Taglich Brothers, Inc.

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Research Report – Update

Investors should consider this report as only a single factor in making their investment decision.

Samaritan Pharmaceuticals, Inc.

Rating: Neutral

Luis Martins

LIV $0.52 (AMEX)

September 26, 2005

	FY2002A	FY2003A	FY2004A	FY2005E
Revenues (Thousands)	$0	$250	$0	$115
Earnings per share	$(0.08)	$(0.07)	$(0.04)	$(0.05)

52-Week Range	$1.30 - 0.33	Fiscal Year Ends	December
Shares Outstand (000's)	135,716	Revs/Share (TTM)	0.00
Approximate Float (000's shares)	106,675	Price/Sales(TTM)	NMF
Insider Holdings	21.4%	Price/Sales(2005)E	NMF
Tangible Book Value/Share	$0.02	Price/Earnings(TTM)	NMF
Price/Tangible book	26.0X	Price/Earnings(2005)E	NMF

Samaritan Pharmaceuticals, Inc. (AMEX: LIV) is a developer of innovative drugs. In collaboration with Georgetown University, LIV has proprietary compounds in pre-clinical and clinical development for the treatment of AIDS, Alzheimer's, cancer and cardiovascular disease.

Key Investment Considerations:

We are maintaining coverage of Samaritan Pharmaceuticals, Inc. (AMEX: LIV) with a Neutral rating, pending further clinical and business developments.

Although during recent months the Company announced a number of strategic and forward looking developments, we continue to look for future developments relative to: 1) SP-01A's progress through the later stages of the clinical and regulatory processes; 2) The ability of the Company to successfully partner with a pharmaceutical company with the sales and marketing expertise necessary to effectively market SP-01A; 3) The progress of its product pipeline currently in the early research and development stage; 4) LIV's cash burn rate; 5) New financing agreements; and 6) Dilution.

On August 15, 2005, Samaritan Pharmaceuticals reported second quarter revenues of $0.015 million and a net loss of $1.476 million or $(0.01) per share. In 2Q04, the Company reported no revenues and a net loss of $1.023 million or $(0.01) per share.

On July 12, 2005, Samaritan announced that it has entered into seven confidential disclosure agreements as a result of fifty-nine partnering meetings with "big Pharma" over the past year.

In May 2005, LIV announced it was initiating a Phase II trial to assess SP01A's safety and the effect on viral load in HIV-1 positive individuals, with evidence of increasing viral load despite treatment with other antiretroviral therapy. Thereafter, in July 2005, LIV announced that it commenced dosing the first patient.

**** Please view our disclaimer located on page 13.***

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Company Overview

Samaritan Pharmaceuticals, Inc. (AMEX: LIV), based in Las Vegas, Nevada, is a developer of innovative drugs. Its proprietary compounds, backed by patents are in pre-clinical and clinical development for the treatment of HIV/AIDS, Alzheimer's disease, cancer, and cardiovascular disease. Samaritan's most clinically advanced drug, SP-01A, is currently in Phase II/III for the treatment of HIV.

The Company has U.S. and foreign patent (Europe, Japan, and Australia) and pending patent applications relate to Alzheimer's, Cancer, Cardiovascular, and HIV indications. In total, it has been issued 1 U.S. patent and has 17 pending licensed patent applications in the U.S. Its foreign patent portfolio outside the U.S. is comprised of 2 licensed issued patents and 17 licensed pending patent applications.

The Company's strategic and collaborative partners include CROfessionals, LabConnect, Norbrook, Pharmaplaz, Fusion Capital, and Georgetown University. Its relationship with Georgetown is part of its strategic goal of bridging the gap between scientific discovery and a patient's bedside.

By the end of 2005 and throughout 2006, Samaritan expects to file three Investigational New Drug Applications (INDs) for new drugs, SP-10 for HIV and SP-233 and SP-04 for Alzheimer's, pending toxicology studies.

Pipeline

SP-01A, the Company's most advanced drug targeted for the treatment of HIV, is an easy to take, oral, entry inhibitor (EI) tablet. SP-01A's main ingredient is procaine, a drug approved by the FDA over 40 years ago. Procaine, commonly referred to Novocain, is used as a local anesthetic in medical and dental surgeries and procedures.

SP-01A is intended to be administered in combination with currently available antiviral therapies for the indication of HIV drug resistance. SP-01A works in the earliest stage of the HIV lifecycle by blocking the HIV virus' ability to infect a cell, thereby, protecting the cells as opposed to directly combating the virus. The blocking mechanism is achieved through the effect of SP-01A on cholesterol synthesis relative to the modification of the cholesterol content of the host cell membrane, which makes it more difficult for the virus to enter and infect the cell and in turn, reduces the HIV-1 virus replication by rendering it much.

Research also suggests that SP-01A may block the development of drug resistance (an ever increasing problem in combating HIV is the ability of the virus to reproduce itself despite the presence of HIV drugs). Since the virus does not penetrate the cell, it does not develop resistance to SP-01A.

The Company's preclinical studies and Phase I/II trials suggested that:

- SP-01A was safe and well tolerated; and
- Patients experienced a clinically significant decrease in viral load and enhancement of quality of life measures. Values rapidly returned to baseline after discontinuing SP-01A.

