

SecurePlay – Simplifies Multi-Player Game Development and Stops Cheating

Write Once, Secure Everywhere -

For Internet, iTV, and Wireless Network Gaming



The Timing's Right...

SECUREPLAY

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Washington, DC 20009

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SecurePlay –

Write Once, Secure Everywhere

- **“Java technology and SecurePlay help reduce time to market and improve return on investment for game publishers and game site operators. The combination of the two provides a robust development and security solution.”**
 - Chris Melissinos, Chief Gaming Officer
Sun Microsystems

- **Vivendi Universal's (Blizzard) Battle.Net service cancelled over 500,000 accounts for various forms of cheating in 2003.**
- **Sony bans hundreds from Everquest (12/03)**
- **Chinese Online Game Companies lose \$12,000 (US) each day to cheating**
- **Cryptologic Inc.'s software hacked for losses of \$1.9 M in a single day**
- **McDonald's MonopolyTM McScandal costs \$20M**



Cheating – The Cost of Doing Business?

- **5 Percent or more of Online Players Cheat**
- **E-Commerce Providers experiencing extraordinary growth in attempted fraud**
 - High Tech Companies have seen 20% attempted fraud rates
- **Google Search on “Game Cheats” brings up over 1,500,000 hits**
 - Filtered down for “cheat codes” “hints” and other ways companies “market cheating”
- **Game-Specific Anti-cheat solutions are costly and reactive**



Cheating – Real Consequences

■ **Damaged Reputation**

■ **Lost Revenues**

■ **Increased Overhead**

Stopping Cheating Accelerates Growth in Gaming through Improved Customer Confidence and Increased Revenues

■ Damaged Reputation

- ❗ Vivendi Universal's Battle.net boots 500,000 players
- ❗ Sony Online Everquest removes "hundreds for cheating"
- ❗ McDonald's Monopoly "McScandal"

■ Bad Publicity

■ Lost New Players

■ Lost Revenues

- ❗ Cryptologic's software was hacked and lost \$1.9M in a day
- ❗ China's online gaming market admits 4% of revenues lost to cheats each day (Xinhuanet)

■ “Kicked out” Customers

■ Lost Customers

■ Credit Card Chargebacks



■ Increased Overhead

- ❗ Vivendi Universal's Battle.net boots 500,000 players in two major sweeps during 2003
- ❗ Sony Online Everquest removes "hundreds for cheating"

■ Identifying threats

■ Locking out suspected cheaters

■ Countering assertions of cheating

■ Handling disputes

■ Damaged Reputation

- Bad Publicity

❗ McDonald's Monopoly "McScandal"

■ Lost Revenues

- "Kicked out" and lost customers and credit card chargebacks

❗ Cryptologic's software was hacked and lost \$1.9M in a day

❗ China's online gaming market admits 4% of revenues lost to cheats each day (Xinhuanet)

■ Increased Overhead

- Identifying threats and locking out suspected cheaters, countering assertions of cheating, handling disputes

❗ Vivendi Universal's Battle.net boots 500,000 players

❗ Sony Online Everquest removes "hundreds for cheating"

Stopping Cheating Accelerates Growth in Gaming through Improved Customer Confidence and Increased Revenues

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- SecurePlay Advantage – Inhibits cheating during game play with post-game verification
- Simplifies game development for single and multi-player games
- Existing software product based on patented technology, with full documentation and packaging
- Sold online through SecurePlay store



- Technology Licensing Available (Patent Licensing)
- Not a “game specific solution” – can be used with any game
- Developer Community: secureplay.net
- Flash (November 2003) and Java (January 2004); C++ 3Q04

