

Rob Howe, Chairman & CEO



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Letter to Our Shareholders—September 18, 2008

Dear Shareholders:

While the investment community is being wracked with uncertainty and deep turmoil, it's a good time to offer you some encouragement. The extraordinary value we're creating with our unique approach to bill through phone bill, at some point, will dawn on the investment community. We've proven the model works. We're engaged with major nationwide merchants. And, we're not just standing around until the investment community "gets it" that alternative payment methods and technologies are the future. We're moving forward.

I know the value we're building. We're the technology innovator in the alternative payment space, and our innovative Digital Gift Card truly is the new online way to pay. But I learned early in life that sometimes when it's taking longer than you would like for good things to happen, you just have to do what we say in Texas when times get tough, "hunker down and ride it out," and keep on working and believing. That's what we're doing. We're staying resolutely focused on building our business and our leadership position for the future in a market we expect one day to own. More than ever, we're focused on the future and we're driving our business ahead.

That's our plan. That's our surge. And we're sticking to it. I'm as excited to enter this next chapter in our unfolding destiny as I've ever been. I think you should be excited too because what we're approaching is real. Just because it takes time to develop something, doesn't mean you shouldn't dig deep and keep on working to develop it—good things, breakthrough things, take time and just plain old sacrifice and hard work. We're doing that at Etelcharge.com.

You've also been asking where we are with the PaymentOne acquisition. What remains to be done before the PaymentOne deal can close is the completion of several complex legal and negotiation matters. Legalities and negotiations sometimes take longer than we'd like, but doing them thoughtfully, methodically and accurately is always worth the extra time. Things change, too, so I have to say here, because SEC disclosure requirements dictate that I must, and because very complex deals are, well, very complex, something could happen to cause us not to close. There; I said it.

What you need to remember, though, is that this company is moving ahead, and we won't be deterred. If you sense a very serious level of determination in my tone, then I'm communicating.

Finally, I want to ask you to tell more of your friends to come to the Etelcharge website and join up. The more members we have, the faster we can grow. Tell people to come to www.etelcharge.com and join us—it's free, it's fun (don't forget about the free Etelcharge social network); it helps us every time someone joins.

Many of you have called me to ask about how it's going and have given me great words of encouragement. I appreciate that very much. Hang in there with us, we're in this to win!

Thanks, and best personal regards,

A handwritten signature in black ink, appearing to be 'Rob Howe', written in a cursive style.

Rob Howe, Chairman and CEO