

MARKET STATISTICS

Exchange / Symbol	NASD: PYDS
Price:	\$1.49
Market Cap (\$mm):	\$19.82
Enterprise Value (\$mm):	\$16.60
Shares Outstanding (mm):	13.31*
Float (%):	29%
Volume (3 month avg.):	141,800
52 Week Range:	\$1.17-\$2.65
Industry:	Payment Services

*Includes ~1.5M shares part of Singular acquisition

CONDENSED BALANCE SHEET

(\$mm, except per share data)

Balance Sheet Date:	6/30/2017
Cash & Cash Equivalent:	\$3.23
Cash/Share:	\$0.24
Equity (Book Value):	\$8.52
Equity/Share:	\$0.64

CONDENSED INCOME STATEMENTS

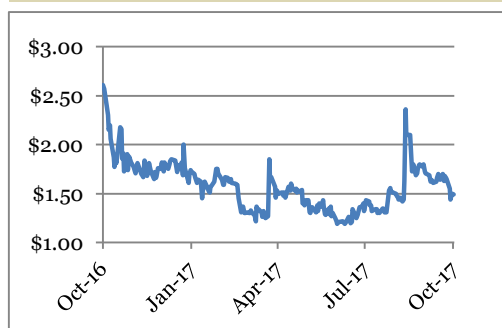
(\$mm, except per share data)

FY - 12/31	Revenue	Op. Income	Adj. EBITDA	EPS
FY14	\$13.39	\$2.25	\$2.58	\$0.41
FY15	\$14.38	\$0.95	\$2.55	\$0.08
FY16	\$12.08	\$(1.36)	\$0.59	\$(0.15)
Fy17E	\$14.22	\$(2.50)	\$(0.08)	\$(0.26)
FY18E	\$25.07	\$(0.69)	\$2.69	\$(0.05)

LARGEST SHAREHOLDERS

Michael Long	2,517,251
Louis Hoch	2,229,972
Vaden Landers	1,815,152
National Services, Inc.	712,500
Larry Morrison	342,839
Houston Frost	294,027
IFC Holdings, Inc.	98,501
The Vanguard Group, Inc.	41,549
KCG Holdings, Inc.	35,336

STOCK CHART



COMPANY DESCRIPTION

Payment Data Systems, Inc., together with its subsidiaries, provides integrated electronic payment processing services to merchants and businesses in the United States. The Company offers various types of automated clearing house (ACH) processing, and credit card, prepaid card, and debit card-based processing services. The Company also offers merchant account services for the processing of card-based transactions through the VISA, MasterCard, American Express, Discover, and JCB networks, including online terminal services accessed through a website or retail services, accessed through a physical terminal. Furthermore, the Company creates, manages, and processes prepaid card programs for corporate clients to issue prepaid cards to their customer base or employees and also issues general purpose, reloadable cards to consumers as an alternative to a traditional bank account. Payment Data Systems, Inc. was founded in 1998 and is headquartered in San Antonio, Texas.

SUMMARY

Payment Data Systems is using the cash flow from its core ACH, credit card and debit card processing business to invest in new business opportunities. With a solid balance sheet and positive cash flow, the Company is investing for the long-term, and hopes to continue its growth by:

- Operating in niche verticals where it can be a leader in ACH and credit card payment processing
- Focusing on delivering a better customer experience compared to larger competitors by offering its customers leading technology platforms and customization. As an example, Payment Data Systems states that it was the first prepaid card integrated with Apple Pay
- Enabling organic growth through continued use of its indirect sales model to drive revenue growth
- Using its cash flow to fund growth initiatives such as continuously innovating its merchant processing platform
- Expanding its ACH banking relationships
- Increasing the brand awareness of its Akimbo platform
- Supplementing its organic growth by targeting acquisitions of credit card processing portfolios that can provide immediate cash flow
- A recent example of acquiring a company with complementary products and services is the deal just closed on Singular Payments as of 9/1/17; Singular Payments processed \$440M in payments and 2.5M transactions in 2016. The acquisition of Singular should increase the Company's processed payments by about 15% and its processed transactions by about 20%
- Continuing to rely on its balance sheet that shows no debt and has a clean capital structure

We employ a comparative company analysis using a Price/Sales framework for valuation. The details are on page 5. We have factored in the recent acquisition of Singular Payments and as such, have adjusted our estimates. We expect a fairly seamless transition of the business from Singular; Vaden Landers, CEO of Singular Payments and now Chief Revenue Officer of the Company, and all Singular employees, are joining the PYDS team.

