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Intellicheck Mobilisa Shares Rise On Hopes For Security Orders

By Shara Tibken
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NEW YORK (Dow Jones)--Shares of Intellicheck Mobilisa Inc. (IDN) doubled Thursday on hopes the company's ID-reader device may soon be used in airports following last Friday's failed attempt to bomb Northwest Airlines Flight 253.

Intellicheck's device, Defense ID, looks like a bar-code scanner used in retail stores, but it has been modified to read drivers' licenses, passports and military IDs and determine if a person is on any sort of watch list.

Umar Farouk Abdulmutallab, the Nigerian man who is accused of trying to blow up the plane, previously had been added to a broad terrorism database called the Terrorist Identities Datamart Environment, but he wasn't added to more-sensitive databases, such as the "no-fly" watch list that would have flagged him for additional screening or barred him from boarding a U.S.-bound flight.

Intellicheck Chief Executive Nelson Ludlow said Thursday the company's Defense ID could have helped prevent Abdulmutallab from boarding the plane, as it draws from 140 different watch lists and can handle up to 1,000.

"Nobody is ever going to get one perfect list that has everyone [who is a possible risk]," Ludlow said. "We think a better approach is to scan multiple databases, which is what our devices does."

In recent trading, Intellicheck jumped 73% to \$4.14 on incredibly heavy volume. Its shares earlier Thursday more than doubled to \$4.83, a two-year high. Its shares have more than tripled this week, rising 37% Wednesday, 18% Tuesday and 11% Monday.

The Defense ID scans a person's ID or passport and then brings up any possible watch lists within seconds. Ludlow said it is simple to use and includes a photo of the person and any contact information for the appropriate authorities. It draws from public lists such as America's Most Wanted, as well as law enforcement data that can only be used on the device by authorized law enforcement agents.

He said to outfit a military base with about 10 to 12 scanners--two to three at each gate--costs about \$300,000 including support, training and other expenses.

Ludlow said the Defense ID isn't currently approved for use in airports but is used in various other areas including military bases, the Federal Bureau of Investigation training center and in seaports in New York.

"Nobody uses any products like this at airports, but our product is approved to be used at seaports," Ludlow said. "If [the U.S. Transportation Security Administration] opens up, changes its mind and says we should be doing the same thing at airports, we feel very well placed to provide a product."

Ludlow added that the TSA bought one of its devices to test in an airport shortly before the failed bombing attempt last week. He said the company has talked with the TSA both before and since the incident and he expects increased interest to continue.

Shares of other makers of airport security screeners also have climbed since the attempted bombing.

The components of Abdulmutallab's device made it past airport security metal detectors, spurring speculation that companies that make devices that can see through clothes and hidden items could experience an increase in orders. Companies who saw their shares rise included OSI Systems Inc. (OSIS) and L-3 Communications Holdings Inc. (LLL)--the only two companies certified to make full-body scanners for the U.S. government--and American Science & Engineering Inc. (ASEI), which also makes a full-body scanner.

In addition, the news boosted shares of companies that make other security screening products, such as ICx Technologies Inc. (ICXT), which makes sensors that can detect explosives and other chemicals in carry-on luggage, and Analogic Corp. (ALOG), which makes a 3-D CT system to scan checked and carry-on luggage.

In the past week, OSI shares have jumped 25%, while L-3 has edged up 2.5%. Both set new 52-week highs. AS&E has climbed 7.7%, and Analogic has risen 7.1%. ICx has soared 91% over the past week, and climbed 11% to \$9.49 Thursday. It earlier rose to \$ 10.49, a two-year high.

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