Based on SP-01A's safety and efficacy, as well as the inability of the virus to resist the drug, the Company may target SP-01A, if approved, for patients that fall into the following categories:

- Treatment naïve HIV-infected patients;
- Treatment-experienced HIV-infected patients with minimal viral load on stable regimens; and
- Treatment-experienced HIV-infected patients who have failed other therapies due to viral mutations.

Rounding out LIV's HIV pipeline is SP-10, which LIV intends to study as a stand alone antiviral. This drug discovered in collaboration with Georgetown University, blocks the entry of HIV and multi drug-resistant

HIV viruses into the cells. According to product literature, SP-10 is a small molecule antiviral adjuvant indicated in the treatment of HIV-infected individuals, along with individuals suffering from HIV-associated neurocognitive disorders.

Studies suggest that SP-10 has low toxicity and combats drug resistance. In preclinical in-vivo studies, SP-10 demonstrated superior or comparable efficacy as an antiviral adjuvant when specifically compared to classic antiviral treatments. According to LIV, SP-10 repeatedly and effectively inhibited viral replication in every HIV-1 resistant mutant strain tested.

Samaritan's Alzheimer's disease development portfolio features four promising therapeutics (SP-04, SP-04m, SP-08, and SP-233), two neural stem cell differentiation therapies (SP-sc4 and SP-sc7), a diagnostic, and an animal model. Recently, LIV's AD product candidates were featured in key industry publications. The Journal of Pharmacology published a Samaritan Laboratories study suggesting procaine as exerting neuroprotective properties against Alzheimer's disease. Also, the journal of NEUROPharmacology published Samaritan's preclinical studies evaluating SP-08 and its derivatives, as a possible new approach to fight against Alzheimer's disease.

LIV's portfolio pipeline also features a promising cancer drug, SP-C007, and a breast cancer diagnostic highlight Samaritan's cancer program. The diagnostic provides a predictive prognosis of cancerous tumor aggressiveness with more than twice the accuracy rate than that of current technologies.

The Company's cholesterol recognition peptide can be used to clean the blood of excessive cholesterol in acute high cholesterol conditions. LIV is exploring a transdermal patch that transforms and binds LDL cholesterol with immediate results including an immediate response to hypercholesterolemia.

Strategy

Business Strategy

Samaritan strives to develop drugs for indications that have a potential commercial value of at least $300 million a year to ultimately interest major pharmaceuticals in-licensing. The Company's strategy to maximize shareholder value calls for Management to do the following:

- Take its leading product candidate, SP-01A, as far along the clinical process as possible including conducting a Phase IIb/IIIa trial and a Phase IIIb trial during 2006;
- Seek out pharmaceutical companies with expert sales and marketing abilities to handle much, if not all, of the marketing and commercialization of SP-01A;
- Seek out pharmaceutical companies to license other product candidates in its portfolio in exchange for a royalty stream and milestone payments;
- Utilize its research agreements with Georgetown University and other leading universities with top scientific investigators in an effort to build its pipeline of drugs;
- Enter into and maintain relationships with third party companies (i.e. Pharmaplaz and LabConnect) that can provide LIV with expertise in a particular area needed in the drug discovery process. This will allow the Company to conserve cash and possibly reduce the time to market; and
- Seek out additional grant monies from such agencies as the NIH in order to build creditability and reduce cash burn.

Of significance importance, on July 12, 2005, Samaritan Pharmaceuticals announced that it has entered into seven confidential disclosure agreements as a result of fifty-nine partnering meetings with "big Pharma" over the past year.

SP-01A Clinical, Marketing, and Revenue Strategy
In May 2005, Samaritan Pharmaceuticals announced it was initiating a Phase II trial to assess SP01A's safety and the effect on viral load in HIV-1 positive individuals, with evidence of increasing viral load despite treatment with other antiretroviral therapy. The study occurring at 4 sites, is a double-blind, placebo controlled, multi-dose, monotherapy study in treatment-experience HIV patients. 92 patients in four treatment groups are expected to be enrolled in the study. Initial draft results are expected to be available before the end of the year. Thereafter, in July 2005, LIV announced that it commenced dosing the first patient on the Phase II monotherapy trial of its lead "oral entry inhibitor" anti-viral agent SP01A in HIV-infected patients.

Following this trial, the Company plans another, larger Phase IIIb trial, which is expected to last for 48 weeks. Concurrent with this trial, Management will be seeking accelerated FDA approval for SP-01A, with data from 26 weeks. Given favorable test data and FDA approval, Management estimates that the drug will be approved for marketing in the Unites States by 2007.

Prior to approval, LIV expects that it will enter into an agreement with a large pharmaceutical company with sales and marketing expertise to facilitate the marketing of the drug. Such an agreement may be in the form of a 50/50 marketing agreement or a royalty agreement that will pay royalties of around 10% to 12% to LIV.

Competitive Position
The Company believes that it can achieve success in the HIV treatment market due to key competitive advantages that SP-01A will be seen to hold. These advantages include: 1) compliance (i.e. orally administrated versus injection), 2) cost and affordability, and 3) ability to treat various types of patients in various stages of infection, including those patients with resistance issues. Moreover, SP-01A is intended to be administered in combination with currently antiviral therapies for the indication of HIV drug resistance.

