Leading Worldwide Authority in Compliance and Sensitive Data Protection Systems and Services for Merchants and Small Businesses

About Conformance Technologies:

Conformance Technologies is a fast-growing provider of technology, education and expertise used in managing sensitive data and sensitive data incidents. Distributed through resellers and corporate aggregators who manage groups of businesses and consumers, Conformance Technologies gives these entities the opportunity to increase compliance rates, lower operating costs and generate ongoing revenue streams.

End-users can quickly and easily assess, manage and control data risk points regarding sensitive data via policy generation, employee training, incident remediation, measurement tools and systems that are unique, patented and best-in-class. More than 200,000 end-users rely on Conformance Technologies solutions to protect their businesses every day, both domestically and around the world.

Solutions include the patented PCI ToolKit® which simplifies PCI Data Security Standard (PCI DSS) merchant compliance, the Conformance Data Incident Management Program™ which effectively responds to business data incursion incidents, the TIN Match Solution™ which eliminates the tedious effort of IRS Taxpayer Identification Number matching, and the patented Conformance Privacy TookKit™ for automated management of all sensitive data within business and retail environments.

Conformance Technologies is a privately held corporation headquartered in Las Vegas, Nev. Originally founded in 1999 as a payments consultancy, the Company has evolved into the leading authority in compliance and sensitive data protection systems and services. For more information, please visit www.confornancetech.com.

Darrel Anderson
President

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

CEOCFO: *Mr. Anderson, would you tell us about the services Conformance Technologies is providing?*
Mr. Anderson: Conformance Technologies provides the ability for end users, small businesses and merchants to manage and monitor compliance with regulations. Compliance requirements are established because of the industry they are in, self-imposed operational requirements or even things that their customers impose on them. We are unique in that we provide the ability to set up tool kits for end users to be able to get these requirements in place, monitor their progress towards compliance and then assess their progress in real time as they go forward.

CEOCFO: *Do you see a greater demand for compliance whether it is voluntary or regulatory?*
Mr. Anderson: Absolutely! We have seen 300% growth so far this year just in the number of users of our tool kits. That it is driven by some of the things that we read in the news around breaches and hacks and things like that. There is also a growing sense that managers want to have the ability to manage in real-time the progress of their user base towards required compliance activities. We are seeing a ton of growth and doing a ton of custom work for people.

CEOCFO: *Would you give us a couple examples?*
Mr. Anderson: One of our clients has a convenience store chain and they are concerned that with compliance around local and state requirements where they are taking ID for the sale of liquor and cigarettes. In the old days there was a manual sent out and people were maybe trained on it and when something bad happens the company finds out they probably were not. What they wanted is to be guaranteed that the employees understand the legal requirements and to be able to assess if they have a problem in a certain area or store or even a certain employee. They can then prove to the government regulator that they tested and provided the materials to the employee and that the employees went through the process and accepted the learning and passed the test and here are the dates and times. Our client can then attest that they have done everything we could to train the employee; they are not a bad organization we just have a problem employee. They are trying to mesh up with external government requirements.

On internal requirements, we have another client that is a pizza chain and they have thousands of locations, they have certain operational procedures around the way their franchisees operate. You need to manage your inventory this way and you need to service your customers this way and it is the same story. In the old days they would send out a manual and they would hope people would read it and when something bad happens they were sure they did not. With the Conformance system we were able to take all those processes and controls and they expect to be followed and set up the policies and procedures into a Conformance tool kit and then the employees can log into that and read the materials, acknowledge their understanding and pass a test. The client is then able to have an assessment that their franchisees and employees understand those materials. It allows an operator such as this pizza chain the ability to zero in on problem areas or employees rather than retrain everybody. This is a focused way to get to the problem areas and address them immediately.

CEOCFO: *Often these manuals have pages and pages of almost unintelligible information. How do you take the manual and get it into a format that simplifies without losing something; how are you able to assess?*
Mr. Anderson: When we commence a project with our clients we are working to create a tool kit and the purpose is to make sure that certain designated employees and managers are following designated processes and procedures. Because we have invested so much in our Conformance Compliance Operating System we are able to build those tool kits relatively quickly and even customized efforts can get up and running in as little as four days. It is a flexible tool but our experience tells us many times the source of the problem is whatever they are trying to get people to comply with is generally burdensome or unclear. We help them during the setup process and we can help them during the deployment process to make sure that what they are asking is appropriate and reasonable in terms of getting across to certain levels of employees based on the criticality of their position. We are able to monitor post implementation; we have abilities and interesting little side tools that can tell whether employees are struggling with the questions. We are able to report back and say maybe this set of compliance questions is burdensome and maybe we should look at other ways to address it.

> *"There is really nobody that is doing what Conformance Technologies is doing in terms of creating cost effective, easy-to-implement, thorough and engaging compliance and privacy support systems."*- Darrel Anderson

CEOCFO: *Do you find that once a client is engaged with you they follow your recommendations?*
Mr. Anderson: The struggle initially is the clients will try to have thousands of policies so it is a great exercise with our clients to go through and right size their policies and the requirements to follow them to get them to something that is a little more organized and deployable to their base. As we go through that process we are able to tell the clients that we have done this a couple hundred times and we understand what the limits of management are and what the end user employees will do. We have a ton of experience in the different industries; we know what policies make it to the top of the heap. They listen to us and it is usually during the implementation process that the light comes on. Most of the way that we get clients is incident based in that something unforeseen has happened and they are in immediate need of a solution.

