



PALADIN

DATA CORPORATION

We Make Stores Run Better.

Spring 2012

Paladin Think **POSitive** Newsletter

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PALADIN MOBILE ACCESS



Paladin Mobile Access Lets You “Mind the Store” from Home or the Road

Paladin recently announced the launch of Mobile Access version 1.0, an innovative solution that lets store owners remotely access their

Paladin POS system from a wide range of mobile devices. In turn, owners can closely monitor their store’s daily, monthly and annual financial performance—in real time and in great detail—from any location, near or far.

Mobile Access 1.0 is expected to “go live” in Q2 and will initially be offered as an integrated feature of Paladin POS systems, included under a customer’s monthly subscription fee.

Getting Away While Staying in Touch

Dan Nesmith, Paladin’s founder and director of product development, explains one of the primary goals of Mobile Access. “Virtually all our customers run small, local businesses. They spend long hours at the store and often find it hard to get away,” says Nesmith. “Our goal is to help them carve out a few hours every week—to relax, be with family, visit suppliers and partners, or plan for the future of the business—while keeping a finger on



the pulse of the store. Mobile Access solution lets them do that in a way that has never been possible before.”

Mobile Access is a secure, browser-based solution that can be accessed from any Internet-enabled device, including smart phones and tablets, without requiring investment in additional hardware. A graphically based, dashboard-style display presents store information in a way that is attractive, straightforward and easy to understand. Users can access real-time inventory and sales data, comparative analysis of key business metrics and advancing and declining trend indicators.

The First Test: Impress the Boss

Nesmith, who travels frequently, looks forward to using Mobile Access to manage Paladin’s business. “It’s going to be an invaluable tool for us, which gives me confidence that our customers will embrace it too.”

Mobile Access version 2.0, already in development, will further enhance the value of a Paladin solution by allowing stores to strengthen customer convenience, self-reliance and loyalty. Customers will be able to remotely access their accounts, invoices and statements within Paladin POS, make payments, and look up product details and pricing.



NPLEX FEATURE

For pharmacies, Paladin POS offers new tools in the battle to stop illegal, meth-related purchases

“Pharmacists in 17 states have been put on the front lines, helping to enforce laws designed to limit the sale of meth precursors. It creates a big compliance burden for them.”

Dan Nesmith
Paladin founder

In its continuing effort to address the regulatory burdens placed on pharmacies, Paladin recently announced a new set of product features that will streamline compliance with Stop Meth initiatives. Paladin POS is now fully integrated with NPLeX (National Precursor Log Exchange), the real-time electronic logging system used by pharmacies and law enforcement to track sales of over-the-counter cold and allergy medications containing precursors to the illegal drug, methamphetamine.

The new features make it easier for pharmacies to comply with state and federal requirements for tracking, blocking and reporting on purchases that are potentially meth-related.

Pharmacists are on the front lines

“Domestic methamphetamine production is one of the most challenging issues facing law enforcement across the U.S.,” says Dan Nesmith, Paladin’s founder and director of product development. “Unfortunately, pharmacists in 17 states have been put on the front lines, helping to enforce laws designed to limit the sale of meth precursors. It creates a big compliance burden for them.”

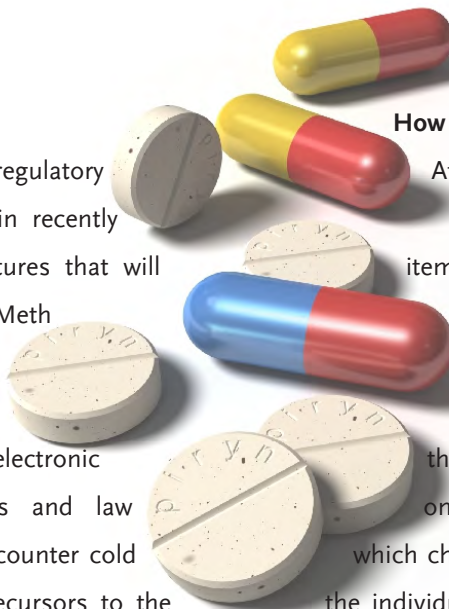
Traditional compliance and reporting methods are too slow, costly and error-prone, explains Nesmith. “They put a pharmacy at risk of inadvertent non-compliance. Paladin POS automates key compliance and reporting tasks at the point of sale so employees aren’t required to remember complex processes or procedures.”

How it Works

At the checkout counter, Paladin POS draws on data from the pharmacy’s inventory database to identify items that contain meth precursors. The system then prompts the sales associate to collect mandated identity data from the purchaser; without the required ID, the sale cannot proceed. In real time, the POS system sends the identity data and information on products and quantities being purchased to NPLeX, which checks the information against a national database. If the individual’s aggregate purchases across all locations have exceeded the legal limit, a message is instantly sent to the retailer recommending denial of the sale. Otherwise, the sale is allowed.

One of the strengths of Paladin’s approach is that the system does not retain customer information on the point-of-sale system or allow access to that information. This helps to discourage identity theft, medical fraud and other inappropriate actions.

