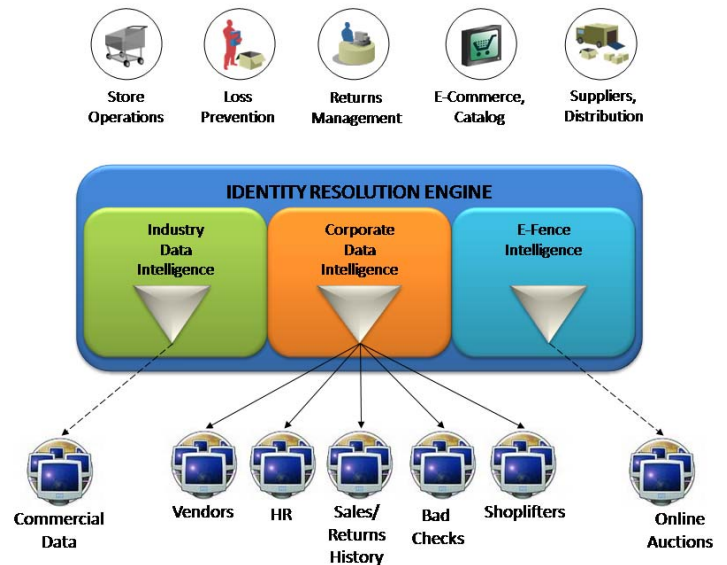


Infoglide Software Corporation is attacking the \$10.8 billion a year retail fraud problem with the same powerful technology chosen by the U.S. Department of Homeland Security to protect air travel and fight terrorism. Infoglide Software provides retail loss prevention solutions for e-fencing and organized retail crime (ORC), enhanced returns authorization, and employee risk screening.

Infoglide Software's Identity Resolution Engine™ (IRE) allows retailers to pinpoint who's who — and who knows whom — despite manipulated identities, input errors, and attempts to deceive. IRE taps into disparate enterprise and commercial data sources such as online auctions, human resources, vendors, reward programs, and incidents so retailers can determine an individual's true identity and uncover suspicious connections between people, locations, and inventory. Our strength is in knowing which individuals are likely the same and what non-obvious relationships exist between entities within your data.

Identity Resolution Engine answers questions such as:

- Does an eBay seller share any attributes with an employee? Or vendor?
- Does the shoplifter at one store share similarities with another shoplifter across town? Or across the country?
- Are you about to hire someone who has been logged into your incident reporting tool in one of your stores?
- Which employees are returning merchandise without identifying themselves?
- Does a multiple-return item match a missing shipment?
- Is a Ship-To address similar to a previously fraudulent address?
- Which customers have multiple identities? And why?
- Is there a relationship between an incident victim and an employee eyewitness?



E-FENCING AND ORGANIZED RETAIL CRIME (ORC) SOLUTION

Over three-fourths of retailers (79%) have been a victim of ORC within the past year, and 71% state that they have noticed an increase in ORC activity during that time, according to the National Retail Federation's third annual ORC survey. Additionally, 71% state that they have identified or recovered stolen goods from an e-fencing operation.

Infoglide Software enables retailers to connect online auctions to missing items to shine the spotlight on potential e-fencing and ORC activity. To eliminate a popular channel for fencing stolen merchandise, IRE monitors current and historical online auctions for high-risk items or abnormally priced new items that align with missing store inventory to bring suspected criminal activities to the attention of investigators. And because it's offered as a hosted service, it requires no up-front license fees, minimal implementation costs, and little setup time.

EMPLOYEE RISK SCREENING

IRE compares applicant information against a retailer's incident management, bad check data, and returns history as well as against commercial data sources that contains similar data from other retailers. Store managers can thus prevent bad hiring decisions that go undetected by traditional third-party employee screening solutions, which only identify individuals who have been prosecuted. Employee Risk Screening is also used to monitor existing employees who may appear in these databases after they have been hired but who have manipulated their identity details to circumvent detection by loss prevention.