Recent Developments

In August 2005, LIV announced the formation of Samaritan Pharmaceuticals Europe in Athens, Greece. The European's operation main focus will center on European clinical trials, regulatory approval, marketing, and distribution. According to Samaritan, the operations first task will be to initiate Samaritan's latest stage HIV drug through European clinical trials and regulatory approval with the European Medicines Agency (EMEA).

Recent Results

On August 15, 2005, Samaritan Pharmaceuticals reported results for its second quarter, ended June 30, 2005. LIV reported revenues of $0.015 million and a net loss of $1.476 million or $(0.01) per share. In 2Q04, the Company reported no revenues and a net loss of $1.023 million or $(0.01) per share.

In comparison, Taglich Brothers' estimates called for no revenues and a net loss of $1.507 million or $(0.01) per share. Revenue recognized in the quarter was relative to a grant from the U.S. Department of Health and Human Services.

On an operating basis, LIV reported a loss of $1.470 million, as compared to loss of $1.023 million in the year ago period.

The Company also reported that as compared to the year ago period:

- Operating expenses increased to $1.5 million from $1.00 million. Expenses were incurred in support of the Company's research and development efforts of its pipeline of products. The components of operating expenses are illustrated in the following table:

Expenses ($ 000's)	2Q04A	2Q05A
R&D	315	814
G&A	701	672
D&A	7	15

The substantial year-over-year increase in expenses was attributed to an increase in monies provided to Georgetown for R&D activities, ramp-up in activities related to the development in SP-01A, including payments to Pharmaplaz, and additional expenses associated with more regulatory personnel, including the hire of a Chief Drug Development Office in June 2004.

In the most recent 10Q, Management stated that although research and development expenses may fluctuate from period to period depending upon the stage of certain projects and the level of pre-clinical testing and clinical trial-related activities, it generally expects research and development expenditures related to drug discovery and development will increase during the remainder of 2005 and subsequent years due to FDA clinical trials which include the continuation and expansion of clinical trials for its HIV drug program, Alzheimer's drug program, the initiation of trials for other potential indications, and additional study expenditures for potential pharmaceutical candidates. Management also expects that the additional research and development activities will result in the adding of two administrative staff and four research and development support personnel in the next 12 months.

- Average shares outstanding increased to 133.9 million from 127.6 million in the year ago period.

Balance Sheet

Key balance sheet items as of June 30, 2005, were as follows:

- Cash and cash equivalents of $2.6 million;
- Working capital of $2.4 million;
- Total assets of $1.304 million;
- Total liabilities of $0.251 million; and
- Stockholders' equity of $3.884 million.

As of June 30, 2005, LIV's accumulated deficit was approximately $30.91 million. According to our calculations, the Company burned about $1.3 million in cash during 2Q05.

Investors should be aware that during the three months ended June 30, 2005, the Company issued:

- 1,933,900 common shares valued at $1.352 million in consideration of services rendered or to be rendered to the Company;
- 1,700,000 common shares valued at $1.224 million to Fusion Capital; and
- 523,418 common shares valued at $0.250 million in connection with a $40 million financing agreement with Fusion Capital.

Investors should be aware that the Company must spend substantial amounts of money to carry out its research and development activities. Just to complete the next two clinical trials for SP-01A, Management estimates it will need to spend between $5 million and $6 million. Given that LIV does not have any commercial products, it may be necessary for the Company to obtain outside financing. In this pursuit, Management secured (in May 2005) a new financing agreement with Fusion Capital for up to $40 million in equity financing over a 50-month period, subject to conditions. As the Company taps this source of capital, existing investors are likely to suffer dilution. Dilution will be greater the lower the price of the stock at the time the financing is finalized.

In its latest filings with the SEC, Management states that the commitment from Fusion may only provide a portion of the capital needed by the Company to execute its entire business plan and it may require additional monies to finance the Company's entire strategic plans. Therefore, LIV is exploring additional sources of capital.

Projections

Through the end of 2005, LIV will need to continue to allocate significant corporate resources (monetary and otherwise) on the development of its products. Just to complete the next two clinical trials for SP-01A, Management estimates it will need to spend between $5 million and $6 million. Increased clinical and research activities may cause the Company's cash burn rate to increase. However, research and development expenses may fluctuate from period to period depending upon the stage of certain projects and the level of pre-clinical testing and clinical trial-related activities.

In the most recent 10Q, Management stated that it expects research and development expenditures related to drug discovery and development will increase during the remainder of 2005 and subsequent years due to FDA clinical trials which include the continuation and expansion of clinical trials for its HIV drug program, Alzheimer's drug program, the initiation of trials for other potential indications, and additional study expenditures for potential pharmaceutical candidates.

Management also expects that the additional research and development activities will result in the adding of two administrative staff and four research and development support personnel in the next 12 months.

Based on the above factors and recent operating trends and corporate developments, we are projecting 2005 revenues of $0.115 million and a net loss of $6.2 million or $(0.05) per share.

Risks

The Product Approval Process

LIV's lead product is currently still in the clinical stage process, while its other product candidates have yet to reach this stage. Typically, biopharmaceutical products require significant research and development, as well as regulatory approval by governmental agencies prior to commercialization. The agency responsible for this regulatory process is the Food and Drug Administration (FDA).

