



SOC 3 Report

Report on the Critical Document Services System Relevant to Security, Availability, Processing Integrity, and Confidentiality

For the period of May 1, 2015 to April 30, 2016



Report of Independent Accountants:

To the Management of WALZ Group:

We have examined management's assertion that WALZ Group ("WALZ") during the period May 1, 2015 to April 30, 2016, maintained effective controls over its Critical Document Services (Services Environment) to provide reasonable assurance that:

- the Services Environment was protected against unauthorized access (both physical and logical);
- the Services Environment was available for operation and use as committed and agreed;
- the Services Environment was complete, accurate, timely, and authorized;
- information from the Services Environment designated as confidential was protected as committed or agreed; and

based on the AICPA/CPA Canada Trust Services for Security, Availability, Processing Integrity, and Confidentiality. This assertion is the responsibility of WALZ's management. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included (1) obtaining an understanding of WALZ's relevant security, availability, processing integrity, and confidentiality, (2) testing and evaluating the operating effectiveness of the controls; and (3) performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Because of inherent limitations in controls, error or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that the validity of such conclusions may be altered because of changes made to the system or controls, the failure to make needed changes to the system or controls or deterioration in the degree of effectiveness of the controls.

In our opinion, WALZ's management's assertion referred to above is fairly stated, in all material respects, based on the AICPA/CPA Canada trust services criteria for security, availability, processing integrity, and confidentiality.



San Jose, California

June 10, 2016

WALZ Group's Management's Assertion:

WALZ Group maintained effective controls over the security, availability, processing integrity, and confidentiality of its Critical Document Services (Services Environment) to provide reasonable assurance that:

- the Services Environment was protected against unauthorized access (both physical and logical);
- the Services Environment was available for operation and use as committed and agreed;
- the Services Environment was complete, accurate, timely, and authorized;
- information from the Services Environment designated as confidential was protected as committed or agreed; and

during the period May 1, 2015 to April 30, 2016, based on the AICPA/CPA Canada Trust Services Criteria for Security, Availability, Processing Integrity, and Confidentiality.

Our attached System Description of the Services Environment summarizes those aspects of this system covered by our assertion

Sincerely,

A handwritten signature in black ink, appearing to read "Rod Walz". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mr. Rod Walz
President
Walz Group
June 10, 2016

System Description of WALZ Group

WALZ Management

WALZ management team represents 90 years of executive and technology leadership in financial services, technology, and management consulting. WALZ' experienced and highly qualified management ensures that the client's Critical Document Services and Certified Mail® fulfillment is processed in a secure, reliable, timely and cost effective manner.

Rod Walz - Founder/President

Rod is the founder of the WALZ and a visionary who, over the past 37 years, has pioneered multiple award-winning enterprise software solutions and services that have significantly improved processes and reduced operational costs of educational, corporate and government entities in the United States.

Beginning in 1976, Rod developed and marketed the first financial aid eligibility software in the nation that transformed the approach to analyzing eligibility for loans and grants. In 1981, he introduced the first software program to fully automate the foreclosure process for mortgage trustees in California. During this time, he invented and patented the WALZ Certified Mailer™, the first automated form set for preparing USPS® Certified Mail that has been marketed nationally to over 3,600 clients with sales of over 200 million Certified Mailers. In 1990, he pioneered and marketed the first software application, WALZ Item Tracking System (WITS) used by large corporations and government entities to track "accountable" items such as inbound UPS, FedEx, etc. and critical internal documents. In 2002, he developed and introduced the first, highly secure outsourcing service focused specifically on the full life-cycle processing of default and breach notices for mortgage servicers, trustees, foreclosure attorneys and for other consumer debt-related industries.

Rod holds degrees in both marketing and education from St. John's University including graduate studies at New York University (NYU) and City University in New York, has been a speaker at numerous national conventions and led seminars on personal growth.

