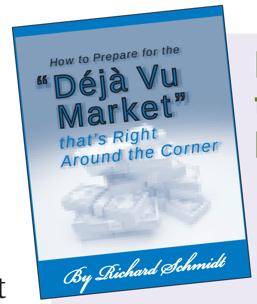
What the "Déjà vu Market" will mean to your finances

The economy and the stock market are inextricably linked, though not in the way most people think. (You'll understand what I mean by this when you read ***How to Prepare for the "Déjà vu Market" that's Right Around the Corner.)***

As the economy begins to resemble the one we had in the 1950s, the market will follow suit:

- P/E ratios will become more normalized, allowing investors to once again use this key ratio to make decisions about a company's value.
- Spectacular advances and declines will be replaced by a series of moderate advances, followed by gentle corrections.
- Today's technology stocks will start to behave more like manufacturing companies (which, in some respects, is what they really are).
- A new generation of technology companies with vastly different attributes will burst on the scene, in much the same way Xerox and IBM came to prominence in the 1950s.

This is just a summary of what lies ahead. For a more comprehensive description—complete with a step-by-step plan to prepare your finances for this new market environment—I urge you to send for a free copy of ***How to Prepare for the "Déjà vu Market" that's Right Around the Corner***. Read on to learn how to request your complimentary copy.



How to Prepare for the "Déjà vu Market" that's Right Around the Corner

HIGHLIGHTS: The big picture the "experts" can't see ● Why budget deficits won't cause an economic Armageddon ● The real impact terrorism will have on the American economy ● What employment figures really mean for the economy and the markets ● Why the next 24 to 36 months will be unlike anytime in market history ● Four "safe" investments to sell immediately ● New stock-picking parameters for a new market ● How much are dividends really worth? ● And much, much more...a $19 value!!

One final point: the transition to this calmer, more traditional market won't happen overnight. It will take 18 to 24 months to wring out the excesses created by the market bubble of the late 1990s. It's during this window of opportunity that you'll have your best chance to…

Double Your Money
in months instead of years!

The roughly two years before the "Déjà vu Market" kicks in, will be an unsettling time for investors. Daily triple-digit swings in the Dow will become commonplace. Old patterns of sector rotation will be accelerated.

Yet, amid this volatility, new opportunities will arise. History tells us that the greatest stock market fortunes are typically made during turbulent times.

But you need to act *now* since this volatility will only last for a couple of years. After that, we'll be back in the "Déjà vu Market" described in your free report. And for the reasons I explain in that report, once this tranquil market begins, it will stay with us for at least a decade.

I urge you to take advantage of this window of opportunity by committing a small portion of your capital to what I call "Homerun Stocks." These are investments that, like baseball's legendary sluggers, either strike out or hit the ball out of the park.

With Homerun Stocks you can expect to lose a small amount on some of your trades, make a small amount on others, and make truly staggering profits on the rest. In the end, you should end up with a triple-digit gain for that portion of your portfolio invested in Homerun Stocks.

Let me use some of my recent recommendations to illustrate the math:

Stock	Symbol	Percentage Gain or Loss	Avg. Return
TriMedia	TMEG	167.00	
Stellar Technologies	SLLR	248.21	171.12%
Secure Computing Corp.	SCUR	98.15	
palmOne Inc.	PLMO	27.88	
GTSI Corp.	GTSI	17.60	15.8%
E*TRADE FINANCIAL Corp.	ET	1.92	
Summit America Television	SATH	(2.00)	
Gartner, Inc.	IT	(27.27)	(19.48%)
ScanSoft, Inc.	SSFT	(29.18)	

As you can see, the top three stocks hit a home run, returning an average of 171.12%. The next three had an average gain of 15.8%, the investing equivalent of a base hit. The last three stocks struck out, generating an average loss of 19.48%.

As a whole, the overall portfolio gained a 33.85% return. But because we held some of these stocks for just a couple of months, that 33.85% return is <u>well in excess of 100% on an annualized basis</u>!

