

RegEd Announces Expansion of Audit Management Services

Bundled Technology and Consulting or Outsourcing Services Establishes High Watermark for Branch Audit Compliance

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Raleigh, North Carolina: RegEd, the leading provider of technology solutions for Audit, Compliance and Risk Management for the financial services industry, announced today that it has expanded its Audit Management capabilities to include branch audit program Consulting Services and Outsourcing Services.

Today RegEd is the market leader in branch audit technology, which is currently employed by broker dealers to manage over 150,000 audits annually. RegEd's Audit Management solution provides a comprehensive and fully-integrated system for scheduling and conducting branch audits and efficiently managing the post-audit remediation process. It features a control center to monitor the status of all exams targeted, in progress and post-exam results and remediation, enabling firms to drive new levels efficiencies in the branch audit process while significantly mitigating risk.

There is heightening FINRA scrutiny of branch audit management with a critical focus on the overall branch audit process. According to the FINRA 2012 Year in Review, FINRA initiated 1,846 routine examinations, more than 800 branch office examinations, and 5,100 cause examinations. It also cites "[as] part of a redesign of the platform used by examination staff to conduct exams, FINRA developed new technology.....[including]..new, modernized framework for the risk-based examination process. This framework is critical to identifying and prioritizing areas of risk exposure at firms, and subsequently, helping FINRA determine the appropriate regulatory response to those risks.....".

"Branch Office Inspections are the core of a broker-dealer's compliance program. In the 14 years that RegEd has been enabling clients to discover and manage exceptions and trends, the industry standard has never been higher." stated John M. Schobel, RegEd CEO, "Strong audit technology remains the centerpiece of any best practice audit program. However, for some firms achieving that standard needs to start with an expert consultation focused on assessing current audit processes, identifying gaps and suboptimal practices, and creating a process improvement blueprint. RegEd is bringing together its Audit Management technology with Branch Audit Consulting and Outsourcing Services to enable broker dealers of all sizes to greatly improve the overall management of their branch audit program."

Branch Audit Consulting and Outsourcing services are provisioned by expert industry consultants who are members of the RegEd Compliance Alliance and possess deep experience in the branch audits compliance domain. Firms can elect a tailored branch audit program consultation and / or fully or partially outsource their branch audit program. Outsourcing, at any level, can enable the firm to

lower their branch audit program costs. For example, some firms have employed partial outsourcing to eliminate the need to maintain a full time staff to handle states with off-cycle audits.

The powerful combination of RegEd Audit Management technology and expert Consulting and Outsourcing Services ensures that the Broker-Dealer branch audit programs are cost-efficient while being fully responsive to FINRA's requirements at the best-practice standard.

About RegEd

RegEd, a StoneRiver Inc. company, is a leading provider of technology solutions for Audit, Compliance and Risk Management serving over 800 enterprise clients including the top financial services firms. Established in 1994 by former regulators, the company is a recognized industry authority and has created the standard of excellence for rule-based compliance automation for broker-dealers, investment advisors, insurance companies and their distributors. Our client-driven solutions deliver superior operational efficiency and enable firms to cost-effectively comply with state and FINRA regulations while mitigating risks before they occur. For more information, please visit our website at www.reged.com.

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