Brad Knapp - Executive Vice President

As Executive Vice President at WALZ, Brad is responsible for corporate strategy, business management and customer facing aspects of WALZ, including Sales & Marketing, Product Development, Client Services, and Information Technology. Brad has more than 30 years of banking, mortgage, real estate and compliance leadership experience. Prior to joining WALZ, Brad founded BREO, a national real estate valuation and REO outsource solution provider for banks, credit unions and mortgage servicers. Just prior to founding BREO, Brad was President of Citigroup's Residential Mortgage Warehousing subsidiary, First Collateral Services, the nation's preeminent warehouse lender to correspondent mortgage bankers. Before joining Citi, Brad was Senior Vice President for Associates Housing Finance. Brad graduated from San Diego State University with a Bachelor's degree in Finance.

Robyn Arreola - Senior Vice President, Business Strategy

Robyn Arreola currently serves as Senior Vice President, Business Strategy and has devoted over 17 years with WALZ. Her innate passion for exceptional customer service, a strong dedication to quality client management and solving business challenges, demonstrate her organizational and strategic expertise in client relations and implementation. During her tenure at WALZ, Robyn has successfully led our production department, implemented HR policies and procedures, and established a nationwide dealer network to include training and technical support. On a personal note, Robyn is a passionate supporter of the military; often coordinating gift drives and donations for active duty Marines and their families while on deployment.

Maria Moskver - Chief Compliance Officer and General Counsel

Maria Moskver, Esq. possesses a background of over 15 years in consumer financial services. Eight of these years are primarily focused on consumer financial services compliance, including extensive knowledge of TILA, RESPA, FCRA, FDCPA, CFPB, and state specific regulations and licensing. Maria has served as Chief Compliance Officer and Senior Compliance Counsel to companies within the financial services industry prior to joining WALZ. Most recently, she served as General Counsel at a special servicer. She has additional financial services experience in bankruptcy, loss mitigation, and operations management. Maria is a participant in the Legislative and Regulatory Practice Group of the ALFN, State Government Affairs Committee of the American Financial Services Association, the Publications Committee of the USFN, and the State Legislative and Regulatory Committee of the Mortgage Bankers Association. She spoke on the CFPB Rules Webinar held by ALFN in April 2013, will be a panelist at the Five Star Conference & Expo 2014, and moderates a semi-monthly compliance webinar for WALZ clients covering both state and federal legislative changes.

Kevin Miller - Senior Vice President, Finance and Accounting

Kevin Miller serves as Senior Vice President, Finance and Accounting at WALZ and has over 20 years in extensive finance, accounting and operational management in a number of diverse industries including retail/wholesale distribution, manufacturing, information technology, and financial services. Prior to joining WALZ, Kevin held the Chief Financial Officer (CFO) position for C2:8 and NOTW where he was responsible for multiple companies improving operations, business growth and maximizing profits through achievements in finance management, cost reductions, internal controls, and productivity/efficiency improvements.

Kevin is a Certified Public Accountant (CPA) and graduated from University of Southern California (USC) with a Bachelor of Science degree in accounting.

WALZ Capabilities

Client Base: WALZ currently processes default and foreclosure notices for the five largest mortgage servicers. WALZ is the clear leader among the top ten mortgage servicers. WALZ also provides services to 5 of the top 10 vehicle finance companies, and collectively, its clients comprise more than a quarter of the Fortune 100. WALZ also manages notices for the leading trustees/foreclosure attorneys.

Stringent Security Safeguards: WALZ passes all of the large financial services organization's stringent security audits and also received the Verizon Certification within the Verizon Security Management program. This certification reflects WALZ' continued compliance with an extensive and continuous security assurance process, and validates the presence of risk reduction practices.

Regulatory Compliance: WALZ has worked with clients to proactively comply with the increasingly emerging new state and federal regulations. WALZ is the only firm specifically focused on Compliance/Regulatory requirements and staffs a Compliance Research team that covers all 50 states.

