

Pickford Services Company



**Report on Pickford Services Company's
Services and Suitability of the Design of its Controls**

SSAE No. 16 SOC 1 Type I Report

As of July 15, 2015

I. INDEPENDENT SERVICE AUDITOR'S REPORT

To Management of Pickford Services Company:

Scope

We have examined Pickford Services Company's (the "Company") description of its escrow system for processing user entity's transactions as of July 15, 2015, and the suitability of the design of controls to achieve the related control objectives stated in the description. The description indicates that certain complementary user entity controls must be suitably designed and implemented at user entities for related controls at the Company to be considered suitably designed to achieve the related control objectives. We have not evaluated the suitability of design and operating effectiveness of such complementary user entity controls.

The Company uses a third-party colocation data center as its system backup and disaster recovery site. The description of controls contained in Section III includes only the controls and related control objectives of the Company, and excludes the control objectives and related controls of the third-party colocation data center. Our examination did not extend to controls of the third-party colocation data center.

Service Organization's Responsibilities

In Section II of the report, the Company has provided an assertion about the fairness of the presentation of the description and suitability of the design of the controls to achieve the related control objectives stated in the description. The Company is responsible for preparing the description and for its assertions, including the completeness, accuracy, and method of presentation of the description and the assertions, providing the services covered by the description, specifying the control objectives and stating them in the description, identifying the risks that threaten the achievement of the control objectives, selecting the criteria, and designing, implementing, and documenting controls to achieve the related control objectives stated in the description.

Service Auditor's Responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design of the controls to achieve the related control objectives stated in the description, based on our examination. We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance, in all material respects, about whether the description is fairly presented and the controls were suitably designed to achieve the related control objectives stated in the description as of July 15, 2015.

An examination of a description of a service organization's system and the suitability of the design of the service organization's controls to achieve the related control objectives stated in the description involves performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design of those controls to achieve the related control objectives stated in the description. Our procedures include assessing the risks that the description is not fairly



presented and that the controls were not suitably designed to achieve the related control objectives stated in the description. An examination engagement of this type also includes evaluating the overall presentation of the description and the suitability of the control objectives stated therein, and the suitability of the criteria specified by the service organization and described in Section II. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We did not perform any procedures regarding the operating effectiveness of the controls stated in the description and, accordingly, do not express an opinion thereon.

Inherent Limitations

Because of their nature, controls at a service organization may not prevent, or detect and correct, all errors or omissions in processing or reporting transactions. The projection to the future of any evaluation of the fairness of the presentation of the description, or any conclusions about the suitability of the design of the controls to achieve the related control objectives, is subject to the risk that controls at a service organization may become ineffective or fail.

Opinion

In our opinion, in all material respects, based on the criteria described in the Company's assertion:

- a. The description fairly presents the Company's escrow system that was designed and implemented as of July 15, 2015, and
- b. The controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively as of July 15, 2015.

Description of Tests of Controls

The specified controls tested and the nature, timing, and results of those tests, are described in Section IV of this report.

Restricted Use

This report is intended solely for the information and use of the Company, user entities of the Company's escrow system as of July 15, 2015, and the independent auditors of such user entities, who have a sufficient understanding to consider it, along with other information including information about controls implemented by user entities themselves, when obtaining an understanding of user entities information and communication systems relevant to financial reporting. This report is not intended to be and should not be used by anyone other than these specified parties.

SQUAR, MILNER, PETERSON, MIRANDA & WILLIAMSON, LLP

Newport Beach, California
July 31, 2015