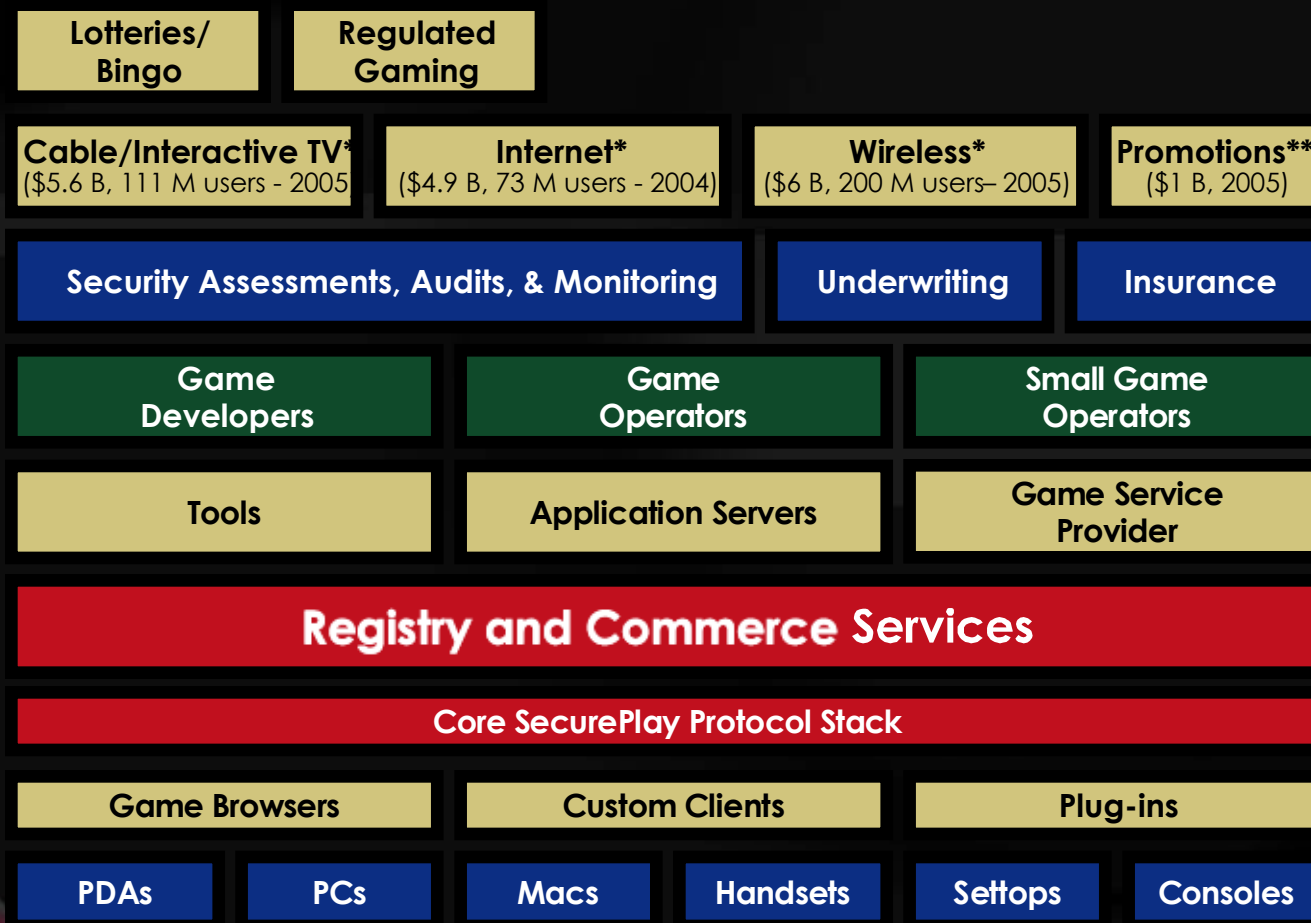


- **Interactive Gaming is a \$6.9B industry and is forecasted to grow to \$26B by 2005 (Datamonitor)**
- **On-line Gaming is a \$82M industry forecasted to grow to \$4.9B in 2004 (Forrester)**
 - 8.3 Million Players to 70 Million Players
- **Promotional Gaming is anticipated to be a \$1 Billion Industry by 2005**
- **Approximately 1 million paying users participate in non-wireless network games alone**
- **Substantial venture capital investment exists in on-line gaming businesses even in the current economic downturn (interactive TV, wireless, and Internet)**
- **Game sites are some of the “stickiest” on the Web**



