Vertican Technologies, Inc.

Vertiply Compliance – An introduction to comprehensive compliance management software

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Executive Summary

No businesses can avoid standards and regulations; nor should they want to. In addition to helping to manage risk, standards and regulations are equally important in supporting growth and achieving success. But, since risk can take varied and sometimes subtle forms, and since different businesses have different success goals, the challenge is to define *your strategy* to meet the unique requirements of *your business.*

Your strategy should reflect your success goals, as well as your regulatory compliance requirements. Once you have defined your strategy, the next step is to manage your compliance records, in support of your compliance strategy. Your records should be complete and unimpeachable. They should be well organized and easily accessible to both management and outside auditors.

Vertiply Compliance is new, comprehensive compliance management software from Vertican Technologies, Inc. It is flexible and secure, allowing you to control how you distribute and enforce policies and procedures, test employees, monitor key aspects of employee behavior, and much more. In addition to support for standard industry and client requirements. Vertiply Compliance also supports *your* rules, *your* deadlines and *your* compliance strategy, and provides proof of compliance, quickly, easily and professionally.

Because there are two dimensions to compliance; what you need and do *internally*, and what your *external* vendors and business partners need and do, Vertiply Compliance works seamlessly with the VertiplyDataLink (VDL). The VDL is a secure, web-based portal designed to manage multiple business partners who use Vertiply Compliance. The VDL automatically aggregates Vertiply Compliance data from an unlimited number of Vertiply Compliance systems, providing single point management on all compliance related matters, for every business partner.

The most effective way to manage risk is to be proactive, with a strategy that will work for you and your specific needs. Vertiply Compliance, in conjunction with the VDL, are tools that are designed to leverage *your* strategy to achieve *your* compliance goals, in your business and throughout your business ecosystem.

Definitions (Debt Collection Version):

- <u>CREDIT GRANTOR</u> - Any person or organization that extends credit to any person or organization. At the time such credit is extended, the CREDIT GRANTOR is simultaneously the DEBT OWNER, and is special class called the ORIGINAL DEBT OWNER. There will only ever be one ORIGINAL DEBT OWNER on any debt.

- <u>ISSUER</u> - A specific type of CREDIT GRANTOR that extends credit by sending credit cards to individuals and organizations.

- <u>HEALTH PROVIDER</u> – A specific type of CREDIT GRANTOR, typically a hospital, which extends credit by supplying health care services to consumers.

- <u>DEBT OWNER</u> – Any individual or organization having debt that is owed to them. This is almost always a CREDIT GRANTOR or DEBT BUYER.

- <u>DEBT BUYER</u> – Any person or organization that purchases delinquent receivables from an existing DEBT OWNER. Once the buyer purchases the receivables they become the DEBT OWNER.

- <u>SERVICER</u> – Any individual or organization that works to collect delinquent debt for a DEBT OWNER. Servicers are typically collection agencies and law firms.

- <u>FORWARDER</u> – Any individual or organization that retains or hires a SERVICER to attempt to collect debt. FORWARDERS are either DEBT OWNERS or SERVICERS.

- <u>VERTIPLY COMPLIANCE</u> – Compliance tracking software used to compile compliance data in a SERVICER office and from a SERVICER's internal computer system.

- <u>VertiplyDataLink (VDL)</u> - A secure web portal used by DEBT OWNERS to access and manage case and compliance information aggregated from one or more Vertiply Compliance systems being used by their SERVICERS.

Product Descriptions (Debt Collection)

Vertican Technologies' two compliance solutions, Vertiply Compliance and the VertiplyDataLink (VDL) are a robust set of tools designed to improve the management of compliance-related data for any organization involved in the receivables management life cycle, while dramatically reducing the cost of gathering, organizing and presenting that data.

Vertiply Compliance

Vertiply Compliance is desktop software, installed on the systems of any organization that needs to gain greater control over its internal compliance requirements. Typically, in the receivables management arena, these are the organizations that are downstream from the ORIGINAL DEBT OWNER, including DEBT BUYERS and all SERVICERS.

Vertiply Compliance is feature rich, intuitive and easy to use. It supports multiple classes of employees, with system privilege hierarchy controlling system functions such as policy distributions and employee testing. It has an easy "drag and drop" interface to store any type of electronic media, such as complaint letters from consumers or recorded phone calls. It fully tracks proper remediation efforts on all appropriate issues, including the ability for each employee to affirmatively acknowledge receipt of new policies, or remediation testing, etc. It has secure, internal intra-organization communication ensuring proper compliance related notification to appropriate managers throughout the company. Vertiply Compliance is designed to ensure that nothing related to compliance issues will ever be overlooked or left unresolved. Regarding audits, Vertiply Compliance's ODBC access allows for the presentation of compliance-specific data and reports according to specific audits. It is the ultimate audit presentation tool.

VertiplyDataLink (VDL)

The VDL is a web-based service that aggregates compliance data from multiple, individual Vertiply Compliance systems. Through the VDL portal, all Vertiply Compliance users throughout the collection ecosystem can easily and securely manage their own compliance efforts, and those of their business partners, from a single location. The VDL will accommodate an unlimited number of simultaneous business partners who are using Vertiply Compliance.

The VDL can manage the distribution of policies and procedures, monitor employee training and testing, track complaints from consumers and any regulatory body, ensure proper remediation, track quality assurance data from recorded phone calls, monitor vendor management protocols, and more. The aggregated data is displayed on a single, secure website with full search, filter and custom reporting capabilities.

