

CAS INSIGHTS

TECH ENABLED OUTSOURCED BUSINESS SERVICES MARKET REPORT

**WHERE DO WE GO
FROM HERE?**

FIRST QUARTER 2020



Corporate Advisory Solutions
INTEGRITY • CONFIDENTIALITY • EXPERIENCE

A WELCOME MESSAGE FROM MARK RUSSELL

It is amazing how just a few months ago, none of us could imagine a world in which our economy and country would be virtually shut down by a pandemic. In fact, we at CAS had just distributed our year-end newsletter exclaiming how amazing 2019 was from an M&A perspective. We expressed the hope 2020 would generate a similar level of transactions.

We knew there was a risk of recession, particularly due to how aggressively valued stocks and bonds were at the time. We also realized the Presidential election would generate a level of uncertainty in the markets.

When Michael and I brought our deal team members to Las Vegas for the annual Receivables Management Association conference in early February, we were amazed at how engaged attendees were in discussing the potential for debt sales and other transactions in 2020. We returned to our offices with plenty of leads and opportunities. Unfortunately, the world changed in March when our new reality began to take form as we learned just how devastating COVID-19 would be to our society and economy.

Despite the challenges we have all endured during the past six weeks, we at CAS want you to know the M&A markets are still very much alive. There are buyers and lenders who continue to remain interested in pursuing transactions, and companies interested in partnering to help those who need assistance with client business and/or operational support.

While we can't predict how long this impact will last, or when we will return to some semblance of normalcy, we realize the OBS sector is highly resilient. We are confident we will emerge from this crisis.

If you or someone you know needs help in any of the following areas, please contact Managing Partner Michael Lamm at 202.904.7192 or mlamm@corpadvisorysolutions.com or myself at 301.404.5757 or mrussell@corpadvisorysolutions.com:

- Establish remote telephony plans and collaboration tools for your call center staff as governmental agencies issue evolving "Shelter in Place" guidance
- Access to lenders and capital sources
- M&A Advisory (buy-side/sell-side minority or control transactions)
- Joint venture, partnership and subcontracting arrangements
- Strategic planning to manage through the COVID-19 crisis
- Comprehensive business assessments to evaluate the impact of the pandemic on your company's fair market value, including how this may impact your timeline for pursuing a future exit
- Market intelligence/strategic advisory around asset class diversification
- Technology and compliance audits in the wake of the new "work from home" environment

Please feel free to reach out to us to confidentially discuss your business interests.

We look forward to hearing from you and being of service.

Sincerely,



Mark Russell

Managing Partner

Phone: 301-404-5757 | E-mail: mrussell@corpadvisorysolutions.com

Certain members of Corporate Advisory Solutions, LLC are Registered Representatives of StillPoint Capital, LLC, and securities transactions are conducted through, StillPoint Capital LLC; Member FINRA/SIPC. StillPoint Capital is not affiliated with Corporate Advisory Solutions, LLC.

SELECT WEBINAR ACTIVITY

● Register for a May 13 Post-Merger Webinar

- o Michael Lamm, Managing Partner of CAS, joins Christa Heibel to provide step-by-step directions on how to make the most of your newest business acquisition and avoid the nightmare of post-merger strategies that could cost a fortune.

Register by clicking [here](#).

● COVID-19 Impact on Valuation

- o ACA International's Today's Daily Huddle featured Michael Lamm, Managing Partner of CAS, who joined with Mike Ginsberg of Kaulkin Ginsberg to discuss the impact COVID-19 is having on the value of companies.

Click [here](#) to listen to the webinar.

● Loans From the SBA & CARES Act: How the ARM Industry Can Benefit

- o CAS cosponsored this free webinar and PowerPoint presentation explaining how government programs announced in the past weeks can financially help companies, especially small businesses, during the coronavirus pandemic.
- o This free webinar and PowerPoint presentation help businesses understand the different government programs, how they work, and how to apply for them. This includes the H.R. 748 CARES Act and Paycheck Protection Program. Listen to this webinar and download the PowerPoint to learn how your company can access government financing.

[Loans from the SBA & CARES Act: How the ARM Industry Can Benefit.](#)

[CARES & SBA Assistance: A tool at your disposal.](#)

● The Future of the ARM Industry: What Will Be the New Normal In the Post-Pandemic World

- o Michael Lamm, Managing Partner of CAS, joins with Joann Needleman, member of Clark-Hill, to discuss where they think the ARM industry is headed during the Coronavirus crisis.
- o This free one-hour webinar covers important subjects for members of the ARM and Healthcare industries who are charting a strategic response to the pandemic, including legislative and regulatory changes, M&A Financing, consolidations, exits and overall market trends.

Click [here](#) to listen to the webinar.



Get the Most Out Of Industry Conferences

Once the COVID-19 crisis has passed, conferences and trade shows will again be extremely valuable learning and networking opportunities for your company. Tune into **Getting the Most Out Of Industry Conferences** on [“Leadership Fuel with Michael Lamm,”](#) featured on ACA Cast, to hear about the value of in-person and online learning, especially for industry up-and-comers, and how to use the information learned going forward.

(continued on next page)

SELECT PODCAST ACTIVITY

● ARM M&A Deal Talk with Michael Lamm

- o An ongoing, bi-weekly podcast by [Mike Gibb](#) with Michael Lamm on a different ARM subject during each session
- o Listen to all the FREE sessions [here!](#)

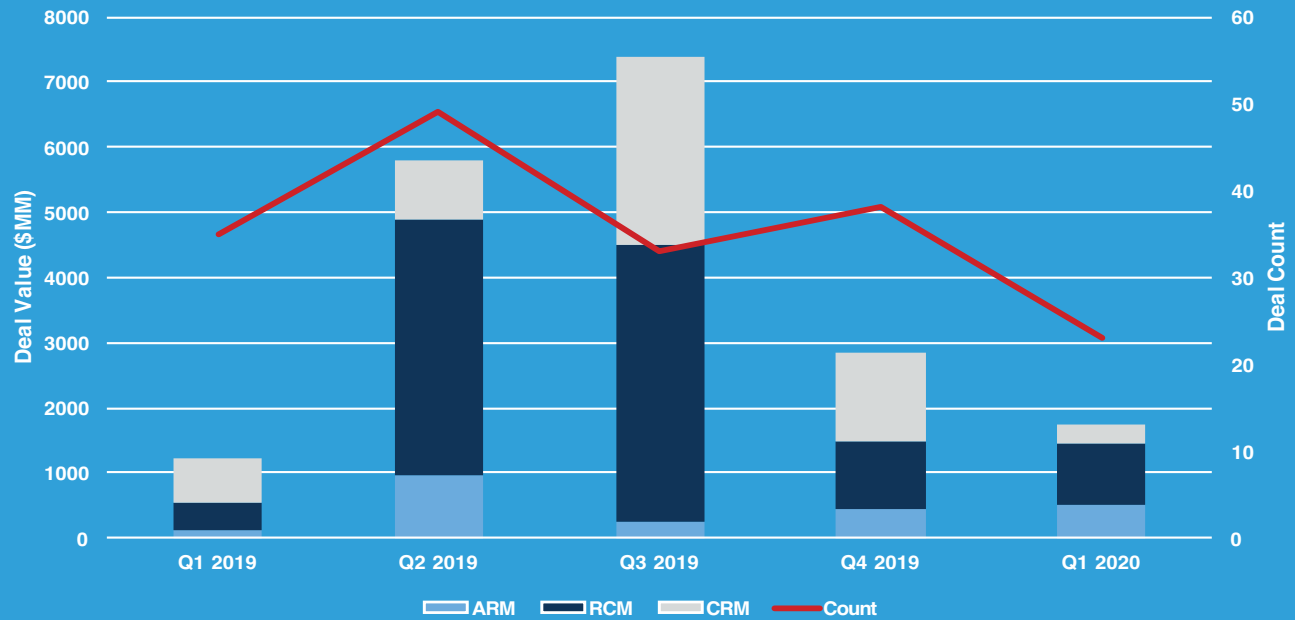
[AccountsRecovery.net](#) | [RepoPulse.com](#) © & © 2018 ARM M&A Deal Talk with Michael Lamm

