

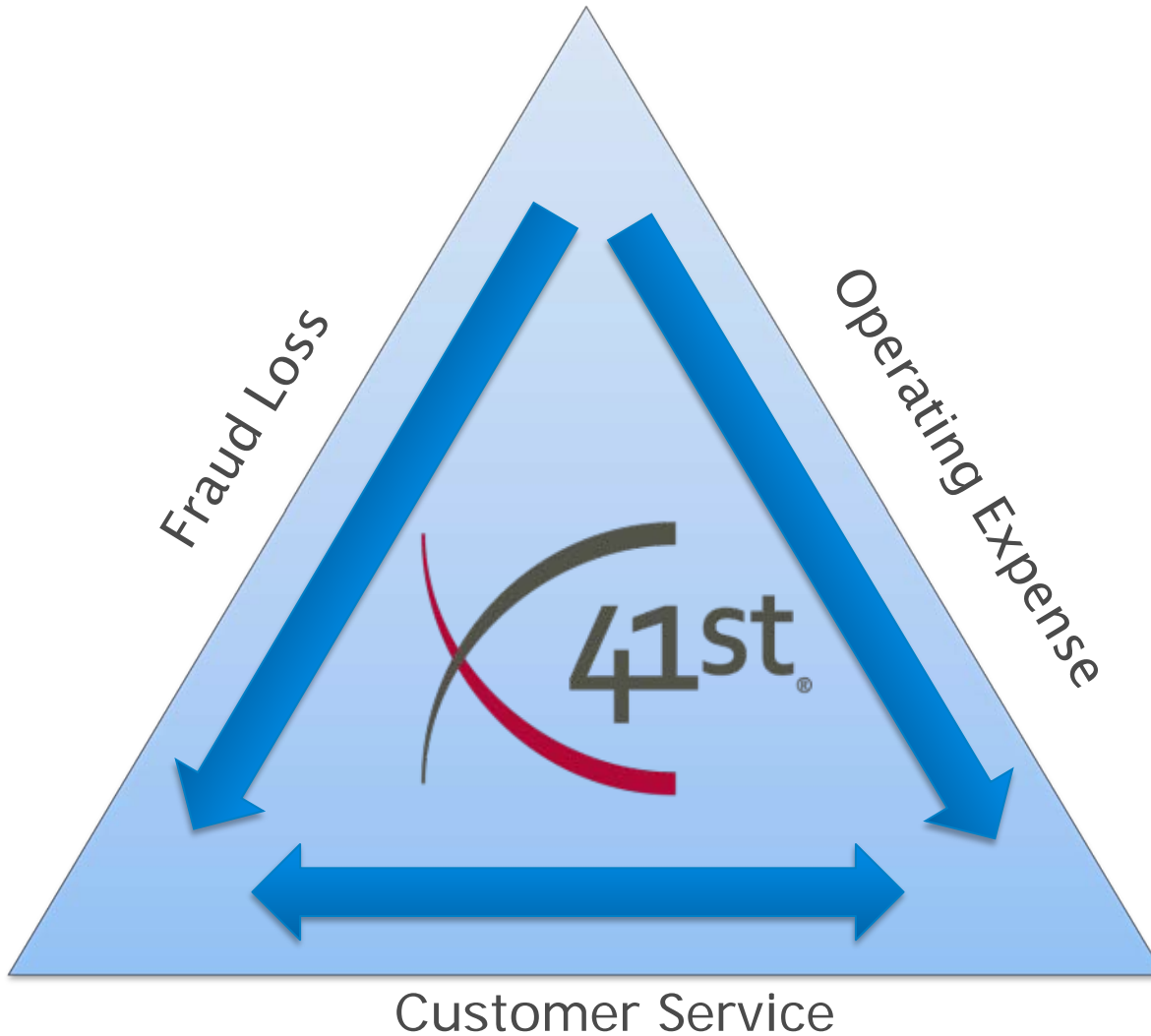


Retail Fraud 2010

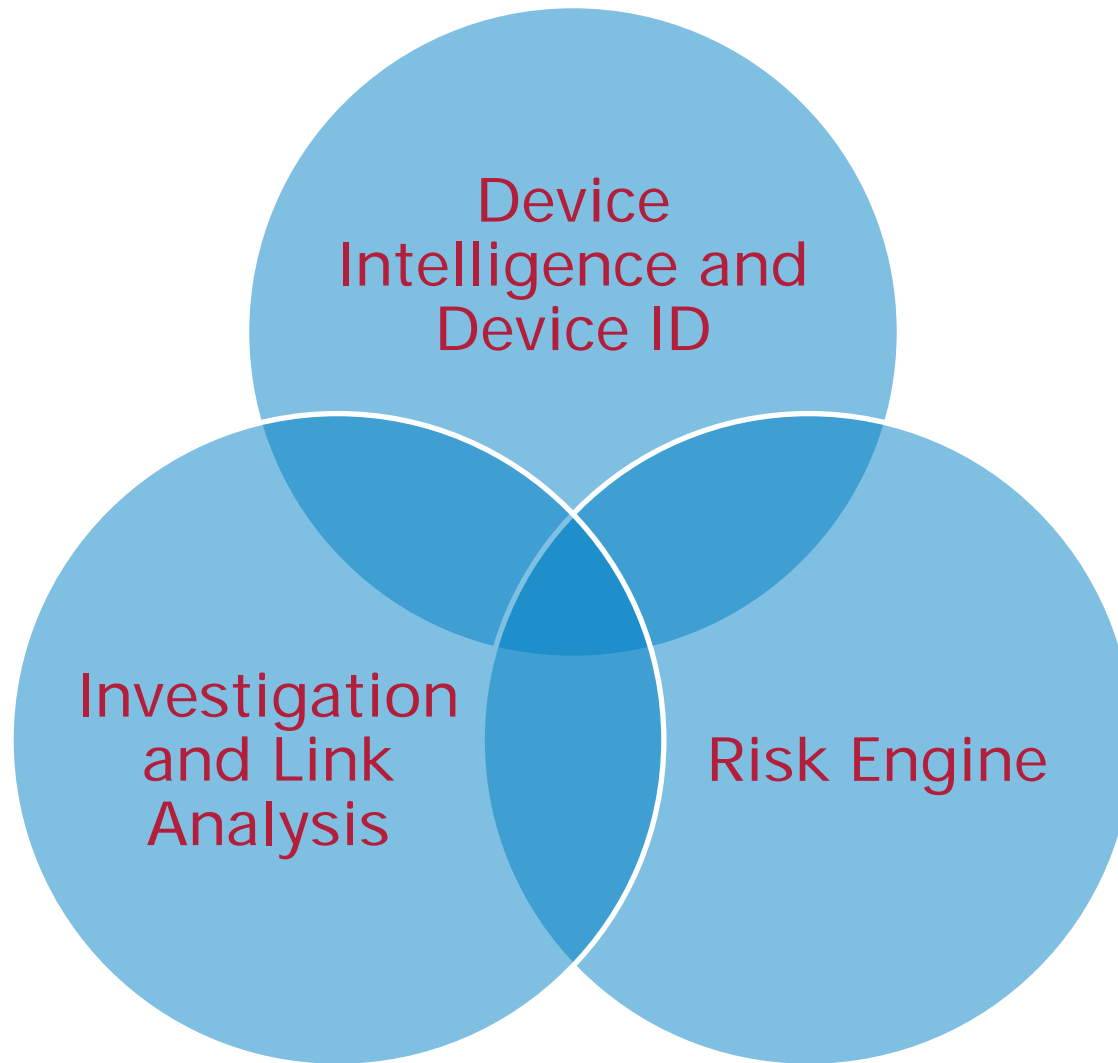
David Britton

Vice President of Industry Solutions

The Balancing Act



The Interplay



Industry Leading Device Intelligence

- Covert device profiling
- Collects around 100 device parameters
- Generates device fingerprint
- Supports any device with a browser (mobile, PDA, etc.)
- No impact on customer behavior
- Integrated in FraudNet risk engine

PCPrint:	F104BC56235382BBC99897ED563201EACF23468B
TDL Seconds:	-0.014
User-Agent:	Mozilla/4.0 (compatible: MSIE 7.0; Windows NT 5.1; .NET CLR 1.1.4322; .NET CLR 2.0.50727; Infopath .2)
Server Time:	2009-02-02 12:55:57.803-0700 MST
PC Time:	2009-02-02 12:55:57.732-0700 MST
PC Time Zone:	UTC-7.0
Language:	EN-US