BUSINESS OVERVIEW

Payment Data Systems is a payment solutions provider that offers integrated electronic payment processing services to merchants and businesses in the US. Its services include processing electronic payments for other companies such as Automated Clearing House (ACH) processing, and credit card, prepaid card, and debit card processing.

Exhibit 1: Service Offerings

ACH Processing	Credit Card Processing	Prepaid Card Issuing	Bill Payment Processing
ACH Origination	Credit / Debit Card Processing	General Purpose Reloadable	Electronic Bill Payment
eCheck Conversion Processing	Debit Card ONLY Processing	Corporate Incentives/ Rewards	Over 6,000 National Billers
NSF Returned Check Recovery	Account Validation	Open Loop Issuance	Web Payment
Mobile, Web, and Virtual Terminal Payments	POS/Card Swipe Retail	Card-to-Card Transfer	MasterCard RPPS Gateway

Source: Company Reports; Stonegate Capital Partners

The Company was founded in 1998 as Billserv, then offering electronic bill presentment and payment services to companies generating recurring paper-based bills. In July 2003, Billserv sold all of its assets to Saro, Inc. for \$4.8M. Upon the sale, Billserv changed its name to Payment Data Systems and began to focus on building its electronic payments business. The Company is headquartered in San Antonio, TX, and trades on the NASDAQ under the symbol PYDS. In FY16, PYDS processed \$2.9B in payments and processed 12.4M transactions.

The Company operates through three operating entities, Payment Data Systems, FiCentive and Akimbo, and just recently, on 9/1/17, the Company announced the closing of an acquisition on Singular Payments, LLC.

Exhibit 2: Payment Data System

FiCENTIVE Prepaid Card Processor & Program Manager	PAYMENT Data Systems Payment Processing Credit, Debit and ACH	akimbo™ Social Payment Provider & Prepaid Card Program Manager
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Source: Company Reports; Stonegate Capital Partners

Payment Data Systems: Payment Data Systems provides integrated electronic payment processing services to merchants and businesses, including credit card and debit card-based processing services and transaction processing via the ACH network. The ACH offering enables the Company's clients to disburse and collect funds electronically using e-checks instead of traditional paper checks. The Company's card processing services allows its clients to process both card-present transactions at the point-of-sale, as well as card-not-present transactions. Additionally, the Company operates an

online payment processing service at www.billx.com. This service is directed at consumers and allows them to process online payments to any individual.

FiCentive: The Company also provides prepaid card processing services for merchants and consumers through its wholly-owned subsidiary, FiCentive, Inc. FiCentive offers MasterCard prepaid cards branded with customers' corporation logos or trademarks. These prepaid cards can be used for various applications including corporate incentives, employee incentives, payroll, and general use.

Akimbo: In December 2014, the Company acquired the assets of Akimbo Financial, Inc. Akimbo is targeted at individual consumers and allows users to create customized prepaid cards for any purpose, such as allowance, groceries, and other miscellaneous expenses. The Company is positioning the Akimbo card as more than just a prepaid gift card or a card for the underbanked/unbanked, but rather a prepaid card to help with budgeting.

The Akimbo card is linked to a bank account and the end-user can then automate transfers to the Akimbo card. Additionally, the platform allows end-users to issue up to 5 "sub-cards" to family members or other users and instantly transfer funds to the additional cards. The Company can issue the Akimbo prepaid card in plastic form or in a virtual form that lives in an end-user's mobile device. Akimbo cards are integrated with Apple Pay, Samsung Pay and Android Pay.

