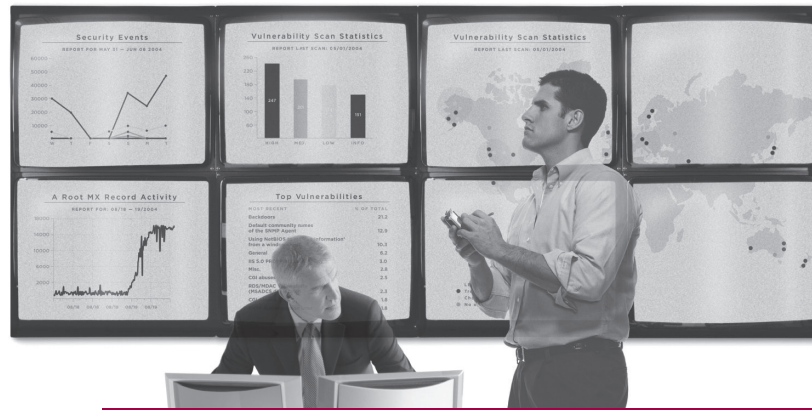




## DATA SHEET



### KEY BENEFITS

#### *Faster Results*

Real-time analysis and detection of potentially fraudulent trades enables shortened detection, intervention and recovery times for better consumer protection.

#### *Customer Friendly*

No adverse effect in user experience enables customers to trade with confidence while taking advantage of the ease and versatility of online trading.

#### *Reliable Protection*

Helps prevent online brokerages and trading firms from potentially huge losses while enhancing trust with their customers.

## VeriSign® Identity Protection (VIP) Fraud Detection Service Stock Trading Module

### + Overview

VeriSign® Identity Protection (VIP) is a comprehensive suite of identity protection and authentication services designed to strengthen and protect consumer's digital identities. VIP includes a combination of both on-premise and hosted components that can be accessed through standard network protocols for easy integration into existing Internet applications. It enables both invisible, risk-based authentication through the VIP Fraud Detection Service (FDS) and the more visible, strong authentication through the VIP Authentication Service.

The VIP FDS Stock Trading Module works in real time to help detect and prevent identity theft and transaction fraud. It includes both a rules-based engine and a behavioral engine. Using rules and pattern recognition technology, the service is able to flag potentially fraudulent activities based on known and unknown types of fraud and behaviors not associated with the user. The service is designed to be simple and unobtrusive for both Web administrators and users. If the system detects a suspicious transaction, users can quickly confirm their identities using an automated system. This automated system may query the user to identify themselves further with any of the following types of credentials: a one-time password, a unique question-and-answer, email, SMS, an automated call or a customer service call.

### + VIP FDS Stock Trading Module

With the increasing global use of online trading by consumers, online brokerages have a pressing need to protect themselves from fraud such as "Pump and Dump" scams. Pump and Dump scams are typically caused by fraudsters buying large quantities of penny stocks first from their own account and then from compromised or hijacked accounts. Typical penny stocks involved in such scams are low priced with high price volatility, low trade volume, low market cap stocks, etc. The sudden increase in the stock volume causes an artificial increase in the stock price. The fraudsters then sell their own shares of the stock to make a sizable gain. Pump and Dump scams typically take only a short time to execute. Once executed, the losses range from a few hundred thousand to millions of dollars. In addition, when the losses become public, this damages the reputation of the brokerages involved.





Because of the real-time nature of stock transactions, fraud detection can be more difficult to prevent for online brokerages and trading firms than it is for other businesses. The VIP FDS Stock Trading Module can analyze stock trades in real time after the trade is placed, but before it is executed. The unique behavioral engine is ideally suited to monitor stock transactions and associated fraud. The module uses the following four unique models to determine the risk of each trade:

- The stock-oriented model identifies suspicious stocks that may be used to serve in a Pump and Dump transaction
- The user-oriented model tries to compare user's past trading transactions against the current transaction to detect and identify anomalies
- The trading-oriented model looks at suspicious trading sequences to determine whether the trade in question looks like a Pump and Dump trade
- The network-oriented model looks at factors across the network, i.e., it measures if multiple accounts trade the same suspicious stock during a short period of time

In the event of any anomaly or high-risk transaction, the service will flag potentially fraudulent activities and can optionally intervene to validate the transaction using the standard methods such as phone, SMS, email etc. The VIP FDS Stock Trading Module is the only fraud detection solution that enables online brokerages to analyze stock trades in real time and helps prevent Pump and Dump scams without adversely affecting the user experience.

#### **+ Learn More**

For more information about VeriSign Identity Protection, please call 650-426-5310 or email: [identityandauthenticationservices@verisign.com](mailto:identityandauthenticationservices@verisign.com)

#### **+ About VeriSign**

VeriSign is the trusted provider of Internet infrastructure services for the digital world. Billions of times each day, companies and consumers rely on our Internet infrastructure to communicate and conduct commerce with confidence.

**Visit us at [www.Verisign.com](http://www.Verisign.com) for more information.**