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**Return of Organization Exempt From Income Tax**

**2009**

Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

**A For the 2009 calendar year, or tax year beginning and ending**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type  See Specific Instructions	<b>C Name of organization</b>		<b>D Employer identification number</b>
		INTERNET SECURITY ALLIANCE		31-1773795
		Doing Business As		
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite		<b>E Telephone number</b>
2500 WILSON BLVD			703-907-7500	
City or town, state or country, and ZIP + 4		<b>G Gross receipts \$</b> 941,229.		
ARLINGTON, VA 22201		<b>H(a) Is this a group return for affiliates?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b) Are all affiliates included?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)		
<b>F Name and address of principal officer</b> LARRY CLINTON		<b>H(c) Group exemption number</b> ▶		
SAME AS C ABOVE				
<b>I Tax-exempt status</b> <input checked="" type="checkbox"/> 501(c) ( 6 ) ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
<b>J Website:</b> ▶ ISALLIANCE.ORG				
<b>K Form of organization:</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			<b>L Year of formation:</b> 2000	
			<b>M State of legal domicile</b> VA	

**Part I Summary**

<b>Activities &amp; Governance</b>	1 Briefly describe the organization's mission or most significant activities	THE ALLIANCE'S MISSION IS TO BRING SYNERGY TO THE ISSUE OF CYBER-SECURITY BY PROMOTING SOUND	
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	14
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	14
	5 Total number of employees (Part V, line 2a)	5	2
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0.
7b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
<b>Revenue</b>	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	704,709.	940,852.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	8,018.	377.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	712,727.	941,229.
	<b>Expenses</b>	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	
14 Benefits paid to or for members (Part IX, column (A), line 4)			
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		188,409.	110,195.
16a Professional fundraising fees (Part IX, column (A), line 11e)			
b Total fundraising expenses (Part IX, column (D), line 25) ▶			
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)		331,218.	990,251.
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)		519,627.	1,100,446.
19 Revenue less expenses. Subtract line 18 from line 12	193,100.	<159,217.>	
<b>Net Assets or Fund Balances</b>	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	948,743.	711,313.
	22 Net assets or fund balances Subtract line 21 from line 20	304,073.	225,860.
		644,670.	485,453.

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here** ▶ *Larry Clinton* Signature of officer Date 11/10/10

▶ LARRY CLINTON, PRESIDENT Type or print name and title

**Paid Preparer's Use Only**

Preparer's signature: *Geoffrey A. Seeba* Date: 11/05/10 Check if self-employed:  Preparer's identifying number (see instructions):

Firm's name (or yours if self-employed), address, and ZIP + 4: SEKER & ASSOCIATES, P.C. 51 MONROE PLACE, SUITE 1900 ROCKVILLE, MARYLAND 20850

EIN ▶ Phone no ▶ 301-340-6300

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION

SCANNED DEC 02 2010

19

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission
THE ALLIANCE'S MISSION IS TO INTEGRATE ADVANCED TECHNOLOGY WITH BUSINESS ECONOMICS AND PUBLIC POLICY TO CREATE A SUSTAINABLE SYSTEM OF CYBER SECURITY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses
Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code ) (Expenses \$ 1,018,133. including grants of \$ ) (Revenue \$ 940,852. )
THE ALLIANCE CONDUCTS PROGRAMS RELATED TO TECHNICAL SECURITY STANDARDS AND BEST PRACTICE DEVELOPMENT, ORGANIZATIONAL FINANCIAL RISK MANAGEMENT, SUPPLY CHAIN SECURITY, INFORMATION SHARING, SECURITY COMPLIANCE REQUIREMENTS AND VARIOUS PUBLIC POLICY AND EDUCATIONAL ACTIVITIES.

4b (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O)
(Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses \$ 1,018,133.

