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June 2009

\$9.95 (U.S.)

Ecosphere Technologies (ESPH:OTCBB) Provides Solution to Water vs Energy Issue!

By Paul Silver

Drilling for natural gas is quickly becoming a hotly debated political issue between legislators and the natural gas drilling industry. Despite the widespread support for the increased use of natural gas in lieu of fossil fuels, there are growing concerns about groundwater contamination caused by the use of toxic chemicals in the hydraulic fracturing process.

Hydraulic fracturing – also known as fracking, which is used in almost all unconventional oil and gas wells, is a process whereby fluids are injected at high pressure into underground rock formations to blast them open and increase the flow of fossil fuels. This injection of unknown and potentially toxic chemicals often occurs near drinking water wells. Troubling incidents have occurred around the country where people became ill after fracking operations began in their communities. Some chemicals that are known to have been used in fracking include diesel fuel, benzene, industrial solvents, and other carcinogens and endocrine disrupters.

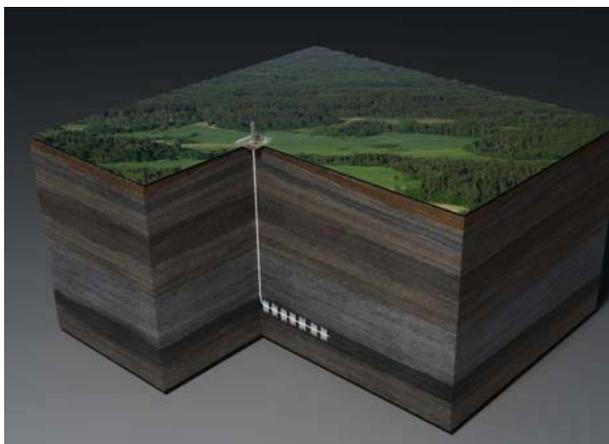


Illustration of a Horizontal Hydraulic Fracturing

On June 9th, 2009, U.S. lawmakers introduced companion Senate and House bills, the FRAC ACT -- Fracking Responsibility and Awareness of Chemicals Act, amending the Safe Drinking Water Act. The legislation would repeal the exemption provided for the oil and gas industry and would require them to disclose the chemicals they use in their hydraulic fracturing processes. Currently, the oil and gas industry is the only industry granted an exemption from complying with the Safe Drinking Water Act. Critics of the exemption say federal oversight is needed to protect drinking water supplies, but proponents say state regulation is sufficient. Industry officials say the EPA isn't prepared to administer oil and gas permitting and federal regulation could lead to long delays, court cases and possible permit rejections.

Rep. Maurice Hinchey, D-N.Y. said the exemption "enabled energy companies to pump enormous amounts of toxins such as benzene and toluene into the ground that then jeopardize the quality of drinking water." U.S. Rep. Polis added "It is irresponsible to stand by while innocent people are getting sick because of an industry exemption that Dick Cheney snuck in to our nation's energy policy. Many new sources of energy, including natural gas, will play an important role in our nation's transition to cleaner fuels, but we must make sure this isn't at the expense of public health. The problem is not natural gas or even hydraulic fracturing itself. The problem is that dangerous chemicals are being injected into the earth, polluting our water sources, without any oversight whatsoever."

The oil and gas industry claims that this bill could prevent development of trillions of cubic feet of natural gas by putting regulation of a key production technique under federal oversight. The natural-gas industry also says that operators are required by law to report the chemicals they use to the state authorities and wouldn't be granted permits if their operations threatened public

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Ecosphere Technologies Provides Solution – continued...

health, safety or supplies. It is unclear how much support the proposal could get in Congress or from the White House, but the oil and natural-gas industry has already geared up for a fight to oppose the provision given its potential impact on the sector.

Despite its history, “fracking” has gained recent attention as geologists have discovered massive unconventional natural-gas resources around the U.S., multiplying estimates of the nation's future production. For example, the Marcellus deposit that lies under Pennsylvania, Virginia, Ohio and New York is estimated to hold over 500 trillion cubic feet, compared to total conventional natural-gas resource estimates in the U.S. of around 378 trillion cubic feet, according to the U.S. Geological Survey.

Ecosphere has a solution for the lawmakers and the drillers.

Ecosphere has invented and commercialized a groundbreaking environmentally friendly solution to this problem based on its proprietary advanced oxidation technology that was originally used to treat industrial wastewater. The conventional method of creating frac fluid was to treat pond water with toxic chemicals, including biocides and scale inhibitors. The biocides and scale inhibitors are added to eliminate aerobic and anaerobic bacteria from the pond water. The problem is that the chemicals, besides being expensive, create problems down hole (including scaling and corrosion) that reduce well productivity. Specifically, calcium and iron combined with carbonate and bicarbonate produce the most common types of scaling and corrosion down hole. As discussed previously, there are also concerns about the chemicals contaminating the groundwater.



Ecosphere's EF600 Unit in the Fayetteville Shale

Through the creation of its revolutionary advanced oxidation EF600 technology, Ecosphere is able to treat pond water with its non-chemical, bacteria killing process, adding some brine and friction reducers, and producing an eco-friendly frac (a.k.a completions) fluid that is nearly free of the toxic chemicals normally associated with fracking. In addition to the reduction in chemical costs, tests show that wells that use this new solution are experiencing significantly higher production compared to similar wells that have conventional chemical solutions.

