



STATE OF ALASKA
Department of Commerce, Community, and Economic Development
Division of Banking and Securities
550 W. Seventh Avenue, Suite 1850
Anchorage, AK 99501

Request For Proposals
RFP Number: 2015-0800-2843
Date of Issue: November 12, 2014

Title: Banking and Securities Licensing and Regulatory Management System/
Software as a Service (SaaS)

Offerors Are Not Required To Return This Form.

Important Notice: You must register, via email, with the procurement officer listed in this document to receive subsequent amendments. Failure to contact the procurement officer may result in the rejection of your offer.

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SECTION ONE

INTRODUCTION AND INSTRUCTIONS

1.01 Return Mailing Address, Contact Person, Fax Numbers and Deadline for Receipt of Proposals

Offerors must submit one (1) original proposal and six (6) copies of the proposal to the procurement officer in a sealed envelope. The cost proposal must be included **ONLY** in the proposal marked "Original." It must be addressed as follows:

Department of Commerce, Community & Economic Development (Commerce)
Division of Administrative Services
Attention: Gina Chalcroft
Request for Proposal (RFP) Number: 2015-0800-2843
DBS LRMS/SaaS
9th Floor, State Office Building
333 Willoughby Avenue
Juneau, AK 99801
Or
PO Box 110803
Juneau, AK 99811-0803

Proposals must be received no later than 2:00 P.M., Alaska Time on Wednesday, November 26, 2014. Faxed, electronic or oral proposals are not acceptable.

An offeror's failure to submit its proposal prior to the deadline will cause the proposal to be disqualified. Late proposals or amendments will not be opened or accepted for evaluation.

Procurement Officer: Gina Chalcroft – FAX: **907-465-5441** – TDD/Alaska Relay: **711**

The State of Alaska provides one Request for Proposal (RFP). Additional RFPs may be purchased for the cost of reproduction, \$.25 per page.

1.02 Contract Term and Work Schedule

The contract term and work schedule set out herein represents the State of Alaska's best estimate of the schedule that will be followed. If a component of this schedule, such as the opening date, is delayed, the rest of the schedule will be shifted by the same number of days.

The length of the contract will be from the date of award, approximately January 26, 2015, for five years through January 25, 2020. Year one will be the implementation year and years two through five will be the hosting, maintenance and support years.

Unless otherwise provided in this RFP, the State and the successful offeror/contractor agree: (1) that any holding over of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect and (2) to provide written notice to the other party of the intent to cancel such month-to-month extension at least 30-days before the desired date of cancellation.

The **APPROXIMATE** contract schedule is as follows:

- Issue RFP: November 12, 2014
- Deadline for Receipt of Proposals: November 26, 2014

- Proposal Evaluation Committee completes Filter I evaluation by: December 19, 2014
- Demonstrations/Oral Presentations: January 5 and 6, 2015
- Proposal Evaluation Committee completes Filter 2 evaluation by: January 9, 2015
- State of Alaska issues Notice of Intent to Award a Contract: January 12, 2015
- State of Alaska issues contract: January 23, 2015
- Contract start: January 26, 2015

If the RFP deadline is extended the Entire Schedule extends, at a minimum, the same number of days.

1.03 Purpose of the RFP

The Department of Commerce, Community and Economic Development (Commerce), Division of Banking and Securities (DBS) is seeking proposals to provide a hosted Software as a Service (SaaS) that supports licensing and registration, examination and investigation, and electronic records management.

1.04 Budget

Commerce/DBS, estimates a budget of between \$500,000.00 and \$1,200,000.00 dollars for completion of this project. Proposals priced at more than \$1,200,000.00 will be considered non-responsive.

1.05 Location of Work

The state **WILL NOT** provide workspace for the contractor. The contractor must provide its own workspace.

The offeror should include in its price proposal: transportation, lodging, and per diem costs sufficient to make one trip to both **Juneau and Anchorage for information gathering and requirements verification within 30 days of a signed contract.**

By signature on their proposal, the offeror certifies that all services provided under this contract by the contractor and all subcontractors shall be performed in the United States.

If the offeror cannot certify that all work will be performed in the United States, the offeror must contact the procurement officer in writing to request a waiver at least 10 days prior to the deadline for receipt of proposals.

The request must include a detailed description of the portion of work that will be performed outside the United States, where, by whom, and the reason the waiver is necessary.

Failure to comply with this requirement or to obtain a waiver may cause the state to reject the proposal as non-responsive, or cancel the contract.

1.06 Human Trafficking

By signature on their proposal, the offeror certifies that the offeror is not established and headquartered or incorporated and headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report.

The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: <http://www.state.gov/g/tip/>

Failure to comply with this requirement will cause the state to reject the proposal as non-responsive,

or cancel the contract.

1.07 Assistance to Offerors with a Disability

Offerors with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the procurement officer no later than ten days prior to the deadline for receipt of proposals.

1.08 Required Review

Offerors should carefully review this solicitation for defects and questionable or objectionable material. Comments concerning defects and objectionable material must be made in writing and received by the procurement officer any time before the deadline set for receipt of proposals. This will allow issuance of any necessary amendments. It will also help prevent the opening of a defective solicitation and exposure of offeror's proposals upon which award could not be made. Protests may be filed any time before the deadline set for receipt of proposals.

1.09 Questions Received Prior to Opening of Proposals

Offerors may email inquiries or questions concerning this RFP to obtain clarification of requirements. Email inquiries/questions must be sent to Gina Chalcroft @ gina.chalcroft@alaska.gov with the subject line: "RFP 2015-0800-2843". Questions will be answered and posted to the online public notice system and emailed to registered offerors. **No Phone Calls Please.**

Offerors (including subcontractors, employees, consultants or anyone else acting on their behalf) must direct all of their questions or comments regarding the RFP, the evaluation, etc. to Gina Chalcroft. Offerors may not contact any state employee or state agency other than the procurement officer regarding any of these matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension and/or exclusion from specific procurements

1.10 Amendments

If an amendment is issued, it will be provided to all who were mailed a copy of the RFP and to those who have registered with the procurement officer as having downloaded the RFP from the State of Alaska Online Public Notice web site.

1.11 Alternate Proposals

Offerors may only submit one proposal for evaluation.

In accordance with 2 AAC 12.830 alternate proposals (proposals that offer something different than what is asked for) will be rejected.

1.12 Right of Rejection

Offerors must comply with all of the terms of the RFP, the State Procurement Code (AS 36.30), and all applicable local, state, and federal laws, codes, and regulations. The procurement officer may reject any proposal that does not comply with all of the material and substantial terms, conditions, and performance requirements of the RFP.

Offerors may not qualify the proposal nor restrict the rights of the state. If an offeror does so, the procurement officer may determine the proposal to be a non-responsive counter-offer and the proposal may be rejected.

Minor informalities that:

- do not affect responsiveness;
- are merely a matter of form or format;
- do not change the relative standing or otherwise prejudice other offers;
- do not change the meaning or scope of the RFP;
- are trivial, negligible, or immaterial in nature;
- do not reflect a material change in the work; or
- do not constitute a substantial reservation against a requirement or provision;

may be waived by the procurement officer.

The state reserves the right to refrain from making an award if it determines that to be in its best interest.

A proposal from a debarred or suspended offeror shall be rejected.

1.13 State Not Responsible for Preparation Costs

The state will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal.

1.14 Disclosure of Proposal Contents

All proposals and other material submitted become the property of the State of Alaska and may be returned only at the state's option. AS 40.25.110 requires public records to be open to reasonable inspection. All proposal information, including detailed price and cost information, will be held in confidence during the evaluation process and prior to the time a Notice of Intent to Award is issued. Thereafter, proposals will become public information.

Trade secrets and other proprietary data contained in proposals may be held confidential if the offeror requests, in writing, that the procurement officer does so, and if the procurement officer agrees, in writing, to do so. Material considered confidential by the offeror must be clearly identified and the offeror must include a brief statement that sets out the reasons for confidentiality.

1.15 Subcontractors

Subcontractors may be used to perform work under this contract. If an offeror intends to use subcontractors, the offeror must identify in the proposal the names of the subcontractors and the portions of the work the subcontractors will perform.

If a proposal with subcontractors is selected, the offeror must provide the following information concerning each prospective subcontractor within five working days from the date of the state's request:

- (a) complete name of the subcontractor;
- (b) complete address of the subcontractor;
- (c) type of work the subcontractor will be performing;
- (d) percentage of work the subcontractor will be providing;
- (e) evidence that the subcontractor holds a valid Alaska business license; and
- (f) a written statement, signed by each proposed subcontractor that clearly verifies that the subcontractor is committed to render the services required by the contract.

An offeror's failure to provide this information, within the time set, may cause the state to consider their proposal non-responsive and reject it. The substitution of one subcontractor for another may be made only at the discretion and prior written approval of the project director.

1.16 Joint Ventures

Joint ventures are not acceptable.

1.17 Offeror's Certification

By signature on the proposal, offerors certify that they comply with the following:

- (a) the laws of the State of Alaska;
- (b) the applicable portion of the Federal Civil Rights Act of 1964;
- (c) the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- (d) the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
- (e) all terms and conditions set out in this RFP;
- (f) a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury;
- (g) that the offers will remain open and valid for at least 90 days; and
- (h) that programs, services, and activities provided to the general public under the resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued thereunder by the federal government.

If any offeror fails to comply with [a] through [h] of this paragraph, the state reserves the right to disregard the proposal, terminate the contract, or consider the contractor in default.

1.18 Conflict of Interest

Each proposal shall include a statement indicating whether or not the firm or any individuals working on the contract has a possible conflict of interest (e.g., currently employed by the State of Alaska or formerly employed by the State of Alaska within the past two years) and, if so, the nature of that conflict. The Commissioner, Department of COMMERCE, reserves the right to **consider a proposal non-responsive and reject it or** cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the program to be developed by the offeror. The Commissioner's determination regarding any questions of conflict of interest shall be final.

1.19 Right to Inspect Place of Business

At reasonable times, the state may inspect those areas of the contractor's place of business that are related to the performance of a contract. If the state makes such an inspection, the contractor must provide reasonable assistance.

1.20 Solicitation Advertising

Public notice has been provided in accordance with 2 AAC 12.220.

1.21 News Releases

News releases related to this RFP will not be made without prior approval of the procurement officer.

1.22 Assignment

Per 2 AAC 12.480, the contractor may not transfer or assign any portion of the contract without prior written approval from the procurement officer.

1.23 Disputes

Any dispute arising out of this agreement will be resolved under the laws of the State of Alaska. Any appeal of an administrative order or any original action to enforce any provision of this agreement or to obtain relief from or remedy in connection with this agreement may be brought only in the Superior Court for the State of Alaska.

1.24 Severability

If any provision of the contract or agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

1.25 Federal Requirements

The offeror must identify all known federal requirements that apply to the proposal, the evaluation, or the contract.

SECTION TWO

STANDARD PROPOSAL INFORMATION

2.01 Authorized Signature

All proposals must be signed by an individual authorized to bind the offeror to the provisions of the RFP. Proposals must remain open and valid for at least 90-days from the opening date.

2.02 Pre-proposal Conference

A pre-proposal conference will not be held unless substantial questions are asked.

2.03 Site Inspection

The state may conduct on-site visits to evaluate the offeror's capacity to perform the contract. An offeror must agree, at risk of being found non-responsive and having its proposal rejected, to provide the state reasonable access to relevant portions of its work sites. Individuals designated by the procurement officer at the state's expense will make site inspection.

2.04 Amendments to Proposals

Amendments to or withdrawals of proposals will only be allowed if acceptable requests are received prior to the deadline that is set for receipt of proposals. No amendments or withdrawals will be accepted after the deadline unless they are in response to the state's request in accordance with 2 AAC 12.290.

2.05 Supplemental Terms and Conditions

Proposals must comply with Section **1.11 Right of Rejection**. However, if the state fails to identify or detect supplemental terms or conditions that conflict with those contained in this RFP or that diminish the state's rights under any contract resulting from the RFP, the term(s) or condition(s) will be considered null and void. After award of contract:

- a) if conflict arises between a supplemental term or condition included in the proposal and a term or condition of the RFP, the term or condition of the RFP will prevail; and
- b) if the state's rights would be diminished as a result of application of a supplemental term or condition included in the proposal, the supplemental term or condition will be considered null and void.

2.06 Clarification of Offers

In order to determine if a proposal is reasonably susceptible for award, communications by the procurement officer or the proposal evaluation committee are permitted with an offeror to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications may not result in a material or substantive change to the proposal. The evaluation by the procurement officer or the proposal evaluation committee may be adjusted as a result of a clarification under this section.

2.07 Discussions with Offerors

The state may conduct discussions with offerors in accordance with AS 36.30.240 and 2 AAC 12.290. The purpose of these discussions will be to ensure full understanding of the requirements of the RFP and proposal. Discussions will be limited to specific sections of the RFP or proposal identified by the procurement officer. Discussions will only be held with offerors who have submitted a proposal deemed reasonably susceptible for award by the procurement officer. Discussions, if held, will be after

initial evaluation of proposals by the PEC. If modifications are made as a result of these discussions they will be put in writing. Following discussions, the procurement officer may set a time for best and final proposal submissions from those offerors with whom discussions were held. Proposals may be reevaluated after receipt of best and final proposal submissions.

If an offeror does not submit a best and final proposal or a notice of withdrawal, the offeror's immediate previous proposal is considered the offeror's best and final proposal.

Offerors with a disability needing accommodation should contact the procurement officer prior to the date set for discussions so that reasonable accommodation can be made. Any oral modification of a proposal must be reduced to writing by the offeror.

2.08 Prior Experience

In order to be considered responsive, offerors must have Customization; Implementation and Project Management experience with at least three (3) state level financial institution regulatory and enforcement agencies.

Offerors experience must include software-as-a-service/hosted applications within the last five years.

NOTE: For the purposes of this section “financial institution regulatory and enforcement agency” means an agency performs licensing/chartering, renewals, examinations, reporting and investigations of a combination of banks, credit unions, trust companies, securities, and non-depository financial institutions.

An offeror's failure to meet these minimum prior experience requirements will cause their proposal to be considered non-responsive and their proposal will be rejected.

2.09 Evaluation of Proposals

The procurement officer, or an evaluation committee made up of at least three state employees or public officials, will evaluate proposals. The evaluation will be based solely on the evaluation factors set out in Section SEVEN of this RFP.

After receipt of proposals, if there is a need for any substantial clarification or material change in the RFP, an amendment will be issued. The amendment will incorporate the clarification or change, and a new date and time established for new or amended proposals. Evaluations may be adjusted as a result of receiving new or amended proposals.

2.10 Vendor Tax ID

A valid Vendor Tax ID must be submitted to the issuing office with the proposal or within five days of the state's request.

2.11 F.O.B. Point

All goods purchased through this contract will be F.O.B. final destination. Unless specifically stated otherwise, all prices offered must include the delivery costs to any location within the State of Alaska.

2.12 Alaska Business License and Other Required Licenses

Prior to the award of a contract, an offeror must hold a valid Alaska business license. However, in order to receive the Alaska Bidder Preference and other related preferences, such as the Alaska Veteran and Alaska Offeror Preference, an offeror must hold a valid Alaska business license prior to the deadline for receipt of proposals. Offerors should contact the Department of Commerce,

Community and Economic Development, Division of Corporations, Business, and Professional Licensing, P.O. Box 110806, Juneau, Alaska 99811-0806, for information on these licenses. Acceptable evidence that the offeror possesses a valid Alaska business license may consist of any one of the following:

- (a) copy of an Alaska business license;
- (b) certification on the proposal that the offeror has a valid Alaska business license and has included the license number in the proposal;
- (c) a canceled check for the Alaska business license fee;
- (d) a copy of the Alaska business license application with a receipt stamp from the state's occupational licensing office; or
- (e) a sworn and notarized affidavit that the offeror has applied and paid for the Alaska business license.

You are not required to hold a valid Alaska business license at the time proposals are opened if you possess one of the following licenses and are offering services or supplies under that specific line of business:

- Fisheries business licenses issued by Alaska Department of Revenue or Alaska Department of Fish and Game.
- Liquor licenses issued by Alaska Department of Revenue for alcohol sales only.
- Insurance licenses issued by Alaska Department of Commerce, Community and Economic Development, Division of Insurance.
- Mining licenses issued by Alaska Department of Revenue.

2.13 Application of Preferences

Certain preferences apply to all contracts for professional services, regardless of their dollar value. The Alaska bidder, Alaska veteran, and Alaska Offeror Preferences are the most common preferences involved in the RFP process. Additional preferences that may apply to this procurement are listed below. Guides that contain excerpts from the relevant statutes and codes, explain when the preferences apply and provide examples of how to calculate the preferences are available at the Department of Administration, Division of General Services' web site:

<http://doa.alaska.gov/dgs/policy.html>

Alaska Products Preference - AS 36.30.332

Recycled Products Preference - AS 36.30.337

Local Agriculture and Fisheries Products Preference - AS 36.15.050

Employment Program Preference - AS 36.30.170(c)

Alaskans with Disability Preference - AS 36.30.170 (e)

Employers of People with Disabilities Preference - AS 36.30.170 (f)

Alaska Veteran's Preference - AS 36.30.175

The Division of Vocational Rehabilitation in the Department of Labor and Workforce Development keeps a list of qualified employment programs; a list of individuals who qualify as persons with a disability; and a list of persons who qualify as employers with 50 percent or more of their employees being disabled. A person must be on this list at the time the bid is opened in order to qualify for a preference under this section.

As evidence of an individual's or a business' right to a certain preference, the Division of Vocational Rehabilitation will issue a certification letter. To take advantage of the employment program preference, Alaskans with Disability Preference or Employers of People with Disabilities Preference described above, an individual or business must be on the appropriate Division of Vocational Rehabilitation list at the time the proposal is opened, and must provide the procurement officer a copy of their certification letter. Offerors must attach a copy of their certification letter to the proposal. The offeror's failure to provide the certification letter mentioned above with the proposal will cause the state to disallow the preference.

2.14 5 Percent Alaska Bidder Preference - AS 36.30.170 & 2 AAC 12.260

An Alaska Bidder Preference of five percent will be applied prior to evaluation. The preference will be given to an offeror who:

- (a) holds a current Alaska business license;
- (b) submits a proposal for goods or services under the name on the Alaska business license;
- (c) has maintained a place of business within the state staffed by the offeror, or an employee of the offeror, for a period of six months immediately preceding the date of the proposal;
- (d) is incorporated or qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, is a limited liability company organized under AS 10.50 and all members are residents of the state, or is a partnership under AS 32.05 or AS 32.11 and all partners are residents of the state; and
- (e) if a joint venture, is composed entirely of entities that qualify under (a)-(d) of this subsection.

Alaska Bidder Preference Affidavit

In order to receive the Alaska Bidder Preference, proposals must include a statement certifying that the offeror is eligible to receive the Alaska Bidder Preference.

2.15 5 Percent Alaska Veteran Preference - AS 36.30.175

An Alaska Veteran Preference of five percent will be applied prior to evaluation. The preference will be given to an offeror who qualifies under AS 36.30.170 (b) as an Alaska bidder and is a:

- (a) sole proprietorship owned by an Alaska veteran;
- (b) partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;
- (c) limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or
- (d) corporation that is wholly owned by individuals and a majority of the individuals are Alaska veterans.

Alaska Veteran Preference Affidavit

In order to receive the Alaska Veteran Preference, proposals must include a statement certifying that the offeror is eligible to receive the Alaska Veteran Preference.

2.16 Formula to Convert Cost to Points - AS 36.30.250 & 2 AAC 12.260

The distribution of points based on cost will be determined as set out in 2 AAC 12.260 (c). The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined through the method set out below. In the generic example below, cost is weighted as 40% of the overall total score. The weighting of cost may be different in your particular RFP. See section SEVEN to determine the value, or weight of cost for this RFP.

EXAMPLE

Formula Used to Convert Cost to Points

[STEP 1]

List all proposal prices, adjusted where appropriate by the application of all applicable preferences.

Offeror #1	-	Non-Alaskan Offeror	\$40,000
Offeror #2	-	Alaskan Offeror	\$42,750
Offeror #3	-	Alaskan Offeror	\$47,500

[STEP 2]

Convert cost to points using this formula.

$$\frac{[(\text{Price of Lowest Cost Proposal}) \times (\text{Maximum Points for Cost})]}{(\text{Cost of Each Higher Priced Proposal})} = \text{POINTS}$$

The RFP allotted 40% (40 points) of the total of 100 points for cost.

Offeror #1 receives 40 points.

The reason they receive that amount is because the lowest cost proposal, in this case \$40,000, receives the maximum number of points allocated to cost, 40 points.

Offeror #2 receives 37.4 points.

$$\begin{array}{ccccccc} \$40,000 & \times & 40 & = & 1,600,000 & \div & \$42,750 & = & 37.4 \\ \text{Lowest} & & \text{Max} & & & & \text{Offeror \#2} & & \text{Points} \\ \text{Cost} & & \text{Points} & & & & \text{Adjusted By} & & \\ & & & & & & \text{The Application Of} & & \\ & & & & & & \text{All Applicable} & & \\ & & & & & & \text{Preferences} & & \end{array}$$

Offeror #3 receives 33.7 points.

$$\begin{array}{ccccccc} \$40,000 & \times & 40 & = & 1,600,000 & \div & \$47,500 & = & 33.7 \\ \text{Lowest} & & \text{Max} & & & & \text{Offeror \#3} & & \text{Points} \\ \text{Cost} & & \text{Points} & & & & \text{Adjusted By} & & \\ & & & & & & \text{The Application Of} & & \\ & & & & & & \text{All Applicable} & & \\ & & & & & & \text{Preferences} & & \end{array}$$

2.17 Alaska Offeror Preference - AS 36.30.250 & 2 AAC 12.260

2 AAC 12.260(e) provides Alaska offerors a 10 percent overall evaluation point preference. Alaska bidders, as defined in AS 36.30.170(b), are eligible for the preference. This preference will be added to the overall evaluation score of each Alaskan offeror. Each Alaskan offeror will receive 10 percent of the total available points added to their evaluation score as a preference.

EXAMPLE

Alaska Offeror Preference

[STEP 1]

Determine the number of points available to Alaskan offerors under the preference.