Partnership with Leaders: WALZ' TrackRight™ technology and rigorous Certified Mail and returned mail handling process have been selected by industry-leading print-and-mail vendors. WALZ currently works with these companies to offer clients a comprehensive paper and electronic communications solutions – spanning statements, document creation/management, electronic bill presentation and payment (EBPP), critical mail, and returns management.

Client Service Portal: TrackRight is a secure, web-based client-service portal used by clients to view correspondence, returned mail, return receipt images, and USPS firm mailing books. The dynamic search engine in TrackRight is intuitive and easy to use so any level user can easily view images of the notices sent to the borrower, signed green cards, and also view all tracking information for each borrower correspondence.

Business Continuity Planning: WALZ processes over 1,500,000 mail pieces per month simultaneously from two “hot swappable” and concurrent physical facilities (Temecula and Phoenix) and has two redundant data centers (San Diego and Phoenix).

Management Controls

Executive Management Oversight: The President and members of the executive team take a “hands-on”, active role in WALZ operations as participants in weekly senior management meetings.

Communications: Department heads have bi-weekly meetings with the Executive team to review departmental status updates, and discuss corporate and/or inter-departmental matters. Recurring implementation meetings and deployment meetings are conducted to address project objectives, weekly plans, and activities.

Human Resource Management: WALZ management understands that a secure, quality operation requires an ethical, responsible and competent staff. Company policies and standards are clearly communicated to employees through formal documentation, close supervision and training. WALZ employees are provided a comprehensive Employee Handbook that covers a wide range of control considerations, clearly stated disciplinary procedures and grounds for termination. Documented policies include:

- At-Will Employment
- Standards of Conduct
- Building Security
- Information/Data Security
- Confidentiality/Non-disclosure of Company and Client Information
- Possession and Use of Company Property
- Internet, Email and Phone Use
- Safety Standards
- Drug and Alcohol Use
- Conflicts of Interest
- Outside Employment

Security Controls

Employee Confidentiality and Security: Prior to employment, all employees, including temporary and contract to hire positions, must pass a drug screening, and third party criminal background checks covering ten years. All employees are required to sign an *Employee Confidentiality Agreement* stating that all customer data, as well as WALZ information, is kept confidential.

Physical Security: WALZ has established physical security controls to safeguard the Company's assets. Premises are secured with intrusion alarm systems to detect unauthorized access. Access to facilities with infrastructure equipment is restricted to authorized personnel only. Hardware and network infrastructures are protected by fire detection and prevention systems, environmental controls, and redundant power sources. Production and development servers are logically separated.

Visitor/Guest Procedures: Visitors check in at the lobby and must provide identification to authorized personnel. Visitors are assigned a visitor's badge and are escorted through the restricted facilities.

Data Security: All client data is stored in secure locations with access limited to authorized personnel. Client data resides on a hardware level-encrypted storage platform within secured data facilities. Incident response procedures are clearly documented. Non-disclosure and confidentiality requirements, which identify the responsibilities of each party, are expressly stated in the terms and conditions of service agreements. Shredding of confidential printed documents containing personalized customer data is performed on the premises by a commercial shredder service.

Network Security: WALZ maintains a system security control environment that effectively protects information from unauthorized access. The Company maintains network authentication and access controls as well as secure login procedures. The *WALZ Employee Handbook* outlines clear sanctions addressing failure to comply with the Company's confidentiality and security procedures. Data communications between WALZ and third parties is secured by an infrastructure that limits unauthorized access from external networks. File transfers are encrypted and firewalls are in place. Intrusion detection and virus protection software are also deployed.

Equipment Security: WALZ implements several equipment security safeguards to prevent loss damage and/or compromise of assets and interruption to business activities. These equipment security safeguards may include but are not limited to the following:

- Geographical environmental considerations
- Climate monitoring
- Physical access restrictions
- Electrical protection
- Equipment maintenance (PM and corrective)
- Equipment installation/removal to or from production areas
- Equipment disposal (proper authority to dispose or reuse after information removal)
- Portable devices (e.g., laptops, USB flash drives, tape) restrictions

Transmission and storage of electronic production data is protected using secure encryption algorithms.