CAS IS PROUD TO HAVE SERVED AS AN ADVISOR ON THESE OBS TRANSACTIONS*

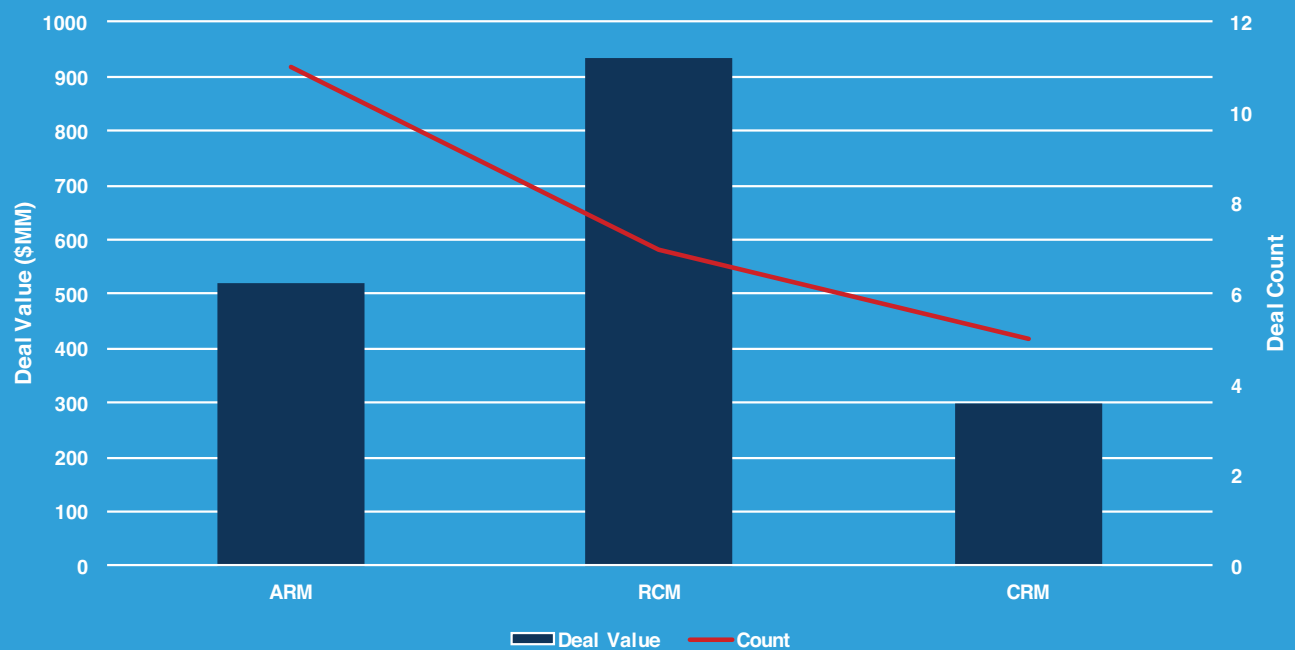
<p>JH Liquidating Trust I sold its charged-off consumer debt portfolio assets to Reviver Financial LLC</p> <p>The undersigned initiated the transaction and served as M&A advisor to JH Liquidating Trust I</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> SECURITY CREDIT SERVICES</p> <p>PURCHASED THE ASSETS OF</p> <p>a Mid-Atlantic Debt Purchaser</p> <p>The undersigned initiated the transaction and served as M&A advisor to the Mid-Atlantic Debt Purchaser</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> ARCADIA CREDIT SERVICES Institutional Strength. Individual Attention</p> <p>ACQUIRED THE ASSETS OF</p> <p> MEDCONN AMERICAN AGENT LLC</p> <p>The undersigned initiated the transaction and served as M&A advisor to MedConn Collection Agency</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p>FLEXPOINT FORD</p> <p>ACQUIRED</p> <p> TRAK AMERICA</p> <p>The undersigned initiated the transaction and served as M&A advisor to Flexpoint Ford</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> tsi</p> <p>ACQUIRED THE ASSETS OF</p> <p> NCC BUSINESS SERVICES SOLVING THE RECOVERY PUZZLE</p> <p>The undersigned initiated the transaction and served as M&A advisor to NCC Business Services, Inc.</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> Windham PROFESSIONALS</p> <p>ACQUIRED THE ASSETS OF</p> <p> AMS ALLEN MAXWELL & SILVER</p> <p>The undersigned initiated the transaction and served as M&A advisor to Windham Professionals, Inc.</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>
<p> SINGLEPoint</p> <p>ACQUIRED</p> <p> GENERAL REVENUE CORPORATION</p> <p>The undersigned initiated the transaction and served as M&A advisor to SinglePoint Corporation</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> PROFESSIONAL RECOVERY CONSULTANTS</p> <p>WAS ACQUIRED BY</p> <p>LaSalle Capital</p> <p>The undersigned initiated the transaction and served as M&A advisor to Professional Recovery Consultants, Inc.</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> tsi</p> <p>ACQUIRED</p> <p>Altisource Portfolio Solutions S.A.'s Financial Services Business</p> <p> Altisource</p> <p>The undersigned initiated the transaction and served as M&A advisor to Altisource Portfolio Solutions S.A.</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> VITAL SOLUTIONS</p> <p>ACQUIRED</p> <p>NRC A FUSION BIO GROUP COMPANY</p> <p>The undersigned initiated the transaction and served as M&A advisor to Vital Solutions</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> ProCo A WINDHAM PROFESSIONALS COMPANY</p> <p>WAS ACQUIRED BY</p> <p> Windham PROFESSIONALS</p> <p>The undersigned initiated the transaction and served as M&A advisor to ProCo</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> McCarthy, Burgess & Wulff Business Experts</p> <p>WAS ACQUIRED BY</p> <p> ELI GLOBAL</p> <p>The undersigned initiated the transaction and served as M&A advisor to McCarthy, Burgess & Wulff, Inc.</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>
<p> JOHNSON MORGAN & WHITE</p> <p>HAS MERGED INTO</p> <p> altus GLOBAL TRADE SOLUTIONS</p> <p>The undersigned initiated the transaction and served as M&A advisor to Johnson Morgan & White</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> RMB</p> <p>WAS ACQUIRED BY</p> <p> WAKEFIELD & ASSOCIATES</p> <p>The undersigned initiated the transaction and served as M&A advisor to RMB, Inc.</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> altus GLOBAL TRADE SOLUTIONS</p> <p>WAS ACQUIRED BY</p> <p> SPRING CAPITAL Evergreen</p> <p>The undersigned initiated the transaction and served as M&A advisor to Altus Global Trade Solutions</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p>Affinity Global</p> <p>WAS ACQUIRED BY</p> <p> ELI GLOBAL</p> <p>The undersigned initiated the transaction and served as M&A advisor to Affinity Global</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p>The Encho California law firm of Blair & Cox has merged with the Law Offices of Patenaude & Felix APC</p> <p> PATENAUDE FELIX APC A PROFESSIONAL LAW CORPORATION</p> <p>The undersigned served as advisor to Patenaude & Felix, APC</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> ALLIED ACCOUNT SERVICES, INC.</p> <p>WAS ACQUIRED BY</p> <p> MONARCH Recovery Management, Inc.</p> <p>The undersigned initiated the transaction and served as M&A advisor to Allied Account Services, Inc.</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>
<p> RevSolve</p> <p>WAS ACQUIRED BY</p> <p> USCB</p> <p>The undersigned initiated the transaction and served as M&A advisor to RevSolve, Inc.</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> VITAL SOLUTIONS</p> <p>WAS ACQUIRED BY</p> <p> FUSION</p> <p>The undersigned initiated the transaction and served as M&A advisor to Vital Solutions</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> PENNCRO ASSOCIATES, INC. A FINANCIAL SERVICES COMPANY</p> <p>WAS ACQUIRED BY</p> <p> radius</p> <p>The undersigned initiated the transaction and served as M&A advisor to PennCro</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> NSA NORTH SHORE AGENCY</p> <p>WAS ACQUIRED BY</p> <p> Broad Street Holdings LLC</p> <p>The undersigned initiated the transaction and served as M&A advisor to North Shore Agency, LLC</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> RENTCOLLECT GLOBAL Debt Management Services</p> <p>WAS ACQUIRED BY</p> <p> ASSURANT</p> <p>The undersigned initiated the transaction and served as M&A advisor to Rent Collect Global</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> SRA ASSOCIATES</p> <p>WAS ACQUIRED BY</p> <p> Global IT Sales</p> <p>The undersigned initiated the transaction and served as M&A advisor to SRA Associates, Inc.</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>
<p> PRS PROFESSIONAL RECOVERY SERVICES, INC.</p> <p>WAS ACQUIRED BY</p> <p> CREDITCONTROL</p> <p>The undersigned initiated the transaction and served as M&A advisor to PRS</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> Integrity Solution Services, Inc.</p> <p>WAS ACQUIRED BY</p> <p>Oakville Consolidated Limited</p> <p>The undersigned initiated the transaction and served as M&A advisor to ISS</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> KADENT THE TEAM FIRM COUNTS</p> <p>WAS ACQUIRED BY</p> <p> ARB ARCADIA RECOVERY BUREAU</p> <p>The undersigned initiated the transaction and served as M&A advisor to Kadent Corporation</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> LEADING EDGE RECOVERY SOLUTIONS</p> <p>WAS ACQUIRED BY</p> <p> Affinity Global Connecting People with Solutions</p> <p>The undersigned initiated the transaction and served as M&A advisor to Leading Edge</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p> Berlin-Wheeler, Inc. A Receivables Management Company</p> <p>WAS ACQUIRED BY</p> <p> WAKEFIELD & ASSOCIATES</p> <p>The undersigned initiated the transaction and served as M&A advisor to Berlin-Wheeler, Inc.</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>	<p>Credit Bureau of Traverse City, Inc.</p> <p>WAS ACQUIRED BY</p> <p> MERCHANTS ASSOCIATION COLLECTION DIVISION, INC.</p> <p>The undersigned initiated the transaction and served as M&A advisor to Credit Bureau of Traverse City</p> <p> CAS Corporate Advisory Solutions Integrity • Confidentiality • Experience</p>

