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Merrill's nanotech promotion fails to create needed investor interest.

Below please find a link to an article written by Barnaby J. Feder and published in the New York Times today, titled "Nanosys Calls Off Initial Public Offering."

We became aware of Wall Street's nanotech hype only after the discovery that NVE Corporation's (NASDAQ: NVEC, \$30.42) use of nanotech claims had a direct and virtually exact correlation to the "success" of its highly irregular and questionable penny stock promotion.

[of nanotech rebuffs NVE's nanotechnology claims.](http://asensio.com/Reports/ReportView.aspx?ReportId=532&CompanyId=140&CompanyName=NVE+Corporation)

[fails to provide any support for its Motorola claims.](http://asensio.com/Reports/ReportView.aspx?ReportId=527&CompanyId=140&CompanyName=NVE+Corporation)

After Asensio & Company initiated coverage of NVE's stock Merrill Lynch & Co., Inc. (NYSE: MER, \$49.06) introduced the Merrill Lynch Nanotech Index ("Index"), and included NVE in the Index. We wrote to Merrill Lynch expressing our concerns ([latest "nano" stock promotion questioned.](http://asensio.com/Reports/ReportView.aspx?ReportId=543&CompanyId=140&CompanyName=NVE+Corporation)) Shortly thereafter Merrill Lynch made a series of changes to the Index.

The cost of excessive stock prices is hidden to the investment public and even more so to the public at large. Questionable and even fraudulent stock promotion, by crooked penny stock promoters or Wall Street giants, is taken in stride. In fact, many reporters who spoke to us about nanotech asked the same question: "Isn't this (stock hype) the American way?"

The answer, of course, is that it is. Eliot Spitzer's success in exposing and prosecuting the Dick Grasso, mutual fund and Wall Street Internet scams is the greatest proof of this. Isn't this the SEC's job? Or the NASD and the NYSE's job? Or, as a last resort, Congress' job? What does it say about a federal system so faulty that an outsider who's real day job is chasing murders and thieves within his own state can discover and successfully prosecute the largest scams in Wall Street history in his spare time?

There is a paragraph in Mr. Feder's story that we found most interesting. It reads as follows: "Lawrence A. Bock, the executive chairman of the company and the leader of the team of experienced entrepreneurs that put Nanosys together, has a strong track record of creating viable enterprises that pay off for the venture capitalists who back them. But long-term public shareholders have not necessarily fared so well. For instance, Caliper Technologies, a laboratory equipment company that Mr. Bock founded and led before moving on to create Nanosys, went public in late 1999 at \$16 a share, soared to \$195 in its first few months of trading and then plunged, along with other technology stocks, in 2000. Now trading as Caliper Life Sciences, it closed yesterday at \$5.49"

Is it any wonder that even 21st century financial reporters see the above described wasteful activity as American as apple pie?

[Nanosys Calls Off Initial Public Offering](http://www.asensio.com/report-images/NVEC/NYT08052004.pdf)

By Barnaby J. Feder

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