5 routes to triple-digit profits

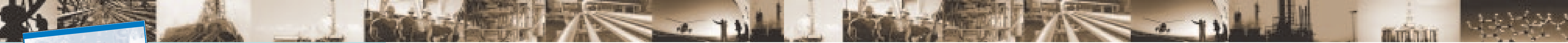
Where do I find stocks that have the ability to produce returns of this magnitude? I know from experience that the vast majority will come from five distinct categories.

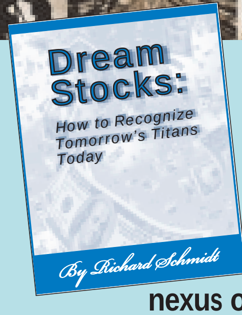
1. Tomorrow's Titans
2. Fallen Angels
3. Regulatory Stocks
4. Crucial Resource Stocks
5. Alternative Technology Stocks

Tomorrow's Titans are small, innovative firms that few people have heard about. But because they have the right product at the right price at the right time, they're destined to become major players in the years ahead.

Microsoft, Dell, and McDonald's were all part of this group at one time. A more recent member is a company called Komag (KOMG), a supplier of thin-film media for the computer industry. I recommended the stock

(continued on page 22)





Dream Stocks: How to Recognize Tomorrow's Titans Today

HIGHLIGHTS: **The hidden nexus of growth, profits, and market share ● Why being first is not always best ● Three built-in safeguards to ensure you're not buying too soon ● The 7 industries likely to produce tomorrow's biggest winners ● How a simple ratio can help you spot a future superstar ● And much, much more...a $29-value!!**

(continued from page 21)

midway through 2002 when it was trading at just $2 a share. A year later it had soared past $20!

A $10,000 investment would have grown to $100,000! That's 1,000% growth in about a year!

If you'd like to know more about how I go about finding Tomorrow's Titans like Komag, I invite you to send for a complimentary copy of my new proprietary research report called ***Dream Stocks: How to Recognize Tomorrow's Titans Today***.

I'll tell you how to request your free copy momentarily, But first, let's look at the second type of stock that has the potential to double in a year or less…

Big bucks in turnarounds

As you saw on page 2, I'm not your typical investment newsletter editor. I know how to identify a good business because of the experience I gained on the shop floor rather than in an ivory tower.

My extensive hands-on experience as a business turnaround expert allows me to tell pretty quickly whether or not a business has what it takes to make a comeback from adversity.

This expertise allows me to make incredible profits from stocks I refer to as "Fallen Angels." These are stocks that suffer a temporary price drop, but come roaring back with a vengeance in a short time.

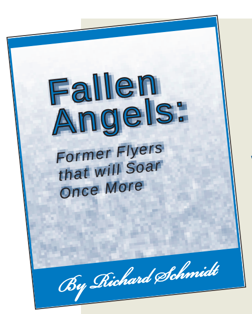
J.P. Morgan Chase (JPM) is a perfect example. Since its 2001 high, the stock dropped 75% to $15 in October of 2002. But since then, shares have rebounded to $41.

If you had invested $10,000 at the stock's low, you would have $27,333 today—173% growth!

To make money with Fallen Angels, you need to know:

- Why the stock dropped in the first place. (Does the price drop signal serious problems or have investors overreacted?)
- How much the stock is really worth. (My hands-on experience is invaluable here!)
- How long it's likely to take for the price to recover. (The secret is being able to identify a "trigger" that will propel the stock price skyward.)

Believe me, the ivory tower experts who deal in pieces of paper instead of businesses, don't have a chance at separating the potential winners from the dogs.



Fallen Angels: Former Flyers that will Soar Once More

HIGHLIGHTS: **Three basic reasons stocks plummet ● How to judge a company's intrinsic worth in five minutes or less ● The key tip-off that a stock's decline isn't over ● What insider transactions really tell you about a stock's price ● How to identify "triggers" that will propel a stock's price upward ● And much, much more...a $29-value!!**

Just ask all the investors who followed the advice of some of these guys and loaded up on Sun Microsystems (SUNW) when it dropped from $60 to $30 back in 2001. Today, that "bargain" stock is selling for about five bucks!

