

NEWS RELEASE

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BasePoint Increases Recovery Rates on Fraudulent Credit and Debit Card Transactions by Fifty Percent

Launches Recovery Optimization Program to help card issuers nearly double their current recovery rates

Carlsbad, Calif. – January 15, 2008 – BasePoint Analytics™, a leading provider of scientific fraud and risk solutions, today announced the launch of its Recovery Optimization Program for issuers. The program provides both credit and debit card issuers with proven methods and techniques to increase the amount they recover on fraudulent transactions. The program provides issuers with strategic plans designed to increase their recovery rates to as much as 50% of the initial claims of fraud, whereas current industry average recovery rates are only up to 30%.

The Recovery Optimization Program was developed over the course of three years by BasePoint's fraud experts. The service provides best practices and tailored recommendations for achieving maximum results in both the chargeback and fraud challenge, the two main areas of card recovery.

The recovery services have been highly successful in pilots providing immediate payback to issuers across the globe. A director of Risk Strategy at a leading UK-based banking firm advises, "We are focused on customer centric security. We actively seek out the most effective technology solutions and operational best practices to improve our fraud detection results. We worked with BasePoint Analytics to enhance our chargeback recovery process and achieved millions of pounds in savings so far."

The program begins with a benchmarking process that helps to identify and size opportunities based on comparisons to issuers with best-in-class performance. Analysis of historic account and transaction level data is used to determine the appropriate target chargeback recovery rates given the issuer's constraints and business objectives. Each issuer receives a comprehensive assessment which is completed in accordance with a review of the latest association and government regulations as well as an assessment of transactional trends, which can skew recovery performance. When the issuer is comfortable with the changes that are to take place, such as increasing challenge rates, BasePoint will assist in the implementation and measurement of the new processes.

Tim Grace, president and CEO of BasePoint Analytics stated, "We are launching this program to help issuers identify immediate savings without the necessity of implementing new software, hardware or expensive system changes. The issuers can leverage our experience in recovery optimization to save them millions of dollars this year, and they can do this with relatively straightforward process changes and new techniques."

By addressing the full spectrum of procedures, resources, systems, productivity and measurements, issuers can maximize their recoveries with the Recovery Optimization Program.

About BasePoint

BasePoint Analytics is a leading provider of predictive analytic fraud and risk management solutions for global banks and the mortgage industry. Using proprietary pattern-recognition technology, BasePoint quickly identifies potentially fraudulent or high risk activity, minimizing losses while accelerating the processing of non-risky records. The company's fraud experts have deep, real-world domain expertise and have successfully solved fraud and risk challenges for many high profile lending institutions. BasePoint works with industry-leading customers in mortgage origination, investment banking and payment cards, including MasterCard Worldwide. BasePoint clients achieve dramatic improvements in fraud and loss detection performance using a predictive analytic approach rather than traditional methods. BasePoint is headquartered in Carlsbad, California, and has a strategic partnership with First American CoreLogic. For more information, visit www.basepointanalytics.com or call 1-760-602-4971.

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