LOSS PREVENTION INTELLIGENCE

IRE resolves identities and detects hidden relationships and similarities across enterprise databases from HR to LP, including shoplifters and other risk data. Loss Prevention Intelligence brings together all of the relevant information from all of the available data sources and packages the results of analyses into cases for investigation. Loss prevention investigators are able to avoid the extensive legwork normally associated with bringing information together so they can immediately begin to execute on the actionable intelligence provided by the IRE.

ENHANCED RETURNS AUTHORIZATION

IRE enhances existing returns management systems by allowing retailers to analyze multiple databases, such as bad check data, employee files, vendor data, and incident management records, in order to detect otherwise hidden fraud. By highlighting who's who and who knows whom among customers, employees, and vendors, IRE finds fraudulent returns that would have been approved based only on the sales history and blacklist data. IRE's similarity search capabilities allow the system to find inexact matches and non-obvious relationships in transaction history and blacklists. Because bad actors often alter their information in order to

circumvent a retailer's return policies, the ability to determine that John R. Jackson, Jack R. Johnson, and Jon Jacksen are in fact the same person allows the retailer to deny returns that violate company policy (e.g., return velocity) at the point of return.

IRE offers retailers the following benefits:

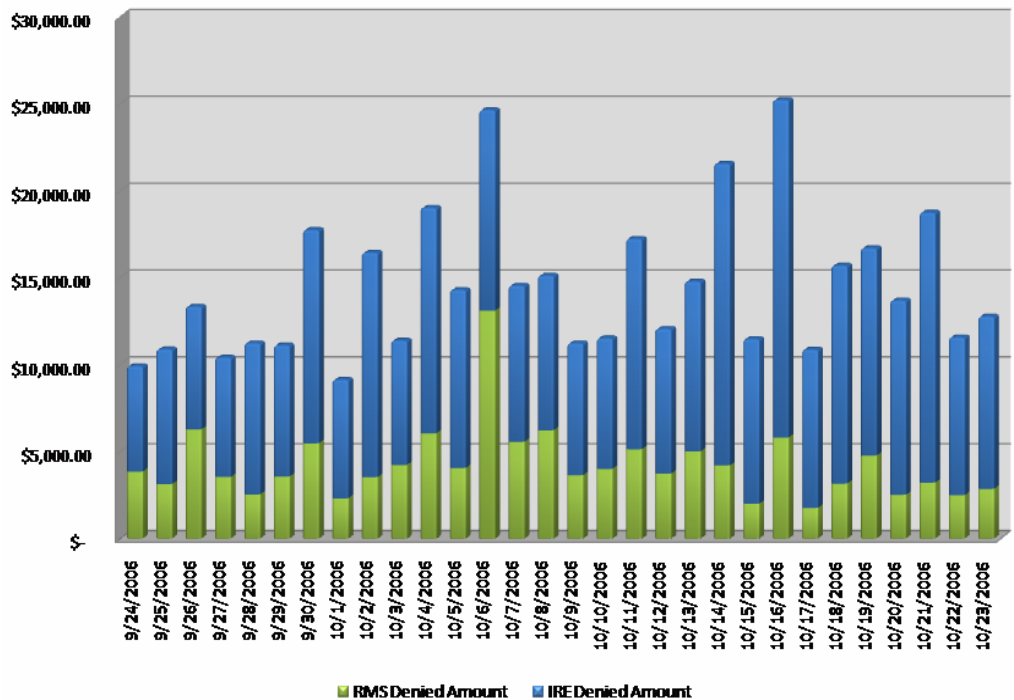
- Improved detection, decision making, and prevention
- More effective loss prevention investigations
- Significant net income to the bottom line

Proven Results

In a six-week proof of concept, a Top 20 U.S. retailer used an IRE-based solution to uncover \$15.8 million in previously undetected fraud risk in the retailer's data, including the following:

- ▣ \$11 million in non-receipted refunds to customers beyond allowable policies
- ▣ \$3.4 million in non-receipted refunds to known shoplifters
- ▣ \$1.4 million in non-receipted refunds to employees

The GREEN bar shows what an existing Returns Authorization Solution declined.
The BLUE bar shows the Identity Resolution uplift and what ought to have been declined.



The chart above illustrates the type of uplift a major retailer experienced by adding IRE to their existing returns authorization technology.

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