*Includes only transactions that have been publicly announced.

Outsourced Business Services (OBS) Market Overview



We continue to reflect technology companies that service our coverage markets in the OBS Market Overview chart above. We began to include technology service companies in Q1 2019. CAS believes these companies characterize similar companies we have represented in the past. As technology transforms our markets, they should be included in our deal count.



Accounts Receivable Management (ARM)



The ARM industry is experiencing a truly unprecedented time as the world grapples with an impending global recession.

The coronavirus pandemic is creating rapid and deep levels of unemployment as states around the country issue “stay at home” orders to combat the spread of COVID-19. [Unemployment claims](#) rose to approximately 22 million over the past four weeks (measured as of mid-April). In a matter of four weeks, all of the jobs recovered in the 11-year period following the Great Recession were lost. The St. Louis Fed predicts the unemployment rate will rise above 30% in Q2 2020 (unemployment was at 3.5% in February 2020, as a point of reference). To combat the impacts of the virus on the economy, the Federal Reserve also cut the [fed funds rate to 0%](#) (or technically between 0.01% - 0.25%). Despite increasing uncertainty in the global economy, there is growing sentiment the ARM industry is likely to experience unprecedented volumes over the coming months as consumer and commercial defaults are expected to rise significantly.

Rising levels of unemployment have created a financial strain on many Americans who may be out of work, which significantly impacts the “propensity to pay” for the average debtor. In an effort to provide financial relief for their residents, a number of states have banned various collection efforts and/or suspended the collection of certain state sponsored debt obligations (i.e. government debt, medical debt, student loans, etc.). The response has varied widely between states and is stricter in harder hit areas of the country. CAS is closely following the [publication by Cornerstone Support](#) to stay up to date on all of the updates in “real time” on a state-by-state basis. We have witnessed that in states where there are no restrictions on collection activities, clients are temporarily directing their vendors to pursue a “softer” approach, which may prohibit vendors from utilizing an outbound calling strategy or filing lawsuits/judgements. This is negatively impacting short-term financial performance.

Many states are taking additional measures to protect consumers by protecting stimulus money from the CARES Act from being eligible for debt collectors to garnish. States like [Oregon](#), [Washington](#), Indiana, and Illinois have led the pack. Considering the amount of headline attention that has been related to this topic, one would assume this has been a large issue. In an [analysis performed by Experian](#), the average credit card balance in 2019 is \$6,194. Even collecting 100% of the stimulus money issued would have a small impact on just the credit card debt. That, coupled with the fact there has been next to no anecdotes of collectors seizing stimulus money, is interesting to analyze the rhetoric around credit and collections. [Sen. Warren \(D-Mass.\) and Sen. Brown \(D-Ohio\) also recently proposed to Congress to enact further protections for consumers](#), including allowing consumers to put a halt on all debt payments during the pandemic, imposing more difficult market regulations for ARM businesses to adhere to.

CAS is closely monitoring the proceedings related to the [recent lawsuit ACA International files against the Attorney General of Massachusetts](#) over the emergency regulations put in place. Massachusetts was one of the first states to issue a statewide moratorium on collection activity during the pandemic. The regulations prohibit debt collection agencies from initiating communication with individuals while a state of emergency is in place.



ACA is arguing this prohibition also includes “potential hardship resolution repayment plans or communicating a variety of other deferment options” the consumer will now likely not be made aware of.

Treatment strategies with consumers are completely different in this situation. Agents are increasingly acting as a resource for customers to provide assistance in this new environment. Sympathy, creative solutions and understanding are becoming increasingly important. On top of new strategies, agents are being forced to tackle all this change in a new remote environment.

ARM service providers have been forced to act quickly with state mandated quarantined strategies that have closed all but “essential businesses.” While the definition of an ARM service provider varies state by state, it is “essential” for business owners to quickly formulate a compliant and effective work from home strategy for their customer service representatives. Companies have been leveraging technology solutions such as Katabat, PDCFlow, LiveVox, Arbeit, etc. to assist in the transition. Fortunately, a number of states loosened their work from home licensing requirements to help with the transition, but this guidance is not consistent. This new environment is also creating issues from a security, training, efficiency and performance perspective. It will likely be some time before agencies have fully adapted.

In early March, President Donald Trump announced a [freeze on interest on federal student loans for 6 months](#). Payments are also automatically suspended through September 30th (unless you opt-in to continue making payments). The CARES Act also ensured that credit bureaus will not be reporting loan status during this temporary period of suspension. The suspension is significantly impacting agencies with a majority of their portfolio in student loans. The vibrations throughout the credit and collection world that touches the student loan segment is continuing to unfold, with [agencies being forced into laying off or furloughing](#) a significant portion of their staff.

The CARES Act also provided a [temporary moratorium on evictions](#) for most residents in federally subsidized apartments. Some state supreme courts have stepped in by postponing all non-emergency court hearings (which has impacted legal collection strategies), while other courts have forbidden judges from issuing eviction orders necessary to finalize an eviction. When the pandemic passes, this will be an interesting dynamic to monitor with the “backlog” of cases in the court systems.

Despite the challenging times, it is anticipated ARM service providers will play a significant role in helping the economy recover as the resolution of debt obligations becomes more complex and critical in keeping struggling businesses afloat. CAS also anticipates debt sales to increase as originating creditors look to supplement short-term levels of depressed liquidation and raise much needed cash flow. In anticipation of this, many debt buyers are looking to optimize their workflow and seek additional capital to help fund these purchases. The ARM industry is poised to see record inflows of referrals/placements as the country grapples with unprecedented delinquencies.