According to John Ely, one of the foremost experts in the fracking world whose company supervised more than 4,000 frac treatments in 2008, “The combined advantages of removing virtually all chemicals from WaterFracs including biocide, scale inhibitor, and corrosion inhibitor as well as requiring much less friction reducer, has made the EcosFrac and EcosBrine processes truly a step change in our industry. I am very excited about working closely with Ecosphere and recommending this breakthrough process to our customers. When you can reduce chemicals, increase production, and recycle vital water resources you have a very compelling reason for an energy company to use Ecosphere's technology on every frac job.”

In summary, Ecosphere's technology is a “win win” for both sides. The lawmakers can tell their constituents that they have effectively protected their drinking water from the “evil” energy companies and the gas drillers can stave off cost prohibitive federal and state regulatory hurdles, reduce operating costs by eliminating almost all chemical costs from their hydraulic fracture process, and increase their well productivity. As for Ecosphere, the global market potential measures in the billion of dollar range. According to Newfield, total projected 2009 completions in the five major shale plays will total 2,136. Assuming 100,000 barrels of water needed per frac, 213.6 million barrels of frac water will be required to frac these wells. At a price of \$1.50 per barrel, the market just in these five domestic shales plays is over \$320 million annually.

To learn more about Ecosphere Technology visit:
www.ecospheretechnology.com

Read the next section titled “Ecosphere Technologies and Fracking 101” to learn more about Ecosphere Technologies and the Fracking Industry

Ecosphere Technologies and Fracking 101

Ecosphere Technologies is currently focusing its efforts on helping natural gas drillers “frac” their wells in the major shale formations across the United States. In order to help investors better understand the process and the challenges associated with drilling in the shale formations, we are providing investors with a brief “101” introduction on shale gas formations and hydraulic fracturing followed by a brief description of how Ecosphere is changing the game.

Shale gas plays are unconventional reservoirs because these formations contain oil or gas-bearing rocks which have poor or limited natural permeability relative to the transmission of fluids to a wellbore. In fact, low reservoir permeability represents a key difference between shale and other gas reservoirs. For gas shales to become economically produced, the restrictions of low permeability must be overcome.

Hydraulic fracturing is the formation stimulation practice used to create additional permeability in a producing formation to allow gas to flow more easily toward the wellbore for purposes of production. The current practice for hydraulic fracture treatments of shale gas reservoirs are commonly sequenced events which can require thousands of barrels of water-based fracturing fluids mixed with proppant materials to be pumped in a controlled and monitored manner into the target shale formation.

The fracturing fluids used for fracturing gas shale include a variety of additive components, each with an engineered purpose to facilitate the production of gas.

Fracturing Fluid Additives, Main Compounds and Common Uses		
Additive Type	Main Compound	Common Uses of Main Compound
Acid	Hydrochloric acid or muriatic acid	Swimming pool chemical and cleaner
Biocide	Glutaraldehyde	Cold sterilant in health care industry
Breaker	Sodium Chloride	Food preservative
Corrosion inhibitor	N,n-dimethyl formamide	Used as a crystallization medium in pharmaceutical industry
Friction reducer	Petroleum distillate	Cosmetics including hair, make-up, nail and skin products
Gel	Guar gum or hydroxyethyl cellulose	Thickener used in cosmetics, sauces and salad dressings
Iron Control	2-hydroxy-1,2,3-propanetricarboxylic acid	Citric acid it is used to remove lime deposits
Oxygen scavenger	Ammonium bisulfite	Used in cosmetics
Proppant	Silica, quartz sand	Play sand
Scale inhibitor	Ethylene glycol	Automotive antifreeze and de-icing agents

Source: Hydraulic Fracturing Considerations for Natural Gas wells in the Marcellus Shale by J. Daniel Arthur

In the Marcellus Shale, the fluids used for fracture treatments are water based or slickwater fracture fluids.

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Slickwater fracture fluids are water-based fluids mixed with friction reducing additives, primarily potassium chloride (KCl). Water is the principal component of slickwater based fracturing fluids; however, other additives are included to perform specific actions, such as the addition of friction reducers which allow a fracturing fluid and proppant to the pumped to the target zone at a higher rate and reduced pressure than water alone. In addition to friction reducers, other additives include biocides to prevent micro-organism growth and reduce bio-fouling of fractures. Oxygen scavengers and other stabilizers which prevent corrosion of metal pipes, and acids which are used to remove drilling mud damage within the area near wellbore are also common either in fracturing fluids or as part of the fracture treatment. The table to the left provides a summary of the additives, their main compounds and some of the other common uses for the main compounds of the additives in day-to-day life.

In aggregate, these chemical additives range in cost from \$0.50 per barrel to \$3.00 per barrel depending on the specific frac solution. Given that one hydraulic fracture requires between 100,000 and 120,000 barrels of water, these additive costs become expensive.

