

## THE CEO'S CORNER

### JAMES CLARK: CHAIRMAN & CEO

#### STRIDING AHEAD

The third quarter has resulted in exciting progress from our hard work in the previous quarter. Our efforts were rewarded when we closed a deal that immensely affects our product line, customer base, company growth and overall strategy.

On July 17, 2008 we signed an Asset Purchase Agreement with BeCompliant Corporation (BCC), owner of Encryptx Corporation. This agreement afforded us the software source code and customer base of BCC's SecurScan email compliance business.

The first major significance of this purchase is the addition of over 10,000 users to our email compliance customer base. The acquired customers are noteworthy, key firms representing industries from financial services to banking and insurance. DISC has the support infrastructure in place to provide excellent support to these customers and is able to offer them even more options, such as hosted solutions, than were available to them under BCC.

Secondly, we are now able to provide a comprehensive email compliance and security product offered by no other

competitor in the marketplace. Concurrent with purchasing the SecurScan code, we executed a licensing agreement that allows DISC to offer Encryptx's SecurWrap and SecurServer, the proven encryption technology that makes up the security piece of the solution, which will be sold under the Magic KeyRing Security System™ name. PolicyBridge™ II is now an inclusive policy-based email suite with archiving, content filtering, and encryption capabilities.

A significant functionality of the updates to PolicyBridge™ II from this acquisition is Pre-Review, which allows companies to stop at-risk communications by scanning email using an intelligent, lexicon-based parsing engine to identify keywords, phrases or patterns such as account numbers and social security numbers. This pre-process mode actively scans email messages before they are sent, and allows one of four actions to be taken:

- Block the email and prevent it from leaving
- Quarantine the email until reviewed and approved
- Let the email pass and log the action
- Automatically encrypt the email

This policy-based pre-review and automatic encryption are especially desirable to organizations that handle private information, such as financial or medical data, because it has the potential to reduce costly compliance mistakes. Just recently, the first penalty for a HIPAA (Health Information Portability and Accountability Act) violation was handed down in the amount of \$100,000 to a Seattle company, enforcing that the regulations must be taken seriously. Our solution helps companies in heavily regulated industries to protect themselves.

The software enhancements from this purchase are not only beneficial to our U.S. sales, but also to our international sales. PolicyBridge™ II will be a critical component of moving forward with operations in our Singapore office. PolicyBridge™ II will allow us to move away from systems and software that have encountered many road bumps to a new system that has been proven with over 10,000 users. Building the new system in the Singapore Data Center will allow us to move forward in



our partnership with DGF MedServ, Inc.

Finally, this purchase is a stride forward in establishing DISC as a consolidator in the email archiving market. Before purchasing SecurScan, we had acquired two other email archiving businesses; FLI Technologies in 2005 and PolicyBridge™ in 2007.

#### **DISC NAPFA OPEN HOUSE**

On September 3, 2008 DISC is hosting an Open House for attendees of the National Association of Personal Financial Advisors, as part of the NAPFA West Conference that is taking place in Westminster, CO Sept. 3-6. We will be giving a compliance presentation and a data center tour. We would like to extend an invitation to anyone who would like to join us for this event. R.S.V.P to Shelley at 303-865-8300.

## PRESS RELEASE—DIGITAL INFO SECURITY COMPANY ENGAGES THE BOOYAH AGENCY FOR ONLINE MARKETING

Westminster, CO, May 5, 2008—Digital Info Security Company (Pink OTC Markets: DGIF) (DISC) is pleased to announce that it has contracted with The Booyah Agency (TBA) to manage its online marketing campaign.

TBA is an online advertising agency with its roots in search. It has evolved to service all of its clients' online marketing needs, including

email marketing, search engine optimization, online ad buys, online video advertising and more.

DISC selected TBA for its expertise, methodologies, and track record in leveraging data from tracking search campaigns to help companies grow through online marketing campaigns.

For additional information

about this announcement, contact DISC at 866-841-5970 or [www.disecurityco.com](http://www.disecurityco.com) and [www.restorerex.com](http://www.restorerex.com).

**ABOUT BOOYAH AGENCY**  
The Booyah Agency, an award-winning boutique online marketing agency, is a division of Booyah Networks. In 2006, TBA was recognized on Inc. 500's fastest growing private advertising/marketing

companies in the U.S.