I don't have room here to explain why my approach is far more profitable (and safer) than that of other investment professionals. So I've prepared a new Special Report called ***Fallen Angels: Former Flyers that will Soar Once More***. Read on to learn how you can receive a copy *absolutely free*.

Uncle Sam's "NO, NO, NO" is really "YE$, YE$, YE$"

Most people think of government regulations as Uncle Sam's way of telling businesses what they can't do. But every time the government says "no," someone somewhere makes money. For example…

- The Federal Trade Commission issues complex rules that govern how the financial industry processes credit applications…opening the door to huge profits for companies like Fair Isaac Corp. (FIC), which supplies the necessary software.
- The Centers for Disease Control and Prevention decide that West Nile virus is a public health threat…and companies like CEL-SCI Corp. (CVM) receive federal grants to find a cure.
- The Department of Homeland Security requires cities and towns to have a standby protocol for dealing with bioterrorism…and ICU Medical Inc. (ICUI) makes money selling the device needed to administer the antidotes to bioweapons.

These are examples of what I refer to as Regulatory Stocks—companies that prosper because they know how to turn government regulations to their advantage. And their shareholders prosper, too…

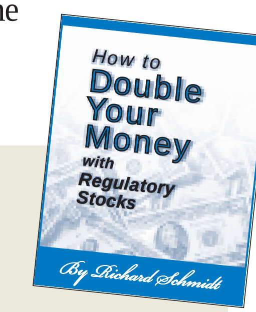
In the five months from January to May 2003, Fair Isaac Corp. soared 132%. During the same period, CEL-SCI Corp. soared 300%! ICU Medical Inc. went from $25 to $35 between August 1 and November 1—a 140% growth in just three months!

If you had invested $10,000 in each stock during the time period mentioned, your $30,000 investment would have grown to $57,200—190% growth in less than a year!

Government isn't likely to shrink anytime soon. There's always going to be more government regulation. Once you know how to find upcoming regulations and identify the companies most likely to benefit from them, there's no limit to the amount of money you can make.

I'll explain in detail how I go about doing this in my new special report called ***How to***

(continued on page 24)



How to Double Your Money with Regulatory Stocks

HIGHLIGHTS: **How to get advance notice of impending regulations ● The 3 types of government regulations and what they mean for Corporate America ● How to determine who will win and lose from a new regulation ● Myths and misconceptions about the real "cost" of regulations ● Five Regulatory Stocks to put on your watch list today • And much, much more...a $29-value!!**

(continued from page 23)

Double Your Money with Regulatory Stocks. In just a moment I'll tell you how you can receive a copy of this proprietary report without cost or obligation. But first, it's…

Time for a little demonstration

Stop reading for 30 seconds and take a good look around the room. Virtually everything you see couldn't exist without a handful of key "building blocks."

Sometimes these building blocks are apparent, as in the case of the wood used to build your desk. But many others are less obvious. For example, your computer's plastic case can't be made without petroleum.

The circuits inside it wouldn't be possible without silicon. And the prosaic light bulb in your desk lamp won't work without the exotic element tungsten.

Some very sophisticated investors have made billions buying and selling critical resources like tungsten, silver, palladium, and a number of other vital building blocks that most people don't even know exist.

For the average individual investor, the best way to cash in on the profits to be made here is by purchasing the stock of companies that produce these important components.

These "Crucial Resource Stocks" are capable of truly dramatic price moves. For example, Ashanti Gold (ASL) went from $5 in early April 2003 to $12 in late September.

If you had invested $10,000 in April, you would have had $24,000 today—240% growth…(480% on an annualized basis)!

As I explained on page 10, because of the economics of the business, shares of small cap oil and gas exploration companies like Touchstone can explode upward amazingly quickly. To learn more about Touchstone, my latest Homerun Stock recommendation, I encourage you to send for a copy of my new Special Report, ***Petroleum Pirates & Profits: The Touchstone Story.***

I'll tell you how to request your free, no-obligation copy in just a moment. But first, let's look at the fifth type of stock that's capable of doubling in a year or less…

Mega-profits from the "New Technology" stocks

After the "tech wreck" we've just been through, many investors have sworn off technology for good. That's a big mistake. Technology has always been a driving force in the American economy ever since Thomas Edison, "the wizard of Menlo Park," launched Edison Electric.