Core Technology

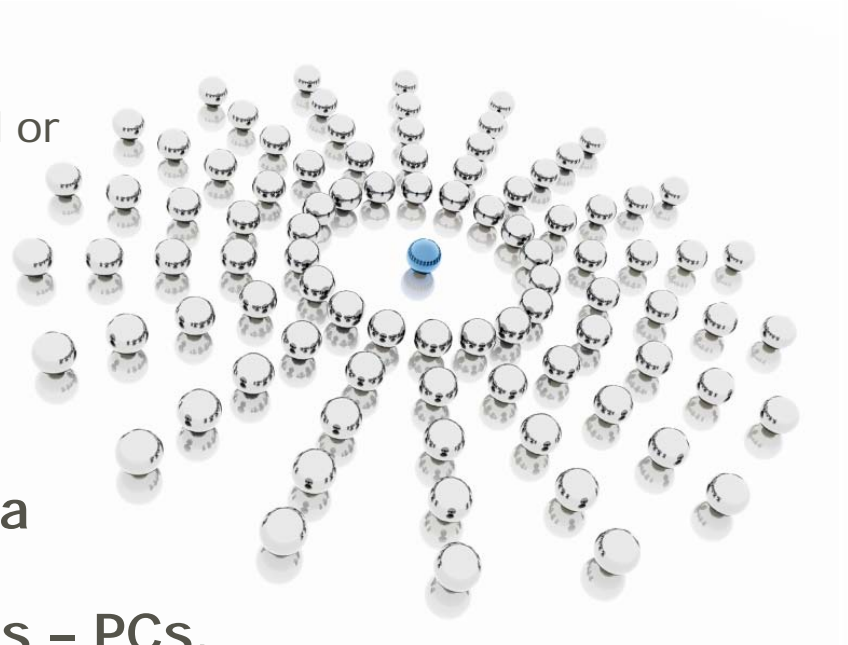
Technology for covert device identification:

- Able to recognize a device across points in time and location
- Regardless of identity impersonated or credentials presented
- Without using any tags

Five years of R&D investment

Utilizes JavaScript to harvest data

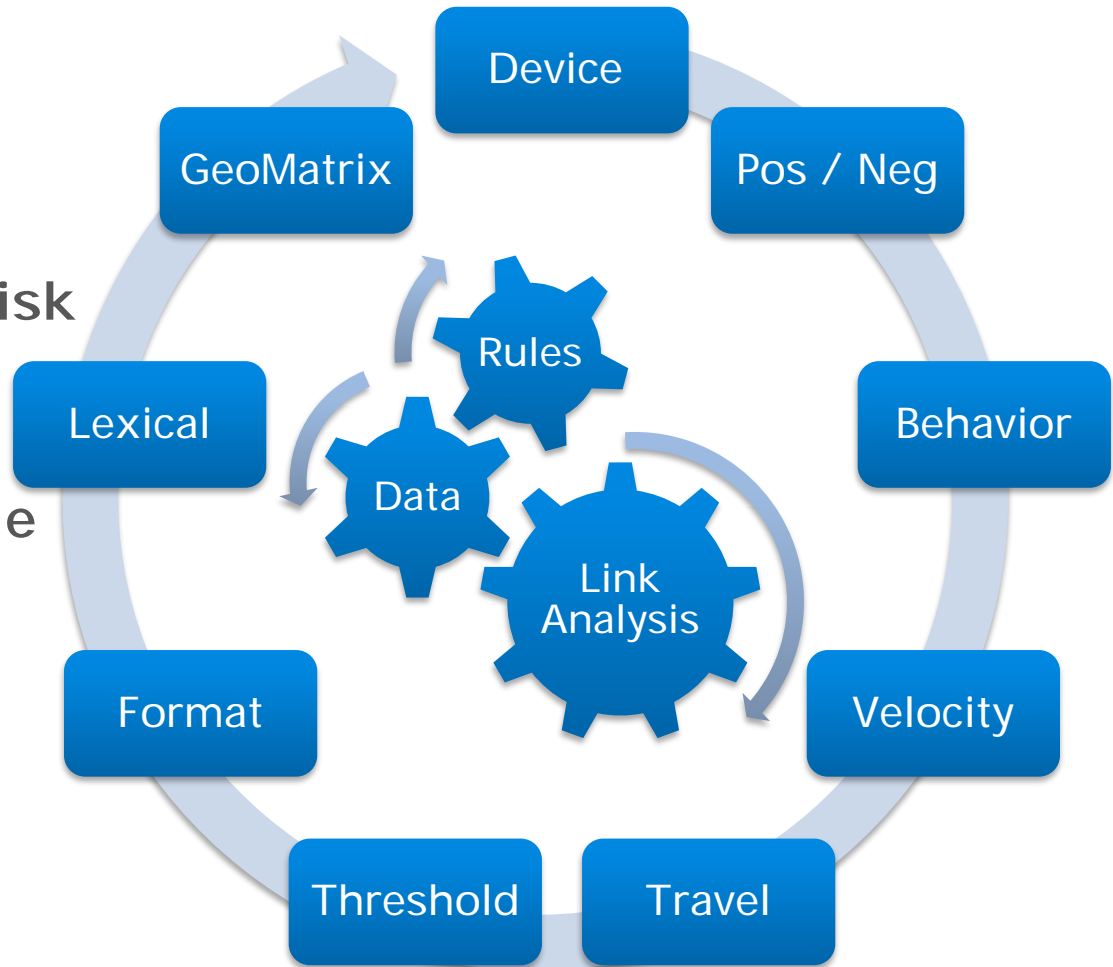
Executes on multiple device types – PCs, Macs, browser-based mobile devices, game consoles