The FDA approval process is long, arduous, and costly. Before beginning human clinical testing of a potential new drug, a company must file an Investigational New Drug Application (IND) and receive clearance from the FDA. Thereafter, clinical trials are typically conducted in three sequential phases (Phase I, Phase II, and Phase III), but these phases may overlap.

In Phase I, trials are conducted with a small number of patients to determine the early safety profile, the pattern of drug distribution, and metabolism. In Phase II, trials are conducted with small groups of patients afflicted with a target disease in order to determine preliminary efficacy, optimal dosages, and expanded evidence of safety. In Phase III, large scale, multi-center comparative trials are conducted with patients afflicted with a target disease in order to provide enough data for statistical proof of efficacy and safety required by the FDA and others. There is no assurance that clinical trials will be completed successfully within any specified time period, if at all. During the past five years, only 30 new drugs each year, on average, have been approved by the FDA.

Additional considerations in the regulatory approval process include:

- The FDA may suspend clinical trials at any time, if it believes that the subjects or patients are being exposed to an unacceptable health risk or that the investigational product lacks any demonstrable efficacy;
- Clinical trial results are frequently susceptible to varying interpretations by scientists, medical personnel, regulatory personnel, statisticians and others. This may delay, limit, or prevent further clinical development or regulatory approvals;
- There can be no assurance that any approval will be granted on a timely basis, if at all. The Food and Drug Administration may deny a New Drug Application (NDA), if applicable regulatory criteria are not satisfied. The FDA may require additional testing or information. The FDA may ultimately decide that the application does not satisfy its regulatory criteria for approval;
- According to Pharmaceutical Research and Manufacturers of America (PRMA), research and development of new drugs is very costly, time-consuming and highly risky. Companies spend an average of 12 to 15 years at an average cost of $500 million; and
- According to PRMA, only five in 5,000 compounds that enter pre-clinical testing make it to human testing and only one of these five is approved.

Miscellaneous Regulations
In addition to regulations enforced by the Federal Drug Administration, biotech companies are subject to regulation under the Occupational Safety and Health Act, the Environmental Protection Act, the Toxic Substances Control Act, the Resource Conservation and Recovery Act, and other federal, state, or local regulations. Various federal statutes and regulations also govern or influence the manufacturing, safety, labeling, storage, record-keeping, and marketing of such products.

Regulatory Environment
Recently, the FDA has been under a great deal of scrutiny as a result of the safety concerns of such drugs as Vioxx, Celebrex, Crestor, and others. According to a BusinessWeek article in January 2005, industry watchers believe that the FDA will become more risk averse and stringent when it comes to safety and new drugs approvals. As a result, companies may be required to spend more monies, take more time, and conduct more trials to get new drugs to market. Additional regulation and monitoring of approved drugs may also mandated by the FDA. Recently, the FDA announced that it will establish a new independent Drug Safety Oversight Board to monitor FDA approved medicines.

Commercialization Risk
For the foreseeable future, we do not expect the Company to record significant product revenues. LIV, itself, does not expect to develop commercial products for some time. Any products that may result from LIV's research and development efforts may take several years to be commercially available or may never achieve market acceptance. Additionally, new technical developments or scientific discoveries may lead to rapid product obsolescence.

Physicians, patients, or the medical community in general may not accept or utilize any products that LIV or its corporate partners may develop. The degree of market acceptance of any products will depend on a number of factors, including potential advantage over alternative treatment methods and competing products, reimbursement policies of government and third-party payors, and ability to market and promote the products effectively.

There may be delays in obtaining regulatory approvals or clearances. This could stall the marketing, selling, and distribution of any products that the Company or its corporate partners develop. This may also result in additional costs, diminish any competitive advantages, and decrease its ability to receive royalties and generate profits. Even a small variation in time to market could adversely impact the Company's financial result and liquidity, as well as our valuation model.

Once a product is approved for sale, FDA regulations govern the production, process, and marketing activities. Product approvals may be withdrawn, if compliance with regulatory standards, labeling, and current good manufacturing practices are not maintained. There can be no assurance that the Company or its partners will meet these requirements.

Accelerated Development/Review
The Company's strategy to commercialize SP-01A by 2007 is partly based on FDA granting the drug accelerated development/review status. There can be no assurance that this status will be granted.

According to the Company and the Federal Register, this status is a highly specialized mechanism for speeding the development of drugs that promise significant benefit over existing therapy for serious or life-threatening illnesses for which no therapy exists. This process incorporates several novel elements aimed at making sure that rapid development and review is balanced by safeguards to protect both the patients and the integrity of the regulatory process. Accelerated development/review can be used under two special circumstances:

1) When approval is based on evidence of the product's effect on a surrogate endpoint; and
2) When the FDA determines that safe use of a product depends on restricting its physical sign that may not be a direct measurement of how a patient feels, functions, or survives, but is still considered likely to predict therapeutic benefit for the patient.

The fundamental element of this process is that the manufacturers must continue testing after approval to demonstrate that the drug indeed provides therapeutic benefit to the patient. If not, the FDA can withdraw the product from the market more easily than usual.

