

With Identity Theft Becoming A Larger And Larger Issue, Intersections Is In The Right Place At The Right Time With Their Sophisticated Suite Of Software And Monitoring Services That Help Protect Consumers

**Financial
 Credit Services
 (INTX-NASDAQ)**

B.B.A. in Business Administration from Emory University and an M.B.A. from Columbia University.

ary identity management products and services that look ahead in helping to reduce security risks.



**Michael R. Stanfield
 Chairman and CEO**

BIO:

Michael Stanfield co-founded CreditComm, the predecessor to Intersections Inc., in May 1996. He has been Intersections Chairman, Chief Executive Officer and a Director since that time. Mr. Stanfield joined Loeb Partners Corporation, an affiliate of Loeb Holding Corporation, in November 1993 and served as a Managing Director at the time of his resignation in August 1999. He has been involved in management information services and direct marketing through investments and management since 1982, and has served as a director of CCC Information Services Inc. and BWIA West Indies Airways. Prior to beginning his operational career, Mr. Stanfield was an investment banker with Loeb, Rhoades & Co. and Wertheim & Co. He holds a

Intersections Inc. Profile

For more than a decade, Intersections has been a leading innovator and provider of identity management solutions for what has now become a global industry. When we pioneered consumer credit monitoring more than 10 years ago, we started to shape the identity management marketplace, delivering consumer-friendly solutions that serviced a growing, yet untapped need.

As the nature and prevalence of identity management has changed over time, Intersections has remained at the forefront, having the clarity of vision to connect consumer, business, and industry needs. We live out this vision by defining and delivering evolutionary products, developing strategic partnerships, and expanding our solutions into new, global markets.

Today, Intersections proudly serves and protects more than 8 million customers and hundreds of businesses from brand, employment, and financial fraud. The network of Intersections companies offers an ever-widening scope of corporate identity management tools, as well as solutions that help businesses build customer relationships while augmenting revenue.

Today's reality - and tomorrow's challenge - is a digital world of increasing connectivity where data and personal information is instantly obtained, readily available, and easily exchanged. The mandate is clear: consumers and business alike need flexible, innovative, evolution-

We answer that call by looking at the road ahead and leading the charge in providing innovative identity management solutions, advanced technology, blended security products, mobile services, PC protection, and more. With our vision, expanding locations around the world, strategic partnerships, industry expertise, and promising new solutions always in development, Intersections is situated to continue to define international markets and deliver premier identity management solutions.

**Interview conducted by:
 Lynn Fosse, Senior Editor
 CEOCFOinterviews.com**

CEOCFO: Mr. Stanfield, what was your vision when you founded Intersections and where are you today?

Mr. Stanfield: "Before identity theft became a problem, Intersections was really focused on credit monitoring and the need for consumers to understand their credit reports and to understand how credit scores impacted their lives. We started transitioning in the late 1990s, about four years after we started the company. Identity theft had become a larger and larger issue and we felt we needed to start helping consumers deal with the threat. Today our business is primarily identity theft related."

CEOCFO: What products and services are you providing?

Mr. Stanfield: "We provide a suite of products that monitor credit and public record data, and we monitor the Internet.

We provide software products that help protect consumers from keylogging phishing attacks, Trojan Horses and all those things that infect computers. If you become a victim of identity theft, we provide a resolution service at no extra charge. Fortunately, most of our customers do not become victims. But no service in the market is going to be 100% effective, so you need to have a strong resolution service.”

CEOCFO: Are you dealing primarily with businesses or individuals?

Mr. Stanfield: “We sell our services directly to individuals, and we also sell our services either to or through large financial institutions who sell them to their customers. We have about 4.7 million paying subscribers today, and about 8 million customers including the number of customers who are being provided some form of service through their bank at no charge.”

CEOCFO: Where is the most business for you?

Mr. Stanfield: “Our business is primarily driven through relationships with large banks. Currently Bank of America, Citibank, and Capital One, are three of the large banks that are disclosed clients of ours.”

CEOCFO: There are many protection services that constantly bombard the consumer with advertising; why is Intersections a better choice?

Mr. Stanfield: “The problem in the market is that there is a lot of deceptive advertising going on. Consumers are being told that they can do one thing or another thing and be fully protected; the fact is they can’t be. Consumers need to protect themselves across the board, and even then, they are still at risk. What our service does is provide and monitor a broad base of public and credit data that helps *detect* potential identity theft; and our software products help *prevent* identity theft. We provide an education process so that you understand identity theft better and therefore protect yourself better. We provide a broad base of resolutions, so that if you become a victim, we will take care of it for you. Many of those services

out there only protect you with respect to credit accounts. For instance, some services currently offer fraud alert protection. Those fraud alert companies are only protecting you against new account openings, and even that is suspect because many institutions do not contact you. They simply conduct other measures to be sure that they are dealing with the right person. When you buy a fraud alert service you are not getting a comprehensive identity system.”

CEOCFO: Although we hear a lot about identity theft, have we reached the point where most people see the need?