Company	Description	Recent News/Trend
	<p>PDCFlow from Ogden, Utah provides a complete Accounts Receivable payments hub including processing PCI (Payment Card Industry) compliant card payments, PCI audition, and other processing and portal services.</p>	<p>Helping to make remote ARM as easy, painless, and as quick as possible PDCflow is a solution to watch that allows secure remote collection forms (no user ID or password required, simply send a unique URL in Emails, Apps, or integrate with other services) providing a helpful ARM service for companies who are looking for solutions to enhance and streamline their remote work capabilities.</p>
	<p>Based in Kansas, TrueAccord is a Fintech firm with an automated debt recovery platform bridging the gap between the creditor and those in debt, using machine learning that adapts to consumer behavior with personalized communications to deliver the right payment option at the right time and on the right channel.</p>	<p>TrueAccord has recently announced a new development to their existing range of tools called "Engage" which is a direct-to-consumer portal allowing borrowers to directly negotiate debt payments with financial institutions via the portal. The platform may be used to delay payments on outstanding debt, and also for credit that has gone into collections. Repayment negotiations may be made via email, text, and traditional letters, and TrueAccord's existing Machine Learning engine is leveraged for decision making based on the type of debt and consumer behaviour to adjust the messaging.</p>
	<p>Prodigal uses machine-learning with speech AI to empower ARM executives with insights on compliance and performance data.</p>	<p>Prodigal's Natural Language Engine acknowledged an uptick in consumer stress beginning March 15 as a result of COVID-19, with borrowers expressing worries about health and unemployment. Empowered with the data insights provided from Prodigal, their client Unifin (a full service BPO and ARM firm) was able to better prepare for the response in the current market, and adjust their approach to collections accordingly, using real-time speech monitoring to highlight at-risk calls early and allow for intervention with coaching to improve their services.</p>

Notable Transactions

- [Jefferson Capital Systems, LLC acquired Canaccede Financial Group](#)
- [Provana LLC acquired Surefire Data Solutions](#)
- [Investment Group sold its interest in the Philippines operation of a multinational BPO Company. CAS advised the Investment Group on the transaction.](#)

Customer Relationship Management (CRM)



As a result of COVID-19, companies are now turning to their customer relationship management systems to oversee clients and operations with a disrupted workforce.

[“In order to make sure sales are pursued, customers are served and employees are productive, even when they’re out of the office,”](#) more and more companies are beginning to link their websites directly to their CRM systems and configure their specific CRM application’s workflows, alerts, and reminders as a means of ensuring nothing goes amiss. CRM systems are also being utilized for their templates’ functionality, which enables companies to send out bulk emails, text messages, etc. distributed consistently and with a single corporate message. With a vast majority of employees working from home, this has become a prime opportunity for them to clean up their databases with updated contact and account information. Additionally, as the risk of potentially missing out on critical emails, data, and notes increases during this period of working from home, so does the need for platform integration, namely companies’ CRM, email, and calendar systems. Numerous companies are beginning to make such changes, thus allowing them to be better positioned in the long run.

Moreover, a large number of [CRM companies are working to offer tools to help streamline the communication between company and consumer](#). In particular, Salesforce is supplying a “COVID-19 Response package” meant to aid emergency response teams, call centers, and care management teams for health systems impacted by COVID-19. The [COVID-19 Care Response Solution](#) “provides free access to technology” to the aforementioned as well as health insurers and healthcare and life sciences organizations, enabling corporations globally to maintain connections with their patients, members, employees, etc. with real-time information. This solution, which includes: Pre-Configured Health Cloud Org, Encryption, Audit Trails and Monitoring, Self-Service Resource Center, and Learning Platform, can be promptly implemented and is free of charge for six months. Once the term period ends, Salesforce customers can choose to either continue the service at their contracted price or cancel the service.

Cloud-computing company Veeva Systems is another major name in the CRM industry that is working to help the fight against the novel coronavirus. Veeva CRM Engage Meeting, which allows healthcare providers to interface in real-time with staff and customers, is now being offered at no charge for new clients and for the entire industry until September. According to CEO Peter Gassner, the company is experiencing significantly more usage, as they [“provide remote communications services for the life sciences industry and are playing a role in enabling the players to develop testing, treatment, and vaccinations for COVID-19.”](#) Likewise, Zoom Video Communications, Inc., which is the platform used by Veeva Engage, has noted a record increase in customers due to more individuals engaging in working from home practices. As reported by TechCrunch, during the highest recorded week of business app downloads, [“Zoom was downloaded 14 times more than the weekly average during the fourth quarter of 2019 in the United States”](#) and now has more users through February 2020 than it had in all of 2019.

Furthermore, call centers worldwide are making the transition to go virtual, utilizing cloud contact center solutions during the pandemic. [Industry insiders argue that there are several reasons this shift could truly benefit call center](#)



[companies and agents alike](#). For one, the ability to communicate with customers, staff, and colleagues from any location is made simpler. In wake of COVID-19, customer service organizations are receiving a higher number of inquiries on a daily basis; to keep up with the demand, contact centers are employing team messaging apps that allow for questions to be answered instantaneously. Working from home has also been known to lead to happier, more productive employees in that they are able to complete more personal tasks while still accomplishing their work tasks. Offering employees more space to achieve a better sense of balance between work life and home life can improve their overall satisfaction and job retention – leading to a decrease in operational and training costs and an increase in the customer experience. We do note, however, that given this new environment we are witnessing new productivity challenges, especially with young families, as schools and daycares are deemed “non-essential” businesses and young families juggle work and home life in a single environment. That said, a reduction in expenses is yet another reason call centers are going virtual, as they can save a considerable amount in what would otherwise be allocated to the costs of office rent, utilities, equipment, and the like. In addition, cloud contact centers have the advantage of hiring employees based on skill rather than geographic location.

As we continue to navigate through these challenging times, it is encouraging to see companies in the CRM industry adapt and adjust with new technological advancements. Technology solutions have shifted from “nice to have” to a “must have.” In times during which supply chains are interrupted/delayed and consumers are facing new hardships and emotions, maintaining customer support in a timely and convenient fashion is critical. CAS expects more companies to utilize their CRM systems to promote better internal and external communication, as well as a more consistent methodology for data collection.

Save 20-40% On Payment Processing

[Connect1](#) is a team of industry executives dedicated to matching our extensive list of clients, across multiple verticals, with the right vendors. We currently work with a **Payment Processor** specializing in the Accounts Receivables industry.

Our payment solutions provide the funding, redundancy, security and peace of mind you deserve. They offer a single point of contact that utilizes ePayments, a proprietary payment gateway solution. ePayments integrates directly with sponsor banks as well as other industry leading Account Receivables software and payment gateways currently being utilized by many payment industries providers. This results in a seamless processing solution while managing and supporting one integration.

Contact [Lisa Thompson](#) for a **FREE** assessment and see how you can **SAVE 20-40%** off your current fees.



Company	Description	Recent News/Trend
	<p>Precursive is a London-based software as a service (SaaS) company that enables users to oversee several business processes on one user-friendly platform.</p>	<p>In April 2020, Precursive received a £2.5 million investment from UK private equity house Maven Capital Partners. Precursive is a cloud-based software tool that can be customized based on a business' needs and can be implemented efficiently alongside current CRM sales systems. With the investment from Maven, Precursive will be able to broaden its capabilities, expand product development, grow its sales and marketing teams, and promote growth in the UK as well as the US.</p>
	<p>A multinational corporation with headquarters in Hong Kong, China, Airwallex is a financial platform designed to improve and simplify global payments – be they business or personal through “smart payment technologies”</p>	<p>Airwallex utilizes its innovative “complete financial technology toolkit” to overcome the difficulties businesses encounter concerning global payments (e.g., heavy dependence on manual processes, diverse currencies and systems, etc.). Recently, Airwallex raised \$160 million in Series D funding to grow and expand in the US and Europe. One of the larger contributors in this round of funding came from a major name in the CRM industry, Salesforce Ventures.</p>
	<p>Developed by CRM software company vCita along with Mastercard Incorporated, Business Unusual is a virtual platform created to ease the transition for small business owners to go digital.</p>	<p>Due to the impact of the pandemic, small business owners are faced with the challenge of adapting to the digital world and its demands. Business Unusual acts as a “digital starter pack” for SMEs, granting them access to various educational tools, including resources that assist in the billing, invoicing, and scheduling processes. To provide some relief to small companies, Business Unusual is being offered with a free three-month trial period.</p>

Notable Transactions

- [24-7 Intouch acquired Knoah Solutions](#)
- [Five9, Inc. \(NASDAQ: FIVN\) to acquire Virtual Observer, Formerly Known as CSI](#)
- [Provana LLC acquired TriVium Systems](#)

Healthcare Revenue Cycle Management (RCM)



In the wake of the current COVID-19 pandemic, which has been worsening daily both domestically and internationally, the Healthcare RCM sector has some unique advantages but is still not immune to the changes and challenges it brings.