Every Vertiply Compliance system is fully compatible with the VDL. Vertiply Compliance users can begin to take advantage of the VDL by simply gaining the consent of all participants, who then set their respective job schedulers to send data through the VDL. The exchange of data by Vertiply Compliance through the VDL portal is then fully automated. The VertiplyDataLink leverages the power of Vertiply Compliance in the office into an ecosystem-wide compliance management solution.

<u>Vertiply Compliance Product Features</u>

Policies and Procedures - Managing Document Distribution

- Distribute or update throughout organization
    - o Respects internal hierarchy and policies
    - o Ability to require acknowledgement by each user

- One click access to all documents
    - o PDF
    - o Word
    - o WordPerfect

- Track policy effective dates
    - o Start date
    - o End date
    - o Policy revision date
    - o Policy deactivation date

- Custom designed user notification
    - o Individual user acknowledgement of receipt
    - o Individual user acknowledgement of reading and understanding

- Easily track policy distribution status
    - o Date and time
    - o Color coded – red and green

- Notify users of new compliance requests
    - o External email (requires pop email)
    - o Internal notification system (bulletin board)

Complaint Tracking

- Complaints from consumers or regulatory authorities
  - Designated as "Complaints" in Vertiply Compliance

- Complaints from internal team member
  - Designated as "Issues" in Vertiply Compliance

- Auto-import complaints and issues from resident case management software

- Log type of complaint
  - CFPB definitions
  - Internal definitions

- Log complaint target
  - Department
    - Responsible manager
  - Individual
    - Responsible manager

- Manage entire complaint life cycle
  - Unlimited notes
  - Drag and drop document management
  - Change log automatically records every action and every field change with time and date stamp
  - Every complaint can be associated with remediation
    - New policy and/or procedure
    - Additional training
    - Additional testing
    - Other remediation

- Communicate with business partners
  - Complaint data easily transmitted and aggregated through VertiplyDataLink

- Complaint reporting
  - New complaints
  - Active complaint status
  - Closed complaints
  - Aging of complaints
  - Source of complaints
  - Sorting and grouping to detect patterns
  - Complaints by department
  - Full data mining using ODBC access
  - User-defined reports
  - Auto reporting using job scheduler

Call Auditing

- Pass/fail for each audit

- Fail reports by group and subgroup

- Multiple user-defined data points tracked for each call (binary Y/N)
    - Account manager identify self
    - Confirm consumer ID
    - Right party contact
    - Identify company
    - State call purpose
    - Call recording disclosure
    - FDCPA disclosure
    - Statute of limitations disclosure
    - Cease and Desist on file
    - Bankruptcy on record
    - Represented by attorney
    - Call placed outside proper timeslot
    - Hung up
    - Confirmed wrong number
    - Call to blocked number
    - Call to cell without consent
    - State-specific disclosure

- Import audit results from spreadsheet

- Manage entire call audit life cycle
    - Unlimited notes
    - Drag and drop document management
    - Change log automatically records every action and every field change with time and date stamp
    - Every call audit can be associated with remediation
        - New policy and/or procedure
        - Additional training
        - Additional testing
        - Other remediation

- ODBC access to data to improve processes

Training Logs

- Track training taken by any staff

- Notify users of new training
    - External email (requires pop email)
    - Internal notification system (bulletin board)

- Instructions to acknowledge training received

Test Taking Logs

- Import tests
    - FDCPA and other official industry tests
    - Custom designed tests easily imported from spreadsheet

- Designate test takers
    - External email (requires pop email)
    - Internal notification system (bulletin board)

- Multiple choice tests
    - Permanent answer log for each test taker
    - Immediate pass/fail feedback to test taker
        - Ability to show correct answer to test takers to improve learning

- Link test to Training ID or Policy & Procedures ID for easy cross reference and remediation

Remediation

- Links throughout system
    - All complaints and audits linked directly to remediation
        - New training
        - New testing
        - New policies and procedures
        - Etc.

    - Dates, times, and multiple responsible individuals logged

- Data mining remediation logs
    - Improve processes

Bulletin Board
- Notepad box on the main Vertiply Compliance screen for public posting and internal notification

Dashboard

- The dashboard is available for ADMIN users. The dashboard is used to view a snapshot of the following metrics:
    - New complaints where review has not yet been completed
    - Complaints with unfinished remediation
    - Employee remediation not completed
    - Complaints with tasks past due date
    - Vendor audits due
    - New complaints
    - Complaints resolved/closed
    - Policy not acknowledged after distinguished period of time
    - Tests due
    - Training not acknowledged after distinguished period of time
    - Vendor audits failed but still active

VertiplyDataLink

- Currently read only
- Planned read/write – Manage specific sections of portfolio
    - Add notes to internal and external files
    - Add to internal diary
    - Add to external diary
    - Add vDocs

Vendor Compliance Tracker

- Track all vendors who may have access to confidential data
    - Record NDAs and other documents signed by vendor regarding confidentiality
        - Drag and drop document management

    - Record vendor certification of compliance
        - Drag and drop document management

Other Details

- Vertiply Compliance is client-server software installed on users' systems

- Networked software for simultaneous access

- ODBC access
    - Detailed data dictionary provided

- Tiered hierarchy with SaaS licensing
    - Administrators
    - Managers
    - Users

- Case management software integration
  - Q-Law
  - Collection-Master