

PC Pitstop Q2 2016 REPORT Contents

PC Matic *PRO*

THE WORLD NEEDS BETTER SECURITY. WE GOT IT.

**PC Matic Pro
GSA Approval**
> P1

**Television Ads
Update**
> P2

**Message from
the CEO**
> P3

**TeslaCrypt
Shuts Down**
> P4

**Financial
News**
> P4

**Tech Sentry is
Now PC Matic Pro**
> P4

Ransomware Tips
> P5

Supershield 2.0
> P6

New Employees
> P7

About PC Pitstop
> P8

PC Matic Pro Gains GSA Approval

On June 17th, PC Matic Pro proudly received the General Services Administration (GSA) contract approval in partnership with distributor, Synnex. Earlier this year, PC Pitstop announced PC Matic Pro as the B2B brand approach in offering businesses and municipalities the same proactive endpoint security solutions available for home computer users.

“Our federal government needs solid protection against ransomware, advanced persistent threats, and polymorphic viruses.”

With ransomware’s frightening climb this year alone, it was clear ALL industries need better security, and this is no different for government and public sectors. As of June 17th, PC Matic Pro proudly announced their GSA contract approval via GolvSolv GSA Schedule in partnership with Synnex.

GSA is known as the purchasing department of the U.S. Government and lists contracts or schedules where approved vendors like PC Matic Pro can bid for government services and business. With this acknowledgement, PC Matic Pro’s

new GSA Schedule contract authorizes the company to sell to the United States Government through the GSA and allows PC Matic Pro to connect with a new wide range of government security opportunities. This Schedule program is similar to commercial

buying as it allows customers to easily comply with federal procurement rules and regulations. GSA Schedules are the primary federal vehicle for connecting customers and industry partners and provides

access to millions of commercial products/services at a federal volume discount by establishing long-term, government-wide contracts.

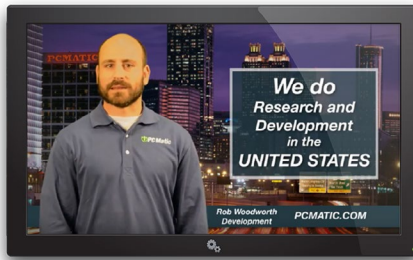
PC Matic Pro CEO, Rob Cheng, comments on the GSA approval, “Our federal government needs solid protection against ransomware, advanced persistent threats, and polymorphic viruses. We are proud to offer the industry’s only white list protection that is also made in the United States to our federal government.”

NEW TV ADS

PROMOTING SUPERIOR PROTECTION FOR HOME COMPUTER USERS

As a product, PC Matic stands out against our competition in several ways. However, our products aren't the only thing that set us apart. Over the past few years, PC Pitstop has been able to make sales in a way that no other security software provider has been able to do: television advertising. We

update our commercials frequently; announcing new PC Matic features, alerting consumers to new security threats and demonstrating how PC Matic's whitelist is the only security product that blocks every type of virus and malware, including zero-day threats. We released three commercials during Q2 of 2016:



WHAT IS PC MATIC?

PC Matic is a superior security software, we know that. But we also wanted to showcase what else a subscription to PC Matic includes. In this ad, our CEO, Rob Cheng, emphasizes what our customers get beyond our superior security PC protection. He outlines the free cyber security training, ad-blocking technology, and optimization tools to keep your PC running at peak performance.

PC MATIC EMPLOYEE COMMERCIAL

The tradition lives on! In April, we had our bi-annual company meeting, where we shot our latest employee commercial. Our employees shared the importance of using whitelisting technology to fight against the ransomware epidemic. As well as provided a focus on the latest Virus Bulletin RAP Test results proving PC Matic has superior proactive detection rates when compared to competitors.

5 RANSOMWARE TIPS

Getting hit with a ransomware attack can be devastating. In this commercial, Rob Cheng lays out 5 tips for dealing with an attack. First, try not to pay the ransom, since paying the criminals leads to more frequent and sophisticated attacks in the future. Next, report the infection to the authorities. Finally, dump your current antivirus and get PC Matic. Since PC Matic blocks anything that is not on our whitelist of trusted programs, computers with PC Matic are protected from all strains of ransomware.

IN THE PRESS

"The security problem is getting consistently worse, the consequences are getting consistently larger, and the frequency is growing."

- Rob Cheng, PC Pitstop CEO, on increase of phishing scams

Article:
[SC Magazine article](#)



Rob Cheng,
PC Pitstop CEO



A MESSAGE FROM THE CEO

"What a difference three months can make."

The FBI reported that ransoms paid to ransomware exceeded \$200M for the first quarter of 2016 up from \$25M for all of 2015.