Singular Payments Acquisition: PYDS announced the closing of the Singular Payments, LLC, acquisition on September 1, 2017. The deal was completed with a combination of cash on hand as well as common stock for a total of \$5M (\$1.5M in cash, including repayment of \$600K loan, and 1.5M shares of common valued at \$2.31/share).

The transaction is expected to add over 1,200 new merchant customers to the Company, with a focus on healthcare, as well as over \$500M in annual payment processing volume. The new subsidiary's previous CEO and now Chief Revenue Officer, Vaden Landers, as well as the team of Singular employees, will be joining Payment Data Systems in what is expected to be a fairly seamless transition following months of preparation. Management has guided to the transaction adding over \$10M in annualized revenue, a 10% - 15% bump year-over-year for the third quarter of FY17, as well as record all-time high revenues for Q417.

Benefits of the acquisition include:

- Accelerated growth for the Company's top line through the addition of a sizable portfolio of credit card processing customers
- Expanded client base and added sales expertise
- Enhanced product offerings
- The addition of Vaden Landers and his significant payment processing experience to the executive team

GROWTH STRATEGY

Payment Data Systems has a dual strategy focused on organic growth and acquisitions. Organic growth will be achieved by continuing to leverage its indirect sales model to drive revenue growth, along with using its cash flow to fund growth initiatives. Some of these initiatives include: (1) continuously innovating its merchant processing platform, (2) expanding ACH banking relationships, (3) and increasing brand awareness of its Akimbo platform.

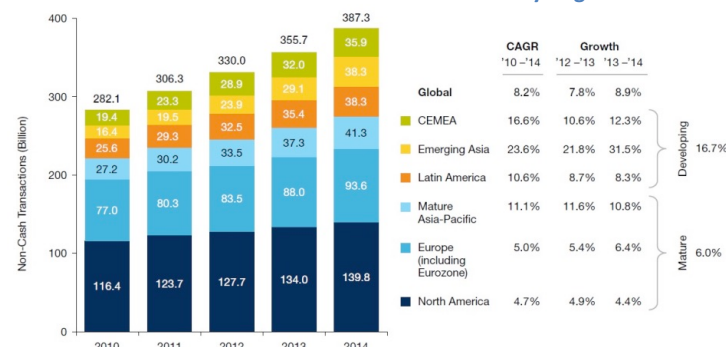
On the acquisition front, Payment Data Systems is looking at two primary sources. First are credit card processing portfolios that can add immediate cash flows. Secondly, the Company is looking for companies that have complementary products and services.

Per its strategy, in March 2017, Payment Data Systems announced a LOI to acquire Singular Payments, LLC, a payments processor with a niche focus on healthcare and utilities located in St. Augustine, FL, with 11 employees. Singular's offerings include a flat rate billing model to its SMB customers as well as Singular BillPAY that is an electronic bill presentment and payments platform for users. Payment Data Systems has noted that in 2016, Singular processed ~\$440M in payments and ~ 2.5M transactions. As previously mentioned, the transaction closed September 1, 2017.

INDUSTRY OVERVIEW

The payment processing industry continues to see solid growth. According to the 2016 World Payments Report (CapGemini & BNP Paribas), global non-cash transaction volumes grew 8.9% Y/Y in 2014 to reach 387.3B transactions. North America and Europe remain the largest noncash payments markets, together accounting for about 60% of global non-cash transaction volumes. However, as mature markets, these recorded mid-single digit growth rates over the period. On the other hand, developing markets, as illustrated below, exhibited much higher growth rates. Technological advancement and significant growth in card transactions in emerging countries are the chief drivers of the industry.

