



InComm and Medagate to Launch Government Backed Medicare Products

Atlanta, GA – January 11, 2010 – InComm, the leader in sales and marketing of prepaid products and innovator of transaction processing, announced today that it has entered into an agreement with San Francisco based Medagate Corp to develop a new payment gateway leveraging InComm's patented point-of-sale card activation network and Medagate's card-issuing platform. The gateway will connect the issuing platform to InComm's network of 150,000 retail locations, thus allowing Retailers and Program Managers to work together to create their own acceptance networks and turnkey prepaid card programs.

"Developing this gateway with InComm is a natural fit," said Devin Wade, Chief Executive Officer of Medagate Corp. "InComm has direct point-of-sale connections with thousands of their merchant clients, allowing our clients to team up with them and create their own mini-acceptance networks and programs. This is a first for the prepaid industry that has begun to encounter barriers with recent card programs responding to government regulations and a general demand for multi-retailer programs. Until now, the choices for a program manager or retailer were either a closed loop card issued by a single merchant and accepted by that same merchant, or an open loop card issued by a member bank and accepted everywhere – there was no middle ground."

Medicare Part C Over-the-Counter (OTC) benefits represent a good example of this opportunity. The Centers for Medicare and Medicaid Services (CMS) allow health plans to issue payment cards to Seniors for the purchase of OTC items at drug and grocery stores, but only if the retailer can identify the eligible items and limit the payment card to those items. Even though retailers have a significant interest in participating with the health plans and in most cases have sophisticated point-of-sale systems capable of identifying and netting out the eligible products, no such card solution exists today. Now, a health plan (or their program manager), could use the Medagate/InComm gateway to work with interested retailers to create their own acceptance network and issue OTC cards using the Medagate card-issuing platform. The cards could only be used at participating retailers for eligible products and would be processed and settled at the point-of-sale by InComm.

"With such a tremendous focus these days on healthcare and government involvement," said Mark Leonard, Executive Vice-President of Business Development for InComm, "Our retailers are looking for solutions to position themselves for the future. We are excited about working with Medagate on the development of this innovative payment gateway that will deliver a cost-effective solution to our retail merchants with a clear opportunity to increase their foot traffic and product revenue."

About InComm:

InComm is the industry leading marketer, distributor and technology innovator of stored-value gift and prepaid products using its state-of-the-art point-of-sale transaction technology and payment solutions to revolutionize retail product sales and customer experiences. With nearly \$8 billion in retail sales transactions processed in 2008, InComm is the nation's largest provider of gift cards, prepaid wireless products, reloadable debit cards, digital music downloads,

content, games, software and bill payment solutions. InComm partners with consumer brand leaders around the world to provide more than 150,000 retail locations the products and services their customers demand. Since 1992, InComm's patented technologies have made the buying process easier for consumers while streamlining the selling process for product and retail partners. To learn more about InComm, visit www.incomm.com or call 1.800.352.3084. InComm is headquartered in Atlanta, GA with offices in Japan, Canada, the United Kingdom, Puerto Rico, Colorado, Texas, Florida, New Jersey, Oregon, Arkansas, Alabama and Minnesota.

About Medagate:

Medagate Corp. was recently formed to advance the creation and adoption of alternative payment systems by combining proven open-loop principles and business practices with the simplicity and low cost of closed loop issuance/processing. The result is a private-labeled, non-branded, single-issuer card accepted at multiple participating retailers, leveraging the creativity of retailers and program managers. To learn more about Medagate visit www.medagate.com. Medagate is headquartered in San Francisco, CA.

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