



**DCAP Group, Inc.**  
1158 Broadway  
Hewlett, NY 11557  
Phone: (516) 374-7600  
Fax: (516) 295-7216  
[www.dcapgroup.com](http://www.dcapgroup.com)

## News Release

IMMEDIATE

**Investor Contact:**  
Barry B. Goldstein  
DCAP Group, Inc.  
(516) 374-7600

### **DCAP ANNOUNCES SALE OF NEW YORK STATE RETAIL LOCATIONS AND DELAY IN FILING FORM 10-K FOR 2008**

**Hewlett, New York**—April 1, 2009—DCAP Group, Inc. (NASDAQ: DCAP) today announced that it has agreed to sell its New York State based chain of retail insurance brokerages, Barry Scott Agency and DCAP Accurate Agency. The sale is expected to close before the end of April, subject to certain conditions including the obtaining of certain approvals with regard to the transfer of the brokerage clients and the transfer of the retail location leases.

“Our Board has approved management’s plan to simplify the company’s business model by withdrawing from the retail distribution channel. We intend to concentrate our attention and capital on our investment in Commercial Mutual Insurance Company,” said Barry Goldstein, DCAP’s Chairman and CEO

The demutualization of Commercial Mutual Insurance Company (“CMIC”) requires the issuance of a final order by the NYS Insurance Department. It is hoped that the order will be issued very soon. Thereafter, CMIC will communicate with its policyholders and former policyholders regarding the conversion. A meeting date will be set and a vote of the policyholders taken. A vote approving the conversion will result in a distribution of cash to policyholders who were insured by CMIC during the three year period prior to March 1, 2007. At the same time, DCAP will forgive the promissory notes issued by CMIC (and accrued interest) in exchange for the common shares of the new stock company to be called “Kingstone Insurance Company”.

“As a result of the agreement to sell our New York retail assets and our plan to sell our Pennsylvania retail assets, our financial statements for 2008 and going forward will reflect the retail business as discontinued operations (and our 2007 financial statements will be restated to

reflect such reclassification). Due to the need to reclassify our retail businesses as discontinued operations, we have filed a Notification of Late Filing on Form 12b-25 with the Securities and Exchange Commission; we anticipate filing our Form 10-K with the SEC by April 15, 2009,” said Victor Brodsky, DCAP’s Chief Accounting Officer. “The financial effect of the sale of the 16 New York locations will be recorded in the second quarter of 2009 and is not anticipated to be of a material amount,” added Mr. Brodsky.

### **Forward Looking Statements**

Statements in this press release may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. These statements involve risks and uncertainties that could cause actual results to differ materially from those included in forward-looking statements due to a variety of factors. More information about these factors can be found in DCAP’s filings with the Securities and Exchange Commission, including its latest Annual Report filed with the Securities and Exchange Commission on Form 10-KSB. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

# # #