Network Gaming Industry Overview

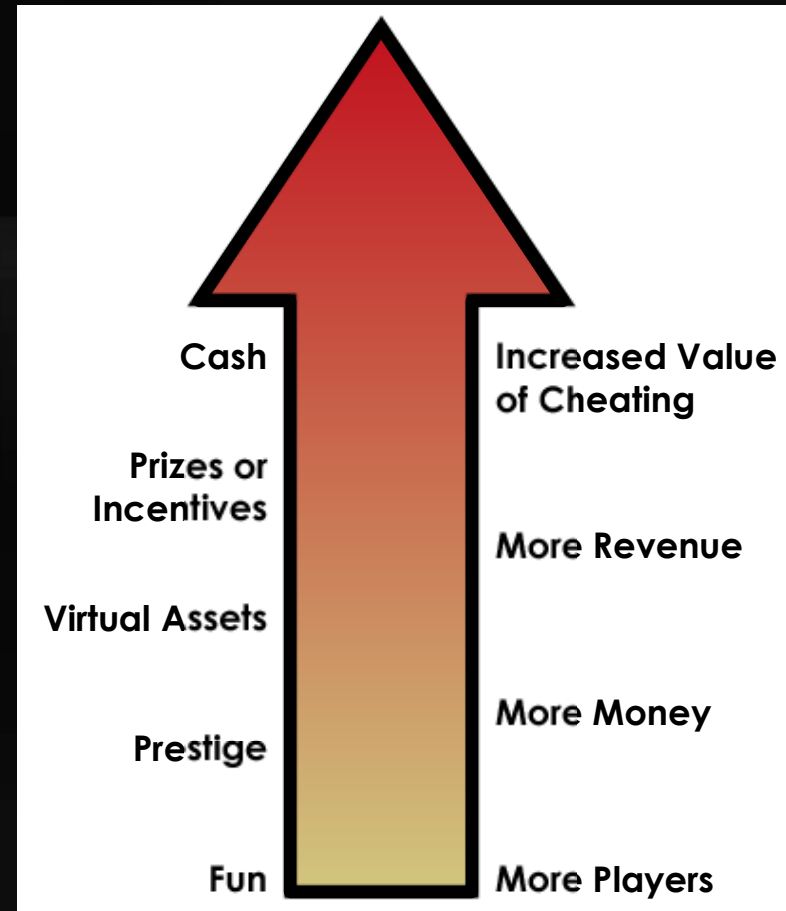
Markets



* Datamonitor

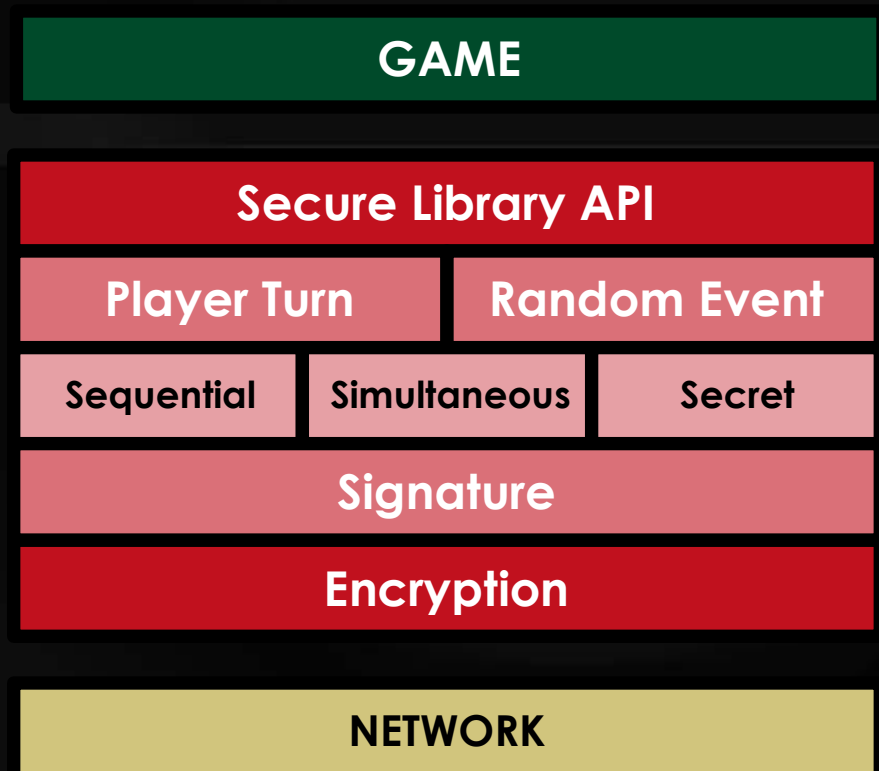
** Forrester Research

- **Cheating is the second-greatest concern for on-line gamers (behind having fun)**
 - Consider the acceptance of SSL and little lock icon on the growth of e-commerce
- **Game cheating is one of the oldest and most notorious forms of “hacking”**
 - Loaded dice, stacked decks, drilled slot machines
- **Cheating has little impact on traditional computer games or on-line games that are used for marketing**
 - However, even with no financial incentive, players hack existing on-line and off-line games





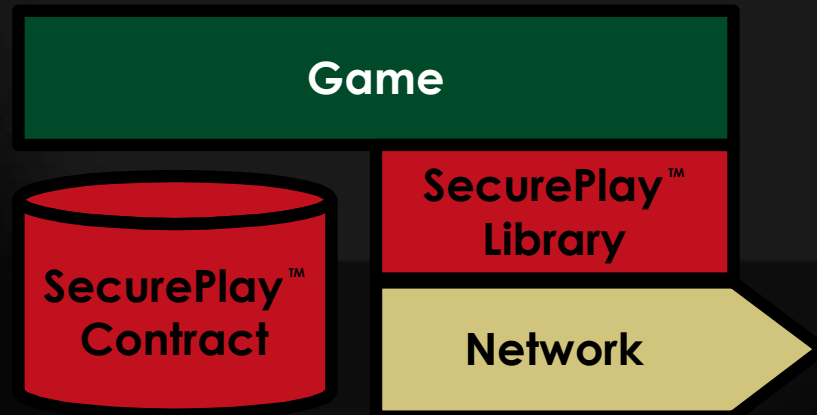
- Core services to secure network games
- Provides protection for “atomic” gaming transactions
- Easy to use, platform independent library





SecurePlay Contract – Beyond E-commerce

- Combines business and technical facets of secure network gaming
- Assembles the individual actions of players and game results to build a Secure Game Contract
- Building on established law for digital signatures, Game Operators, Developers, and Players can use this electronic contract to protect themselves from abuse and, more importantly, unlock the business potential for network gaming, just as SSL has made e-commerce trustworthy





A New Kind of Online Transaction

- **The player has complete control in verifying that games are played honestly**
- **Brings the security and confidence of e-commerce transactions to network games**
- **Each game event is fair**
 - Roll of a Die, Deal of a Card, Spin of a Wheel