That is a stunning growth, and it emphasizes how little security we have in our technology infrastructure. It should come as no surprise since Symantec announced in Q2 2014 that Antivirus is Dead. The following month, Gartner reinforced the point, by stating that we should focus on Detect and Respond and less on endpoint security.

Antivirus is NOT dead. The underlying architecture of antivirus called the black list is quickly becoming obsolete. Endpoint security is critical to our nation's security footprint. I am so proud to say that we have a white list solution that 1) plugs the enormous security hole 2) installs easily 3) is affordable and 4) is made in the United States.

We launched Tech Sentry Security in March of this year and given the urgency of the situation, sales were disappointing. One of the reasons is that from a branding perspective, we were starting on square one. We were not leveraging the success and name recognition of PC Matic. We are ending the brand Tech Sentry and our business product line will be called PC Matic Pro. Tech Sentry was certainly a misstep and I am happy that we figured it out in only 3 months.

My personal focus the last three months has been on testing. Back in the 90s, the PC publications such as PC World and PC Magazine, had large testing laptops where they would perform independent unbiased testing on notebooks, desktops, and security software. Fast forward 20 years, the PC publications are on life support and this important market mechanism has been lost.

When I analyze how the market chooses security software, it is almost entirely a subjective process. That needs to change. There are of course, security testing agencies, such as Virus Bulletin, but these results do not play a large role in the purchasing process. In an age of escalating ransomware attacks, the market severely needs an unbiased comprehensive report of which products protect against ransomware the best and more importantly the worst. It is my belief that this report will greatly accelerate the adoption of application white listing.

The report is scheduled for publication in October 2016.

Mike Sexton has signed on as our SVP of Sales and Marketing. Prior to joining PC Pitstop, Mike worked at Targus, Ingram Micro and Gateway Computers. In one of my many jobs at Gateway, I had international sales and Mike was part of that group. Gateway was a juggernaut and it was such an incredible experience to be part of the team that helped build and navigate the rocket ship. It is common bond that all people that once worked at Gateway share. Hopefully somehow, someday, we can capture some of that Gateway magic as we try to crash the security software party.

"The party is just getting started."

- ROB CHENG, CEO

The best for last. In the last quarter, we released Super Shield 2.0 of our real time protection. Significant improvements have been made to our algorithms, and we believe we have it perfected. The potential of white listing is not to have the best security, it is to have perfect security. That is that it blocks all things bad period, with a low and acceptable level of false positives. We think we have it figured out. In the next round of tests from Virus Bulletin and AV-Comparatives, we are expecting not just to win, but to be perfect.

Secondly, Super Shield 2.0 includes a new remediation engine. Prior to 2.0, we licensed the Vipre engine for blacklisting and remediation. We have replaced Vipre with an internally developed proprietary remediation engine made entirely in the USA. This helps our profit and loss since we no longer have licensing fees, but more importantly, we are free from the vagaries of a third party.

For all of our existing customers, you have all been upgraded to the 2.0 engine free of charge. And for our prospective investors, watch out, the party's just getting started.

-Rob Cheng
CEO/Founder, PC Pitstop
Myrtle Beach, SC

TESLACRYPT RANSOMWARE SHUTS DOWN

RANSOMWARE CREATORS RELEASE DECRYPTION TOOL

To everyone's surprise, the massive ransomware strain, TelsaCrypt, shut down in May of this year. They then shared their decryption keys with the world. This was a huge sigh of relief for anyone who has fallen victim to the ransomware and had not received their files. If your files were encrypted and have a .xxx, .tnt, .micro or .mp3 extension, you can now decrypt them for free. You are also able to decrypt files that do not have an extension.



If you are in need of the decryption tool, you can gather more information [here](#).

Q2 FINANCIAL NEWS

It has been a great quarter for PC Pitstop. Compared to Q1, our gross profits are up 20%, net income has increased 9% and total income rose at a rate of 5%.

Total B2B income has tripled in Q2, compared to Q1. Compared to Q2 of 2015, total B2B income has increased 14 times, year-over-year.



**COMPARED TO Q1 2016,
GROSS PROFITS ARE UP BY**

20%



Y-O-Y B2B INCOME INCREASE

1400%

TECH SENTRY IS NOW PC MATIC PRO

After consulting with our marketing and sales team, it was decided that it would be beneficial to rebrand Tech Sentry, our enterprise security software, as PC Matic Pro.



We are committed to providing our customers with a world-class endpoint security solution and being your trusted partner. As part of this commitment, we continue to make major investments to further enhance our brand, market presence, and technology to deliver even better service levels and security.

