



MAY 17, 2007

MORNING NOTE

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**IMPLANT SCIENCES CORPORATION**  
(AMEX: IMX: \$1.93, BUY)  
INDUSTRY: SECURITY, MEDICAL AND SEMICONDUCTORS

**Disclosures: 1, 5, 10**

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- IMX has filed a Notification of Late Filing with the SEC with regard to its Form 10-Q for the quarter ending March 31, 2007.
  - The company is late in filing due to the May 7 sale of its Accurel group. It expects to file within five days.

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<b>Accumulate</b>	Purchase of the stock is recommended for above average appreciation over the next 12 to 18 months, but the buyer may have an opportunity to acquire the stock within a 10% trading range.
<b>Hold</b>	Holding the stock is recommended because the share price has moved above the specific "Buy" range and, therefore, appreciation potential is less than or equal to the market.
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