

**ALLSTATE INSURANCE COMPANY
AND
AMERICAN HERITAGE LIFE INSURANCE COMPANY
LICENSES VERITEC'S MULTI-DIMENSIONAL BARCODE TECHNOLOGY**

Golden Valley, Minn. October 3, 2006 - Veritec, Inc. (OTC: VRTC) a leading designer and provider of hardware, integrated uses and software for use with high data density multi-dimensional barcode technology employed by the manufacturing, tracking and security industries, is pleased to announce today that VData, LLC, the wholly owned subsidiary of Acacia Research Corporation (NASDAQ: ACTG), has on behalf of Veritec's wholly owned subsidiary VCode Holdings, Inc., entered into licensing agreements with American Heritage Life Insurance Company and Allstate Insurance Company, subsidiaries of Allstate Corporation (NYSE: ALL), covering their use of the technology taught by the patents issued to Veritec's founders that signaled the birth of the multi-dimensional barcode.

This licensing agreements were executed concurrently with a settlement agreement to dismiss the litigation that was filed by VData, LLC., and joined by VCode Holdings, Inc., in the United States District Court for the District of Minnesota that was previously announced by us on May 23, 2006.

About Veritec, Inc.

Veritec, Inc., manufactures and sells software and systems designed to exploit the symbology commonly known as Data Matrix, but also software and systems for its higher security and density VeriCode® and VSCode® Symbols and Trademarks. Veritec is engaged in developing, marketing, and selling encoding (writing) and decoding (reading) software and system products that utilize the patented technology taught by the patents held by its wholly owned subsidiary VCode Holdings, Inc. Veritec's codes allow end-users to produce and interpret secure coded data Machine Readable Information for identification, verification and tracking purposes. The technology is applicable in nearly all environments that require security, tracking and identification of people, livestock, documents and products.

Veritec's Matrix Symbologies™ are essentially variable sized checkerboard-like matrices having data capacity of up to 4,000 (+) Bytes of information. Long used in automated manufacturing, Veritec has perfected the art of encoding biometric information into these symbols including images and fingerprint minutia to provide the finest verification methodologies to the Secure Identification and Access Control Industries.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:

Statements in this press release that are not statements of historical or current fact constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and factors that could cause the actual results of the Company to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. In addition to statements that explicitly describe such risks and uncertainties readers are urged to consider statements using the terms "anticipates" "belief", "believes", "can", "ever increasing", "intends", "plans", "shall", or "will", and similar expressions to be uncertain and forward-looking. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in the Company's reports and registration statements filed with the Securities and Exchange Commission.

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