

# FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL	
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person * BAER HOWARD R			2. Issuer Name and Ticker or Trading Symbol HEALTH ENHANCEMENT PRODUCTS INC [HEPI]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) CEO, Chairman		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 01/18/2006			6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
7740 E EVANS RD, STE A101			4. If Amendment, Date Original Filed(Month/Day/Year)					
(Street)								
SCOTTSDALE, AZ 85260								
(City) (State) (Zip)								

### Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/18/2006		A		6,250,000	A	(1)	13,416,400 (3)	D	
Common Stock	01/18/2006		F		288,462	D	(1)	13,127,938 (3)	D	
Common Stock	12/20/2005		G	V	50,000	D	(2)	13,077,938 (3)	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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### Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		(A)	(D)	Date Exercisable	Expiration Date				
Warrant	\$ 0.15	01/18/2006		X		6,250,000	07/08/2005	07/08/2008	Common Stock	6,250,000	(4)	0	D	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BAER HOWARD R 7740 E EVANS RD, STE A101 SCOTTSDALE, AZ 85260	X	X	CEO, Chairman	

## Signatures

/s/ Howard R. Baer	01/19/2006
Signature of Reporting Person	Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) The reporting person surrendered to the Issuer 288,462 shares of common stock issuable upon exercise of the Warrant. These shares were valued at \$937,501, in accordance with the terms of the Warrant.
- (2) Gift.
- (3) In addition, the Reporting Person beneficially owns (indirectly) 3,017,250 shares of common stock which are owned of record by Carriage House Capital, LLC.
- (4) Exercise.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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