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SMALL BUSINESSES SLOW DECREASE IN YEAR-OVER-YEAR SAME STORE CREDIT AND DEBIT CARD SALES

Valentine's Day Period Helps Restaurants

New York (May 5, 2010) – Capital Access Network, Inc.'s (CAN) Data Services Division released its Q1 2010 Small Business Credit Sales Report (SBCS Report). The report shows that Main Street brick and mortar retailers and restaurants started off 2010 with year-over-year same store card sales declines, continuing a downward sales trend that began for restaurants in Q3 2008 and for retailers in Q2 2007. However, the report shows that both the restaurant and retail sectors slowed the rate of year-over-year card sales decline in Q1 2010, with decreases in card sales of 6.31% and 11.67%, respectively, from Q1 2009 levels. This represents the second quarter that year-over-year credit sales declines have slowed.

"The data indicates a slowing in year-over-year card sales declines for the past two quarters. These figures are consistent with recent Federal Reserve Statistical Releases showing U.S. consumer revolving credit levels contracting," said Glenn Goldman, CAN's President and CEO.

Key Q1 2010 SBCS Report Highlights

1. In Q1 2010, same store credit and signature debit card sales posted their tenth consecutive quarter of year-over-year declines. Q1 2010 card sales dropped 9.16% from Q1 2009 levels. The Q1 2010 figures seem to be consistent with the Federal Reserve's Statistical Releases, G.19, Consumer Credit, published on April 7, 2010 and March 5, 2010, which showed revolving consumer credit in the U.S. contracting at 13.1% and 2.25%, respectively.
2. During the 2010 Valentine's Day period, defined as February 12–16, restaurants showed a year-over-year card sales decline of only 2.90%, compared to the entire month of February 2010, which experienced a decline of 6.34% versus February 2009.
3. While all MSAs* have experienced declining same store credit sales, smaller cities entered the Great Recession later and seem to be emerging faster compared to more populous MSAs. Comparing Q1 2010 with Q1 2009, those areas with populations of less than 100,000 and those with populations between 100,000 and 249,999 reported declines of 4.54% and 6.94%, respectively. MSAs with larger populations (those between 249,999 and 999,999 and those with populations of 1 million+) reported greater year-over-year card sales declines than the smaller MSAs, posting 9.97% and 9.91% decreases, respectively.
4. Both the Restaurant and Retail (which includes service providers) sectors slowed the rate of year-over-year decline in Q1 2010, with decreases in credit sales of 6.31% and 11.67%, respectively, from Q1 2009 levels. In Q4 2009 compared to Q4 2008, those categories reported declines of 8.67% and 15.16%, respectively.

SPOTLIGHT: Within the Q1 2010 data, the monthly figures show a year-over-year accelerating positive trend. January 2010 showed a 12.42% decline in card sales from January 2009. February 2010 showed a 10.90% decline from the February 2009 levels. In March of 2010, the card sales decline slowed to 4.83% from March 2009. The strongest performing segment in the data was Restaurants with average tickets of less than \$25. In that category, March 2010 was essentially flat to March 2009, showing only a 0.51% decline.

SPOTLIGHT: Restaurants with average tickets greater than \$100 continue to perform worse than less expensive restaurants. Restaurants with average tickets less than \$25 performed the best, with a Q1 2010 year-over-year decline of only 2.69% in card sales. Among \$100+ average ticket restaurants, Q1 2010 versus Q1 2009 card sales declined the most, 12.61%, deteriorating further from the 7.65% decline posted in Q4 2009 versus Q4 2008 levels.

5. In Q1 2010, most regions continued to show a year-over-year quarterly decline in same store credit sales, posting card sales declines ranging between 5.86% and 14.60% in Q1 2010 versus Q1 2009. All regions slowed their rates of decline in Q1 2010 versus Q1 2009 as compared to the Q4 2009 versus Q4 2008 rates – except for the Plains Region. That region experienced an 8.59% decrease in the Q1 comparison period after posting a 2.43% decrease from Q4 2009 compared to Q4 2008.

*Metropolitan and Micropolitan Statistical Areas as defined by the Office of Management and Budget based on U.S. Census Bureau data.

About the CAN Small Business Credit Sales Report

The Small Business Credit Sales (SBCS) Report is a quarterly report highlighting credit and debit card sales trends within small to mid-sized businesses nationwide. Sponsored by the Data Services Division of Capital Access Network, Inc. (CAN), a New York-based financial technology company, the SBCS Report features analysis of credit and debit card sales trends based on same store card sales data housed in CAN's data warehouses, which retain 12 years of data and include more than 50,000 businesses. Most same store sales retail reports focus on or include data from big-box retail and nationwide/regional department stores, either ignoring or obscuring the trends of the majority of small and mid-sized businesses. The SBCS Report was designed to assist business owners, the processing industry, associations, analysts and media interested in tracking and benchmarking credit and debit card sales trends among small and mid-sized businesses. CAN's Data Services Division was formed to provide predictive analytics, scoring, outsourcing services and other risk management tools to help quantify, control or reduce the exposure of those providing capital or credit to small and mid-sized businesses and to improve the marketing efficiencies of those who target such businesses. Data published may include:

- Average Same Store Credit Sales - Overall
- Average Same Store Credit Sales - by Population Size
- Average Same Store Credit Sales - by Industry and Ticket Size
- Average Same Store Credit Sales - by Geographic Region
- Total Processing Distribution - by Geographic Region

To receive the quarterly reports automatically via email, interested parties can sign up at www.CapitalAccessNetwork.com/Resources, or simply send an email to dnaczi@capitalaccessnetwork.com.

About Capital Access Network Inc.

Capital Access Network, Inc. (CAN) serves the small business market through its wholly owned subsidiaries, including AdvanceMe, Inc., the leader in Merchant Cash Advances. CAN leverages leading edge data, systems and technology, married to a unique and highly effective collection methodology, to deliver innovative financial products and services geared to the small and mid-sized business markets. Founded in 1998 and headquartered in New York, CAN and its subsidiaries currently employ 300 people in four locations in New York, Georgia, Massachusetts and Costa Rica. CAN's Data Services Division was formed to provide predictive analytics, scoring and other risk management tools to help quantify, control or reduce the exposure of those providing capital or credit to small and mid-sized businesses and to improve the marketing efficiencies of those who target such businesses. CAN's Data Services Division draws upon the data gathered by CAN's subsidiaries through 12 years of collecting and analyzing the sales trends and firmographics of tens of thousands of businesses to which they have provided capital or purchased future credit card receivables. Learn more at www.CapitalAccessNetwork.com.

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