Once the fracture liquid and other produced water resurface, operators are forced to deal with the

Ecosphere Technologies and Fracking 101 - continued...

wastewater. Some of the operators are containing the liquid in enclosed fluid capture systems that reduce their exposure to the environment and reduce the potential for spills. Operators are using a variety of containment tanks and storage trucks to reduce the potential for exposure of fluids to the environment during the transport of chemicals to disposal locations away from the well pad. As the volume of water flowing back to the surface continues to grow, operators are researching various options for dealing with the growing problem, including the use of disposal (injection) wells and municipal and industrial treatment facilities.

Ecosphere Technologies' process reduces the use of chemicals in the fracturing process, increases well productivity, and transforms a waste product into an eco-friendly asset.

As explained in the previous section, the conventional way of fracking a well is pumping thousands of barrels of water-based fracturing fluids mixed with proppant materials down hole. The fracture solution consists of expensive chemicals added to pond water. The chemicals are added for a variety of reasons, but they also create a number of problems (e.g. scaling) down hole. One of the primary reasons for including biocides in the solution is to eliminate aerobic and anaerobic bacteria from the water. Ecosphere invented the only process in the world that is capable of killing bacteria in the water without the use of harmful and expensive chemicals at a rate of 600 barrels per hour (per tank). As a result, the Ecosphere Process can take dirty water from a pond, run it through its EF600™, add friction reducer and its EcosBrine™ byproduct, and produce a nearly chemical free fracture solution that saves drillers hundreds of thousands of dollars on chemicals per hydraulic fracture. In addition to the cost savings, tests reveal that using this fracture solution significantly enhances well productivity.

On the back end, while others are contemplating disposal options, Ecosphere is taking the frac flowback wastewater and transforming it into EcosBrine™, a high chloride water (HCW). The EcosBrine™ is subsequently reused on the front end of the frac site (mixed with the chemical free frac liquid and friction reducers) to create completions fluid going down hole. Ecosphere has turned a waste product into a valuable asset, it has drastically cut the disposal trucking costs, and it has cut the carbon emissions from all of the eliminated transportation.

To put this opportunity into perspective, estimates by the Produced Water Institute (PWI) indicate that oil and gas extraction companies in 2007 spent more than \$40 billion globally in processing produced water. According to a report titled *The Produced Water Problem and the Ozonix Solution* by Dr. Kent F. Moors, 2006 produced water volume in the U.S. was 15.7 billion barrels; over 85 billion barrels (3.57 trillion gallons) of produced water resulted from hydrocarbon E&P work worldwide in 2006.



Paul Silver is the Managing Director of Research at Wall Street Resources. Previously he has been in auditing with a Big Four accounting firm in New York City, a sell-side research analyst for two global investment banks in New York City including Salomon Smith Barney and UBS Paine Webber. At Salomon Smith Barney he was a member of the firm's research team covering Real Estate Investment Trusts that was consistently ranked #1 by Institutional Investor magazine. Mr. Silver has written extensively on small cap equities and is a contributing writer to numerous publications.

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***** NEW FEATURE *******WSR'S Executive Edge****Major Changes in Accounting (Part I)**

Never in the history of accounting, have there been as many changes in the pipeline as there are today. From the Financial Accounting Standards Board's (FASB) codification of accounting standards, XBRL reporting for public companies, the looming adoption of International Accounting and Auditing Standards and the newly passed and anticipated tax legislation from the new Democratic administration, these are challenging times for the accounting profession.

The change with the most immediate impact is the FASB's codification of accounting standards. This five year project disassembled and reassembled thousands of non-governmental accounting pronouncements including those from FASB, the Emerging Issues Task Force and the AICPA, into approximately 90 topics. The result is the Accounting Standards Codification (ASC), an online database of all existing authoritative United States Generally Accepted Accounting Standards (US GAAP). This database, which can be accessed at www.FASB.org will become the authoritative source for US GAAP on July 1, 2009.

The codification should simplify researching accounting issues as it is arranged by topic and provides background, context, reporting and disclosure guidance in each section. There are also SEC reporting sections under each topic, where applicable. This eliminates the need to access multiple GAAP sources in order to arrive at the correct accounting for a particular transaction or set of transactions.

The first impact on reporting companies will be the inclusion of the ASC topic and section reference wherever an accounting pronouncement is referenced in financial statements issued after July 1, 2009. It is recommended that the ASC reference be followed in parentheses by the previously used authoritative reference in interim public filings. This will require companies to research their current accounting principles in the codification and while this may create some additional work for the first quarterly or other interim filing, the process should also work to familiarize your accounting staff with the codification.

Next month we will delve into the world of XBRL.....

Mike Hull

Director of CFO Services
WSR Consulting, Inc.



Mr. Hull spent 11 years auditing both public and private companies for Price Waterhouse, advancing from audit staff to audit senior manager. Upon leaving Price Waterhouse, he accepted the position of CFO for BCT International, a public company that is a franchisor of wholesale printing businesses with annual network sales of \$107 million. Subsequently, he worked for Resources Global Professionals, where he was a member of a team that assisted a \$4 billion subsidiary of a \$40 billion multinational company in complying with Section 404 of the Sarbanes Oxley Act of 2002. Most recently, Mr. Hull served as the CFO of BabyUniverse, a public company traded on NASDAQ. His responsibilities included preparing the annual 10-K and quarterly 10-Qs filed with the SEC and coordinated the annual financial statement audit and quarterly reviews.

