Stock Options that NEVER Expire

Wired Magazine called stock options "the ticket to personal liberation; the one chance, besides organized crime and Lotto, for an everyday person to get rich."

Here's a unique way for you to get all the money-making power of stock options, without the work... without the risks... and without the expiration dates

Dear Reader,

Corporate insiders make a fortune exercising their options on thousands of shares of company stock...

- William Steere, for example, who works at Pfizer, recently exercised 240,000 options on company stock--for a $10.8 million payout, according to *The Wall Street Journal*.

- John Stafford, who works for American Home Products (now Wyeth), recently exercised options on 250,000 shares of company stock, for his own $15.5 million profit, according to *The Journal*.

And it's not only high-paid executives and CEOs who are cashing in on these deals...

- *The USA Today* recently reported on Andrew Kantor, an Ohio-based editor. Kantor cashed out $60,000 worth of stock options while working at Mecklermedia, and used the money to buy a new house.

These people made a fortune because they had options to buy stock for as little as pennies a share... and could sell at much higher prices.

In this report, I want to show you a unique way to do the exact same thing.

It's a way to buy stock in great companies for as little as pennies a share--and have the option to sell when the price takes off. Even better, I'll show you how to do it without the job... without the risks... and without the expiration dates employee stock options normally have.

In fact, the investment strategy I'm going to show you is so powerful, it has received rave reviews from the financial press in recent months:

- *Business Week* says, it "offers exceptional growth at a fraction of the cost of blue chip stocks."

- ***Kiplinger's Personal Finance*** said: "Anyone who scans the weekly and yearly list of best performers can tell that [this investment] dominates."

- *The Wall Street Journal* reported last April that these investments: "tend to deliver the highest returns over time."

How some investors made 4,008% in 1 year

I call this investment "stock options that never expire." Since the beginning of 2003, this strategy has produced amazing profits. Look at just a few of the results:

- 1,840% on Integrated Biopharma Inc. -- Every $500 you put into this strategy with this company in January would now be worth $9,200

- 1,036% on a company called Encore Capital Group -- A simple $1,000 investment at the beginning of the year would give you an extra $10,360 today

- 1,415% on a company called Carrier Access Corporation -- A $10,000 investment 10 months ago would pay for a vacation villa in Hawaii or the Caribbean, or anywhere else you wanted to build

In the past 12 months, the numbers are even better:

Your "stock options that never expire" on a company called Evolving Systems Inc. would have earned you a 4,008% return. The same investment with a company called Dobson Communications would have earned you a 3,460% payday.

This investment strategy can triple your money (or better) in a matter of months. It can make you rich, even if you've got only a little bit in the bank to start with.

Forbidden for Wall Street Insiders

Can this really be true? Can there really be such a thing as an investment that gives you all the profit potential of stock options--without the expiration dates and other risks?

And if so, is there really a chance for you to have success when you're up against an army of billion-dollar portfolio managers and a slew of MBAs on Wall Street?

A $28 million difference

In his groundbreaking book, *What Works On Wall Street*, James O'Shaughnessy shows that $10,000 invested evenly among all the large stocks that make up the S&P 500 would have turned into $1 million in the 43-year period of 1951-1994.

That sounds good—until you see the rest of the study, which shows the returns produced by **MICROCAPS**. The results are incredible.

According to O'Shaughnessy, $10,000 invested in microcaps in the same time period grew into a stunning **29 million dollars**. In other words, you'd have $28 million more if you invested in Microcaps instead of giant corporations.

The numbers don't lie: 94 of the 100 best performing stocks in the past year were Microcaps.

The answer to these questions is "yes."

And the secret lies in one simple fact. You see, individual investors like you and me have one HUGE advantage over Wall Street with the investment strategy I'm going to detail for you.

Our advantage is this: Wall Street firms and multi-million dollar mutual fund managers are not permitted to buy this investment.

That's why I believe it is the only investment strategy in which individuals like you and me have a clear advantage over the big guys.

Let me explain...

Why your mutual fund manager can't buy this

investment

The investments I want to show you how to buy are shares of the very smallest public companies in the United States.

These companies are called microcaps, because their total current value in the stock market (calculated by multiplying the stock price by the total number of shares on the market) is less than $250 million.