- **Stored in a portable Digital Contract for Games**
 - Easily provided to financial, insurance, regulatory, or legal authorities
- **Independent reconstruction of game events can be done by players, game operators, and or others**



SecurePlay Library Integration

Platform

Existing Game

Game Rules

Game Events

API

SecurePlay Library

API

Existing Network

Key:

Integration

Modification





■ **Basic Developer Program**

- Simple Open Source License for non-commercial use/evaluation
- Includes source code, APIs, documentation, and online support

■ **For-Fee Support Contract for different levels of Service**

■ **Licensing**

- Direct technology licensing for independent implementations
- Open source for non-commercial use (see license for details)

■ **Commercial Licensing**

- Tailored to different business models
- Low, fixed price for “boxed” only license

■ 4 Main Elements

- Players, Comm Services, Games, and Transactions

■ Simple, Flexible API

- Security and Synchronization functionality wrapped by natural multi-player action

■ Clean Architecture

- Well-defined APIs, interfaces, and classes



- **Network gaming is emerging as one of the most exciting areas in the computer gaming industry.**
 - Opportunity for developers small and large to deliver new products and services
- **Security is a critical requirement to accelerate the growth and ensure the success of this industry.**
- **IT GlobalSecure's SecurePlay™ technology provides the "SSL for Gaming" to open up G-Commerce.**



***SecurePlay's Timing Is Right
For the Gaming Market***



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