In addition, the company is evolving its brand to better align with its overall strategy of bringing the world a better class of security, so as of July 21, 2016, Tech Sentry brand will become PC Matic Pro. Our website, product portals, social media accounts, and other communications will become PC Matic Pro. As we continue through the rebranding process with PC Matic Pro, please know the same great products and service remains. We will still provide you with the best endpoint security for your business with our proprietary whitelisting technology, patch and driver management, and automated PC maintenance.

We will continue to keep you updated on any new features and further improvements.

RANSOMWARE CONTINUES TO EVOLVE

5 TIPS TO DEAL WITH A RANSOMWARE ATTACK

The ransomware epidemic is not slowing down anytime soon. We saw first hand throughout the second quarter of 2016 the new ransomware viruses attacking PC users. These new variants range from new versions of the Locky ransomware, Zepto, to Cerber simply becoming polymorphic.



This is not including the brand new strands that have been called [Bart and MIRCOP](#), or the dynamic duo [Petya and Mischa](#). So as a society who has become increasingly dependent on computing, what do you do to protect yourself?

The [United States Computer Emergency Readiness Team \(US-CERT\)](#) strongly advises using a whitelist security technology. For personal uses, [PC Matic](#) home protection offers superior protection with advanced whitelisting technology. For enterprise use, there is [PC Matic Pro](#), which offers advanced security protection with proprietary whitelisting technology.

But what if it's too late, and you've already become a victim of ransomware? What do you do now? We suggest following these five steps:

1. **Do not pay the ransom** – If you do, you're just giving the hackers a reason to keep hacking. Use your backup files to restore your systems. Again, don't pay!!
2. **Inform the FBI** – By informing the FBI they can investigate to potentially bring legal action against the hacker. All cyber criminal activity should be reported to the federal IC3 agency. You can file a complaint with them [here](#).
3. **Notify your current security software company** – You also MUST inform your security software company. If they didn't know they missed a malicious attack, they cannot stop it in the future. Also, many anti-virus software companies share their blacklist, or the list of known bad files. So by sharing it with your software company, they then share it with others; saving thousands of people from falling victim to the same attack that just got you.
4. **Educate yourselves and your employees** – Many times we attend one training, or listen to one webinar and consider ourselves educated on the matter. This cannot be further from the truth. Continued education on current cyber security threats is imperative. We recommend our friends at [KnowBe4](#) for both personal and enterprise training on cyber security. As always, all PC Matic home security subscribers are offered a [free cyber security training](#) through KnowBe4 as well.
5. **Re-evaluate your security software protection** – If your security software failed you, perhaps you should look for an alternative security option. The world needs better security. We got it.

IN THE PRESS

“...If you want to keep something confidential, don't put it on a computer specifically one connected to the Internet. The very second you do that, you can assume the data can be purloined.”

- Dodi Glenn, VP of Cyber Security, on Mossack Fonseca leak

Article:
[Global Security Mag article](#)



Dodi Glenn,
VP of Cyber Security

PC MATIC SUPERSHIELD 2.0

THE NEXT GENERATION OF THE WORLD'S BEST REALTIME PROTECTION



PC Matic, introduced in 2009, is a cloud based software as a service (SaaS), so updates and revisions are included without a revision change. In the last quarter, substantial changes were made to PC Matic and our white list real time protection called Super Shield, that we felt that a revision change was warranted.

Although PC Matic includes our whitelist real time protection, since 2010, we have been licensing the Threat Track / GFI / Sunbelt Vipre engine for scan, clean and remediation purposes. Ransomware, and other sources of malware are becoming an epidemic. We need to ensure our security software stops these threats in their tracks. We understood what we needed to improve our security software, and made some major alterations in the process.

Last quarter, our development and malware research team developed our own remediation engine based on an equally proprietary blacklist. Not only does PC Matic block viruses that no other security product blocks, now PC Matic can remove and clean viruses that no other product can. All of the research for our proprietary blacklist and whitelist are done in the United States, unlike any other security product.

Major modifications were made to our whitelisting algorithms in this revision. The most important is the introduction of a separate digital signature white list. This adds yet another level of protection for our business customers. Today, a digital signature costs as little as \$500, and it is not hard to imagine a cyber criminal purchasing a signature to attack a high value target such as a power company or a federal agency. With our new logic, Super Shield only allows trusted signatures and would block a previously unknown signature such as the example above. Only Super Shield blocks advanced persistent threats (APTs). We feel that this change is an essential element in our push into the business marketplace.

Many other improvements were made to the security logic of our real time protection. Additionally, since our whitelist logic is primarily a static file analysis, its memory footprint is smaller and more importantly, the performance is best in field.

