

**VERTEX (VRTX)**

There is no doubt that Vertex' news about reversal of liver injury post hepatitis C infection with its experimental drug, **VX-950** is still occupying the minds of the medical community, the patients and the loyal investors in this firm. Prohost never gave up on Vertex even in the worst days of its stock's performance. We kept our faith in the firm when most investors gave up on the stock and on the company.

Our reasoning, which led us to develop a total faith in Vertex' future stemmed from our understanding to its science, the capability of its technologies, the choice of disciplines that are most required for accurate and effective drug discovery and development and for its strategy that many negative investors unfairly resented. **Reversing liver damage was never expected to occur at any time, soon, or late.** Improvement of liver injury post hepatitis never happened in the history of medicine before trials of Vertex' drug **VX-950**.

Vertex did it. **It did it with its science**, not through satisfying the caprice of investors, or their tutors. That's why in this industry, biotechnology, investors have to do a homework towards rating the firms' technologies, capabilities and products. If they are sure of their positive information, then they should accumulate when others throw the stocks because the firms did not satisfy the taste of some assessors.

OTHER NEWS

▼ **StemCells (STEM)** filed a shelf registration statement with the Securities and Exchange Commission for the sale of up to \$100 million worth of common stock. The stock closed Monday at \$5.51, down a penny. Investors' rule of thumb is to sell. would they?

▼ **CancerVax (CNVX)** and **Serono (SRA)** discontinued Phase 3 clinical trial of **Canvaxin™** in patients with Stage 3 melanoma based on recommendation of the independent Data and Safety Monitoring Board (DSMB), which recently completed its planned, third, interim analysis of the data from this study. The DSMB found out that the data are unlikely to provide significant evidence of an overall survival benefit for patients with Stage 3 melanoma who were treated with the vaccine versus those who received placebo.

We expect stocks of firms specialized in cancer vaccines to be hit, despite the fact that each and every firm has its own vaccine structure, which differs from the others. It would be a miracle if **AGEN, DNDN, GTOP, VXGN** do not momentarily lose some ground.

PROHOST RESEARCH

P.O.BOX 640 429

Oakland Gardens, Ny 11364

Telephone : 516 678 1335 Fax 718 423 2731 E-mail prohost@aol.com.

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