Despite market uncertainty, there are still high levels of interest in RCM companies in the market with a great amount of capital ready to deploy. Especially in the longer term, [high levels of M&A activities in the healthcare sector are anticipated](#) as the current crisis may become an external factor driving the trend, providing future opportunities for M&A activity.

An increased number of hospitals are reported to undergo financial difficulties as they gear up for the spike in COVID-19 cases and [many elective procedures and non-emergency surgical procedures are getting canceled](#). This has resulted in lower volume in the short-term, causing hospitals to become temporarily cash-strapped [while stacking up costs in preparing for patient care related to COVID-19](#) (i.e. setting up more ICU beds or addressing staffing issues). The issue is exacerbated given elective procedures are typically more profitable for health systems (i.e. higher balance, greater reimbursement, better liquidation, etc.). As the pandemic worsens, the demand for services and healthcare costs are expected to tick upwards. According to America's Health Insurance Plans (AHIP), [the healthcare cost stemming from COVID-19 is expected to reach as high as \\$556B over the next couple of years](#). While hospitals are busy dealing with an influx of COVID-19 cases, independent physicians are experiencing a shortage of visits, putting their practice at risk. With hospitals temporarily re-allocating their resources and focusing on managing the Coronavirus crisis, RCM servicers are faced with a decrease in outpatients and elective surgery placements, which in turn is expected to be replaced with more in-patient accounts.

[The Coronavirus Aid, Relief and Economic Security \(CARES\) Act will provide \\$100B relief to support the providers for expenses and lost revenue associated with COVID-19](#). \$30B of the fund is immediately being infused into the healthcare system to provide quick relief, and the rest will help healthcare providers for the treatment of Coronavirus. This stimulus package also sets out additional avenues to help healthcare providers including a 20% increase in Medicare reimbursements for COVID-19 patient care and the suspension of the 2% Medicare sequestration through the end of 2020. The Senate and House passed a bill for another \$75B stimulus package for hospitals illustrating that despite the initial relief package provided, healthcare providers continue to struggle financially.

[Testing and treatment of COVID-19 creates billing and coding challenges for healthcare providers](#). Some smaller hospitals and practices are facing greater pressure to keep their billing office open as economic burdens and safety concerns arise. Healthcare providers are likely to turn to outsourcing their billing office overflow. [The Center for Medicare & Medicaid Services \(CMS\) introduced additional billing codes](#) to encourage virus testing and lessen the confusion for billing and reimbursements. RCM servicers that have resources and are at the forefront of handling the new billing are expected to draw more business and be seen as attractive vendors thanks to their specialization and preparedness.

With the unprecedented speed and magnitude of the Coronavirus spread, the importance of work from home



capabilities is no exception to RCM service providers. This is not only crucial for the safety of employees but also having robust business continuity plans and demonstrating agility and resilience in operations become essential. Furthermore, the readiness for remote work is going to be one of the key value-add drivers for RCM service providers coming to the market. Healthcare providers are showing increased willingness to allow RCM vendors to work remotely, while still ensuring appropriate HIPAA and HITECH standards are met.

The government has loosened telehealth regulations and expanded services for Medicare beneficiaries to respond to the COVID-19 pandemic. As a part of The CARES Act, [the Federal Communications Commission \(FCC\) launched the \\$200M Coronavirus Telehealth Program](#) to help equip healthcare providers with technology and broadband connectivity for telehealth services. CAS expects that growing demand for telehealth services will increase the need for RCM services, drawing increased interest from the market. This is another example of a service that has transitioned from a “nice to have” to a “need to have” status.

[Patients are struggling to pay medical bills after seeking treatment for COVID-19.](#) With the unemployment rate dramatically rising and the economy experiencing a sharp decline, it is expected that the collection of medical debt will become even more difficult as healthcare organizations are already experiencing difficulties forming collection strategies in the era of health plans with high out-of-pocket costs and other cost-sharing arrangements. Liquidations on self-pay debt obligations are further impacted by states (i.e. New York, Massachusetts, etc.) that are temporarily prohibiting certain medical debt collection (including interest accrual and fees) in an effort to provide financial relief to consumers. Health systems that are state owned will continue to feel the impact of these measures.

[The Families First Coronavirus Response Act](#) requires Medicaid and private payers offering group health plans or individual health insurance to provide zero cost-sharing for coronavirus testing. Health Insurance payers are also increasing their efforts to apply solutions to lower out-of-pocket costs for patients needing care from COVID-19. RCM service providers who work with insurance companies are expected to continue recoveries and benefit from a higher volume stemming from growing coronavirus cases.

CAS is still measuring the impact of COVID-19 on the RCM sector, but sees positive tailwinds that are resilient even during times of macroeconomic hardship. Given the regionalized focus of many RCM vendors, we continue to see variances around the country. States that are under “stay at home” orders may witness a drop in certain claims, such as motor vehicle and workers compensation claims, while states less impacted by the virus are seeing minimal impact to date. Certain service lines remain resilient, such as extended business office and those focused on government and commercial payers. Diversification of service lines has become increasingly important during this time to combat temporary dips in certain patient segments. In all, healthcare providers are expected to lean heavily on their RCM vendors to help generate much needed cash flow to hospitals and health systems.

Company	Description	Recent News/Trend
	<p>Eruptr provides a full suite of digital marketing solutions to clients in the healthcare sector. Its clients include Johns Hopkins, UNC Health Care, Methodist, Inova Health System, and Wellspan. It also received a strategic investment from H.I.G Growth Partners in 2018.</p>	<p>During Q1, Eruptr completed its acquisition of HealthAware, a provider of health risk assessment and patient engagement solutions to promote necessary healthcare provider interactions to consumers. Through the acquisition, Eruptr anticipates to further expand its existing suite of services and technology for the healthcare sector.</p>
	<p>Tonic Health offers a mobile patient intake, survey and payments platform to many of the largest healthcare organizations in the U.S. Its platform also allows real-time mobile data collection and payments. The Company is based in Menlo Park, CA.</p>	<p>Early this year, Tonic Health was acquired by SCI Solutions, one of the leading providers of Electronic Health Record (EHR)-agnostic online care coordination services in the market. Tonic's flexible automated platform together with SCI's market leading digital engagement platform including patient scheduling, referral management, revenue cycle workflow automation, and patient self-care management, will create a comprehensive patient self-service technology suite that allows patients to be engaged throughout the full cycle of the healthcare experience.</p>
	<p>A healthcare IT solution provider based in Carlsbad, CA. Its solutions includes an integrated EHR platform, urgent care solutions, and a complete end-to-end RCM solution.</p>	<p>Medsphere recently added a telehealth component to their ChartLogic EHR solution for ambulatory practices which expects to benefit both existing and new clients in the midst of the COVID-19 pandemic. ChartLogic Telehealth operates in a web browser, which makes it easier for both healthcare providers and patients' access.</p>

Notable Transactions

- [CMRE Financial Services, Inc. acquired by Meduit](#)
- [RevSpring \(a portfolio company of GTCR\) acquired Loyale Healthcare](#)
- [Coronis Health, LLC acquired Reliabill, LLC](#)

Specialty Finance



Specialty Finance has positive signs to show hope for future ahead.

With the \$2T [Coronavirus Aid, Relief and Economic Security \(CARES\) Act](#) approved with allocations of \$350B for small businesses in an emergency lending program (Paycheck Protection Program), fintech companies have been successful in lobbying and receiving approval to participate in the program. [PayPal \(NASDAQ: PYPL\) was the first non-banking institution to be part of the program](#) and it promises to fill in the gaps for small businesses that often struggle to qualify for financing from the traditional banking sector. Fintech companies and online lenders also believe their tech-focused underwriting approach can boost the speed of loan processing faster than the commercial banks. In addition, [Intuit \(NASDAQ: INTU\) has also rolled out a new service "Stimulus Registration" through Turbo Tax to help individuals register to receive their stimulus payment from the government.](#)

Leveraging digitalization and technology, some parts of fintech services are expected to draw higher levels of business during the COVID-19 pandemic when society is on lock-down mode and people are practicing social distancing. Areas such as peer-to-peer payments, online merchant payments, consumer lending, business lending, and insurtechs are examples which are expected to inject fresh activity into the fintech service industry during this time.

