

QUANTRAX CORPORATION INC.

THE MOUSE THAT ROARED?

February 2008

At the educational Collection Advisor Tech 06 Conference in Las Vegas on December 7th 2006, the panel of speakers for “The fastest way to grow your collections: Technology” was made up of the key technologists from Columbia Ultimate, Ontario Systems, CR Software and Sentinel. One topic considered was artificial intelligence (AI) and expert systems (computer programs that perform at the level of human experts). Everyone agreed the technology was necessary and strategic, claiming that software was moving in the “AI direction” by incorporating rules and workflow management.

From the audience, our CEO disagreed, stating that the addition of rules alone did *not* automatically transform a traditional data-based system into an expert system – it required a complete bottom up re-engineering of the system. A panel member did agree that expert systems architecture was significantly different from the traditional software model, but added that we were still a long way from seeing true AI-based systems. When we reminded him that one company *had* built an expert system for collections, his immediate response was that AI had *not been tested* within collections.

The experienced companies the panel represented enjoy significant market share, and we were surprised at what we were hearing. We explained to the panel and audience that our company had been implementing expert systems for the collection industry for *over 15 years*. The technology (in our product Intelec) is mature, *tested and proven*. Today, Quantrax enjoys market exposure in 35 states and Canada, in collection operations ranging from 20 to well over 1000 employees.

With the business and competitive intelligence a very successful company must possess, we do not understand what motivated an industry expert to make such unsupported statements from a key panel in the presence of so many senior collection executives. It is therefore important to Quantrax

and this industry that those who discuss this technology are at least aware of what can only be described as a *tested and proven* AI-based system.

Our position is supported by the following.

- *Intelec has replaced the majority of high-level human decision-making within many successful operations that we support.*
- *We offer new levels of automation that require little or no ongoing manual support.*
- *Far more work is being done with fewer resources compared to traditional systems.*
- *Revenue per collector is consistently higher compared to the prior systems used*
- *Intelec was built ground up to be intelligent*

We are very proud to be the only company that has successfully engineered an AI-based system for collections. While we do not seek the assistance of our competitors, their efforts to contain or talk down our results are irresponsible and will only be detrimental to the success and growth of promising technology. Our software will pass every test for an “expert system” and with a successful track record of *18 years*, we believe that AI-based technology is with us *today* – tested, proven *and* thriving in the collection industry. Our marketing budgets are insignificant compared to our competition, but we have invested everything in our technology and our reputation. Although we invited a retraction of the statements made, we are disappointed that there has been no effort to correct the obvious error.

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