CEOCFO: *You recently announced an data incident management program; would you tell us about this offering?*
Mr. Anderson: The Conformance Data Incident Management program came about after we realized - after working with a few hundred thousand end users that were mostly small businesses or professional enterprises - that when an incident happens where data is exposed or lost, they do not have the resources and knowledge to be able to manage through that incident effectively. Our experience over many years of doing told us that they perhaps hide the incident or just ignore it. Each of those courses are bad ideas especially with rules and regulations and the reporting of lost data at the consumer level. Through the Data Incident Management Program, we manage those incidents for the business and provide legal services, equipment replacement, PR services and client notification. Essentially we pick up the pieces when an incident happens and help them manage through it. On their own, they would have difficulty assembling these services in a short time period. Our program is a "one stop shop" for smaller businesses should a data loss incident occur.

CEOCFO: *Is that an add-on service or is it stand-alone?*
Mr. Anderson: It is both. Many of our existing clients love the service and it is an easy sell. Sometimes we will go into an industry like the alarm industry and say look you have tens of thousands of small businesses that are using your alarm services, so why not use this as an additional service and you can become a reseller of ours and you will create value for your clients and we will manage the program.

CEOCFO: *Would you tell us about the regulatory issues involved?*
Mr. Anderson: On the data incident side, we use our legal service to interpret they actions that need to be taken if an incident occurs. The reason we do it that way is there are so many requirements and laws that to prepare some sort of database to keep up to date would be such an enormous and impossible task. We prefer to do it on an incident by incident basis. We do a ton of work in the payments industry. They have their own rules and requirements that have been

established in conjunction with the Visa and MasterCard brands. Those rules extend to every merchant in America that takes credit cards and they must follow those rules. The rules are propagated and changed every few years. It is easy for us because to change up our supporting toolkit because of the Conformance Compliance Operating System – we can change everything almost overnight as the rules change. We announced area couple of weeks ago that we have completed our 3.0 PCI ToolKit kit in which we have complied with all of the new card security regulations that are coming out in January.

CEOCFO: *Are there particular industries or types of companies that should be utilizing your services?*
Mr. Anderson: We have grown so much along the entire notion of data security and data integrity and privacy. If you are in business, you have data on employees, customers and suppliers. You have data and you are responsible for that data. One third of small businesses in America do not even use anti-virus software and 58% do not have an incident program so if something happens they do not know what to do. We think that the data incident management program is legally required for the most part and everyone should have it. The most overlooked is the notion of privacy and security. We see that all the time with clients. All businesses need to focus on compliance, privacy and security and our toolkit solutions work with nearly every business type.

CEOCFO: *How do people find you?*
Mr. Anderson: We are active where our clients are, so we are in their industry groups, attend their tradeshows and we attend a lot of the legislational events that occur. Many of our staff are members of the International Association of Privacy Professionals. We also generate many clients by word of mouth. With several hundred thousand businesses that are using our program invariably a manager location over the course of time goes to another business and recommends us. We work hard to get our message out, which is important because we are unique in what we do.

CEOCFO: *Why is Conformance Technologies an exceptional company?*
Mr. Anderson: Conformance Technologies has been investing heavily in creating an operating system that allows us to create these compliance tool kits in just about any industry and do so in relatively quick order and cost effectively. We have grown 300% this year and we are unique in what we do. Creating a privacy or compliance training program internally in your organization might cost you half a million dollars. There is really nobody that is doing what Conformance Technologies does in terms of creating cost effective, easy-to-implement, thorough and engaging compliance and privacy support systems.

BIO: Darrel Anderson, FCSI, FICB, CIPP/C, CIPP/US, CPP is President of Conformance Technologies, a fast-growing provider of technology, education and expertise who products are used in managing sensitive data situations in a variety of industries. With products distributed through resellers and corporate aggregators who manage groups of businesses and consumers, Conformance Technologies gives these entities the opportunity to increase compliance rates, lower operating costs and generate ongoing revenue streams. A sought after industry expert, Mr. Anderson has over 25 years of experience in the data security, payments and privacy industries, and has provided advice and guidance to some of the largest processors, gateways and retail merchants in the world.

Previously Darrel held the position of senior vice president, strategic partnerships with TSYS, a worldwide payment processor and merchant acquirer, and also held a number of senior level positions with the Canadian Imperial Bank of Commerce including management roles in issuing, acquiring, payments, product development, marketing and channel management.

Mr. Anderson is a Fellow of the Institute of Canadian Bankers, A Fellow of the Canadian Securities Institute and a Fellow of the European Privacy Association. Through the International Association of Privacy Professionals he holds both the CIPP/C and CIPP/US designations. He is also a member of the FBI Infragard expert network, having been appointed in 2012.

Conformance Technologies
2780 S. Jones Boulevard
Suite 3796
Las Vegas, NV 89146
775-336-5533
www.conformancetech.com