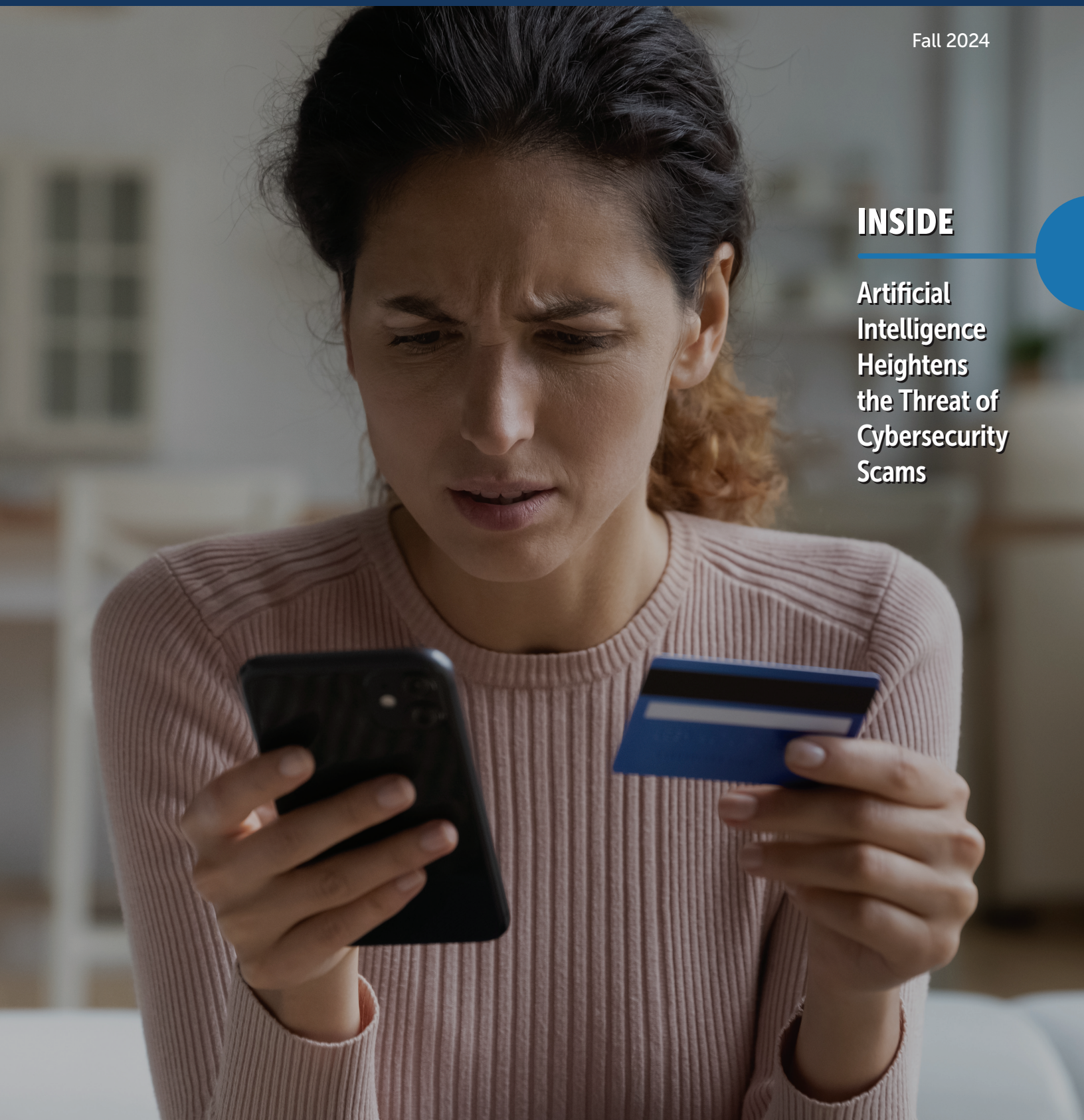
DollarBank

Business INSIGHTS

The Magazine for Hampton Roads Business Professionals

Fall 2024



INSIDE

Artificial Intelligence Heightens the Threat of Cybersecurity Scams



Knowledge is power!