Exhibit 3: 2010-2014 Global Non-Cash Transactions by Region

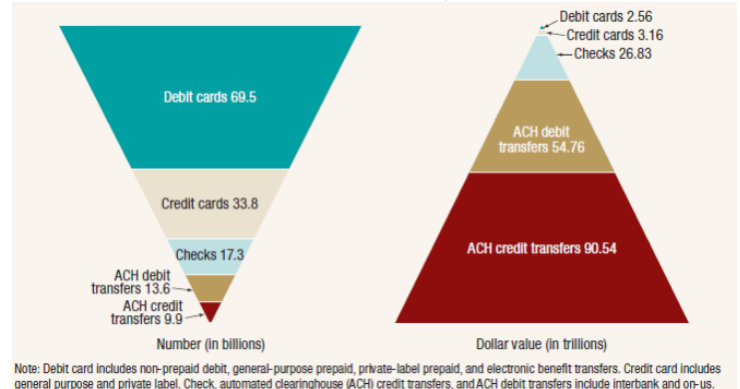


Source: World Payments Report - 2016; Stonegate Capital Partners

Electronic processes and alternative payment methods are rapidly replacing paper check payments in the US. The use of paper checks has been declining since 2011, following the US government's decision to directly transfer social security and pension payments

into the respective bank accounts and to issue debit cards for food stamps and unemployment benefits. As illustrated in Exhibit 4, debit card usage accounts for the largest share of transactions, while ACH accounts for the largest share of dollar value.

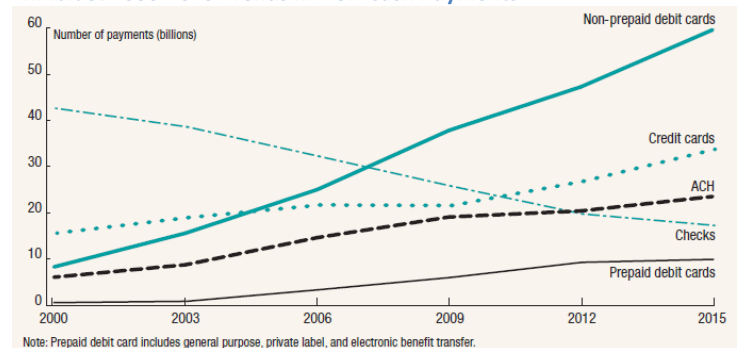
Exhibit 4: 2015 Distribution of Non-Cash Payments



Source: World Payments Report - 2016; Stonegate Capital Partners

Direct online transfer between bank accounts has eradicated the need for paper checks for both personal and business transactions. Moreover, a shift in the consumer preference from spending to budgeting has resulted in a rise in the use of pre-paid cards.

Exhibit 5: 2000-2015 Trends In Non-Cash Payments



Source: World Payments Report - 2016; Stonegate Capital Partners

According to the Federal Reserve's 2016 Payments Study, non-prepaid debit card (tied to a checking account) transactions drove almost all of the growth in the broader debit card transactions, with number of transactions growing 8.0% and the value of transactions growing 7%. Furthermore, credit card transactions were on equal footing as non-prepaid debit cards as it relates to growth rates. Prepaid debit cards were the most recently introduced transaction type added to the report and had respectable growth rates in number of transactions and value of transactions of 2.3% and 5.5%, respectively. Checks, on the other hand, continue their decline in number of transactions at a rate of -4.4%, albeit at a better decline rate than the -6.2% rate from 2000 to 2012 period.

COMPETITIVE LANDSCAPE

The payment processing services industry is highly competitive, with the presence of well-established payment processing companies as well as subsidiaries of financial institutions such as Bank of America Merchant Services, Chase Paymentech, and Elavon, Inc., among others. Additionally, the industry is highly regulated and faces rapid technological changes. While these last two factors may create some barriers to entry, these barriers aren't large, and these two factors continue to cause competitive pressures.

Payment Data Systems intends to compete as follows:

- (1) PYDS operates in niche verticals where it can be a leader in ACH and credit card payment processing, such as Churches.
- (2) The Company is focused on delivering a better customer experience compared to much larger competitors by providing customers with leading technology platforms and customization. As an example, Payment Data Systems states they were the first prepaid card integrated with Apple Pay.
- (3) The Company seeks to create a branding and marketing position that differs from its main rivals. For example, the Akimbo prepaid card has been positioned as more than just a prepaid gift card or a card for the underbanked/unbanked, but rather a prepaid card to help with budgeting.