Competition
The HIV Treatment Market is a very competitive, rapidly evolving market. There are a number of companies involved in this market. According to industry sources, GlaxoSmithKline (NYSE: GSK), Bristol-Myers Squibb (NYSE: BMY), and Abbott Laboratories (NYSE: ABT) hold a substantial market share. These three companies hold a cumulative market share in the United States of approximately 74%. Additionally, there are many other public and private companies (including major pharmaceutical and specialized biotechnology firms), universities, and other research institutions engaged in developing pharmaceutical and biotechnology products. Additionally, there are a number of companies and organizations that also developing entry inhibitors, which may compete directly with products that LIV may develop. Many of organizations have substantially greater financial, technical, research and development, and human resources than LIV.

Commercially viable products will compete with drugs and therapies manufactured and marketed by major pharmaceutical and other biotechnology companies. These products may be more effective than any of those being developed by LIV or its partners. The Biotechnology and Pharmaceutical Industries are characterized by rapidly evolving technology and intense competition. There are many public and private companies (including major pharmaceutical and specialized biotechnology firms), universities, and other research institutions engaged in developing pharmaceutical and biotechnology products.

In order to successfully compete with other companies, LIV must be able to obtain, maintain, and defend its intellectual property, including but not limited to patents, trade secrets, and proprietary rights.

According to marketresearch.com and clinicaltrials.gov, there are more than 100 biopharmaceutical companies with a combined HIV drug portfolio of over 400 projects, from pre-clinical to Phase III. Many of these organizations have substantially greater financial, technical, research and development, and human resources than LIV. Investors should be aware that companies that complete clinical trials, obtain required regulatory approvals, and commence commercial sales of their products before their competitors may achieve a significant competitive advantage.

Collaborations
The Company may seek a strategic partner to commercialize its product pipeline. However, there can be no assurances that LIV will be successful in securing a partner arrangement or obtain favorable financial terms. Future product revenue stream may likely depend on its partners' sales/marketing capabilities and ability to execute proposed marketing plan; matters outside of the control of LIV.

Lack of Recurring Revenues
Since inception only $0.315 million in revenue was generated from non-recurring sources (i.e. grants). Management does not anticipate significant recurring operating revenues will occur until either one or more of the Company's currently out-licensed products are commercialized. If LIV is unable to generate recurring revenues, it will likely become dependent on third party financing to continue to meet its obligations and maintain current operations.

Funding Risk
LIV may likely be required to raise additional equity capital in order to continue with its near-term research efforts. More extensive financing will likely be needed for future clinical trials. Although the Company has shown an ability to obtain financing to fund operations, there is substantial risk that it may not be able to secure sufficient financing to fund its clinical activities and bring its product to market. There is no assurance that financing, if obtained, will be available on favorable terms.

Financing Arrangements/Dilution
If the Company obtains additional sources of funds through equity, current shareholders will suffer dilution. Substantial dilution may adversely impact LIV's equity value. As part of its recent financing efforts, the Company has executed an equity financing agreement with Fusion Capital. Investors should note that currently, the Company has no commitments from third parties to provide it with additional debt or equity financing.

As of June 30, 2005, there were 23.966 million options outstanding with a weighted average strike price of $0.60 per share.

In June 2005, LIV increased its authorized shares from 200 million to 250 million.

History of Operations
The Company has and is likely to continue to incur significant losses. Losses were generated primarily due to expenditures for research and development and general and administrative expenses. Losses are likely to continue until significant recurring revenues are generated; therefore, an investor should be aware that an investment in an early stage biotechnology company assumes all the risks of developing and marketing a product, as well as the potential benefits.

As of June 30, 2005, the accumulated deficit was $30.9 million. Since inception, the Company has accumulated over $15.2 million in net operating loss carryforwards.

Corporate Governance
Wall Street has recently increased its focus on corporate governance and placed increased emphasis on the accountability of Management and Directors to shareholders. These events have brought about the passage of the Sarbanes-Oxley Act of 2002 by Congress and signage by the President. Corporate governance may be an issue facing the Company in light of new rules and regulations being issued by government regulatory agencies. This could mean that the Company will eventually be required to hire additional personnel in order to diversify various operational, management, and compliance functions, as well as spend monies to comply with the various aspects of the Act.

Federal Reserve/FOMC
After its last eleven meetings, the Federal Reserve raised the Discount Rate and its target rate for Fed Funds by 0.25 points after each meeting. Such a monetary policy is theoretically and empirically bad news for equity prices and valuations, particularly for smaller cap stocks.

Microcap Concerns
Shares of LIV have risks common to those of the microcap segment of the market. Often these risks cause microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume and can lead to large spreads and high volatility in stock price. The Company has approximately 107 million shares in the float. On average, approximately 104,000 shares are traded daily.

Miscellaneous Risks
The Company's financial results and equity values are subject to other risks and uncertainties known and unknown, including but not limited to competition, operations, financial markets, regulatory risk, and/or other events. These risks may cause actual results to differ from expected results.

Conclusion

Although during recent months the Company announced a number of strategic and forward looking developments, we are maintaining coverage of Samaritan Pharmaceuticals, Inc. (AMEX: LIV) with a Neutral rating, pending further clinical and business developments.

