

July 2015

Vendor Whitelist



We recently learned that a CryptoLocker variant called CryptoWall has been randomizing its vendor; making it more difficult to be identified as malware. We created a solution to block CryptoWall by implementing our vendor whitelist in June, 2015. By bolstering our security experts' process of reviewing additional factors of potential malware, we're adding to the value we provide our customers and continuing to shift the burden of security away from IT staff and on to PC Matic.

There are two major benefits to our vendor whitelist, the first being the extra

protection given to our customers. CryptoLocker is a game-changer, because for the first time, it is not possible to remediate this virus infection due to the encryption methods used. PC Matic's whitelist approach, now armed with our vendor whitelist prevents CryptoLocker from running, and protects data from being encrypted by this ransomware.

The second benefit of the vendor whitelist is that our industry test results will improve. Our July 2014 VB100 result set industry records, but improvements can still be made. We hope to see an extremely positive result in late fall. A large part of our strategy is to demonstrate, through independent testing agencies, that our whitelist approach is superior to the approaches of our competitors.

To that end, we are testing with AV Test this summer and hope to see a positive result this autumn.

Adblocking added to PC Matic



A recent review of our users showed that only 5% of them have ad blocking software. That may not seem so bad in itself, since most ads are harmless. However, there is a dark side to online advertisements. iYogi has been putting up ads intended to confuse our customers. Through their efforts to impersonate us, they have been tricking customers into paying hundreds of dollars to "fix" fabricated issues, and that is only one of the disadvantages to being bombarded with ads.

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Plenty of fraudulent advertisements are out there advertising software that is riddled with malware. VLC Media player is one example of software that commonly gets bundled with malware and promoted through advertisements.

To protect our customers from fraudulent activity, we have developed an adblock tool as part of PC Matic. This tool is in final testing and will be rolled out to all existing and new customers in September. Not only does it protect our

customers' computers, it also cuts down on the amount of bandwidth being used, improving your overall web browsing experience. A recent study performed by Simon Fraser University showed that installing an adblocker can reduce bandwidth usage by 25% - 40%.

By adding this free additional functionality, we are protecting our image and our customers' computers, as well as speeding up their machines.

PC Pitstop receives NMSDC



In June, PC Pitstop participated in a rigorous inspection of not only its management and business practices, but also the ethnicity of CEO and majority shareholder Rob Cheng. After proving to be a minority-operated business, PC Pitstop was awarded

minority status by the National Minority Supplier Development Council (NMSDC). We were also fortunate to be able to attend a NMSDC event in Des Moines, Iowa, to learn more about the program and benefits.

The largest benefit is access to the purchasing and IT departments of the largest corporations in the country. Most large companies, including the majority of companies in the Fortune 500, have a diversity program which deals directly with the NMSDC. Although the NMSDC has many minority suppliers, PC Pitstop is the only minority supplier providing security

software. We believe that our made-in-America message and superior white list approach, combined with NMSDC status, will get our message in front of some of the most influential IT and security professionals in the country.

As we all know, large enterprise sales do not happen overnight, but this path will reap many rewards in the future. We will be attending the Carolinas/Virginia North Central Minority Supplier Development Council event in Virginia Beach in August, and the NMSDC national conference in San Diego in October, and look forward to future NMSDC events in 2016.

New Employee Highlight



Dodi Glenn, VP of Cyber Security, has 11 years of experience in Enterprise Security. Prior to joining PC Pitstop, Dodi worked at ThreatTrack Security, a supplier to PC Matic, where he was most recently Senior Director of Security Intelligence and Research Labs. Dodi will be focused on improving our products, relationships in the industry, and ranking in industry tests.



Mike Schroll, VP of Business Development, has over 15 years of experience in the Information Technology industry, focused on Information Security in the enterprise space. Prior to joining PC Pitstop, Mike worked at ITA Software and Veracode, defending and assessing Internet connected applications and systems. Mike holds a BS in Applied Networking Systems Administration from Rochester Institute of Technology and an MS in Engineering Management from Tufts University.

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Michael Hucks joined us this quarter as our Video Production Manager. Before joining PC Pitstop, Michael's experience ranged from television advertising, to web/social media content to producing full length television shows. He now brings his experience in advertising and online video content to our own internal video production department, and has begun producing new Business to Business material and video content for the company's online and offline marketing efforts. Michael holds an AA in Digital Video Production from the Art Institute of Atlanta.

PC Pitstop Executive Elected to AMTSO Board



The AntiMalware Testing Standards Organization (AMTSO) was founded in May 2008 as an international non-profit association that focuses on the addressing the global need for improvement in the objectivity, quality

and relevance of antimlware testing methodologies. AMTSO is a cross-industry group dedicated to improving testing standards within the anti-malware industry.