Exhibit 6: Payment Data Systems' Competitive Landscape

	ACH	Card Processor	Prepaid Issuer	
FirstData	✓	✓		Innovative Technology  Customized Solutions  Front-End and Back-End Services  Strong Regulatory Relationships
WorldPay	✓	✓		
Elavon	✓	✓		
Fiserv	✓	✓		
Global Payments	✓	✓	✓	
TSYS / NetSpend	✓	✓	✓	
Vantiv	✓	✓	✓	
Payment Data Systems	✓	✓	✓	
BlackHawk	✓		✓	
GreenDot	✓		✓	
MoneyGram	✓		✓	

Source: Company Reports; Stonegate Capital Partners

RISKS

A highly regulated industry - The payment processing industry in the US is subject to extensive regulation and supervision by varying federal and state banking agencies. Such regulations and investigations could limit the Company's business activity. Any unfavorable change in current laws and regulations related to the industry could adversely impact the Company's future revenues and earnings.

Reliance on resellers - Payment Data Systems uses an indirect sales model that is supported by an internal sales team. Should any resellers switch to another transaction processor and/or stop promoting Payment Data Systems' services, financial results will be negatively impacted.

Technological risk related to critical data - The Company's business involves the use of significant private and confidential customer information. Any incidence of data hacking or unauthorized system infiltration could result in unexpected liability, litigation, regulation investigation and penalties, and eventually, loss of customers.

Acquisitions may not meet expectations - Part of Payment Data Systems' business strategy is focused on acquisitions. Acquisitions contain multiple risks such as a failure to meet financial expectations, an inability to successfully integrate operations, and potential lack of focus by management. Any negative impact from failed acquisitions could materially impact operating results.

RECENT RESULTS

For the second quarter ended June 30, 2017, Payment Data Systems' revenues were \$2.6 million, down 11.8% compared to \$2.9 million for the second quarter of 2016. The revenue decrease was due to ACH processing transaction and ACH return transaction volume decreases. A major driver of the ACH decreases was as a result of a large customer selling a portion of the portfolio and starting the process to rebuild the portfolio again.

Gross margin dollars were \$696,035, or 27.3% of revenues, compared to \$855,621, or 29.6% of revenues, in the second quarter of 2016. The decline in gross margin dollars was due to lower revenue and partially offset by an 8.8% decline in cost of service expenses. The gross margin percentage declined quarter to quarter and year over year as a percentage of sales due to the fixed components of cost of goods sold.

Operating losses were \$548,737 compared to an operating loss of \$455,220 in the second quarter of 2016, reflecting lower revenues and gross margin.

Adjusted EBITDA was a loss of \$103,705, or -4.1% of revenue, compared with income of \$54,081, or 1.9% of revenue, in the second quarter of 2016.

Net loss was \$534,337, or (\$0.06) per basic and diluted share, compared to a net loss of \$355,301, or (\$0.05) per basic and diluted share in the second quarter of 2016. The net loss reflects a lower revenue base and higher expenses in the second quarter of 2017.

The Company also ended the quarter with \$3.2M in cash and cash equivalents, positive cash flow for the year, and no debt.

VALUATION

We are using a comparative company analysis to value Payment Data Systems. For our comparison companies, we are primarily using US based merchant acquirers/processors as well as prepaid payment providers. We use both types of organizations given Payment Data Systems' service offerings.