Once upon a time, staid old AT&T was considered a technological juggernaut. So too was Polaroid, IBM and Microsoft. But each of these innovators gave way in turn to a new generation of tech stocks. It's an endless cycle that's not likely to change anytime soon.

In the years ahead, I think the biggest profits will be made in what I call "Alternative Technology Stocks." These are companies exploiting scientific breakthroughs in three key areas: energy, communications, and medicine.

- **Alternative energy** will become more and more important in the decades ahead for two main reasons. First, as we saw on page 15, China will consume an ever-larger percentage of the world's petroleum output. Secondly, political tensions will push America toward greater energy independence.

  One of my favorite stocks in this area is Plug Power (PLUG), which I've bought and sold many times over the last few years, each time making profits ranging from 75% to 200%.

- **Alternative communications** companies don't build or operate communications networks, but rather make those networks do more than their designers originally intended. Included in this group are companies that make online financial transactions safe, such as Secure Computing Corp. (SCUR).

  If you had invested $10,000 in Secure Computing Corp. (SCUR) when I recommended it on January 2, 2003, your investment would have grown to over $23,000 just 10 months later—230% growth!

- **Alternative medical** companies find new (in some cases, radically new) ways to cure disease. The companies I follow have products in the development stage that look like they're right out of a science fiction movie. For example, Kyphon, Inc. (KYPH) has invented a device that allows surgeons to restore a fractured spine to its original shape <u>without invasive surgery</u>.

  If you had invested $10,000 in Kyphon, Inc. (KYPH) at the beginning of 2003, you would have had $29,000 by November—290% growth in just 10 months!

You'll find my latest New Technology recommendations (some of which I expect to do even better than the examples shown above) in upcoming issues of my ***Homerun Stock Alert***.

Your single best investment

Hopefully, you now understand how allocating 10% of your portfolio to Homerun Stocks can dramatically increase the profitability of your investment portfolio. But as good as these Homerun Stocks are, there's something even better: a no-risk subscription to my ***Homerun Stock Alert*** newsletter.

That investment in your future prosperity will bring you a continuing supply of buy and sell recommendations each month, along with the background information you need to make significant profits in the months and years ahead.

In addition to the newsletter itself, you'll have unlimited 24/7 access to the password-protected ***Homerun Stock Alert*** website. You'll also receive buy and sell alerts delivered by email.

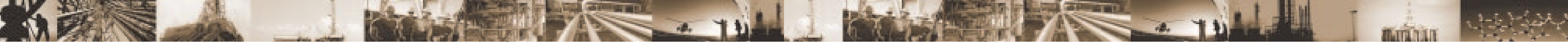
And because I believe quality investment advice shouldn't be limited to a privileged few, I've priced my service so the typical individual investor can afford it…

SAVE 65%! Subscribe for two years for just $187 and you'll save 65% off the regular subscription price. In addition, you'll receive a free copy of each of the these Special Reports (a $96-value):

- ***How to Prepare for the "Déjà vu Market" that's Right Around the Corner***
- ***Dream Stocks: How to Recognize Tomorrow's Titans Today***
- ***Fallen Angels: Former Flyers that will Soar Once More***
- ***How to Double Your Money with Regulatory Stocks***

SAVE 50%! Subscribe for one year (12 issues) for just $127 and you'll save 50%

(continued on page 26)



(continued from page 25)

off the regular subscription price. In addition, you'll receive a free copy of each of these Special Reports (a $48-value):

- ***How to Prepare for the "Déjà vu Market" that's Right Around the Corner***
- ***Dream Stocks: How to Recognize Tomorrow's Titans Today***

Regardless of the subscription term you select, you're protected by my 100% money-back triple guarantee for all new subscribers.

Allocating just 10% of your portfolio to Homerun Stocks could result in an immediate improvement in your overall returns. As I explained in the preceding pages, some of them strike out, but the others produce returns so high that following my recommendation could grow your money by 100% or more every year!

