



## Press Release

### For Immediate Release

**New Canaan, CT, July 17, 2010**—Coupon fraud can be eliminated by the new **Fraud Prevention Service** offered by Intelligent Clearing Network, the company announced.

The new service reviews every coupon scanned in 'real time'. If a counterfeit coupon is detected a message is sent in milliseconds to the cashier to not accept the coupon.

Coupon fraud costs retailers and manufacturers an estimated \$400 million per year, according to the Coupon Information Corporation (CIC), the fraud watchdog for manufacturers. This year alone, the CIC has dealt with over 200 incidences of coupon fraud costing millions of dollars. The problem appears to be growing, in part due to the ability to proliferate fraudulent coupons on the Internet and to the availability of high quality, low-cost printers.

Rich Thibedeau, ICN Executive Vice President said, "Most experts agree that the best way to eliminate fraud is to block the redemption of counterfeit coupons at the point-of-sale. ICN's new 'real time' Fraud Prevention Service automatically blocks the redemption of known counterfeit coupons and ALSO enables manufacturers to create a master file of valid coupons. Any coupon presented at the POS that doesn't match one in the master file is automatically rejected. "

Many retailers have attempted to control fraud by loading fraudulent coupon definitions down to the POS; this process is time consuming and has limits on the number of fraudulent coupon definitions that can be maintained. With the introduction of the new GS1 Databar coupon standard, which will become effective January 1<sup>st</sup> 2011, coupons will contain more information than current UPC-A barcodes, in part to control mis- and mal redemption, but not fraud. ICN's new Fraud Prevention Service will support the new GS1 Databar coupons; and eliminate the need for retailers to manage fraudulent coupon definitions at the POS.

Jim Petras, Managing Director of Early Stage Partners, commented, "The introduction of ICN's new Fraud Prevention Service is just another example of innovation occurring with ICN's real time connectivity to retailers POS. ICN pioneered digital coupon processing without the need to download and upload pre-defined offers to the POS. That will be followed beginning January 1, 2011 by their ability to electronically process GS1 Databar paper coupons. Early Stage Partners

is pleased to continue our financial support of ICN as it continues to grow as a leading edge SaaS technology company.”

#### About ICN

Connecticut-based ICN is an innovative software-as-a-service (SaaS) company that electronically validates and clears paper and digital coupons and other incentives in real time at the point-of-sale in grocery, drug and mass merchant retailers. ICN’s single connection to a retailer POS can help solve the problem of mis-mal redemption and fraud for the coupon industry. ([www.icn-net.com](http://www.icn-net.com))

#### About Early Stage Partners

Early Stage Partners was formed in 2001 with the belief that the Midwest could and would create and attract a significant number of early stage technology companies that would be attractive early stage venture capital investment opportunities. This belief was predicated on positive trends in regional economies, technology, and entrepreneurship and on the experience of the Early Stage Partners team in identifying promising ventures and budding entrepreneurs. The firm’s capital under management is \$98 million and growing. In 2009, ESP opened a Michigan office in Ann Arbor. ([www.esplp.com](http://www.esplp.com))

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