Cybersecurity threats may compromise your business with just once click.

Fraud threats continue to rise, posing significant risk to the finances, brands, reputations and market shares of companies across all industries. At Dollar Bank we take pride in championing the interests of businesses and business leaders within our community, and we are committed to providing you with information to help you protect your business against fraud.

You and your team work too hard building your business to let cybercriminals help themselves to your finances and sensitive information. Unfortunately, many businesses are falling victim to ill-intentioned actors who are bilking them of funds, data and other valuable assets.

Rather than panic, we encourage you to remember that knowledge is power! That's why we invite you to spend just five minutes reading our article titled "AI Heightens the Threat of Cybersecurity Scams." With expert insight from Dollar Bank Senior Vice President and Chief Information Security Officer, Dr. Trebor Evans, we provide details to help you understand how AI scams work so you can identify and avoid them. We also offer tips to help protect your company's information and finances. We want you to be aware of these threats so you can safeguard your company against fraudulent activity and continue growing to your full potential.

We also invite you to visit our website where you will find timely updates and insights from our banking experts to help keep your business safe and on track to achieve your goals. We regularly update the articles and blogs in our resource center, Be Dollar Wise, Dollar.Bank/BeDollarWise.

Please bookmark the page and check back for the latest content.

We hope you find this and all our other articles within this issue of Business Insights helpful. Your company's success and well-being are our top priorities.



David Paradise

Senior Vice President, Virginia Division

Do what it takes to keep your assets safe with these briefs from Dollar Bank:



Business Email Compromise



Artificial Intelligence Fraud



Check Fraud

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Every day, you are faced with decisions to help keep your business on track. Business Insights Brief provides quick hitting resources and knowledge from our banking team to help you achieve your goals.

Visit our website for current and future issues.

Dollar.Bank/BizInsights



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Ramp Up Your Community Involvement to Strengthen Your Business

Engaging in philanthropic, civic and social activities with the communities you serve isn't just personally fulfilling; it can also fuel your company's success. Community involvement can help you create goodwill, make valuable connections, and better understand customers' needs and how you can fulfill them.

With this in mind, you may want to assess your community engagement and consider how you can do more, connect more deeply, so your company reaps the full rewards of your efforts. Start by defining the communities that can be supportive of your business:

1. Your **LOCAL COMMUNITIES** are those with geographic proximity to your company. The level of impact these communities can have on your success depends on the composition of your customer base and the ways you do business. If your business relies on pedestrian traffic or serves companies within a certain radius, for example, engaging in local community organizations and events can be vital to your success.



2. Your **CUSTOMER COMMUNITY** comprises those who have bought or shown an interest in your products or services. Increasingly, these individuals expect meaningful interaction with the companies they do business with.
3. Your **SPECIAL-INTEREST COMMUNITIES** include people and businesses that share certain values, goals or perspectives with you. Members of these communities can support your business by recommending your products or services, publicizing your philosophy across their networks, partnering with you on philanthropic efforts, etc.
4. Your **ONLINE COMMUNITY** may include members of all or some of the communities described above, in addition to the broader public. Building a successful business today almost invariably requires a strong online presence that enables you to engage with others through your website, social media and other channels.



Next, look at opportunities for stepping up your engagement with these communities. Here are just a few ideas to get you started.

Engage enthusiastically in charitable initiatives

Whether you choose to participate in local food or clothing drives, national charity runs or global efforts to save the planet, commit to volunteerism, sponsorship and charitable giving. Get your employees involved by designating days of service when they can forgo their usual work tasks to volunteer or to organize campaigns for causes they believe in. Pull in some of those special-interest community members by seeing if they might like to partner in some way. And always use social media

and your website to let others know how they can join you in supporting charitable organizations and special events. Connecting with like-minded people and communities can multiply the good you do exponentially.

