

Identity Cops Inc.

“Self-Defense for the 21st Century”™

Business Plan Executive Summary

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Executive Summary

Introduction

Identity Cops Inc. is an innovative information technology with the only software that prevents identity theft. Privacy ProBot™, our patent pending web-based technology, searches hundreds-of-thousands of public and private electronic databases as well as the “nefarious internet underground,” preemptively and proactively identifying potential security breaches. It then notifies subscribers if they may be at risk for identity theft or other privacy breach and provides automatic preventative and remedial options. While “identity theft prevention companies” are popping up all over, with seven years in development, there is nothing else like Privacy ProBot™ on the market.

The Company

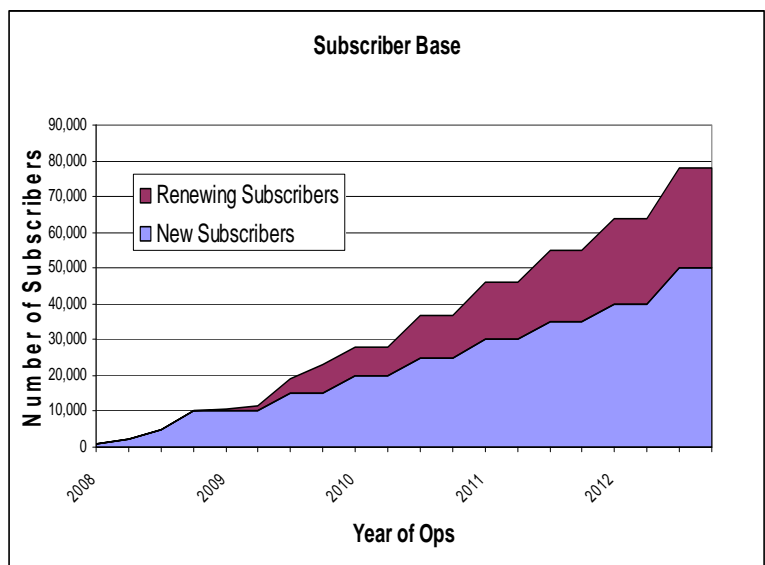
Identity Cops patent pending technology, Privacy ProBot™, was first developed in 2000 as a boutique product for celebrity clients. At the time those in the public eye were more likely to be affected by identity theft, and a movement for self-protection in that community began. Since then, identity theft has become a serious public problem for “every man.”

ID Cops has been a Maine company since 2004. Under a previous iteration of the company in 2000, ID Cops filed for a patent and first put its technology into production. The company experienced two hurdles in its initial start-up, the technology solved a problem not yet in the common understanding, and it was the year the "internet bubble burst." Since 2000, the technology climate has changed, and individuals know that their financial well being is at risk from identity theft and are ready to take action to protect their personal assets and privacy.

The mission of Identity Cops is to be recognized as the primary and best provider of identity theft detection and prevention products and services, and to secure a significant market share of the "identity theft protection" industry. Identity Cops was literally the first identity theft prevention company in the world. ID Cops remains the sole company that addresses identity theft prevention from the source, in a proactive rather than reactive fashion. All other identity theft products on the market are credit report or insurance based, reactive, too-little-too-late.

The Market

Identity theft is a huge problem and the fastest growing crime in the US. Most of the data on identity theft comes from the U.S. Federal Trade Commission (FTC). They estimate that businesses lost about \$48 billion and consumers lost about \$5 billion between 1998 and 2002 to identity theft. The crime is growing at an alarming, indeed terrifying rate. Public awareness of identity theft has increased significantly over the last 2-3 years. Thousands have been notified of database invasions at



their alma mater, credit card companies, or state or town records databases. Nobody is immune to the theft of their personal information as long as it is stored and available on databases that are too often hacked into by thieves or stolen by employees. New approaches and group identity theft (in which thieves take large sets of personal information from workplaces) are all on the increase.

Our potential customers are the well known and trusted investment institutions, banks, insurance companies, and affiliates that want to serve their current clientele better and be more competitive getting new clients. ID Cops service distributed through trusted, well known private and public names, will offer our corporate partners (customers) an opportunity to offer an advanced method of protection to their individual clients while using their own corporate “look and feel.” Our customers are such institutions, plus affiliates like colleges and universities and national organizations who wish to “nameplate” their name and logo on the ID Cops service. Note that the size of a partner organization is not an issue. A small insurance reseller or broker on the corner of Anytown, USA will be able to sell ID theft protection services under their own name, “look and feel (with ID Cops operating in the background)” just as Bank “X” America may. By year five of operations, ID Cops projects 750,000 subscribers, a large portion of which are “renews.”

