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THE SAN DIEGO UNION-TRIBUNE

## Q&A: Marc Shinbrood

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### President and CEO of Breach Security

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*Spend a few minutes talking to Marc Shinbrood and you'll think twice the next time you want to buy something online or make airline reservations.*

*His company, Breach Security in Carlsbad, has only 38 employees, but its computer products hold enormous potential to protect companies and consumers in the emerging market of Web application security.*

*Companies that use Web applications often think they have soundly protected the information they compile, but Shinbrood cautions that many of those companies don't understand computer security as well as the cyber criminals who are tapping into their systems. The extent of the problem usually isn't known until the damage is done.*

How susceptible are Web applications to invasion by outsiders?

They are very susceptible. Companies may think they have encryptions or other security systems to keep information secure, but what they don't know is that those systems may not be as secure as they thought. Basically, anyone who uses Web applications to share information is at risk. They may not realize it, but they are.

How does your system provide better protection than some traditional computer security systems?

Our system monitors the traffic on a computer's system to see what kind of inquiries are being made. We look for abnormal behavior and try to identify anything that might be malicious before it actually becomes a problem. Our reports are provided to the company on a real-time basis, so we can help them stay on top of inquiries that might cause them trouble.

What are Web applications used for?

They are used for all sorts of purposes. No two Web applications are the same. Companies use them because it enables them to do precise things

over the Internet, but it also opens the door for hackers to tap into those systems. It might be stealing Social Security numbers or other personal information, or it could be stealing formulas for products if you were, say, a pharmaceutical company. We hear about these breaches all the time, and often they occur before the company has any idea that its system has been hacked.

How can consumers using the Internet be assured that the information they share when they purchase something is protected?

That's one of the big issues we face. Visa and MasterCard are working on developing a standardized system to put data processing protection in place for consumers. They know that if they don't protect personal information from consumers, their business will suffer. Most companies will tell you they have a security encryption or some other way of protecting your information, but right now there are 460,000 different applications on the Internet and more being added every day. There is no way that all of those applications are properly protected.

How can a company benefit from using your technology?

Let's say a company has 40,000 credit card numbers stored in its system and someone hacks into it. Now, there's a lot of time and expense that goes into notifying all 40,000 cardholders that their personal information may have been stolen. If this happens, you have to mail a letter of notification to all 40,000. Our product can help you identify which of those 40,000 card numbers were stolen. Let's say it's only 12. Then you have to notify just 12 people rather than 40,000. That can be a big cost savings.

What is the growth potential of your company?

We just posted our first product revenues in the fourth quarter of 2005, so you can see we are just starting out. We are in the process of converting from a development to a sales and marketing company. I think we all think there are some very good possibilities for our products. Right now, we are geared on sales, sales, sales. We will be adding some people, but we're not going to employ 500 people. I would expect that our work force in San Diego County would increase from 15 to maybe 45 over the next 18 months.

— *Michael Kinsman*