Staffed by senior-level online marketing veterans, the company's client list includes AIMCO, Brookstone, MapQuest, Little Tikes, Vitamin Shoppe, Phillips International, NewsGator, Thomson Corporation and more. For more information please visit [www.thebooyahagency.com](http://www.thebooyahagency.com).\*



## PRESS RELEASE—DIGITAL INFO SECURITY COMPANY AND CIO WORKS PARTNER IN SERVICING SMB CLIENTS



Westminster, CO, May 12, 2008—Digital Info Security Company (Pink OTC Markets: DGIF) (DISC) is pleased to announce its referral partnership with CIO Works, LLC, a professional services company specializing in business and technology consulting services and business continuity.

The referral partnership allows CIO Works to augment its service offering to its clients around the world and enables DISC to expand its customer base.

While DISC's full offering of IT solutions are available to clients of CIO Works, DISC's RestoreRex™ remote backup service is one of CIO Works' core business continuity strategies for the SMB

marketplace. Several CIO Works customers have already begun using RestoreRex™ and DISC's Secondary MX Record email continuity service, jointly increasing revenues.

For additional information about this announcement, contact DISC at 866-841-5970 or [www.disecurityco.com](http://www.disecurityco.com).

**ABOUT CIO WORKS, LLC**

Based out of Colorado, CIO Works ([www.cio-works.com](http://www.cio-works.com)) offers Business Technology Strategy, IT Solutions, Application Integration & Development, Small Business Vendor Relations, Business Continuity, Network Security, Scheduled & On-Demand Computer Support, and Server Design, Implementation & Maintenance.\*

## PRESS RELEASE—DISC EXHIBITING AT 2008 FINRA SPRING SECURITIES CONFERENCE DISC TO SHOWCASE EMAIL COMPLIANCE SOLUTIONS TO FINANCIAL INDUSTRY



Westminster, CO, May 14, 2008—Digital Info Security Company (Pink OTC Markets: DGIF) (DISC) announced today plans to exhibit at the 2008 FINRA Spring Securities Conference May 21-23 in Hollywood, FL.

DISC will feature its PolicyBridge™ Email Archiving and Compliance solution, a

comprehensive message archiving and monitoring solution that assists Securities professionals with meeting compliance regulations such as SEC Rule 17a-4, NASD 3010/3110, Sarbanes-Oxley Act, and the Gramm-Leach-Bliley Act. Multiple editions of PolicyBridge™ are available to accommodate the needs of both large and small firms

with hardware and software solutions.

DISC will also demonstrate its RestoreRex™ business-class remote backup service and its Instant Message and Bloomberg message compliance solutions.

DISC will be in booth #5 at the conference, which

annually provides updates on securities industry rules, regulations and compliance issues. FINRA staff, other regulators and industry representatives address regulatory updates and facilitate workshop sessions, which cover broker-dealer and investment adviser issues and other topics.\*

\*Complete versions of the above press releases, as well as recent releases, can be found at <http://www.disecurityco.com/News&Press.shtml>

**SAFE HARBOR STATEMENT:** This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Terminology such as "anticipate," "believe," "estimate," "may," "intend," "expect," and similar expressions identify such forward-looking statements. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained herein. These forward-looking statements are based largely on the expectations of the Company and are subject to a number of risks and uncertainties. These include, but are not limited to, risks and uncertainties associated with: the impact of economic, competitive and other factors affecting the Company and its operations, markets, product, and distributor performance, the impact on the national and local economies resulting from terrorist actions, and U.S. actions subsequently, and other factors detailed in reports filed by the Company.

## PRESS RELEASE—DISC RELEASES POLICYBRIDGE™ II EMAIL ARCHIVING & COMPLIANCE SOLUTION

Westminster, CO, May 20, 2008—Digital Info Security Company (Pink OTC Markets: DGIF) (DISC) announced today the release of its PolicyBridge™ II Email Archiving & Compliance service, a comprehensive archiving and monitoring solution for regulatory compliance.

This newer version includes

a multitude of upgrades and enhancements for a higher-level of performance. New features include:

- ◆ Improved overall processing performance from 50% to 200%
- ◆ Linked Policies for crossover of two or more Lexicons

- ◆ Full integration to EMC Centerra
- ◆ Full support for Bloomberg XML
- ◆ Online Admin Reviewer Productivity Enhancements
- ◆ Split-Pane View/ dual windows
- ◆ Combined Message Type View
- ◆ Saved User Settings

- ◆ Automatic Pre-Review Action Notification
- ◆ New reports such as Reviewer and User Activity Reports and Disk Space Utilization Reports

This is a major upgrade for all of our Email Services and Security customers and all others that need to move to a premium solution.\*

## PRESS RELEASE—DIGITAL INFO SECURITY COMPANY EXHIBITING AT 2008 AICPA TECH+ CONFERENCE JUNE 9-11

Westminster, CO, June 3, 2008—Digital Info Security Company (Pink OTC Markets: DGIF) (DISC) is pleased to announce that it will exhibit at the 2008 AICPA (American Institute of Certified Public Accountants) TECH+ Conference June 9-11, 2008 in Las Vegas, NV.