While the government is putting significant efforts and measures to reduce the negative impact from COVID-19, [a total of 10M people have reported to file for unemployment with the Department of Labor](#) in just two weeks. 59% of credit card holders faced the COVID-19 pandemic with credit card debt. To help consumers navigate through this difficult time, many credit card companies are offering different relief programs. [Apple Card users are allowed to defer their March and April payments without accruing any interest.](#)

An area of growing interest, especially during this environment is the Debt Settlement industry. While issues with the financial system drove prior recessions, this pandemic is creating a dramatic increase in unemployment. Consumers are still highly leveraged, but have had their positions furloughed or hours reduced. Once employment resumes, these consumers will likely leverage a debt settlement company to help resolve their debt obligations at a more digestible rate. CAS anticipates a large push toward debt settlement in the coming months after the pandemic subsides.




In tandem with increasing unemployment levels are increased delinquencies as businesses and consumers struggle to make debt payment obligations without gainful employment or severely limited demand. Defaults are increasing and originating creditors are putting a greater emphasis on leveraging their internal collection software to maximize liquidation rates and are looking to outsource servicing efforts or even liquidate the portfolios to debt purchases in an effort to realize up-front cash flow. We expect portfolio sales to continue in this environment until liquidations recover.

As a new initiative from federal regulators to make cash available for individuals who are in need, [bank and credit](#)



[unions are encouraged to offer small personal loans at a low rate.](#) While this could help fill the gap for consumers' financial needs, some have voiced concerns there aren't any formal rules to regulate these loans.

Even during the current market chaos COVID-19 has introduced, the specialty finance industry still has other positive signs to show hope for the future ahead. This should come as no surprise, since historically speaking, the specialty finance industry [has shown more resilience to unpredictable business cycles with lower loss rates](#) when compared with more traditional cash-flow based lenders. Not only are [there recent examples of specialty finance acquisitions still happening in this market](#), some companies are even taking this opportunity to expand their footprint; LM Funding, for example, announced at the end of March plans [to ramp-up hiring of part- and full-time sales representatives](#) to capture the expected demand in delinquent accounts from homeowners to help provide alternative payment plans to save their homes from foreclosure.

Company	Description	Recent News/Trend
	<p>PayPal (NASDAQ: PYPL) offers a worldwide online payment platform. It operates as a payment processor for online vendors and many other commercial companies.</p>	<p>Fintech companies have been approved to participate in the SBA's Paycheck Protect Program (PPP) and PayPal was the first non-banking institution to help distribute the loans under the SBA program. By PayPal and other fintech companies offering the loans, many small businesses who lack any banking relationship with traditional banks or are finding the banks swamped with applications have another digital avenue to explore with PayPal's PPP offering.</p>
	<p>Intuit (NASDAQ: INTU) is an American financial software company that develops financial, accounting, and tax preparation software and related services (such as QuickBooks, TurboTax, and Mint).</p>	<p>The financial software giant Intuit recently confirmed plans to acquire Credit Karma for an estimated \$7.1 billion in cash and shares, the largest acquisition of their 31 acquisitions to date. Credit Karma are a fintech start-up that enables users to check their credit scores, shop for credit cards and loans, and more, which has synergies with Intuit's existing service offerings.</p>
	<p>Headquartered in Skokie, IL, PayNet, an Equifax company, maintains the largest proprietary database of small business loans, leases, and lines of credit, and uses analytics for real-time marketing intelligence to provide small business credit ratings for subscribing lenders to make informed decisions.</p>	<p>PayNet recently launched the PayNet P3 Data Pack, which integrates into lenders' existing loan origination systems and SME account platforms to help automate the Paycheck Protection Program loan application data, reducing obstacles and time to fund small business loans, helping provide faster relief to small businesses.</p>

My Transaction Closed Before the COVID-19 Crisis, Should I Worry?

Michael E. Plunkett, Founder, Law Offices of Michael E. Plunkett, LLC

Much has been written about how the COVID-19 pandemic is impacting mergers and acquisitions activity with respect to transactions that have not yet closed. However, not as much has been said about what you may want to be thinking about if your transaction, or your client's transaction, closed before the crisis hit the United States. Here, we will cover a few of the issues you may want to consider about your M&A transaction that has already closed in light of the COVID-19 pandemic.

Earnouts

Even in the best of times, earnouts are often the subject of disputes between buyers and sellers. It is very likely that the number of disputes will increase in the coming months and years as earnout periods impacted by the pandemic come to an end. Of course, the primary risk to sellers is the negative impact of the COVID-19 leads to missed financial targets. This impact can come not only from lost sales, but also from contract and tort claims relating to government-imposed shutdowns. While buyers will likely be in a better position, buyers are exposed to potential legal claims from sellers relating to missed earnout targets. The unprecedented nature of the current situation may give room for sellers to argue that buyer responded improperly to the pandemic. As buyers and sellers contemplate how to deal with an earnout, they may want to consider the following:

- Having the earnout period start later in exchange for a lower maximum payout, waiver of potential claims by seller, relief from post-closing operational covenants that may restrict buyer's ability to operate the acquired business or other benefit to buyer.
- Buyers can fully document decision making processes/considerations for significant matters and how the decisions are expected to benefit the business in the long run in the event decisions need to be defended in the future.
- To the extent the owner exited the acquired business, she could return to assist through the crisis, especially with respect to relationships with customers, suppliers and workforce.
- If the owner remained an officer or director of the business after closing, he should be mindful of fiduciary obligations to the company and its owners.
- Buyers and sellers should communicate in an attempt to avoid disputes.

Debt Financing

If the buyer used seller financing to pay a portion of the purchase price, it is likely that buyer's and seller's interests are well aligned in that both want to avoid a payment default. A payment default would likely trigger a default under any revolving line of credit or senior loan agreement in place for buyer. With respect to bank lenders, borrowers are most likely to first run into a problem when they seek to borrow under a revolving line of credit as this usually requires a certificate by borrower that there be no breaches of covenants and that representations and warranties remain true.

As buyer and seller are likely aligned, if buyer needs relief from payment obligations to seller, buyer and seller should be able to reach a compromise. This is especially true where this is also an earnout, as buyer can provide seller an accommodation on the earnout in exchange for a deferral of required payments or similar relief. If a bank



provided the financing, the buyer should reach out to the lender as soon as possible. Lenders will likely have many troubled loans and may be willing to cooperate with borrowers to avoid having loans go into default.

Business Insurance

Most business interruption policies require some sort of physical damage before there will be coverage for a business interruption claim. Further, after earlier epidemics, standard policy forms were revised to exclude coverage for losses caused by viruses, bacteria and the like. But, you should not give up. Governmental intervention is possible. Several states have introduced legislation that would require insurers to pay certain claims and there is likely to be strong regulatory and political pressure on insurers to pay claims. Further, as virus exclusions are relatively new, the law surrounding these exclusions is not particularly well developed. For now, consider:

- Keeping track of losses and expenses related to the pandemic; consider a separate general ledger account for this purpose.
- Filing a notice of claim or loss with your insurer to protect your rights. If a claim or loss is not reported timely, coverage may be lost.
- Reading your policy – it may contain a “civil authority” provision providing coverage for losses incurred in connection with certain government prohibitions.
- Keeping up to date with legislative and regulatory developments in your state regarding insurance.

Representation Warranty Insurance

While COVID-19 exclusions are now reportedly common in representation and warranty insurance (RWI), that was not the case before the COVID-19 epidemic started. For transactions that have already closed, there could be an uptick in claims made under RWI as buyers look for ways to recover some of the losses they are suffering as a result of the economic impact of the pandemic. In addition, companies issuing RWI may be slower to pay claims. They may be slower to pay claims because the unprecedented nature of the current economic situation may require more careful analysis of claims and insurers may feel pressure to be more careful with their own financial resources. These considerations may start to erode insurers’ desire to maintain a good claims-paying reputation in the marketplace.

What to do Now

While much of the focus has been on transactions that have not yet closed, there is likely much to be done on transactions that closed, especially if the transaction is still in the earnout period. Buyers and sellers should be proactive as they probably have good reason to cooperate. Do not give up on making a successful claim under your business interruption insurance. And, finally, talk to the professional advisors that assisted with your transaction as they will undoubtedly be able to offer suggestions and assistance.



