The Commercial Factor

Newsletter for the Factoring Industry

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International Factoring Association

In This Issue

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The International Factoring Association
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Welcome to Memphis!

Welcome to Memphis and the 8th Annual Factoring Conference! This is the largest Factoring Conference ever held and we're sure it is going to be memorable for everyone.

The site of the 2002 Factoring Conference is the historic Peabody Hotel in downtown Memphis. The hotel is more than 130 years old and is a national historic landmark. The Peabody is best known for the Peabody Ducks, which spend the day lounging in the lobby fountain. Every day, the ducks arrive precisely at 11:00am, marching on their own red carpet to the music of John Philip Sousa, from the elevator to the fountain. In addition to the ducks, the hotel boasts four restaurants, numerous shops, an athletic club and a Lobby Bar.

One of the highlights of the Factoring Conference is the banquet dinner on Friday night. Attendees always enjoy the opportunity to network with each other at this relaxed event and this year's banquet dinner will not disappoint! Cocktails and hors d'oeuvres will be served on the Plantation Rooftop, followed by dinner in the Skyway Ballroom of the Peabody Hotel. From the Plantation Rooftop, guests will enjoy views of the Mississippi, and Peabody Duck Palace (home of the Ducks when they are not in the Lobby.) The Skyway Ballroom is a fully-restored Swing era supper club. During the 1930s and 40s, CBS radio broadcast Big Band music nationwide, live from this room. Many entertainers such as Tommy Dorsey, Paul Whiteman, Harry James and Smith Ballew appeared regularly. Appearing live in the Skyway for the Factoring Conference will be legendary blues man John Mayall. He has recorded with Eric Claptiion, John McVie and Mick Fleetwood, and backed John Lee Hooker and T-Bone Walker.

The Peabody is located in the heart of downtown Memphis, just a few blocks from Beale Street. Beale Street features fabulous nightclubs, shops and restaurants offering a variety of food, gifts and live music including traditional blues, rhythm & blues, jazz and rock'n'roll. Some of the clubs that can be found on Beale Street include B.B. King's, Blues City Café, and Elvis Presley's Memphis. All clubs feature live music and several have outdoor open-air concerts.

Adjacent to the hotel is the brand new Peabody Place Entertainment and Retail Center. This complex offers visitors a one-stop-shop for fun and excitement with a unique mix of entertainment, dining and shopping options unlike anything else in the region. Within its massive 300,000 square feet of space there are a wide variety of fun things to do, including a 22-screen movie megaplex and a 500 seat IMAX theater.

No trip to Memphis would be complete without a pilgrimage to Graceland, home of the late Elvis Presley. Visitors can tour the mansion including the living room, music room, Elvis' parent's bedroom, the "jungle" den in the main house, and several other rooms. Other areas that can be toured include the Automobile Museum, featuring his famous 1955 pink Cadillac, the customized Lisa Marie jet, and a museum featuring Elvis memorabilia.

Memphis is also home to several other attractions. The National Civil Rights Museum is housed in the Lorraine Motel in Memphis. This educational museum offers a comprehensive overview of the civil rights movement in an exhibit form. The Gibson Guitar Factory and the Smithsonian Rock n Soul Museum offer tours and are located in downtown Memphis.

One of the most unique structures in Memphis is the Pyramid Arena, which sits alongside the Mississippi River. The Pyramid is the third largest pyramid in the world and at 32 stories tall, towers over the Statue of Liberty and the Taj Mahal. The Pyramid is actually a 21,000 seat sports and entertainment facility, which is home to the NBA Memphis Grizzlies. The Grizzlies will be playing a home game during the conference on Friday, April 5th versus the Houston Rockets. Memphis is also home to two other professional sports teams, the Memphis Redbirds, an affiliate of the MLB St. Louis Cardinals, and the Memphis RiverKings, a minor league hockey team. The Redbirds stadium is within walking distance of the hotel and they will be playing at home April 4, 5, & 6th against the Fresno Grizzlies.

Regardless of your interests, you're guaranteed to have a positive trip to the 2002 Factoring Conference.

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The International Factoring Association's (IFA) goal is to assist the Factoring community by providing information, training, purchasing power and a resource for Factors. The IFA provides a way for Commercial Factors to get together and discuss a variety of issues and concerns to the industry. Membership is open to all banks and finance companies that perform financing through the purchase of invoices or other types of accounts receivable.