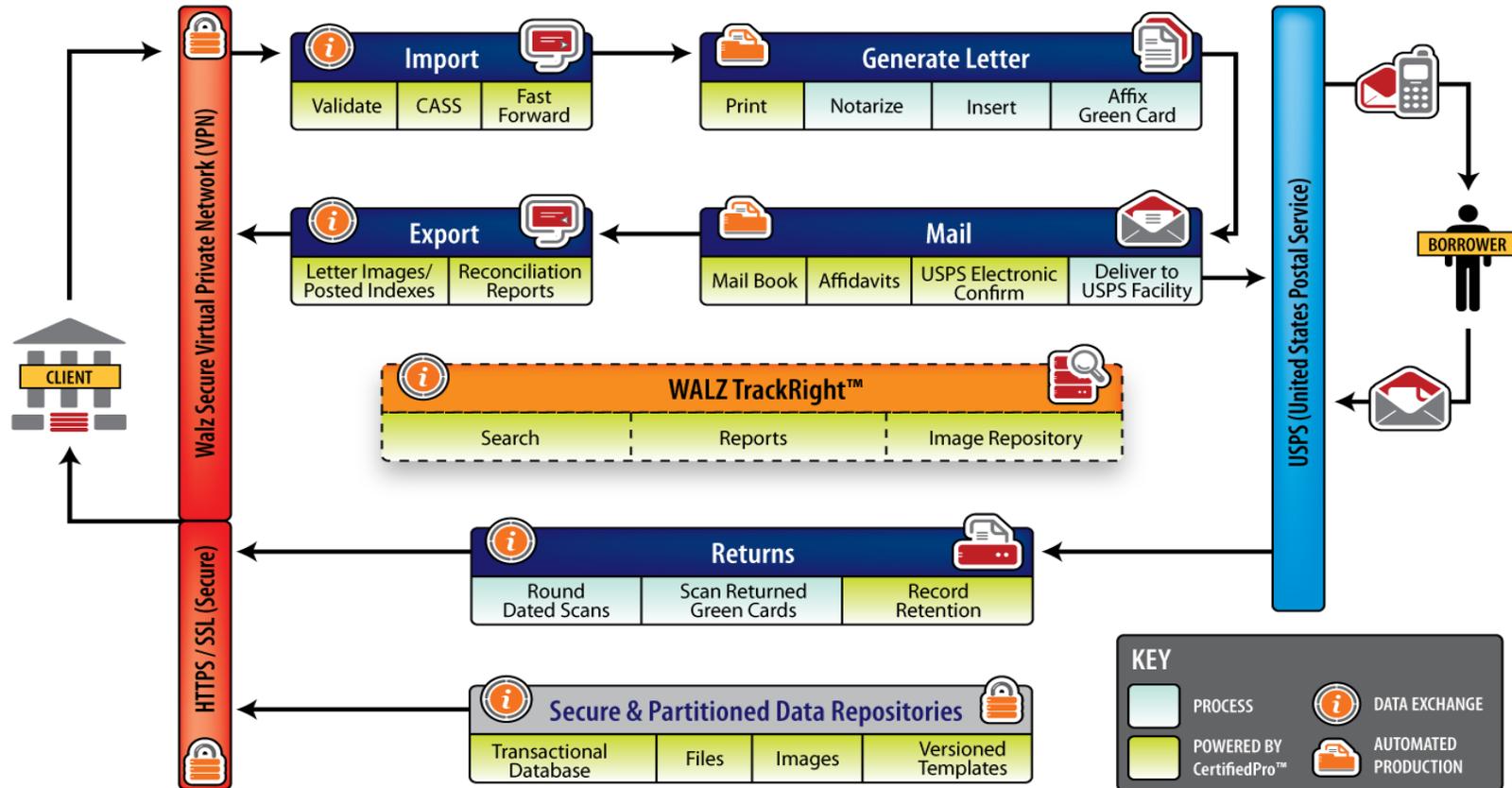
Computer Operations Controls: The Company's production hardware is maintained at co-location facilities in a manner that ensures maximum availability, with redundant power systems for the hardware used for client applications. Systems are routinely monitored for reliability and availability. Alerts are generated and escalation procedures are executed if interruptions are detected.

