

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant
to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) July 10, 2006

Health Enhancement Products, Inc.
(Exact Name Of Registrant As Specified In Its Charter)

Nevada
(State or Other Jurisdiction of Incorporation)

000-30415
(Commission File Number)

87-0699977
(I.R.S. Employer
Identification No.)

7740 East Evans Rd., Suite A100, Scottsdale, AZ
(Address of Principal Executive Offices)

85260
(Zip Code)

(480) 385-3800
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)



Item 3.02. Unregistered Sales of Equity Securities

From May through July 10, 2006, the Company sold an aggregate of 2,779,400 shares of its common stock, .001 par value (“common stock”), in private transactions for aggregate gross proceeds of \$1,414,700. In connection with this transaction, the company incurred cash finders’ fees of \$123,000.

The Company believes that the foregoing transaction was exempt from the registration requirements under Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended (“the Act”), based on the following facts: there was no general solicitation, there was a limited number of purchasers, all of whom (but for one) were “accredited investors” (within the meaning of Regulation D under the Securities Act of 1933, as amended) and all of whom were sophisticated about business and financial matters, and all shares issued were subject to restriction on transfer, so as to take reasonable steps to assure that the purchaser was not an underwriter within the meaning of Section 2(11) under the Act.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: July 13, 2006

HEALTH ENHANCEMENT
PRODUCTS, INC.

By /s/ Howard R. Baer
Howard R. Baer, CEO