COMPARATIVE COMPANY ANALYSIS

Name	Ticker	Price (1)	Sh	Mrkt Cap	EV	EV/S (2)			EV/EBITDA (2)			P/E (2)					
						TTM	2017 E	2018 E	TTM	2017 E	2018 E	TTM	2017 E	2018 E			
<u>Merchant Acquiring/Processing</u>																	
First Data Corporation	FDC	\$	19.08	923.0	\$	17,610.8	\$	38,389.5	4.9x	3.2x	3.0x	13.8x	12.6x	11.7x	31.8x	12.5x	11.5x
Global Payments, Inc.	GPN	\$	97.17	152.5	\$	14,818.4	\$	18,473.1	4.4x	5.3x	4.6x	16.1x	15.9x	13.7x	75.3x	24.5x	20.7x
Total System Services, Inc.	TSS	\$	67.88	184.2	\$	12,503.5	\$	15,230.6	3.3x	4.5x	4.3x	16.2x	12.9x	12.1x	33.0x	20.7x	18.9x
Vantiv, Inc.	VNTV	\$	69.35	162.6	\$	11,276.3	\$	15,001.3	4.0x	7.1x	6.4x	17.0x	14.8x	13.4x	58.8x	20.7x	18.3x
Square, Inc.	SQ	\$	32.50	383.7	\$	12,470.3	\$	11,900.0	6.3x	12.6x	9.8x	nm	89.7x	50.4x	nm	135.4x	75.6x
Average						4.5x	6.5x	5.6x	15.8x	29.2x	20.3x	49.7x	42.8x	29.0x			
Median						4.4x	5.3x	4.6x	16.1x	14.8x	13.4x	45.9x	20.7x	18.9x			
<u>Prepaid/Debit Payments</u>																	
Blackhawk Network Holdings, Inc.	HAWK	\$	35.15	56.7	\$	1,993.0	\$	2,435.6	1.2x	1.1x	1.0x	16.2x	10.5x	9.0x	nm	21.4x	17.6x
Green Dot Corporation	GDOT	\$	54.32	50.5	\$	2,743.2	\$	2,206.5	2.8x	2.5x	2.3x	19.6x	11.1x	9.5x	46.0x	26.5x	22.7x
EML Payments, Ltd.	ASX:EML	\$	1.66	246.9	\$	409.9	\$	378.9	8.4x	6.5x	5.3x	145.7x	20.6x	15.5x	nm	27.7x	20.8x
Average						4.1x	3.4x	2.9x	60.5x	14.1x	11.3x	46.0x	25.2x	20.4x			
Median						2.8x	2.5x	2.3x	19.6x	11.1x	9.5x	46.0x	26.5x	20.8x			
Payment Data Systems, Inc.	PYDS	\$	1.49	13.3	\$	19.8	\$	16.6	1.5x	1.2x	0.7x	nm	nm	13.5x	nm	nm	nm

(1) Previous day's closing price

(2) Estimates are from Capital IQ except those for Payment Data Systems, which are Stonegate estimates

Source: Company Reports, Stonegate Capital Partners

Price/Sales analysis

As seen above, Payment Data Systems is trading at a 0.7x EV/S multiple on our FY18 estimates. This compares to average multiples for Merchant Acquirers and Prepaid Processors of 5.6x and 2.9x, respectively. On an EV/EBITDA, following the Company returning to being EBITDA positive on our FY18 estimates, PYDS currently trades at 13.5x vs. the average of its peers at 20.3x and 11.3x.

As the Company moves forward following the Singular Payments acquisition and reports an improving top line as well as bottom, we believe that PYDS will begin to trade more in-line with the metrics of its comps. Even selecting a 2.0x EV/S multiple applied to our FY18 estimates, which we believe is appropriate given (1) PDS is a significantly smaller player in the market, (2) the Merchant Acquirers have maintained consistently higher margins, and (3) the Company has experienced 7 quarters of declining revenue, results in a valuation of approximately \$4.00 per share (factors in additional 1.5M shares issued as part of acquisition but not yet reflected in Cap IQ).