Total number of points available - 100 Points

$$\begin{array}{ccccccc} 100 & \times & 10\% & = & 10 \\ \text{Total Points} & & \text{Alaskan Offerors} & & \text{Number of Points} \\ \text{Available} & & \text{Percentage Preference} & & \text{Given to Alaskan Offerors} \\ & & & & \text{Under the Preference} \end{array}$$

[STEP 2]

Add the preference points to the Alaskan offers. There are three offerors: Offeror #1, Offeror #2, and Offeror #3. Offeror #2 and Offeror #3 are eligible for the Alaska Offeror Preference. For the purpose of this example presume that all of the proposals have been completely evaluated based on the evaluation criteria in the RFP. Their scores at this point are:

Offeror #1 - 89 points

Offeror #2 - 80 points

Offeror #3 - 88 points

Offeror #2 and Offeror #3 each receive 10 additional points. The final scores for all of the offers are:

Offeror #1 - **89 points**

Offeror #2 - **90 points**

Offeror #3 - **98 points**

Offeror #3 is awarded the contract.

2.18 Contract Negotiation

2 AAC 12.315 CONTRACT NEGOTIATIONS After final evaluation, the procurement officer may negotiate with the offeror of the highest-ranked proposal. Negotiations, if held, shall be within the scope of the request for proposals and limited to those items which would not have an effect on the ranking of proposals. If the highest-ranked offeror fails to provide necessary information for negotiations in a timely manner, or fails to negotiate in good faith, the state may terminate negotiations and negotiate with the offeror of the next highest-ranked proposal. If contract negotiations are commenced, they may be held on the 9th floor of the State Office Building in Juneau, Alaska.

If the contract negotiations take place in Juneau, Alaska, the offeror will be responsible for their travel and per diem expenses.

2.19 Failure to Negotiate

If the selected offeror

- fails to provide the information required to begin negotiations in a timely manner; or
- fails to negotiate in good faith; or
- indicates they cannot perform the contract within the budgeted funds available for the project; or
- if the offeror and the state, after a good faith effort, simply cannot come to terms,

the state may terminate negotiations with the offeror initially selected and commence negotiations with the next highest ranked offeror.

2.20 Notice of Intent to Award (NIA) — Offeror Notification of Selection

After the completion of contract negotiation the procurement officer will issue a written Notice of Intent to Award (NIA) and send copies to all offerors. The NIA will set out the names of all offerors and identify the proposal selected for award.

2.21 Protest

AS 36.30.560 provides that an interested party may protest the content of the RFP.

An interested party is defined in 2 AAC 12.990(a) (7) as "an actual or prospective bidder or offeror whose economic interest might be affected substantially and directly by the issuance of a contract solicitation, the award of a contract, or the failure to award a contract."

If an interested party wishes to protest the content of a solicitation, the protest must be received, in writing, by the procurement officer at least ten days prior to the deadline for receipt of proposals.

AS 36.30.560 also provides that an interested party may protest the award of a contract or the proposed award of a contract.

If an offeror wishes to protest the award of a contract or the proposed award of a contract, the protest must be received, in writing by the procurement officer within ten days after the date the Notice of Intent to Award the contract is issued.

A protester must have submitted a proposal in order to have sufficient standing to protest the proposed award of a contract. Protests must include the following information:

- a. the name, address, and telephone number of the protester;
 - b. the signature of the protester or the protester's representative;
 - c. identification of the contracting agency and the solicitation or contract at issue;
 - d. a detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
- (b) the form of relief requested.

Protests filed by telex or telegram are not acceptable because they do not contain a signature. Fax copies containing a signature are acceptable.

The procurement officer will issue a written response to the protest. The response will set out the procurement officer's decision and contain the basis of the decision within the statutory time limit in AS 36.30.580. A copy of the decision will be furnished to the protester by certified mail, fax or another method that provides evidence of receipt.

All offerors will be notified of any protest. The review of protests, decisions of the procurement officer, appeals, and hearings, will be conducted in accordance with the State Procurement Code (AS 36.30), Article 8 "Legal and Contractual Remedies."

SECTION THREE

STANDARD CONTRACT INFORMATION

3.01 Contract Type

Any contract resulting from this RFP will be a fixed price contract.

3.02 Contract Approval

This RFP does not, by itself, obligate the state. The state's obligation will commence when the contract is approved by the Commissioner of Commerce or the Commissioner's designee. Upon written notice to the contractor, the state may set a different starting date for the contract. The state will not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date set by the state.

3.03 Standard Contract Provisions

The contractor will be required to sign and submit the attached State's Standard Agreement Form for Professional Services Contracts (form 02-093/Appendix A). The contractor must comply with the contract provisions set out in this attachment. **No alteration of these provisions will be permitted without prior written approval from the Department of Law. Objections to any of the provisions in Appendix A must be addressed in writing, before proposals are due, to the Procurement Officer only. Requests to materially alter Appendix A after the due date of proposals will not be entertained.**

3.04 Proposal as a Part of the Contract

Part or all of this RFP and the successful proposal may be incorporated into the contract.

3.05 Additional Terms and Conditions

The state reserves the right to add terms and conditions during contract negotiations. These terms and conditions will be within the scope of the RFP and will not affect the proposal evaluations.

3.06 Insurance Requirements

The successful offeror must provide proof of workers' compensation insurance prior to contract approval.

The successful offeror must secure the insurance coverage required by the state. The coverage must be satisfactory to the Department of Administration Division of Risk Management. An offeror's failure to provide evidence of such insurance coverage is a material breach and grounds for withdrawal of the award or termination of the contract.

Offerors must review form APPENDIX B2, attached, for details on required coverage. **No alteration of these requirements will be permitted without prior written approval from the Department of Administration, Division of Risk Management. Objections to any of the requirements in APPENDIX B2 must be addressed in writing, before proposals are due, to the Procurement Officer only. Requests to materially alter Appendix B2 after the due date of proposals will not be entertained.**

3.07 Contract Funding

Approval or continuation of a contract resulting from this is contingent upon legislative appropriation.

3.08 Proposed Payment Procedures

The state will make payments based on a negotiated payment schedule and for actual services provided. Each billing must consist of an invoice and progress report. No payment will be made until the progress report and invoice has been approved by the project director.

3.09 Contract Payment

No payment will be made until the contract is approved by the Commissioner of the Department of Commerce, Community, and Economic Development or the Commissioner's designee. Under no conditions will the state be liable for the payment of any interest charges associated with the cost of the contract.

The state is not responsible for and will not pay local, state, or federal taxes. All costs associated with the contract must be stated in U.S. currency.

3.10 Informal Debriefing

When the contract is completed, an informal debriefing may be performed at the discretion of the project director. If performed, the scope of the debriefing will be limited to the work performed by the contractor.

3.11 Contract Personnel

Any change of the project team members or subcontractors named in the proposal must be approved, in advance and in writing, by the project director. Personnel changes that are not approved by the state may be grounds for the state to terminate the contract.

3.12 Inspection & Modification - Reimbursement for Unacceptable Deliverables

The contractor is responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and approval by the project director. The state may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract. The project director may instruct the contractor to make corrections or modifications if needed in order to accomplish the contract's intent. The contractor will not unreasonably withhold such changes.

Substantial failure of the contractor to perform the contract may cause the state to terminate the contract. In this event, the state may require the contractor to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

3.13 Termination for Default

If the project director determines that the contractor has refused to perform the work or has failed to perform the work with such diligence as to ensure its timely and accurate completion, the state may, by providing written notice to the contractor, terminate the contractor's right to proceed with part or all of the remaining work.

This clause does not restrict the state's termination rights under the contract provisions of Appendix A, attached.

3.14 Contract Changes - Unanticipated Amendments

During the course of this contract, the contractor may be required to perform additional work. That work will be within the general scope of the initial contract. When additional work is required, the project director will provide the contractor a written description of the additional work and request the

contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work. Cost and pricing data must be provided to justify the cost of such amendments per AS 36.30.400.

The contractor will not commence additional work until the project director has secured any required state approvals necessary for the amendment and issued a written contract amendment, approved by the Commissioner of the Department of Commerce, Community, and Economic Development or the Commissioner's designee.

3.15 Contract Invalidation

If any provision of this contract is found to be invalid, such invalidation will not be construed to invalidate the entire contract.

3.16 Nondisclosure and Confidentiality

Contractor agrees that all confidential information shall be used only for purposes of providing the deliverables and performing the services specified herein and shall not disseminate or allow dissemination of confidential information except as provided for in this section. The contractor shall hold as confidential and will use reasonable care (including both facility physical security and electronic security) to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, the confidential information. "Reasonable care" means compliance by the contractor with all applicable federal and state law, including the Social Security Act and HIPAA. The contractor must promptly notify the state in writing if it becomes aware of any storage, disclosure, loss, unauthorized access to or use of the confidential information.

Confidential information, as used herein, means any data, files, software, information or materials (whether prepared by the state or its agents or advisors) in oral, electronic, tangible or intangible form and however stored, compiled or memorialized that is classified confidential as defined by State of Alaska classification and categorization guidelines provided by the state to the contractor or a contractor agent or otherwise made available to the contractor or a contractor agent in connection with this contract, or acquired, obtained or learned by the contractor or a contractor agent in the performance of this contract. Examples of confidential information include, but are not limited to: technology infrastructure, architecture, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data (infrastructure, architecture, operating systems, security tools, IP addresses, etc).

Additional information that the contractor shall hold as confidential during the performance of services under this contract include:

All registration, licensing, examination, and investigation records, whether data elements or digital materials, are considered confidential.

If confidential information is requested to be disclosed by the contractor pursuant to a request received by a third party and such disclosure of the confidential information is required under applicable state or federal law, regulation, governmental or regulatory authority, the contractor may disclose the confidential information after providing the state with written notice of the requested disclosure (to the extent such notice to the state is permitted by applicable law) and giving the state opportunity to review the request. If the contractor receives no objection from the state, it may release the confidential information within 30 days. Notice of the requested disclosure of confidential information by the contractor must be provided to the state within a reasonable time after the contractor's receipt of notice of the requested disclosure and, upon request of the state, shall seek to obtain legal protection from the release of the confidential information.

The following information shall not be considered confidential information: information previously known to be public information when received from the other party; information freely available to the general

public; information which now is or hereafter becomes publicly known by other than a breach of confidentiality hereof; or information which is disclosed by a party pursuant to subpoena or other legal process and which as a result becomes lawfully obtainable by the general public.

SECTION FOUR

BACKGROUND INFORMATION

4.01 Background Information

DBS is separated into the three distinct business sections: Banking, Consumer Finance and Securities. Each section performs licensing and registration, and regulatory and investigatory activities, which have some commonality; however, specific field codes and business rules may be different for each section. Because of the individual characteristics of each section, this project scope is separated for each section. Included in **Supplement 1**, is a copy of DBS's Project Analysis and Requirements Document, which provides a detailed analysis of DBS's operations and needs regarding new software along with an overview of the existing systems utilized by DBS.

The **Banking** section is responsible for oversight of certain financial institutions in Alaska. The section is responsible for licensing/chartering, renewals, examinations, reporting and investigations of banks, credit unions, trust companies, and some non-depository financial institutions as required by Alaska Statute. In addition, the Banking section investigates complaints regarding potential violations of statutes or regulations of entities it licenses or charters, as well as unlicensed entities.

The **Securities** section is responsible for oversight of a number of activities related to the sale of securities within Alaska, including: registering and examining the firms and individuals who sell securities or offer advice about securities; the registration or notice filings of mutual funds, federal covered securities, or other debt or equity securities offerings; the exemption of certain types of securities or securities transactions; issuance of interpretative or no-action letters relating to securities transactions; and the registration of certain land sales. DBS regulates corporate and shareholder proxy solicitation activities outlined by the Alaska securities law and relevant portions of the Alaska Native Claims Settlement Act (ANCSA). In addition, DBS investigates complaints related to the offer and sale of securities in Alaska, and requests for investigation involving proxy solicitations of ANCSA corporations and its shareholders.

The **Consumer Finance** section is responsible for oversight of the Mortgage Lending Regulation Act and the Uniform Money Services Act. The Mortgage Lending Regulation Act covers the licensing, reporting, examination, and enforcement of certain mortgage brokers, lenders, and licensed loan originators. The Alaska Uniform Money Services Act covers the licensing, operation, reporting, examination, and enforcement activities of entities that operate money transmitting, currency exchange, or prepaid access card businesses. As part of its duties, the Consumer Finance section investigates activities of both licensed and non-licensed entities.

In addition to supporting the primary work of the three business sections, the selected software must be capable of supporting and tracking activities considered global **administrative duties**: Investigation and Enforcement, Education and Outreach, and Public Records Requests. DBS, as a whole, conducts investigations of licensed and non-licensed financial entities and institutions, individuals, and financial products and initiates appropriate administrative actions. Each section must track its participation in education seminars, tradeshow, industry meetings and other events as well as publications produced as part of its education and outreach efforts. In addition, each section responds to public record requests, which must be tracked at the division level to ensure consistent record keeping and a reportable response time history.

The new software must be able to image and electronically store all paper documents and uploaded digital files (including documents, audio and video recordings, screen captures and pictures), while minimizing the number of steps required by the user to store and access the data.

Conversion of Records

Conversion of the existing databases used by DBS is included in this project. DBS's three databases, STAR, ORACLE, and CIS contain records that will be converted.

Below are an estimated number of records and associated data tables that will require conversion to the new software.

	Number of transaction records	Number of tables
STAR	~60,000	57
ORACLE	~3,000	20
CIS	~800	11

In addition to database conversion, DBS has a number of paper records and individual electronic files that will be incorporated into the software. Paper copies will be added as attachments to records created in the software. Data from some electronic records, where noted, will be imported and mapped in the software to populate new records; otherwise, they will be added as attachment to records created in the software.

Description	Record Information	Comments
All – Administrative Orders	~5,000 paper copies	Most paper copies are stapled single-sided documents.
All – Investigation Records	~5,000 paper copies	Most paper copies are stapled single-sided documents.
Securities - ANCSA Public Records	~ 4,000 paper records ~1,000 electronic records	Approximately 50 percent of the paper copies are bound, and the remainder is stapled. In addition, the documents are a mix of single sided and double sided copies. Electronic records are in .DOC, DOCX, XLS, XLSX, .PDF, .AVI, .WMA file formats. All electronic records will be added as attachments to record created in the Software Service.
Securities - Exemption Filings	~4,000 paper copies	Most paper copies are stapled single-sided documents.
Securities - No-Action Letters	~ 2,000 paper copies ~500 electronic records	Most paper copies are stapled single-sided documents. Electronic records are in .DOC, DOCX, XLS, XLSX, and .PDF file formats. No-Action letters will be added as attachments to records created in the Software Service.
Securities - Mutual	~2,000 paper copies	Most paper copies are stapled single-sided

Description	Record Information	Comments
Funds		documents.
Securities - Federal Covered Notice Filings	~250 paper copies	Most paper copies are stapled single-sided documents.
Securities - Registration Filings	~1,000 paper copies	Approximately 50 percent of the paper copies are bound, and the remainder is stapled. In addition, the documents are a mix of single sided and double sided copies.
Securities – Canadian Broker-Dealers and Agents	~1,000 paper copies	Most paper copies are stapled single-sided documents.
Securities – Broker-Dealers, Agents, and Investment Advisers	~1,000 paper copies ~4 electronic records	Most paper copies are stapled single-sided documents. Electronic records are in .DOC, DOCX, XLS, XLSX, and .PDF file formats
Banking - Exam Files	50 electronic records	Electronic records are in .DOC, DOCX, XLS, XLSX, and .PDF file formats
Banking - Correspondence	~500 paper copies ~1,000 electronic records	Electronic records are in .DOC, DOCX, XLS, XLSX, and .PDF file formats
Banking - Miscellaneous	~200 paper copies ~500 electronic records	Electronic records are in .DOC, DOCX, XLS, XLSX, and .PDF file formats
Consumer Finance – Mortgage Master Spreadsheet	1 electronic record	XLSX spreadsheet containing 4,200 rows. All fields will require mapping and new records created.
Consumer Finance – Mortgage Litigation	1 electronic record	XLSX spreadsheet containing 300 rows. All fields will require mapping and new records created.
Consumer Finance – MSB Master Spreadsheet	1 electronic record	XLSX spreadsheet containing 900 rows. All fields will require mapping and new records created.
Consumer Finance – Exam Tracking	1 electronic record	XLSX spreadsheet containing 700 rows. All fields will require mapping and new records created.
Consumer Finance – Mortgage Licensee Files	~ 18,000 paper copies ~1,000 electronic records	Paper copies in 180 separate files containing 100 pages each.

Description	Record Information	Comments
Consumer Finance – MSB Licensee files	~8,000 paper copies ~2,000 electronic records	Paper copies in 80 paper files containing 100 pages each.

Existing Systems and Computer Environment

DBS has networked twenty-two (22) Windows 7 Enterprise workstations/laptops in two (2) locations, which use various types of Excel spreadsheets and database software on a full-time basis. The SaaS must accommodate growth in the number of users and the number of computer workstations/laptops.

DBS currently uses a mix of database applications and solutions. The Securities section uses ACO Information Systems STAR 1.2 database to track registrations and filings received by the office, national CRD/IARD database for US based broker-dealers and investment advisers and associated salespersons, and Excel spreadsheets for Canadian broker-dealers and salespersons, examinations and proxy filings. The Banking section uses a combination of Excel spreadsheets and an Oracle database to track the chartering, licensing, renewals, and examinations of specific financial institutions. The Consumer Finance section uses the NMLS database for processing mortgage lender and originator licenses, and Excel spreadsheets for money service businesses. Current workstations run Windows 7. Data may be downloaded from various sources including NMLS, CRD/IARD, Blue Express and FDIC.

SECTION FIVE

SCOPE OF WORK

5.01 Scope of Work

Commerce/DBS is seeking proposals to provide a hosted SaaS that supports licensing and registration, examination and investigation, and electronic records management. The scope of the project includes:

- Access to the SaaS package
- Customization and configuration, and software documentation
- Installation of any client software
- Conversion of existing data from current databases
- Incorporating already scanned documents to the selected SAAS (System)
- Scanning existing paper documents into the System
- Training system users and administrators
- Ongoing software support
- Enhancements and maintenance
- Project management in coordination with the state to ensure all aspects of the work is integrated with ongoing state systems and program needs

OVERVIEW

DBS is the chartering, registration, licensing and examination (entity audit) authority for Alaska chartered, registered or licensed banks, credit unions, broker-dealers, investment advisers, mortgage lenders and other financial depository and non-depository institutions and any associated persons operating within the State of Alaska. Overall, the SaaS must efficiently support the mission of DBS, which is to protect consumers of financial services and promote safe and sound financial systems.

The selected SaaS must support and optimize the various processes and workflows of the banking, consumer finance and securities sections of DBS. DBS's workflow is based on the various institutions it regulates or oversees, and specific statutory or regulatory requirements.

LICENSING AND REGISTRATION

Conduct licensing and registration workflows that require acceptance of paper and electronic filings, track the review, analysis, follow up, and decision processes and communications, and provide a repository for:

- Chartering or licensing of state banks, credit unions, savings and loans, deferred deposit services (payday lending), premium finance companies, trust companies, small loan companies, BIDCO's, mortgage companies, mortgage loan originators, and money service businesses.
- Registration of issuer-dealers, issuer-dealer agents. In addition, tracking the registration of specific broker-dealers, broker-dealer agents, investment advisers and investment adviser representatives that are subject to supervisory or examination requirements.
- Registration and filing of securities registrations, notice and federally covered securities filings and exemptions of offers and sales of securities.
- Receiving electronic filings of annual reports and other proxy solicitation materials of Alaska Native Corporations and shareholders.
- Collection of contact information for state and non-state regulated financial holding companies, institutions and branches in Alaska (national banks, out-of-state state banks, federal savings

banks, national credit unions, small loan companies, deferred deposit lenders) that enables the publication of a directory.

- Receipt of certification forms, annual compliance notifications and other forms that are part of continuation of licensing or registration. The due date for submittal of specific forms must be calendared for future alerts.
- Issuing invoices and processing payments of fixed and variable licensing and registration fees, including aggregated payments for more than one filing. Allow credit card and electronic payments.
- Calendaring capability to track dates, reporting requirement deadlines, and examination schedules.

EXAMINATION

Conduct compliance examinations of supervised institutions and individuals. Exams incorporate a number of different activities and events, including:

- Pre-exam planning, including review of prior exam reports, work papers and correspondence that are stored electronically in the SaaS.
- Using a calendar function to schedule exams and assignments to examiners. Track the number of hours and cost of the examination along with each examiner assigned to the exam.
- Electronically capture paper documents and electronically submitted exam work papers.
- Storage activities, including memorialization of phone conversations or meetings.
- Issue invoices and process payments of fixed and variable exam fees. Allow credit card and electronic payments.

INVESTIGATIONS

DBS investigates activities of licensed and unlicensed entities, including individuals. If the investigations involve a licensed entity, the investigation should link to all other records of the entity (i.e. licensing/registration, examination, previous investigations, etc.). Investigations incorporate a number of different activities and events, including:

- Tracking multiple entities (e.g. respondents, complainants, witnesses, attorneys, and assigned investigators), allegations, field values (e.g. sources of the complaint, types of potential violations, license requirements, date received, date opened, date investigator assigned for each investigator), and investigation attributes.
- Store electronically all documents and materials received, and index the information to a specific investigation.
- The ability to search all materials, including scanned paper copies.
- Track all activities of the examiner or investigator by allowing them to enter comments, memorialize meetings or phone calls, time spent by DBS, administrative actions, and closure information.
- Track administrative actions, including the issuance of various types of legal documents. Include the ability to document resolution of an investigation that includes compliance deadlines, or probationary requirements.
- Issue invoices and process payments of civil penalties or other assessments.

ADMINISTRATIVE SUPPORT

In addition to the core activities listed above, additional activities by DBS require the ability to:

- Track individual statements of policy and regulations and administrative orders. Provide a user interface to generate, enforce and retain orders, statements of policy and regulations.
- Ensure proper accounting, claim processing and reporting of the Surety Trust Fund operated by the Consumer Finance section.
- Track, record and report on public outreach activities, to include the date of the event, event name, associated organizations, costs, staff assigned, total hours involved, and calendar options for future events.
- Track, record and report on public records requests, including providing the capability for billing option.