Comprehensive Rules Engines

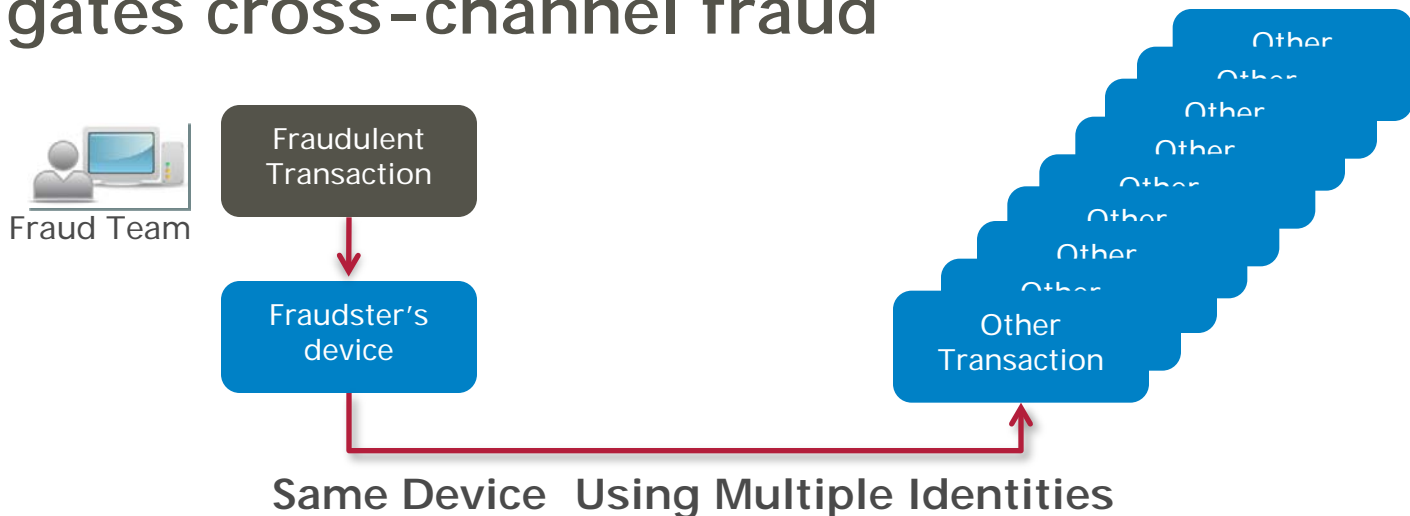
Over 400 Tunable Rules and Algorithms

- Adjust rules on the fly
- Multiple configurable risk models and queues
- 9 point GeoMatrix locale assessment
- Positive and Negative databases



Sophisticated, Patented Linking Capabilities

- SketchMatch™ and DataSpider™ technologies
 - Link seemingly unrelated transactions
 - Find common customer information and billing data
- **Finds all transactions from the same device**
 - Even if no other information is the same
 - Finds common or similar devices
- **Mitigates cross-channel fraud**