Mr. Hull is a 1985 graduate of the University of Central Florida with a B.S.B.A. in Accounting. He has been a Certified Public Accountant since 1986 and is a member of the Florida Institute of Certified Public Accountants, a member of the American Institute of Certified Public Accountants, and a member of the Financial Executives Network Group.

Florida Small Cap 30

(Highlighting the Top 30 Publicly Traded Companies in Florida with a Market Cap. Less Than \$500M)

Beginning in our March 2009 issue we have added a new feature to our *Emerging Growth News* highlighting what we believe are the top 30 publicly traded companies in Florida with a market capitalization less than \$500 million. To qualify for inclusion, companies in the WSR-Florida Small Cap 30 must have a market capitalization less than \$500 million, generated a profit over the most recent two quarters and achieved a quarter-over-quarter growth rate in excess of 10% or be cash flow positive and trade at less than one times book value. Changes to the Florida Small Cap 30 list will be emailed to WSR's subscribers via its *Daily Notes* publication and are updated each month in *The Emerging Growth News*.

Florida Small Cap 30		Price	% Change		
Company Name	Symbol	5/29/2009	in May	Sector	Industry
AuthenTec, Inc.	AUTH	1.75	-5.9%	Technology	Semiconductors
Bankrate, Inc.	RATE	30.06	20.2%	Technology	Internet Information Provider
China Direct, Inc.	CDII	1.25	4.2%	Services	Business Services
Continucare Corporation	CNU	2.07	3.0%	Healthcare	Healthcare Facilities
Cross Country Healthcare, Inc.	CCRN	7.73	-12.3%	Services	Business Services
CRYO-CELL International, Inc.	CCEL	1.25	13.6%	Healthcare	Specialized Health Services
Dycom Industries, Inc.	DY	11.69	38.8%	Capital Goods	Construction Services
Exactech, Inc.	EXAC	16	20.8%	Healthcare	Medical Equipment & Supplies
FARO Technologies, Inc.	FARO	15.43	1.8%	Technology	Scientific & Technical Instr.
Food Technology Service	VIFL	2.03	-1.9%	Services	Business Services
Gencor Industries, Inc. (DE)	GENC	7.85	-5.9%	Capital Goods	Constr. & Agric. Machinery
Home Diagnostics, Inc.	HDIX	6.04	1.7%	Healthcare	Medical Equipment & Supplies
Inksure Technologies Inc.	INKS	0.15	50.0%	Basic Materials	Chemical Manufacturing
Intellon Corporation	ITLN	3.8	40.2%	Technology	Semiconductors
Metropolitan Health Networks, Inc.	MDF	1.99	17.8%	Healthcare	Healthcare Plans
MTS Medication Technologies, Inc.	MTSI	4.57	17.2%	Healthcare	Medical Equipment & Supplies
National Beverage Corp.	FIZZ	10.75	2.1%	Consumer/Non-Cyclical	Beverages (Non-Alcoholic)
Noven Pharmaceuticals, Inc.	NOVN	11.1	7.8%	Healthcare	Biotechnology & Drugs
Ocean Bio-Chem, Inc.	OBCI	0.97	44.8%	Consumer/Non-Cyclical	Personal & Household Prods.
OSG America L.P.	OSP	6.95	-21.7%	Transportation	Misc. Transportation
Parlux Fragrances, Inc.	PARL	\$2.02	-16.5%	Consumer/Non-Cyclical	Personal & Household Prods.
PetMed Express, Inc.	PETS	\$14.62	-10.1%	Healthcare	Retail (Drugs)
PGT, Inc.	PGTI	\$1.59	-27.1%	Capital Goods	Constr. - Supplies & Fixtures
Point Blank Solutions, Inc.	PBSO	\$0.40	-11.1%	Consumer/Non-Cyclical	Sporting Goods
Quality Distribution, Inc.	QLTY	\$1.95	-2.5%	Transportation	Trucking
Sun Hydraulics Corporation	SNHY	\$15.90	-12.2%	Basic Materials	Misc. Fabricated Products
The Hackett Group, Inc.	HCKT	\$2.34	4.0%	Services	Business Services
TradeStation Group, Inc.	TRAD	\$8.20	1.1%	Financial	Investment Services
Waste Technology Corporation	IBAL	\$0.73	82.5%	Capital Goods	Misc. Capital Goods
Web.com, Inc.	WWW	\$4.78	14.9%	Technology	Software & Programming

Top Performer from 4/30/09 to 5/31/09: Waste Technology Corporation (OTCBB:IBAL) up 82.5%

Average Return from 4/30/09 to 5/31/09: 8.6%

WSR's Aggressive Growth and Speculator Focus Lists

Companies included in the WSR-Aggressive Growth list are primarily companies based outside of our home state of Florida and are generally trading at a significant discount to their peers, breaking out of long-term bases or have recently announced a significant event. To qualify for inclusion, companies in the WSR-Non-Florida Focus List must have a market capitalization less than \$500 million, generated a profit over the most recent two quarters and achieved a quarter-over-quarter growth rate in excess of 10% or be cash flow positive and trade at less than one times book value.