Sponsor and participate in community events

Demonstrating your commitment to your local community can take a variety of forms: sponsoring a Little League team, being active in booster clubs, hosting a booth at a local fair, working on city-wide cleanup or restoration projects, etc. There's no substitute for face-to-face interactions to get to know people (potentially customers) and let them get to know you. It can be a great way to build trust as you enjoy being part of something bigger than yourself or your business.

Become a member of your local chamber(s) and business leadership organizations

Building relationships with other business leaders can spark new partnerships and referrals, and provide you with opportunities to get involved in new projects and advocacy efforts. Additionally, the peer-to-peer networking, mentoring and coaching can help propel your leadership skills to the next level and provide you with fresh perspectives on growing your business.

Host competitions

Nothing engages people like an opportunity to get creative, especially when prizes are involved. Think of the particular audience you'd like to appeal to with your theme and format. One audience may love the idea of entering a dance or home video contest themed around a holiday or one of your products, while others may embrace the opportunity to name a product or contribute ideas for beautifying their local park. Prizes can range from a free product or service to gift cards or cash.

Create scholarship and internship programs

Investing in youth — the leaders of tomorrow — is not only commendable but smart. Whether you build a scholarship fund or an internship program, you will build goodwill among students, schools and parents while making connections that could one day lead to your employment of some of these bright, talented candidates.

Host webinars or workshops for other business leaders

A great way to showcase your expertise without giving away your core services is to select a topic of concern to business leaders and invite them to participate in an informative session. If your business is accounting, for example, you could host a workshop focused on preparing for the new tax season. If you provide cybersecurity services, you might host a webinar



answering the top five questions you get from businesses or educating executives on ways to ensure their employees aren't taken in by scams.

Take full advantage of Small Business Month and Small Business Saturday

If your business is small, Small Business Month and Small Business Saturday are more than tributes to your business and others; they are opportunities to engage with your communities. In May, you can celebrate your customers all month long through Small Business Month sales, offers and events. Likewise, Small Business Saturday (the Saturday after Thanksgiving) provides a platform for showcasing your products and services, as well as the personalized service your business offers.

The stronger your ties to your communities, the stronger your business becomes. Be sure to include community participation in your strategic planning, and keep those connections going year-round.

Meet James Hinton, Jr.

Vice President Community Development

James is a Hampton Roads native. He has more than 45 years of banking experience in the Hampton Roads area.

Email: hintonje@dollarbank.com



ARTIFICIAL INTELLIGENCE

AI Heightens the Threat of Cybersecurity Scams



Read more about fraud and other topics in our Business Insights BRIEF found at Dollar.Bank/BizInsights.

Business leaders across industries have become fascinated with generative artificial intelligence (AI), praising its capabilities to facilitate everything from content creation to automating customer service tasks and bolstering analytics capabilities. What makes new AI technologies so appealing to companies is their ability to emulate human behaviors and capabilities so realistically. Unfortunately, that ability also makes generative AI potentially dangerous to businesses.

"With the good comes the bad," says Chief Information Security Officer Dr. Trebor Evans, a senior vice president at Dollar Bank. "AI can be a helpful tool when used with the right controls in place, but it also has a darker side, holding the potential to damage businesses when it gets into the hands of hackers."

Certainly we've all heard about, or perhaps even experienced, that darker side of AI. One particularly newsworthy example is the proliferation of deepfakes on social media. These digitally altered videos are intended to trick people into believing a celebrity or political leader said this or that when they actually said nothing of the sort. If you've seen a well-produced deepfake, then you know it can be difficult to distinguish fantasy from reality.

In business, AI can be used to deceive people as well. Just when you may have thought you had a good handle on the latest cyber scams, AI tools are making it easier than ever before for hackers to steal confidential information — employee credentials, customer data, trade secrets and more — through social engineering ploys that look and feel authentic. They are implementing AI to make their fraudulent messages virtually indistinguishable from legitimate messages.

What AI Scams Look Like

The most common form of cybercrime, phishing, reaches a new level of sophistication when AI is incorporated. The common red flags you've taught your team to watch for in emails — misspellings, grammatical awkwardness and poor word choices — are becoming far less common. Language barriers are no longer a hurdle for hackers who don't have a command of the English language; AI cleans up errors and applies commonly used conversation patterns to make messaging feel authentic.