Michael E. Plunkett is a corporate and transactional attorney representing buyers and sellers in mergers, acquisitions and other strategic transactions across a variety of industries, including the ARM industry. He takes a common sense approach to legal matters by identifying practical and cost-effective legal solutions, while seeking to minimizing legal risks. He understands that the best legal advice must take into account each client's business and goals and that lawyers are paid to deliver solutions, not to offer “but on the other hand . . .” equivocations.

Notice: The purpose of this article is to identify certain issues that may be of interest to readers. The information contained herein is abridged and summarized from various sources, the accuracy and completeness of which cannot be assured. This update should not be construed as legal advice or opinion and is not a substitute for the advice of counsel. The information in this publication is not intended to create, and the transmission and receipt of it does not constitute, a lawyer-client relationship.

© 2019 Law Offices of Michael E. Plunkett LLC.

Collections and Servicing in the Post-Pandemic World: A Glimpse into the New Normal

Joann Needleman, Clark Hill PLC Member, Leader, Consumer Financial Services Regulatory & Compliance Practices Group, Philadelphia

The collections and servicing industry, including call centers, are being hit hard as a result of COVID-19. Agencies and businesses are scrambling to supply their staff with the hardware and software to work remotely while shifting the number of workers to comply with the Centers for Disease Control and Prevention (CDC) and the Occupational Safety and Health Administration (OSHA) guidance to ensure seamless operations. Industry associations and strategic groups are engaging one another to share suggestions, insights and tips during this most unusual time. The blocking and tackling will continue for the next several weeks and possibly months.

The collection and servicing industry has suffered in part due to regulations that were developed in a glass tower over the past decade. COVID-19 has exposed the impracticality of many of these rules. HIPPA is one such example, where the sharing of medical information may have helped in saving lives and allowing business to pivot in the wake of an economic shutdown. Past regulations on the consumer financial services industry has focused too much on an assumption that consumers cannot think for themselves and not enough on being able to provide consumers with more choices.

This pandemic has also shown that many consumers are more sophisticated than their advocates would lead us to believe. Consumers can in fact think for themselves. As an example, numerous financial services clients report that the amount of inbound calls to calls centers since the start of this crisis has never been higher. Consumers are scared and they want their questions answered; they want to engage, not retreat, to ensure they can manage their current financial situation. After this crisis is in our rear-view mirror, there will be significant soul-searching to rethink industry infrastructure which will impact consumer engagement in the future.

Moving Towards the Use of Remote Agents

Financial services entities have never had more people working from home in the modern age. The question all businesses are asking is whether this can be a sustainable option going forward. For the collection and servicing industry, this will be a difficult decision not only from the perspective of client acceptance and consent, the adjustment of internal operations but the different licensing requirements in so many states. As the result of COVID-19, many state governments, including state regulatory agencies, have issued temporary guidelines regarding work-from-home (WFH) for employees of licensed entities, including collection agencies. But should industry make it a priority and demand that this guidance be permanent?

Flu outbreaks, epidemics and even pandemics are nothing new. In 2009 the H1N1 (Swine Flu) virus infected 100 million Americans killing about 75,000. The CDC reports that between October 1, 2019, and December 7, 2019, there were up to 3.7 million cases of the flu, between 23,000 to 41,000 hospitalizations, and approximately 1,300 to 3,300 flu-related deaths. The numbers for COVID-19 are quickly approaching those figures. The data and the history suggest that future infectious diseases will continue to have a significant impact on our workforce.

WFH may no longer be an option but a reality, however it creates unforeseen barriers and risks that must be addressed before this becomes permanent. There are numerous items an employer must consider if remote agents



are going to predominate a collection or servicing floor. Here are a few:

- How to monitor use of the hardware and software to ensure the employee is using it properly and not for its own personal use;
- The security of the information and hardware; what happens if the employee's computer is lost, stolen or damaged in a fire while off-site?;
- What happens if the employee is terminated?

Building the infrastructure to support remote access could be significant and result in some instances of a complete implosion of current operational policies. However, in the past week, businesses and collection agencies have already been forced to invest in hardware and software updates and enhance IT security in order to accommodate the closure of their brick and mortar operations. Why not leverage what has already been spent?

Moving towards Better and More Effective Technology when Contacting Consumers

The trend of using alternative methods of communication, like email and text, fell upon the industry in the past year and was further validated by the Consumer Financial Protection Bureau's (CFPB) Notice of Proposed Rule for Debt Collection. However, before the COVID-19 crisis, many in the industry were still skeptical and hesitant to incorporate these methods in their day-to-day collection activity. The mandates of social distancing and self-isolation suggest that now, more than ever, consumers want to communicate, and they need and want choices for ways to do that.

Prior to this crisis, did we ever think there would be telemedicine? Now it is mandatory. Professional offices have substituted their large conference rooms, for the moment, to multi-member Zoom or WebEx meetings. The digital age is upon us and call centers will have to adapt and change. Emails and text as well as other digital methods like chat and Facetime are communications methods consumers use everyday. We cannot foreclose these methods from certain industries, for if we do, these industries will disappear because they were not be able to compete. The digital age for the collections and servicing is here. If the industry wants to survive after the crisis, electronic communications and digital options will allow it to do so. Returning to the same methods that were used pre-pandemic is not an option.

Additionally, a company's website must be a vital resource for a consumer rather than an innocuous banner which says little about who you are and what you do. As we shelter in place, and the scammers will be coming out to prey on vulnerable consumers. Legitimizing your business is going vitally important. Think about ways a consumer can learn about their account as well as way to pay or settle. If you have not considered a chat function, why not think about it now? After the moratoriums and bans on collection of debt are lifted, companies will need to be creative --not to mention highly sensitive -- to the needs of the consumer. Rather than barrage a consumer with multiple calls, a website allows the consumer to visit your company an unlimited amount of times at their discretion. Like a bank, why can't a consumer check on their account, see if payments are being credited properly or better yet, speak to someone through and email or text about a question they may have without adversity or confrontation. Regulators have often stated that consumer don't get to pick their servicer, but why can't a consumer be satisfied with the servicer assigned to their account.

New Policies and Protocols

After Hurricane Katrina, companies scrambled to develop disaster recovery policies. Prior to last week, did your



company have an Infectious Disease Preparedness and Response Plan? Can you identify within your company those who are high risk of infection and do you have the controls in place to assess those risks? The answer is probably no, but this health crisis has resulted in a whole new set of questions that your clients want answered and information that you will want from your existing or future vendors. New absentee and sick policies will need to be implemented in order to discourage workers from coming to work when sick. Cleanliness, respiratory etiquette and sanitizing through hand washing will also have to be addressed. Finally, assessment of co-worker interactions including the sharing of phones, offices and other tools may have to be curtailed.

The cliché statement that “every problem brings an opportunity” has never been truer. The other day a wise colleague also said that “how we act now will define us in the future.” The impact from COVID-19 will not discriminate; both sides of the equation will be equally impacted. There is no more business as usual, rather business for the future.

Clark Hill's Financial Services Regulatory and Compliance Practice Group is currently assisting clients with technical guidance, policy advice and strategy to address the implications of COVID-19 upon the financial services industry. Please contact [Joann Needleman](#) for further information.

Clark Hill has put together a resources page devoted exclusively to clients and colleagues through this difficult and rapidly changing times. <https://www.clarkhill.com/pages/covid-19>



Joann Needleman provides counsel, consultation, and litigation services to a wide array of financial institutions, law firms, credit reporting agencies, as well as venture capital firms looking to invest in the fin-tech space. A former member of the Consumer Financial Protection Bureau's (CFPB) Consumer Advisory Board, Joann has been able to provide her clients with useful strategies in order to prepare for new areas of regulatory scrutiny.

To get in touch call 215-640-8536 or e-mail at jneedleman@clarkhill.com



Lauren Cha joins the CAS team



Lauren Cha has joined the CAS team as an Analyst who provides administrative and transaction advisory support to the firm's principals. She assists in all aspects of the firm's M&A, strategic consulting, valuation, compliance and regulatory business practices.

Before joining CAS, Lauren was a Trade Finance specialist at The Korea Development Bank, spending time in both the Singapore and Tokyo branches. She was responsible for Risk Participation, Trade Loans, Import/Export Letters of Credit and Reimbursements.