The Commercial Factor invites the submission of articles of interest to the Factoring Industry. For more information on submitting articles or advertisements, please e-mail info@factoring.org, or call 800-563-1895.

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GENERATING NEW BUSINESS BROKERS or BUSINESS DEVELOPMENT OFFICERS

by Dave Rains

Factoring is a great industry. During an economic expansion, business is good… and in the bad times, business is great. While it is cyclical, there are always companies, good companies that need the assistance of factors to survive and grow. The risks can be great at times, but to the risk takers goes the rewards. So, here we are on the cusp of an expansion period for factoring. Banks are becoming more conservative daily and gently pushing their marginal customers away as the availability of money tightens. So, how do you, as a company get your piece of the action? What is the best method for generating new business?

While there are many marketing strategies that work in the different markets, I would like to compare and illustrate the two main options as they relate to the human factor; Brokers and Business Development Officers (on staff salaried salesman). What are the benefits of each? Which one is right for your company at this time?

Brokers are an intricate part of our industry. From the Cash Flow Convention to the independent consultant, brokers are as varied as our culture itself. When you have a good broker, it can be an excellent arrangement. The front-end costs are the most enticing part of utilizing a broker network. If they do not produce, then they do not get paid. They are paid a percentage of the business that is brought in, usually 5%-15% on the life of the deal. You do not have to pay taxes, carry insurance or pay any marketing expenses. You just pay the broker a certain percentage of the deal when you get paid. When you have a good broker that is bringing you quality deals, this is the ideal situation. If we could always limit our marketing costs to approximately 10% of the fees generated on every deal and then only pay when we get paid, then it would be a perfect world. Why in the world would anyone consider another method, other than brokers to generate new business?

Well, for several reasons. While you might have a broker who you like, who you really get along with, the broker is not your employee. Brokers are generally not bound to you in any form of an agreement, other than if you book a deal, you will pay a percentage of the fees generated. In addition, you can bet that if someone offers a half point higher, gets the deal done faster by 8 hours, or if for any reason the broker thinks another source might be more profitable, you are history. The other obvious drawback is your company will, in most cases, be competing against 4-6 other factors to whom the broker has presented the deal. It will then be a K-Mart rate shopping spree. We all know what happened to K-Mart. Of course, you cannot blame the broker. His loyalty is to the income that is produced by the deals generated.

The other, less obvious drawback is the broker typically does not care about your profit or if you are burned on a deal. Sure they want to keep the income stream, however the main concern is to get the deal booked. Therefore, if you miss something in due diligence or there is something that is known in that market about the deal or the company (and you are across the country), the brokers may not ensure you know all of the good, bad, and the ugly. In fact, more times than not, they will not be forthcoming about any of the bad and will ensure you are aware of all of the good. After all, the only objective is to book the deals. That is the broker's payday.

Another drawback to brokers is they sometimes stay too involved in a deal and can make a deal go south or cause unneeded interference by advice and consultations with the clients. The old saying "Too many cooks spoil the soup" is an excellent adage as the broker is the one who has the original relationship with the customer and can promise the client things you are not willing or able to accomplish. Again, it is the broker's goal to get the deal booked and they might promise or mislead or just give erroneous information about your company and the processes in the heat of booking the deal. This can put you and the client at odds with each other because they were told one thing and another transpires. This may not be done purposefully by the broker. They deal with different companies that have different policies, therefore what is a policy of due diligence by one company might be totally different by another factoring company. However, by design or without malice, it does get tricky with a third party representing and being affiliated with your company, unless you know them well and they know your methods and operational procedures.

Even after the deal is booked, the broker sometimes maintains the relationship with the client to the detriment of the factoring company. If the broker establishes a better relationship with another company, then they will, more often than not, try to take your client to another company. If they have maintained a good relationship with the customer and you are in another part of the country, then it is easy to sell a company on the idea of "the grass is greener" or "this new factoring company I am representing is much better than the one you are currently doing business with".

With a good Business Development Officer, you alleviate many of these problems. First of all, the BDO is an employee who knows your company, its policies and what you will and will not do. He is able to communicate this on the front end which allows the deal go smoother throughout the process. Many of the smaller problems that become large concerns later can be addressed in the beginning, which will make booking the dealing easier and make relations with the client much better.

