



# Natural Health Care

BY BRIAN HILL

American consumers are becoming savvier in their search for more natural treatment options, often turning to nutraceuticals as an alternative to conventional medicine. The word “nutraceutical” is an umbrella term derived from “nutrition” and “pharmaceutical” and is commonly defined as natural foods and supplements that deliver numerous health benefits. It’s estimated that the lifestyle, health, and sustainability market will be valued at \$420 billion by 2010 and \$845 billion by 2015.

Complementary and alternative medicine (CAM) is a group of diverse medical and health care systems, practices, and products that are not presently considered to be part of conventional medicine, as defined by the National Center for Complementary and Alternative Medicine. Approximately 36% of adults in the U.S. use some form of CAM—and 18.9% of those use natural products.

Arizona-based eFoodSafety.com Inc. (OTCBB: EFSF) is a leader in the research and development of nutraceutical products for a wide range of markets. Its focus is on developing, licensing, and co-marketing unique, best-of-breed products that address the health needs of consumers worldwide.

Through its wholly-owned subsidiaries, the company offers products that aim to improve common health conditions, including glucose metabolism, cholesterol, acne, and scarring, as well as

products that naturally eliminate various bacterial pathogens, including escherichia coli, staphylococcus, and streptococcus.

“Today, we continue to develop products and have recently progressed to marketing these products to consumers,” says eFoodSafety’s director, Tim Matula. “We’ve launched aggressive marketing campaigns for several products, and at the same time we’ve continued research and development on products not yet available.” The company’s objective is to advance formulas and solutions from R&D to mass consumer rollout and to continue formulating new products that fit within its portfolio.

It recently entered the bio- and nanotechnology fields to improve the delivery methods of its products and to broaden opportunities. The company’s patented nano-encapsulation technology uses a unique food grade compound that can encapsulate individual active compounds at a level of 1/50th the size of a human hair. This technology can drastically enhance the cellular absorption and utilization of nutrients within the body and deliver treatments more expeditiously.

The company has been marketing Cinnergen, a liquid whole-food supplement that provides vital nutrients essential for metabolizing and normalizing blood sugar levels. “Cinnergen has been clinically proven in a double-blind placebo controlled study to decrease the symptoms commonly associated with elevated blood sugar,” Matula says. Over half the partic-

ipants in the study were able to eliminate their need for oral diabetic medications within 90 days. This discovery utilizes common ingredients in concentrated extract form, including cinnamon bark, blueberry leaves, cranberries, and oat seeds.

Cinnamon bark allows insulin to work more efficiently and helps stimulate the production of glucose-burning enzymes. New studies suggest that unique constituents contained in blueberry leaf may also help to reduce dietary glucose absorption. “Because Cinnergen is made from whole foods, it can be used with virtually all supplements and should actually help increase their effectiveness,” Matula says. These results have earned the company notable attention.

Cinnergen is available in major retail outlets nationwide, including GNC, Rite Aid, and the Vitamin Shoppe.

Cinnechol is another eFoodSafety product currently available direct to the consumer. It consists of 17 ingredients, including artichoke leaf extract, green tea, curcumin, policosanol Co Q10, folic acid, and B-12. This multi-faceted, all-natural nutritional supplement is designed to reduce total cholesterol, LDL (“bad”) cholesterol, and triglyceride levels in patients.

“Cinnechol’s natural ingredients work synergistically to decrease the viscosity of the blood and lessen inflammation, thereby allowing for better overall circulation. This is beneficial to both the health of the heart and blood vessels,” Matula says. The product not only helps lower

bad cholesterol, but also improves HDL, or “good” cholesterol.

Cholesterol-lowering drugs represent the largest drug class in the U.S., totaling more than \$20 billion annually. However, many of the top-selling conventional drugs pose significant risk and efficacy questions. Consumer wariness coupled with increased medical costs will continue to create a market for complementary or alternative options.

