



Zaio Responds to Wall Street Journal Article Need for National Appraisal Database Now in the Spotlight

Scottsdale, AZ February 26, 2008 – Zaio Corporation’s (TSX-V: ZAO) U.S. subsidiary Zaio Inc. responded today to a Wall Street Journal story that highlighted the need to establish a national appraisal database repository, remarkably similar to the database already being built by Zaio.

From its start Zaio has held to the goal of eliminating undue influence and pressure in the valuation process. As a company with an executive team comprised primarily of seasoned appraisers and data professionals, Zaio is very far along in creating a national appraisal database repository and currently has 140 million property records in its national “Appraisal Knowledge Warehouse™” database. Appraisal data is being added by local appraisers every day at a rapid pace. “How many more people need to lose their homes to foreclosure, before reforms fully addressing appraiser independence are put in place?” asked Thomas Inserra, Zaio CEO. The FBI and Justice Department report that mortgage fraud and abuses in the appraisal process is the fastest growing crime in America. “The time to fix this national problem is now,” stated Inserra.

Zaio pointed out that the prior mortgage crisis from 1980 to 1995 resulted in the failure of 2,912 financial institutions with combined assets of \$924 billion. More than \$168 million per day in distressed loan assets were being sold in the market over a 15 year period at a time when real estate prices were declining, resulting in record numbers of loan losses and foreclosures.

Today’s mortgage crisis shares a similar path and root cause, as both the last mortgage crisis and today’s sub-prime mortgage crisis were caused by breakdowns in the credit and appraisal processes, and both resulted in record numbers of foreclosures. Thus, the only way to fix this current mortgage crisis is with reforms that address the underlying outdated and flawed appraisal process.

While other companies may be in the “idea” stage of creating a national appraisal database, Zaio has been working on its creation and implementation for years. In addition to building what is believed to be among the first national appraisal databases, Zaio’s national appraisal database has five compelling competitive strengths:

1. Other database concepts suggest collecting appraisals from sale transactions. However, each year less than 15% of all homes are sold. That means the appraisal data for 85% of the remaining homes in the country would be omitted. Zaio is systematically inspecting and appraising all homes in the USA in a consistent manner for inclusion in a comprehensive national database.
2. Zaio finds that 65% or more of the property data records needs to be updated or corrected. Zaio is not aware of any other effort to systematically inspect all US homes and to correct and update the database. Real estate changes every day and thus an

appraisal database must have a process of capturing changes in the field every day as homes change. Zaio's patented hand-held technology is in use by hundreds of appraisers every day as they add appraisal data to Zaio's rapidly growing database. Better and more timely data translates into improved results.

3. A database of backward looking historical appraisals is meaningless unless the database also has a process to efficiently update the appraisals in real time as properties and markets change. Zaio has filed patents on this process, and Zaio's affiliated appraisers are currently in the field and updating the value of homes in the database every day in real time.
4. Mortgage fraud likely will not be defeated unless the appraisal process is reengineered to remove all external pressure against the appraiser. This can only be accomplished with a database that has a process of collecting the appraisal data in advance of any transaction, similar to how credit bureaus are operated. Storing the completed appraisals in a secure database ensures that any attempts to change, alter or inflate the appraisal can be detected. Loan officers and mortgage brokers are never given the chance to pressure an appraiser because the appraisal was completed in advance of the loan transaction.
5. Recent lawsuits have questioned the appropriateness of using proprietary corrected and improved appraiser produced appraisal data which many believe is owned and subject to copyright by appraisers. Zaio has solved this problem with written agreements with large numbers of appraisers and with a viable business model that compensates appraisers economically for their important services. Forcing appraisers to include their intellectual capital into a national database without their consent or appropriate compensation is likely not going to work and potentially at odds with intellectual property laws.

Zaio is pleased to learn that publications, including the Wall Street Journal, are now focusing national attention on the mortgage crisis, and that the solution lies with Zaio's already deployed appraisal database. While some companies may only be in the idea phase, Zaio has successfully started to implement these solutions. In fact, consumers and lenders are already benefiting from Zaio's patented "Appraisal Knowledge Warehouse™" solution. Within the last year, Zaio has acquired approximately 500 lender clients, and Zaio and its network of appraisers is now supplying these lenders with a full range of appraisal services nationwide.

About Zaio

Zaio is a technology and database company. Zaio maintains a secure database of 140 million properties known as the national "Appraisal Knowledge Warehouse™" and is now site verifying and correcting property data, photos and appraisals of virtually every property in America. Zaio's network of local appraiser experts photograph, inspect, and appraise entire cities, one building at a time using a proprietary "GeoScore(TM)" rating system. Zaio is ranked among the top 50 best performing companies of more than 2,000 corporations on the TSX-V Exchange, and trades under the symbol "ZAO". Additional information is available under the symbol "ZAOFF".

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For investors who would like to be added to Zaiio's investor distribution list or receive a 2006 annual report, please contact Chris Gustafson at cgus@christensenir.com.

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