Layered Risk Management

400+ Risk
Rules

Integrated
Device Data

Case
Management

Patented
Link Analysis

Industry Leadership



E-Commerce



Travel Services



Financial Services



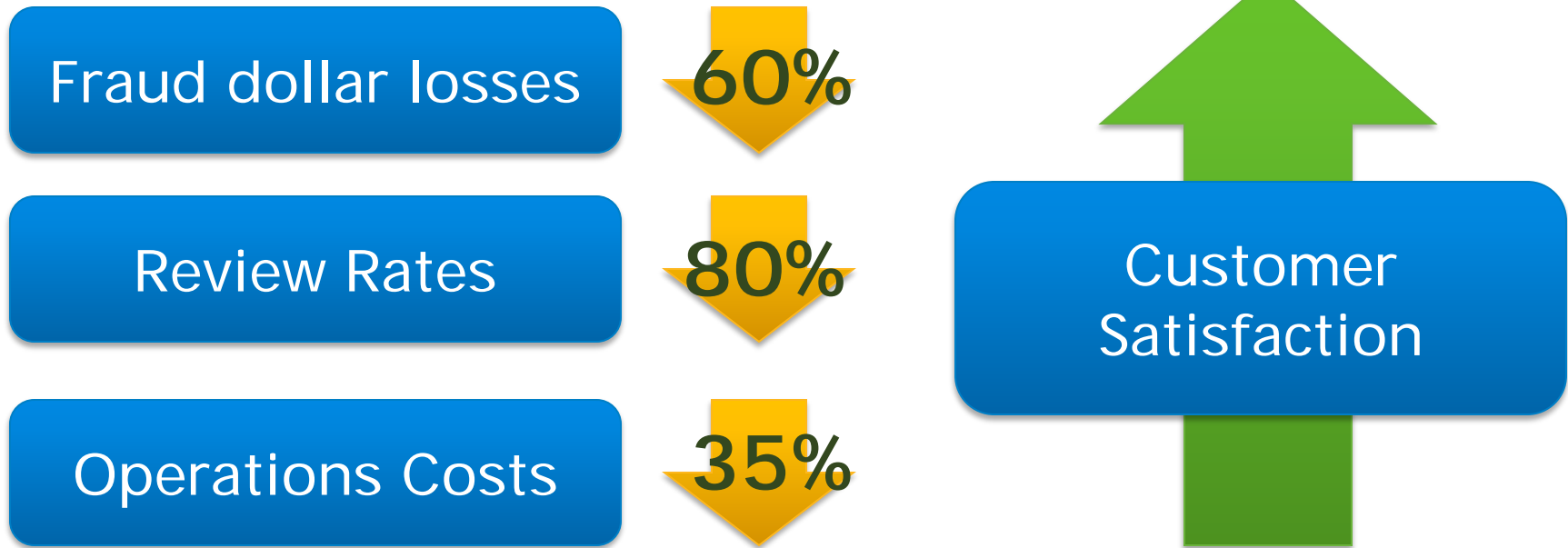
Digital Goods & Services

- Processing customers with volumes in excess of 4 million transactions per day
- Serving:
 - Over 120 leading e-commerce brands
 - 4 of the 6 largest airlines
 - 4 of the top 10 global banks
- Scoring risk on over \$25 Trillion E-Commerce and Financial Service transactions

A Proven Methodology

Perfected and proven over 10 years across multiple industries worldwide.

Proven Results



Industry Leadership

- **GSI Commerce**
 - 50% reduction in fraud
 - Reduced operations costs 65%
- **Leading Consumer-Electronics Company**
 - Detected 30% of fraud that were previously undetected
- **Top 5 North American Bank**
 - 70% of all wholesale fraud detected by 41st
- **Top 5 Global Bank**
 - 30% lift in detection of fraudulent applications for credit cards
- **Top 5 North American Bank**
 - Increase in fraud detection prior to customer reporting it from 76% to 98%



Continental Airlines



Post Implementation

- 100% increase in fraud detection
- >70% reduction in bad debt (year over year)
- 0.04% bad debt rate

“FraudNet has been tailored to meet our specific business needs, allowing us to quickly and effectively prevent fraud while protecting our loyal customers, which is our ultimate goal.”

Tom Ferazzi
Managing Director of Cash & Investments
Continental Airlines



Abercrombie & Fitch



Post Implementation

- Reduced chargebacks 65%
- Reduced operations costs 30%

"41st Parameter has the best anti-fraud solution in FraudNet to support the expansion of our Web business, while preserving a positive online experience for our customers."

Donna Johnson
VP of Internet / DTC
Abercrombie & Fitch



Abercrombie & Fitch



2Checkout.com: Serving 60,000 Merchants



Post Implementation

- \$1 million per year savings in reduced chargebacks alone
- Reduced Chargebacks 66%
- Partners since 2005

“FraudNet has allowed our company to transact globally without increasing our exposure to risk... This extension allows us to continue providing fraud, without expanding our fraud investigation team.”

Kristin Dach
CFO and COO

2CO
2CHECKOUT.COM

MIT: Mercadotecnia Ideas y Tecnología

Click - BestDay - Millennium Travel - Iberia Air - Abolar Air



Post Implementation

- Attack rate in Mexico is between 3-4% of transactions
- Reduced Chargebacks by 36%
- Increased sales by 20% during same period

“Our team of investigators... noticed that within the very first days of utilizing FraudNet, we were able to identify a great amount of high risk orders which are now rapidly decreasing.”

Gabriel Gomez
Director of Fraud Prevention
MIT

MIT
Mercadotecnia Ideas y Tecnología

Questions