**Part IV Checklist of Required Schedules**

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>		X
2	Is the organization required to complete Schedule B, Schedule of Contributors?		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		
5	<b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>		
	• Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		
	• Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		
	• Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>		
		Yes	No
12A			X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
<b>22</b> Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
<b>25a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		
<b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
<b>35</b> Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O	X	

Form 990 (2009)



**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions

**Section A. Governing Body and Management**

	Yes	No
1a Enter the number of voting members of the governing body		
1a		14
b Enter the number of voting members that are independent		
1b		14
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
2		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
3		X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
4		X
5 Did the organization become aware during the year of a material diversion of the organization's assets?		X
5		X
6 Does the organization have members or stockholders?	X	
6	X	
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
7a	X	
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
7b		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
8a	X	
b Each committee with authority to act on behalf of the governing body?	X	
8b	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X
9		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?		X
10a		X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10b		
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?		X
11		X
11A Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
12a	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12b	X	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
12c	X	
13 Does the organization have a written whistleblower policy?	X	
13	X	
14 Does the organization have a written document retention and destruction policy?	X	
14	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	X	
15a	X	
b Other officers or key employees of the organization		X
15b		X
If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16a		X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		
16b		

**Section C. Disclosure**

- 17 List the states with which a copy of this Form 990 is required to be filed **NONE**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
 Own website  Another's website  Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization. **THE ORGANIZATION - 703-907-7500**  
**2500 WILSON BLVD, ARLINGTON, VA 22201**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees. See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order individual trustees or directors; institutional trustees, officers, key employees, highest compensated employees; and former such persons.

Check this box if the organization did not compensate any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
MARK-ANTHONY SIGNORINO DIRECTOR	1.00	X						0.	0.	0.
JEFF BROWN DIRECTOR	1.00	X						0.	0.	0.
ERIC GUERRINO DIRECTOR	1.00	X						0.	0.	0.
PRADEEP KHOSLA DIRECTOR	1.00	X						0.	0.	0.
KEN SILVA DIRECTOR	1.00	X						0.	0.	0.
JOE BUONOMO DIRECTOR	1.00	X						0.	0.	0.
CHARLIE CROOM DIRECTOR	1.00	X						0.	0.	0.
BRUNO MAHLMANN DIRECTOR	1.00	X						0.	0.	0.
LARRY CLINTON PRESIDENT	40.00			X	X			788,667.	0.	41,333.
TY SAGALOW CHAIRMAN	1.00			X				0.	0.	0.
J. MICHAEL HICKEY FIRST VICE CHAIR	1.00			X				0.	0.	0.
TIM MCKNIGHT SECOND VICE CHAIR	1.00			X				0.	0.	0.



