

For Immediate Release

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Nationwide Exchange Services Awarded SAS 70 Type II Certification

**Audit Provides Objective Standard to Measure the Security and Accuracy of
NES's 1031 Service Offerings**

Cupertino, CA, July 19, 2006 - Nationwide Exchange Services (NES), a Qualified Intermediary providing an industry-leading suite of 1031 tax-deferred exchange products for individual exchangers and corporations, announced today that it has been awarded an unqualified SAS 70 Type II certification after an extensive audit of its infrastructure, business process and procedures for facilitating tax-deferred, like-kind exchanges according to the provisions of Section 1031 of the Internal Revenue Service Code. SAS 70 is the nationally recognized auditing standard developed by the American Institute of Certified Public Accountants (AICPA). It provides authoritative guidance that allows service providers to disclose their control processes to their customers in a standardized format.

In today's more complex compliance environment for public companies, based largely on Section 404 of the Sarbanes-Oxley Act (SOX 404), service providers must exhibit that they have sufficient controls and safeguards in place when hosting or processing data belonging to their customers. A SAS 70 audit is widely recognized as the means by which an organization communicates both the nature of its control activities, which generally include controls over information technology, information security and related processes, and that those controls have been tested and found to be effective – as established by an independent accounting and auditing firm.

Auditors McGladrey & Pullen conducted the SAS 70 audit at NES's headquarters in Cupertino according to the Statement on Auditing Standards No. 70, "Service Organizations" (SAS 70), as published by AICPA. The SAS 70 format allows a service provider to demonstrate that they have processes and controls in place that provide a stable, predictable and secure environment for processing business transactions with a consistent level of accuracy and security. An SAS 70 Type II certification means that McGladrey & Pullen not only assessed the control environment specified by NES for its applicability but also tested the controls to ensure their effectiveness. The full SAS 70 report issued by McGladrey & Pullen is available from NES to qualified reviewers.

“NES is committed to changing the paradigm in our industry for service levels, security and confidence. This certification of our processes demonstrates that our commitments to fiduciary security, adherence to IRS regulations, data security and business continuity are real and that they work. We know that this certification is important to our corporate exchangers because of its contribution to their ability to comply with Section 404 of the Sarbanes-Oxley Act,” said Michael Halloran, President of NES. “In addition, we believe that our other exchangers – individuals and partnerships – will view this award as an indication of our commitment to excellence and to providing the highest level of safety, for both assets and data, that can be found in our industry.”

“Public companies increasingly utilize 1031 exchanges to improve their return on assets and their overall financial performance. As these transactions become more significant, it is critical to accurately record them and include them in their SOX 404 compliance provisions. NES not only provides a broad level of exchange capabilities but also the assurances required to comply with SOX 404,” said Stan Freeman, EVP of Business Development at NES. “In addition to public companies, we also believe that the large communities of law and CPA firms involved in 1031 exchanges will understand and appreciate the levels of discipline, security and reliability that have been built into our processes. The result is a real reduction in risk from negligent referral liability. When combined with our superior level of service, we believe that these professional firms will increasingly look to NES as their preferred partner for 1031 exchanges.”

NES offers the expertise required to facilitate exchanges of real estate as well as a wide variety of other assets, such as vehicles and aircraft, using both delayed and reverse exchanges. A tax-deferred “like kind” exchange, as described in Section 1031 of the Internal Revenue Code, is a strategic method of deferring payment of some or all of the capital gains taxes on the sale of an investment property by exchanging it for a new investment property. To take advantage of the benefits of a 1031 exchange, investors must hire a 1031 Qualified Intermediary such as NES.

About Nationwide Exchange Services

Nationwide Exchange Services (NES – www.nationwide1031.com) is a leading Qualified Intermediary for 1031 tax-deferred exchanges. Since 1990, NES has conducted tens of thousands of successful 1031 exchange transactions across the nation. Today, NES applies advanced technologies and business processes to create new standards of customer-driven products and services for tax-deferred 1031 exchanges. NES offers the 1031 QI industry’s most competitive fee structure and the most complete set of services across the broadest range of asset classes. For exchangers, NES provides the highest level of security, for both exchange assets and their personal data, which is supported by the NES Customer Portal that provides 24/7 visibility into every aspect of an exchange. NES is also committed to voluntary compliance with a variety of regulations that are not requirements for the QI industry but benefit its clients by providing a basic level of protection for assets and data. Examples of these regulations are those set forth by the OCC (Office of the Comptroller of the Currency), the BSA (Banking Secrecy Act) and the Gramm-Leach-Bliley Act.

NES is headquartered in Cupertino, California, and has offices in key cities throughout the United States.