The Technology

ID Cops patent pending web-based technology is the only information technology of its kind. Designed to search hundreds-of-thousands of public and private electronic databases and web locations (currently app. 400,000) looking for a user’s personal information. When the system locates a user’s personal information in any location where it may not belong, the system assesses the risk and immediately notifies the user they may be at risk for identity theft. The system then provides automatic preventative and remedial options to prevent and/or recover. The system will have unlimited scalability, so many users can be added quickly and easily.

Privacy ProBot™ is the core search technology for the “systems and methods” that help to prevent consumer identity theft. The patent pending Bot (search robot) uses secured web-based technology, database replication, and input from - and output to - publicly and commercially available databases which house personally identifiable information. *Privacy ProBot ALSO uses patent pending technology that tracks and follows the nefarious “internet underground” so that a subscriber’s stolen data is captured before it can be used for identity theft.* The technology further incorporates methods of analysis and response to an attempted identity theft. The system currently functions as a web-based service for individual subscribers to avoid, detect, and recover from a privacy invasion. A subscriber is informed of threats to security in a variety of electronic or non-electronic means immediately (email, text message, phone call).

We have the *only* proactive system. We are working ahead of the perpetrators, unlike credit freeze or credit fraud alert applications that are “after the fact. *We are the only ones that look for data traded directly by the criminal element with automated technology with no human touch points, around the clock.*

The Products

The Privacy ProBot technology platform for *individual subscribers* became available for purchase in December 2005 via the ID Cops web site at www.idcops.com. This launch date coincided with an

Entrepreneur Magazine article naming ID Cops one of the “hot new companies for 2006.” Our goal was to attract a small number of subscribers as a test market; we have done no other advertising, as the product was not ready for full-scale launch. Several dozen people have subscribed since December with a 100% month-to-month renewal rate.

In the last six months and into the next year, ID Cops is focusing on a technology upgrade to “modularize” the individual subscriber technology for large corporate clients. The ID Cops business model is to sell through trusted corporate partners, either through affiliate co-branding partnerships or licensing arrangements (see www.idcoinc.net). ID Cops is a technology and web-services company; we plan to leverage the connections and marketing expertise of our partners to sell the product. Market research and anecdotal experience to date, has demonstrated that this is the most effective business model for our product.

Identity Cops is unique.

Extensive market research has shown that there are no other products offering the services Identity Cops is offering. Most of the other identity theft products on the market are either credit checking or monitoring services, educational services, or services that assist with identity restoration after theft. ID Cops benefits to the consumer are substantial and recognizable, particularly as the crime continues to grow and become a common element of consumer consciousness. Our present art employs thousands of databases abstracted into dynamically updated meta-databases (currently our individual subscription product searches 400,000 data sources).

- Currently available commercial products employ perhaps one database, but no more than three, all of which are credit-reporting databases.
- Currently available commercial products offer little or no recuperative measures.
- Our system is live, real time, on-line. Credit bureaus use "stale" data - this means that an identity theft may be actively in progress, but the client would only receive information about this well after the theft takes place giving a thief sufficient time to do significant financial damage.
- Our competitors offer no "human component," where human intervention is required to stop or prosecute an identity theft.
- Our competitors presently offer no wireless alert, where the client would be notified in real time as to an adverse event.

Identity theft products appear to have an indefinite life cycle. Identity theft is a problem desperately in need of a solution. It is a market on the verge of blossoming, and we offer the first substantial product that addresses the problem. Technology is a fast move and every changing field, however, there is no reason that those on the ground floor can't move and change with the market. Additionally, all competitive products will be dictated by the bounds of our patent, having the earliest related patent date. Respecting that computer technology changes dramatically and quickly, the Privacy ProBot technology, with future adaptations of the product and product line has an indefinite life cycle.

Patents

A utility patent is pending with the United States Patent and Trademark Office, with respect to the privacy-protecting technology designed and developed by Justin Page, ID Cops Founder and VP of Technology. The technology is for exclusive use by ID Cops. It has been trademarked as

"Privacy ProBot™." In August of 2000, the United States Patent and Trademark office unilaterally made the application "special" for reasons of "national security." A second patent application was filed in September 2006 and has just been assigned to a USPTO examiner.