"I experimented with a popular AI tool to see if I could duplicate the process of a hacker who is not fluent in English," Evans shares. "Within four minutes, I was able to circumvent the controls that say, 'It looks like you're trying to create a phishing email; our terms and conditions prevent that,' and produce a perfect email with beautiful grammar and word choices that I appreciated as an academic. I was impressed...and terrified."

Indeed, it can be terrifying to realize that an employee may receive a well-written, authentic-feeling message that appears to be coming from a trusted source when it's

actually the work of a malicious actor. Deeming the message to be genuine, the recipient may click on a link leading to a bogus website that instructs them to provide their credentials, or they may open an attachment that releases ransomware that subsequently shuts your system down.

"Hackers will try to scam you and your business out of money, data, corporate secrets — you name it. With AI, they are finding ways to hide their identities so that you won't realize you're being scammed until it's too late," says Evans. He suggests that business leaders familiarize themselves with these emerging AI scams:

- Telephone and video call deepfakes that may convince an employee to act after believing they were speaking with a company leader. Maybe the message instructs the employee to wire funds to a bogus vendor account or enter their employee credentials at a fraudulent website.



- Emails that focus on issues of the day to appeal to emotions as a pathway to infecting your system with malware. Imagine the welcome relief someone might feel in receiving this message: "Were you a victim of the XYZ data breach? Click here to download the fix."
- Scams leveraging personal data, which is increasingly accessible on the internet. Evans explains that a process called data scraping enables hackers to collect large volumes of data, link that information with other data and then apply it to social engineering ploys. For example, a hacker may discover a particular person works at ABC Company in an accounts payable position, link that information to the vendors ABC Company uses, and then send a phishing email instructing that employee to make an urgent payment.

Protecting Your Business from AI Scams

Dollar Bank has long encouraged business leaders to fortify their companies against cybersecurity threats. Adopting protective practices such as regularly updating software, using multi-factor authentication and establishing an ongoing employee training program can go a long way in protecting your business from hackers. Now that AI has given hackers enhanced capabilities, those safeguards are more critical than ever before.

"Even the most sophisticated cybersecurity tools can't offer 100% protection from scams, so employee education is vital. Every person who works within an organization needs to understand how scams work and how to avoid them," Evans explains. "I advise our employees to look at every communication with skepticism. Assume that every email, phone call or text you get is a scam until you can confirm its source and legitimacy."

How do you determine whether a message is legitimate? Evans suggests recipients ask themselves these questions:

- Were you expecting this communication? Is it from someone you know?
- Is the sender who they say they are? Use your mouse to hover over the email address to see where the message came from. (You can do the same for most links to verify their source.) Does it purport to be from someone in the company, but the email address doesn't match the one in your company directory? If it feels suspicious, call the supposed sender using their published phone number — the number in your contact list or company director, or on the company's public website, for example — and ask if the message is legitimate.
- Is there a sense of urgency, such as instructions to pay a bill, click on a link or download an attachment immediately? Urgency is a red flag that may indicate a message is fraudulent.

"The key is to slow down, carefully consider the communication and verify its authenticity," Evans advises. "We all need to be extra wary these days, because AI-supported scams are more difficult to identify than previous scams. A well-educated, conscientious team is a company's strongest defense."

Meet Dr. Trebor Z. Evans

SVP and Chief Information Security Officer (CISO)

Trebor has more than two decades of technology and cyber experience. He is a Greater Pittsburgh CISO of the Year winner, serves on several advisory boards, frequently speaks at security conferences and teaches graduate-level courses in cyber security.





PROVIDE Customers with Convenient Payment OPTIONS

When it's time for customers to pay, they want their payment experience to be fast, easy and secure. They expect to be able to use their payment option of choice, whether they're checking out online, in person or through their mobile device. Merchant services enable you to accept and process a variety of payment types, from credit, debit and gift cards to mobile payments.