I know, $250 million doesn't sound very small to you and me. But these companies are actually the smallest ones listed on the major U.S. stock exchanges.

Home Depot, for a point of reference, is valued at about $75 BILLION. So these companies are worth about 1/400th of Home Depot's value. (Home Depot, by the way, is big, but it's not even among the top 30 biggest companies in the United States.)

These microcaps are, for the most part, companies you've never heard of... yet. They're rarely written about in *Barron's*, *The Wall Street Journal*, or any other financial publication.

You can buy these microcaps through your regular broker -- or any online brokerage service. And these companies are listed on the major U.S. stock exchanges, like the NYSE.

I call these investments "stock options that never expire" for two reasons:

1) You can often buy microcap shares--just as wealthy executives and company insiders have done for decades with employee stock options--

for pennies apiece. Full shares in these stocks often cost just $.75, or $1.50, or sometimes $2.75--what corporate insiders often pay for options. This means you can own thousands of shares for as little as $250.

> **As reported in *U.S. News and World Report Jul 2, 2003:***
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> "Small stocks tend to do best in the aftermath of recessions. Small-cap stocks, for instance, outperformed large blue chips for about eight years following the 1973-74 bear market. They beat large stocks for more than three years following the Gulf War recession of the early 1990s. And they conquered big stocks for six years in the early 1940s, as the nation was exiting the Great Depression and entering World War II."

2) You can buy these shares when they are still incredibly cheap--when the company is still very small. As the company gets bigger and other investors catch on, you'll have the option to sell for tremendous gains. Tiny moves in the share price will give us huge profits.

In fact, most investors don't know microcap companies provide the absolute biggest returns in the stock market, year after year after year. (I'll show you the details in a moment.)

So why can't Wall Street firms buy these same microcap companies?

It comes down to simple mathematics... and a few government regulations.

Here's what I mean...

Let's say an average Wall Street mutual fund has $900 million in its portfolio. If the manager wants to divide the fund into 10 equal parts, that's about $90 million for each part.

But the microcap companies I'm talking about are worth, at most, $250 million. That means if the average mutual fund tried to buy shares in one of these microcaps, he'd be buying up almost half the shares. Impossible.

That would send the price through the roof--and the mutual fund manager could never get a good deal.

Plus, SEC government regulations don't allow giant mutual funds or other big banking firms to buy a huge percentage of any one company.

That's why it's just not feasible for big Wall Street firms to pay attention to microcap stocks.

TO REITERATE: The first reason to buy microcap stocks is because you can control thousands of shares, often for as little as pennies a share.

The second reason to buy microcaps is because mutual funds cannot. This gives us a huge advantage.

As *Business Week* reported in July of this year: "What makes investing in microcaps so appealing is that the stocks are,

Multimillionaire Fund Manager Peter Lynch: "You don't need a lot in your lifetime..."

"You don't need a lot in your lifetime. You only need a few good stocks... I mean how many times do you need a stock to go up ten-fold to make a lot of money? Not a lot…there's lots of stocks out there and all you need is a few of 'em. So that's been my philosophy. You have to let the big ones make up for your mistakes."

"Over time, it's been more profitable to invest in small companies than in large companies. The successful small companies of today will become the Wal-Marts, Home Depots, and Microsofts of tomorrow. A couple of Wal-Marts is all you need…that one stock is up more than 250-fold in twenty years."

— Peter Lynch, in an 1998 interview on PBS's Frontline, and from his book, Learn to Earn. Lynch, who ran Fidelity's Magellan Fund for thirteen years (1977-1990), earned a 2,700% return during that period. He retired at age 46

by and large, ignored by Wall Street and priced inefficiently."

It means we can get in early on great companies before Wall Street has the chance. Remember, Microsoft, Intel, and Wal-Mart were all once tiny microcap companies that mutual funds weren't allowed to buy.

This brings me to the third reason it makes sense to buy microcaps with a portion of your overall portfolio: They are more profitable than any other type of stock.

Let me explain...

It's something few investors realize: The smallest companies ALWAYS provide the biggest returns

To see why microcaps will make you a lot more money than big companies, take a look at one of the biggest companies in the country: General Electric (GE).