Secondly, because the BDO is your employee, it is their responsibility to ensure that you are protected on the front end and know all of the intricacies of the proposal. This can save you the write-offs that occur six to 10 months later after the client's hidden problems finally surface. It is in the BDO's best interest to keep you profitable and booking good deals because their livelihood is tied to your success.

When a deal is sourced with your BDO, in many cases, you are not competing with a lot of other factors and even when you are in some competition, you have your BDO in place who is fighting hard to bring the deal to fruition for you, selling more than just rates but company service, attitude, and reputation. This gives you good and consistent representation in the marketplace.

The BDO, after a short period of time, knows your credit criteria and which your target market. Therefore, your credit and underwriting time is not spent on a lot of deals that do not fit with what your company is looking to book. This can equate to a multitude of dollars in time/effort not wasted dealing with a broker that insists you give them timely answers on each and every deal which, in some cases, is so far off of the mark of what new business you will write. You sometimes will put up with this because of the occasional good deal that the broker does bring forth. Your own BDO will know in short order which rabbits to chase and which skunks to run away from.

In closing, the decision to use brokers or BDO's depends on what type of representation you want for your company in the marketplace. In reality, probably the best is a mix of the two. Use trusted brokers that you know or at the least do strong due diligence on their reputation to ensure they are individuals that you want representing your company because in the mind of the client, they are affiliated with your company.

Then, use BDO's for the markets that you want strong and consistent representation or markets where very qualified BDO's are available to represent your company. The base salaries and commissions vary and the BDO will cost you more money upfront and overall; however the end product in lost production time (looking at bad deals from brokers), customer retention, client confidence, and faster growth are well worth the additional investment.

David Rains is Sr. Account Executive and Team Leader of the Factoring/ ABL Division of MRI Sales Consultants. Dave is the foremost factoring recruiter in the US today.

Factoring News Flashes

To help local exporters hedge against trade risk, the **Export-Import Bank of Republic of China** will launch international factoring business. The factoring will be commenced in line with the bank's export insurance business.
Taiwan Economic News, January 10, 2002

The Arkansas Supreme Court ruled that **Wal-Mart Stores Inc.** didn't steal trade secrets from Joe O'Banion, Michael McNew, and Dallas lawyer Leonard Hoffman III. The court threw out a $31.7 million judgment against the retailer. Years prior to their alleged factoring scam, O'Banion, McNew and Hoffman claimed they came up with an idea to offer credit to customers of **Wal-Mart's Sam's Club**. They talked to **Wal-Mart** about the project, but the deal did not happen. Four years later, **Wal-Mart** started a credit program O'Banion claims was similar to his idea. They sued **Wal-Mart** and a jury awarded them $31.7 million. **Wal-Mart** appealed, claiming the judgment should be thrown out because O'Banion's idea didn't involve trade secrets. The Arkansas Supreme Court agreed.
Arkansas Business, February 18, 2002

Sterling Factors Corp., a subsidiary of **Sterling Bancorp** has agreed to provide factoring for **Kmart** DIP orders on regular terms for its clients. **Kmart** is going through bankruptcy proceedings. Stanley Officina, president of **Sterling Factors Corp.** states that, "**Sterling** is providing a variety of insurance options for accounts receivable to vendors, both clients and non-clients, that will offer necessary credit protection while still allowing them to continue shipping merchandise to retailer customers that are restructuring or filing for bankruptcy protection."
HFN The Weekly Newspaper for the Home Furnishing Network, February 25, 2002

Sprint Corp. announced it is expanding its existing accounts receivable financing program to include **Sprint PCS** receivables. This was announced with a series of steps designed to increase the company's financial flexibility and address the market's concerns about its liquidity. The program expansion will be in excess of $500 million.
RCR Wireless News, March 4, 2002

The Securities and Exchange Commission has called the Pasadena-based **J.T. Wallenbrock** investment machine a Ponzi scheme, saying it is "enormous, at the top end of what we see" in size. Wallenbrock admitted to the SEC that the company took in $230.1 million from investors. They then gave investors back $102.6 million in interest and principle (claiming to pay 20 percent per quarter), and passed more than $124 million to **Citadel Capital**, a company that funds corporate startups from the same office. Investors were told the money was going into accounts receivable financing in Asia.
Copley News Service, March 5, 2002

Joe O'Banion, partner in **Funding Support Services Inc.** and **Southwest Financial Inc.** from 1992-1999 pleased guilty to a reduced federal charge. The guilty plea settled a 75-count indictment accusing him of cheating investors of $12 million. The indictment alleged that O'Banion and his business partner Mike McNew sold fictitious invoices to investors. He pleaded guilty to failing to notify authorities after learning of illegal activity.
The Associated Press State & Local Wire, March 20, 2002

If you have any news items you would like to include in the next issue of The Commercial Factor, please e-mail them to info@factoring.org.

