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INSTITUTIONAL RESEARCH *Healthcare & Biotechnology* TERMINATION REPORT

iVOW Inc. (IVOW)

Terminating Coverage – Lack of Management Transparency

**New: Terminated
Old: Under Review**

November 28, 2006

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Current Price \$0.43

Old Target: N/A

New Target: N/A

Investment Highlights:

- 1) **iVOW has been rated Under Review since June 11, 2005:** Due to the lack of transparency needed to model the Sound Health Solutions acquisition as well as management changes along with the uncertain timing of private insurers adopting the U.S. government's new CMS bariatric surgery reimbursement guidelines. In addition, on September 6, 2006 iVOW agreed to be acquired by healthcare company Crdentia (OTCBB:CRDT) which also lacked management transparency needed to model the combined companies.
- 2) **Auditors Resign:** On November 24, 2006, iVOW's independent auditors resigned stating *"information recently has come to our attention that leads us to no longer be willing to rely on management's representations or to be associated with iVOW, Inc.'s interim financial statements for the nine months ending September 30, 2006."*
- 3) **SHS Transaction Not Arm's Length?:** We believe the auditors resignation relates to a transaction done prior to the legal closing of the merger and was not an arm's length transaction in the best interests of iVOW shareholders. On November 3, 2006, Crdentia Corp. granted a security interest in the outstanding shares of Sound Health Solutions, Inc., iVOW's wholly-owned subsidiary, to MedCap Partners L.P., James D. Durham and C. Fred Toney in connection with the creation of a cash collateral account to facilitate additional borrowings by Crdentia Corp. Mr. Durham is the CEO and Chairman of Crdentia and Mr. Toney, who is on the board of both iVOW and Crdentia, is a Managing Member of MedCap Management & Research LLC, which is the general partner of MedCap Partners L.P.
- 4) **Terminating Coverage:** As iVOW's auditors can no longer certify the accuracy of the financial statements nor can they rely on management's representations to the auditors, we are terminating coverage of iVOW at this time.

Price target and ratings changes over the past 3 years:
Initiated August 12, 2004 – Buy–Target \$7.50
Downgraded June 11, 2005 – Under Review–Target N/A
Terminated November 28, 2006– Not Rated–Target N/A



See last page for important disclosures and analyst certification.

DISCLOSURES



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 Terminated November 28, 2006– Not Rated–Target N/A

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Ratings Distribution	Company Coverage		Investment Banking	
	# of Companies	% of Total	# of Companies	% of Totals
Speculative Buy	2	10%	0	0%
Strong Buy	3	14%	1	33%
Buy	12	57%	1	8%
Neutral	2	10%	0	0%
Sell	1	5%	0	0%
Sell Short	0	0%	0	0%
Under Review	0	0%	0	0%
Restricted	1	5%	1	100%
Total	21	100%	3	14%

Information about valuation methods and risks can be found in the “STOCK VALUATION” and “RISKS” sections of this report.

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