Service Application Controls: WALZ' client applications are developed, maintained, and documented in accordance with established standards and guidelines. Development and test environments are logically isolated from the production environment.

Business Continuity/Disaster Recovery Plan

The Company maintains updated business continuity and contingency plans to minimize disruption of client services in the event of a service interruption or disaster. WALZ operates two primary operational facilities: one in Temecula, CA; and another in Phoenix, AZ. These facilities are active-active and the recovery strategy is to switch print fulfillment to the alternate facility that remains available. This active-active design enables real-time fail-over of print and mail fulfillment. The WALZ data processing facilities are active-passive between San Diego, CA and Phoenix AZ. For these facilities, the recovery strategy is to make the passive facility into an active facility. This strategy provides for the recovery of critical applications at the alternate site enabling the resumption of business operations and client processing.

Outsourcing Process Workflow Diagram



OUTSOURCING PROCESS OVERVIEW

WALZ offers outsourced (Outsourcing) solutions to automate the fulfillment and tracking of Critical Communications™, using USPS® Certified Mail® and First-Class Mail®. Critical communications include breach and collection letters, delinquency and default notices, Notices of Default (NOD) / Notices of Sale (NOS) in foreclosure, loan modifications, and other communication with borrowers that are in delinquency/default or foreclosure. These notices are governed by complex federal and state laws, specifying content, timing, and format.

WALZ offers these services to clients through a web-based information portal, TrackRight™. TrackRight offers clients complete access to images of their correspondence, returned mail, green cards, and firm mailing books, as well as advanced reporting and search capabilities for individual mail pieces. WALZ also provides data and reporting capabilities which helps ensure regulatory compliance for clients, and gives clients the ability to execute risk reduction and loss mitigation strategies for individual borrowers.

OUTSOURCING PROCESS WORKFLOW/CONTROLS

1. Import Process – WALZ internal software (CertifiedPro®) evaluates import files for structure, missing data, and inconsistencies to ensure that templates are properly importing data according to client business rules. Data is imported directly from client servicing platforms (e.g., MSP via either Passport Fixed Block Extract/FBE or via ZZ11/Node Printer options). Addresses are optionally run against the USPS Coding Accuracy Support System (“CASSing”) to ensure the correct format, spelling, and Zip+4® digits. WALZ also determines if there are any forwarding addresses on file with the National Change of Address (“NCOA”) database through USPS which is called FASTForwarding. If there are forwarding addresses, WALZ sends additional mailings to those addresses as per client instructions and then transmits the new addresses back to the client to update their mailing records.

2. Print Process – WALZ makes use of a batch control process (batches of 500) to print that requires each production print station to verify individual transaction numbers, print quality and content coherence. Each print batch requires review and quality sign-off before mailing. In addition, a unique 2D Data Matrix/2D Bar Code is printed on each page of every notice, ensuring automated inserting and quality assurance during later stages.

3. Insert Process – WALZ inserting systems rely on an advanced 2D Data Matrix/2D Bar Code matrix reader that verifies that every page of every letter is inserted into the correct envelope. This is complemented by a camera-based sequence reporting system which stops the process when a transaction (e.g., a page or insert) is missing from the batch. This system completely eliminates the danger of double feeds, double-stuffs, and sequence number mismatches.

4. Green Card Affixing – The affixation of green cards is accomplished through a custom-designed (and WALZ patented) green card machine developed in conjunction between WALZ and Bowe Bell & Howell.

This technology utilizes a 2D Data Matrix/2D Bar Code matrix reader that prints and affixes a green card to its companion envelope using an automated scan-detect-print sequence. By automating this process, one of the largest sources of errors -- production staff manually affixing green cards, has been significantly minimized, if not eliminated. WALZ is the only company in the US with the scale in USPS Certified Mail to develop proprietary technology specific to the green card affixing process.

