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**COMPLIANCE COACH®**

## **Compliance Coach Identifies 11 New Identity Theft Red Flags Based on Recent Cases and Schemes that show Business Accounts are at Risk**

*Compliance Coach's new CompliancePal software already contains government published 26 identity theft red flags. The 11 new red flags added to the software create 60 red flags that millions of companies need to review prior to the November 1<sup>st</sup> deadline.*

**SAN DIEGO (June 30, 2008)** - Compliance Coach Inc., a provider of automated regulatory compliance solutions to the financial services industry, today announced that it has identified 11 new identity theft red flags and has updated its software, CompliancePal (<http://www.compliancepal.com>). CompliancePal is the industry's leading software solution to enable compliance with the FACT Act Identity Theft Red Flags Rule.

The Federal regulation imposes new responsibilities on businesses to prevent consumer identity theft. The impact is broad and the rule affects every single bank, credit union, mortgage lender, auto dealer, credit card lender, payday lender, landlord, utility company, phone company, and any consumer or small business lender in the country.

The compliance deadline is November 1, 2008. Failure to comply can lead to civil money penalty for each violation, regulatory enforcement action, private plaintiff lawsuits, negative publicity and loss of business.

"The Rule applies not only to a consumer purpose account but also any other account with a reasonably foreseeable risk of identity theft. So a business account may also be susceptible to identity theft," said Sai Huda, chairman and CEO, Compliance Coach. "CompliancePal is updated regularly for new red flags so affected companies can perform a detailed risk assessment to include consumer as well as business accounts and all relevant red flags to ensure full compliance," continued Huda.

CompliancePal enables a financial institution or creditor to quickly and easily get into and stay in compliance. Under the rule, companies must monitor for *new identity theft risks* and update their program for new red flags. CompliancePal already contains the 26 identity theft red flags previously published by the government, as well as 23 new red flags identified by Compliance Coach. The red flags are based on recent identity theft cases and schemes affecting financial institutions, creditors and consumers.

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*These 11 new red flags identified by Compliance Coach and added to CompliancePal create a total of 60 red flags that affected companies must consider and indicate business accounts are equally at risk.* For example, in both United States v. Perry and United States v. Williams cases, fraudsters used business accounts to commit identity theft that resulted in losses to businesses and financial institutions exceeding \$500,000 and \$400,000 respectively. In both cases, there were several red flags of identity theft that financial institutions failed to detect and take timely action.

“Compliance Coach’s team of legal and compliance experts monitor and analyze identity theft cases, schemes and trends daily to identify new red flags. CompliancePal is the only solution for millions of companies to easily stay on top of new red flags,” said Huda.

CompliancePal is a Web-based software that walks the user through a series of questions and produces: the required risk assessment, the mapping of red flags to appropriate detection and response procedures, the written program, the training materials and the compliance status report, everything necessary to pass an audit.

The software is updated regularly for new identity theft schemes and red flags so a company can easily update its identity theft program and maintain compliance. To use the solution, companies simply sign-up online and access the software via the Internet. A demo can be viewed at <http://www.compliancepal.com>.

### **About Compliance Coach Inc.**

Compliance Coach is a leading provider of automated regulatory compliance solutions to the financial services industry. Five of the top 10 banks and hundreds of financial institutions throughout the U.S. rely on Compliance Coach’s solutions and services to mitigate compliance risk.

Compliance Coach provides risk assessment software, e-learning and other tools to enable compliance with applicable laws and regulations. Its products and services are supported by an in-house team of nationally recognized legal, compliance and technology experts. CompliancePal is the company’s latest revolutionary web-based software that uses a unique five step system to enable compliance with the new FACT Act Identity Theft Red Flags Rule, quicker and easier.

The company is privately held and venture capital backed by four of the top 10 banks: Wells Fargo, Bank of America, Citigroup and Washington Mutual are the company’s primary investors. It is based in San Diego, California and has a regulatory relations office in Washington, D.C. For further information, visit <http://www.compliancecoach.com>.

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