Your customers aren't the only ones who can benefit from the convenience and security of merchant services; your business can benefit, too. Merchant services can help your business:

- **Increase sales** — Customers prefer buying from companies that are easy to do business with. The easier you make the payment process for them, the more likely they may be to buy from you.
- **Protect your customers and company from fraud** — Reputable merchant services partners provide state-of-the-art security and encryption to safeguard data and financial assets.
- **Forecast with confidence** — Merchant processing's digitized payment records offer enhanced visibility into sales, revenues and other metrics so you can more easily identify customer trends and project future purchasing activity.
- **Ease employees' workload** — Electronic payments are fast, easy and efficient, plus they minimize the need for making change, verifying check information and manually preparing sales reports.
- **Scale** — Centralizing payment processing under a single platform can make it easier to accommodate growing sales activity as your business grows.

What a merchant services partner provides

The term "merchant services" can cover a range of financial services and equipment, which may differ from one provider to another. Consider which of the following you may need as you compare merchant services partners.

Payment gateways. A payment gateway is a digital interface that enables you to accept credit and debit card purchases for online as well as in-person purchases. It facilitates the secure transfer of funds from the customer's preferred payment method to your bank, where the transaction can be processed.

Card payment processing. With an overwhelming majority of Americans carrying debit cards (93%) and/or credit cards (82%), businesses feel increasing pressure to accept cards as payment alternatives. Credit and debit cards were used to make 62% of consumer payments in 2023, as card usage continued to climb, while cash and check payments continued to decline. Merchant processing services enable businesses to accept and process card payments securely, encrypting data to protect the customer as well as the company.

Contactless payments. For customers who prefer to make



debit or credit card payments right from their phones, merchant services providers can supply mobile technology that enables companies' POS systems to accept these transactions as easily as physical card payments.

Online transaction processing. Online payments are similarly accepted and securely processed for e-commerce companies and others that do business online. Once the customer enters payment information into the payment gateway, the customer's and business's respective banks communicate electronically, and the money is transferred.

POS equipment. Retail establishments require point-of-sale equipment — hardware such as card readers and terminals, as well as software — that is often provided by the merchant services partner. POS systems can also digitize sales and inventory tracking to help streamline internal processes.

Determining which POS equipment is right for your business begins with a discussion of your needs, your customers' preferences and more. For example, if you run an on-the-go type of business, such as a food truck or an onsite repair service, a card reader that attaches to your phone or tablet may be more practical for payments than a standalone card reader or one that is part of a larger POS terminal.

Gift card and loyalty program processing. Many merchant services programs can be customized to accommodate payments by virtual or physical gift cards, and to facilitate loyalty programs, sales and other promotions your business may offer. Talk with your merchant services partner about tools that may be available to help you manage your specific programs.

EBT processing. If you'd like to be able to accept electronic benefit transfer cards, such as those issued to Supplemental Nutrition Assistance Program (SNAP) participants, you may be able to do that through your merchant services processing system.

Reporting. Sales tracking, inventory management and forecasting can all become simpler when you take advantage of the reporting and analytics capabilities built into many merchant services platforms. Ask your provider what type of reporting is available and how you can set up customized templates that provide you with the precise data you need.

How to choose your merchant services partner

In addition to comparing merchant services providers by the types of payment services and tools they can provide, explore their fee structures and their approach to customer support to see which aligns most closely with your needs. It's common for merchant services providers to offer flat monthly rates, per-transaction fees or a tiered pricing structure that takes into account the specific services and features you choose.

But even more important than price is their commitment to supporting you when you need assistance. Do they offer clear, consultative training? Do they assign a point person or team to be accessible to you when payment issues arise at point of sale or online? Are they committed to resolving those issues quickly and competently?

Spend time getting to know potential merchant services providers. At Dollar Bank, we understand payment processing is a critical element of running your business and we have the right products and personalized service to meet your needs.