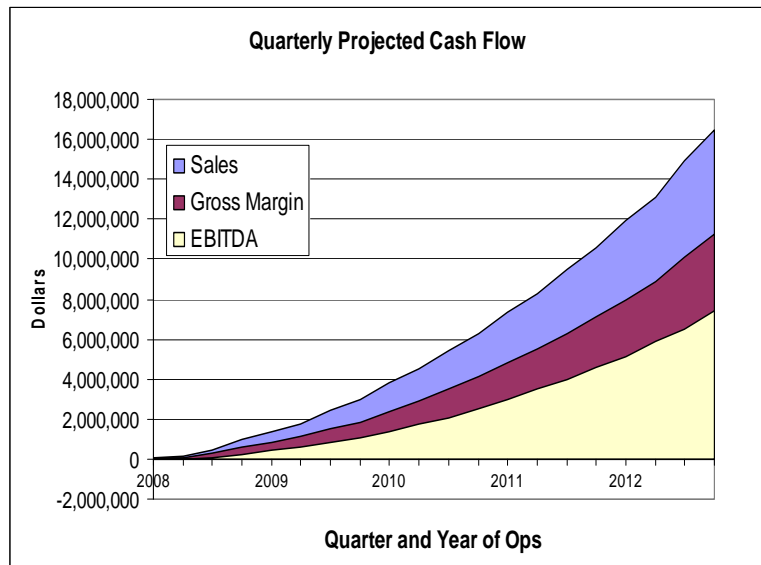
Sales Model

Simply, the sales model is: contact, demonstration, follow-up, pitch, sale, contract, service and maintenance. We expect our Advisory Board and the contacts through management will lead us to some early sales. Bulk sales are anticipated for corporate clients, with our pricing discounted for bulk sales leaving room for a further markup by our corporate partners.

Many of the corporate clients will be purchasing through co-branding and licensing arrangements. The technology will incorporate a client corporation's "look and feel," with a technology and training program that can be set up and administered by a normally skilled system administrator. A "web-services" model will likely suit this market best; with a periodic licensing fee charged per minimal number of users and discounted as volume increases.

Projected Cash Flow

Growth for the individual subscriber products and the corporate and affiliate products is projected to generate about 750 thousand subscribers by year five of operations (including renewing subscribers at an 80% rate and 20% of "renews" dropping out after one more year). A substantial investment would considerably accelerate the cash flow to earlier years. The system is fully automated, so direct labor costs are minimized. The company plans to outsource as many business functions as is reasonable.



The Management Team

President: Rebecca Weinstein, Esq, has previously started, built, and run two corporations. Rebecca is a co-founder of Identity Cops Inc. and personally orchestrated the rebuilding of the company, including all aspects of business and corporate development. An attorney working in business for more than 10 years, Rebecca has a wide breadth of knowledge and experience that will help bring cohesiveness to the many different aspects of the business development.

Vice President of Technology: Justin Page, IEEE is the founder of E-Privex Inc. and co-founder of Identity Cops Inc. He is the designer and sole developer of Privacy ProBot®, the privacy-protecting technology utilized by the company. Justin has more than 15 years of experience as a corporate manager and technology officer, in software and Website development and mergers and acquisitions.

Vice President of Corporate Development and Finance: Robert S. Chiozzi, MBA has worked with startup and fast growth technology companies as a commercialization consultant. He was a research and development scientist for 17 years and has been an MBA for almost 15. Bob teaches marketing and marketing research at two fully accredited colleges and has written two detailed workbooks on starting a business and marketing research.

Funding Request

We seek to raise sufficient funds for a three year plan to:

- Further marketing research and accelerating technical development of the corporate sales product including alpha and beta testing.
- Promoting and marketing of ID cops products to direct customers, affiliates, and corporate partners.
- Immediate hiring of technical talent for accelerating product development and expansion of new product lines including medical security applications, and other propriety plans.
- Assessing the market potential for market needs and future “spin-off” products and for preparing “daughter” patents to further secure the technology.
- Create a fund for prosecution and defense of the patent when it is granted.
- Recruiting and maintaining management and technical talent.
- Hiring a qualified marketing and branding agency to maximize the company’s exposure.
- Creating a professional, high level web site to replace or complement the current web site.
- Hiring of other necessary personnel such as sales and customer service.
- Overhead.

The Company Ownership

Identity Cops Inc. was incorporated in 2004 in Maine as a "C-Corporation." The technology was first built and the company was originally founded under the name E-Privex Inc., incorporated in 2000 in Delaware and run out of New York City. Identity Cops has acquired all of the remaining assets of E-Privex with a full transfer of ownership. Its officers are shareholders and directors of the company. Each officer provides the company with a different area of expertise. All the current officers reside in the state of Maine.

Identity Cops is a privately held company with the directors and original founders owning the majority of the company shares. The remaining shares are held as unassigned stock.