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FTC Approves ChildGuardOnline's New Method for Parental Consent Verification

Online businesses directed towards children under 13 years of age now have access to a new and better technology for verifying parental consent and complying with the Children's Online Privacy Protection Act (COPPA).

WESTPORT, CT, January 8, 2014 — Imperium®, an established industry leader in fraud prevention and identity validation solutions, is pleased to announce that ChildGuardOnline has received approval from the FTC for its knowledge-based authentication method used to obtain verifiable parental consent. This approval signifies that online businesses that request information from children under the age of 13 now have a new, more technologically-advanced option to comply with COPPA.

ChildGuardOnline's knowledge-based authentication method offers companies the ability to ask a number of dynamically generated, "out-of-wallet" challenge/response questions to establish valid identification. Because the knowledge needed to answer the questions is difficult for anyone other than that specific person to know, it provides a more secure method to verify someone's identity. This method has been successfully used by financial institutions and many other online businesses, and has been acknowledged and approved by the FTC and other government agencies as an effective method for identity verification.

Since <u>COPPA</u> was established in 1998, many online businesses began obtaining parental consent using a method called "email plus". This commonly-used method involves sending an email to the parent requiring consent followed by an additional email to the parent to confirm consent. Over the years, however, tech-savvy kids have made the email plus method unreliable and easy to overcome. Additionally, email plus can impose considerable administrative costs for web sites and mobile app providers.

ChildGuardOnline uses a combination of modern, patent-pending technologies and anti-fraud methodological expertise to more accurately verify parental consent in real time. It enables websites and mobile apps to confidently comply with COPPA while saving time and resources. In addition to knowledge-based authentication, ChildGuardOnline offers a wide range of other COPPA-compliant

validation techniques including, submitted address and discovered geo-location, correlation of number of children per parent, number of sites approved per parent and child, and last four digits of social security numbers, to validate parent's ID. And for the benefit of parents and guardians, the service also provides an easy-to-use <u>parent portal</u> where they can instantly approve and proactively manage the permissions they have authorized for their child's use via the service.

"ChildGuardOnline is a win-win solution for online businesses as well as parents. It gives websites and mobile application providers an easy, more reliable and cost-effective solution for parental consent verification, and gives parents the ability to keep their children safe," said Marshall Harrison, Founder and CEO of Imperium. "The FTC's approval of our ChildGuardOnline knowledge-based authentication method combined with Imperium's expertise in providing industry-accepted identity validation, certification and fraud-protection services, clearly makes ChildGuardOnline the best choice available." Mr. Harrison added.

Imperium's application to the FTC was the only new COPPA compliant parental consent verification method that has been approved by the Commission. The FTC's decision is reflected in its December 23, 2013 approval letter to Imperium.

About Imperium

Imperium is an established leader in fraud prevention and identity validation solutions designed to help businesses achieve high-level data integrity and comply with industry regulations. For over 10 years, respected companies have been relying on Imperium's comprehensive suite of technological services to accurately verify self-reported personal information and restrict fraudulent online activities. For more information visit www.imperium.com.

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