**Part VIII Statement of Revenue**

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f					
	g	Noncash contributions included in lines 1a-1f \$						
	h	<b>Total.</b> Add lines 1a-1f						
Program Service Revenue	2 a	<b>MEMBERSHIP DUES</b>	Business Code 900099	940,204.	940,204.			
	b	<b>PUBLICATIONS</b>	900099	648.	648.			
	c							
	d							
	e							
	f	All other program service revenue						
	g	<b>Total.</b> Add lines 2a-2f			940,852.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		377.			377.	
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross Rents	(i) Real	(ii) Personal				
		Less rental expenses						
		Rental income or (loss)						
		Net rental income or (loss)						
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		Less cost or other basis and sales expenses						
		Gain or (loss)						
		Net gain or (loss)						
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a					
		Less direct expenses	b					
		Net income or (loss) from fundraising events						
	9 a	Gross income from gaming activities. See Part IV, line 19	a					
Less direct expenses		b						
Net income or (loss) from gaming activities								
10 a	Gross sales of inventory, less returns and allowances	a						
	Less cost of goods sold	b						
	Net income or (loss) from sales of inventory							
Miscellaneous Revenue			Business Code					
11 a								
	d	All other revenue						
e	<b>Total.</b> Add lines 11a-11d							
12	<b>Total revenue.</b> See instructions.			941,229.	940,852.	0.	377.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	98,556.			
7 Other salaries and wages				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	2,500.			
10 Payroll taxes	9,139.			
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting	15,400.			
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	860,721.			
12 Advertising and promotion				
13 Office expenses	7,781.			
14 Information technology				
15 Royalties				
16 Occupancy	27,312.			
17 Travel	26,099.			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	752.			
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	3,339.			
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below )				
a <b>PRINTING</b>	13,091.			
b <b>TELECOMMUNICATIONS</b>	10,397.			
c <b>MULTI-MEDIA PROJECT</b>	10,000.			
d <b>BOARD EXPENSES</b>	4,668.			
e <b>WEBSITE SERVICES</b>	3,884.			
f All other expenses	6,807.			
<b>25 Total functional expenses.</b> Add lines 1 through 24f	<b>1,100,446.</b>			
<b>26 Joint costs</b> Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year		
<b>Assets</b>	1	Cash - non-interest-bearing	192,089.	1	700,787.	
	2	Savings and temporary cash investments		2		
	3	Pledges and grants receivable, net		3		
	4	Accounts receivable, net		4		
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	750,000.	5		
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6		
	7	Notes and loans receivable, net		7		
	8	Inventories for sale or use		8		
	9	Prepaid expenses and deferred charges	1,019.	9	6,480.	
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	54,283.			
	10b	Less accumulated depreciation	50,237.	5,635.	10c	4,046.
	11	Investments - publicly traded securities		11		
	12	Investments - other securities See Part IV, line 11		12		
	13	Investments - program-related See Part IV, line 11		13		
	14	Intangible assets		14		
	15	Other assets See Part IV, line 11		15		
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	948,743.	16	711,313.		
<b>Liabilities</b>	17	Accounts payable and accrued expenses	11,681.	17	47,316.	
	18	Grants payable		18		
	19	Deferred revenue	288,120.	19	170,000.	
	20	Tax-exempt bond liabilities		20		
	21	Escrow or custodial account liability Complete Part IV of Schedule D		21		
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22		
	23	Secured mortgages and notes payable to unrelated third parties		23		
	24	Unsecured notes and loans payable to unrelated third parties		24		
	25	Other liabilities Complete Part X of Schedule D	4,272.	25	8,544.	
	26	<b>Total liabilities.</b> Add lines 17 through 25	304,073.	26	225,860.	
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets	644,670.	27	485,453.	
	28	Temporarily restricted net assets		28		
	29	Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds		30		
	31	Paid-in or capital surplus, or land, building, or equipment fund		31		
	32	Retained earnings, endowment, accumulated income, or other funds		32		
	33	<b>Total net assets or fund balances</b>	644,670.	33	485,453.	
	34	<b>Total liabilities and net assets/fund balances</b>	948,743.	34	711,313.	

**Part XI Financial Statements and Reporting**

**1** Accounting method used to prepare the Form 990  Cash  Accrual  Other \_\_\_\_\_

If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O

**2a** Were the organization's financial statements compiled or reviewed by an independent accountant?

**b** Were the organization's financial statements audited by an independent accountant?

**c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O

**d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:

Separate basis  Consolidated basis  Both consolidated and separate basis

**3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

**b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
<b>2a</b>		<b>X</b>
<b>2b</b>	<b>X</b>	
<b>2c</b>	<b>X</b>	
<b>3a</b>		<b>X</b>
<b>3b</b>		

Form 990 (2009)

**Schedule D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11, or 12.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

**INTERNET SECURITY ALLIANCE**

Employer identification number  
**31-1773795**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7

- Purpose(s) of conservation easements held by the organization (check all that apply).
 

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	
- Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year
 

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d
- Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_
- Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_
- Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?  Yes  No
- Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_
- Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_
- Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No
- In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8

- If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
  - If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items
 

(i) Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
(ii) Assets included in Form 990, Part X	▶ \$ _____
- If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:
 

a Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
b Assets included in Form 990, Part X	▶ \$ _____

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
c Beginning balance	
d Additions during the year	
e Distributions during the year	
f Ending balance	

2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

b If "Yes," explain the arrangement in Part XIV

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ► \_\_\_\_\_ %
- b Permanent endowment ► \_\_\_\_\_ %
- c Term endowment ► \_\_\_\_\_ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

**Part VI Investments - Land, Buildings, and Equipment.** See Form 990, Part X, line 10

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		24,964.	23,564.	1,400.
e Other		29,319.	26,673.	2,646.
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				4,046.