REPORTING AND STATISTICAL INFORMATION

The selected database design must have a robust reporting capability that allows DBS to:

- Develop reports that provide a list of records related to licensing/registration, examination, or enforcement activities of DBS.
- Provide statistical summaries of activities conducted by DBS. The statistical summaries must display results in consolidated totals for various actions. Example: A report to show the number of mortgage licenses issued during a specific period of time would display the number licenses as a total.
- Provide a report wizard for creating Ad Hoc reports that can be saved for later use.
- Allow report to be exported into a variety of file types, including PDF, CSV, XLSX, MDB file formats.
- Allow reports to be scheduled to automatically run during a batch job process. Include a report management interface where reports can be scheduled, edited, or deleted. Allow reports to be sent to specific email addresses.

FUNCTIONAL COMPONENTS

Client Relationship Management – DBS interacts with a number of members from the public, government, and industry that require tracking in order to meet statutory or regulatory requirements. The System must provide CRM functionality track these organizations and people, their relationships and DBS's interactions with them.

Workflow Management – Programs administered by DBS require various types of workflows and processes that are determined by specific statutory or regulatory requirements.

- Specific statutory or regulatory requirements detail the type of information collected, the documentation to be submitted, fees required, dates or deadline tracked, and internal decisions made by DBS.
- Most workflows or processes require individualized field codes to track data activity.
- Workflow must support individual, group, and dynamic task assignment. Task assignments should be configurable at workflow creation and during workflow execution.

- Tasks should support due dates and escalation based on deadlines.
- The workflow system must support conditional workflow branching based on the data collected during the workflow.
- Workflow users should be notified of new tasks via email.
- The workflow engine should support a central reporting and monitoring dashboard for oversight and escalation.

Scheduling – The scheduling component of the System is intended to allow the planning of examinations for each regulated entity that is licensed or registered by DBS.

- Entities that are licensed or registered by DBS are subject to examination on various schedules (e.g. annual, biennial, three year, or for cause). The system should provide notification of impending deadlines to both DBS and the regulated entities.
- The Scheduling component should assist with resource allocation for exams based on 1) availability of examiners with the required skill set; 2) the number of examiners required; and 3) required coordination with other regulatory agencies, if any.

Time and Expense Tracking – Certain activities require DBS track staff time and expenses during the performed during the completion of the activity.

- The programs administered by DBS require tracking staff time and expenses incurred that are subsequently billed to the applicant or registrant. In addition, each program has activities (e.g. licensing and registration, examination, and investigations) that have specific elements relating to time and expenses that must be tracked individually.
- Examinations conducted by DBS are billed at either a flat fee or are based on time and expenses (e.g. airfare, per diem, car rental, and hotel expense). For examiner time, each examiner is billed at the computed cost or based on a statutory flat fee.

Records Management – DBS receives materials in various formats, including paper and digital (data, image and audio/visual), that must be associated to a record and stored in the database.

To facilitate a near paperless work environment, the electronic records management provides:

- An interface to import scanned images and documents (i.e. license, registration, examination or investigation) from Commerce's existing Kofax version 10 infrastructure.
- The user ability to attach imported document and image as well as uploaded audio/visual element to a record.
- User ability to collect multiple electronic records to compile on a CD-ROM for distribution.
- Archive record storage and retention control that includes input fields to automate DBS's document retention policy, including references for each stored scanned document in the imaging software and the storage location of original source documents. The retention period would be calculated by using the end date field of the record type and its corresponding retention policy requirement. There must be an option for a document HOLD function to ensure record retention beyond the usual dates for enforcement, litigation or other lawful reasons.
- Document control management that includes non-repudiation of original scanned content. Allow versioning of documents to redact information before it's disseminated through a public records request. All types of file format must be able to be stored in the server.

- Scalable storage space allocation.
- A web interface that allows documents to be submitted through the web, which will be segregated until they are scanned for any viruses and reviewed and accepted by DBS.

Reporting – SaaS must include a set of comprehensive configured reports set to run either on a schedule or upon request. The system must also provide the ability to create ad hoc reports and save them as a template for future use.

Invoicing – Ability for DBS to create and track fees/payments and/or issue invoices for the cost of services rendered, including licensing and registration, program administrative fees, examination fees, and reimbursement of investigation costs.

Credit Card – SaaS should provide a PCI compliant mechanism for receiving credit cards via the web.

Web Interface – Enhance the existing webpage of DBS to include transactional web pages for licensees and registrants to submit new or renewal applications, pay fees, and print forms or licenses.

Integration with 3rd Party Systems – The system must be able to integrate with common 3rd party financial regulatory software. Specifically at this time it must acquire, map, and populate data from NMLS, CRD/IARD, Blue Express and FDIC in automated fashion.

DATA CAPTURE AND CONVERSION

DBS's two primary computer databases, STAR and ORACLE, will require records to be converted into the new system.

The scope of the conversion process is in two parts, the first is data from existing databases that will include:

- Mapping existing database architecture to the new database
- Cross-reference existing fields to the new database
- Verify field formatting and string length between existing and new database
- Convert existing records and populate the new database
- Complete quality assurance testing for all conversion errors and prepare reject reports

Another existing database, the Consolidated Investigation System (CIS) will require conversion of certain records to the new database. The CIS application is an investigation database DBS jointly shares with another agency. The GL Solutions, Inc. database has been in use since June 2010. The conversion will allow all records of the division to reside in one database.

Where the SaaS must rely on data from existing State Of Alaska databases on an ongoing basis the data must be imported into the system via a regularly scheduled process. Data can be provided via CSV, tab delimited, or XML files made available via SFTP or similar encrypted protocols.

5.02 Deliverables

The contractor will be required to provide the following deliverables:

- (a) SaaS customized to support the specifications contained in this Request for Proposal
- (b) Configuration, installation, and testing of the system and any client software.
- (c) Provide training to users, including supplying training materials and system help information.
- (d) Conversion of data from existing software, including data mapping requirements and conversion tables.
- (e) Organize and upload imaged files to the database and provide imaging services of existing paper files.
- (f) Project management coordination during the contract period with Commerce to: plan,

track, document and control project related work; identify, track and resolve problems and issues; mitigate risk; communicate and report plans, changes and create project timelines and documents to support and ensure project success.

- (g) Coordination with Commerce for continued maintenance and operations. Provide a maintenance schedule.

DEFINITIONS:

For illustrative purposes only, and to allow for uniformity in description of each requirement of the new software, the following are definitions of various terms used in the requirements section. The prospective bidder should not interpret the definitions as promoting one database structure over another.

Activity – a record containing information about an action taken by staff. An activity can include memorializing a phone call, documenting a meeting, documenting an on-site physical inspection, tracking an examination, or issuing correspondence or a form. Example: Staff must document the exam they completed and store information about the tasks/operations they performed as part of the exam activity.

Attribute – An attribute describes information about an entity that must be captured. Each entity has zero or more attributes that describe it, and each attribute describes exactly one entity. Each entity instance has exactly one value—possibly NULL—for each of its attributes. An attribute value can be a numeric, a character string, a date, a time or some other basic data value. By common entity naming conventions, an entity name must be singular because each entity names an instance.

Entity – An entity is a thing or object of importance about which data must be captured. All things aren't entities—only those about which information should be captured. Information about an entity is captured in the form of attributes and/or relationships. If something is a candidate for being an entity and it has no attributes or relationships, it isn't an entity. Database entities appear in a data model as a box with a title. The title is the name of the entity.

Event - the context in which the system tracks different acts (sometimes called a "case"). An event is the context or frame an agency uses to make sense of a sequence of concrete acts. An event is not an act. For example, if the agency hears that a particular person has violated a law, the violation is an act, not an event. The administrative action would be part of the event, connected to other relevant acts. An event might be compared to a film; each frame of the film would be an act.

Field - A field contains an item of data; that is, a character, or group of characters that are related. For instance, a grouping of related text characters such as "John Smith" makes up a name in the name field. Let's look at another example: DBS must track information about Alaska Native corporations that are required to file information, but DBS must track both the corporations that file and those that do not file. DBS must compile the names and addresses of each Alaska Native corporation that identifies the corporation's name, address, city, state, zip code and telephone number. A field would be established for each type of information in the list. The name field would contain all of the letters of the corporation's name. The zip code field would hold all of the digits of a corporation's zip code, and so on. In summary, a field may contain an attribute (e.g., filing status) or the name of an entity (e.g., person, place, or event).

Record – A record is a complete set of information composed of a group of related fields. A record contains a collection of attributes related to an entity such as a person or product. For example: A deferred deposit advance (payday loan) business record would contain the name of the business,

principal address and address of its licensed locations, manager name of each licensed location, list of approved services at each location, hours of operation, exam information, date the license was issued and other relevant dates, annual reports on loan statistics.

Task – a record that requires staff to perform an activity, take action on a deadline, follow-up on a date milestone, or other scheduled activity that is created as a date event or processing requirement. Example: Supervisor sets a task for a staff examiner to conduct exam in thirty days.

Acronyms:

ALM – Asset/Liability Management

BIDCO – Business and Industrial Development Company

BLUE EXPRESS – Type of mutual fund filing system that uses software packets.

DBS – Division of Banking and Securities

CBPL – Alaska Division of Corporations, Business and Professional Licensing

CIS – Consolidated Investment System (current investigation database)

CRD – Central Registration Depository

FDIC – Federal Deposit Insurance Corporation

FINRA – Financial Industry Regulatory Authority

IARD – Investment Adviser Registration Depository

NASAA – North American Securities Administrators' Association

NCUA – National Credit Union Administration

NEMO – NASAA Examination Module; proprietary examination software for broker-dealers and investment advisers.

NMLS – Nationwide Mortgage Licensing System & Registry

SECTION SIX - PROPOSAL FORMAT AND CONTENT

6.01 Proposal Format and Content

The state discourages overly lengthy and costly proposals, however, in order for the state to evaluate proposals fairly and completely, offerors must follow the format set out in this RFP and provide all information requested.

- (a) The proposals should be presented in the order set forth herein and include all of the information requested. Each section should be numbered and titled with the corresponding number and titled section, with all relevant material included. Each page should be numbered consecutively and supplemental materials should be presented as labeled appendices, each of which is referenced in the text of its respective section.
- (b) In order to facilitate review of these proposals on an equitable basis, no more than 100 pages (11 point type and 8.5" x 11" page size) is preferred for the body of the proposal. In order to provide potential providers the opportunity to include additional information, the number of pages that may be included in the Appendices and links to websites are not limited, but will not be reviewed extensively or be allocated points.
- (c) Original Copy. It should be marked "Original" and contain the Cost Schedule and the original signed proposer information and assurance form (Attachment 3).
- (d) Table of Contents. Proposals should have a table of contents. List each section of the proposal with applicable page numbers with a separate section(s) identified for the appendices.
- (e) Page Numbers. Consecutively number all pages.

In particular, the following portions of this RFP must be returned with your response, filled in when applicable and in this order:

- (a) Proposer Information and Assurance. Proposals must be signed by a company officer empowered to bind the company on the Proposer Information and Assurance Form and the Alaska Bidder Preference Affidavit, if applicable. Failure to include notarized signatures on these forms in the proposal may cause the proposal to be determined to be non-responsive and the proposal may be rejected. The signed proposer information and assurance form should be placed at the front of the proposal, in the Introduction section. Include the original in the proposal marked "original". Attachment 3.
- (b) Proposals must include the complete name and address of the firm and the name, mailing address, and telephone number of the person Commerce should contact regarding the proposal.
- (c) Proposals must confirm that the firm will comply with all of the provisions in this RFP.
- (d) Any amendments to the RFP that require return and signature.
- (e) Attachment 4 – Certificate of Independent Price Determination
- (f) Attachment 5 – RFP Cost Schedule – in "Original" Proposal ONLY.
- (g) Alaska Bidder Preference Affidavit. To receive the Alaskan Bidder Preference, proposals must include an affidavit (Attachment 6) certifying that the proposer is eligible to receive the Alaskan Bidder Preference. If a joint venture, all proposers must qualify. Submission of applicable preference documentation is the offeror's responsibility.
- (h) Proof of Alaska Business License & Other Required Licenses

- (i) Minimum Requirements - Provide a detailed discussion, including examples and/or documentation, of how the offeror meets each Minimum Requirement.
- (j) Conflict of Interest and Restrictions: Provide a statement that no conflicts of interest exist or state that there were potential conflicts and they were declared in writing to the Department, and the Department found no conflict existed, and/or the conflict was not significant and/or the conflict could be mitigated. Include a copy of the Department's response.

6.02 Introduction

Proposals must include the complete name and address of offeror's firm and the name, mailing address, and telephone number of the person the state should contact regarding the proposal.

Proposals must confirm that the offeror will comply with all provisions in this RFP; and, if applicable, provide notice that the firm qualifies as an Alaskan bidder. Proposals must be signed by a company officer empowered to bind the company. An offeror's failure to include these items in the proposals may cause the proposal to be determined to be non-responsive and the proposal may be rejected.

6.03 Understanding of the Project

Offerors must provide comprehensive narrative statements that illustrate their understanding of the purpose and requirements for the scope of work and deliverables of this project. Offerors must identify pertinent issues and potential problems related to the project and how the offeror will address each.

6.04 Experience and Qualifications

Provide a summary of how you believe your firm meets the prior experience requirements listed in section 2.08. Discuss experiences with previous clients that are relevant to this contract.

Offerors must provide letters of reference, names, and phone numbers for each of the projects it relies on to satisfy the prior experience requirement as described in section 2.08. References from COMMERCE are discouraged. The information shall include:

- a. Project Title
- b. Customer
- c. Approximate budget
- d. Number of Users
- e. Project Description
- f. Project start and end dates
- g. Client name, telephone number and email address
- h. Was the project in budget?
- i. Was the project on time?

Proposals must describe the qualifications and experience of the proposed project manager and other key team members. Proposals must include resumes and two (2) references for the project manager and any listed key team members.

An offeror's failure to demonstrate how they meet these minimum prior experience requirements will cause their proposal to be considered non-responsive and their proposal will be rejected.

The PEC may conduct reference checks. Reference checks will include the following questions:

- 1. When was the software implementation complete?
- 2. Are you happy with the performance of the software?
- 3. Did you get the software that was originally proposed?

4. Did you get it when it was expected? If not, were the delays reasonable?
5. Was the price as agreed and on budget? If it was not on budget, what was the cause for the variance?
6. Understanding that there are always technical support issues and occasional feature/functionality requests, is the software well supported by the vendor?

6.05 System Capabilities

Proposals must include a discussion of how the proposed system meets DBS's needs as described in the scope of work for the following functional components and data capture and conversion:

- Client Relationship Management
- Workflow Management
- Scheduling
- Time and Expense
- Records Management
- Reporting
- Invoicing
- Credit Card
- Web Interface
- Integration with 3rd party systems

6.06 Methodology and Management Plan

Provide comprehensive narrative statement that describes the management plan you intend to execute for this project, including your approach to managing subcontractors. Identify specific tasks and the number of hours needed to accomplish them.

Offerors must introduce the project team, provide an organizational chart specific to the personnel assigned to accomplish the work called for in this RFP including subcontractors if applicable; illustrate the lines of authority and designate the individual responsible and accountable for the completion of each component and deliverables of the RFP.

6.07 Cost Proposal

Fees proposed by the successful Offeror must include all direct and indirect costs associated with the performance of the contract, including, but not limited to, employee fringe benefits, payroll, profit, markups, direct expenses, travel costs, supplies, shipping and delivery costs, overhead and administrative costs and any and all other expenses associated with the performance of this contract. Whatever rates are proposed must be used consistently throughout the proposal.

6.08 Evaluation Criteria

All proposals will be reviewed to determine if they are responsive. Filter One: proposals will then be evaluated using Criteria from: Sections 7.01; 7.02; 7.03; 7.04; 7.06 and 7.07. Proposals that pass Filter One will move to Filter Two: Demonstration/Oral Presentations, Section 7.05.

An evaluation may not be based on discrimination due to the race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, disability, or political affiliation of the offeror.

A proposal shall be evaluated to determine whether the offeror responds to the provisions, including goals and financial incentives, established in the request for proposals in order to eliminate and prevent discrimination in state contracting because of race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, or disability.

6.09 Demonstration/Oral Presentations

Offerors that pass Filter One will be required to demonstrate their applications before the Procurement Evaluation Committee (PEC). The purpose of this demonstration is to give the PEC the opportunity to evaluate the SaaS and its ability to provide the features/functionality specified in the Scope of Work. The Offeror will have an opportunity to respond to the questions asked by the Procurement Officer.

The requirements of the demonstration are:

1. Each Offeror will have two (2) hours to demonstrate and discuss the SaaS.
2. The Offeror is only allowed to provide an online, real-time demonstration with a web application that will allow the PEC to view the demonstration (such as WebEx, GoToMeeting, Adobe Connect, etc.). No in person demonstrations are allowed.
3. The PEC will view the demonstration and the procurement officer will ask questions regarding functionality of the SaaS. These questions will be limited to the last five (5) minutes of the two (2) hour demo.

The following scenarios are required in the demonstration:

1. Create an entity for a banking institution.
2. Create a person in the system and make them a director of the new banking institution.
3. Create two (2) branches of a banking institution and add them to that banking institution.
4. Create an examination record for the banking institution.
5. Create an exam schedule and add staff examiners, location and exam dates for the banking institution.
6. Track an examiner's time and expense on an exam.
7. Prepare an invoice for expenses and the payment tracking entry.
8. Add an exam document to the records of the banking institution.
9. Perform a search function to locate an entity.
10. Show pre-configured reports, ad hoc report features, and report scheduling.

In addition to the above items, the Offeror shall demonstrate and/or explain the customization of the SaaS to accommodate a new program to register and track a new type of licensee that will include board members, branches, examinations, records management, and fee assessments. Commerce recognizes that this may be a complicated procedure and, as such, expect that the offerors may choose to explain the process rather than try to demonstrate this process.

SECTION SEVEN - EVALUATION CRITERIA

THE TOTAL NUMBER OF POINTS USED TO SCORE THIS PROPOSAL IS 1000

7.01 Understanding of the Project (50 Points)

- [a] How well has the offeror demonstrated a thorough understanding of the purpose and scope of the project? (25 Points)
- [b] How well has the offeror identified pertinent issues and potential problems related to the project? (15 Points)
- [c] To what degree has the offeror demonstrated an understanding of the deliverables the state expects it to provide? (10 Points)

7.02 Methodology and Management Plan (50 Points)

- [a] How comprehensive is the methodology and does it depict a logical approach to fulfilling the requirements of the RFP within the contract term? (10 Points)
- [b] Does the offeror adequately describe a reasonable process for gathering and verifying project requirements? (10 Points)
- [c] Does the offeror adequately describe a reasonable process for customizing SaaS? (10 Points)
- [d] Does the offeror adequately describe a reasonable process to verify the customizations are functional? (10 Points)
- [e] Does the offeror adequately describe a reasonable process for converting existing data and scanning/uploading historical documents? (10 Points)

7.03 Experience (125 Points)

Questions regarding the firm:

- [a] How well has the firm demonstrated experience in completing similar projects on time and within budget? (25 Points)
- [b] How successful is the general history of the firm regarding timely and successful completion of projects? (25 Points)
- [c] Has the firm provided letters of reference from previous clients? (25 Points)

Questions regarding the personnel:

- [a] Does the proposed Project Manager have experience managing 3 similar projects?(25 Points)
- [b] Do the listed key team members and subcontractors, if any, have related experience with similar projects? (25 Points)

7.04 System Capabilities (150 Points)

- [a] Does the offeror's proposed solution meet the needs for Client Relationship Management as set out in the Scope of Work? (15 Points)

- [b] Does the offeror's proposed solution meet the needs for Workflow Management as set out in the Scope of Work? (15 Points)
- [c] Does the offeror's proposed solution meet the needs for Scheduling as set out in the Scope of Work? (15 Points)
- [d] Does the offeror's proposed solution meet the needs for Time and Expense as set out in the Scope of Work? (15 Points)
- [e] Does the offeror's proposed solution meet the needs for Records Management as set out in the Scope of Work? (15 Points)
- [f] Does the offeror's proposed solution meet the needs for Reporting as set out in the Scope of Work? (15 Points)
- [g] Does the offeror's proposed solution meet the needs for Invoicing as set out in the Scope of Work? (15 Points)
- [h] Does the offeror's proposed solution meet the needs for Credit Card as set out in the Scope of Work? (15 Points)
- [i] Does the offeror's proposed solution meet the needs for Web Interface as set out in the Scope of Work? (10 Points)
- [j] Does the offeror's proposed solution meet the needs for Data Capture and Conversion as set out in the Scope of Work? (10 Points)
- [k] Does the offeror's proposed solution meet the needs for integration with 3rd party systems as set out in the Scope of Work? (10 Points)

7.05 Demonstration/Oral Presentations (225 Points)

- [a] Did the Offeror demonstrate the required scenarios in SaaS? (40 Points)
- [b] Did the Offeror demonstrate or explain the process to customize the SaaS to add a new program? (90 Points)
- [c] Is the SaaS easy to navigate and is it user friendly? (95 Points)

7.06 Contract Cost (300 Points)

300 of the total evaluation points will be assigned to cost. The cost amount used for evaluation may be affected by one or more of the preferences referenced under Section 2.13.

Converting Cost to Points

The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined through the method set out in Section 2.15.

7.07 Alaska Offeror Preference (100 Points)

If an offeror qualifies for the Alaska Bidder Preference, the offeror will receive an Alaska Offeror Preference. The preference will be 10 percent of the total available points. This amount will be added to the overall evaluation score of each Alaskan offeror.

SECTION EIGHT ATTACHMENTS

8.01 Attachments

1. Proposal Evaluation Form – Informational
2. RFP Acknowledgement Form – Due to Procurement Officer on
3. Proposer Information and Assurance Form – In proposal
4. Certificate of Independent Price Determination – In proposal
5. Cost Schedule – In original proposal only
6. Alaska Bidder Preference Affidavit – In proposal
7. Standard Agreement Form – Informational
8. Appendix A - General Provisions – Informational
9. Appendix B2 – Insurance and Indemnity – Informational
10. Notice of Intent to Award – Informational
11. Checklist – Informational
12. Process Analysis and Requirements Document - Informational

Attachment 1- PROPOSAL EVALUATION FORM

All proposals will be reviewed for responsiveness and then evaluated using the criteria set out herein.