TURN DEALS YOU "DON'T" FACTOR INTO A HUGE PROFIT CENTER!

What do you do when you find a prospect you can not factor? What happens with the lead when you do all of the work to get a prospect, do all of the due diligence necessary and then realize that you can not fund the client? At this point you either file them away for future consideration, throw them in the trash or refer them to another financing company who is willing to take a larger risk and give you a referral fee.

Here is another option you could consider that is very profitable. You can turn the lead over to a commercial debt management (CDM) company and obtain a commission. You work with a company's Accounts "Receivable". CDM companies work with a company's problem Accounts "PAYABLE"- the debts they owe. They manage and reduce a company's debts up to 60% - INCLUSIVE of their fees which are a percentage of the savings. In essence, their program will not cost the client an extra dime. One of the best features of their program is if the client is being harassed by creditor collection calls, they will cease immediately as they now must deal with the CDM company. In addition, the client is provided time to focus on rebuilding their business.

International Debt Management Corp., (IDM*) has been in the commercial debt management business since 1998 and is a leader in this rapidly evolving industry. President Harry Fink states, *"Our company provides brokers/companies the opportunity to earn a lot of money from deals that they have invested their time and money into and can not fund. In many instances if the factoring company is referring a high risk prospect to another factoring company, they now have the chance to double referral fees - one from IDM and one from the other factoring company."*

He further states, "*Most financially strapped companies do not realize they have options to resolve their debt issues. In the near future it will be the normal way business is handled. Financial companies like factoring firms have the unique opportunity to make this program a valuable part of the financial services they offer. Best of all, it is very lucrative."*

Tobi Wilkins of Quantum Corporate Funding, Inc. and member of the International Factoring Association's Board of Directors states *"I have done business with IDM for over four years and have made some serious money from the clients we can't fund. In addition, when we do our due diligence on the debtors, anytime I find a debtor that has liens, judgments or delinquent payables I turn them over to IDM . We literally turn our trash into cash."*

Another benefit of the CDM program is as mentioned above, when you are performing your due diligence on your prospect and you find the debtors have liens, judgment and/or payables over 60 - 90 days, those become good prospects for the CDM company. It provides you another avenue for making money. In addition, as soon as the CDM company cleans up the lien or judgement, you may be able to finance the original prospect. The bottom line is any business you run across that is having payable problems you now have a method to secure a substantial profit center with those leads.

The amount of money a broker/company can make is quite considerable. Based on a 10% referral fee, for every $5,000,000 resolved by the CDM company your commission will be approximately $100,000.00. There are literally billions of dollars in debt that could be worked today. The bottom line is by simply providing a CDM company with a referral, factoring companies have the opportunity to make a lot of money from the deals they don't fund for whatever reasons.

One final benefit of working with a CDM company is if you have monies owed to you from your client, you can use the CDM company to work a plan to obtain your monies. By having them involved, they will oversee the other monies that are being paid to other creditors and ensure that the monies due your firm are always paid on a timely basis. It is like having an inside person at the firm.

As you can see, there are numerous benefits to having a working relationship with a commercial debt management firm. It is truly a way to develop a huge profit center.

Article by Tracy Hardy
BUSINESS DEVELOPMENT 2.0

(* IDM is a Commercial Debt Management company that currently works with factoring brokers in the United States and Canada. For more information on this subject or broker/referral information, please call 1-888-820-1014, visit their website at www.idm.cc or e-mail their VP of Marketing Christine Cash at ChristineC@idm.cc.)

Stop The Bleeding

by Dr. Ron

"Practice, Practice, Practice", is what the young man was told when asking a passerby for directions to Carnegie Hall. And we all know the three most important ingredients for successful restauranteuring to be Location, Location, and Location. What then are the most important elements of operating a successful factoring portfolio? Many of us would reply that the answer to that question is Verify, Verify, and Verify.