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶		

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶		

**Part IX Other Assets.** See Form 990, Part X, line 15

(a) Description	(b) Book value
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15) ▶	

**Part X Other Liabilities.** See Form 990, Part X, line 25

1 (a) Description of liability	(b) Amount
Federal income taxes	
<b>DEFERRED RENT CREDITS</b>	<b>8,544.</b>
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25) ▶	
	<b>8,544.</b>

2. FIN 48 Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

<b>Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements</b>		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	941,229.
2	Total expenses (Form 990, Part IX, column (A), line 25)	1,100,446.
3	Excess or (deficit) for the year Subtract line 2 from line 1	<159,217.>
4	Net unrealized gains (losses) on investments	
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV.)	
9	Total adjustments (net) Add lines 4 through 8	0.
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	<159,217.>

<b>Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return</b>		
1	Total revenue, gains, and other support per audited financial statements	941,229.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12.	
a	Net unrealized gains on investments	2a
b	Donated services and use of facilities	2b
c	Recoveries of prior year grants	2c
d	Other (Describe in Part XIV)	2d
e	Add lines 2a through 2d	2e 0.
3	Subtract line 2e from line 1	3 941,229.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1.	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a
b	Other (Describe in Part XIV)	4b
c	Add lines 4a and 4b	4c 0.
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5 941,229.

<b>Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return</b>		
1	Total expenses and losses per audited financial statements	1,100,446.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities	2a
b	Prior year adjustments	2b
c	Other losses	2c
d	Other (Describe in Part XIV)	2d
e	Add lines 2a through 2d	2e 0.
3	Subtract line 2e from line 1	3 1,100,446.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1.	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a
b	Other (Describe in Part XIV)	4b
c	Add lines 4a and 4b	4c 0.
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5 1,100,446.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4; Part X, line 2, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information.

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**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

**2009**

Open to Public Inspection

Name of the organization

**INTERNET SECURITY ALLIANCE**

Employer identification number

**31-1773795**

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply

- |  |   |
|--|---|
| <input type="checkbox"/> Compensation committee              | <input checked="" type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                               |
| <input type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization

**a** Receive a severance payment or change-of-control payment?

**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?

**c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

**Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

**a** The organization?

**b** Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

**a** The organization?

**b** Any related organization?

If "Yes" to line 6a or 6b, describe in Part III

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		
5b		
6a		
6b		
7		
8		
9		

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2009



**Supplemental Information to Form 990**

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990.

Name of the organization

**INTERNET SECURITY ALLIANCE**

Employer identification number  
**31-1773795**

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

INFORMATION SECURITY PRACTICES, POLICIES, AND TECHNOLOGY FOR THE  
INTERNET AND GLOBAL INFORMATION SYSTEMS.

FORM 990, PART VI, SECTION A, LINE 6: THERE ARE TWO GENERAL CATEGORIES OF  
MEMBERS.

SPONSORS AND FOUNDING SPONSOR MEMBERS. SPONSOR MEMBERS ARE FIRMS THAT HAVE  
COMPLETED THE MEMBERSHIP AGREEMENT, HAVE PAID THE FEES ESTABLISHED THAT  
HAVE BEEN APPROVED FOR MEMBERHSIP BY THE BOARD. THE FOUNDING SPONSOR  
MEMBER IS CARNEGIE MELLON UNIVERSITY WHICH RETAINS A SEAT ON THE BOARD BUT  
DOES NOT PAY DUES.

SPONSOR MEMBERS. SPONSOR MEMBERS ARE FIRMS THAT ARE COMMITTED TO IMPROVING  
THE OVEALL SECURITY OF THE INTERNET AND PRIVACY OF INTERNET USERS WHO HAVE  
COMPLETED THE MEMBERSHIP AGREEMENT, HAVE PAID THE FEES ESTABLISHED FOR  
SPONSOR MEMBERS AND HAVE BEEN APPROVED FOR MEMBERSHIP BY THE BOARD.

