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CAPIS Turns to ISE Technology from Xiotech for New “Lights Out” Datacenter*Institutional Brokerage Selects the Emprise 5000 Storage System to Further Strengthen Its Datacenter Security*

Eden Prairie, Minn.— Aug. 5, 2008—Xiotech Corporation today announced that Capital Institutional Services, Inc. (CAPIS) selected the Emprise™ 5000 storage system, powered by patented Intelligent Storage Element (ISE™) technology. CAPIS will use the Emprise 5000 system to support its new “lights out” remote datacenter, which will further strengthen the security and availability of its highly confidential company and customer data.

Founded in 1977, CAPIS is one of the few institutional agency brokerages and independent research providers in the United States. With more than 1,400 institutional clients, CAPIS offers global agency trading, advanced order execution, and independent research services for asset managers and plan sponsors. Due to the nature of CAPIS’s real-time trading business, data protection and data availability are critical business necessities.

CAPIS previously used more than 80 servers with direct-attached storage in its in-house datacenter. The firm was running out of disk space and was looking to more efficiently manage its decentralized storage system. CAPIS determined it needed to move to a lights out datacenter, which required a storage system that would continuously and automatically replicate and protect all of its data in real time without employee intervention. As CAPIS began evaluating solutions it learned of Xiotech’s new Emprise product line and joined the company’s early adopter program.

“When we learned about Xiotech’s Emprise storage line and its promise of zero maintenance, it sounded like the best storage system to meet our needs,” said Marcia Morrow, vice president, Technology Services, CAPIS. “Our customers’ privacy, data security and data availability are vital to us, and after testing Emprise 5000 we knew it was absolutely the next step in creating a lights out datacenter.”

CAPIS implemented two Magnitude 3D 4000 storage systems from Xiotech earlier this year, before Emprise 5000 became generally available. The Magnitude 3D 4000 systems are supporting CAPIS's in-house datacenter and day-to-day operations, while the Emprise 5000 solution will serve as the building block for the new lights out datacenter. CAPIS plans to put it into full production next month. The system will provide a reliable, flexible storage foundation for the organization's virtualized environment.

Morrow added, "In the testing phase, the ISE technology impressed us on several fronts. We had no expectation that we'd be able to get the storage system, plug it in, run a quick configuration and be up and running, but that was exactly what happened. We'll be able to scale storage by simply adding Emprise 5000 systems which can eventually be used as part of an Emprise 7000 SAN system."

Xiotech's Emprise storage systems are built on patented ISE technology, which eliminates virtually all disk-related service events, through a combination of preventive and self-healing capabilities. This means customers never have to worry about drive failures – a commitment Xiotech backs with a five-year hardware warranty. ISE technology also overcomes performance issues of traditional data storage systems by tightly integrating drive, enclosure and controller software, and by distributing much of the processing and cache into the enclosure. And ISE technology provides greatly improved and simplified scalability by pooling storage into a singular element that is 20 to 40 times the capacity of a typical disk drive, with the internal processing power and cache needed to handle all drive management functions.

Emprise 5000 is a self-enclosed, virtual storage system that can be attached to servers either directly or via a Fibre Channel switch. The system offers three DataPac configurations, with a maximum capacity of 16 TB. Its performance also is linearly scalable, so that two systems roughly double the performance of one.

"It's very rewarding to see organizations have the option to custom tailor a storage environment to meet their business needs," said Mike Hoch, vice president of Marketing, Xiotech. "By combining Xiotech's storage offerings, customers can benefit from the industry's easiest storage management with ICON Manager and Virtual View – available with Magnitude 3D 4000 and Emprise 7000 – and industry-leading price performance with Emprise 5000."

About Capital Institutional Services, Inc.

CAPIS is a leading independent U.S. institutional broker specializing in global agency trading and commission management for asset managers and plan sponsors. CAPIS has successfully developed and provided an array of brokerage solutions specifically tailored to the institutional marketplace since 1977. CAPIS is a member of the New York Stock Exchange, American Stock Exchange, the Financial Industry Regulatory Authority, and SIPC. For more information, visit www.capis.com.

About Xiotech

Xiotech Corporation, an innovator in data storage and protection solutions, is delivering the new foundation of storage with unprecedented reliability, performance and scalability. Xiotech's Emprise™ storage family is built on patented Intelligent Storage Element (ISE) technology, which virtually eliminates drive-related service events, while delivering industry-leading performance. Both the Emprise and Magnitude® families of storage systems are feature rich, with optimal storage virtualization, Fibre Channel and iSCSI connectivity, grow-as-you-go scalability, unmatched ease of use, and integrated customization via Web services. Additionally, Xiotech's TimeScale® line offers comprehensive, modular solutions for data protection and availability.

Xiotech is based in Eden Prairie, Minn., and maintains major facilities in Colorado Springs, Colo., and Hyderabad, India. For more information, visit www.xiotech.com, email info@xiotech.com or call toll free 1.866.472.6764.

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