GE simply cannot double or triple in size anytime soon. It is NOT mathematically possible.

The company is already such a behemoth that it accounts for roughly 1% of everything we produce and sell in the ENTIRE United States. In other words, every time you spend a dollar--on anything from gas, food and clothes, to TVs, cars and vacations--GE gets a penny of it. That's incredible, isn't it?

Even if GE invents a new product or takes over a small rival, it barely has any effect at all on total sales and profits--because the company is already such a giant corporation.

And look at the number of stock shares available. GE has 10 billion shares on the open market. If you own 4,000 shares you are not even a blip on the company's radar. (Still it would cost you about $120,000 to own that many.) GE does about $130 billion in sales a year, about $14 billion of which are profits. The only way GE could quickly accelerate growth would be to take over almost every business in the entire world. I don't see that happening any time soon, do you?

That's why GE's stock inches along at best.

A little up... a little down. Over the past 5 years, it's returned just under 8% a year on average. That's not bad--in fact, it's much better than most big companies--but it's certainly no way to get rich. (If you earn 8% a year it will take 9 years to double your money.)

GE might be a great company to work for--and it was certainly a great company to invest in... at one time. But it's not a stock that's going to make you rich anytime soon.

The same thing is true for almost all of the other giant companies most Americans invest in--like Exxon, Coke, Nokia, Dell, Verizon, Cisco, and Toyota, just to name a few.

If you buy these companies now, what's the best you're going to do? 10% a year maybe... 20% a year in a really great year?

YOU HAVE TO REALIZE THAT THE PEOPLE WHO ARE GOING TO GET RICH WITH THESE BIG STOCKS HAVE ALREADY MADE THEIR FORTUNES. Not a single one of these companies is likely to double in price anytime soon. Probably not in our lifetimes.

But look what happens if you buy the best small companies in the market instead...

Take Medifast, for example, a small Maryland-based company. They make nutritional supplements, like protein bars and "meal replacement" drinks for people on diets.

Medifast has just 9 million shares of stock on the open market--99.9% fewer than GE. If you own 4,000 Medifast shares you are a significant owner.

And unlike GE, Medifast can easily accelerate its growth rate. That's exactly what the company did in 2001 and 2002, when sales skyrocketed 150%.

You could have bought 4,000 shares of Medifast at the beginning of 2002, and it would have cost you only $920.

Today, these shares would be worth about $68,000--that's a 7,382% return.

You only need a few good investments such as this to turn a little bit into a

The Best "Options" You Can Buy

You probably understand how regular employee stock options work...

First, you have to work for a company that offers stock options as part of their compensation plan. Like Home Depot for example.

As part of your contract, you might get the option to buy 1,000 shares at a set price - something close to the stock's current worth in the market. For this example, let's say it's $30.

After you've worked at Home Depot long enough (usually 5 years), you can "exercise" all small fortune. If you start with $5,000 and triple it 5 times, you'll be a millionaire.

And it's not just Medifast or a few other small companies that always beat the big, popular stocks. Microcap stocks beat big blue chips over the short and long term.

Look at the numbers: Of the 100 best-performing stocks of the last year, 94 of them were microcaps, with a market value of less than $250 million.

In other words, 94% of the stocks with the biggest gains in the past year were microcaps. If you are not investing in microcaps, it's almost impossible for you to find the biggest winners.

How 2,200 secretaries, janitors, and other workers became millionaires

You can still get rich in the stock market. But the only realistic way to do it is to buy a soon-to-be-great

of your options. If the stock has gone up to $40, you could buy 1,000 shares for $30 (your options price), and sell at $40. You net a $10 profit per share - or $10,000. Pretty good, huh? That's why employee stock options are a giant windfall for those who can get them.

But there are two problems with employee options. First, the job. I don't know about you, but I'm not going to take another job no matter how much I like a company's stock.

The second problem with employee stock options is that they expire, usually some time after you've left the company.

If the stock has dropped below your option price when your expiration date hits, your options will be completely worthless.

BUT HERE'S THE GOOD NEWS: You can buy "options that never expire." When you company... when it is still very small.

