



Verdasys Begins Pilot Program for Digital Guardian

Risk Management Solution is First to Close Security Gap at the Desktop

WALTHAM, MA – October 14, 2003 – Verdasys, Inc., the first to provide Information Asset Assurance™ solutions, today announced the beginning of the Customer Pilot Program for Verdasys™ Digital Guardian™, the first comprehensive security solution to address customer requirements for asset protection, digital forensics and regulatory compliance. Digital Guardian is scheduled for commercial release later this quarter.

Information Asset Assurance: A New Strategy for Security

Recent legislation, including Sarbanes-Oxley, Gramm-Leach-Bliley (GLBA), and HIPAA, requires companies to undertake and demonstrate measures that not only ensure the security of information but also protect the integrity of information management processes, with ultimate responsibility and accountability resting with CEOs and CFOs.

Digital Guardian enables executives to assign and verify personal accountability for the acceptable use of information throughout the organization, especially to individuals who prepare, review or contribute to key company electronic files. For the first time, verifiable accountability can serve as the cornerstone of a comprehensive risk management strategy – information asset assurance – focused at assuring data security, integrity and regulatory compliance.

Enabling Visibility & Control: Asset Protection

Digital Guardian provides immediate benefits for companies seeking to enforce Acceptable Use Policies for sensitive customer information, regulated financial statements, or proprietary information assets. Through its Policy Enforcer™, Digital Guardian helps companies establish actionable policies that dynamically block inappropriate use or distribution of information where it is most vulnerable – the desktop. Digital Guardian can be used to block or limit information transfer via clipboard copying, emailing, printing, and saving to a portable USB storage or DVD device. Digital Guardian Policy Enforcer may be used to automatically require business justification from a user before allowing a particular action, and it may also send alerts to the IT and security teams as required.

“The majority of security products completely ignore the most vulnerable part of information systems – the desktop,” said Seth Birnbaum, CEO, Verdasys. “We created Digital Guardian to offer truly comprehensive information asset assurance across the enterprise, effectively closing the desktop security gap and immediately reducing risks associated with information loss or misuse. ”

Creating Accountability: Forensic Investigation Support

When security breaches occur, forensic specialists are tasked with the challenges of determining what happened, gathering evidence to hold users accountable, and

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most importantly, helping the company reduce the risk of future losses. Digital Guardian enables incident response teams and risk management executives to monitor information use in real time so they can detect, deter, prevent and document information misuse and theft. Activity Journal™, a component of the product, transparently tracks user activity at the networked desktop, mobile laptop, or corporate file server. Digital Guardian generates high-level non-technical Activity Reports for use by company executives and audit committees in certification, disclosure, and internal controls efforts.

“This is a cost-effective solution to a multi-billion dollar problem,” said Ed Appel, COO, Joint Council on Information Age Crime. “In most cases, companies identify the loss of intellectual property long after the incident has occurred, making it nearly impossible to figure out precisely what happened. Now for the first time, companies can automatically detect, document, and track misuse of sensitive information at the actual time and point of use, instead of trying to recreate the scenario when it may be too late. ”

Monitoring Responsibility: Continuous Regulatory Compliance

Once companies have achieved a state of compliance with new regulatory requirements, such as HIPAA, Sarbanes-Oxley, and GLBA, they need a cost-effective way to monitor and demonstrate compliance over time. Digital Guardian provides continuous monitoring of sensitive information in use around the company by any user, anywhere, anytime, making it possible for organizations to document a state of continuous regulatory compliance.

“New regulatory changes present an opportunity for executives to demonstrate strong leadership in a new culture of corporate transparency, ” said Paul Proctor, Vice President and Senior Analyst, MetaGroup. “Companies are looking for a flexible compliance solution that helps them demonstrate an ongoing state of compliance. Access to all user and file-level activity at all times and timely, relevant executive-level summaries ensure the integrity of both the information management process and the information itself. ”

About Verdasys

Verdasys, the leader in Information Asset Assurance™ solutions, offers a new generation of enterprise security solutions that deliver on executive-level requirements for accountability, visibility and control over the use and management of sensitive and proprietary information. Founded by senior executives with first-hand experience in managing risk associated with the loss and misuse of information assets, Verdasys has attracted avid interest from brand-name companies in the financial services, biotechnology, media and entertainment, and manufacturing sectors. The company’s “Trust, but Verify” approach has drawn recognized experts in information security, cybercrime, and forensics to the management team and advisory board. For more information, visit www.verdasys.com.

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