

The 'Wish List' is not direct investment advice: we the producers are private investors, not professional investment advisors. Please make your own final investment decisions.

Arrhythmia Research Technology, Inc. ~ HRT (NYSE)

Since being selected for the Wish List on December 29, 2005, HRT shares have rallied by more than 20%. The rally was apparently sparked by a January 4 company press release that announced a new 3-year agreement with IDEXX Laboratories. The financial details of this agreement were not disclosed:

www.arthrt.com/Portals/14/Press/Idexx%20Contract%20Announcement%20%20Jan%2004%202006.pdf

Todd and I do not believe that at current market prices HRT represents the same type of business investment that it did on Dec 29. Quite frankly, and using our knowledge of capacity and margins, we have not been able to justify the more than \$6 million that has been added in the company's market capitalization in recent days. The IDEXX deal is, by what we know, a welcomed contract. However, how do you quantify what impact the IDEXX agreement will have on the business longer term until, and at minimum, any specific details are disclosed?

We have been wrong when pounding this cautionary drum before (TRDO and LWAY to name two). Nevertheless, it is difficult to watch a stock rally so strongly before any fundamental improvement in the business arrives without being a little skeptical. In short, we are removing HRT from the Wish List because we believe shares have entered a momentum game being played by speculators and short sellers. And while our aim is never to buy and sell companies quickly, we can not ignore opportunities to lock in outsized profits.

We hope to be able to reevaluate the company on share price weakness and/or after the financial impact of any new contracts can be better ascertained.

Disclosure: We purchased a small position in HRT after our report on the company was released to members and have not sold or purchased any shares since.

Sincerely,

Brady Willett

Todd Alway