Paladin has completed extensive testing of this new feature and expects NPLeX certification shortly. Once it is received, Paladin will immediately publish a software update that allows user access to this family of features. *(Continued on the next page)*



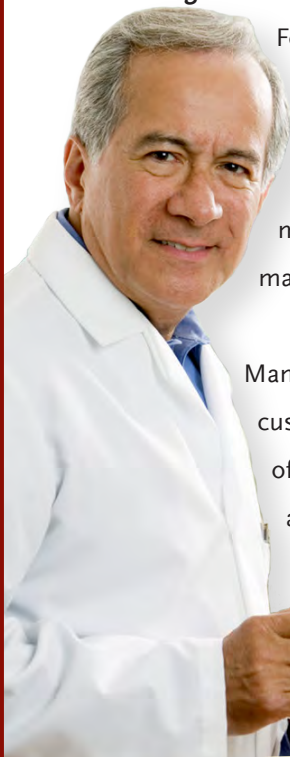


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According to the nonprofit National Association of Drug Diversion Investigators (NADDI), there is plenty of evidence that pharmacies participating in the NPLEx system are helping to curb illegal meth-related sales at the pharmacy counter. In Kentucky, for example, real-time, stop-sale technology blocked 14,000 purchasers in 2010, preventing those individuals from buying 32,000 boxes of pseudoephedrine-containing medicines. Data collected statewide confirmed anecdotal evidence that the methamphetamine problem in Kentucky is concentrated in certain geographies; 32 of 120 counties had zero meth lab incidents in 2011.

IN THE PIPELINE:

Electronic Signatures for Pharmacist Consultation



For pharmacies that use Paladin POS, a new compliance feature released in mid-March simplifies the process of documenting pharmacist consultations for customer medications, in keeping with state-specific mandates.

Many states require pharmacies to record customers' signed acceptance or refusal of offered consultations on patient medication and to retain the consult records for compliance purposes. (Pharmacies commonly maintain paper-based logs for this purpose.) However, since 2007,

Paladin POS has supported this regulatory requirement by enabling electronic capture of customer signatures. For those states that also require an on-duty pharmacist to sign off on the consult status, a new feature in Paladin POS streamlines that process.

Sign on the virtual line

When this feature is enabled in Paladin POS, individual pharmacists can record and store an electronic copy of their hand-written signature, using a signature-capture device. The signature is then tied to their employee record. Any time a consultation is accepted or declined, the consulting pharmacist's signature is associated with the consultation record during checkout. The consult status is noted on the customer's invoice and becomes part of the store's permanent records, and transaction reports document when a consult was offered, whether it was accepted or declined, and the pharmacist's name and ID.

What's the benefit?

Rather than the pharmacy having to physically store paper-based consult logs—or adding the step of scanning and electronically archiving those paper logs—Paladin's signature-capture capabilities provide an all-electronic solution for pharmacist consultation records. Records can be stored at virtually no cost and later searched and retrieved if necessary, for example, to document the pharmacy's compliance or in response to a discovery request.

This feature is included in the March 18 general release of Paladin POS.





FROM THE GENERAL MANAGER

Lots of great things are going on at Paladin these days, and we're eager to share the results with you.

Not just another pretty interface

We recently re-launched our website, online store and customer portal, all accessible at PaladinPOS.com. The site features a crisp new visual design that's easy on the eyes, a more intuitive information architecture to help you find your way around, and many self-service features. The site also makes it easier to purchase Paladin products from your desktop and access our technical support team 24/7.

In the coming months, we'll be building a social networking presence on the site to communicate with you in a more immediate way. And we'll be adding content that shows how your Paladin solution can help you run your business more efficiently and profitably.

Shiny and new

At the semi-annual Orgill trade show in Orlando in February, the Paladin team unveiled a prototype of Paladin Mobile Access, which runs on any web-enabled mobile device. Mobile Access allows you to securely log in to your Paladin solution from home or the road. (For details, see the article on page 1.) The response has been very positive, and we expect to launch this new feature in Q2.

Paladin recently introduced enhanced NPLeX capabilities to help pharmacies meet their compliance and reporting obligations relating to the sale of over-the-counter products containing methamphetamine precursors. To learn more, see page 2.

The paper chase

As you may know, Paladin has contracted with a supplier who can drop ship receipt paper from several distribution sites across the U.S. That means no more 5-day shipping times! Everyone is now



in Paladin Country and can expect to receive their order within two business days. Due to rising energy costs, the price of paper has been creeping up in recent months, but we're proud to say we've made this change while holding the line on pricing.

We want to hear from you

Paladin's success is based on one thing: our best ideas come from listening to you, our customers, and understanding the challenges you face in operating small, independent businesses. In the coming months, we'll be inviting you to share your Paladin success stories, user tips, product wish lists and even your complaints. Your input will help us make better products, improve communication, and strengthen our valued relationship with you.

Best Regards,
Mike Williamson
General Manager

UPCOMING EVENTS

National Hardware Show
May 1 - 3, 2012 Las Vegas, Nevada

McKesson Idea Share 2012
June 24 - 28, 2012 Las Vegas, Nevada

Microsoft
GOLD CERTIFIED
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[the intelligent POS system]

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