Companies included in WSR-Speculator are typically early stage or turnaround companies which are frequently WSR clients and (in our opinion) have the potential for a three hundred percent return over the next three to five years. Changes to these lists are emailed to WSR's subscribers via its *Daily Notes* publication and are updated each month in *The Emerging Growth News*.

WSR-Aggressive Growth		Price	% Change		
Company Name	Symbol	5/31/09	in May	Sector	Industry
3Com Corporation	COMS	\$4.32	6.7%	Technology	Networking & Comm. Devices
CSP, Inc.	CSPI	\$3.20	6.7%	Technology	Business Software & Services
HearUSA, Inc.	EAR	\$0.84	18.3%	Healthcare	Specialized Health Services
ICAD, Inc.	ICAD	\$1.28	5.8%	Technology	Computer Peripherals
Liberator Medical Holdings, Inc.	LBMH	\$0.55	-3.5%	Healthcare	Specialized Health Services
Northern Oil & Gas, Inc.	NOG	\$7.91	38.5%	Energy	Oil & Gas Operations
Pyramid Oil Company	PDO	\$6.28	62.3%	Energy	Oil & Gas Operations
Technical Communications Corp.	TCCO	\$4.00	-15.6%	Technology	Communications Equipment
VASCO Data Security Intl., Inc.	VDSI	\$7.41	7.1%	Technology	Security Systems & Services
Zapata Corporation	ZAP	\$6.85	8.9%	Financial	Diversified Investments

Top Performer from 4/30/09 to 5/31/09: Pyramid Oil Company (AMEX:PDO) up 62.3%

Average Return from 4/30/09 to 5/31/09: 13.5%

WSR-Speculator		Price	% Change		
Company Name	Symbol	5/31/09	in May	Sector	Industry
Advanced Growing Systems, Inc.	AGWS	\$0.10	-33.3%	Basic Materials	Agricultural Chemicals
Axesstel, Inc.	AFT	\$0.23	-14.8%	Technology	Wireless Communication
China Direct, Inc.	CDII	\$1.25	4.2%	Services	Management
CX2 Technologies, Inc.	CXTO	\$0.01	0.0%	Technology	Wireless Communication
Ecosphere Technologies, Inc.	ESPH	\$0.44	7.3%	Industrial Goods	Diversified Machinery
FPB Bankcorp, Inc.	FPBI	\$2.00	-9.1%	Financial	Regional Banks - Southeast
GelStat	GSAC	\$0.01	0.0%	Healthcare	Specialized Health Services
GeoPharma, Inc.	GORX	\$0.40	-7.0%	Healthcare	Drug Manufacturers - Major
HS3 Technologies, Inc.	HSTH	\$0.05	150.0%	Technology	Security Systems & Services
Lucas Energy, Inc.	LEI	\$0.97	93.8%	Energy	Oil & Gas Operations
Mace Security Intl., Inc.	MACE	\$1.12	25.8%	Technology	Security Systems & Services
New Century Companies	NCNC	\$0.05	0.0%	Industrial Goods	Machine Tools & Accessories
Peerless Systems Corporation	PRLS	\$1.94	1.0%	Technology	Computer Peripherals & Soft.
Profile Technologies, Inc.	PRTK	\$1.11	-23.4%	Industrial Goods	Industrial Electrical Equipment
Soapstone Networks, Inc.	SOAP	\$3.79	2.4%	Technology	Application Software

Top Performer from 4/30/09 to 5/31/09: HS3 Technologies, Inc. (OTCBB:HSTH) up 150%

Average Return from 4/30/09 to 5/31/09: 13.1%

MAY'S TOP COMPANIES AS MEASURED BY INSIDER BUYING VOLUME:

Investors and analysts look to the buying and selling trends of insiders, who are typically long-term investors, for clues to the broader market outlook. According to Ben Silverman, InsiderScore.com's director of research, "Insiders have been very accurate in terms of calling market bottoms, both temporary, in terms of corrections, and troughs."

Although insider buying is a useful tool to consider when making a decision on which stock to buy, it should be looked at carefully lest it give a false positive signal. Investors need to look behind the headlines and conduct their own research before buying on this basis. For example, option exercises can also give false signals. An insider at Activision Blizzard (Nasdaq:ATVI) recently exercised options and acquired three blocks of stock totaling 4.3 million shares, and then sold them in the \$10 range. It hardly seems like a vote of confidence to buy shares of a \$10 stock for \$1.

This new feature summarizes the companies (trading under \$5.00 per share) with the greatest amount of purchasing by insiders during the month of April 2009.