INCOME STATEMENTS

Payment Data Systems, Inc. (NASDAQ: PYDS) Consolidated Statements of Income Fiscal Year: December					
	FY 2014	FY 2015	FY 2016	FY 2017 E	FY 2018 E
Revenues					
Revenues	\$13,395,130	\$14,380,460	\$12,076,358	\$14,217,606	\$25,070,662
Total revenue	13,395,130	14,380,460	12,076,358	14,217,606	25,070,662
Cost of revenues					
Cost of sales	9,216,904	9,417,334	8,293,354	10,947,556	18,928,350
Total cost of revenues	9,216,904	9,417,334	8,293,354	10,947,556	18,928,350
Gross (loss) profit	4,178,226	4,963,126	3,783,004	3,270,049	6,142,312
Operating expenses					
Stock comp	291,980	1,111,194	1,053,570	1,180,000	1,460,000
Other expenses	1,600,286	2,408,686	3,188,407	3,350,000	3,450,000
D&A	40,953	496,368	901,600	1,245,000	1,920,000
Total operating expenses	1,933,219	4,016,248	5,143,577	5,775,000	6,830,000
Income (loss) from operations	2,245,007	946,878	(1,360,573)	(2,504,951)	(687,688)
Other income (expense):					
Interest income	66,785	79,005	97,323	148,546	157,500
Other income/expense	44,269	65,491	99,276	2,900	8,000
Total other income (expense):	111,054	144,496	196,599	151,446	165,500
Pre-tax income (loss)	2,356,061	1,091,374	(1,163,974)	(2,353,505)	(522,188)
Provision for taxes (benefit)	(1,482,226)	75,285	32,668	23,535	36,553
Net income (loss)	\$3,838,287	\$1,016,089	(\$1,196,642)	(\$2,377,040)	(\$558,741)
Basic EPS (loss)	\$0.59	\$0.14	(\$0.15)	(\$0.26)	(\$0.05)
Diluted EPS (loss)	\$0.41	\$0.08	(\$0.15)	(\$0.26)	(\$0.05)
Basic shares outstanding	6,472,071	7,389,177	7,838,197	9,224,871	11,108,994
Diluted shares outstanding	9,256,393	11,988,180	7,838,197	9,224,871	11,108,994
EBITDA	2,285,960	1,443,246	(458,973)	(1,259,951)	1,232,312
EBITDA -adj for stk comp	2,577,940	2,554,440	594,597	(79,951)	2,692,312
Margin Analysis					
Gross margin	31.2%	34.5%	31.3%	23.0%	24.5%
Stock comp	2.2%	7.7%	8.7%	8.3%	5.8%
Other expenses	11.9%	16.7%	26.4%	23.6%	13.8%
D&A	0.4%	5.3%	10.9%	11.4%	10.1%
Operating margin	16.8%	6.6%	-11.3%	-17.6%	-2.7%
EBITDA margin	17.1%	10.0%	-3.8%	-8.9%	4.9%
Pre-tax margin	17.6%	7.6%	-9.6%	-16.6%	-2.1%
Net income margin	28.7%	7.1%	-9.9%	-16.7%	-2.2%
Tax rate	-62.9%	6.9%	-2.8%	-1.0%	-7.0%

Source: Company Reports; Stonegate Capital Partners

SIGNIFICANT EVENTS

September 1, 2017

Company closed on acquisition of Singular Payments, LLC

August 14, 2017

Payment Data Systems announced financial results for the second quarter and six months ended June 30, 2017

August 07, 2017

Payment Data Systems agreed on August 2 to increase its line of credit promissory note to Singular Payments, LLC by \$100,000

August 07, 2017

Payment Data Systems extended the expiration of its deal to acquire Singular Payments, LLC

June 06, 2017

Payment Data Systems and Singular Payments, LLC, mutually agreed to extend the interest start day under a \$500,000 secured line of credit promissory note

May 05, 2017

Bradley Rollins was appointed to the Board of Directors

March 31, 2017

Payment Data Systems announced financial results for the fourth quarter and year ended December 2016

March 7, 2017

Payment Data Systems agreed to provide up to \$500,000 to Singular Payments, LLC, under a secured line of credit promissory note

March 7, 2017

Payment Data Systems entered into a letter of intent to acquire Singular Payments, LLC

January 6, 2017

Tom Jewell was appointed as CFO and SVP, replacing Habib Yunus, who resigned on December 30, 2016. Mr. Jewell also resigned from the Board of Directors

