

NEWS RELEASE

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BasePoint Promotes Yuansong Liao to Director of Analytics

Fraud Pattern Recognition Expert to Lead Esteemed Team of Scientists in Solving Fraud

Carlsbad, Calif. – June 14, 2006 – BasePoint Analytics, a leading provider of scientific fraud scoring software and expert services, today announced the promotion of Yuansong Liao to Director of Analytics. Liao joined BasePoint in 2004 as a Principal of Analytics, and has been instrumental in the development of FraudMark™ for Lenders, the only intelligent, pattern recognition-based technology solutions to one of the most challenging fraud problems in existence today – mortgage fraud.

According to BasePoint president Tim Grace, “BasePoint is experiencing tremendous growth because of our ability to solve difficult fraud problems faster and more completely than other solution providers. Much of the credit goes to Yuansong and her colleagues who applied their combined decades of banking analytics expertise to the creation of FraudMark for Lenders. Yuansong embodies the spirit of collaboration, respect and teamwork the BasePoint Analytics team is known for, and her promotion to director is well earned.”

Liao has more than 14 years of experience in the field of pattern recognition, neural network learning and time series prediction. She has published more than 10 scientific papers in peer reviewed journals and conferences. Her research paper on heterogeneous neural network committees was selected by Geneva Research Collaboration (genevaresearch.org) as one of the “hot” papers which illustrate the state of the art research directions in applications to finance and economics. In her new role at BasePoint, Liao will lead the team responsible for new technology direction and model development. Prior to joining BasePoint, she held key analytic roles at ID Analytics and HNC/Fair Isaac.

“Yuansong is widely respected throughout the industry for her keen understanding of fraud and her leadership in exploring and deploying breakthrough scientific solutions to industry,” said Jim Baker, Ph.D. and Principal of Analytics at BasePoint and former Director of worldwide Falcon Modeling at HNC/Fair Isaac. “Yuansong has my full endorsement and support in her new role. She has already proven herself and I know she will do an outstanding job.”

BasePoint’s FraudMark uses patent-pending neural network technology that combines two unique and highly effective approaches for finding fraud: behavior history for applicants, brokers, appraisers, loan officers and other entities and historical patterns of both fraudulent and non-fraudulent loan applications. FraudMark also enables the lender to score loan applications multiple times during the loan origination process as additional information is accumulated.

When combined with industry best practices in loan review processes and strategies, underwriters and risk managers now have the ability to review and verify only the highest scoring loans, allowing the majority of loans to be quickly and securely funded. As a result, FraudMark provides a much higher degree of predictiveness, precisely identifying which applications have the greatest risk of fraud. As a result, FraudMark helps mortgage lenders cost-effectively score loan applications in real-time, drive down fraud losses and increase overall production.

About BasePoint

BasePoint Analytics offers a unique combination of scientific fraud scoring software and expert services. Using sophisticated predictive analytics, BasePoint enables banks and mortgage lenders to quickly identify fraudulent transactions early in the process, minimizing fraud loss while accelerating the processing of non-fraudulent transactions. The company's fraud experts have deep, real-world domain expertise and have successfully solved fraud for some of the highest profile banks and lending institutions in the world. For more information about BasePoint, visit www.basepointanalytics.com or call 760.602.4971.

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