Largest Purchases with an Average Price under \$5.00 per share

Last Reported	Company	Ticker	Industry Group	Avg. Price	Total Shares	Total
5/26/2009 4:06 PM	Infocus Corp	INES	Computer Hardware	\$0.95	37,338,500	\$35,471,575
5/29/2009 5:36 PM	Galaxy Nutritional Foods Inc	GXYE.OB	Food and Beverage	\$0.36	19,042,392	\$6,855,261
5/1/2009 4:15 PM	Futurefuel Corp.	FTEL.OB	Other	\$4.61	1,118,392	\$5,156,644
5/27/2009 4:15 PM	Nanosphere Inc	NSPH	Other	\$3.39	1,288,154	\$4,360,989
5/15/2009 8:03 PM	Olt Inc/bc	OLTI	Drugs	\$1.79	2,227,919	\$3,993,661
5/4/2009 1:54 PM	Peerless Systems Corp	PRLS	Wholesale	\$1.88	1,885,787	\$3,542,262
5/20/2009 11:13 AM	Meic Investment Corp	MTG	Insurance	\$0.88	3,452,850	\$3,045,334
5/22/2009 2:01 PM	Cytokinetics Inc	CYTK	Drugs	\$1.97	1,522,840	\$2,999,995
5/19/2009 4:59 PM	Marine Exploration Inc	MEXP.OB	Other	\$0.07	30,000,000	\$2,100,000
5/5/2009 11:06 AM	Riviera Holdings Corp	RIV	Leisure	\$3.15	507,869	\$1,600,637
5/5/2009 6:10 PM	Cell Genesys Inc	CEGE	Drugs	\$0.52	3,000,000	\$1,560,850
5/27/2009 1:12 PM	Openwave Systems Inc	OPWV	Internet	\$0.79	1,931,100	\$1,527,143
5/29/2009 4:22 PM	Bitstream Inc	BITS	Computer Software	\$4.50	264,800	\$1,190,696
5/13/2009 5:40 PM	Pier 1 Imports (u.s.), Inc.	PIR	Other	\$1.98	518,660	\$1,028,316
5/21/2009 8:33 PM	Spectrum Pharmaceuticals Inc	SPPI	Drugs	\$2.71	376,000	\$1,017,650
5/14/2009 7:33 PM	Globalstar, Inc.	GSAT	Other	\$0.72	1,391,430	\$1,000,000
5/21/2009 11:08 AM	Allis Chalmers Energy Inc.	ALY	Industrial	\$1.74	527,378	\$916,007
5/27/2009 2:24 PM	One Liberty Properties Inc	OLP	Real Estate	\$3.75	238,700	\$895,182
5/14/2009 2:14 PM	Oriental Financial Group Inc	OFG	Banking	\$3.66	214,856	\$786,062
5/28/2009 5:12 PM	Online Resources Corp	ORCC	Internet	\$4.57	114,025	\$521,627
5/20/2009 12:55 AM	Socket Mobile, Inc.	SCKT	Computer Hardware	\$2.00	250,000	\$500,000
5/26/2009 6:01 PM	Webmedia Brands Inc.	WEBM	Computer Software	\$0.24	2,071,959	\$499,857
5/18/2009 5:08 PM	Collectors Universe Inc	CLCT	Specialty Retail	\$4.03	121,327	\$489,441
5/28/2009 6:16 PM	Brigham Exploration Co	BEXP	Energy	\$2.75	170,000	\$467,500
5/28/2009 6:41 PM	Air Transport Services Group, Inc.	ATSG	Transportation	\$1.29	355,091	\$457,452

Source: Form4Oracle.com

Companies with Net Buying Percentage



Source: Form4Oracle.com

The chart on the left illustrates the 4 and 13 week trailing average "Net Buying" in relationship to the entire market. In other words, what percent of the stocks in the entire market have net insider buying. In theory, the higher the percent the greater the indication that the overall market will increase in price.

MAY'S COMPANIES OF INTEREST:

Wall Street Resources' "Companies of Interest" section of its *Daily Notes* publication provides emerging growth company investors with fresh ideas. While we have only briefly reviewed these companies, something caught our attention and in our opinion the company warrants further inspection.

Black Hills Corp. (BKH:NYSE) 05/01/09 \$19.88

The company, together with its subsidiaries, operates as a diversified energy company. Sales were up 187% and earnings were up 90% over the same period last year (as reported in the most recent quarter), trading at 7.23 times trailing earnings, 0.76 times sales, 0.73 times book, 0.638 current ratio, \$4.35 per share in cash, \$769 million market cap, \$1.8 billion enterprise value.

MFA Financial, Inc. (MFA:NYSE) 05/01/09 \$5.89

The company operates as a real estate investment trust (REIT). Sales were up 999% and earnings were up 700% over the same period last year (as reported in the most recent quarter), trading at 28.18 times trailing earnings, 5.26 times forward earnings, 8.38 times sales, 1.03 times book, 0.057 current ratio, \$1.62 per share in cash, \$1.31 billion market cap, \$10 billion enterprise value.

Tessera Technologies Inc. (TSRA:NASDAQ) 05/01/09 \$14.04

The company develops and licenses miniaturization technologies for the electronics industry. Sales were up 93% and earnings were up 367% over the same period last year (as reported in the most recent quarter), trading at 146 times trailing earnings, 12.54 times forward earnings, 2.75 times sales, 1.52 times book, 7.209 current ratio, \$5.69 per share in cash, \$683 million market cap, \$406 million enterprise value.

