

NEWS RELEASE

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TraceSecurity Expands National Presence, Opens Advanced Technology Resource Lab in California

BATON ROUGE, La., Oct. 2, 2006 – TraceSecurity, a leading provider of on-demand security compliance management software, has expanded its national presence by opening an Advanced Technology Resource Center (ATRC) in Cupertino, Calif. The company anticipates that the new location will increase exposure to potential business partners, assist in recruiting new talent and support its business development strategy.

“Some of the largest security companies in the world are headquartered in or around Silicon Valley,” said Pete Stewart, CEO of TraceSecurity. “Having an increased presence in California will help us test the market while creating a foundation of solid relationships with our clients and boost our visibility with potential business partners. I believe this expansion poises TraceSecurity for future growth.”

Jim Stickley, CTO, vice president of engineering and co-founder of TraceSecurity, said, “As TraceSecurity continues to grow, it’s imperative that we recruit outstanding, technology-savvy talent to join our team. We need to recruit knowledgeable individuals who understand the importance of data security and will work hard to help us achieve our business goal of developing the best products and services available in the marketplace. California is known for having some of the best talent in the technology industry, and we are excited to build a larger presence there.”

The ATRC is located at 19925 Stevens Creek Blvd. in Cupertino.

About TraceSecurity

TraceSecurity is a leading provider of on-demand security compliance software and services. The company’s patent-pending enterprise solution, TraceSecurity Compliance Manager, helps customers satisfy national and international data security compliance requirements mandated by such regulations as GLBA, Sarbanes-Oxley, and HIPAA. The software’s patent-pending technology automates vulnerability testing, policy management, employee education and board-level reporting. More than 400 global enterprises in the financial

services, insurance, healthcare, government, manufacturing and services industries rely on TraceSecurity to continually test and improve the computer security of their companies.

TraceSecurity's products and services include: Risk Assessments, Security Assessments, Two Factor Authentication solutions, Anti-Phishing Solutions, Penetration Testing, Application Testing, Social Engineering, Security Awareness training, and On-demand Vulnerability and Compliance Assessment software. Headquartered in Baton Rouge, La., TraceSecurity maintains offices in Houston, Austin, and Dallas; Portland, Ore.; Columbus, Ohio; Cupertino, Calif., Salt Lake City and San Diego. The company can be reached by phone at 877.275.3009 or on the Web at www.tracesecurity.com.

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