



**CYNERGY DATA ENTERS INTO ASSET PURCHASE AGREEMENT WITH
COMPANY THAT PLANS TO CONTINUE OPERATIONS; FILES FOR
CHAPTER 11 BANKRUPTCY PROTECTION TO FACILITATE SALE**

**Leading Private Equity Firm The ComVest Group
to Continue Business Operations**

**Secures DIP Financing Commitment
To Support Ongoing Business Needs During Sale Process**

LONG ISLAND CITY, NY, September 1, 2009 – Cynergy Data today announced that it has voluntarily initiated proceedings under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court in Delaware and is pursuing a sale process under Section 363 of the Bankruptcy Code.

Cynergy Data has entered into an asset purchase agreement with “stalking horse” bidder Cynergy Holdings, LLC, an affiliate of The ComVest Group, a private investment firm focused on providing debt and equity solutions to middle market companies, to buy substantially all of the company’s assets. ComVest is a leading provider of capital to the financial technology markets and owns controlling interests in a number of companies in the electronic payment processing industry, including Pipeline Data, CardAccept, AirCharge, SecurePay and Northern Merchant Services. The asset sale is subject to an auction and Bankruptcy Court approval.

The sale process is expected to enable a sale of the business to ComVest or any higher and better bidder approved by the bankruptcy court on an accelerated basis, thereby creating a financially stronger business entity with less debt and more economies of scale that is better positioned for the future. Cynergy Data expects to complete the sale process in 90 days or less.

Cynergy Data’s operations are open and the company is providing uninterrupted services to its network of independent sales organizations (“ISOs”) and merchants during its restructuring and sale process. The company plans to conduct business as usual through the process and has asked for court approval to continue paying vendors, employees, ISOs and merchants in the ordinary course. At the conclusion of the bankruptcy sale process, Cynergy Data will emerge as a dynamic standalone company that will receive strong financial backing from ComVest.

According to Marcelo Paladini, chief executive officer of Cynergy Data, the Chapter 11 process will allow the company to continue providing its merchant credit card processing services while the business completes a structured sale of the company’s assets. “We are grateful for the continuing support of our employees, vendors, merchants and independent sales organizations as we undertake our restructuring process. We expect to emerge from this process as a new company with a much stronger financial position focused on continuing to provide excellent, cost-effective solutions to our merchants and ISO partners,” he added.

ComVest also anticipates tremendous opportunities for Cynergy Data. “ComVest is excited to partner with Cynergy Data to help the company restructure debt and emerge as a leading acquirer. We believe that Cynergy has a significant competitive advantage in its processing business offering superior service and technology to its many merchants and ISO partners. As a firm that has a great deal of experience in payments processing, we are





committed to Cynergy’s success in the future and look forward to partnering with Cynergy’s management team in serving the industry for many years to come,” said Pete Kight, Managing Partner, ComVest.

Cynergy Data has secured a commitment from its existing lenders for so-called Debtor-in-Possession (DIP) financing which it believes will provide ample liquidity to meet its ongoing obligations during the sale process.

The company has filed customary “First Day” motions seeking Bankruptcy Court approval of various types of relief designed to support its employees, customers and suppliers during the sale process, including motions to allow the company to continue to pay suppliers under normal terms for goods and services; to pay its employees in the usual manner and to continue their benefits; to continue performing its obligations to merchants and ISOs without disruption; and to approve an auction and sale process.

The Company’s legal advisor is Nixon Peabody LLP; its financial and restructuring advisor is CM&D Management Services LLC; its industry expert is Unicorn Partners, LLC; and its investment bankers are Stifel, Nicolaus & Company and Peter J. Solomon Company.

Additional information on the restructuring is available on the Company’s website at <http://www.cynergydata.com/restructuring>.

About Cynergy Data

Launched in 1995, Cynergy Data is a merchant credit card processing service provider that gives business owners excellent customer support and unparalleled merchant services. The company emphasizes honest, service-oriented business practices and customer-friendly products and services. During the past 14 years, Cynergy Data has rapidly expanded from a two-person operation to one that employs over 130 service-oriented team members. Headquartered in New York City, Cynergy Data manages a portfolio of nearly 80,000 merchants processing in excess of \$10 billion annually.

About The ComVest Group

The ComVest Group is a leading private investment firm focused on providing debt and equity solutions to middle-market companies with enterprise values of less than \$350 million. Since 1988 ComVest has invested more than \$2 billion of capital in over 200 public and private companies worldwide. Through its extensive financial resources and broad network of industry experts, ComVest offers its portfolio companies total financial sponsorship, critical strategic support, and business development assistance. ComVest additionally owns controlling interest in Pipeline Data, CardAccept, AirCharge, SecurePay and Northern Merchant Services; all credit card merchant servicing organizations. For further information on ComVest, please contact Daniel Nenadovic at 561.727.2001 or via e-mail at: cynergy@comvest.com.

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