Person or Firm Name _____

Name of Proposal Evaluation (PEC) Member _____

Date of Review _____

RFP Number: 2015-0800-2843

EVALUATION CRITERIA AND SCORING - POINTS USED TO SCORE THIS PROPOSAL IS 1000

7.01 Understanding of the Project—50 Points

- [a] How well has the offeror demonstrated a thorough understanding of the purpose and scope of the project? (25 points)

EVALUATOR'S NOTES _____

- [b] How well has the offeror identified pertinent issues and potential problems related to the project? (15 points)

EVALUATOR'S NOTES _____

- [c] To what degree has the offeror demonstrated an understanding of the deliverables the state expects it to provide? (10 points)

EVALUATOR'S NOTES _____

EVALUATOR'S POINT TOTAL FOR 7.01 _____

7.02 Methodology and Management Plan — 50 Points

- [a] How comprehensive is the methodology and does it depict a logical approach to fulfilling the requirements of the RFP within the contract term? (10 points)

EVALUATOR'S NOTES _____

- [b] Does the offeror adequately describe a reasonable process for gathering and verifying project requirements? (10 Points)

EVALUATOR'S NOTES _____

- [c] Does the offeror adequately describe a reasonable process for customizing SaaS? (10 Points)

EVALUATOR'S NOTES _____

[d] Does the offeror adequately describe a reasonable process to verify the customizations are functional? (10 Points)

EVALUATOR'S NOTES _____

[e] Does the offeror adequately describe a reasonable process for converting existing data and scanning/uploading historical documents? (10 Points)

EVALUATOR'S NOTES _____

EVALUATOR'S POINT TOTAL FOR 7.02 _____

7.03 Experience and Qualifications—125 Points

Questions regarding the firm:

[a] How well has the firm demonstrated experience in completing similar projects on time and within budget? (25 Points)

EVALUATOR'S NOTES _____

[b] How successful is the general history of the firm regarding timely and successful completion of projects? (25 Points)

EVALUATOR'S NOTES _____

[d] Has the firm provided letters of reference from previous clients? (25 points)

EVALUATOR'S NOTES _____

Questions regarding the personnel

[a] Does the proposed Project Manager have experience managing 3 similar projects?(25 Points)

EVALUATOR'S NOTES _____

[b] Do the listed key team members and subcontractors, if any, have the related experience on similar projects? (25 Points)

EVALUATOR'S NOTES _____

EVALUATOR'S POINT TOTAL FOR 7.03 _____

7.04 System Capabilities —150 Points

[a] Does the offeror's proposed solution meet the needs for Client Relationship Management as set out in the Scope of Work? (15 Points)

EVALUATOR'S NOTES _____

[b] Does the offeror's proposed solution meet the needs for Workflow Management as set out in the Scope of Work? (15 Points)

EVALUATOR'S NOTES _____

[c] Does the offeror's proposed solution meet the needs for Scheduling as set out in the Scope of Work? (15 Points)

EVALUATOR'S NOTES _____

[d] Does the offeror's proposed solution meet the needs for Time and Expense as set out in the Scope of Work? (15 Points)

EVALUATOR'S NOTES _____

[e] Does the offeror's proposed solution meet the needs for Records Management as set out in the Scope of Work? (15 Points)

EVALUATOR'S NOTES _____

[f] Does the offeror's proposed solution meet the needs for Reporting as set out in the Scope of Work? (15 Points)

EVALUATOR'S NOTES _____

[g] Does the offeror's proposed solution meet the needs for Invoicing as set out in the Scope of Work? (15 Points)

EVALUATOR'S NOTES _____

[h] Does the offeror's proposed solution meet the needs for Credit Card as set out in the Scope of Work? (15 Points)

EVALUATOR'S NOTES _____

[i] Does the offeror's proposed solution meet the needs for Web Interface as set out in the Scope of Work? (10 Points)

EVALUATOR'S NOTES _____

[j] Does the offeror's proposed solution meet the needs for Data Capture and Conversion as set out in the Scope of Work? (10 Points)

EVALUATOR'S NOTES _____

[k] Does the offeror's proposed solution meet the needs for integration with 3rd party systems as set out in the Scope of Work? (10 Points)

EVALUATOR'S NOTES _____

EVALUATOR'S POINT TOTAL FOR 7.04 _____

Total Points for 7.01; 7.02; 7.03 and 7.04 – Filter One: _____

7.05 Demonstration/Oral Presentations (225 Points)

[a] Did the Offeror demonstrate the required scenarios in SaaS? (40 Points)

EVALUATOR'S NOTES _____

[b] Did the Offeror's demonstration or explain the process to customize the SaaS to add a new program? (90 Points)

EVALUATOR'S NOTES _____

[c] Is the SaaS easy to navigate and is it user friendly? (95 Points)

EVALUATOR'S NOTES _____

EVALUATOR'S POINT TOTAL FOR 7.05 - Filter Two: _____

EVALUATOR'S COMBINED POINT TOTAL FOR ALL SECTIONS _____

Attachment 2
RFP RECEIPT ACKNOWLEDGMENT FORM

(Return to **Procurement Officer**)

DBS LRMS/SaaS

RFP # 2015-0800-2843

ISSUED: November 6, 2014

I have received the above specified RFP and

☐ **DO** INTEND TO RESPOND WITH A PROPOSAL

☐ **DO NOT** INTEND TO RESPOND WITH A PROPOSAL

AGENCY / ORGANIZATION / INDIVIDUAL

Agency

Organization

Individual

--	--	--

Address

Phone Number

--	--

Please Sign on the Above Line

Date

Attachment 3
Proposer Information and Assurance Form
REQUEST FOR PROPOSALS

Department of Commerce, Community and Economic Development

DBS LRMS/SaaS

RFP # 2015-0800-2843

Contract Projected to Begin: January 5, 2015

Contract Projected to End: January 4, 2020

- (1) Proposer's Name _____
- (2) Proposer's Address _____
- Telephone Number _____ Fax Number _____
- (3) Status: For Profit _____ Non-Profit _____ Other _____
- (4) Alaska Business License Number: _____
- (5) Internal Revenue or Social Security Number: _____
- (6) Professional Registration Number: _____
- (7) Recipient Contact Person: _____
- (8) Authorized Representative: _____
- (9) TERMS AND CONDITIONS: The undersigned Proposer agrees to abide by the Department of Commerce, Community and Economic Development regulations and policies as described by law and delineated in the Request for Proposal (RFP).
- (10) The Proposer(s), by execution of the Proposer Information & Assurance Form, agree to be bound by the terms of the RFP and proposal for a period of not less than 90 days.

Proposer's Authorized Signature and Title*
(Must be sworn before a notary public)

Date (Month, Day and Year)

Sworn to and subscribed before me this ____ day of _____, 2014.

NOTARY PUBLIC

My commission expires: _____

*Proposals must be signed by an individual authorized to bind the Proposer to its provisions.

Attachment 4

CERTIFICATE OF INDEPENDENT PRICE DETERMINATION

(a) The proposer certifies that:

- (1) the prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication or agreement with any other proposer or competitor relating to:
 - (i) those prices,
 - (ii) the intention to submit an offer, or
 - (iii) the methods or factors used to calculate the prices offered;
- (2) the prices in this offer have not been and will not be knowingly disclosed by the proposer, directly or indirectly, to any other proposer or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and
- (3) no attempt has been made or will be made by the proposer to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory

- (1) is the person in the proposer's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (A)(1) through (A)(3) above; or
 - (i) has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (A)(1) through (A)(3) above:

(Name)	(Title)
--------	---------

(Name)	(Title)
--------	---------

(Name)	(Title)
--------	---------

[Insert full name of person(s) in the proposer's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the proposer's organization, (add lines as needed)];

- (ii) as an authorized agent, does certify that the principals named in subdivision (B)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (A)(1) through (a)(3) above.
- (iii) as an agent, has not personally participated, and will not participate, in any action contrary to subparagraphs (A) (1) through (A)(3) above.
- (c) If the proposer deletes or modifies subparagraph (A)(2) above, the proposer must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

Proposer's Authorized Signature and Title*

Date (Month, Day and Year)

(must be sworn before a notary public, by person authorized to sign for company).

Sworn to and subscribed before me this ____ day of _____, 2014.

NOTARY PUBLIC

My commission expires: _____

Attachment 5 - RFP COST SCHEDULE
RFP # 2015-0800-2843

Offerors must provide pricing as outlined on the RFP Cost Schedule below or their proposal will be rejected as non-responsive. Pricing of any optional items will not be included in the evaluation of this RFP.

Fees proposed by the successful Offeror must include all direct and indirect costs associated with the performance of the contract, including, but not limited to, employee fringe benefits, payroll, profit, markups, direct expenses, travel costs, supplies, shipping and delivery costs, overhead and administrative costs and any and all other expenses associated with the performance of this contract.

Whatever rates are proposed must be used consistently throughout the proposal and any resulting contract.

Service Description	Price
Implementation - includes system testing, support, training and instruction = year one.	
Year One Hosting Services – twelve full months from go-live date = billing for hosting services will not start until the system goes live.	
Year Two – Hosting, Maintenance and Support	
Year Three – Hosting, Maintenance and Support	
Year Four – Hosting, Maintenance and Support	
Year Five – Hosting, Maintenance and Support	
TOTAL:	

The annual per seat license fee is for informational purposes only and will NOT be evaluated:

Please include your annual per seat license fee If applicable:	
--	--

Please do not include pricing information anywhere else in your proposal other than on Attachment 5.

**Complete Only One of the
Following:**

Attachment 6

STATE OF ALASKA
Department Of Commerce, Community, And Economic Development
Certificate Of Qualification For Alaska Bidder Preference
AS 36.30.170(b)

RFP # 2015-0800-2843

Invitation to Bid #

Business Name:

Business Address:

I certify under penalty of perjury that the above business qualifies for the Alaska Bidder Preference under the following conditions:

1. Holds a current valid Alaska Business License (a copy must be attached);
2. Submits a bid for goods, services, or construction under the name as appearing on the persons current Alaska Business License;
3. Has maintained a place of business within the state staffed by the bidder or an employee of the bidder for a period of six months immediately preceding the date of the bid;
4. Is incorporated or qualified to do business under the laws of the state, is a sole proprietorship, and the proprietor is a resident of the state or is a partnership, and all partners are residents of the state; and
5. If a joint venture, is composed entirely of ventures that qualify under (1) to (4) of this subsection.

Federal Employer Identification Number (EIN) **OR**
Social Security Number (SSN)

Alaska Business License Number **and**
Expiration Date

Authorized Signature(s)

Printed Name(s)

This Certificate must be included in your bid or proposal to be considered for the preference.

Attachment 7

STANDARD AGREEMENT FORM FOR PROFESSIONAL SERVICES

1. Agency Contract Number	2. DGS Solicitation Number	3. Financial Coding	4. Agency Assigned
5. Vendor Number	6. Project/Case Number DBS LRMS/SaaS	7. Alaska Business License Number	
This contract is between the State of Alaska,			
8. Department of Commerce, Community and Economic Development		Division of Banking and Securities	hereafter the State, and
9. Contractor			
Mailing Address	Street or P.O. Box	City	State ZIP+4
<p>10. ARTICLE 1. Appendices: Appendices referred to in this contract and attached to it are considered part of it.</p> <p>ARTICLE 2. Performance of Service:</p> <p>2.1 Appendix A (General Provisions), Articles 1 through 14, governs the performance of services under this contract.</p> <p>2.2 Appendix B sets forth the liability and insurance provisions of this contract.</p> <p>2.3 Appendix C sets forth the services to be performed by the contractor.</p> <p>ARTICLE 3. Period of Performance: The period of performance for this contract begins _____, and ends _____.</p> <p>ARTICLE 4. Considerations:</p> <p>4.1 In full consideration of the contractor's performance under this contract, the State shall pay the contractor a sum not to exceed \$_____ in accordance with the provisions of Appendix D.</p> <p>4.2 When billing the State, the contractor shall refer to the Authority Number or the Agency Contract Number and send the billing to:</p>			
11. Department of Commerce, Community, and Economic Development		Attention: Banking and Securities	
Mailing Address		Attention:	

<p>12. CONTRACTOR</p> <p>14. Name of Firm</p> <p>Signature of Authorized Representative</p> <p>Date</p> <p>Typed or Printed Name of Authorized Representative</p> <p>Title</p>	<p>CERTIFICATION: I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alterations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the verity, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815-.820. Other disciplinary action may be taken up to and including dismissal.</p>
<p>13. CONTRACTING AGENCY</p> <p>Department/Division Banking and Securities</p> <p>Signature of Division Director</p> <p>Typed or Printed Name of Division Director Kevin Anselm</p> <p>Title Division Director</p>	<p>Signature of Head of Contracting Agency or Designee</p> <p>Date</p> <p>Typed or Printed Name Jeanne Mungle</p> <p>Title Director of Administrative Service</p> <p>RFP 2015-0800-2843</p>

NOTICE: This contract has no effect until signed by the head of contracting agency or designee.

02-093 (12/29/08)

Attachment 8

APPENDIX A GENERAL PROVISIONS

Article 1. Definitions.

- 1.1 In this contract and appendices, "Project Director" or "Agency Head" or "Procurement Officer" means the person who signs this contract on behalf of the Requesting Agency and includes a successor or authorized representative.
- 1.2 "State Contracting Agency" means the department for which this contract is to be performed and for which the Commissioner or Authorized Designee acted in a signing this contract.

Article 2. Inspection and Reports.

- 2.1 The department may inspect, in the manner and at reasonable times it considers appropriate, all the contractor's facilities and activities under this contract.
- 2.2 The contractor shall make progress and other reports in the manner and at the times the department reasonably requires.

Article 3. Disputes.

- 3.1 Any dispute concerning a question of fact arising under this contract which is not disposed of by mutual agreement shall be decided in accordance with AS 36.30.620-632.

Article 4. Equal Employment Opportunity.

- 4.1 The contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, or because of age, disability, sex, marital status, changes in marital status, pregnancy or parenthood when the reasonable demands of the position(s) do not require distinction on the basis of age, disability, sex, marital status, changes in marital status, pregnancy, or parenthood. The contractor shall take affirmative action to insure that the applicants are considered for employment and that employees are treated during employment without unlawful regard to their race, color, religion, national origin, ancestry, disability, age, sex, marital status, changes in marital status, changes in marital status, pregnancy or parenthood. This action must include, but need not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting out the provisions of this paragraph.
- 4.2 The contractor shall state, in all solicitations or advertisements for employees to work on State of Alaska contract jobs, that it is an equal opportunity employer and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, disability, sex, marital status, changes in marital status, pregnancy or parenthood.
- 4.3 The contractor shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising the labor union or workers' compensation representative of the contractor's commitments under this article and post copies of the notice in conspicuous places available to all employees and applicants for employment.
- 4.4 The contractor shall include the provisions of this article in every contract, and shall require the inclusion of these provisions in every contract entered into by any of its subcontractors, so that those provisions will be binding upon each subcontractor. For the purpose of including those provisions in any contract or subcontract, as required by this contract, "contractor" and "subcontractor" may be changed to reflect appropriately the name or designation of the parties of the contract or subcontract.
- 4.5 The contractor shall cooperate fully with State efforts which seek to deal with the problem of unlawful discrimination, and with all other State efforts to guarantee fair employment practices under this contract, and promptly comply with all requests and directions from the State Commission for Human Rights or any of its officers or agents relating to prevention of discriminatory employment practices.
- 4.6 Full cooperation in paragraph 4.5 includes, but is not limited to, being a witness in any proceeding involving questions of unlawful discrimination if that is requested by any official or agency of the State of Alaska; permitting employees of the contractor to be witnesses or complainants in any proceeding involving questions of unlawful discrimination, if that is requested by any official or agency of the State of Alaska; participating in meetings; submitting periodic reports on the equal employment aspects of present and future employment; assisting inspection of the contractor's facilities; and promptly complying with all State directives considered essential by any office or agency of the State of Alaska to insure compliance with all federal and State laws, regulations, and policies pertaining to the prevention of discriminatory employment practices.
- 4.7 Failure to perform under this article constitutes a material breach of the contract.

Article 5. Termination.

The Project Director, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the State. The State is liable only for payment in accordance with the payment provisions of this contract for services rendered before the effective date of termination.

Article 6. No Assignment or Delegation.

The contractor may not assign or delegate this contract, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Project Director and the Agency Head.

Article 7. No Additional Work or Material.

No claim for additional services, not specifically provided in this contract, performed or furnished by the contractor, will be allowed, nor may the contractor do any work or furnish any material not covered by the contract unless the work or material is ordered in writing by the Project Director and approved by the Agency Head.

Article 8. Independent Contractor.

The contractor and any agents and employees of the contractor act in an independent capacity and are not officers or employees or agents of the State in the performance of this contract.

Article 9. Payment of Taxes.

As a condition of performance of this contract, the contractor shall pay all federal, State, and local taxes incurred by the contractor and shall require their payment by any Subcontractor or any other persons in the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by the State under this contract.

Article 10. Ownership of Documents.

All designs, drawings, specifications, notes, artwork, and other work developed in the performance of this agreement are produced for hire and remain the sole property of the State of Alaska and may be used by the State for any other purpose without additional compensation to the contractor. The contractor agrees not to assert any rights and not to establish any claim under the design patent or copyright laws. The contractor, for a period of three years after final payment under this contract, agrees to furnish and provide access to all retained materials at the request of the Project Director. Unless otherwise directed by the Project Director, the contractor may retain copies of all the materials.

Article 11. Governing Law.

This contract is governed by the laws of the State of Alaska. All actions concerning this contract shall be brought in the Superior Court of the State of Alaska.

Article 12. Conflicting Provisions.

Unless specifically amended and approved by the Department of Law the General Provisions of this contract supersede any provisions in other appendices.

Article 13. Officials Not to Benefit.

Contractor must comply with all applicable federal or State laws regulating ethical conduct of public officers and employees.

Article 14. Covenant Against Contingent Fees.

The contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee except employees or agencies maintained by the contractor for the purpose of securing business. For the breach or violation of this warranty, the State may terminate this contract without liability or in its discretion deduct from the contract price or consideration the full amount of the commission, percentage, brokerage or contingent fee.

Attachment 9

APPENDIX B2

INDEMNITY AND INSURANCE

Article 1. Indemnification

The Contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement. The Contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "Contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Contracting agency's selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor's work.

Article 2. Insurance

Without limiting Contractor's indemnification, it is agreed that Contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Contracting Officer prior to beginning work and must provide for a notice of cancellation, nonrenewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the Contractor's services. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under AS 21.

2.1 Workers' Compensation Insurance: The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

2.2 Commercial General Liability Insurance: covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

2.3 Commercial Automobile Liability Insurance: covering all vehicles used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

2.4 Professional Liability Insurance: covering all errors, omissions or negligent acts in the performance of professional services under this agreement. Limits required per the following schedule:

Contract Amount	Minimum Required Limits
Under \$100,000	\$300,000 per Occurrence/Annual Aggregate
\$100,000-\$499,999	\$500,000 per Occurrence/Annual Aggregate
\$500,000-\$999,999	\$1,000,000 per Occurrence/Annual Aggregate
\$1,000,000 or over	Refer to Risk Management

<p align="center">Attachment 10</p> <p align="center">STATE OF ALASKA</p> <p align="center">DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT</p> <p align="center">NOTICE OF INTENT TO AWARD</p> <p align="center">FOR PROCUREMENTS OVER \$100,000</p>	<p align="center"><i>Date Issued</i></p>
	<p align="center">Authority Number</p>
	<p align="center">2015-0800-2843</p>
<p><i>Name of Agency and Mailing Address</i></p>	<p><i>Name of Procurement Officer</i></p>
<p>PO Box 110803, Juneau, AK 99811-0803</p>	<p align="center">Gina Chalcroft</p>
<p><i>Name of Project</i></p>	
<p align="center">DBS LRMS/SaaS</p>	
<p>This is notice of the State of Alaska's intent to award a contract. The Proposer, identified here as the apparent Successful Proposer, is instructed not to proceed until a signed contract or other written notice of award is received from the State. A firm or person who proceeds prior to receiving a signed contract or other written notice of award does so at his or her own risk.</p>	
<p>A Proposer who wishes to protest this Notice of Intent must file a protest within ten (10) calendar days following the date this notice is issued. If the tenth day falls on a weekend or holiday, the last day of the protest period is the first working day following the tenth day.</p>	
<p>All protests shall be filed with the Department of Commerce, Community, and Economic Development's Procurement Officer in writing and include the following information:</p> <ul style="list-style-type: none"> (a) The name, address, and telephone number of the protester; (b) The signature of the protester or the protester's representative; (c) Identification of the contracting agency and the solicitation or contract at issue; (d) A detailed statement of the legal and factual grounds of the protest, including copies of relevant documents; and, (e) The form of relief requested <p>Per AS 36.30.550, AS 36.30.560 and AS 36.30.565</p>	
<p><i>Apparent Successful Proposer's Name and Address</i></p>	
<p><i>All other Proposer's Names and Addresses in Alphabetical Order</i></p>	

Attachment 11
PROPOSAL RESPONSIVENESS CHECKLIST
DBS LRMS/SaaS
RFP #2015-0800-2843

The following information must be included in each proposal. Proposers who do not respond to each item as specified below will be considered "non-responsive" and the proposal will not be accepted for evaluation and possible award of contractual services.

This checklist may not be all inclusive of the items required to be submitted in the proposal. In case of a conflict between this checklist and the RFP, the requirements of the RFP will prevail.

(Proposers are encouraged to use this checklist in preparation of proposals).