November 14, 2016

Payment Data Systems announced financial results for the third quarter ended September 30, 2016

August 3, 2016

Louis Hoch assumed the role of CEO, replacing Michael Long, who will remain as the Chairman of the Board

CORPORATE GOVERNANCE

Michael Long, Co-founder, Chairman – Mr. Long has more than 40 years of senior executive management and systems development experience in several publicly traded companies, as well as operating his own systems consulting business. Before assuming the CEO position at Payment Data Systems (formerly Billserv, Inc., in 1998) Mr. Long was vice president of information technology at Billing Concepts, which at that time, was the largest third-party billing clearinghouse for the telecommunications industry. Mr. Long's career experience also includes insurance industry business development for Accenture (Andersen Consulting). As a business owner/consultant, he conducted studies for several hardware and software companies, which resulted in strategic decisions that led to improved market share and high growth. Mr. Long also serves as an outside director to FaceKey Corporation, a San Antonio based biometric security firm that focuses on developing leading-edge fingerprint and facial recognition systems for high security area needs.

Louis Hoch, Co-founder, Vice-Chairman, CEO, COO – Mr. Hoch has more than 25 years of management experience, 20 of which were spent at a senior executive level of public companies. Mr. Hoch is an expert in payment processing and service bureau operations. In addition to his duties as the CEO of FiCentive, Mr. Hoch remains responsible for all operations and strategy for Payment Data Systems, Inc., in his roles as Vice-Chairman, Co-founder, COO and CEO. Mr. Hoch previously co-founded Billserv, Inc., the industry leader in electronic bill presentment and payment, where he was the company's President and COO. Billserv reached a peak market cap of over 500 million while on NASDAQ national market exchange. Billserv is now owned by American Express. Mr. Hoch has held various key management positions with US Long Distance (NASDAQ: USLD), Billing Concepts (NASDAQ: BILL) and Andersen Consulting (NYSE: ACN). Mr. Hoch holds a BBA in computer information systems and a MBA in international business management, both from Our Lady of the Lake University. Mr. Hoch is currently a director on the advisory board for Our Lady of the Lake University Business School. He is also a past executive lecturer in the school's weekend MBA program. He is a past board member of San Antonio Children's Museum.

Vaden Landers, EVP and Chief Revenue Officer – Mr. Landers has over 25 years of experience in the payments industry. Most recently, he served as the Chairman and Managing Partner of Singular Payments, LLC since late 2010, leading Singular Payments in the processing of over 2.5 million transactions worth over \$440 million in transaction dollars. He also currently serves as Strategic Advisor for MAPP Advisors. Additionally, Mr. Landers has held executive and board positions in multiple companies, including as director for SparkBase from 2012 to 2015, as Chief Executive Officer for ProfitPoint, Inc. from 2003 to 2010, as Chief Marketing Officer for iPayment, Inc. from 2002 to 2004, as President for Global Payments from 2000 to 2002 and as President and Chief Executive Officer for Bancard

Tom Jewell, SVP, CFO – Mr. Jewell has over 35 years of business leadership experience focused on management, auditing, accounting, internal controls and finance. He is founder and owner of LTJ Financial Consulting, a provider of CFO and controller advisory services for middle market companies in need of accounting process improvements and scale advantages. His clients have included start-up businesses seeking funding and companies in the retail, staffing, construction and software industries. Mr. Jewell has also counseled the FDIC on banking institution closures during the banking crisis. Prior to launching his consulting firm in 2009, Mr. Jewell served as CFO for a multi-state photography studio chain from 2007 to 2009. Prior to 2007, Mr. Jewell provided financial leadership to divisional units of RadioShack, Verizon and Kentucky Fried Chicken, and he began his career at Touche Ross (Deloitte) in 1978. Mr. Jewell is a Certified Public Accountant and is a member of the Dallas and Fort Worth chapters of Financial Executives International (FEI). Mr. Jewell is also a founding member of the Dallas Chapter of the CFO Leadership Council.

Consulting Group from 1996 to 1998.

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