FORM 990, PART VI, SECTION A, LINE 7A: THE BOARD OF DIRECTORS CONSISTES OF  
REPRESENTATIVES OF EACH OF THE CLASS 2 FOUNDING MEMBERS, THE PRESIDENT,  
CEO, AND VICE-PRESIDENT, AND A REPRESENTATIVE DESIGNATED BY EACH OF THE  
SPONSOR MEMBERS.

EACH MEMBER MAY APPOINT REPRESENTATIVES TO MEMBERSHIP IN THE COUNCILS AND  
COMMITTEES OF THE INTERNET SECURITY ALLIANCE.

FORM 990, PART VI, SECTION B, LINE 11: THE FORM 990 IS PROVIDED IN DRAFT  
TO THE PRESIDENT AND CHAIRMAN. ONCE APPROVED THE FORM IS SIGNED BY THE

**SCHEDULE O**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990.

OMB No 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

INTERNET SECURITY ALLIANCE

Employer identification number

31-1773795

PRESIDENT AND FILED WITH THE INTERNAL REVENUE SERVICE.

FORM 990, PART VI, SECTION B, LINE 12C: OFFICERS AND DIRECTORS ARE  
REQUIRED TO SIGN AN ACKNOWLEDGEMENT EACH YEAR THAT THEY HAVE RECEIVED THE  
CONFLICT OF INTEREST POLICY. EACH OFFICER AND DIRECTOR IS ASKED TO NOTIFY  
THE BOARD OF ANY CONFLICTS OF INTEREST. OFFICERS AND DIRECTORS ABSTAIN  
FROM ANY APPROVAL OF SALARIES OR OTHER FORMS OF COMPENSATION FOR  
THEMSELVES.

FORM 990, PART VI, SECTION B, LINE 15A: COMPENSATION TO OFFICERS AND  
DIRECTORS IS EVALUATED ON AN ANNUAL BASIS BY THE BOARD OF DIRECTORS.  
COMPENSATION IS BASED UPON THE LEVEL OF SKILL REQUIRED FOR THE POSITION,  
COMPARISON OF COMPENSATION TO SIMILAR POSITIONS IN THE NON-PROFIT INDUSTRY,  
AND AN EVALUATION OF THE INDIVIDUAL'S ACHIEVEMENTS DURING THE YEAR.  
DETERMINATION OF THE COMPENSATION IS DOCUMENTED BY THE BOARD OF DIRECTORS  
IN A WRITTEN COMPENSATION AGREEMENT.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION MAKES THE  
FOLLOWING DOCUMENTS AVAILABLE TO THE PUBLIC AS THEY ARE REQUESTED:

CHARITABLE REGISTRATION STATEMENT

FEDERAL FORM 990



# **INTERNET SECURITY ALLIANCE**

## **BY-LAWS OF THE INTERNET SECURITY ALLIANCE**

### **BY-LAW MEMBERSHIP**

#### **SECTION 1. ELIGIBILITY**

Any firm which itself or through a related entity engages in any aspect of the Internet economy and any business that provides related products or services is eligible for membership in the Internet Security Alliance (the "Alliance")

#### **SECTION 2. CATEGORIES OF MEMBERSHIP**

##### **A. Sponsors and Founding Sponsor Members**

The Sponsor Members provide leadership in establishing the agenda of the Alliance by membership on the Board of Directors of the Alliance ("the "Board").

Sponsor Members are firms that have completed the membership agreement, have paid the fees established that have been approved by the Board. The Founding Sponsor Member is Carnegie Mellon University which retains a seat on the Board and does not pay dues.

##### **B. Sponsors**

The Sponsor members are firms that are committed to improving the overall security of the Internet and the privacy of Internet users. Sponsors help set the overall direction of the Alliance by participation on the Board of Directors of the Alliance. Sponsor members are those firms that have completed the membership agreement, have paid the fees established for Sponsor members and have been approved for membership by the Board.

