

## **PRESS RELEASE**

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### **FOUNDERS EQUITY ACQUIRES PAY-O-MATIC AND C.L.B. CHECK CASHING**

#### **Companies Will Be Combined to Create Leading Check-Cashing and Related Financial Services Company in New York State**

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**NEW YORK – January 16, 2008** – New York-based private equity firm Founders Equity Inc. today announced it has acquired all of the outstanding shares of The Pay-O-Matic Corporation (“Pay-O-Matic”) and all assets of C.L.B. Check Cashing Inc. (“C.L.B.”) through a new investment vehicle, FEF Cash Inc. The Pay-O-Matic and C.L.B. businesses will be combined and operated under the Pay-O-Matic name, creating the leading check-cashing and related financial services company in New York State with 130 community-based locations throughout New York City and Long Island.

Both transactions have been approved by the New York State Banking Department. Terms of the transactions were not disclosed.

“These transactions reflect a broader nation-wide trend of professionalizing the check cashing business,” said Warren H. Haber, Partner, Founders Equity. “In this evolving industry, the combined company will be a dynamic leader with enhanced product offerings and a continuing emphasis on compliance. We plan to immediately rebrand existing C.L.B. locations as Pay-O-Matic storefronts, increase convenience by expanding hours of operation and leverage the operational experience of Pay-O-Matic’s management team to better serve customers.”

Current Pay-O-Matic President Ray Mustafa Sr. will continue to lead the new company until a search for a new Chief Executive Officer is completed.

Mustafa said, “I am extremely pleased that our market-leading position has attracted the interest of such experienced investment partners with a track record of developing successful, recognized businesses. As a combined company, we expect to expand our combined share of licensed locations, expand product lines, enhance our technology platform and further extend our customer goodwill. Pay-O-Matic has accomplished so much in the last 50 years, and I am confident that Founders Equity’s investment will allow us to implement our successful business model even more broadly. We look forward to working with the many talented C.L.B. employees and our new investors to take Pay-O-Matic to the next level.”

Pay-O-Matic and C.L.B. were advised by Bank of New York and Raich, Ende, Malter & Co. LLP, respectively. Morrison Cohen LLP provided legal advice to Founders Equity on the transaction.

### **Founders Equity, Inc.**

Since 1969, Founders Equity has been actively engaged in private equity investing and enhancing the value of small to mid-cap enterprises. All of its principals have had significant operating experience and, accordingly, Founders Equity strives to be added-value partners with entrepreneurial owners and management teams. It focuses on later-stage growth equity investments, recapitalization or buyouts of established business and management teams pursuing an acquisition growth strategy. Founders Equity has \$160 million of capital under management and is actively adding to its portfolio of companies. For more information on Founders Equity, please visit [www.fequity.com](http://www.fequity.com)

### **About The Pay-O-Matic Corporation**

Founded in 1950, The Pay-O-Matic Corp., based in Syosset, New York, employs almost 700 people and operates 100 community-based locations throughout Brooklyn (38 locations), Bronx (34), Manhattan (16), Queens (9) and Long Island (3). Pay-O-Matic provides a range of financial services, including check cashing, sale of money orders, consumer bill payments, transit fare cards and domestic and international money wiring through its partner, Western Union Financial Services, Inc. In addition to its retail operations and third-party bill payment services, Pay-O-Matic owns and operates currency transport service business Rapid Armored Corporation, which provides armored transport, deposit reconciliation, coin/currency supply and check processing. The Pay-O-Matic Corp. is licensed as a Money Transmitter by the New York State Banking Department. Pay-O-Matic Check Cashing Corporation, a wholly-owned subsidiary of The Pay-O-Matic Corp., is licensed as a Check Cashier by the New York State Banking Department. Rapid Armored Corp., a wholly-owned subsidiary of The Pay-O-Matic Corp., is licensed as an Armored Car Carrier by the United States Department of Transportation and the New York State Department of State.

### **About C.L.B. Check Cashing**

Founded in 1990, C.L.B. Check Cashing, based in Springfield Gardens, New York, offers check cashing, wire transmission, money orders and bill payments and other related services through its 30 retail operations located throughout four boroughs of New York City, including, Brooklyn (9), Bronx (4), Manhattan (1), Queens (15) and Long Island (1). CLB employs approximately 200 full and part-time employees. The company is a pioneer in the concept of 24 hour operations in New York State.

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