Description	Checklist
Proposal received by 2 PM on Friday, November 21, 2014 in the Procurement Office on the Ninth Floor, 333 Willoughby Avenue Juneau, Alaska 99801.	
Any amendments to the RFP	
Attachment 3 – Proposer Information and Assurance Form	
Attachment 4 – Certificate of Independent Price Determination	
Attachment 5 – RFP Cost Schedule in “Original” Proposal ONLY	
Attachment 6 – Alaska Bidder Preference Affidavit	
Proof of Alaska Business License & Other Required Licenses	
Prior Experience	
Conflict of Interest and Restrictions	
Subcontractors List	
Methodology & Management Plan	
Experience and Qualifications	
System Capabilities	

Attachment 12

PROCESS ANALYSIS AND REQUIREMENTS DOCUMENT

State of Alaska
Department of Commerce, Community, and Economic Development
Division of Banking and Securities

EARL

Examine, Administer, Report and License
(Working title for this document only)

Process Analysis and Requirements Document
Version 1.3



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Juneau, Alaska 99801

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May 4, 2010

Revised and Edited by the Division of Banking and Securities
May 14, 2012

Version	Date Modified	Name	Changes
0.1 Draft	September 17, 2009	Baker, Pannell	Initial Working Draft. First check-point review to verify results of round one meetings.
0.2 Draft	September 23, 2009	Baker, Pannell	Added diagrams, integrated feedback from key contributors
0.2 Draft	October 1, 2009	Baker	
0.3 Draft	October 9, 2009	Pannell	
0.4 Draft	October 14, 2009	Pannell, Baker	Major update with new content in Banking section. Added draft requirements list.
0.4a Draft	October 15, 2009	Pannell, Baker	Prep for client review. Internal review and adjustments. Removed internal comments.
0.5 Draft	November 2, 2009	Pannell	Interim Update
0.6 Draft	November 6, 2009	Pannell, Nutt	Updates Securities based on interviews and feedback.
0.7 Draft	November 18, 2009	Pannell	A few minor edits/wording changes. Added acronyms. Added Appendix I and II diagrams. Updated both requirements lists (top-level priorities added to Banking).
0.8 Review	November 27, 2009	Pannell, Nutt	Finalize requirements lists. Remove questions (replace with answers). Add final priorities. Added Conclusions and Recommendations.
0.8.1 Review	December 2, 2009	Nutt	Added Section numbering, applied styles
0.8.2 Review	December 14, 2009	Nutt	Incorporated feedback from R. Prince (Securities).
1.0	December 17, 2009	Pannell, Nutt	Removed a few more appendix screen shots for confidentiality purposes (as requested by Banking).
1.1 Draft	March 25, 2010	Fowler	Added Consumer Finance Section information, GLS Suite & Appendix, NMLS Appendix
1.1.1 Review	March 31, 2010	Fowler	Added CFS Requirements, CFS corrections, intro, conclusions, footers
1.1.2 Draft	April 9 th , 2010	Fowler	Changes per Patrice Walsh and Marilyn White
1.1.2 Review	April 22 nd , 2010	Fowler	Changes per the 04/22/2010 review meeting.
1.2	May 4, 2010	Baker	Added Securities Section Process Analysis appendix, renumbered CFS requirements
1.3	May 14, 2012	Prince	Completed blanket update of document. Incorporated new itemized requirements list.

Acronyms

Acronym	Meaning
AARMR	American Association of Residential Mortgage Regulators
AIRES	Automatic Integrated Review Examination Software
ALERT	Automated Loan Examination Review Tool
AM	Asset Manager
AML	Anti-Money Laundering
MLRA	Mortgage Lending Regulation Act
ANCSA	Alaska Native Claims Settlement Act
BIDCO	Business and Industrial Development Corporation
BSA	Bank Secrecy Act
CAMELS	<u>C</u> apital adequacy, <u>A</u> sset quality, <u>M</u> anagement, <u>E</u> arnings, <u>L</u> iquidity and <u>S</u> ensitivity
CBPL	Division of Corporations, Business and Professional Licensing
CIS	Consolidated Investment System
CFS	Consumer Finance Section
CP	Control Person
CSBS	Conference of State Banking Supervisors
DCCED	Department of Commerce, Community & Economic Development
EFT	Electronic Funds Transfer
EIC	Examiner In Charge
FDIC	Federal Deposit Insurance Corporation
FinCEN	Financial Crimes Enforcement Network
FINRA	Financial Industry Regulatory Authority
GENESYS	General Examination System
IARD	Investment Advisor Registration Depository
MSB	Money Services Business
MB/L	Mortgage Broker/Mortgage Lender
MTRA	Money Transmitter Regulatory Agency
NASAA	North American Securities Administrators Association
NASD	National Association of Securities Dealers
NCUA	National Credit Union Administration
NYSE	New York Stock Exchange
NMLS	National Mortgage Licensing System
OM	Operations Manager
OSF	Originator Surety Fund
PDL	Payday Loan Company
PFC	Premium Finance Company
P&Ps	Policies and Procedures
ROE	Report of Examination
SAFE Act	Federal Secure and Fair Enforcement for Mortgage Licensing Act

SCOR	Small Company Offering Registration
SEC	Security and Exchange Commission
SLC	Small Loan Company
SOA	State of Alaska
UMSA	Uniform Money Services Act

Definitions

Administrative Order – Is a legal document issued by the Division against an entity (either a business or individual) to stop a violation from occurring, stop a violation from continuing to occur, or resolve a violation that has occurred. The document is prepared by the Division, usually as a result of an investigation.

Administrative Staff Members – are Division staff that perform a wide variety of tasks related to financial, data input, review functions and other support related activities. The Administrative Staff Members are made up of Business Registration Examiners, Occupational Licensing Examiners, Administrative Assistants, and a Secretary.

Application – Is a document submitted by an entity to seek permission or authority from the Division to engage in a business activity regulated by statute or regulation. The application is typically submitted to the Division, along with other required information or materials, which is reviewed in order to determine if the entity meets or satisfies statutory requirements to receive a license, charter, certificate of authority, or other permission from the Division.

Coordinated Filing – Is a process involving one or more states that coordinate review of a registration or application. The filer or applicant submits a request to a lead state that then coordinates with other states, where approval is sought, to review and coordinate any comments or revisions that each state may issue. A coordinated filing is pre-supported by the filer having received or will receive authority from a federal regulatory agency (i.e. the Securities and Exchange Commission) to transact business.

“Disciplinary Disclosure” or “Disclosure” – is a document filed in either the FINRA or IARD system that details a criminal, regulatory or civil action, customer complaint, termination or financial disclosure against a firm or individual. The disclosure reporting page document is available to the Division for review.

Division File Server – is used by the Division to store electronic records by for each Section. The file server is part of the DCCED’s enterprise server located in Juneau, Alaska. The staff accesses the file server through the Windows File Explorer application.

Filing – A filing is a specific type of document that either seeks or provides information, or supports a provision of statute. Typical regulatory filings are Division-based forms, notices, or applications. In addition, they can be industry-based documents that are generated to meet regulatory requirements of a particular statute or regulation.

License – A license is a specific type of authorization from the Division that has a beginning date and an end date. A license authorizes an activity (or activities) that is defined by statute, and is associated with specific performance or regulatory requirements. A license also includes a renewal provision to allow the licensee the authority to conduct business under the regulatory framework of a particular statute.

Notice Filing – is a process where an entity submits an application to the Division that demonstrates that the filer has met the essential statutory requirements of the Division, but has received its authority to transact business from another regulatory agency. A notice filing typical relates to an entity having received federal authority to transact activity, but must submit notification to the Division that it seeks to operate in the state. In some cases notice filings have a specific beginning and end date.

Registration – A registration is a specific type of approval from the Division, which is based on the statutory compliance of the filer. A registration includes the review by the Division for statutory compliance and results in notification of approval from the Division. A typical registration will result in a notice being issued by the Division that the filer may transact business in this state. A registration typically has a beginning and end date.

Staff Examiners – are Division staff that perform activities related to the supervision, examination and investigation of all activities or entities that are encompassed by the Division’s statutes and regulations. Staff Examiners are

made up of Financial Institution Examiner I, II, III and IV and Securities Examiners.

Key Contributors/Review Group

Name	Role
Katrina Mitchell, Chief Examiner	Key Stakeholder, Banking Process Representative
Roger Prince, Securities Examiner	Key Stakeholder, Securities Process Representative
Kevin Anselm, Div. Operations Manager	Key Stakeholder, Division Representative
Patrice Walsh, Chief Examiner	Key Stakeholder, Consumer Finance Process Representative
Marilyn White, Occupational Licensing Examiner	Key Stakeholder, Consumer Finance Process Representative
Linda Daak	Technical Project Lead, Commerce
Gina Del Rosario	Project Manager, Commerce
David Seng	Technical Review and Project Manager, Commerce

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1 Introduction

This process analysis and requirements document was created to set the stage for the design/development or purchase (or anything in between) of a software solution intended to support and optimize the various processes and workflows of the banking, consumer finance and securities sections of the Division. In addition, the Division needs to incorporate some basic administrative level components to track public records requests and education and outreach activities.

The objectives of this analysis are to identify the software functionality needs of the Division from a business process and technical perspective. From the business process perspective, the itemized needs are represented in the prioritized requirements lists found at the end of each section. In section 6, a list of Core Application Components is included, which define specific capabilities that must be included in the new software. These items are considered core components because they are used by all three sections.

From the technical perspective, the primary goal is to replace existing outdated, maintenance-heavy and non-standard software programs that don't meet the business needs of the division. The EARL software should provide staff the ability to manage data without using a number of disconnected "workaround" tools, such as custom Excel spreadsheets, Access applications and documents manually managed using the Windows file system.

The EARL software must be designed on three principles:

- **Adaptability to potential changes in the business processes of the Division – The EARL software should be adaptable to changes in the program requirements of the Division as it moves forward with revisions to its statutes and regulations, including user interface modifications; addition, modification or discontinued use of field codes or process functionality; or changes to application connectivity.**
- **Provide a one-stop solution to track all records of the Division – The EARL software must support functionality for the statutory and regulatory program requirements listed in this document, which are built on specific content the Division must collect, review and track. In addition, the EARL software must provide the ability to link data from other applications, used by Division users, so it can be displayed or incorporated into fields within the EARL software. This would include cross-platform capability that enables staff to search records that exist on other third-party software solutions, including the CIS software (the Division's investigation software) and the CBPL Licensing and registration software.**
- **Provide an efficient user experience – User efficiency and support are specific components to the user experience. User efficiency in the application design should limit the number of "mouse clicks" performed by a user in order to complete a work flow. In addition, intermittent saving of work flow steps should allow users to disengage from a task but be able to return at later time and resume from the place they stopped, and not require them to start the work flow over from the beginning. The support component focuses on providing users with on-screen help tools and user prompts to ensure the input process is clear, and minimizes the potential for errors.**

In addition, EARL must seamlessly integrate into the Division's imaging and document management project, which is being developed as a separate application. In the Core Application Components in section 6, there is a reference to the imaging and document management requirements that are based the following principles:

- **Archive record storage and retention control – Include input fields to automate the Division's document retention policy, including references for each stored scanned document in the imaging software and the storage location of original source documents. The retention period would be calculated by using**

the end date field of the record type and its corresponding retention policy requirement. (See item 115 in Section 6 – Core Application Components.)

- **Document control management** – allow for non-repudiation of original scanned content. Allow versioning of documents to redact information before it's disseminated through a public records request. (See item 113 in Section 6 – Core Application Components.)
- **Storage space allocation** – Allow for unlimited file size of documents or files stored in the imaging system. (See item 112 in Section 6 – Core Application Components.)
- **Web component interface** – Allow documents to be submitted through the web, which will be segregated until they are reviewed and approved by the Division and scanned for any viruses. (See item 116 in Section 6 – Core Application Components.)

1.1 Three Business Units, One Document

The Division is separated into the three distinct business sections: Banking, Consumer Finance and Securities. Each section performs regulatory activities, which have some commonality; however, specific field codes and business rules may be different for each section. Because of the individual characteristics of each section, this assessment is separated for each section.

The **Banking** section of the Division is responsible for oversight of certain financial institutions in Alaska. The section is responsible for licensing/chartering, renewals, examinations, reporting and investigations of banks, credit unions, trust companies, and some non-depository financial institutions as required by Alaska State Statute.

The **Securities** section of the Division oversees a number of activities related to the sale of securities within Alaska, including: registering and examining the firms and individuals who sell securities or offer advice about securities; the registration or notice filings of mutual funds, federal covered securities, or other capital offerings; the exemption of certain types of securities or securities transactions; issuance of interpretative or no-action letters relating to securities transactions; and the registration of certain land sales. The Division regulates corporate and shareholder proxy solicitation activities outlined by the Alaska securities law and relevant portions of the Alaska Native Claims Settlement Act (ANCSA). In addition, the Division investigates complaints related to the offer and sale of securities in Alaska, and requests for investigation involving proxy solicitations of ANCSA corporations and its shareholders.

The **Consumer Finance** section is responsible for oversight of the Mortgage Lending Regulation Act and the Uniform Money Services Act. The Mortgage Lending Regulation Act covers the licensing, reporting, examination, and enforcement of mortgage brokers, lenders, and licensed loan originators. The Alaska Uniform Money Services Act covers the licensing, operation, reporting, examination, and enforcement activities of entities that operate money transmitting, currency exchange, or prepaid access card businesses.

In addition to the three business sections, the EARL software must be capable of supporting activities that are considered global **administrative duties**: Education and Outreach, and Public Records Requests. The Division, as a whole, provides education seminars, participates at tradeshow, and produces publications as part of its education and outreach efforts. In addition, each section responds to public records request, which must be tracked at an administrative level to ensure consistent record keeping and a reportable history.

1.2 Process Analysis, Requirements and Conclusions

The first section of each business unit discussion is the **business process analysis**. This section defines the business objects¹, the context around their existence, and how they are integrated with one another in the various workflows that exist in the Division.

The second section is the **itemized requirements**. This section itemizes what the EARL software must provide in order to support the business objects and processes described in the process analysis. The list of requirements is intended to provide a software selection or design team specific capabilities that must be present in the final software. In section 6, is a list of core application components that are items used by each section of the Division, and because of their commonality they are presented as one list that must be provided by the EARL software.

At the conclusion of the document, there is a brief discussion of the **analysis findings**. This section provides a short narrative of the conclusions of the analysis and recommendations by summarizing the requirements that would be most beneficial to implement in the EARL software.

¹ People, artifacts and processes.

2 Administrative Support

2.1 Overview

This section includes the analysis and requirements identified for the combined administrative activities of the Banking, Consumer Finance, and Securities sections for two activities: Public Records requests and Education and Outreach programs. Additional items such as Administrative Orders and Record Retention processes may be added in the future, but have not been fully addressed.

2.2 Processes and Workflows

2.2.1 Public Records Requests

The process for responding to a Public Records request includes the requester sending in a request by email or letter. If a requester calls the Division with a verbal request, they are instructed to put their request in writing and submit it to the appropriate section supervisor. Once the request has been received, the supervisor will assign the request to a staff examiner. If the request is not specific, or contains too little detail to allow the staff examiner to identify the information requested, the staff examiner will contact the requester for additional information. If the staff examiner determines the scope of the request is voluminous, the staff examiner will prepare a cost estimate to produce the materials and notify the requester. If the request is for information that is confidential or cannot be provided without a court order, the staff examiner will notify the requester of the denial to respond to their Public Records request. There is a specific timeline that must be followed in order to comply with the Alaska Public Records Act.

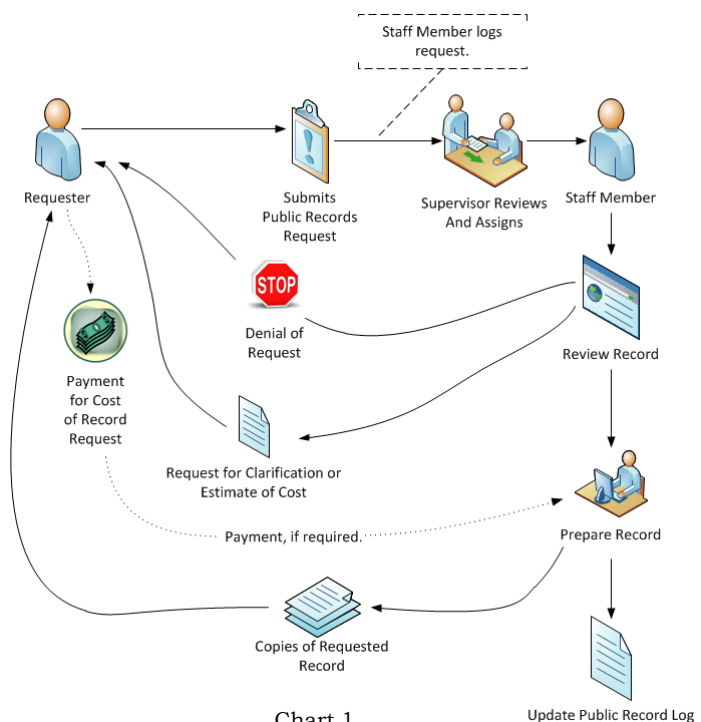


Chart 1

Payment of the cost to cover the preparation of the response is required before work is performed by the staff examiner, if any. Once the estimated payment has been received, the staff examiner will prepare the materials and send to the requester, plus any refund or additional billing, if necessary. The staff examiner will update the log in the Section's Public Records Log, which is currently an Excel spreadsheet.

In addition, the Securities section has filings from certain Alaska Native Claims Settlement Act (ANCSA) corporations and independent candidates available for public inspection.² Those ANCSA corporations and independent candidates are required to submit proxy related materials if they send the materials to Alaskan shareholders. All filings are available for public inspection at the Division's Anchorage office during regular business hours. Any interested person who views the filings must sign a log book and reference their name, date of inspection, reference the filings they reviewed, the number of copies they made, and provide an optional phone number. The logs are stored in paper format and manually entered into an Excel spreadsheet.

² See section 4.3.5 for more information about the ANCSA filing process and requirements.

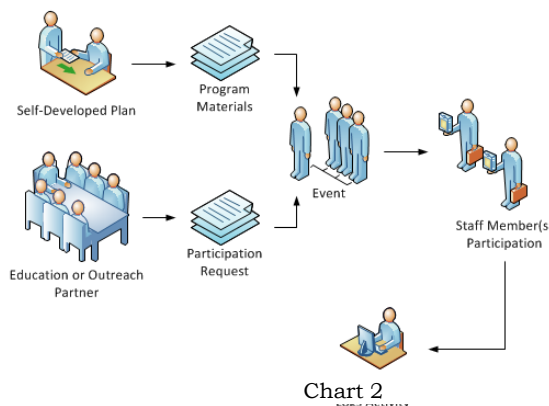
The EARL software must be capable of tracking information related to the request, specific date milestones, the current status of the request, images and/or description of the response, and image of the request. For ANCSA inspection logs, EARL must be able to support fields currently tracked by the sign-in log: name, date of inspection, description of files reviewed, number of copies, and optional contact information.

2.2.2 Education and Outreach Programs

The process for participation of Division staff in Education and Outreach programs, which includes presentations, classes and workshops hosted by the Division or held jointly with third-party partners, begins with either a request from the third-party partner or based on a staff-developed program. A third-party partner may be funded through grants from the Investor Protection Trust. In the past, programs included educational workshops in cities across Alaska, financial education courses with schools, financial education television programs, and continuing education courses with organizations like the Alaska Bar Association. Staff has participated in the programs and provided resources and prepared education materials. The participation is tracked by each section using various data tools, including Excel spreadsheets.

From chart 2, the process includes both partner-based and staff-developed programs, and each require recordkeeping of the event, event materials, participating staff examiners, number of staff hours, specific date milestones, and costs.

In general, a third-party partner will organize the event and request Division staff examiner participation. Once the Division has agreed to participate, the event dates are scheduled, and the numbers of participants are determined. The events can be a one-time occurrence or they can be organized with recurring dates set out over many months. The Division schedules the number of hours of staff examiner(s) participation and any associated cost (i.e. airfare, hotel, per diem, etc.).



The EARL software must be capable of tracking information related to the education or outreach program, including the type of event, date of event or a series of dates if it is a reoccurring event, the number of participants and their name (association of staff examiners), any materials used in the event, and any cost associated with the Division's participation.

2.2.3 Process Players

The combined activities performed by the Division's individual sections are conducted independently of each other.

2.2.3.1 Division Staff Members

Public Records requests are assigned to each section, and each section has staff (typically staff examiners) that performs the reviews and responses as part of their general duties. The requests have a timeline for response. Each section organizes its own education or outreach programs. In the past, the Division has been a sponsor of projects such as "Don't Borrow Trouble" that was a combined effort of all sections. Staff examiners participate as instructors and coordinators in third-party partners or Division-initiated programs.

2.2.3.2 Third-party Partners


Third-party partners include non-profit agencies like Junior Achievement, AARP, Consumer Credit Counseling and other agencies that partner with the Division to provide programs for the public, where Division staff participate in the planning and organization of programs and act as instructors or speakers.

2.2.3.3 General Public

The Division receives Public Record requests from the general public for copies of filings, documents or other materials related to statutory activity of the Division. In addition, the general public attends Education or Outreach programs and may contact the Division for additional information, or to answer questions.

2.3 Itemized Requirements

The following grid presents the itemized requirements of the administrative activities of the three sections with regards to the EARL software. Items in the list were derived from the process discussion in the preceding section.

The itemized list is divided into various component groups, with each category title in highlighted color. 

The individual items in each group identify key features or requirements that must be provided by the EARL software. The functionality of the component groups must provide the user with an efficient interface.

ID No.	Requirement	Comment
1	Support Storage, Management and Reporting of Public Records Requests Data (Record)	
2	Auto assign file number (format to be determined)	Each record will have a unique locator number.
3	Support field for section list (drop down selection field: Banking, Consumer Finance, Securities.)	
4	Support field for category type (drop down selection field: General, ANCSA, Mortgage Broker/Lender, Mortgage Originator, Money Transmitter, Money Transmitter delegate, Currency Exchange, State Bank, Federal Bank, etc.)	Provide a drop down list of all types of public records retained by the Division.
5	Support status field (i.e. Under Review, Response Pending, Completed)	Under Review - Request received, determining if it's a public record request, and if enough information has been provided to respond. Response Pending - Completed Review stage and preparing response or waiting on response regarding production costs. Completed - Response issued and payment has been made, if any.
6	Support basic attributes of a request (i.e. Issue, Name of Requestor, Contact Information, Agency Response, etc.) (See Entity/Association Database Functionality)	Review statutory requirements for tracking public records. Only limited information is required to be maintained.
7	Provide specific input screens (capture note/comment/follow up task related information) (See User Activity Functionality)	Each activity would be organized chronologically. Any user could create a note.