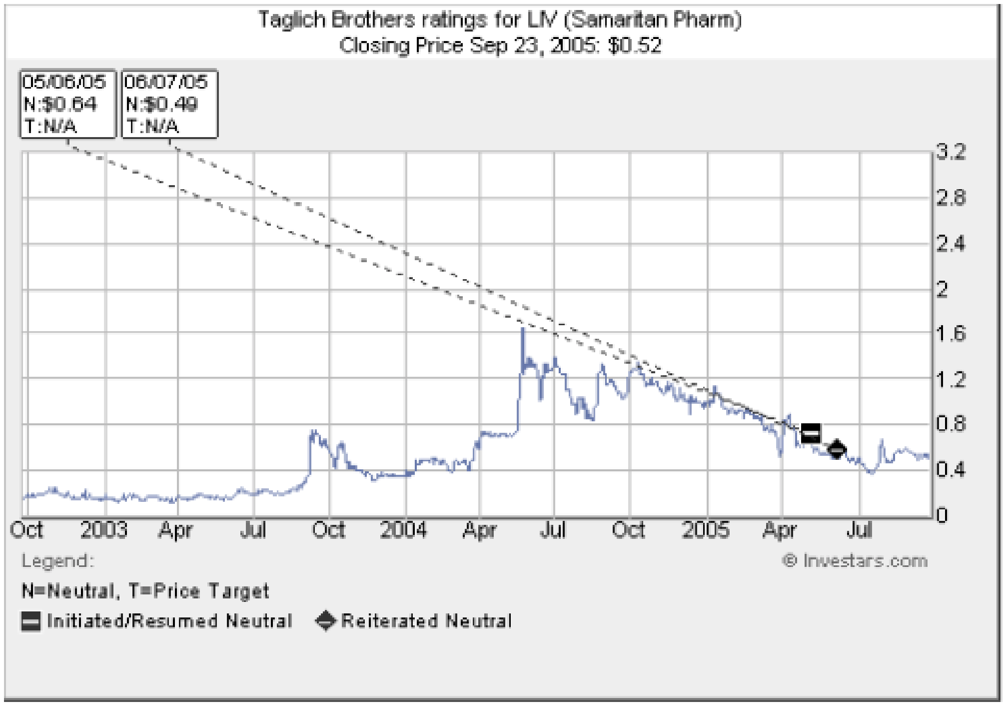
The developments that we continue to monitor include:

- SP-01A’s progress through the later stages of the clinical and regulatory processes;
- The ability of the Company to successfully partner with a pharmaceutical company with the sales and marketing expertise necessary to effectively market SP-01A;
- The progress of its product pipeline currently in the early stages of development;
- LIV’s cash burn rate;
- New financing agreements; and
- Dilution.

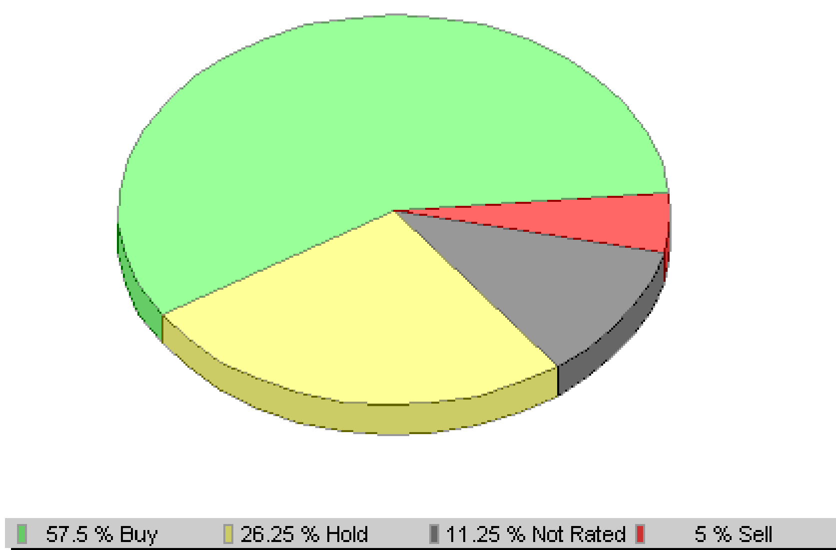
The strategic and forward looking developments announced in recent months include:

- In May 2005, LIV announced it was initiating a Phase II trial to asses SP01A's safety and the effect on viral load in HIV-1 positive individuals, with evidence of increasing viral load despite treatment with other antiretroviral therapy;
- In May 2005, Management secured a new financing agreement with Fusion Capital for up to $40 million in equity financing over a 50-month period;
- In July 2005, LIV announced that it commenced dosing the first patient in its Phase II trial for HIV;
- In July 2005, Samaritan announced that it has entered into seven confidential disclosure agreements as a result of fifty-nine partnering meetings with “big Pharma” over the past year; and
- In August 2005, LIV announced the formation of Samaritan Pharmaceuticals Europe in Athens, Greece.

Investors should be acutely aware that the Company faces considerable risks, including limited financial resources, an increasingly competitive HIV Treatment Market, a development stage product pipeline, regulatory concerns, and the probability of significant dilution. An investment in LIV is an investment in a development stage biotech opportunity with all the risks and benefits. Shares of LIV are only suitable for high-risk tolerant investors seeking exposure to an emerging biotech company.



