



Spectrum Systems, Inc. and Verdasys, Inc. Partner to Bring State-of-the-Art Enterprise Data Security to the Federal Government - A solution to assist departments and agencies reach FISMA compliance

Fairfax, VA and Waltham, MA — January 11, 2005 — Spectrum Systems, Inc., of Fairfax, VA and Verdasys, Inc. of Waltham, MA announced today the addition of the Verdasys patent pending Data Security at the point of use platform, Digital Guardian, to Spectrum Systems' General Services Administration/Federal Supply Service (GSA/FSS) Schedule (GS-35F-5192G). For over 18 years, Spectrum Systems has been providing its customers with a complete application development and protection capability from concept to long-term productivity optimization and management. The addition of Digital Guardian (DG) to Spectrum's offerings will provide the Federal government with a security solution that will help them capture the information needed for FISMA reporting, protect information, and meet increasing auditing and compliance requirements around data and data usage.

"Spectrum is the leader in presenting innovative technology to the Federal government" said Seth Birnbaum, CEO of Verdasys, Inc., "Our partnership will be focused on bringing the Federal government solutions that address the need for technology that enables organizations to understand all risks to their data, monitor the use of file and application access while preventing unauthorized or inappropriate actions that can put information in jeopardy — we're thrilled to be working with a leading, world-class partner in this important market."

The Verdasys platform, Digital Guardian (DG), offers point-of-use monitoring, reporting, and control of an organization's digital assets. DG has helped commercial organization's monitor data for inappropriate use, protect intellectual property from threats from insider abuse, and provide enforcement of data usage policies that have resulted from new regulations (i.e., Sarbanes/Oxley, HIPAA, and ITAR). With the pressure of the Federal Information Security Management Act (FISMA), the primary legislation governing federal information security, federal departments and agencies are in need of a solution that can help them meet the Act's compliance requirements. By offering full data object and application visibility at the desktop or server, DG enables full enumeration of past actions (i.e., complete accountability when Government organizations share information), while also proactively enforcing compliance with FISMA and Privacy regulations.

"The Federal government's need to mitigate risks associated with the inappropriate or unauthorized use, modification, and distribution of sensitive, proprietary and regulated information by insiders is well recognized," said Ronald Segal, president of Spectrum Systems. "Verdasys' Digital Guardian takes an innovative approach to this problem by providing a means to monitor and manage information at the point-of-use — the desktop, server or workstation. We are very pleased to offer this solution to our federal clients."

VERDASYS.

"The Federal government is a significant market for Verdasys," said Michael Jacobs, Vice-President of Sales for Verdasys. "By aligning with Spectrum, we will be able to use the GSA Schedule to facilitate addressing the requirements of our clients for assuring compliance with governance and privacy regulations. We can now offer Digital Guardian to government agencies to provide unparalleled safeguarding of privacy data and to prevent the misuse and theft of intellectual property or sensitive information."

About Spectrum Systems, Inc.

Headquartered in Fairfax, Virginia, Spectrum's customers rely on them to provide full-service solutions that support the entire software development and IT lifecycles. They utilize the resources of their business practices (Systems and Application Lifecycle Solutions, Network Management and Security Solutions, and IT Products) to apply current and emerging technologies to create the best solution in a cost effective, flexible and reliable way. For more information, please visit <http://www.spectrum-systems.com> .

About Verdasys, Inc.

Verdasys delivers Data Security at The Point of Use solutions that address business requirements for assuring compliance with governance and privacy regulations; safeguarding the privacy of client and patient data; and preventing the misuse and theft of intellectual property. Offering compelling solutions for information audit and data containment challenges, the Verdasys Digital Guardian platform enables ongoing, comprehensive data-level monitoring and autonomous, real-time policy enforcement over enterprise information use. Verdasys is headquartered in Waltham, MA. For more information, please visit <http://www.verdasys.com>

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