

VariVerge, LLC

Amarillo, Texas

SERVICE ORGANIZATION CONTROL (SOC) 3 REPORT
REPORT ON STATEMENT PROCESSING SERVICES RELEVANT TO SECURITY,
AVAILABILITY, PROCESSING INTEGRITY, AND CONFIDENTIALITY

January 1, 2015 to June 30, 2015



K · C O E
I S O M

VariVerge, LLC

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SECTION 1 – INDEPENDENT SERVICE AUDITORS' REPORT

INDEPENDENT SERVICE AUDITORS' REPORT

To the Board of Directors
VariVerge, LLC
Amarillo, Texas

We have examined management's assertion that during the period January 1, 2015 through June 30, 2015, VariVerge, LLC (VariVerge) maintained effective controls over the Statement Processing Services system to provide reasonable assurance that:

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

based on the AICPA trust services security, availability, processing integrity, and confidentiality criteria set forth in Trust Services Principles (TSP) section 100.

VariVerge management is responsible for this assertion. Our responsibility is to express an opinion based on our examination. Management's description of the aspects of the Statement Processing Services system covered by its assertion is attached. We did not examine this description, and accordingly, we do not express an opinion on it.

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 VariVerge's relevant controls over the security of the Statement Processing Service system; (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 the nature and inherent limitations of controls, VariVerge ability to meet the aforementioned criteria may be affected. For example, controls may not prevent or detect and correct error or fraud, unauthorized access to systems and information, or failure to comply with internal or external policies or requirements. Also, the projection of any conclusions based on our findings to future periods is subject to the risk that changes may alter the validity of such conclusions.

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

KCoe Isom, LLP

October 28, 2015
Wichita, Kansas

SECTION II – VARIVERGE, LLC’S MANAGEMENT ASSERTION ON CONTROLS



VARIVERGE, LLC'S MANAGEMENT ASSERTION ON CONTROLS

October 28, 2015

VariVerge, LLC
920 SW 9th Avenue
Amarillo, TX 79101

The management of VariVerge, LLC (VariVerge) makes the following assertion pertaining to the Statement Processing Services:

VariVerge maintained effective controls over the Statement Processing Services system, during the period January 1, 2015 through June 30, 2015, in Amarillo, Texas based on the AICPA Trust services security, availability, processing integrity, and confidentiality principles criteria set forth in TSP section 100 to provide reasonable assurance that:

- the system is protected against unauthorized access (both physical and logical);
- the system is available for operation and use as committed or agreed;
- system processing is complete, accurate, timely, and authorized; and
- information designated as confidential is protected as committed or agreed.

The attached description of the Statement Processing Services system identifies those aspects of the system covered by our assertion.

Luke Austin
Vice President and General Manager

SECTION III – DESCRIPTION OF THE SYSTEM PROVIDED BY VARIVERGE, LLC

VariVerge, LLC

DESCRIPTION OF THE SYSTEM PROVIDED BY VARIVERGE, LLC

Company Overview and Services

VariVerge, LLC (“VariVerge” or the “Company”) is a print-to-mail statement processing company, headquartered in Amarillo, Texas. VariVerge’s Statement Processing Service enables organizations of any size to focus on their core business by outsourcing statement processing services to VariVerge.

VariVerge was founded in 1992 as West Texas Micrographics. In 2012, the company changed its name to VariVerge, LLC. VariVerge offers its customers outsourced Statement Processing Services. This includes data processing for conversion to printed forms; high-volume print; folding and inserting match-names statements into envelopes; direct addressing envelopes; applying postage; sorting mail for submission to the United States Postal Service (USPS); and submission to the USPS Business Mail Entry Unit (BMEU).

The statement processing operations are centralized in the VariVerge headquarters, located in Amarillo.

The scope of the report encompasses Statement Processing Services, (“the System”).

This report covers the Statement Processing Services described above and the suitability of the design of controls to meet the criteria for the security, availability, processing integrity, and confidentiality principles defined in the TSP section 100 covering the period January 1, 2015 through June 30, 2015.