"Non, non, non, mon ami" says Dr. Ron. All those verification calls might give rise to the most intact portfolio in the history of prudent factoring, but I'm afraid you might just lose a client or twelve in the process. How then does one strike a proper balance?

In our shop we solve the balance problem by not verifying invoices at all. What? No verifications? Can this really be true of the conservative Dr. Ron? Well, similar to the auto rental commercial, not exactly. Please allow me to explain.

Certainly we must protect ourselves just the same as anyone else. But in our shop, we make "Quality Assurance Calls" and "Customer Satisfaction Calls" as opposed to verification calls. QA and CS calls afford us the same information and protection as a verification call but with quite a different spin to it. Compared to a verification call, a Quality Assurance or Customer Satisfaction Call is non-accusatory. Imagine the reaction on the receiving end of a telephone call that goes something like this: "Excuse me, I'm sorry to bother you but we are factoring your vendor's invoice and before we advance our money based on this invoice we need to make sure you really ordered and received the goods (and that our client, your vendor, is not trying to defraud us)". When making a QA or CS call, it is important to initially establish the proper tone by informing the account debtor that the client has actually hired us and is paying us to be sure that the customer (the account debtor) is a satisfied and happy camper. A QA call might sound more like, "Hi, I'm calling on behalf of your vendor, ABC Company. ABC has hired us to take a survey as an independent third party that you received the goods as ordered, on time and intact." We can then, of course, point the conversation in any direction we need to take it.

We go so far as to print forms to be used as a checklist for our account executives to use as guidelines for different types of QA calls. We are careful to distinguish between service invoices and invoices involving goods. We have a form for each. Having made that distinction, we go forward asking different types of questions depending on the client's industry, the client's history, the size of the invoice and the frequency of similar calls that we have made in the past.

Whether you call this process verification, confirmation, quality assurance, or by any other name, it all ultimately serves the same purpose: protection against advancing against a potentially un-collectible invoice. There are several ways to go about this, some more effective than others are, but all effective to some degree. Remember, you should not be speaking to the same people asking the same questions of them over and over again. If you do, you may begin receiving rote answers and you may also find that you quickly wear out your welcome. So try to vary the people or departments you call, and do vary the questions. And by all means, write the replies down on a form and date and sign the form. If you ever need to prove in court that the call was indeed made, you will need written evidence.

Confirmation that the goods have been shipped is easy to do. Some shippers have web sites that allow you to track shipments. Other shippers you may simply call and ask if the goods have been picked up or delivered or are still en route. These types of calls are non-intrusive and can be made repeatedly, but the negative to them is that your knowledge is limited. You never know what has actually been shipped.

On certain occasions you can confirm that a package has been received by speaking with the receiving department. You may not learn if the order was cancelled, but you will be able to rely on the fact that goods were received in good condition. On other occasions speaking with the purchasing department can confirm that the order remains open. One trick we have learned over the years is to confirm through accounts payable that the invoice is in the system, marked for payment, and marked with the proper remit to address. Even though all these different types of confirmations are each limited in scope, taken together they can portray a reasonably accurate portrait of what is actually taking place.

However, speaking directly with the department that ordered the goods or services, or the department using the goods or services, is truly the best confirmation you can get. This way you can confirm everything to your total satisfaction. And, to take it to the ultimate, get someone in apparent authority in that department to sign a fax confirming the receipt of the merchandise or service and agreeing to unconditionally pay you directly, without any offset, abatement or set off whatsoever. Now you are in clover.

It is important to inform a potential client that confirmation of orders, confirmation of shipments, as well as receipt and quality of the good or service is an important part of our due diligence. We get quite a different reaction from potential clients when we explain the process as QA calls versus Verification calls. In fact, we try to explain the QA call as a benefit to the client. Someday I hope to acquire the nerve to actually charge clients for performing such a valuable service. At a dollar an invoice I'll be able to retire soon with all the verification calls we make in our office!

To share your experiences or to seek the advice of the author, Ron Winicour can be reached by email at ron@gibraltarfinancial.com or by snail mail to Gibraltar's corporate address, Gibraltar Financial Corporation, 60 Revere Drive, Suite 840, Northbrook, IL. 60062.