We've always had great software, but now it's even better. PC Matic has been certified through the ICSA Labs, and outscored all competitors in proactive detection ratings, in the well respected Virus Bulletin test, with the closest competition coming in a full 8% behind PC Matic. We are anxious to see the next round of tests from AV Comparatives and Virus Bulletin to see how well our changes fare in their real world tests.

The world needs better security. We got it.

PC Pitstop: Inc. 5000 Fastest Growing Company

With a 2015 revenue of \$11.9m, our 68% growth rate landed PC Pitstop at #4131 on the 2016 Inc. 5000 Fastest Growing Companies list. This rise in growth-rate continues in 2016, as we see an explosive increase of PC Matic Pro sales; currently at a 1400% year-over-year increase, compared to Q2 of 2015.

Link:
[PC Pitstop Inc. 5000 Fastest Growing Companies recognition](#)





NEW EMPLOYEES

TALENT IS OUR BEST RESOURCE

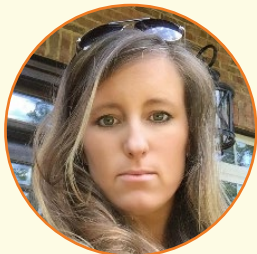
As we continue to grow, we are filling open positions with the finest American talent we can find. Our most recent job postings have yielded hundreds of resumes. We have always believed, as a company with 100% remote employees, that we are able to attract the highest-quality applicants that thrive in a nontraditional work environment. All over America, each of our team members work in the comfort of their own homes, and we couldn't be happier with the results. ***We're pleased to introduce this quarter's new hires:***



Mike Sexton
Sr. Vice President Sales & Marketing



Erin Allen
Product Marketing Manager



Jodi Pierce
Accounting

Mike is a technology industry veteran with 25 years of experience across a broad spectrum of the PC businesses. He spent 15 years at Gateway in positions of increasing responsibility in sales, marketing, procurement, and business development. In 2007, Mike was recruited by Ingram Micro and successfully established a strong team, developed product strategies, and supply chain relationships for products in 10 accessory categories. In 2008, Mike was recruited by Targus, Inc and has been leading Global Product Development for mobile cases and accessories for the past 8 years. Mike attended the University of Iowa and is a lifelong Hawkeye fan. He lives in Orange County, CA with his wife Rolli and their 2 children Abbi (16) and Sean (14) and enjoys umpiring little league baseball in his free time.

Prior to her employment at PC Pitstop, Erin Allen has worked the past four years as a Human Resources professional for retail provider Pier 1 Imports and IT staffing firm, Apeiron Inc. Prior to her career, Erin received a Bachelor of Science degree in Business Administration and Management from Tarleton State University. Erin plans to utilize her business experience gained from HR to better connect with security customers and promote our B2B brand, PC Matic Pro.

Jodi Pierce provides accounting support to the PC Pitstop team. Prior to joining PC Pitstop, Jodi spent the past 15 years managing the business operations for power generation manufacturing companies. During that time, she achieved her Bachelor's degree in Business Management and MBA from North Greenville University. In her spare time, you can find her at the lake enjoying camping and boating.



ABOUT PC PITSTOP

PC Pitstop started out as a free diagnostic web site for common computer problems. The company has evolved into a major security software publisher in the United States, UK and Japan. PC Pitstop makes PC Matic, PC Matic MSP, PC Magnum and PC Matic Pro.

OUR BRANDS



Award Winning - We took first place in proactive virus detections in the prestigious VB100 RAP test, two years in a row. This is independent validation of the superiority of our white list technology.

American Made - We are the only security product that does research and development in the United States. McAfee and Norton, for example, research malware in the Philippines and develop in India.

Comprehensive - Our scheduled maintenance includes vulnerability patch management, automated driver updates, junk file removal and performance tweaks.

Proven Technology - Our products have considerable traction in the American consumer segment approaching one million end points.

Superior Endpoint Security - Our technology includes the world's only endpoint white list. The white list provides superior protection against APTs (Advanced Persistent Threats), Zero Day Attacks, ransomware, and polymorphic viruses.

Endpoint Performance - We have automated the process of endpoint maintenance. End point performance improves employee productivity and morale. The endpoints have a longer productive life improving asset value and minimizing transition costs.

Cloud Technology - Our products are written, deployed and maintained through the cloud. The IT administration console is cloud based and accessible via computer, phone or tablet.

Three-Factor Authentication - PC Matic Authentication verifies user credentials, device GUID (globally unique identifier), location (IP address, proxy, location), and virtual machine. If IT administration suspects unauthorized use, the device can be remotely locked acting as a deterrent against hackers.

CERTIFICATIONS



ASSOCIATIONS



MADE IN THE U.S.A



Check Us Out:

www.pcpitstop.com
www.pcmatic.com

www.pcmatic.com/msp
www.pcmatic.com/pro