Lauren is a graduate of the University of South Australia where she received her Master's Degree in Accounting.

Lauren, who began with CAS as an intern, is based out of CAS' Chevy Chase office.

Introducing CAS CARES - Pushing Back Against The COVID-19 Crisis With a Special Internship Program

In our efforts to help constituents of the Outsourced Business Services (OBS) space address the COVID-19 Crisis, Corporate Advisory Solutions has launched CAS Cares.

As college students are isolated in their homes due to social distancing guidelines, CAS Cares helps them to put this time to productive use by offering real world experience. As Mergers & Acquisitions (M&A) Research Assistant(s), interns will assist the company as it navigates through the turbulence caused by the COVID-19 pandemic.

Interns will work directly with the deal support team. They will help prepare market intelligence data, target company research and outreach, data entry, ad-hoc deal support and various other responsibilities.

This intern position is geared towards research only. No M&A transactional experience will be gained. This position will be unpaid and will require 15 – 20 hours a week from a remote location. It can be used for Course Credit (if applicable by your college/university). No equipment will be provided to the Research Assistant(s).

If you or someone you know would like to apply for a CAS CARES internship, please send a resume to [Drew Sacher](#) to be considered by no later than May 1, 2020.



Corporate Advisory Solutions
INTEGRITY • CONFIDENTIALITY • EXPERIENCE



ACCEPTING APPLICATIONS FOR FALL 2020 ANALYST INTERNSHIPS

The Intern will gain exposure to all aspects of the investment banking process. This will include daily interaction with and exposure to analysts and partners at the firm's Philadelphia and Chevy Chase offices. The team will assign responsibilities to interns from the beginning of the process. In the past, interns have gone on to assume full-time positions.

QUALIFICATIONS

- Business, Finance, Accounting, Economics or other relevant major
- Inquisitive attitude and self-motivated individual
- Proactive team player
- Attention to detail
- Proficient in Microsoft Office Suite
- Salesforce and Pitchbook experience a plus

HOW TO APPLY

Email a copy of your resume and cover letter explaining availability and interest to abaurer@corpadvisorysolutions.com

Corporate Advisory Solutions to Again Sponsor TEC Services Group Scholarship Program

TEC Services Group, Inc. is pleased to announce its annual Scholarship Program has returned for 2020. TEC is also excited to announce CAS as a sponsor of this year's program, which is now in its fourth year. The program is open to employees of the Accounts Receivable Management (ARM) industry and their dependent children. Selected participants will be awarded up to \$1,000 in scholarship funds. Applicants are eligible to receive an award up to four times during the term of their undergraduate program.

TEC began the program in 2016 to promote continuing education for the ARM community and to recognize academic excellence in students. To be eligible to participate, applicants must be a United States citizen and will be required to participate in an essay, and have a record of academic achievement and community involvement.

For more information about the program or to request an application, please contact TEC directly at (941) 375-0300 or Scholarship@TECsg.com. All applications and supporting materials must be received on or before June 27, 2020. Scholarship recipients will be announced in August 2020.



Corporate Advisory Solutions
INTEGRITY • CONFIDENTIALITY • EXPERIENCE



FOLLOW THE EXPERTS

We are grateful to these media professionals who work hard to gather and share information about the industry sectors we cover. You can follow them on Twitter by clicking on their Twitter handles.

Kimberly Coghill

[@Kimberly Coghill](#)

Healthcare Communications Professional

Stephanie Eidelman

[@seidelman](#)

CEO at The iA Institute. Bringing parties to the table for candid conversation.

Mary Kathleen Flynn

[@MKFlynn](#)

Editor-in-Chief, Arizent's Mergers & Acquisitions
[@themiddlemarket](#) – we advance the middle market community, including private equity investors.

Mike Gibb

[@mikegibb](#)

Erika Grotto, CHFP, CRCR

[@ErikaGrotto](#)

Editor at [#HFMA](#), voice of Voices in Healthcare Finance.

Garry Lenton

[@GarryLenton_RE](#)

Managing Editor Central Penn Business Journal and Lehigh Valley Business, Editor.

Katie Mulligan

[@Take2Mulligan](#)

Editor-in-Chief of Middle Market Growth magazine
[@ACG_MMG](#), published by the Association for Corporate Growth | Podcast host | Runner | Super-recognizer

Mark Neeb

[@ACAMarkNeeb](#)

CEO of ACA International, dad, entrepreneur, investor, runner, golfer.

Sarah Pringle

[@sarspring](#)

I cover healthcare private equity deals for [@Buyouts](#).

Ryan Sharrow

[@rsharrow](#)

Editor, Philadelphia Business Journal.

Jan Stieger

[@JanStieger](#)

Executive Director for [@RMA_Intl](#)

Collector Magazine

[@acacollector](#)

Collector magazine is the monthly industry news publication of [@ACAIntl](#)





We streamline the communication process to deliver important messaging with immediacy and interactivity.



Improved Business Efficiency and Productivity

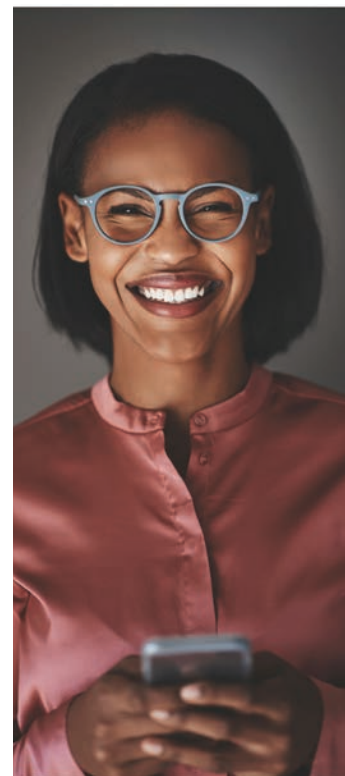
We offer a unique suite of business texting products that remove the friction in your communication processes.

Electronic Document Signing By Text with Seamless Workflow Integration

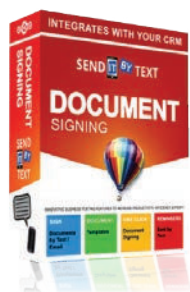
Business Texting Solutions Including Drip Messaging

Appointment Setting & Reminding

Company Outreach Campaigns Including Text-To-Email and Email-To-Text Communications



With open rates nearly 5X higher than email, text messaging is clearly the best and most trusted channel for any business to communicate with customers!



Electronic Document Signing | Business Texting Solutions
Appointment Setting & Reminding | Company Outreach Campaigns

CALL OR TEXT US AT (800) 800-4045 FOR AN ONLINE DEMO TODAY!

WE GET DEALS DONE.

Contact CAS to confidentially discuss your growth and exit interests. Contact Allie Baurer at abaurer@corpadvisorysolutions.com to submit an article or advertisement.



Michael Lamm, Managing Partner,
TEL: 215-717-8719 • CELL: 202-904-7192
mlamm@corpadvisorysolutions.com



Mark Russell*, Managing Partner
240-235-6009
mrussell@corpadvisorysolutions.com



Nick Ciabattone, Senior Associate
215-278-9900
nciabattone@corpadvisorysolutions.com



Mickey Kaiser, Associate
215-437-0218
mkaiser@corpadvisorysolutions.com



Drew Sacher, Analyst
215-989-4873
dsacher@corpadvisorysolutions.com



Lauren Cha, Analyst
240-235-6007
lcha@corpadvisorysolutions.com

* Certain members of CAS are registered with and securities transactions conducted through StillPoint Capital, LLC, Tampa, FL. Member FINRA/SIPC. StillPoint Capital is not affiliated with Corporate Advisory Solutions, LLC.

The content available on or through this e-letter is in no way intended to and shall not be construed to constitute professional legal, tax or financial advice. Corporate Advisory Solutions disclaims any liability or loss in connection with the content contained in this e-letter.

CORPORATE ADVISORY SOLUTIONS

2001 Market Street
Suite 2500
Philadelphia, PA 19103
215-717-8719

2 Wisconsin Circle
Suite 700
Chevy Chase, MD 20815
240-235-6009

www.corpadvisorysolutions.com



 **CAS**
Corporate Advisory Solutions
INTEGRITY • CONFIDENTIALITY • EXPERIENCE