DISC will be demonstrating its

data backup & recovery and compliance products at the conference in booth 411 at the Bellagio Convention Center.

DISC assists professionals in the accounting and finance industries in meeting data retention requirements such as those of the Sarbanes-Oxley Act and those found in SEC regulations. DISC's latest

email archiving release, PolicyBridge™ II, and DISC's professional remote backup service, RestoreRex™, follow the guidelines set forth in these regulations for how data should be stored, accessed, and retrieved.

The annual information technology conference will focus on the AICPA's Top

Technology Initiatives of the year, including Business Continuity Management/ Disaster Recovery Planning and Information Security Management. DISC will showcase offsite data backup, email continuity and other IT solutions to help businesses with these initiatives.\*

## PRESS RELEASE—DISC EXECUTES ASSET PURCHASE AGREEMENT WITH BECOMPLIANT CORPORATION FOR THE PURCHASE OF ITS SECURSCAN EMAIL COMPLIANCE TECHNOLOGY AND CUSTOMER BASE

Westminster, CO, July 17, 2008—Digital Info Security Company (DISC) is pleased to announce that it has executed an asset purchase agreement with BeCompliant Corporation (BCC) to purchase its SecurScan email archiving and compliance business.

The purchase includes BCC's SecurScan software, code and customer base. Current SecurScan customers, including several large financial services,

banking and insurance firms representing over 10,000 email archiving users, will benefit from the enterprise support structure that DISC already has in place as a hosted solutions provider.

DISC and BCC also signed a software licensing agreement, which allows DISC to offer additional options to users of DISC's PolicyBridge™ II email solution, including

SecurWrap API content filtering and SecurServer email encryption software. This integrated solution for email surveillance, archiving, compliance and encryption can be offered as a hosted, managed, or an appliance solution, depending on the needs and infrastructure of a given organization.

The SecurScan acquisition is another step forward for

DISC in becoming a consolidator in the email compliance market. DISC purchased FLI Technologies, an email archiving and service group in 2005, and DISC purchased PolicyBridge™ email compliance technology and associated customer base from Patron Systems in 2007.\*

\*Complete versions of the above press releases, as well as recent releases, can be found at <http://www.disecurityco.com/News&Press.shtml>

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Check us out on the Web:

[www.disecurityco.com](http://www.disecurityco.com)

[www.restorerex.com](http://www.restorerex.com)

## Automated Services for Compliance

To receive our newsletter electronically, contact us at [news@disecurityco.com](mailto:news@disecurityco.com) with your name, e-mail address and request.

## IN THE NEWS—INVESTMENTNEWS SURVEY CREDITS DISC WITH 2% OF FINANCIAL SERVICES EMAIL ARCHIVING MARKET

We are delighted to share with you that Digital Info Security Company was named in an article by *InvestmentNews* in their June 16, 2008 edition.

The article, titled "Advisers Split on Preference for Web-Hosted Applications," was based on a technology survey of financial advisers, broker dealers, and registered investment advisers.

The survey, conducted mid-April to mid-May, concluded that no single vendor dominates the

market for financial planning software.

The report showed that 56% of respondents reported using an email archiving and compliance service and consequently 44% using no service. This represents a substantial percentage of the market still within our reach.

Two percent of the respondents used DISC's email compliance service, 6% used Global Relay Communications, 14% used Smarsh, 40% used Advisor-Mail, and 38% used a

variety of other service providers.

DISC was mentioned in another article in *InvestmentNews* on February 4 of this year. In the article, "New Tools Keep up with Compliance," Dylan L. Ross, a certified financial planner at Swan Financial Planning LLC, discusses

his use of DISC's email archiving solution for his compliance needs. Ross says, "Whatever criteria an examiner can come up with during an audit, I can produce the e-mails in a matter of minutes. It has made my life a whole lot easier."

Links to the full articles can be found on our News and Press page at [www.disecurityco.com/NewsNPress.shtml](http://www.disecurityco.com/NewsNPress.shtml) or by going directly to [www.investmentnews.com](http://www.investmentnews.com)