The Immune Boost Bar is eFoodSafety’s first product aimed at the functional food market—food that provides health benefits beyond energy and essential nutrients. Food bars account for \$3 billion in sales per year. The Immune Boost Bar is designed to enhance overall immune functions through a natural blend of vitamins, minerals, antioxidants, and its proprietary formula called Citroxin, which has shown to kill six major bacterial strains.

Products in the development stage include: NumaDerm, a product line that addresses common skin, health, and beauty conditions; and PurEffect, an all-natural anti-acne skin care treatment system. Mentioned earlier, Citroxin is formulated entirely of food-grade components that showed a 100% kill rate for the six major bacteria in Environmental Protection Agency lab tests.

Proxorin is an antibiotic designed to address a broad spectrum of bacterial pathogens, including MRSA, staphylococcus, and streptococcus. Occusyn was developed to treat Lyme disease, a \$1 billion industry. OraPhyte has been tested and proved to control nematodes, a phyla that includes more than 15,000 parasitic species commonly found in freshwater, marine, and terrestrial environments. This product will enter a variety of markets, including the food crop industry, which reports \$100 billion in damages because of Nematode infestation.

Trading at \$0.17, eFoodSafety believes it represents an outstanding opportunity for investors looking to participate in a start-up company delivering all-natural proprietary products to the growing lifestyle, health, and sustainability markets. The company reported a 300% revenue growth year-over-year for its fiscal third quarter ended January 31, 2008, has over \$1 million in cash-on-hand, and carries no long-term debt.

The company has solid revenue growth, leads an aggressive marketing campaign, has products on the market and in the pipeline, and is delivering on its goal to continue consumer rollouts. “These developments demonstrate that our team remains committed to reaching new levels in all aspects of our business,” Matula says. “We are pleased with our growth to date and our ability to position ourselves in order to capitalize on our progress.” **E**

**RISKS:** *There is substantial competition with greater financial and marketing resources in the fast-growing health care market. For each of the fiscal years ended April 30, 2007 and 2006, the company reported losses of approximately \$3.6 million and \$9.4 million. Its deficit has accumulated since its inception in 2000, and as a result, the company requires considerable additional financing or profitable operations.*

## MAKE CONTACT



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### COMPANY

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### SHARE DATA

52-Week Price Range: \$0.15 - 0.39

Shares Outstanding: 180 million

Market Cap: \$27 million

### BALANCE SHEET DATA

(as of January 31, 2008)

Total Assets: \$4.3 million

Long-Term Debt: N/A

Shareholders' Equity: \$4.23 million

Book Value per Share: \$0.02

## The Day Trader

### Quit While You're Behind

BY FAUSTO PUGLIESE

**L**ike fishermen, day traders love to talk about the “big catch”—the trade over which the planets aligned in perfect unison and more was made in one hour as a day trader than in an entire month during prior careers. Yet, while these stories are often entertaining, they shed little light on what it requires to be truly successful as a day trader.

The key to successful day trading is not to make huge profits but to avoid big losses. After all, just one or two really bad days could wipe out the profits from weeks of good trading. Furthermore, losses keep you from making money in the future. The less capital you have to work with, the less you will have available for trading. Therefore, a successful day trader must preserve his or her capital base.

An important preservation method is getting into the habit of quitting while you're behind. The sad truth is that many day traders are successful 4 out of every 5 days. They often lose more in the one bad day than they make in the four good days combined because they don't know when to walk away.

The key is to not do so much damage on your bad days that you destroy your good days in the process. The way to prevent this from happening is to set daily loss limits.

Also, I recommend establishing a maximum of three losing trades in any single day, sort of like a “three strike” rule. Even if the total combined losses are less than your daily limit, you should quit trading.

But what will be so different about the next day?” The answer is *you*. Take the time to get let go of disappointment about the last trade that didn't go well and learn from the mistake. This way, you're less likely to do something rash out of frustration. And for a day trader, frustration can be just as deadly a sin as greed. **E**

*Fausto Pugliese is the president and founder of Cyber Trading University.*