Meet Brandee Artinger

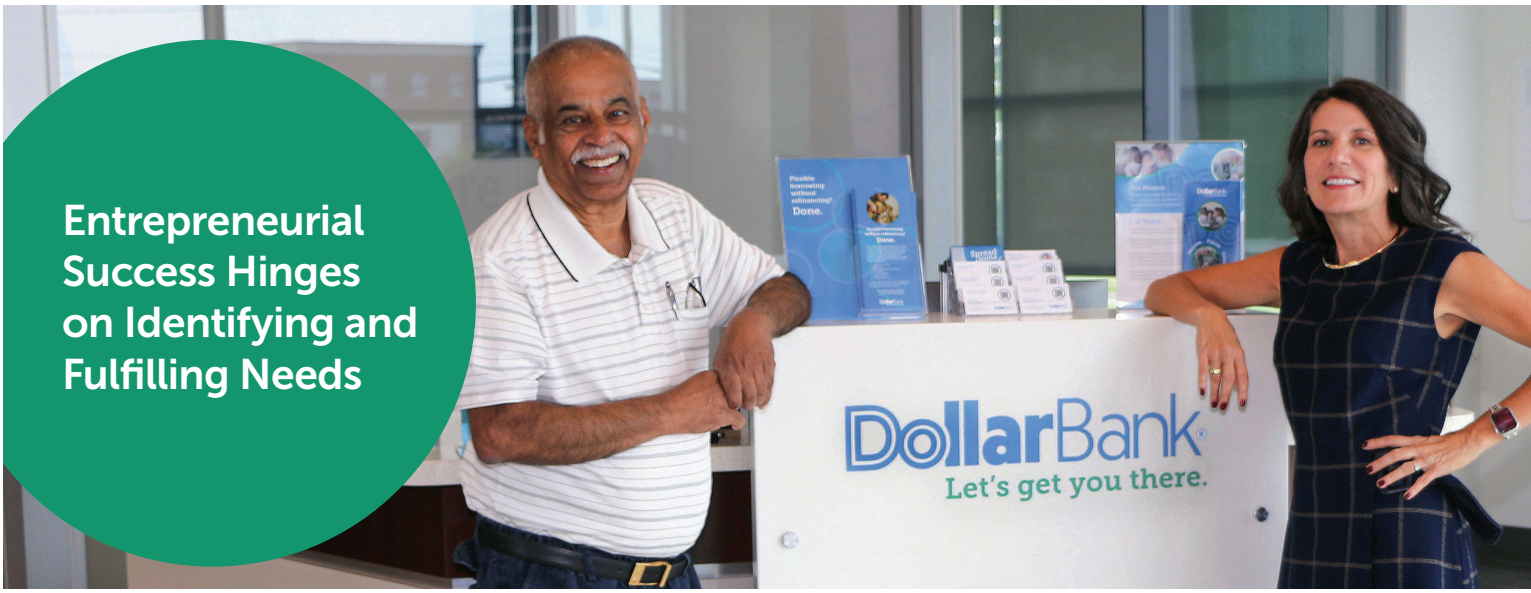
Merchant Services Sales Officer

Brandee is a merchant services sales officer with 25 years of banking and relationship management experience. She helps businesses meet their banking, merchant processing and fraud protection needs.

Email: artingerbl@dollarbank.com



Entrepreneurial Success Hinges on Identifying and Fulfilling Needs



When healthcare software was in its infancy, Mat Mathews saw a business opportunity. Having worked in administrative capacities at two hospitals over 14 years, Mathews recognized that the software programs being used at those hospitals had no way of communicating with one another. He proposed the idea of establishing a medical software integration company to three potential business partners.

"I asked a pathologist, a software engineer and a hardware engineer to invest $25,000 each, promising to at least double their money within two years," says Mathews. "With our combined $100,000, we started MediScription Inc."

The business grew over the next decade to more than 300 employees. Having made good on his promise of returns, Mathews bought out his partners along the way. Ultimately, he sold the company, walking away with not only a tidy profit but also the 14,000-sq-ft building he had purchased as an investment in MediScription. His next business, Madix Real Estate Investors, was about to take shape.

From software integration to property management

Mathews sought out the best use of his building. "It was 2008, and my attorney advised me that there was a shortage of one- and two-person office suites here in the Virginia Beach market," he explains. "I decided to convert the building into office space to accommodate that need. All of my suites were rented out before I could even finish remodeling them. I had found my gold mine."