ID No.	Requirement	Comment
8	Support fields to insert statutes and regulations. (allow multiple chains of more than one citation)	Optional field, determine if the field should user-supplied, or selected from a drop down list. If drop down list, determine best course for maintaining list. Determine how to retain version of drop down list so old records are not changed when drop-down list has been revised.
9	Support invoicing (See Payment Invoicing Functionality)	Some public records requests require payment for staff time and copy costs. Billing and payment invoicing must be able to generate invoices for staff time and publication/copying costs, etc. Function should allow refund for any overpayment, and should provide for estimated billings.
10	Support image/file attachment (See Imaging and File Attachment Functionality)	
11	Support web submission of forms (See Web Component Functionality)	
12	Support report for user and supervisor (See Report Production Functionality)	
13	Support Storage, Management and Reporting of Education/Outreach Program Data (Record)	
14	Auto assign file number (format to be determined)	Each record will have a unique locator number.
15	Support field for section list (drop down selection field: Banking, Consumer Finance, Securities.)	
16	Support field for category type (drop down selection field: General, ANCSA, Mortgage Broker/Lender, Mortgage Originator, Money Transmitter, Money Transmitter delegate, Currency Exchange, State Bank, Federal Bank, Securities Fraud, etc.)	Allow category type to track focus of training, either in specific or general categories.
17	Support program description.	Open field to enter name of event, or program and a description of the event, include date, time, location, subject matter, etc.
18	Support user activity to track the staff examiners that participated in the outreach program, number of staff hours, date and time of events, etc. (See User Activity Functionality)	Allow multiple records tied to a single event and able to add participation by multiple employees.
19	Support storage of electronic presentation materials (See Imaging and File Attachment Functionality)	
20	Support web form to request a speaker (See Web Component Functionality)	Allow a group to request a speaker at a meeting or training program. The form would collect information about the date, location, group name, subject matter, etc.

ID No.	Requirement	Comment
21	Support report for user and supervisor (See Report Production Functionality)	
22	Support calendar of events (See Calendar/Scheduling Functionality)	

3 Banking

This section includes the analysis and requirements identified for the Division's Banking Section.

3.1 Overview

The Banking section approves charters, certificates of authority or licenses for certain financial institutions under title 6 of the Alaska Statutes. Once the Banking section approves an institution, it oversees its activities via a workflow process that includes renewal of licenses, receiving regular reports and performing scheduled examinations on the institution's supervisory requirements.³ The Banking section's oversight relates to state-approved financial institutions, and does not govern federally-approved financial institutions.

The approval process, reporting and exam requirements differ by institution type, which include: Banks, Bank Holding Companies, Mutual Savings Banks, Credit Unions, Trust Companies, BIDCO's, Payday Loan Companies, Small Loan Companies, and Premium Finance Companies.

3.2 Institution Types

Financial institutions vary in type and business process needs based on categories established around the licensing/chartering, reporting and examination processes, and fee structure, which are based on each institutions set of statutes. The categories include (with current count of institutions):

3.2.1 State Banks (3)

Banks must receive a Certificate of Authority in order to conduct business in Alaska, or be federally chartered. Once a bank receives a certificate of authority, the certificate is good until revoked or the bank is merged. Each bank has deposit insurance from the Federal Deposit Insurance Corporation (FDIC). The Section receives annual and quarterly reports, affidavits, branch application forms, and payment of semi-annual assessments. State banks are examined on either a 12 or 18-month cycle.

3.2.2 Bank Holding Companies (3)

Bank Holding Companies are separate entities that own banks and other entities that often include securities brokerage firms, insurance companies, trust companies, or title companies.

The bank and its holding company are examined at the same time. They have a board much like a bank, which very often has some (if not all) of the same board members that sit on the bank's board. While this board membership is typical, it is not absolute (it is possible for board members to be different between the two entities).

3.2.3 Mutual Savings Banks (1)

Mutual Savings Banks must receive a Charter in order to conduct business in Alaska, or be federally chartered. For purposes of registration and monitoring, it is treated the same as State Banks. As part of the charter, the institution is required to have deposit insurance from the FDIC. The Section receives annual and quarterly reports, affidavits, branch application forms, and payment of semi-annual assessments. The mutual savings bank is examined on either a 12 or 18-month cycle.

³ Institutions exam cycle depends on the financial size, supervisory rating, or other determinations. Normal examination cycles occur every 12 to 18 months.

3.2.4 Credit Unions (1)

Credit unions must receive a Certificate of Authority from the Section, or be federally chartered. As part of the certificate of authority, the institution is required to have deposit insurance from the National Credit Union Association (NCUA). The Section receives annual and quarterly reports, affidavits, branch application forms, and payment of semi-annual assessments. The credit union is examined on either a 12 or 18-month cycle.

3.2.5 Trust Companies (2)

Trust Companies are required to apply for a Certificate of Authority with the Section, or be a subsidiary of a bank or credit union, or considered an exempt private trust company. The Section examines trust companies every 18 months, and receives annual and quarterly reports, insurance or bond coverage notices, and receipt the original application fee and payment of examination costs.

3.2.6 Small Loan Offices (1)

Small Loan Companies (SLC) are typically non-depository entities licensed by the Section to finance non-purchase money security interest loans “household goods” at interest rates that are higher than the usury limit with a maximum loan amount of \$25,000. Licenses are good for one year and require a bond during the term of the license or renewal. The Section examines a licensee on an 18-month cycle. The Section receives filings relating to forms used in the business, reports, and receipts payment for the application fee, renewal license fee and examination costs.

3.2.7 Premium Finance Offices (28)

Premium Finance Companies (PFC) are typically non-depository entities that finance insurance premiums and require a license from the Section for each office operating in the state. Licenses are good for one calendar year and require a bond during the term of the license or renewal. The Section examines the licensee on an 18-month cycle. The Section receives filings relating to forms used in the business, reports, and receipts payment for the application fee, annual license renewal fee and examination costs.

3.2.8 Payday Lenders (35)

Payday lenders (PDL) are typically non-depository entities that make loans to individuals that are repaid usually within two weeks, and collateralized by an authorization for withdrawal from the individual’s deposit account. The PDL license is valid for 2 years, and can be renewed through a renewal application. A PDL is required to maintain a bond during the term of the license or renewal, and three years after the license expires or is revoked. The Section examines a licensee on an 18-month cycle. The Section receives filings related to forms used in the business, reports, and receipts payment of the application fee, annual license renewal fee, and examination costs.

3.2.9 Business Industrial Development Corporations (BIDCO) (1)

A BIDCO is a non-depository company that provides loans, equity participations, and management services to entities in Alaska. The Section’s role is to license, regulate and examine the activities of the BIDCO licensee. The Section receives filings from the licensee and receipts payments for fees related to the application, renewal, change in control, and examination costs.

3.2.10 Other Institution Related Activities

In addition to the institutions listed above, the Section also receives filings from foreign banks under the Model Foreign Bank Loan Act, and foreign and private trust companies under the Revised Alaska Trust Company Act. These entities are required to submit forms to the division, and, in some cases, pay a filing fee. The EARL software

will need to track information related to the entity, the filing form, dates, payment invoicing and contact information.

3.3 Processes

The primary processes include: Licensing/Chartering, Reporting, Examinations, Renewal, and Fee Invoicing.

As laid out in Figure 3, the processes for the Section include the initial application/chartering activity, and then ongoing examination and monitoring activities. In addition, PDLs, SLCs, PFCs and BIDCOs submit license renewals. The monitoring activities include financial reporting reviews, examinations, review of reporting forms (i.e. Oath of Directors, Questionnaires, etc.) Examinations are conducted on varying schedules based on the type of institution and supervisory requirements.

In addition, the section responds to inquiries and conducts investigations. Other activities performed by the section include issuing exemptions to trust companies and model foreign bank loan filings.

3.3.1 Process Players

In most cases, the events that occur as part of the Banking section workflows require the regular exchange of documents and data between Section staff examiners, FDIC, NCUA, Institution Representatives, and sometimes the general public. These groups represent the primary “players” that engage in the workflow events.

3.3.1.1 Section Staff Members

Section staff examiners fill a variety of roles in the Banking section, including reviewing initial licensing and chartering applications and activities, responding to inquiries, and working on investigations. The Section has one Financial Institution Examiner IV, one Financial Institution Examiner III, two Financial Institution Examiner IIs, one Investigator III, and one Administrative Assistant. During examinations, they fill a variety of roles:

Examiner in Charge (EIC) – Is a senior staff examiner that is the field supervisor when exams are conducted of state banks, credit unions, mutual savings banks, trust companies and BIDCOs. They are responsible for overseeing the completion of exam assignments and compilation of the Report of Examination (ROE).

Operations Manager (OM) – Is a staff examiner that assists the EIC by coordinating the review of the institutions’ operations and reviews staff examiner work on sections of the ROE.

Asset Manager (AM) – Is a staff examiner that assists the EIC by coordinating the institutions’ asset review and reviews staff examiner work on sections of the ROE.

Crew Member – Are staff examiners that are responsible for various components of the ROE, and report to the EIC, OM and AM.

Administrative staff members are involved in the workflow by processing payments, receiving documents and entering data into existing Section software.

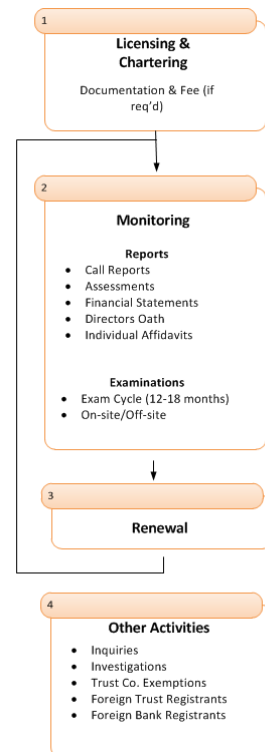


Figure 3

3.3.1.2 Institution Representatives

The Financial Institution Representatives submit required documentation, correspondence, and data to the Section during licensing/chartering, various reporting activities, examinations and license renewal. They sometimes are the initiating party in the workflows described below (such as regular reporting), while other times they are the recipient of notification that a workflow, in which they are an active participant, has already begun (such as receipt of the Entry Letter for examinations).

They may also be the originators of occasional inquiries and the target of investigations.

3.3.1.3 FDIC Staff Members

The FDIC coordinates with the Section on examinations of Banks, and provides staff examiners to work on the exams. Although the organization chart is fairly fixed (see section 3.3.2.3.2 below), the actual staff members that fill those roles are dynamic, sometimes changing from exam to exam. For example, on some examinations the FDIC and the Section alternate staff members assigned as the EIC. In addition, staff examiners from the Section and FDIC act in a variety of roles in the examination.

3.3.1.4 NCUA Staff Members

The NCUA coordinates with the Section on examinations of Credit Unions. For examinations, the relationship between the NCUA and the State is nearly identical to that which exists between the FDIC and the Section (for Banks).

3.3.1.5 General Public

The General Public is integrated into some of the lesser used workflows in that they occasionally initiate the inquiry or investigation processes.

3.3.2 Workflows

The various Banking workflows, their associated events and any required documents/fees are described below. Current versions of official forms mentioned in the section below may be found on the Banking section's web site at the following address: <http://www.commerce.state.ak.us/bsc/bankingforms.htm>.

3.3.2.1 Licensing, Chartering and Certificates of Authority

If the financial institution is not federally chartered then it must be state approved, unless otherwise exempt. As describe above, State Banks, Credit Unions, and Trust Companies receive a Certificate of Authority from the Section to operate. Mutual Savings Banks receive a Charter. The processes for a Certificate of Authority or Charter are similar and involve a number of steps beginning with the application. BIDCOs, SLCs, PFCs, and PDLs are issued licenses to operate in the state. The diagram below illustrates the high-level process and the players involved.

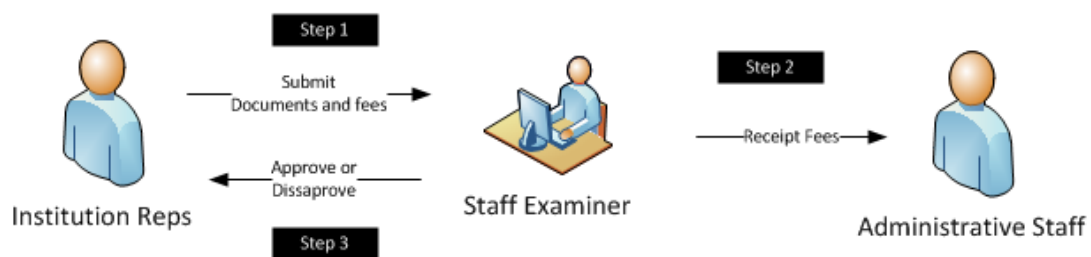


Figure 4

Step 1, the institution representative submits the required forms, document, and payment to the Section. **Step 2**, the administrative staff member receives the application package and logs the information into the EARL software and receipts the payment. **Step 3**, the staff examiner reviews the application and completes their investigation and analysis and either approves or denies the application. The requirements for licensing and chartering are specific to the type of institution. The table below illustrates the type, period, fees and documents required for each.

Institution Type	Charter or Cert of Authority	License	License/Charter Period	Lic. Fee	App Investigation Fee (Advance Payment)	Proof of Bond	Form A
Bank			Open				
Credit Union			Open				
Bank Holding			Open				
Trust Co.			Open	\$0	(\$2,000)		
Payday Lender		by office	2yrs	\$2,500			by member
Premium Finance Co.		by office	1yr	\$200	(\$500)		
Small Loan Co.		single	1yr	\$500 / \$2000	(\$1,000)		
BIDCO		single	1yr	\$2,500			

Figure 5: Cross Reference of Entities and Registration Requirements

3.3.2.1.1 Issuance of Charter or Certificate of Authority

A Charter is issued to a Mutual Savings Bank, and a Certificate of Authority is issued to state Banks, Credit Unions, and Trust Companies, authorizing the entities to conduct business in Alaska. The process includes an application, staff examiner review, and a large quantity of documents. The materials (forms, documents, staff memorandum, etc.) from the application process are currently stored in digital form in the Division file server. Fee payment is currently received in traditional form (check) and immediately passed to the Section's administrative staff for receipting.

3.3.2.1.2 Licensing

A license is required for PDLs, SLCs, PFCs and BIDCOs. The license is granted to an institution allowing them to do business in the state for a specified amount of time. The valid license period and fees associated with each license (and/or licensed location) is dependent on the type of institution being licensed, and in some cases each location must be licensed individually (i.e. PDLs).

The process includes an application, staff examiner review, and a large quantity of documents. The Section issues a paper license with a copy stored in digital form in the Division file server. Fee payment is currently received in traditional form (check) and immediately passed to the Section's administrative staff for receipting.

3.3.2.1.3 Fees and Assessments

As indicated in Figure 5 above, the payment invoicing function for the Banking section includes one-time, partial, semi-annual, annual and biennial fees and assessments, with some based on formulas.

- State Banks, Credit Unions, Mutual Savings Banks pay an initial application fee, and once approved are charged semi-annual assessments, which are based on the institution's asset size. These institutions do not pay for the cost of examination. The worksheet used by institutions to calculate the semi-annual assessments is located at <http://www.commerce.state.ak.us/bsc/pub/bkassess.xls>.
- Trust companies pay an initial application fee, and once approved they are charged only for examination costs.

- PFCs, SLCs and BIDCOs pay annual license fees in the amounts identified in Figure 5. The fees are in addition to the cost of examinations.
- PDLs pay a biennial license fee in the amount identified in Figure 5. The fees are in addition to the cost of examination.

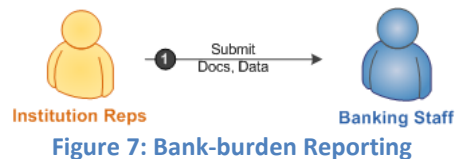
3.3.2.1.4 **Application Investigation and Associated Fees**

All institutions that become approved (i.e. chartered, certificate of authority, or licensed) incur a number of Section staff hours to process the application. The various costs associated with time and effort put in by Section staff is referred to as the Investigation Fee. Some institutions are required to pre-pay an initial application fee, which is credited to the final investigation fee along with license application fee.

Investigation fee payments (and pre-payments) are currently received in traditional (check) format and processed by the administrative staff in the Section. The actual final investigation fee amount is calculated manually with the assistance of standard tools (Excel, etc.) and the remaining balance is billed to the entity when the Section issues its approval.

3.3.2.2 **Reports, Required Documents and Other Submissions**

Once approved, financial institutions are required to submit regular reports and associated fees (if any) based on the type of institution. Some of the reports are required based on a formal schedule (such as Quarterly Call Reports) while others are considered “bank-burden”, they must be submitted when an event occurs outside of what can be automatically detected by the Section (such as a board member change). The diagram below illustrates the high-level process and players involved in both regular and bank-burden reporting:



The specifics of the documents, data and fees required, and the regular deadlines on which they must be submitted, are based on the type of financial institution. The table below illustrates the institution type and documents, data and fees required of each. A blue cell indicates the document (column) is required for that particular institution (row).

Institution Type	Assessment (Semi-Annual)	Qtrly. Call Reports	Oath of Director/Officials Report (Annual)	Individual Affidavits (Annual & As-needed)	Audited Financial Statements (Annual)	Annual Report	Legislative Annual Report
State Banks							
Bank Holding Co.							
Mutual Savings Banks							
Credit Unions							
Trust Companies							
BIDCO							
Payday Lenders							
Premium Finance Companies							
Small Loan Companies							

Figure 8: Cross Reference of Entities and Reporting/Doc Requirements

Unless otherwise noted, all of the documents mentioned below are saved in their native digital format (Word, Excel, etc.) and stored in the Division file server.

3.3.2.2.1 Quarterly Reporting (Call Reports)

The Quarterly Call Report is also referred to as the Report of Condition and Income. As the name implies, this report is due on a quarterly basis (30 days after quarter end) from specific types of institutions (Banks, Mutual Savings Banks, Credit Unions and Trust Companies).

3.3.2.2.2 Oath of Directors/Report of Officials and Individual Affidavits

The Oath of Directors is a form signed by all the board members of a bank or trust company. Its credit union equivalent is a Report of Officials. If a member of the board of a Bank, Bank Holding Company, Credit Union, Trust Company, or BIDCO changes, an individual affidavit must be submitted noting the change.

Current Oath of Directors form: <http://www.commerce.state.ak.us/bsc/pub/oathdirectors.pdf>

Current Individual Affidavit: <http://www.commerce.state.ak.us/bsc/pub/Affidav.pdf>

3.3.2.2.3 Audited Financial Statements

Financial statements are due from Banks, Credit Unions, Trust Companies and BIDCOs each calendar year. The EARL software will need to track deadlines, and provide a reminder notice after the deadline has lapsed.

3.3.2.2.4 Annual Reporting

Much like Audited Financial Statements, Annual Reports are due each calendar year and submitted by Trust Companies, PDLs, PFCs, and SLCs. The EARL software will need to track deadlines, and provide a reminder notice after the deadline has lapsed.

3.3.2.2.5 Legislative Annual Reporting

Legislative Annual Reports are exclusive to BIDCO's. They are due every year (similar to Annual Reports) and include information about jobs created or retained as a result of the services or lending provided by the BIDCO.

3.3.2.2.6 Proof of Bond

PDLs, PFCs and SLCs are all required to submit a proof of bond as part of the licensing process. If the bond should ever expire, or the institution changes its bond company, it is required to submit information on the new bond.

3.3.2.2.7 Form A

Form A is an official document required for each member of a PDL. This form must be submitted upon licensing and at each renewal, change of ownership, or change of managers or directors.

3.3.2.2.8 Office Manager's Questionnaire

PFCs submit an Office Manager's Questionnaire annually. The questionnaire contains a number of questions regarding the operations of the company.

3.3.2.3 Examinations

In addition to the licensing, chartering, or certificate of authority approval process, renewal, and reporting requirements outlined above, every institution is examined by the Section. The examination cycle is dependent on the institution and other factors, but normally exams are conducted annually or every 18 months, but they can occur at other intervals based on supervisory concerns. The scope of the examination focuses on the institution's compliance with existing laws and regulations and if it's operating in a safe and sound manner, culminating in the Report of Examination (ROE).

Examinations are conducted onsite or offsite, instate or out of state, and include both pre-exam and post-exam activities, and constitute the biggest portion of the Section's workload.

Large exams can last up to three weeks and involve a number of staff examiners from the Banking section or other agencies (FDIC, NCUA, etc.), and the role the staff examiners perform is an important element to track. In addition, there is usually another combined two weeks for pre- and post-exam work assigned to the EIC, OM and AM. Exams of the BIDCO and trust companies are solely completed by the Banking section and usually take two weeks of on-site work, with approximately a combined two weeks for pre- and post-exam work assigned to the EIC, OM and AM. Smaller examinations (i.e. PDLs, PFCs, and SLCs) are usually performed by one staff examiner and can take several days to complete, with some exams completed on-site and others completed off-site through the mail.

Approximately 50% of the Banking section's workload consists of conducting large exams and another 25% conducting small exams. The remainder of staff examiner time (25%) is spent administering, reporting, and scheduling the exams; in addition, staff examiners reply to requests that come in from institutions and individuals.

Scheduling exams are calendared starting on the last day spent at the institution during the previous exam. In addition, once they return to the office staff examiners will often complete reports and filings that take longer to complete than the on-site portion. Exams are considered "finished" when the ROE is sent out of the office. Currently, exam scheduling is performed manually at the end of each year, and based on assessing the time needed to complete the larger institutions, which are the most time consuming examinations and require the availability of either the FDIC or NCUA. Smaller entities are fit into the exam calendar around the large exams, and based on when the next exam is due. Staff examiner time is tracked with Excel spreadsheets and the current Oracle database generates bills for the institutions that are required to pay exam fees based on the cost of the examiner's time and travel costs. The EARL software will need to track examination activities of the Section, including scheduling, exam preparation activities, staff examiner participation, examiner roles, exam hours, work papers and the ROE.

3.3.2.3.1 Exam Process

The exam process typically begins with the assigned EIC contacting the institution representative in the form of a phone call, followed shortly by the generation and transmission of the Entry Letter. The Entry Letter notifies the institution that an exam is forthcoming and requests the institution prepare documentation for the Section. This documentation varies by institution type and is even dynamic within each institution.

Depending on the type of examination, the Entry Letter also contains a somewhat generic questionnaire for the office manager. The questionnaire contains a list of items that must be addressed prior to the examination, including but not limited to:

- Licensee Demographics
- Addresses of Locations for PDLs.
- Websites information
- Recent Bank Statement demonstrating liquid assets (attachment)

When the examination team arrives at the institution, they begin examining the documents requested in the Entry Letter. Banks, Credit Unions, Trust Companies and the BIDCO are rated in six major components, which are referred to as the CAMELS rating.