Yours for profitable investing,

Richard Schmidt, Editor & Publisher
Homerun Stock Alert

P.S. Remember, although you can make money with Homerun Stocks anytime, the greatest profits are found in unsettled markets. For the reasons I explain in your free report, ***How to Prepare for the "Déjà vu Market" that's Right Around the Corner,*** you have a 2-year window of opportunity before more tranquil markets kick in. Don't waste another day. Start your no-risk subscription to my ***Homerun Stock Alert*** *today* by calling toll-free **1-800-632-2185,** 24 hours a day, 7 days a week.

P.P.S. If you'd like to learn more about Touchstone, log on to my website at www.homerunwinner.com. For a more in-depth analysis of this investment opportunity, I suggest you read my proprietary research report called ***Petroleum Pirates & Profits: The Touchstone Story.*** It's yours, absolutely Free, when you begin a no-risk subscription to my ***Homerun Stock Alert*** within the next 10 days.

100% Money-Back Triple Guarantee

❶ You must be completely satisfied with the ***Homerun Stock Alert,*** or we will promptly refund every penny of your subscription price—no questions asked. If at anytime you don't find that the ***Homerun Stock Alert*** is helping you grow wealthy…if you don't find it's giving you the type of ultra-profitable, easy-to-read advice you expect…simply let me know within 30 days and I will give you a complete refund.

❷ After 30 days, you can still cancel anytime for a full refund of the unused portion of your subscription **up to 90 days from the start of your subscription**.

❸ If you do decide to cancel, you may, of course, keep all of the bonus reports you've received.

Here's how to invest in Touchstone Resources

- Go online or call your discount broker to invest in Touchstone [OTCBB:TSNU].
- Go to my website (www.homerunwinner.com) for more information about Touchstone.
- Read my newsletter, ***Homerun Stock Alert***, for more recommendations like Touchstone.

Here's how to start your no-risk trial subscription to Richard Schmidt's *Homerun Stock Alert*

Four ways to get started:

❶ **Online 24/7**
www.homerunwinner.com

❷ **Toll-Free Phone 24/7**
1-800-663-2185

❸ **Fax 24/7**
Both sides of the New Subscriber Savings Certificate to
1-239-591-3181

❹ **Mail**
Fill out and return the *New Subscriber Savings Certificate* (to the right) in the postage-paid envelope provided.

FEN4040-A

New Subscriber Savings Certificate

Yes! I want an easy, proven way to find Homerun Stocks that can double in 18 months or less. Richard Schmidt's real-world experience and his ability to beat the market 12 of the last 12 years convince me that he has what it takes to find the best Homerun Stocks in the market. Please enter my risk-free subscription to his ***Homerun Stock Alert*** for the term checked below:

IMPORTANT: Regardless of the subscription term you select, you're protected by the same full money-back guarantee. So why not try the *Homerun Stock Alert* for two years and receive all four of these FREE proprietary research reports.

☐ **Great Value! Two years (24 monthly issues) for just $187—a 65% savings off the regular subscription price.** Includes email alerts for all buy and sell recommendations, unlimited access to the password-protected ***Homerun Stock Alert*** website, plus a FREE copy of these Special Reports (a $96 value):

- *How to Prepare for the "Déjà vu Market" That's Right Around The Corner*
- *Dream Stocks: How to Recognize Tomorrow's Titans Today*
- *Fallen Angels: Former Flyers that will Soar Once More*
- *How to Double Your Money with Regulatory Stocks*

☐ **Good Value! One year (12 monthly issues) for just $127—a 50% savings off the regular subscription price.** Includes email alerts for all buy and sell recommendations, unlimited access to the password-protected ***Homerun Stock Alert*** website, plus a FREE copy of these Special Reports (a $48-value):

- *How to Prepare for the "Déjà vu Market" that's Right Around the Corner*
- *Dream Stocks: How to Recognize Tomorrow's Titans Today*

☐ **Quick Response Bonus!** I'm ordering within 10 days. Please also include a FREE copy of ***Petroleum Pirates & Profits: The Touchstone Story,*** a $30-value.