Today, Mathews and his grandson own and manage 10 buildings that are, and have consistently been, at or near full occupancy by small business owners and executives. "An average renter occupies the property for less than four hours per day," he says. "We are happy that we can lend a hand to entrepreneurs looking to make their dreams come true."

Mathews attributes his success in part to his commitment to being an approachable, understanding landlord. To ensure he was fully serving the needs of his tenants, he began asking potential lessees these three questions early on:

1. What would convince you to rent from me?
2. What could I do to make the rental process easier for you?
3. What would make you happier as a tenant?

"I found out people wanted a simpler application form, all-inclusive rent (to include utilities and Wi-Fi) and assurance they wouldn't be evicted if they made a late rent payment. We put these ideas into practice and have lost very few renters over the years," Mathews says. "Even while COVID was raging and so much change was taking place, 99% of our renters stayed with us."

As Madix Real Estate continues to invest in the Virginia Beach community, as well as other



Mat Mathews and Julie Bartley, Vice President of Business Banking.

markets, Mathews says he evaluates properties based on their financial feasibility. He does a cost-benefit analysis and charts out the property's expected return on investment. "We look at how much we have to invest and then seek properties that can self-sustain within six months — 12 months at the outside," he explains.

The value of reliable partners

No matter what type of business(es) an entrepreneur chooses to build, financing can be an integral factor in facilitating expansion efforts and day-to-day operations. Mathews relies on Dollar Bank and Virginia Division Vice President and Business Banking Manager Julie Bartley when a lending need arises.

"With many banks, getting a loan can be a monumental task, but Julie has always made it easy. She truly works on behalf of her customers, putting their needs — not the bank's — first. If she says she'll do something, she does it," Mathews says. "Dollar Bank treats me right and helps me move my business forward."

Community Corner

Striving to eliminate food insecurity in Hampton Roads



On Thursday May 9, Dollar Bank volunteers spent the afternoon at the Foodbank of Southeastern Virginia and the Eastern Shore where they packed 468 boxes of food to help feed families and children in the Hampton Roads area.

Driven by a mission to create a hunger-free community, The Foodbank of Southeastern Virginia and the Eastern Shore has distributed more than 360 million pounds of food equating to more than 300 million meals throughout its 4,745 square-mile service area.

In 2023, the organization distributed a record amount — more than 21 million pounds of food — by providing more than 17 million meals to those in need.

$10,000 grant supports healthcare for Hampton Roads residents



Dollar Bank provided a grant of $10,000 to the Macon and Joan Brock Virginia Health Sciences at Old Dominion University (formerly Eastern Virginia Medical School). The funds will be used for the HOPES Free Clinic which provides sustainable healthcare services to underserved residents while promoting a unique learning experience for volunteer student clinicians.

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757-548-7037

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Chesapeake, VA 23320
757-543-0044

Greenbrier 750 Volvo Office
750 Volvo Parkway
Chesapeake, VA 23320
757-233-0349

Tidewater Office
7862 Tidewater Drive
Suite 101
Norfolk, VA 23505
757-233-0499

Brenneman Farm Office
4520 Princess Anne Road
Suite 301
Virginia Beach, VA 23462
757-495-0246

Hickman Place Office
2212 General Booth Boulevard
Suite 240
Virginia Beach, VA 23454
757-427-1088

Great Neck Office & Loan Center
1344 North Great Neck Road
Virginia Beach, VA 23454
757-481-7178
757-481-7234 - Loan Center

Hilltop Office
1932 Laskin Road
Virginia Beach, VA 23454
757-491-4104

Haygood Office
998 Independence Boulevard
Suite A
Virginia Beach, VA 23455
757-233-0885

Landstown Place Office & Loan Center
1909 Landstown Centre Way
Suite 140
Virginia Beach, VA 23456
757-427-0217

Lynnhaven Office
839 Lynnhaven Parkway
Virginia Beach, VA 23452
757-468-0380

Town Center Office
4700 Virginia Beach Boulevard
Virginia Beach, VA 23462
757-233-0001

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