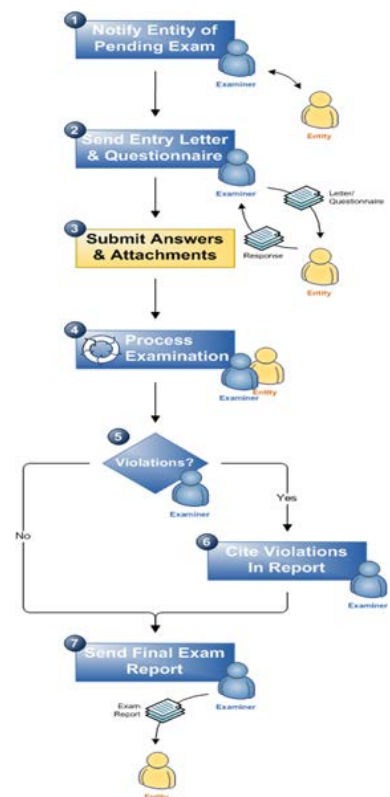


Figure 9

- C - Capital
- A - Asset Quality
- M - Management
- E - Earnings
- L - Liquidity
- S - Sensitivity

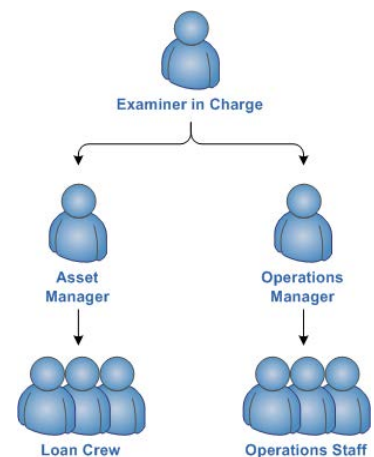
As the exam progresses, all concerns are brought to management and discussed. At the end of an Exam, the institution is assigned a CAMELS rating based on the findings for each major component and the EIC issues an ROE.

Examinations of PFCs, SLCs and PDLs are focused on regulatory compliance and do not receive a CAMELS rating, but do receive an ROE.

3.3.2.3.2 **Exam Workload Management (Roles)**

There are five roles staff may fill during examinations. More than one role may be filled by a single staff examiner during an exam (smaller exams), or the exam may be so large that a single role is filled by a single staff examiner. The roles assumed by staff examiners during a large exam include the EIC, AM, OM and the staff examiners (Loan Crew/Operations Staff). As most large examinations are a collaborative effort between the State and the FDIC or NCUA, the roles are typically filled by staff examiners from all organizations involved. For trust company and BIDCO exams, only the Banking section conducts the exams and all roles are filled by staff examiners.

Generally speaking, PDLs, PFCs and SLCs are small enough to be examined by a single Banking section staff examiner filling the (EIC) role.



3.3.2.3.3 **Current Exam Software Support**

The examination process for larger institutions (Banks and Credit Unions) is currently supported by a pair of production software applications, which are the FDIC's General Examination System (GENESYS) and the NCUA's Automated Integrated Regulatory Examination Software (AIRES).

3.3.2.3.3.1 **GENESYS**

As noted on the FDIC's website, "...the FDIC launched the General Examination System (GENESYS), a software application that automates the preparation of the entire examination report. GENESYS improves the examination process by integrating information from other automated systems, including the Automated Loan Examination Review Tool (ALERT). The GENESYS software features a more comprehensive database of financial and examination information than previous systems, which enhances the risk-focused examination process. GENESYS also includes advanced data-query and analysis tools that allow staff examiners to perform a significant portion of their analysis off-site, thereby minimizing time spent in a financial institution."⁴

Staff examiners with the Section have access to this system and actively use the latest version to prepare the ROE during the examination of Banks.

⁴ Site reference: <http://www.fdic.gov/about/strategic/report/98Annual/superv.html>

3.3.2.3.3.2 *AIRES*

As noted on the NCUA's website, "NCUA examiners use our Automated Integrated Regulatory Examination Software (AIRES) to complete examinations on their laptop computers. AIRES is a combination of Visual Basic and Microsoft Excel, Access, and Word programs."⁵

When collaborating with examiners from the NCUA, the Section's staff examiners use the AIRES application to assist in completing Credit Union examinations and producing the ROE.

3.3.2.3.3.3 *Oracle Forms*

The Section's Oracle Forms application provides some coverage for limited examination information. It provides a method for accessing an institution record and indicating when an exam took place (date), the rating given at the end of that exam and the calculated date when the next exam is due. Any additional data on the exam must be retrieved by accessing the hardcopy or digital Word version of the exam, currently stored on the Division file server.

3.3.2.3.3.4 *Call Report Software*

Banks and Credit Unions submit reports using Call Report Software that is then uploaded by staff examiners to federal regulators. The Call Reports contain financial information about the institution and is used to prepare financial statistical reports on each institution.

3.3.2.4 **Renewals (Licensing)**

For those types of entities that have renewals, the process typically begins with the Section sending a notice letter to the institution. The notice letter requests the institution furnish a particular form or report that is to be supplied on a given date, and payment of a renewal fee, if applicable. Upon receipt of the documentation and payment, the Section's administrative staff processes the payment and uploads the documentation for review by a staff examiner. If the renewal is part of a licensing requirement, the Section will issue a new license to the institution. The present system uses an Oracle Forms application containing a report that indicates when renewals or reporting for specific licensees are due. This requires that Banking sections staff enter the date of the last renewal and the due date for the next renewal or report.

3.3.2.4.1 ***Denials, Rejected Renewals and License Termination***

As part of the licensing process, the Section can seek to deny a license either at the time of application or at renewal; in addition, the Section may also seek to take an enforcement action to terminate a license or charter. If the Section takes an enforcement action, it is tracked using the Consolidated Investigation System (CIS), the Section's investigation software. When an action is taken to deny a license, the Section must track all reviews and correspondence with the institution. The staff examiner review process includes documentation of their review and communication of the denial. If an institution elects not to renew, the Section tracks the action by tracking the institution's non-renewal.

3.3.2.5 **Complaints, Inquires and Other "Outside" Processes**

In addition to licensing and examinations, the Banking section tracks assignments and other basic data related to complaints, inquiries and a variety of other processes. The majority of activity in this area relates to complaints and inquiries about financial institutions. The other "outside" processes are limited to entities registered under the Model Foreign Bank Loan Act and exemptions under the Alaska Trust Company Act.

⁵ Site reference: <http://www.ncua.gov/Resources/CreditUnionResources/aries/index.aspx>



Figure 10: Players and Parts of "Other" Activities

3.3.2.5.1 **Complaints**

The Banking section is tasked with cataloging and responding to complaints registered against financial institutions it regulates, namely state chartered or licensed entities. The complaint procedures for each are detailed in PDF's currently available on the Banking section's website: <http://www.commerce.state.ak.us/bsc/complaints.htm>

The Section uses CIS to administer the complaint process. The software tracks all aspects of the complaint/investigation process. The EARL software must provide the ability to search one entity and populate search results including information from CIS.

Previous investigation tracking software was in Oracle Forms and tracked data related to complaints in the form of an assignment and correspondence. The original complaint and any activities related to it (including dates, users and notes) are entered as individual correspondence records in Oracle Forms.

3.3.2.5.2 **Inquiries**

Inquiries may be made of the Banking section from a variety of sources including, but not limited to the general public, representatives of institutions and the legislature. The tracking of the inquiries is currently supported by the current Oracle Forms application. Basic information about the inquiry is entered as an assignment or comment. These may or may not be related to an institution supervised by the Banking section. The EARL software must provide the ability to track all inquiries and support retention of information and document storage, through an efficient interface.

3.3.2.5.3 **Exemptions to the Trust Act**

In addition to the certificate of authority for trust companies, the Section also tracks specific types of exemptions. The exemptions are specific to AS 06.26.020(a)(1)(9) and (18). Information received as part of the exemption fling process includes the name, address, and applicable exemption. Data related to this Act is kept in a spreadsheet. The EARL software must provide the ability to track all exemptions and support retention of information and document storage, through an efficient interface.

3.3.2.5.4 **Model Foreign Bank Loan Act**

A foreign bank that meets certain requirements submits an exemption form to the Section, which appoints the Commissioner of the department as agent for service of process. The information regarding the institution must be tracked. The EARL software must provide the ability to track all exemptions and support retention of information and document storage, through an efficient interface.

3.3.2.5.5 **Foreign Trust Registration**

For certain types of trust companies, defined in statute as an international trust company, interstate national trust company, or interstate state trust company, the Section receives annual reports similar to trust companies with a certificate of authority. The Section currently tracks basic information about a single individual that has filed a foreign trust registration. The EARL software must provide the ability to track all exemptions and support retention of information and document storage, through an efficient interface.

3.3.2.5.6 **Private Trust Company Reporting**

The Section collects information, through an annual certification form, on private trust companies. Private trust companies are required by AS 06.26.200 to file an annual certification form stating that the company continues to meet the exemption as a private trust company. The annual fee is \$1,000, and paid when the form is submitted.

The EARL software must provide the ability to track all exemptions and support retention of information and document storage, through an efficient interface.

3.4 Existing Internal (State of Alaska) Applications

3.4.1 Oracle Forms

There is currently an Oracle forms application in which the Banking section tracks “assignments”. The assignments that are tracked include examinations, complaints (and the resulting investigatory tasks) correspondence, and reporting requirements. The application serves as a scheduling assistant, tickler system, and aids in appointing staff to complete work. Exam due-dates are automatically generated based on the date a previous exam was completed. Records are broken down by institution type and almost all activity is logged through comments about a specific assignment, which can be categorized by specific types. The most frequently used types are “complaints” and “correspondence.” Reports can be run through the main menu that includes things like pending assignments, outstanding fees, etc.

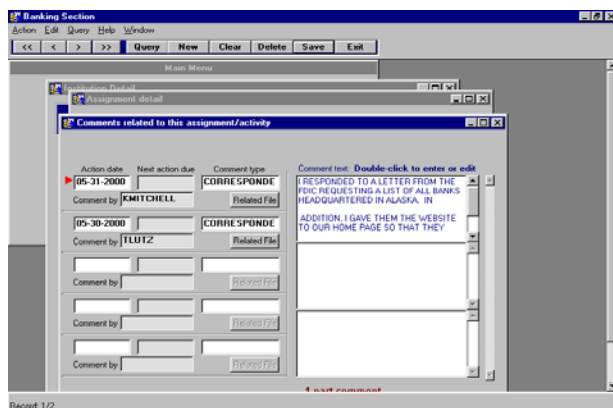
The system provides staff examiners with the added ability to query most available fields within the Assignments, Comments, Exams and Fees/Monitoring sections.

The primary areas of use for this existing application include:

- A (recently added) report that provides information on Exam expenses for staff broken out by travel vs. labor.
- Activity tracking related to complaints, requests for information, etc. Reports are run on the data related to these items so that they may be assigned to staff, processed and resolved.
- Correspondence tracking related to communication with agencies (State and Federal).
- Violation tracking related to institutions.
- Scheduling for exams, report and fee due dates. The system provides “ticklers” to remind staff when some of these items are coming due. Reports may be generated to review pending due dates or those that are past due.

Additional documentation is available for this system. This documentation includes:

- ASSIGNMENT how to.doc
This document is a section of the user guide containing instructions on how to create and manage assignments. See [Appendix III](#).
- MAIN MENU description of .DOC
This document is a section of the user guide describing the functions of each of the main menu items. See [Appendix III](#).
- PHONE CALL E-MAIL how to log.doc
This document is a section of the user guide describing how to log a phone call or e-mail. See [Appendix III](#).
- QUERY how to.doc



This document is a section of the user guide describing how to perform a notes field query and how to query other fields in the system. See [Appendix III](#).

Technical staff examiners from the Section have made it clear that one of the desired outcomes of the overall software implementation project is to replace the Oracle forms application with one that better adheres to current Section program requirements.

3.4.2 Excel Spreadsheets

As indicated in the sections above, a variety of data is currently stored in Excel spreadsheets stored on Division file server(s).

3.5 Itemized Requirements

The following grid presents the itemized requirements of the Banking Section with regards to the EARL software. Items in the list were derived from the process discussion in the preceding sections.

The itemized list is divided into various component groups, which each category title in highlighted color.
The individual items in each group identify key features or requirements that must be provided by EARL. The functionality of the component groups must provide the user with an efficient interface.

ID No.	Requirement	Comment
1	Support Storage, Management and Reporting of Inquiry-related Data (Record)	
2	Auto assign file number (format to be determined)	Each record will have a unique locator number.
3	Support inquiry status (i.e. Open, Pending Response, Closed)	Status determines if the inquiry is still active. Open or Pending Response status will stay active in the desktop of users and on active reports. Once closed they will be viewable, but not appear in active queues.
4	Support field for section list (drop down selection field: Banking, Consumer Finance, Securities.)	
5	Support inquiry type (drop down selection field: General, Trust Company, Credit Union - State, Credit Union - Federal, Bank - State, Bank - Federal, BIDCO, Small Loan Company, Premium Finance Company, etc.)	Define type of inquiry; list of fields is controlled by section list in item 4. (i.e. if you select Banking section from item 4, then only the mapped inquiry types will display. Limit the number of fields that appear, which will reduce the chance of an incorrect selection.)
6	Support basic attributes of an inquiry (i.e. Issue, Name of Requestor, Contact Information, Agency Response, etc.) (See Entity/Association Database Functionality)	
7	Provide specific input screens (capture note/comment/follow up task related information) (See User Activity Functionality)	Each activity would be organized chronologically. Any user could create a note.

ID No.	Requirement	Comment
8	Support fields to insert statutes and regulations. (allow multiple chains of more than one citation)	Optional field, determine if the field should user-supplied, or selected from a drop down list. If drop down list, determine best course for maintaining list. Determine how to retain version of drop down list so old records are not changed when drop-down list has been revised.
9	Support image/file attachment (See Imaging and File Attachment Functionality)	Scan materials and upload correspondence, e-mails, etc.
10	Support forms and correspondence (See Forms and Correspondence Functionality)	
11	Support web submission of forms (See Web Component Functionality)	
12	Support report for user and supervisor (See Report Production Functionality)	
13	Support Storage, Management and Reporting of Banks and Financial Institutions (Record)	
14	Auto assign file number (format to be determined)	Each record will have a unique locator number.
15	Support type of financial institution (drop down selection field: Bank, Credit Union, BIDCO, Trust Company, Small Loan Company, or Premium Finance Company)	
16	Support license status (i.e. Pending, Approved, Non-Compliance, License Surrendered, and Closed.) In addition, will need to have codes for chartered financial institutions (i.e. Banks, Credit Unions, etc.)	<p>Pending - when a license application has been filed, the default is pending.</p> <p>Approved - after application has been reviewed and meets statutory/regulatory requirement, license is approved.</p> <p>Non-Compliance - is used If an applicant has not filed a report or is non-compliant for other causes, the status non-compliance can be manually set, or it will auto trigger based on rules for certain fields. Fields that will auto trigger non-compliance are bond cancellation, reports, payment of examination fee or license fee.</p> <p>License Surrendered - when a licensee has surrendered their license based on an administrative action, placed in receivership, or other regulatory action.</p> <p>Closed - when a licensee ends their business for any other reason than a regulatory action.</p>

ID No.	Requirement	Comment
17	Provide specific input screens (capture note/comment/follow up task related information) (See User Activity Functionality)	Each activity would be organized chronologically. Any user could create a note. -- Allow user input screens for review, approval and follow up of statutory/regulatory activity. -- Allow users to add performance reviews, Call Report reviews, UBPR reviews.
18	Support fields to insert statutes and regulations. (allow multiple chains of more than one citation)	Optional field, determine if the field should user-supplied, or selected from a drop down list. If drop down list, determine best course for maintaining list. Determine how to retain version of drop down list so old records are not changed when drop-down list has been revised.
19	Support image/file attachment (See Imaging and File Attachment Functionality)	
20	Support web submission of forms (See Web Component Functionality)	Make available reporting by financial institutions through the use on online forms. If not available, alternative is to develop paper forms that will be uploaded as a file attachment.
21	Support examinations (See Examination Functionality)	
22	Support payment invoicing (See Payment and Invoicing Functionality)	Ability to automate billing for annual, semi-annual, or monthly payments. Must allow a verification check to calculate amount of payment. Some payments are based on total assets of the institution and a factor, which results in a semi-annual fee.
23	Support report for user and supervisor (See Report Production Functionality)	
24	Support calendar and scheduling (See Calendar/Scheduling Functionality)	
25	Support correspondence (See Forms and Correspondence Functionality)	
26	Support Trust Exemptions and Model Foreign Bank Loan Registration (Record)	
27	Auto assign file number (format to be determined)	Each record will have a unique locator number.
28	Support type of financial institution (drop down selection field: Trust Exemption, Private Trust Company, Foreign Bank Registrant)	
29	Support filing status (i.e. Filed, Closed)	Capture status of filing by institutions.
30	Provide specific input screens (capture note/comment/follow up task related information) (See User Activity Functionality)	Each activity would be organized chronologically. Any user could create a note.

ID No.	Requirement	Comment
31	Support fields to insert statutes and regulations. (allow multiple chains of more than one citation)	Optional field, determine if the field should user-supplied, or selected from a drop down list. If drop down list, determine best course for maintaining list. Determine how to retain version of drop down list so old records are not changed when drop-down list has been revised.
32	Support task activities (See User Activity Functionality)	
33	Support image/file attachment (See Imaging and File Attachment Functionality)	
34	Support web submission of forms (See Web Component Functionality)	Make available reporting by financial institutions through the use on online forms. If not available, alternative is to develop paper forms that will be uploaded as a file attachment.
35	Support report for user and supervisor (See Report Production Functionality)	
36	Support calendar and scheduling (See Calendar/Scheduling Functionality)	
37	Support correspondence (See Forms and Correspondence Functionality)	

4 Securities

This section includes the analysis and requirements identified for the Securities Section.

4.1 Overview

The Securities section is responsible for administering and enforcing the Alaska Securities Act and all associated regulations. All financial firms (i.e. registrants, issuers, broker-dealers, and investment advisers) and individuals (i.e., agents and representatives) who sell securities or investment advice are required to register with the Section, unless exempt. The Section also receives filings, registers and regulates securities investment products sold in Alaska. The Section's regulation extends to certain investment type land sales and ANCSA corporation activities. The Section receives exemption filings and requests for no-action or interpretive letters.

Investment firms, selling agents and their products must renew their registrations on a schedule determined by statute, which is administered by the Section.

4.2 Securities Entities

This chart is a reference for registration of Securities Entities. The blue boxes representing the method for submitting registration materials and the corresponding fee, based on the type of entity.

Entity Type	CRD	IARD	Paper Document	Fee
Agent of the Issuer				\$ 75
Broker-Dealer				\$ 250
Investment Adviser				\$ 250
Registered Representative				\$ 75
Registered Investment Adviser Representative				\$ 75
Canadian Broker-Dealer				\$ 250
Canadian Registered Representative				\$ 75

Figure 11

4.2.1 Securities Issuers & Agents

Securities are documents or certificates that represent a note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, certain interests in limited liability company, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, Viatical settlement interest, certain certificates of interest or participation in an oil, gas, or mining title or lease, certain option contracts for the future delivery of agricultural or mineral commodities or any other commodity offered or sold to the public and not regulated by the Commodity Futures Trading Commission, investment of money or money's worth including goods furnished or services performed in the risk capital of a venture with the expectation of some benefit to the investor where the investor has no direct control over the investment or policy decision of the venture, or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. Securities fall into two major categories—equity-based and debt-based. An entity or company that issues securities is referred to as the "issuer" of the security.

A securities issuer may have representatives conducting offers and sales of its securities, and these individuals are considered to be agents of the issuers. An issuer of securities must register its agents if the agent sells securities in the state and receives a commission. The issuer registers its agent(s) annually after submitting an application, a disclosure form, and a fee (currently \$75 annually), which is usually paid by check and processed by the Section's administrative staff.

An agent of issuer is subject to examination by the Section if there is a concern about representations the agent, issuer, or other parties made to purchasers of securities. Examinations are not required on a periodic basis.

As of December 31, 2011, there are six Agents of Issuers in Alaska. Registrations of these individuals are manually tracked in Excel. FINRA does not process registration information for an Agent of the Issuer. A uniform disclosure form (U4), application form and application fees are required during registration. These forms are currently received in a paper document and payment is received by check.

4.2.2 Securities Investment Firms & Agents

Securities investment firms are either **broker-dealer** or **investment adviser firms** that offer securities or related investment advice. These firms employ individuals who may be classified as registered representatives or registered investment adviser representatives.

4.2.3 Broker-Dealer Firms (BD)

Broker-Dealer firms provide trade and execution services for clients. Firms are directly supervised by FINRA, a Self-Regulatory Organization (SRO), the Securities Exchange Commission, and the various states where the firm is registered or does business. The Section reviews applications from BD firms if they have one or more disciplinary disclosures. Fees are processed by FINRA and electronically transferred to the Section. The firms pay for the costs of examinations directly to the Section, and they are separate from registration fees.

As of December 31, 2011, there are over 1,200 broker-dealer firms registered in Alaska, with over 78,000 individuals registered within these firms. Both firms and individuals can have disciplinary disclosures and may be named in complaints.

4.2.4 Registered Representatives of Broker-Dealers (AG)

The official FINRA designation for an individual stockbroker is a "registered representative." A Registered Representative is a designation held by someone who has passed one or more of the FINRA Series examinations and is employed by a registered Broker-Dealer. They are licensed to buy and sell securities upon investor's orders, and to provide financial advice regarding the investor's portfolio depending on their registration type. Individuals with one or more disciplinary or financial disclosures attached to their registration will be subject to a manual review by the Section. Individuals with no disclosures are usually automatically approved. Automatic approvals are subject to spot checks at the discretion of Section staff. For information regarding broker-dealers visit www.finra.org. Payment of fees are processed by FINRA and electronically transferred to the Section.

4.2.5 Investment Advisers (IA)

Investment Advisers advise clients on investments as a professional service. Advisers may manage different types of funds including—pension funds, mutual funds, and trust funds. Individual investment advisers (or financial advisers) differ from stockbrokers in that they are not compensated through commissions on sales—their compensation is normally a flat fee or fee based on a percentage of the portfolio being managed, and the adviser does not execute trades, unless also licensed as a broker-dealer registered representative.

