

For Immediate Release

Editorial Contact:

Cynthia Chow

925-242-4600

cchow@valleyoak.com

Valley Oak Systems Welcomes New Vice President

New Appointment Marks Significant Expansion in Executive Team

San Ramon, CA – May 16, 2006 –Valley Oak Systems Inc., a national provider of claims management software, services and support, today announced the addition of Danny Smith as the Vice President of Support, Quality Assurance, and Information Technology. Mr. Smith joins Valley Oak with over 24 years of management, technical, and operational expertise. He previously worked at Ceon, an ISV in California and Nortel Networks in the United Kingdom. This new vice president position will provide strategic direction for the IT department, implement quality assurance best practices, and lead the customer support team.

"In response to our company's phenomenal growth, this appointment marks a significant expansion in our executive team," said Randy Wheeler, CEO of Valley Oak Systems. "Our goal was to recruit a leader with a track record of success. We feel Danny's depth of management experience will contribute significantly to our organization's vision to meet and exceed customer expectations and to deliver optimal solutions that address industry needs."

About Valley Oak Systems, Inc.

Valley Oak Systems, Inc. is a privately held corporation with headquarters in San Ramon, California. Founded in 1994, Valley Oak Systems is dedicated to providing the highest quality software, services, and support to enable clients to meet their goals. For more information, go to www.valleyoak.com, or call (925) 242-4600.

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