Dolan Media Company (DM:NYSE) 05/06/09 \$12.35

The company through its subsidiaries, provides business information and professional services to the legal, financial, and real estate sectors in the United States. Sales were up 54% and earnings were up 81% over the same period last year (as reported in the most recent quarter), trading at 23.39 times trailing earnings, 15.83 times forward earnings, 1.95 times sales, 1.65 times book, 0.81 current ratio, \$0.08 per share in cash, \$370 million market cap, \$523 million enterprise value.

Almost Family Inc. (AFAM:NASDAQ) 05/07/09 \$29.21

The company together with its subsidiaries, provides home health services in the United States. Sales were up 77% and earnings were up 51% over the same period last year (as reported in the most recent quarter), trading at 13.57 times trailing earnings, 10.4 times forward earnings, 1.12 times sales, 2.51 times book, 1.169 current ratio, \$0.16 per share in cash, \$239 million market cap, \$269 million enterprise value.

Triangle Capital Corporation (TCAP:NASDAQ) 05/07/09 \$10.16

The company is a public investment firm specializing in buyouts, change of control transactions, acquisitions, growth financing, and recapitalizations in lower middle market companies. Sales were up 69% and earnings were up 53% over the same period last year (as reported in the most recent quarter), trading at 9.14 times trailing earnings, 5.84 times forward earnings, 3.35 times sales, 0.77 times book, 4.448 current ratio, \$3.86 per share in cash, \$72 million market cap, \$159 million enterprise value.

KapStone Paper and Packaging Corporation (KPPC:NASDAQ) 05/12/09 \$3.87

The company produces and sells unbleached kraft paper and lightweight linerboard, and dunnage bags in the United States. Sales were up 109% and earnings were up 200% over the same period last year (as reported in the most recent quarter), trading at 6.78 times trailing earnings, 6.14 times forward earnings, 0.21 times sales, 0.60 times book, 1.504 current ratio, \$0.15 per share in cash, \$110 million market cap, \$536 million enterprise value.

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Community Bankers Trust Corporation (BTC:AMEX) 05/13/09 \$3.84

The company is a bank holding company and a financial holding company headquartered in Glen Allen, Virginia. Sales were up 999% and earnings were up 4,900% over the same period last year (as reported in the most recent quarter), trading at 54.86 times trailing earnings, 5.90 times sales, 0.56 times book, \$5.98 per share in cash, \$82 million market cap, -\$4 million enterprise value.

Homeowners Choice, Inc. (HCII:NASDAQ) 05/13/09 \$5.25

The company and its subsidiaries engage in insurance business in Florida. Sales were up 105% and earnings were up 53% over the same period last year (as reported in the most recent quarter), trading at 2.52 times trailing earnings, 0.73 times sales, 0.97 times book, 1.52 current ratio, \$15.76 per share in cash, \$36 million market cap, -\$72 million enterprise value.

BMP Sunstone Corporation (BJGP:NASDAQ) 05/19/09 \$4.80

The company through its subsidiaries, manufactures, markets, and distributes over-the-counter (OTC) products in China. Sales were up 117% and earnings were up 600% over the same period last year (as reported in the most recent quarter), trading at 17.14 times forward earnings, 1.73 times sales, 1.31 times book, 1.06 current ratio, \$0.38 per share in cash, \$199 million market cap, \$216 million enterprise value.

Bridgepoint Education, Inc. (BPI:NYSE) 05/22/09 \$12.68

The company provides postsecondary education services. It offers associates, bachelor's, master's, and doctoral programs in the disciplines of business, education, psychology, social sciences, and health sciences. Sales were up 116% and earnings were up 163% over the same period last year (as reported in the most recent quarter), trading at 5.19 times trailing earnings, 0.19 times sales, 6.92 times book, 1.078 current ratio, \$16.94 per share in cash, \$42 million market cap, -\$22 million enterprise value.

Source: *Investors Business Daily, Knobias and Yahoo Finance*

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*Corporate Sponsors or Featured Companies:***Advanced Growing Systems, Inc.**
OTCBB:AGWS

Advanced Growing Systems, Inc. was founded in 2006 and is the parent company of Organic Growing Systems, Inc. which is a scientifically advanced Organic fertilizer manufacturer. The company is dedicated to providing its shareholders significant value and is directly involved in the \$48 Billion fertilizer market and the \$66 Billion Green Industry.



To obtain additional information go to: <http://www.wallstreetresources.net/advancedgrowing.asp>

CX2 Technologies, Inc.
OTCBB:CXTO

CX2 Technologies, Inc. provides low-cost, spectrum-efficient wireless solutions that operate in the 220-222 MHz frequency band. The company's proprietary wireless data technology and software is designed to work optimally within very narrow 5 KHz channels. CX2 has strongly advocated the use of 220 MHz spectrum for public safety and homeland security, and has expressed these views to the Katrina Panel (the Independent Panel Reviewing the Impact of Hurricane Katrina on Communications Networks).