5. Pre-shipping confirmation/QA – At the completion of production, WALZ re-runs every Certified Mail piece through camera-based technology that reads both the front and the back of the letter, thus verifying that the article numbers printed on the green card and the letter match and that every letter is completed in the batch. WALZ utilizes a USPS Firm Mailbook for Certified Mail (USPS Form 3877) for each mail batch. The stamped USPS Firm Mailbook provides non-refutable, legal proof that each piece has been accepted by the USPS.

6. Returns Processing – WALZ receives, scans, and codes each piece of returned mail and each green card. Codes are assigned based on whether letter was returned, refused, undeliverable, returned with forwarding address, signed for, etc.

7. Nightly exports – On a nightly basis, images are uploaded to TrackRight and indexed back to both outbound mail piece and to the borrower's loan number. WALZ also exports digital images of mailed letters, stamped USPS Firm Mailbooks, scanned images of green cards/returned mail, and associated meta-data (e.g., uniquely identified for all images, associated loan numbers, reason codes for returned mail and green cards, etc.). The data is exported in any format (PDF/TIFF images, flat files, tab-delimited, XML, Web Services, etc.) and can be loaded into client document management systems such as FileNet, NewTrack, or Document or management providers such as BKFS, SourceCorp, or ACS.

8. Records Retention – This includes physical storage of returned mail, signed green cards, and USPS Firm Mailbooks or digital storage of the associated images. The storage duration is fully customizable (generally seven years from date of mailing). WALZ can also shred these documents or ship them to the customer, if desired.

9. Integrated Development/Production Quality Controls – WALZ has established multiple layers of quality assurance throughout the setup, development, testing, customer review, and approval prior to deployment to production. The process is administered through a structured implementation process, with documented scope of work and development timelines. This begins with the setup of each job per customer defined specifications and letter templates. Customer-transmitted input file formats and letter templates are verified for accuracy and compatibility. Signoffs are required in the development and processing phases. QC reviews are performed in the production phases of printing, mailing and green card return processing. QC issue logs are maintained in the production departments. Production quality and accuracy are fulfilled through a combination of state-of-the-art automation and manual verification processes.

Client Support

Client Approvals of the service specifications are required at all key decision points during the planning, development and implementation phases prior to the “go live” decision.

TrackRight offers clients complete online access to images of their correspondence, returned mail, green cards, and firm mailing books as well as advanced reporting and search capabilities for individual mail pieces.

Sample Approval Manager (SAM) is a secure, web-based interface for clients to view, approve, and/or decline print ready production letters. Clients can review final letter images prior to WALZ releasing into production for processing. SAM data is categorized into batches by import data and displays actual letters with live data. SAM is easy to use and is available 24/7.

On-Time Processing is facilitated by a detailed production management system and email alerts to the Production Team composed of the Production Group, IT Group, account managers, and the executive management team.

Escalation Procedures are invoked to address any production processing issues. Clients are contacted if there are any quality issues or production delays that may impact agreed upon service levels.

Service Level Management: The Account Representative monitors and reports on the achievement of specified performance criteria and takes corrective action when needed.

Complementary User Entity Controls

Controls have been designed assuming that certain controls would be implemented by user organizations in order to achieve the intended control objectives. Accordingly, users and their auditors should consider whether the following controls have been placed in operation at user entities:

- Controls are in place at user organizations to ensuring that records/files transmitted to WALZ are compatible with the agreed upon format and content specifications.
- Controls are in place to ensure that user organizations are responsible for notifying WALZ when changes are made to technical, billing, or administrative contact information.
- Controls are in place to ensure that user organizations are responsible for administering employee accounts to ensure that only authorized individuals have access to confidential data.
- Controls are in place to ensure that user organizations review and approve all forms for letters, inserts, envelops, etc. prior to authorizing a transfer to production.
- Controls are in place to ensure that user organizations are responsible for notifying WALZ of any regulatory changes that may affect services provided by WALZ.