The System is composed of the following aspects:

- Infrastructure
- People
- Procedures
- Data

Infrastructure

The Statement Processing Services are delivered from our Main Headquarters in Amarillo, a state of the art facility, which has provided the ability for the company to continue to grow. Physical access to the datacenter is protected by a key card based magnetic lock which is backed by battery to maintain physical security in the event of power loss.

The VariVerge server room is maintained in an environmentally controlled area with a dedicated HVAC system to maintain optimal temperature levels. The computer equipment and networking assets have been installed in a multi-rack configuration allowing for adequate clearance between the equipment and the floor.

All critical windows applications are installed on VariVerge network servers running the Microsoft Windows Active Directory platform. The domain controllers are accessible only by Windows Domain Administrators, and are monitored and maintained by the IT Provider.

Anti-virus software is managed centrally for all key systems and altering systems monitor workstations and servers for out-of-date definitions.

VariVerge, LLC

DESCRIPTION OF THE SYSTEM PROVIDED BY VARIVERGE, LLC

(Continued)

VariVerge utilizes advanced availability and recovery features to help ensure efficient and effective system recovery capabilities through multi restore point (CBT) and near instant image restore.

Virtual instances are clustered to provide further virtual host recovery options. Multigenerational backup data is stored in a redundant non production online storage repository onsite.

VariVerge maintains a computer system and networking monitoring system, which is operational 24 hours a day, seven days a week and is staffed by the IT provider.

VariVerge also maintains an up-to-date inventory of all key systems, software, and components within their environment and updates this document as changes within the environment occur.

People

The executives are actively involved in the Company's day-to-day operations, and are responsible for establishing and monitoring the control environment at VariVerge. All employees are required to understand the President's mandate for an effective control environment. The executives meet regularly with the managers and staff to stay abreast of issues, communicate activities, discuss challenges, and recognize risks.

VariVerge has formal hiring practices designed to ascertain if potential employees are qualified for their responsibilities. The appropriate functional manager must approve all newly hired employees. Hiring policies include verifying prior employment and conducting criminal background checks. All new employees requiring access to critical systems receive a new hire package that includes a nondisclosure agreement, which must be signed by the employee. Additionally, employees are provided with the Company's Privacy and Information Security Policies, with which all employees are required to be in compliance.

Procedures

Policies and procedures have been adopted and approved by the ITC for key IT process areas describing the expectations, duties and processes which are to be adhered to by VariVerge personnel. All policies and procedures are reviewed and updated as necessary by the ITC annually and at other times during the interim when significant changes within the environment warrant the documentation being updated. Policy and procedure documentation is provided to employees annually through distribution of an Employee Manual.

The Windows Domain systems and critical systems in place utilize multi-level security architecture. All access and permission changes are approved and provisioned by management. VariVerge access is assigned based on the user provisioning concept of "least-privilege" giving each individual the minimal level of access required for each individual's function.

Detailed change control procedures have been established for the implementation of system patches. While keeping patches current is critical to protecting our customer's data from known vulnerabilities, there are times that the introduction of a patch itself can cause a production system to operate improperly. These are rolled back if not easily resolved; virtual restore points on virtual machines may be used to facilitate this action.

VariVerge, LLC

DESCRIPTION OF THE SYSTEM PROVIDED BY VARIVERGE, LLC

(Continued)

Data

Data segregation is ensured through a multi-layer approach. First, each customer environment within the VariVerge system is assigned a separate file location unique and secured to only that customer and internal processing accounts. At the networking layer, VLANs are used to provide additional segregation outside of the server systems. Segregating environments between computer network, management network, and building devices helps to ensure that one vendor or system cannot access nor affect the operations of another.

VariVerge understands that data and application availability are of paramount importance to our customers and have therefore implemented a diverse array of hardware, software, processes and controls to mitigate against common service outage events.