##### **C. Other Categories**

The Board of Directors of the Alliance may establish other categories of membership in the Alliance and define the rights, responsibilities and privileges of each category of membership in the business plans approved by the Board every three years. Federal, state and local governments and governmental entities are not eligible for membership.

#### **SECTION 3. ADMISSION AND WITHDRAWAL**

**A.** Application for membership will be made to the President of the Alliance and contain such information as the Board may require

**B.** The Application will be referred to the Board and membership will commence upon written notification of the approval of the Application by the Board.

**C.** Any member who wishes to resign or withdraw may do so by giving notice in writing, providing it is accompanied by payment of dues in full to the end of the Alliance's quarter in which such notice is given. No refunds will be made based upon any portion of the year for which dues have already been paid by the resigning organization.

#### SECTION 4. TRANSFER

If a member becomes a part of any other firm or corporation by reorganization, consolidation, merger, amalgamation or sale of assets, and if such other firm or corporation is not then a member, the membership may be transferred to such other firm or corporation upon request and approval by the Board provided the successor agrees to assume the obligations of membership.

#### SECTION 5. LOSS OF MEMBERSHIP

A. Any member who fails for a period of six (6) months to pay the dues incident to membership may be dropped from membership by majority vote of the Board.

B. Any member who ceases to have the qualifications making it eligible for membership may be dropped from membership by majority vote of the Executive Board.

C. Any membership may be suspended or revoked by a two-thirds vote of the entire membership of the Board voting by secret ballot, when in the judgment of the Board a member has performed any act which constitutes a willful violation of any of the provisions of the Articles of Incorporation or By-Laws. No such vote shall be taken until such member shall have been notified, in writing by registered mail, of the charges against it at least twenty (20) days before such vote by the Executive Board. This notice shall contain a statement of the time and place of the meeting of the Executive Board at which the matter will be considered, and the member or its representative shall have the right to appear before the Executive Board and be heard in answer to the charges before final action is taken.

#### BY-LAW II DUES

#### SECTION 1. DUES OF MEMBERS

The dues of members shall be set periodically by the Board.

#### SECTION 2. TIME OF PAYMENT

The dues fixed by the Board shall be payable in advance, annually or in mutually agreed upon installments, beginning at a date specified in statements sent to members by the Alliance.

#### BY-LAW III COUNCILS AND COMMITTEES

#### SECTION 1. CLASSIFICATION OF MEMBERS

Each member may appoint representatives to membership in the councils and committees of the Alliance.

#### SECTION 2. COUNCILS AND COMMITTEES

A. With the approval of the Board, councils and committees may be formed by members with the support of the Alliance staff. The charter, voting policies and other governance matters of these groups shall be determined and periodically reaffirmed by the members, subject to review and approval by the Board. Elections shall be held and terms of office established for council and committee officers in accordance with the approved charters for these groups.

B. Members of each council or committee shall meet at the call of the Chairman. A majority of a council or committee membership shall constitute a quorum. Each member in good standing

represented at the meeting shall be permitted to cast one vote per company on any issue brought before the meeting.

C. Each council or committee shall elect a chair and may also elect a vice chair at a regularly called meeting.

D. The chair may organize and appoint subcommittees and task groups and designate their chairs.

E. Each council or committee shall function within the Articles of Incorporation and By-Laws and be subject to the control of the Board in its activities.

## BYLAW IV EXECUTIVE BOARD

### SECTION 1 BOARD OF DIRECTORS

#### A. Membership

The Board consists of a representative of each of the Sponsors, the Founding Sponsor, the President, CEO and the Vice President. Board members will serve until the end of their designated terms of office, or until they are removed or replaced by majority vote of the Board. Any member of the Executive Board may resign by submitting his resignation to the Chairman

The number of Founding Sponsor Member representatives on the Executive Board will not more than 25

#### B Eligibility and Qualification

Any senior executive actively engaged in the management of a member may qualify as a Board member

#### C. Compensation

The President, CEO and Vice President may be compensated for their services. Other members of the Board, as such, shall not receive compensation for their services.