Trust Services Principals and Criteria

Trust Services are a set of professional attestation and advisory services based on a core set of principles and criteria that address the risks and opportunities of IT-enabled systems and privacy programs. The following principles and related criteria are used by practitioners in the performance of Trust Services engagements:

- **Security.** *The system is protected against unauthorized access (both physical and logical)*
- **Availability.** *The system is available for operation and use as committed or agreed*
- **Confidentiality.** *Information designated as confidential is protected as committed or agreed*
- **Processing Integrity.** *System processing is complete, accurate, timely, and authorized*

The trust service principal criteria of security, availability, confidentiality, and processing integrity are used to evaluate whether a system is reliable.

Security

The system is protected against unauthorized access (both physical and logical).

The security principle refers to the protection of the system components from unauthorized access, both logical and physical. In e-commerce and other systems, the respective parties wish to ensure that information provided is available only to those individuals who need access to complete the transaction or services, or follow up on questions or issues that may arise. Information provided through these systems is susceptible to unauthorized access during transmission and while it is stored on the other party's systems. Limiting access to the system components helps prevent potential abuse of system components, theft of resources, misuse of software, and improper access to, use, alteration, destruction, or disclosure of information. Key elements for the protection of system components include permitting authorized access and preventing unauthorized access to those components.

Availability

The system is available for operation and use as committed or agreed.

The availability principle refers to the accessibility to the system, products, or services as advertised or committed by contract, service-level, or other agreements. It should be noted that this principle does not, in itself, set a minimum acceptable performance level for system availability. The minimum performance level is established through commitments made or by mutual agreement (contract) between the parties.

Confidentiality

Information designated as confidential is protected as committed or agreed.

The confidentiality principle focuses on information designated as confidential. Unlike personal information, which is being defined by regulation in a number of countries worldwide and is subject to the privacy principles, there is no widely recognized definition of confidential information. In the course of communicating and transacting business, partners often exchange information they require to be maintained on a confidential basis. In most instances, the respective parties wish to ensure that the information they provide is available only to those individuals who need access to complete the transaction or resolution on any questions that arise. To enhance business partner confidence, it is important that the business partner is informed about the entity's confidentiality practices. The entity needs to disclose its practices relating to the manner in which it provides for authorized access to and uses and shares information designated as confidential.

Processing Integrity

System processing is complete, accurate, timely, and authorized.

The processing integrity principle refers to the completeness, accuracy, timeliness, and authorization of system processing. Processing integrity exists if a system performs its intended function in an unimpaired manner, free from unauthorized or inadvertent manipulation. Completeness generally indicates that all transactions and services are processed or performed without exception, and that transactions and services are not processed more than once. Accuracy includes assurances that key information associated with the submitted transaction will remain accurate throughout the processing of the transaction and the transaction or services are processed or performed as intended. The timeliness of the provision of services or the delivery of goods is addressed in the context of commitments made for such delivery. Authorization includes assurances that processing is performed in accordance with the required approvals and privileges defined by policies governing system processing.

Security Principle and Common Criteria Table

The system is protected against unauthorized access (both physical and logical)

CC 1.0 Common Criteria related to Organization and Management

CC 2.0 Common Criteria Related to Communications

CC 3.0 Common Criteria Related to Risk Management and Design and Implementation of Controls

CC 4.0 Common Criteria Related to Monitoring of Controls

CC 5.0 Common Criteria Related to Logical and Physical Access Controls

CC 6.0 Common Criteria Related to System Operations

CC 7.0 Common Criteria Related to Change Management

Availability Principle and Criteria Table

The system is available for operation and use as committed or agreed

A 1.0 Additional Criteria for Availability

Confidentiality Principle and Criteria Table

Information designated as confidential is protected by the system as committed or agreed.

C 1.0 Additional Criteria for Confidentiality

Processing Integrity Principal and Criteria Table

System processing is complete, accurate, timely, and authorized.

PI 1.0 Additional Criteria for Processing Integrity