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# THE RADAR BIZ

BY MARK FASS

PHOTOGRAPHY BY CHRISTOPHER T. MARTIN



Internet guru Chris Klaus believes his newest venture, Kaneva, is the canvas of the future.

## THE WIZ *From his Atlanta office, an Internet lord reigns over a magical, 3-D land you may not want to leave once you get there.*

Life could have turned out very differently for Chris Klaus.

In 1994, when the shy, broke, 21-year-old, ex-pizza boy dropped out of Georgia Tech and moved into the spare bedroom of his grandmother's house in Roswell, few would have bet that Klaus was just years away from making his first billion dollars. Luckily for Klaus, an IT executive named Tom Noonan made that wager, selling his beloved BMW, maxing out more than 30 credit cards, and skipping a couple of mortgage payments on the Brookhaven house where he lived with his wife and three young kids in order to finance Klaus' vision: Internet Security Systems, one of the first major players in, you guessed it, Internet security systems.

ISS quickly became one of Atlanta's most successful IT companies, flourishing as others evaporated into thin air like so many bursting bubbles. Over the next decade the company would grow to more than 2,000 employees, including 800 at its Barfield Road headquarters. ISS's clients came to include nearly every major U.S. bank, 21 out of the country's top 25 telecommunications companies and virtually all of Wall Street, according to Klaus. Last August, IBM purchased Klaus' brainchild for \$1.3 billion—the fifth biggest purchase in Big Blue's 120-year history.

These days Klaus, a 33-year-old whose cherubic cheeks make him appear even younger, is betting a sizeable chunk of that payday on a second life or, more specifically, on Kaneva, which will compete with Second Life, the wildly popular online virtual universe. Whereas Second Life offers its 7 million users the ability to guide their online aliases (or "avatars") through a fantasy world of people, aliens, dragons and whatnot,

Kaneva offers a more, um, realistic fake world. Klaus intends for Kaneva—Latin for blank canvas—to provide a 3-D alternative to Web browsing, a chance to surf the Internet using characters who essentially walk from site to site. On Kaneva, users will visit each others' virtual apartments to watch videos or listen to music, go to the mall and flirt with other hot young avatars and shop at real-world stores, or drop by user-created "hangouts" for more socializing with friends and strangers. Kaneva thinks of itself as Second Life minus the dragons plus MySpace and a touch of YouTube and, eventually, even Amazon.com.

In a nutshell, Klaus foresees a world in which 3-D, Kaneva-esque browsing replaces the language-based template typified by Google. "I think that in the long term, every business could have its own 3-D Internet server," Klaus says. "We're really at a point that looks like 1995, in the sense that the Web server and the browser were just emerging. I think that the 3-D Internet is just emerging and that there will be thousands or millions of 3-D worlds to visit."

Klaus' ability to make such a multimillion-dollar wager can be traced to his father's decision to purchase a Commodore 64 personal computer when Klaus was about 11, back in his hometown of Sarasota. After he tired of playing games, Klaus took to programming. He'd type in the script as his father, a criminal-defense attorney, read him endless pages of assembly code straight from *Byte* magazine. Inevitably, a typo managed to find its way in, which meant Klaus had to delve back into the program to find that "1" that should have been a "0." CONTINUED...

Left to right: Attractions in the Virtual World of Kaneva include member Lady Luck's name; Chris Klaus' avatar; and Club ATL. Below: The Christopher W. Klaus Advanced Computing Building at Georgia Tech



...CONTINUED Somehow, he was hooked.

Fast forward about seven years to 1991 and a summer internship at the elite Lawrence Livermore National Laboratory, just west of Oakland, California. By now, the science-fiction-loving Georgia Tech incoming freshman was thinking about the future of the Internet, even as the World Wide Web was just being developed. When German hackers began to breach the Lab, Klaus volunteered to create its virtual night watchman. "I was kind of fascinated by computer security," he says. "Even when I was like 6 or 7 years old, I was into chess and mental challenges. I guess if you're learning assembly code, you really got off on that. Computer security fell into one of those spaces."

As the Internet was only in its infancy, there was no "Internet Security for Dummies" to rely on. "I started building some software that would scan the network looking for weaknesses and print a report," Klaus recalls. "It would find machines that people weren't even aware of—you'd find printers and all sorts of crazy stuff [logged onto the lab's system]. It was like doing the rounds of a building and finding all the open doors and windows that were unlocked."

Over the next year, Klaus began posting his software for free on online bulletin boards. Then, with help from Noonan, whom he met through a mutual friend, he started up Internet Security Systems, which went from his grandmother's poker table to offices in Atlanta, Brussels and Tokyo in less than three years. In 1998, the company went public, with

share values nearly doubling from \$22 to \$40 on day one. Until the stock price later tumbled a bit, Klaus and Noonan were both paper billionaires.

Klaus' friends say that while everything has changed for their old buddy, nothing has changed about him. "I've seen him go from introvert to really visionary to a mature young man with a family," says John Imlay of Imlay Investments, one of ISS's first backers. "Now he's on his second life. Well, I shouldn't say *second life*—that's a competitor." As Klaus' old partner, Tom Noonan, puts it: "He's significantly less introverted. He's more confident from a social perspective, but he's the same guy inside."

Klaus, for example, still plays racquetball about once a week, though now he does so on his own indoor court, in the plus-size house between Buckhead and Vinings where he lives with his wife and two sons, 4 and 6. He no longer has time for sci-fi books, he says, though he occasionally hangs out with his neighbors. It's a different group of guys, though, than back in Sarasota. Like hip-hop producer Dallas Austin, for example, who lives next door and has introduced him to the likes of such fellow hip-hop stars as Ludacris and Sean Garrett. "I wouldn't say Ludacris and I are tight buddies or anything," Klaus hedges, then adds: "He's got a pretty amazing Porsche."

Although Klaus' creation will eventually constitute an alternative universe, it currently resembles only a virtual ghost town. More than 250,000 people have already joined the virtual 3-D community, but at any given time only about 50 to 100 can be found meandering around its public spaces. They chitchat (via instant messenger) at the mall, dance (at the click of a button) at the nightclub, or explore such hangouts as the Pizzeria, the Phantom Lair and Club R&B.

Kaneva undergoes a major evolutionary step every few months, Klaus says, inching closer and closer to reality. The avatars, which currently look less like their owners and more like square-jawed video game characters (Klaus' own buffed-out character resembles the secret alias of a superhero), will ultimately "map your real-life avatar" (i.e., your own body), Klaus says. "We're removing the barriers to thinking you're acting with actual people," he explains. Over the next month, users will be able to experiment with different body sizes, more hair styles and a variety of facial structures. Perhaps Klaus' avatar's cheeks will become more cherubic. Eventually, users will dress their characters by opening up their online closet, rather than clicking an icon within their inventory file.

Kaneva has time to work out such kinks. The universe is still in beta form and won't go live for another year or so. In the meantime, Klaus and 40 employees continue to lure real-world vendors online, license the platform for other uses and create virtual goodies enticing for users to bust out real dollars. Klaus continues to fund the company on his own, though he says he may take on investors at some point.

Once Kaneva is up and running, it's easy to imagine Klaus moving on to new challenges. Perhaps he will return to Georgia Tech, where he showed up when it named its new computer center in his honor—a thank you for the \$15 million he donated to the university that he, at least theoretically, still attends. "I've been on a long break," he laughs. **A**

For more information, visit [www.kaneva.com](http://www.kaneva.com).