

FOR IMMEDIATE RELEASE
October 17, 2006

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The Continued Evolution of Check 21 Law and Remote Deposit Capture

BROOKFIELD, WI- Since October 28, 2004, and even prior to, at least one new article about remote deposit capture and Check 21 Law is published daily. Whether the article focuses on the latest bank offering a solution, the convenience and advantages of the solution, or pure education, it's been on the minds of business owners, financial institutions and other players in the financial services industry since.

So it's been two years, what's really going on? Are there still questions out there that remain unanswered? The answer is yes.

But, the industry is working together to come up with solutions and get ahead of the curve regarding image quality, data movement, data security, fraud and the list goes on. And some answers to questions and issues may be difficult to address in black and white.

When dealing with an emerging market, there are grey areas across the board for banks, customers, check writers, and even clearing and settlement channels. "Everyday we learn something new about the industry", says Fred Joachim, President, iStream Imaging, Inc.

"From sales and marketing to non conforming images and the risks associated with the new technology, you have to constantly pay attention and get involved in what's happening." continued Joachim.

Remote deposit capture is emerging as a new market with enormous potential, however it's also presenting many challenges and risks regarding the capture, processing and clearing of check images. The industry is confronting these challenges through the work being done within the various standards and rules organizations.

iStream Imaging[®] understands the significance of the work being done within these organizations and has made the commitment to participate within these industry groups. "The commitment to participate as an active member on these industry groups demonstrates that our organization is serious about delivering solid solutions for this market", says Joachim.

Michael McGuire has the responsibility of being iStream Imaging's industry liaison. He actively participates with these various industry groups. As a result, his involvement has positively influenced the company's strategic planning process. The organizations that he specifically participates with are the X9B Check Related Transaction Subcommittee of the X9 Accredits Standard Committee and ECCHO (Electronic Check Clearing House Organization), which is responsible for developing and maintaining rules for the electronic exchange of check images between banking institutions.

Recently McGuire was invited to present at the FDIC Technology Seminar in Washington D.C.. The conference was entitled "Emerging Issues and Risk Mitigation in the Financial Industry". The conference was attended by FDIC examiners and those individuals representing organizations that were invited to present. His presentation focused on the types of risks that a financial institution is potentially exposed to based

upon a remote deposit capture strategy and implementation model where the financial institution has selected a services provider like iStream Imaging®.

The presentation concerning remote deposit capture at the FDIC conference also included a perspective from an industry software provider regarding the risks related to deploying an in house software solution, as well as, the experiences of a lead FDIC Examiner working with financial institutions that have deployed these remote deposit capture business models.

Once the presentations were completed each of the presenters participated on a panel fielding questions from the examiners. The examiners focus on Gramm-Leach Bliley Act compliance and privacy issues as well as credit, operational and reputation risks that a financial institution potentially is exposed to regarding remote deposit capture.

“This was an excellent opportunity to present the business model that our organization is considering to a group of experienced examiners and respond to their questions and concerns. I look forward to working cooperatively with the FDIC and other organizations on the issues the RDC industry faces”, says McGuire.

iStream Imaging, Inc.

iStream Imaging® is the leading US provider of corporate remote deposit capture for image-based check processing services. Using process engineering, iStream Imaging® maximizes secure movement of data while minimizing delivery and overhead costs to process check payments using a vertically integrated infrastructure. Innovative technology, products and services provide intelligent solutions to financial institutions, business entities and other payment processing parties. The core strategy of iStream Imaging® is to minimize the costs of check handling while maximizing productivity for businesses and financial institutions.



Michael McGuire Presents to FDIC Auditors on iStream Imaging's Remote Deposit Capture.