#### D. Powers

The Board is the ongoing policy and decision-making body within the Alliance. The management of the property and affairs of the Alliance is vested in the Board subject to these By-Laws, the Articles of Incorporation, and applicable laws of the State of Virginia under which the Alliance is incorporated.

The Board meets four times each calendar year or at the call of the Chairman upon at least five (5) days prior notice to the members. A majority of the Sponsor Members shall constitute a quorum. Each member represented at the meeting shall be permitted to cast one vote on any issue brought before the meeting. Meetings of the Board may be conducted by conference telephone.

The following actions require a two-thirds majority vote of the Sponsor Members

- (a) Amendments of the Bylaws of the Alliance
- (b) Dissolution or liquidation of the Alliance

- (c) Disposition of the assets of the Alliance on dissolution
- (d) Sale or other disposition of all or substantially all of the assets of the Alliance
- (e) Merger and consolidation of the Alliance with another organization
- (f) Any other action which by law requires more than a simple majority vote

#### E. Liaison with the President

The Board works with the Alliance President in managing such day-to-day matters as the President deems appropriate to bring to its attention for review/approval.

#### F. Officers

(1) The Board shall elect a Chairman, two vice Chairs, a President, a Chief Executive Officer (CEO) and a Vice President, they along with the Secretary-Treasurer and the immediate past Chairman constitute the Officers. It may elect additional officers as it deems advisable.

#### (2) Executive Committee

The Officers, constitute the Executive Committee of the Alliance. The Executive Committee may take action on behalf of the full Board in cases which a majority of the Executive Committee deem an emergency. Any such emergency actions must be approved by the full Board at the next regularly scheduled Board meeting. The powers and duties of every officer shall be subject to the control of the Board.

(3) The officers of the Alliance shall hold office for two-year terms, except in the case of removal from office or death, disability or resignation, until their successors have been elected and have duly qualified. The Board may remove any officer at any time, with or without cause. Vacancies will be filled by majority vote of the Executive Board

#### G. Fiscal

The Board shall cause an audit of the books to be made at least annually, and shall provide rules and regulations for the authorization of expenditures. Unless otherwise fixed by the Board, the fiscal year of the Alliance shall begin on January 1st and end on December 31st

#### H. Committees of the Executive Board

The Board may establish such committees, as it may deem advisable. The manner of appointing members to such committees and the election of chairmen shall be established by the Board from time to time.

## BY-LAW V MEETINGS OF MEMBERS

### SECTION 1. ANNUAL AND SPECIAL MEETINGS

A. The quarterly Board meetings shall be held at such date, time and place as the Executive Board may determine, notice of which shall be given to the members by the President at least twenty (20) days before the meeting

B. Special membership meetings may be called by the Board at any time upon at least twenty (20) days notice. Such meetings shall also be held if a request in writing containing a clear statement of the purpose of the meeting is filed with the Executive Director by any three (3) members of the Board or any ten (10) members of the Alliance. At the next meeting of the Executive Board, following receipt of such request by the President, the Board will fix the time and place of a special membership meeting to vote upon the matters set forth in such requests.

The President will send written notice of such time and place and of the purposes thereof to each member of the Alliance in good standing.

C. Each member in good standing represented at the meeting shall be permitted to cast one vote per company on any issue brought before the meeting.

#### SECTION 2. REPRESENTATION

A. Each firm or corporation elected to membership shall designate in writing with the President the name(s) of the person(s) stated by such member to be engaged in an executive capacity in its business, any one of whom shall be entitled to represent such firm or corporation at the membership meeting. Changes of designations may be made by filing them with the Executive Director.

B. Any member may vote by proxy at a membership meeting providing such proxy is given to the Chairman or to the President.

C. A member shall be bound by any action by its designated representative or by any person duly empowered and qualified to vote by proxy for such member

#### SECTION 3. QUORUM

At any annual or special membership meeting, one-tenth or more of the Alliance members of the Alliance, when present by designated representatives, or proxy, constitutes a quorum.