Taglich Brothers Current Ratings Distribution



Meaning of Ratings

Buy

We believe the Company is undervalued relative to its market and peers. We believe its risk reward ratio strongly advocates purchase of the stock relative to other stocks in the marketplace. Remember, with all equities there is always downside risk.

Speculative Buy

We believe that the long run prospects of the Company are positive. We believe its risk reward ratio advocates purchase of the stock. We feel the investment risk is higher than our typical “buy” recommendation. In the short run, the stock may be subject to high volatility and continue to trade at a discount to its market.

Neutral

We will remain neutral pending certain developments.

Underperform

We believe that the Company may be fairly valued based on its current status. Upside potential is limited relative to investment risk.

Sell

We believe that the Company is significantly overvalued based on its current status. The future of the Company's operations may be questionable and there is an extreme level of investment risk relative to reward.

Some notable Risks within the Microcap Market

Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.

From time to time our analysts may choose to withhold or suspend a rating on a company. We continue to publish informational reports on such companies; however, they have no ratings or price targets. In general, we will not rate any company that has too much business or financial uncertainty for our analysts to form an investment conclusion, or that is currently in the process of being acquired.

Public Companies Mentioned in this report
GlaxoSmithKline (NYSE: GSK)
Bristol-Myers Squibb (NYSE: BMY)
Abbott Laboratories (NYSE: ABT)

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I, Luis Martins, the research analyst of this report, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report.

Samaritan Pharmaceuticals, Inc.
Annual Income Statement Model
For Fiscal Year Ended December 31
(in thousands)

	F12/2002A	F12/2003A	F12/2004A	F12/2005E
Total Revenues	$ -	$ 250	$ -	$ 115
Costs of Goods Sold	-	-	-	-
Gross Profit	-	250		115
Gross Margins	*NMF*	*100.00%*	*NMF*	*100.00%*
R&D	1,097	838	1,544	3,291
G&A	2,419	4,902	3,561	2,966
D&A	520	24	27	54
Operating Expeness	4,036	5,764	5,132	6,311
Operating Income	(4,036)	(5,514)	(5,132)	(6,196)
Operating Margin	*NMF*	*NMF*	*NMF*	*NMF*
Interest Expense(Income)-net	20	6	(37)	(64)
Other	-	-	(214)	21
Pre-Tax Income	(4,056)	(5,520)	(4,881)	(6,152)
Pre-Tax Margins	*NMF*	*NMF*	*NMF*	*NMF*
Taxes (Benefit)	-	-	-	-
Tax Rate	*0.00%*	*0.00%*	*0.00%*	*0.00%*
Net Income	(4,056)	$ (5,520)	$ (4,881)	$ (6,152)
EPS-fully diluted	$ (0.08)	$ (0.07)	$ (0.04)	$ (0.05)
Avg Shares Out-fully diluted	50,789	79,767	124,566	135,683
Percent of Revenue				
SG&A	*NMF*	*NMF*	*NMF*	*NMF*
Net Margin	*NMF*	*NMF*	*NMF*	*NMF*
YEAR / YEAR GROWTH				
Total Revenues	*NMF*	*NMF*	*NMF*	*NMF*

Samaritan Pharmaceuticals, Inc.
Quarterly Income Statement Model
For Fiscal Year Ended December 31, 2003
(in thousands)

	Q1(3/03)A	Q2(6/03)A	Q3(9/03)A	Q4(12/03)A	**F2003A**
Total Revenues	$ -	$ -	$ -	$ 250	**$ 250**
Costs of Goods Sold	-	-	-	-	**-**
Gross Profit	-	-	-	250	**250**
Gross Margins	***NMF***	***NMF***	***NMF***	***100.00%***	***100.00%***
R&D	188	199	201	250	**838**
G&A	440	450	438	3,574	**4,902**
D&A	6	6	6	6	**24**
Operating Expeness	634	655	645	3,830	**5,764**
Operating Income	(634)	(655)	(645)	(3,580)	**(5,514)**
Operating Margin	***NMF***	***NMF***	***NMF***	***NMF***	***NMF***
Interest Expense(Income)-net	4	2	2	(2)	**6**
Pre-Tax Income	(638.00)	(657.00)	(647.00)	(3,578)	**(5,520)**
Pre-Tax Margins	***NMF***	***NMF***	***NMF***	***NMF***	***NMF***
Taxes (Benefit)	-	-	-	-	**-**
Tax Rate	*0.00%*	*0.00%*	*0.00%*	*0.00%*	***0.00%***
Net Income	$ (638)	$ (657)	$ (647)	$ (3,578)	**$ (5,520)**
EPS-fully diluted	**$ (0.01)**	**$ (0.01)**	**$ (0.01)**	**$ (0.04)**	**$ (0.07)**
Avg Shares Out-fully diluted	66,635	75,940	83,469	85,000	**79,767**
Percent of Revenue					
SG&A	***NMF***	***NMF***	***NMF***	***NMF***	***NMF***
Net Margin	***NMF***	***NMF***	***NMF***	***NMF***	***NMF***
YEAR / YEAR GROWTH					
Total Revenues	***NMF***	***NMF***	***NMF***	***NMF***	***NMF***

