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LifeLock unveils new services after court ruling

Phoenix Business Journal - by [Patrick O'Grady](#)

LifeLock Inc. over the weekend rolled out plans to implement a new identity theft protection program in the wake of a judge's ruling that it's fraud alerts are not allowed.

The company said the new system will use technology, scientific modeling and data mining to protect its 1.5 million subscribers from identity theft, and can begin to identify possibilities before the thefts occur.

"The implementation of our new identity protection system reflects LifeLock's unyielding commitment to innovation, consumer protection and industry-leading best practices," said LifeLock CEO Todd Davis. "Criminals are devising increasingly complex schemes to defraud consumers. Our services must constantly evolve so we are not one, but two, steps ahead."

The company said it developed new algorithms to spot identity theft, that would look at pattern recognition, and mine for more data sources than credit bureaus, including retailers, banks, mortgage lenders and auto lenders.

The new system will replace the company's fraud alert system, which was dealt a blow on Friday, when U.S. District Court Judge Andrew Guilford upheld a preliminary ruling in a case brought against LifeLock by **Experian Information Solutions Inc.**, one of the three main credit reporting bureaus.

Experian filed the lawsuit saying the Fair Credit Reporting Act does not allow companies to place fraud alerts for people and that the practice is anti-competitive.

LifeLock General Counsel Clarissa Cerda said there is nothing in the ruling that indicates what LifeLock had done was illegal, but considered it an "unfair business practice."

"Although the media has reported that a California judge has ruled that LifeLock's placing of fraud alerts is illegal, there indeed was no finding in that order that LifeLock's placing of fraud alerts on behalf of its members was illegal or that such placement violated FCRA or (Fair and Accurate Credit Transactions Act)," she said.

"Instead, the California judge ruled that our practice was an 'unfair business practice' to Experian under the California Unfair Competition Law. While we respectfully disagree with the judge's ruling, noting that no other court in the country has agreed with Judge Guilford's reasoning that this type of competition could be an unfair business practice under the California Unfair Competition Law, and intend to appeal such ruling, we will respect the judge's order. We are confident about LifeLock's future, and intend to remain the industry leader in the provision of identity theft solutions to consumers."

LifeLock will roll out its new method of identity theft protections in the coming weeks. Guilford has not yet issued an injunction barring LifeLock from placing the fraud alerts, but had been asked by Experian to do so.

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