
Press Release

For Immediate Release

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ExaDigm Raises \$12 Million in Series B Funding

Dunrath Capital and Valhalla Partners Lead New Investment Joined by Industry Veteran Jack McDonnell, and Existing Investors with ExaDigm Poised for Unprecedented Growth and Success

SANTA ANA, CA – July 9, 2007 – ExaDigm Inc., the leading innovator of wired and wireless point-of-sale (POS) terminal solutions, today announced that it has closed \$12 million in Series B funding led by Dunrath Capital and Valhalla Partners, also joined by another new investor McDonnell & Associates LP, the investment fund of industry veteran Jack McDonnell. The round also includes funding from existing investors Meruelo Capital and Sunrise Investments.

Through its innovative forward-thinking approach to design and development, ExaDigm has achieved significant market success with many leading companies, including Best Western International, Amtrak and the New York City Theaters, recently completing major nationwide deployments of ExaDigm terminals. Set for unprecedented growth and success in the coming years, ExaDigm has already announced plans for one of the largest payment processors, Chase Paymentech, to Class A certify its payment solutions before year end, with many other processors set to do the same during 2008.

“We are very excited to be backed by such a high quality group of investment firms and by such a successful industry veteran as Jack McDonnell, all of which have proven track records of success in helping build and grow great companies,” stated Michael Mulcahy, CEO of ExaDigm. “This round of funding, when combined with our proven innovative hardware and software solutions and world class team of industry professionals, will allow us to enter our next phase of growth and deliver unprecedented performance to our customers and partners.”

With this latest round of funding, ExaDigm adds Brian Gannon, a Partner at Dunrath Capital, and Gene Riechers, General Partner at Valhalla Partners, to its board of directors. Jack McDonnell, also an investor in this round, has been serving on the board of directors since early 2007.

“ExaDigm has demonstrated impressive growth and continues to gain significant traction in the industry. It is well positioned to become a strong global player in the payments industry”, stated Jack McDonnell, of McDonnell & Associates LP and founder of publicly traded TNS.

“Since its inception seven years ago, ExaDigm and its team have demonstrated a proven, forward-thinking approach focused on bringing the latest technologies, enhanced security features, advanced modular design and true innovation to the point-of-sale industry,” stated Brian Gannon, a Partner at Dunrath Capital.

This current investment will be used by ExaDigm to expand product development, operations, domestic and international sales, as well as fund new marketing activities focused on market expansion.

About ExaDigm, Inc.

ExaDigm is the leading innovator of modular IP-based wired and wireless point-of-sale (POS) terminal solutions. Through a detailed understanding of the technology, wireless and point-of-sale industries, as well as through extensive relationships with financial institutions, ISOs, and transaction processors, ExaDigm provides innovative technology-focused solutions enabling businesses worldwide to expand revenues, reduce costs and boost productivity. Founded in 2000, ExaDigm is headquartered in Santa Ana, California, with operations around the globe. www.exadigm.com.

About Dunrath Capital

Dunrath Capital is a research-based venture capital firm. Headquartered in Chicago, the Dunrath team has extensive operating and investment experience in the safety, security and business services sectors. Dunrath Capital Infrastructure Surety Fund, LP, invests in early and growth-stage companies. www.dunrath.com

About Valhalla Partners

Valhalla Partners is a trusted partner and advisor to technology entrepreneurs in their quest to build world-class companies. The firm's management team has made more than 100 investments over the past twenty years and produced almost \$1 billion of investment proceeds. Valhalla prefers investments where the mission of the company is to innovate, challenge and fundamentally change the dynamics of new and existing markets. Valhalla Partners brings the full power and network of its experienced team to every investment it makes, helping companies grow faster and smarter regardless of size or maturity. www.valhallapartners.com