To obtain additional information go to: <http://www.wallstreetresources.net/CX2.asp>

DRI Corporation
NASDAQ:TBUS

DRI is a digital communications technology leader in the domestic and international public transportation and transit security markets. Its products include: TwinVision® and Mobitec® electronic destination sign systems, Talking Bus® voice announcement systems, Digital Recorders® Internet-based passenger information and automatic vehicle location/monitoring systems, and VacTell™ video actionable intelligence systems. These products help increase the mobility, flow, safety, and security of people who rely upon transportation infrastructure around the globe. Using proprietary hardware and software applications, DRI's products provide easy-to-understand, real-time information that assists users and operators of transit bus and rail vehicles in locating, identifying, boarding, tracking, scheduling, and managing those vehicles. These products also aid transit vehicle operators in their quest to increase ridership and reduce fuel consumption, as well as to identify and mitigate security risks on transit vehicles. Positioned not only to serve and address mobility, energy conservation, and environmental concerns, DRI's products also serve the growing U.S. Homeland Security market.



To obtain additional information go to: <http://www.digrec.com>

Ecosphere Technologies, Inc.
OTCBB:ESPH

Ecosphere Technologies, Inc. is a diversified water engineering and services company primarily focused on the natural gas industry. The Company provides water-recycling services at the well site to provide clean water for energy companies to extract natural gas from unconventional shale plays. Ecosphere's mission is to identify, create and produce clean technologies that solve a significant industry challenge, improve the quality of life and the environment, and are economically viable. Ecosphere has an extensive portfolio of patented clean technologies that can be purchased and licensed for use in large-scale and sustainable applications across



industries, nations and ecosystems.

To obtain additional information go to: <http://www.wallstreetresources.net/ecosphere.asp>

GelTech Solutions, Inc.
OTCBB:GLTC

GelTech Solutions, Inc. is an innovative, eco-friendly synthetics company that markets and sells three polymer-based products: RootGel, FireIce and SkinArmor. RootGel is a moisture preservation solution that has applications in the agricultural industry. FireIce is a patented non-toxic water-based fire suppression product designed to suppress fires involving structures, personal property, and forest wildfires. SkinArmor is an innovative new fire retardant skin ointment that will be used to assist in protecting any exposed skin from the effects of fire.



To obtain additional information go to: <http://www.wallstreetresources.net/geltech.asp>

HS3 Technologies, Inc.
OTCBB:HSTH

HS3 Technologies, Inc. is a national provider of innovative security solutions, headquartered in Denver, Colorado. HS3 provides technologies and services through a national authorized dealer and distribution program. Utilizing independent sales professionals, national distribution and local dealers, HS3 offers custom security solutions for commercial, residential, government and military applications. These state-of-the-art products include digital video recording technology (DVR), biometric access control (door locks), personal biometric identification units, CCTV, video monitoring centers, cellular networks, wireless mesh networks units and wireless internet-linked satellite surveillance systems. HS3 Technologies is bringing together technologies, services and people to fulfill the increasing global security needs of today and tomorrow.



To obtain additional information go to: <http://www.wallstreetresources.net/hs3.asp>

Liberator Medical Holdings, Inc.
OTC:LBMH

Liberator Medical Holdings, Inc.'s subsidiary, Liberator Medical Supply, Inc., established the Liberator brand as a leading national direct-to-consumer provider of quality medical supplies to Medicare-eligible seniors. An Exemplary Provider(TM) accredited by The Compliance Team, its unique combination of marketing, industry expertise and customer service has demonstrated success over a broad spectrum of chronic conditions. Liberator is recognized for offering a simple, reliable way to purchase medical supplies needed on a regular, ongoing, repeat-order basis, with the convenience of direct billing to Medicare and private insurance. Approximately 85% of its revenue comes from supplying products to meet the rapidly growing requirements of general medical supplies, personal mobility aids, diabetes, urological, ostomy and mastectomy patients. Liberator communicates with patients and their doctors on a regular basis regarding prescriptions and supplies. Customers may purchase by phone, mail or internet, with repeat orders confirmed with the customer and shipped when needed.



To obtain additional information go to: <http://www.wallstreetresources.net/advancedgrowing.asp>

Northern Oil & Gas, Inc.
AMEX:NOG

Northern Oil and Gas, Inc. is an exploration and production company based in Wayzata, Minnesota. Northern's core area of focus is the Williston Basin, specifically the Mountrail County, North Dakota area Bakken and Three Forks/Spanish trend. Northern Oil's secondary objective is conventional, 3D driven, oil and gas exploration and development throughout the Rocky Mountain region.



To obtain additional information go to: http://www.wallstreetresources.net/northern_oil.asp

Webdigs, Inc.**OTCBB:WBDG**

Webdigs, Inc. has developed a state-of-the-art, web-based, transaction platform that is revolutionizing the real estate industry. The robust system integrates the efficiency of the Internet with the hands on relationship of a full service real estate broker. By fully automating the steps in the buying process that don't require the skills of an experienced broker, Webdigs has enabled home buyers and sellers to save on transaction fees, while helping real estate brokerage service providers use their time more efficiently so they can close more transactions. We feel the downturn in the real estate market has set the stage for a transition to a better way to manage real estate transaction much the same as the down turn in the stock market in the early 2000s opened the door to Internet base brokerage firms such as Etrade.



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For additional information contact:

Wall Street Resources, Inc.
2646 SW Mapp Road, Suite 303
Palm City, FL 34990
772-219-7525 (telephone)
www.wallstreetresources.net