PC Pitstop is a longstanding member of AMTSO, and is pleased to announce that Dodi Glenn, VP of Cyber Security, was elected by AMTSO members to be on the Board of Directors.

He will be working on the board for the next 3 years to further AMTSO's charter. PC Pitstop considers this industry recognition from our competitors of where we stand in the industry, and Dodi's career accomplishments working in this field. Dodi was recently quoted in the July 2015 edition of Family Circle Magazine in the sidebar: *Four More Helpful Hints to Further Beef Up Your Security* on page 71.

Investment Status and Financials



Historically, PC Pitstop has focused on providing the consumer marketplace with innovative security software and computer maintenance offerings. However, in the last few years, feedback from our customer base has shown that customers want the same level of protection PC Matic offers for their personal computers, to use with their own businesses. This led us to release PC Matic MSP two years ago, which provides a comprehensive way for managed service providers to protect their customers. We heard the call again this spring, and released PC Matic Pro for enterprise and government agencies

In support of our enterprise expansion, PC Pitstop is raising funds to accelerate our growth, and has recently brought on Mike Schroll as VP of Business Development to focus on fundraising. Mike comes from a background of nine years in Information Security, and 17 years in Information Technology.

Buoyed by strong PC Matic brand awareness and in spite of very limited targeted marketing efforts, the PC Matic Professional and MSP platforms are generating significant interest among companies and organizations of all sizes. The PC Matic team will be traveling the country in 2015 - meeting with prospective MSP and Professional users and exhibiting at trade shows in Chicago, Orlando & Las Vegas. We are a healthy, profitable, and growing company of 16 years. At this point, the company is solidly profitable and does not need capital to continue its trajectory. However, we believe that with the right group of investors, we can accelerate revenue and profits by expanding internationally, rebranding PC Pitstop more firmly into the security space, and building out our B2B sales force.

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We've embarked on the journey of having conversations with Venture Capitalists, and Private Equity Investors, sharing our vision for the future of the industry and our company, along with the details of our financial success to date. We're also exploring options to let individual accredited investors take part, and share in our success.

We started the year with a blast: Q1 2015 was our most successful quarter ever from a revenue and profit standpoint. New TV ads are bringing in even more sales, and we are forging partnerships for our whitelist technology. See Figures 1.1 and 1.2 for a summary of our year over year performance for Q1 and Q2. In the fall of 2014 we promoted our lifetime license of PC Matic Evergreen, and have deferred a portion of that revenue to 2015.

	Q1 2014	Q2 2014
Total Income	\$1.8M	\$2.5M
Total Expense	\$1.4M	\$1.8M
Net Income	\$.4M	\$.76M

Figure 1.1

	Q1 2015	Q2 2015
Total Income	\$2.85M	\$2.86M
Total Expense	\$2.00M	\$2.02M
Net Income	\$.85M	\$.84M
2014 Tax Adj for Perpetual License	\$2.00M	
Adj Net Income	\$2.85M	

Figure 1.2

You can learn more about our fundraising efforts and contact us at <http://pcpitstop.com/invest>

Corporation Changes at PC Pitstop

PC Pitstop has evolved greatly from its start with just two co-founders in 2000. The company has grown in the last 15 years to having 28 employees and millions of satisfied customers. In 2011, we released PC Matic, combining a number of our offerings and adding SuperShield whitelist antivirus technology; providing users with a dynamic shield to protect their computers from zero-day threats. Last year, we released PC Matic MSP, providing a channel to protect PCs through IT professionals. This spring, PC Matic Pro was released to meet the needs of our larger business customers.

As we look to the future, and the needs of new customers, we will be expanding beyond the 'PC' moniker, and offering

products for all platforms, not just Microsoft Windows. In preparation for these changes, PC Pitstop, LLC will become a wholly owned subsidiary of Tech Sentry, Inc - an S Corporation. PC Pitstop is healthy and growing and we are committed to sharing our financial success with our shareholders and employees. In previous years, we've shared that success through healthy bonuses - last year 30%; and as we prepare to take on funding for expansion, we're taking this opportunity to establish an employee stock option pool to align the company's goals with that of its employees.

We've seen the results of this shared success. Our CEO, Rob Cheng, was an early employee at Gateway

Computers in the 90s. Gateway offered its employees stock options, and as a Senior VP of Marketing, Rob was fortunate to share in the company's success when Gateway went public in 1993. That shared success enabled Rob to have the funds to leave in 1999 and start PC Pitstop. We're excited about the potential to provide that same level of shared success to our employees.

Look for our new name, Tech Sentry, in the coming months as we begin integrating it into our business marketing.