Please select preferred method of delivery
☐ Please expedite delivery of the newsletter by sending it electronically. I understand that there is no extra charge for this timesaving service.
☐ Please mail my copies to the address shown on the other side of this page.

Please select preferred method of delivery
☐ Check or money order for $_______ USD enclosed (please make payable to ***Homerun Stock Alert***).
☐ Charge my: VISA MasterCard DISCOVER AMERICAN EXPRESS

Name:
Address:
City: State: Zip:
Card #:
3-digit security code:
Expiration date:

Signature:
Daytime phone:
(needed for credit card orders)
Email address:
(for email trade notifications)

Order now, call Toll-Free
1-800-663-2185
24 hours a day, 7 days a week

Please make any necessary changes to your name and address on the other side of this page. Complete and mail this page in the postage-paid envelope provided.

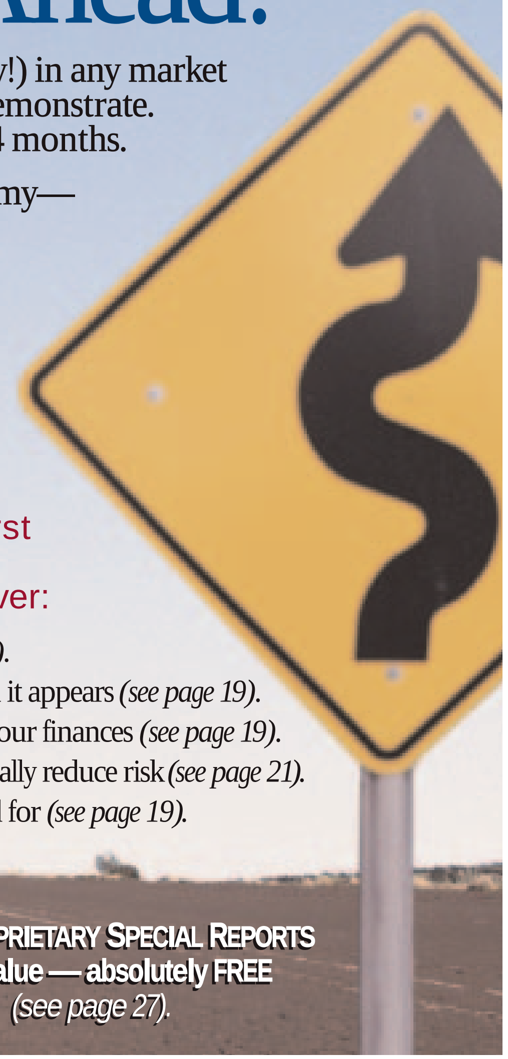
5633 Strand Blvd., Suite 318 • PO Box 110597 Naples, FL 34108-9849

Now is the time to prepare yourself (and your portfolio) for…

The Big Change Ahead!

Homerun Stocks make money (usually lots of money!) in any market climate, as the actual recommendations shown below demonstrate. But the biggest profits will be had during the next 18–24 months.

After that, the market—indeed, the entire U.S. economy—will undergo a dramatic transformation that's sure to catch almost everyone off guard.



- **TriMedia [TMEG] soared 167% in just 4 months!**
- **Sinovac Biotech [SNVBF] grew 219% in under 3 months!**
- **Stellar Technologies [SLLR] shot up 248.21% in only 4 months!**

Starting on page 18 is the eye-opening story of why the middle years of the 21st century's first decade will be nothing like what the "experts" are predicting. Among other things, you'll discover:

- How to invest in $1–$10 micro cap stocks set to soar *(see page 24)*.
- Why our "out of control" federal deficit is really much tamer than it appears *(see page 19)*.
- The real impact terrorism is likely to have on our economy and your finances *(see page 19)*.
- How adding more volatile investments to your portfolio can actually reduce risk *(see page 21)*.
- Why the doom and gloom about employment figures is uncalled for *(see page 19)*.

GET 4 PROPRIETARY SPECIAL REPORTS
a $96 value — absolutely FREE
(see page 27).

Richard Schmidt's
HOMERUN STOCK ALERT

5633 Strand Blvd., Suite 318
PO Box 110597
Naples, FL 34108-9849