Just look at the 3 best-performing stocks of the past year. They are ALL microcaps you've probably never heard of...

buy microcaps, you get all of the benefits of employee options - but you avoid these two problems.

Microcaps give you the opportunity to invest in a company when it is very small - and cheap. You have the option to sell when it gets bigger and more expensive. That's how so many corporate insiders have gotten rich - and it's how you can do the same thing. **See below for more details on how to get started**

#1 Best Performer: A microcap company called Taser makes stun guns for police and the military. In the past year, their share price has gone up **5,665%**.

#2 Best Performer: A microcap called Evolving systems makes telephone and computer software for all kinds of businesses. In the past year, their stock price has gone up **4,008%**.

#3 Best Performer: A microcap called Millcom International Cellular makes cell phone services for Latin American countries, where regular phones are often not available. A $1,000 investment a year ago would now be worth more than $38,000.

And this is just the top 3. Keep in mind that 94 out of the best 100 top-performing stocks of the past year were microcaps.

I know that sounds hard to believe, so if you'd like, ask your broker to run the numbers for you.

Here's my point: The

Microcaps ALWAYS Provide the

opportunity to buy really low... and sell really high is how 2,200 people who worked at Microsoft became millionaires. Keep in mind that it wasn't just programmers and managers, but also secretaries and mailroom clerks.

Microsoft employees got stock options when the price was very cheap and the company was very small. A few years later, they were rich.

That's how thousands of investors in Wal-Mart, Intel, UPS, Home Depot, and Toys R Us struck it rich too.

Using "stock options that never expire," you can own the best companies of the future--while they are still very small and ridiculously

Biggest Returns

I mentioned earlier how Microcap stocks have accounted for 94% of the top 100 best-performing stocks of the past year.

I also mentioned the study by the independent research firm Ibbotson Associates, which found that microcaps have beaten big stocks by an amazing 218% since 1926.

To me, the numbers are clear: To make the biggest returns you need to find the best microcap stocks. Look at a few of the returns microcaps have offered - just in the past year...

Company (Stock Symbol)	**Business**	**Return in past year**
America West (AWA)	No-frills budget airline	796%
Sohu Inc. (SOHU)	Chinese web services and e-mail	1,768%
NeoRx (NERX)	Cancer therapies including radiation	1,464%
Encore Capital (ECPG)	Helps collect outstanding bills	1,463%
Empire Resorts	Owns racetracks	836%

cheap.

For as little as a few hundred dollars, you can control thousands of shares. And unlike the options you might get as an employee, these investments never expire.

You can hold them as long as you like, and make as much money as you desire.

What's more, you'll own actual shares of stock. So these microcap shares are really BETTER than stock options. You'll actually be part-owner of the company. This means you'll be able to vote on big company decisions... and you may even get nice dividend checks throughout the year.

You can hold these

(NYNY)	and casinos in NY	
Sonus Networks (SONS)	Makes computer network equipment	3,358%
Homestore Inc. (HOMS)	Operates real estate websites	719%
Bankrate (RATE)	Lists best mortgage, credit, and other rates	565%
ATS Medical (ATSI)	Makes heart valves for surgery patients	836%
I-Flow (IFLO)	Medical supplies, such as needles and IVs	847%
Tripath (TRPH)	Makes digital amplifiers for audio speakers	2,013%
Blue Dolphin Engy. (BDCO)	Oil and gas exploration and pipelines	537%
Live Person Inc. (LPSN)	Customer service for internet businesses	709%
SCO Group (SCOX)	Makes computer software	1,400%
USANA Health (USNA)	Makes vitamins and nutritional products	744%
Dobson Comm. (DCEL)	Provides cell phone service	3,460%

stocks for a year. Or five years... or 20. You can pass them onto your kids. The point is, it's virtually impossible for your investment to expire worthless, unless the company shuts down altogether.

Ventiv Health (VTIV)	Trains salespeople in health businesses	559%
TLC Vision Corp (TLCV)	Corrective surgery for eye disorders	720%

REMEMBER: These amazing Microcap returns are just within the past 365 days.

And... because we'll be getting in on great companies when they are still very small, you have the potential to make amazing returns.

So what are the best microcap opportunities right now?

Here are two that could easily make you 10, 20, or even 100 times your money...

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