2002 Factoring Conference Audio CD Order Form

Bob Zadek, Esq., Buchalter, Nemer, Fields & Younger
- Games & Defenses Account Debtors Use to Defeat Notification
- Techniques for Dilution-Proofing Your Portfolio
- The 1,000 Most Common Factoring Errors

John Murdock III, Esq., Boult, Cummings, Conners & Berry, PLC
- Federal Tax Liens

Dr. George Lucas, U.S. Learning, Inc.
- Strategic Marketing - Creating Distinctive Capabilities in a Challenging Marketplace

Mike Ullman, Esq., Ullman, Ullman & Vazquez
John Kiefer, Capital Factors
- Factoring Temp Agencies

Kenny Greene, Esq., Carruthers & Roth, PA
- Subordination
- Intercreditor Issues

David Pearce Snyder
- Strategic Forecasting

Fraud Panel
- Discussion of Fraud Schemes Used on Factoring Firms

  Jay Atkins - Bibby Financial Services, Inc.
  George Thorson - Collateral Risk Advisors
  Matthew Drake - FBI
  Joe Ford III - FBI
  Steven Kurtz, Esq. - Greenberg & Bass

Credit Limit Panel
- Discussion of Methodology Used to Set Credit Limits

  Anne Kumins - Euler ACI
  Al Niskala - TranCentral
  Randy Ontiveros - Resource Business Partners
  Debra Wilson - Vertex Financial

David Cohen, Investigative Resources of Texas
- Background Investigations

Jeff Wolf, Wolf Management Consultants
- Sales & Motivation

Fireside Chat
- A Fireside Chat About Enhancing the Attractiveness of Your Business

  David Fink - Franklin Capital Network
  Mark Quinlan - Textron Financial Services
  Steve Troy - AeroFund Financial
  Richard Worthy - Metro Financial Services

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In Memory

Jerry Kern passed away at his home, on Sunday, March 17, 2002 of an apparent heart attack. Jerry had worked for Distinctive Solutions as a Bank Consultant from May 4, 1998 through Feb 22, 2002. Jerry was well liked by his peers, associates and customers and will be missed.

The Importance of Internal Evaluation

In the commercial finance industry there is a strong emphasis on fraud detection and the prevention of credit loss. When focusing on these items, many factors and asset based lenders evaluate their clients closely but perform little or no internal evaluation. Through regular internal reviews, potential weaknesses can be detected early and corrected which could result in the maximization of income and the minimization of losses. The interesting aspect of internal evaluation is that many factors and asset based lenders have the necessary policies and procedures documented but often fall short on implementation. Strong internal controls not only increase your ability to detect fraud, but also will often uncover credit risk or previously unknown weaknesses in a portfolio.

A simple but effective technique for internal evaluation is a scheduled periodic review of the company's credit policy and procedures manual. The commercial finance industry, like many other industries is continually changing. Policies, procedures and credit criteria that at one time made sense may need adjusted in the future. Often when a problem occurs and an inquiry is made as to what went wrong, a common response is "that is the way it was always done." Although this may be true, what was done in the past may no longer be an effective or efficient way to manage and monitor the current portfolio. Some areas of the manual that should be reviewed are the credit approval process, standard loan policies, underwriting guidelines for account debtors and client monitoring requirements.

Another technique for internal evaluation is to perform a quarterly compliance review. During this review each client file is reviewed for completion as well as compliance. The master factoring agreement or purchase and sale agreement along with all amendments should be reviewed to ensure that all of the provisions of the agreement are being adhered to. Often there is a change in portfolio manager or analyst and specifics to the transaction are overlooked during the transition. The rate tables should also be reviewed to reaffirm that all fees are charged and calculated correctly. Although this review can be cumbersome, it often makes the factor or asset based lender aware of rights it can enforce or fees it has not charged that it is entitled to charge.

A final internal evaluation technique is to perform a quarterly credit review of all clients. Each client relationship should be evaluated based on the current status of the relationship and most recent information available (i.e. D&B reports, financial statements, field exam results, business outlook, etc.) to assess any changes in risk associated with the transaction. Based on this review the factor or asset based lender should take any necessary steps to better protect itself from potential losses. This is also an excellent way for management to stay abreast of changes in the portfolio and make changes to credit policies and procedures going forward.

In conclusion, corporate controls are currently under increased scrutiny making it more important than ever to continually review, analyze and update internal controls, policies and procedures, client compliance and client status. Now more than ever it is important to reaffirm to investors and employees that management is taking the necessary steps to secure their investment.

Breslin & Young Financial Consultants can be reached at 410-489-9434.

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