Samaritan Pharmaceuticals, Inc.
Quarterly Income Statement Model
For Fiscal Year Ended December 31, 2004
(in thousands)

	Q1(3/04)A	Q2(6/04)A	Q3(9/04)A	Q4(12/04)A	**F12/2004A**
Total Revenues	$ -	$ -	$ -	$ -	**$ -**
Costs of Goods Sold	-	-	-	-	-
Gross Profit	-	-	-	-	
Gross Margins	***NMF***	***NMF***	***NMF***	***NMF***	***NMF***
R&D	105	315	475	649	**1,544**
G&A	717	700	476	1,668	**3,561**
D&A	7	7	7	6	**27**
Operating Expeness	829	1,022	958	2,323	**5,132**
Operating Income	(829)	(1,022)	(958)	(2,323)	**(5,132)**
Operating Margin	***NMF***	***NMF***	***NMF***	***NMF***	***NMF***
Interest Expense(Income)-net	50	-	-	(87)	**(37)**
Other	-	-	-	(214)	**(214)**
Pre-Tax Income	(879)	(1,022)	(958)	(2,236)	**(4,881)**
Pre-Tax Margins	***NMF***	***NMF***	***NMF***	***NMF***	***NMF***
Taxes (Benefit)	-	-	-	-	**-**
Tax Rate	*0.00%*	*0.00%*	*0.00%*	*0.00%*	***0.00%***
Net Income	$ (879)	$ (1,022.0)	$ (958)	$ (2,236)	**$ (4,881)**
EPS-fully diluted	**$ (0.01)**	**$ (0.01)**	**$ (0.01)**	**$ (0.02)**	**$ (0.04)**
Avg Shares Out-fully diluted	108,952	127,561	130,749	131,000	124,566
Percent of Revenue					
SG&A	***NMF***	***NMF***	***NMF***	***NMF***	***NMF***
Net Margin	***NMF***	***NMF***	***NMF***	***NMF***	***NMF***
YEAR / YEAR GROWTH					
Total Revenues	***NMF***	***NMF***	***NMF***	***NMF***	***NMF***

Samaritan Pharmaceuticals, Inc.
Quarterly Income Statement Model
For Fiscal Year Ended December 31, 2005
(in thousands)

	Q1(3/05)A	Q2(6/05)A	Q3(9/05)E	Q4(12/05)E	**F12/2005E**
Total Revenues	$ -	$ 15	$ -	$ 100	**$ 115**
Costs of Goods Sold	-	-	-	-	-
Gross Profit	-	15	-	100	**115**
Gross Margins	*NMF*	*100.00%*	*NMF*	*100.00%*	***100.00%***
R&D	727	814	850	900	3,291
G&A	544	672	750	1,000	2,966
D&A	7	17	15	15	54
Operating Expeness	1,278	1,503	1,615	1,915	6,311
Operating Income	(1,278)	(1,488)	(1,615)	(1,815)	(6,196)
Operating Margin	*NMF*	*NMF*	*NMF*	*NMF*	*NMF*
Interest Expense(Income)-net	(17)	(17)	(15)	(15)	**(64)**
Other	5	6	5	5	**21**
Pre-Tax Income	(1,266)	(1,476)	(1,605)	(1,805)	**(6,152)**
Pre-Tax Margins	*NMF*	*NMF*	*NMF*	*NMF*	*NMF*
Taxes (Benefit)	-	-	-	-	-
Tax Rate	*0.00%*	*0.00%*	*0.00%*	*0.00%*	***0.00%***
Net Income	$ (1,266)	$ (1,476)	$ (1,605)	$ (1,805)	**$ (6,152)**
EPS-fully diluted	**$ (0.01)**	**$ (0.01)**	**$ (0.01)**	**$ (0.01)**	**$ (0.05)**
Avg Shares Out-fully diluted	132,440	133,895	136,395	140,000	**135,683**
Percent of Revenue					
SG&A	***NMF***	***NMF***	***NMF***	***NMF***	***NMF***
Net Margin	***NMF***	***NMF***	***NMF***	***NMF***	***NMF***
YEAR / YEAR GROWTH					
Total Revenues	***NMF***	***NMF***	***NMF***	***NMF***	***NMF***

Samaritan Pharmaceuticals, Inc.
Consolidated Balance Sheet
For Fiscal Period Ended
(in thousands)

	F2004A	1Q05A	2Q05A
Assets			
Current Assets			
Cash & Equivalents	$ 3,929	$ 3,773	$ 2,553
Prepaid Expense & Other	76	84	67
Total Current Assets	4,005	3,857	2,620
Plant, Property, & Equipment-net	37	42	210
Marketable securities	493	492	493
Deposits & other	253	253	253
Intellectual property	461	491	558
Total Assets	$ 5,249	$ 5,135	$ 4,135
Liabilities & Shareholders' Equity			
Current Liabilities			
Accounts Payable & Accruals	170	198	251
Total Current Liabilities	170	198	251
Total Shareholders' Equity	5,079	4,938	3,883
Total Liabilities & Equity	$ 5,249	$ 5,135	$ 4,135
SHARES OUT	132,030	133,258	135,716