

Citadel Commerce Exits US Market with NETeller

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The recent arrests of the NETeller founders were enough to send Citadel Commerce packing from the US market. In an announcement released by Citadel Commerce, their online gambling payment processor has stated they are leaving to comply with UIGEA (Unlawful Internet Gambling Enforcement Act of 2006). Citadel operated the MyCitadel e-wallet which competed with NETeller's e-wallet solution.

Earlier today, Point-Spreads.com broke the news that NETeller would leave the market as early as midnight. That proved to be longer than anticipated, NETeller has issued a statement that they are in fact, leaving the US Market as well.

Here is the official statement from NETeller:

US member update Effective Immediately

Due to recent US legislative changes and events, effective immediately, US members are no longer able to transfer funds to or from any online gambling sites.

All US members will continue to be able to use their NETELLER e-wallet account to safely transfer funds to and from non-gambling merchants and are not required to close their account or withdraw their funds.

Please note that we are experiencing higher than normal support volumes and recommend that you read the FAQ's for more information.

Here is the official press release from Citadel Commerce:

Citadel Commerce Shuts Down Financial Processing for Non-domestic Internet Gaming Merchants for USA Consumers

VANCOUVER, Jan. 17 /CNW/ - ESI Entertainment Systems Inc. ("ESI") (TSX:ESY), a leading provider of products and services to international organizations and the gaming industry, today announces that effective immediately its subsidiary Citadel Commerce Corp. will no longer offer financial processing to non-domestic Internet Gaming merchants for USA consumers.

The Company was looking forward to complying with the new Regulations for financial processors under the Unlawful Internet Gambling Enforcement Act of 2006 passed on October 13, 2006 but this decision was made by the ESI Board of Directors in the light of recent US Department of Justice enforcement actions against financial processors executives.

This decision will have a material impact on the financial condition of the Company as a substantial part of its revenues was derived from non-domestic Internet Gaming merchants for USA consumers.

About ESI Entertainment Systems Inc.

ESI Entertainment Systems Inc. ("ESI") (TSX: ESY) provides products and services to the international gaming industry through its three principal subsidiaries, Citadel Commerce Corp., ESI Integrity Inc. and PlayLine Inc. ESI's products and services, which primarily consist of payment processing, transaction monitoring and turnkey gaming platforms, are deployed in the on-line and land based gaming markets.