#### SECTION 4 VOTING

A majority vote of the members of the Alliance, when a quorum is present, determines the vote

#### BY-LAW VI

#### THE CHAIRMAN

The Chairman of the Board has general responsibility for its policies as expressed by the Board. He/she shall preside at all meetings of the Board, and shall perform such other duties as may be prescribed by the Board. The chairpersons of the councils and committees shall assist the Chairman and keep him informed of their interests and activities.

#### BY-LAW VII THE President

The President shall be the chief operating officer of the Alliance, and shall report directly to the Chairman and the Executive Board. His/her duties and responsibilities shall be to administer the affairs of the Alliance; to carry out the purposes of the Alliance councils and committees by coordinating their efforts and cooperating with them; represent the Alliance in relations with outside organizations and agencies; and supervise the public relations and publicity relating to the affairs, policies and projects of the Alliance. The President shall facilitate periodic meetings of the Board, keeping the Board advised of fiscal, policy, personnel, and other management matters relative to the day-to-day operations of the Alliance. He/she shall perform such other duties as may be prescribed by the By-Laws or by the Board.

The President shall keep all records of the Alliance and of the several councils and committees, and attend to all internal matters that pertain to members of the Alliance subject to the control of the Executive Board. He/she shall act as secretary at all meetings of the Executive Board. He/she shall collect all dues, assessments or monies due the Alliance, depositing them to the credit of the Alliance in a bank approved by the Executive Board, and make a report monthly to the Treasurer of all receipts and disbursements. He/she shall perform such other duties as may be prescribed by the By-Laws or the Executive Board.

BY-LAW VIII  
THE VICE PRESIDENT

The Vice President shall serve as the chief operating officer of the Alliance in the absence of the President. He/she shall support and assist the President in carrying out his/her responsibilities and shall perform such other duties as may be prescribed by the By-Laws or the Board.

BY-LAW IX  
THE TREASURER

The Treasurer shall have general control, subject to any action by the Board or by the Alliance, of all the funds in the hands of the Alliance and of all receipts and expenditures made on behalf of the Alliance. At each meeting of the Board he/she shall present a report covering the income and expenditures since the last meeting. At each annual membership meeting he/she shall present a report of the financial condition of the Alliance. He/she shall perform such other duties as may be prescribed by the By-Laws and by the Executive Board.

BY-LAW X  
BONDS

The Treasurer, the President, and such other person designated by the Executive Board shall each furnish a bond in a responsible surety company and in an amount approved by the Board. The bonds shall be in such form as the Executive Board may prescribe and shall be conditioned upon the safekeeping of all funds in the President's hands or received by him, and the proper accounting by the Treasurer and the President for all monies received and disbursed for the Alliance. The bond premiums shall be paid by the Alliance.

BY-LAW XI  
INDEMNIFICATION

Members of the Executive and Advisory Boards, Officers and other authorized employees or agents of Alliance shall be indemnified against claims for liability arising in connection with their positions or activities on behalf of Alliance to the full extent permitted by law.

BY-LAW XII  
AMENDMENTS

These By-Laws may be amended by the members of the Board, voting at any duly called meeting at which a quorum is present, provided that notice of such proposed amendment or amendments shall have been mailed to each member of the Executive Board at least twenty (20) days prior to the date of the meeting at which the vote is taken and provided that two-thirds

of the Sponsor Members vote in favor of the amendment. An amendment may be proposed by the any Sponsor member, the Executive Committee or any 10 members of the Alliance. Such proposal shall be in writing and shall be filed with the Executive Director. It shall be the duty of the Board promptly to fix the time and place of a meeting to vote thereon, which may be the time and place of the next quarterly Board meeting, and the duty of the President to send written notice to each member of the Board.

#### BY-LAW XV DURATION

This Alliance shall continue until such time as it shall be dissolved by vote of the Board at any meeting duly called for that special purpose at which a quorum is present, provided two-thirds of the Sponsor Members vote in favor of dissolution.

The Alliance shall use its funds only to accomplish the objectives and purposes specified in these By-Laws, and no part of said funds shall inure, or be distributed to the members of the Alliance. On dissolution of the Alliance any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific, or philanthropic organizations to be selected by the Board.