Mr. Stanfield: “People are beginning to see the need for protection. We conducted some research a few weeks ago that showed 92% of people were either ex-

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tremely or very concerned about identity theft and 82% of those people were concerned about losing money because of identity fraud. That is a big change from three years ago when people thought, “that it isn’t going to happen to me.” So, there is a change in the market; however, that change has been accompanied by confusion and deception. Therefore, people don’t understand what products do or what they need to do to protect themselves from identity theft. They often think it is up to their financial institution to protect them. If you have an account at bank A and you become a victim at bank B, that is not Bank A’s responsibility; it is your responsibility. Hence, consumers are beginning to learn that they need to empower and protect themselves, just like they need to protect their home or car.”

CEOCFO: How is the current economic climate affecting your business?

Mr. Stanfield: “I would say more than I like, and less than I feared. Our market is still strong. We know that crime rates go up in bad economic times. We know that identity theft rates have gone up in the last year and are going up again this year. We know that sophisticated identity theft is on the rise at a tremendous rate. Therefore, the market for our products is still very strong. However, that is being accompanied by people’s reduced spending on credit cards, reduced usage of credit cards, and more and more people have tapped out their resources to pay for services. They are trying to find things they can take out of their budgets. Our business has been generally flat over the last year and we think flat is pretty good in this economic time.”

CEOCFO: You certainly have reported nice revenues recently!

Mr. Stanfield: “Yes, our revenue is good and our EBITDA was good. Unfortunately, we had to write down some assets in a market-to-market tradition. Our business is strong, our client relationships are strong and they are continuing to market our services. We are looking forward to another good year.”

CEOCFO: What is your geographic range?

Mr. Stanfield: “Our products are sold in the United States and Canada. We are by far the largest provider of monitoring services in Canada, and we are either the first or second largest provider of services in the U.S. Quite frankly we are not sure whether we are first or second.”

CEOCFO: What does Intersections know about monitoring that perhaps other companies don’t, and what might surprise people about how the process works?

Mr. Stanfield: “Monitoring is pretty straightforward if you have access to the data. What is important is to have the capability to receive the information, and to then transmit that information promptly and in a very useful format to the consumer so they can understand it. It is also very important to have trained

customer service agents available who can answer the phone promptly and help customers ascertain whether or not the information that we sent them is related to something they did or something someone else did. The concept of monitoring is to get the information to the customer quickly and if the information is inconsistent to what happened in their life, and then if there is a risk that an identity fraud has occurred.”

CEOCFO: How are you able, on the other end, to help people go through the maze if they have had a problem?

Mr. Stanfield: “We have been helping people deal with identity theft for about ten years now. We also manage ITAC, the Identity Theft Assistant Center. It is a not-for-profit organization that is part of the Financial Services Round Table that serves the large financial institutions. Through that capability, we not only process those identity thefts, but we communicate in real time to the institutions that their customers may have been affected. . We provide information to law enforcement, so they can handle the theft, and hopefully they are recording it, so they have statistics that can help them track identity theft trends or perpetrators in the future. We have agents that are essentially on a first name basis with fraud agents at a large number of financial institutions, so they help each other help the consumers.”

CEOCFO: What is ahead for Intersections?

Mr. Stanfield: “We are moving towards becoming more technologically oriented.

Five years ago, all of our business was centered on monitoring of data. Today our business is becoming more software driven; we are finding new technologies and have integrated those technologies into our products. Our services are becoming more unique. I think we will be a more technology-driven company as time goes on. This is because the market that we serve remains a growth market.”

CEOCFO: Would you give us an example of a new technology?

Mr. Stanfield: “In the last two years we have integrated a number of software or hardware technologies into our product. One is an antikeylogging software that comes standard with our most comprehensive product, which helps the consumer to prevent keyloggers from stealing their ID and passwords and other information when they go online to do financial transactions. A second product that has been incorporated into our product is ID Vault®. ID Vault is a hardware device or a software device that does two primary things: first, it stores all of your credentials for your financial transactions so you do not have to post them through the keyboard and become at risk with keylogging, or post them onto your screen as you are trying to do a transaction at a bank. Second, it is constantly checking the credentials of financial institutions websites to be sure that when it goes to a website it is actually going to a bank and not some fictitious site that is posing as the bank. Therefore, it creates a nice clean, safe environment for doing commerce online. The third product is the MOBILE LOCKBOX®, which allows

you to monitor financial data like your debit and brokerage accounts, and to set monitoring rules. You are not only monitoring your credit information, but also your asset information. All of those things have been incorporated into our products within the last two years. I think we are the only company in our industry that connects those types of technologies to identity theft prevention.”

CEOCFO: In closing, why should investors pay attention?

Mr. Stanfield: “We have several things going for us. One is that we have mass, so we have the ability to bring substantial, new services into our products with critical mass. Two, we have knowledge. We have been in this business for almost 14 years; we have been an innovator throughout those 14 years and have certainly been an innovator in the last two years. We are always trying to stay ahead of the bad guys and if you stay ahead of the bad guys you have a better chance of helping customers. Three, we have a sound financial base, and we are not very leveraged. In addition, we have a very experienced team of senior managers, most of whom have been with the company for more than five years. We have a big client base; we have a large base of financial institutional partners that give us access to the market. Finally, we are in a growth market, unfortunate for many but for us it is a big opportunity as it is still a young market.”

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