Investment Advisers file applications through IARD, which is similar to Broker-Dealers but they are referred to as non-member firms by FINRA. Investment Adviser registrations are subject to a manual review by the Section when they are considered “State Domain” with assets under management of less than \$100 million. The review and approval process focuses on the number of disclosures of the adviser and its registered investment adviser representatives, the services it provides, and the information provided in the adviser’s form ADV part 1 and part 2, which are submitted by Investment Advisers through IARD. The individuals that work for the investment adviser firm are defined as investment adviser representatives. Fees are processed by IARD and electronically transferred to the Section. The firms pay for the costs of examinations separate from registration fees and are processed manually by the Section.

As of December 31, 2011, there are over 700 Investment Adviser firms registered in the state. The Section also handles the renewals on an annual basis. For specific information related to investment advisers, you can visit www.iard.com.

4.2.6 Registered Investment Adviser Representatives (RA)

Registered investment adviser representative are employees of an investment adviser firm. Investment adviser representatives must pass licensing tests, or the Section may waive the test requirement based on proven knowledge of state securities and federal law, or specific professional licenses.

An investment adviser representative makes recommendations or otherwise renders advice regarding securities; manages accounts or portfolios of clients; determines which recommendation or advice regarding securities should be given; solicits, offers, or negotiates for the sale of or sells advisory services. Payment of fees are processed by IARD and electronically transferred to the Section.

The registration process for Investment Adviser Representatives is similar to the process for Registered Representatives. As of December 31, 2011, there are over 1,100 investment adviser representatives registered in the state

4.2.7 Canadian Broker-Dealers & Agents

Canadian Broker-Dealers and agents are registered by the Section through a manual process. Canadian Broker-Dealers and agents are required to register with the Section if they perform securities transactions for Canadian residents temporarily living in the state, or if Canadians residing in Alaska transact business in a self-directed, tax-advantaged retirement plan. The firms pay for the registration of the firm and its agents through checks. The firms pay for the costs of examinations separate to their registration fees.

The registration process is completed with a paper process, which must be supported by the new registration software. As of December 31, 2011, there are over 14 Canadian Broker-Dealer firms and 141 agents registered in the state.

4.3 Issuer Products

4.3.1 Registration or Coordinated Filing

A registration or coordinated filing is a type of security filing that is either coordinated with other states or qualified and is registered in each state where it will be marketed and sold. The issuers must file a registration statement with the Section, which is reviewed for compliance with the Alaska Securities laws and regulations. Once the registration is approved, the Section issues a notice of effectiveness to allow for the sale of the security.

The Section reviews approximately 300 to 400 of these registrations per year. The fee is \$100 registration fee, plus either \$500 for one year or \$1,000 for a two-year registration period. Payment is received by check and processed by the administrative staff examiners. The EARL software should incorporate a web filing system, where filing requests and payments can be submitted online.

4.3.2 Exemptions

These are notices filed by issuers regarding exemption from securities registration for a particular offering. The Section receives over 200 requests for exemptions a year, which covers almost 35 different types of exemptions under AS 45.55.900. Of the 35 different types of exemption, 6 require a filing. Most of the exemptions do not require filings; however, some can be submitted as a voluntary filing. For exemptions that require submittal of a filing, the Section has specific forms for the type of exemption filing.

The exemption review process begins when the Section receives the exemption form and payment. Each exemption filing goes through a brief review process, and is either accepted as filed, amended, or denied. A filer may also withdraw the exemption filing. During the review process, the exemption is checked for its applicability under exemption law. If the description of the transaction is found to not be compatible with the applicable exemption language, the staff examiner issues correspondence, which may result in the filer amending or withdrawing its filing. If the filing is withdrawn or denied, it could result in the filer submitting a notice filing or registration filing.

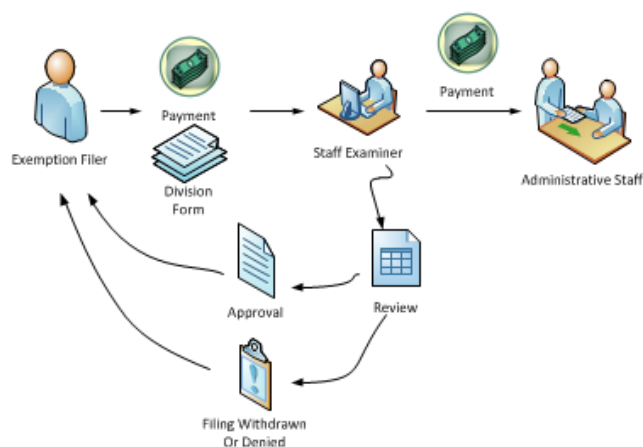


Figure 12

If the filing meets the specific exemption requirements, the security is exempt from registration; however, the offer and sale of the securities is subject to the anti-fraud provisions of the Alaska Securities Act, which means a complaint may be filed, investigated and may result in an enforcement action.

Once an offering is classified as exempt there are restrictions on its advertising and sale or resale. For instance, if the owners of an exempt offering wish to sell their securities, they may be required to submit another exemption filing to the Section, if certain conditions apply.

The filing fee for an exemption request is either \$50, or \$125 for an expedited review. Payment is typically received by check, but in some circumstances credit payments are also processed by administrative staff examiners.

The result of an exemption review is a Notice of Filing Letter (Acceptance), a Comment/Denial Letter ("Denial") or a Confirmation Letter ("Withdrawal"). Whatever the case, a fairly standard formal document begins and ends the exemption process. Exemption filings are tracked in the STAR software, but it's very rudimentary with limited amount of information available. The EARL software should incorporate a web filing system, where exemption requests and payments can be submitted online.

4.3.3 Mutual Funds (Notice Filings)

The SEC is the primary enforcement agency for mutual funds. Mutual fund registration is done either manually (physical form and check) or through Blue Express which is a 3rd party software solution that automates the registration of mutual funds in compliance with SEC regulations. Regardless of the actual method of submitting registration information and associated fees for this product, they all must be processed through the SEC's Electronic Data Gathering, Analysis and Retrieval system (EDGAR). After becoming effective through the SEC, the issuer of the mutual fund is required to file notice with each state in which the product will be offered.

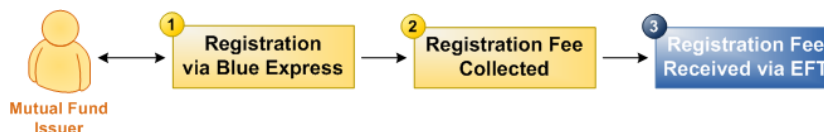


Figure 13

The Section is set up to receive automatic notifications of mutual fund registrations from Blue Express, which handles payment and transfer of applicable State required fees to the State via EFT.

The Section receives approximately 4,000 mutual fund registrations a year. The fee is a \$100 registration fee and either \$500 for one year, or \$1,000 for a two-year registration period. In addition, the Section processes approximately 50 name registration changes per year with a fee of \$25 each.

The Section currently uses the STAR system to track mutual fund activities. That system stores the name of the filing, the filing number, and description of the security, contact information, effective date, expiration date and received date. Mutual funds are filed both manually through paper submission and through electronic gateways. The Section received over half of its files through an electronic filing software and EFT payment transfer. Presently, information from the electronic batch file must be manually entered into the STAR database causing a severe backlog of filings and duplicative activity by staff examiners. The new registration software will need to support filing information, due dates, payment invoicing, name changes, expiration dates, renewal options, and correspondence. In addition, the new registration software will need to provide an interface or upload feature to store electronic registration filings and electronic fee payment.

If a complaint is made regarding the sale of mutual funds, it may be investigated by the Section and is processed through the CIS system.

4.3.4 Reg D Securities (Notice Filings)

“Reg D” registrations are considered federal-covered securities and provide exclusion from regular securities offerings registration requirements because they are limited in the method of solicitation and the qualified nature of the investors. Notice filings are subject to Alaska Statute 45.55.075(d) and filings are submitted using SEC’s Form D.

The Section receives approximately 600 - 700 registrations per year which are subject to a streamlined review process—similar to a notice of filing. Staff examiners review the filing notice and determine if the filing has been received within the 15-days after the first sale. If the filing has not been received within 15-days after the first sale, the Section manually maintains tracking information in case a complaint is filed as sales made in violation of the regulation can result in possible sanctions. The fee is \$600 for one year, or \$1,100 for two years. The Form D, used for the notice filing, is filed with the SEC through the EDGAR system.

There are three types of “Reg D” filings: the limited state-controlled 504 registration, and the SEC-controlled 505 and 506 registrations. Each requires a filing and the information is logged into a tracking system for the Section. Currently, only basic information is stored in the STAR system. The EARL software will need to support issuer, contact, issuer agent information, date information, imaging of documents, correspondence, payment invoicing and calendaring. **This type of filing comes directly in to the Section along with payment; however, it is anticipated that an electronic registry will be created to allow electronic filing and payment of Form D filings, which is similar to the 3rd party software solution providers for mutual fund companies. It is anticipated that an interface will be needed to allow the EARL software to import the electronic Form D filings and payments, without having to be manually input by administrative staff members.**

4.3.5 Small Company Offering Registration (SCOR)

The Small Company Offering Registration (SCOR) process provides a way for small businesses to legally raise money from non-accredited investors. The amount of capital that can be raised is limited, as is the period of time during which the offering is available. It is formed under a similar process to a 504 Reg D requirements, and its legality is state-specific. SCOR filings are seldom used, but would be tracked in the EARL software.

4.4 Alaska Native Claims Settlement Act Corporations (ANCSA)

ANCSA corporations and shareholders who solicit proxies are required to file all annual reports, proxies, consents or authorizations, proxy statements, and other materials relating to proxy solicitations distributed, published, or made available by any person to at least 30 Alaska resident shareholders of a corporation that has total assets exceeding \$1,000,000 and a class of equity security held of record by 500 or more persons, with the Section concurrently with its distribution to shareholders. Proxy and related materials are submitted to the Section by the corporation and independent candidates.

Presently, about 70 ANCSA corporations may meet the requirements to file. In addition, the Section tracks the number of shareholders, total assets, address, and contact information for each ANCSA Corporation, regardless of their filing status, using an Excel spreadsheet, and updates this information annually through a request for information sent to each ANCSA corporation. The Section also receives complaints against ANCSA corporations and public inquiries for information. ANCSA related complaints are recorded, and passed to a Section staff examiner or investigator for resolution. Complaints and investigations are handled by the Division’s investigation software. However, public inquiries are handled by the Section, and will need to be tracked by the EARL software. In addition, the ANCSA filings are available for public inspection. The EARL software must incorporate a method, either through an imaging CD-ROM or other means, for the public to review the electronically stored material.

On an annual basis, the Section receives approximately 80 to 100 proxy filings, 10 to 20 complaints, and roughly 200 public inquiries requests. There are no fees associated with ANCSA activity.

The EARL software must support tracking information, filings, correspondence, and inquiries for both corporations that meet the statutory filing requirement and those that do not. Complaints are tracked and handled in CIS, but connectivity must be provided in the new EARL software to cross-search for any results that includes the CIS Software.

4.5 Land Sales

The Section registers specific types of land sales under AS 34.55. Land sales are regulated similarly to Reg D Private offerings. The review process includes the staff examiner looking at the notification provisions of the offering, any disclosures, as well as correspondence between attorneys for the company and the State. If approved, the Section

issues a Notice of Authorization or Notice of Effectiveness that the requester is authorized to conduct business under the Land Sales Act. The registration is tied to a window of operation that is specified in the final letter.

The Section has not received a filing for Land Sales in a number of years. The functionality must be available in the event future activity materializes. The filing fee is \$100 and the registration fee is \$200.

4.6 Miscellaneous Additional Filings

4.6.1 No Action Letter

The Section receives requests from firms to determine whether the Section agrees a product or activity falls under its regulatory authority. These requests are called interpretive letters or “No Action Letters” and relate to taking no enforcement action, and can take staff examiners as long as 30 to 45 days to research and prepare a response. The Section prepares a comment letter based on their review of the request. In some cases, the Section may request a review from the Department of Law. All documentation regarding the staff interpretation (including the Comment Letter) is archived to a local data store.

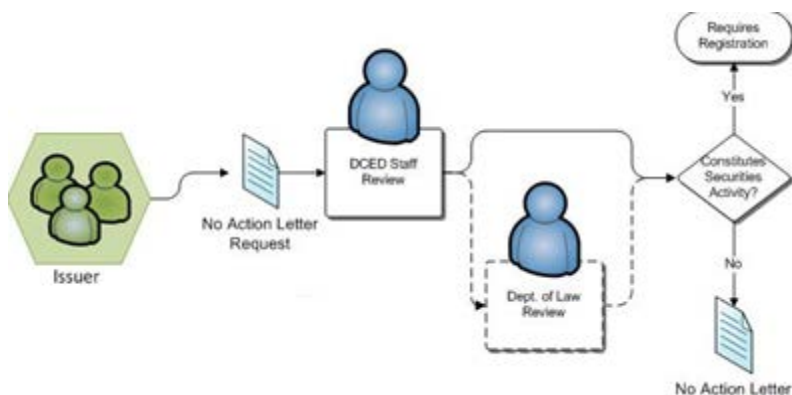


Figure 14

The Section receives approximately 5 to 15 interpretive or No Action Letter requests per year, and the fee is \$100. Payment is received by check and processed by administrative staff members. STAR currently tracks these requests; however, the information is very rudimentary. The EARL software will need to provide an ability to track these requests, including information about the request, dates, payment invoicing, and storage of all documents.

4.6.2 Viatical Settlements

A Viatical Settlement deals with the purchase of a life insurance policy from a terminally ill person. The purchaser gets the final life insurance settlement when the insured dies, while the insured person gets a lump sum from the purchaser.

Viatical settlements are becoming increasingly rare, but, may still be requested. The EARL software will need to provide the ability to track these filings, including information about the filing, dates, payment invoicing, and storage of all documents.

4.6.3 Solicitation of Interest of Offering

A Solicitation of Interest of Offering exemption is a way for a securities issuer to “test the waters” before actually entering the market with a new securities product. An approved Solicitation allows the issuer to determine

whether there is any interest in the new offering. They cannot sell nor enter into any binding agreements to sell the offering during the Solicitation period.

The Section receives very few filings. The EARL software will need to provide an ability to track these filings, including information about the filing, dates, payment invoicing, and storage of all documents.

4.7 Processes

4.7.1 Process Players

This section describes the entities that play some role in the regulation of securities products, firms and individuals. These entities include—

4.7.1.1 Securities and Exchange Commission (SEC)

The SEC is the primary federal regulatory agency and authority for regulating and oversight of the securities industry in the United States. The SEC delegates authority to Self-Regulatory Organizations (SROs) for regulating specific securities functions.

An SRO is a private entity or organization that is authorized to exercise some level of regulatory control over a particular industry or profession. The entity is responsible for oversight of its members. For instance, FINRA is an SRO that has regulatory and enforcement powers to help monitor and maintain compliance with rules of member firms, namely Broker-Dealers.

4.7.1.2 North American Securities Administrators Association (NASAA)

NASAA is an international organization that focuses on investor protection. Its membership is voluntary and includes state, provincial, and territorial securities administrators in the 50 states, the District of Columbia, the U.S. Virgin Islands, Puerto Rico, Canada, and Mexico. NASAA is the primary voice for state securities agencies to represent their needs. They facilitate and coordinate with federal agencies and members on licensing and enforcement activities that are securities related. NASAA promotes the supervision of investment advisers and registered investment adviser representatives between states and the SEC.

4.7.1.3 Financial Industry Regulatory Authority (FINRA)

FINRA was the result of a consolidation of the securities functions owned by the NASD and the NYSE. The merger of the two was approved by the SEC in 2007. FINRA is the largest SRO for broker-dealer firms and registered representatives that are engaged in the securities industry in the United States.

4.7.1.4 Securities Issuers

Securities issuers are the entities and associated individuals who originate the securities products are offered to investors. These are also referred to as “offerings.” They submit required documentation, correspondence, and data to the Section during registration of products/offerings, various reporting activities, and examinations.

They may also be the subject of occasional inquiries and the target of investigations.

4.7.1.5 Securities Firms & Individual Agents

The securities firms and individual agents are the entities and associated individuals who are involved in the offer and sale of securities products (i.e., “offerings”) from issuers to purchasers. They may be involved in marketing and selling securities products, or they may advise clients on investment decisions. They submit required

documentation, correspondence, and data to the Section as part of required registration of the firm, its employees, or in support of various related activities such as reporting, renewals, or examinations.

They may also be the subject of occasional inquiries and the target of investigations.

4.7.1.6 Banking and Securities Division, Securities Section Staff

The section has a total of 7 staff members, consisting of a Division Operations Manager who is in charge of the securities section and oversees the enforcement activity of all three sections, three securities examiners, and three business registration examiners (2 in Juneau and 1 in Anchorage). The Investigative Staff consists of one staff investigator located in Juneau, who supports all three sections in the Division.

4.7.1.7 General Public

The General Public is integrated into some of the lesser used workflows in that they may initiate inquiries or investigation processes. They are entitled to access the disclosable securities related information that is part of the public record. The Section must be able to track all inquiries in the new registration software.

4.7.2 Workflows

4.7.2.1 Product/Offering Registration

The Division is responsible for reviewing and regulating the securities products described in Section 4.3. Each product can be viewed as having a “life cycle” that starts with its initial registration or notice filing (and attendant review activities), followed by an active period, and ending when the product registration is either withdrawn or expires, unless it becomes the subject of a complaint and/or investigation. During the product’s active period, it may be marketed and sold in the state of Alaska.

The following details the activities that are associated with a product registration throughout the life cycle:

4.7.2.1.1 Initial Registration of Securities Product

Securities issuer files a registration form with the Securities section for a securities offering. The registration request must include--

- a copy of the registration statement or a reference to an Edgar Registration statement, and
- the Alaska registration fee, either in form of a check, or credit cards in specific instances.

When the registration request reaches the Section, it is processed as follows:

An administrative staff member will create a record in the STAR system and receipt payment of the filing fees. Once the filing has been assigned a file number, the filing is sent to a staff examiner for review.

The assigned staff examiner steps the request through the remainder of the process, which includes:

- Staff examiner reviews the registration statement for compliance with State Securities laws and regulations. The registration statement contains disclosures related to the type of investment, use of proceeds, risk factors, and qualification of the purchaser.
- If amendments are necessary, the staff examiner sends a comment letter to the issuer or its representative.
- If necessary, the issuer will file an amendment with the Section.

Once the Section has completed a review of the registration statement, a notice letter is sent to the registrant that the filing has been approved. If the SEC has also issued its notice letter and made the filing effective, the Section will enter a date and make the filing effective. This Section's notice letter that goes to registrant telling them of the approved status of their request, effective dates, terms, etc. If there are significant changes required of the registration statement, the registrant may be required to amend the offering.

Products can be registered for a one or two year period. There is a standard filing (S-1) and amendment form (S-1a). Amendments are required for 10 to 20 percent of registrations.

The registrant may withdraw a filing before it is effective and receive a partial refund of its filings fees. The Section can also deny the registration after investigation, and the denial justified by statute. The denial process would be an enforcement action and would use the CIS software for processing.

The registration process, except for the initial account setup in STAR, is a completely manual process using paper-driven forms. This requires the Section to retain a large amount of paper files and track specific information manually, using Excel. The new registration software must provide an electronic record system for storage of the filing information, filings, comment and review notes, correspondence, and data elements.

4.7.2.1.2 *Registration Period Activities*

While the offering is registered, it may be associated with various actions as follows.

- Submission of sales and marketing brochures to the Section.
- Termination if the offering didn't raise enough capital.
- Registrant may be subject to a complaint by a regulator, investors, shareholder, public or other interested person.
- Registrant/filer may file bankruptcy—court notifies the Section if this happens—
- Section can require periodic reports, which is seldom requested. The purpose would be to verify that offers and sales only occurred to purchasers that met the financial requirements in the registration statement, or that financial conditions have adversely changed.

4.7.2.1.3 *Expiration*

If a registration expires without renewal, the registration statement and other documents are destroyed and the record is closed in STAR. This is a passive process--no warning letters are sent to filers.

4.7.2.1.4 *Renewals*

Registrations can be renewed as they approach expiration. Renewals require a fee and may require the filer to provide documentation such as updated filing materials and/or financials. The details of the renewal process and requirements are specific to the type of filer and filing. In general, the staff examiner reviews any amendments. If there are changes, the process mimics the original review process; otherwise, the staff examiner files a copy of the amendments and the financial report included with the renewal.

4.7.2.2 *Securities Firms/Individuals Registration*

Each Broker-Dealer and Investment Adviser firm, agent or registered representative follow a registration process. Broker-Dealers and agents submit electronic registrations through FINRA, although the Section must approve the firms and agents to transact business in the state. The Section's review process is mostly automated for firms or agents that have no disclosure history, which means they have not had a customer complaint or other regulatory action filed against them and made part of their registration history. For firms or agents with one or more

disclosures, the Section performs a manual review where the Section. The Section can ask the firm to withdraw, deny a firm for cause, or approve the firm. Agents or registered representatives may be approved, conditionally approved, requested to withdraw, or denied.

Investment adviser firms are either federal-notice filed or state registered. A federal notice filing is submitted through IARD to each state the adviser will register, and each state must review the firm. For state investment advisers, the state where the adviser's home office is located is primarily responsible for supervision; however, the Section also has supervisory authority. When a state investment adviser applies, it submits a request thorough IARD, which automatically shows up for review in the State's queue.

Roughly 80% of the registrations that come through FINRA are automatically approved, while the remaining 20% require manual review because of associated disclosures. See Review details in next sections.

4.7.2.2.1 *Individual Registrations*

The process for registration of Registered Representatives and Registered Investment Adviser Representatives is similar, and uses the same FINRA web portal software. The individuals firm (e.g. Broker-Dealer or Investment Adviser) will log into the web application and indicate that they wish to register the individual in specific states (e.g., Alaska), and pay an associated fee (\$75). Section staff can log into the FINRA web portal to view who has applied for Alaska registration and process the application.

If there are no disclosures or administrative actions against the individual, the FINRA system automatically approves their application; however, if the individual applying has disclosures or actions, the record is flagged for manual review. On an annual basis, approximately 2,000 are flagged for manual review. Fees are paid automatically to the State from FINRA via EFT.

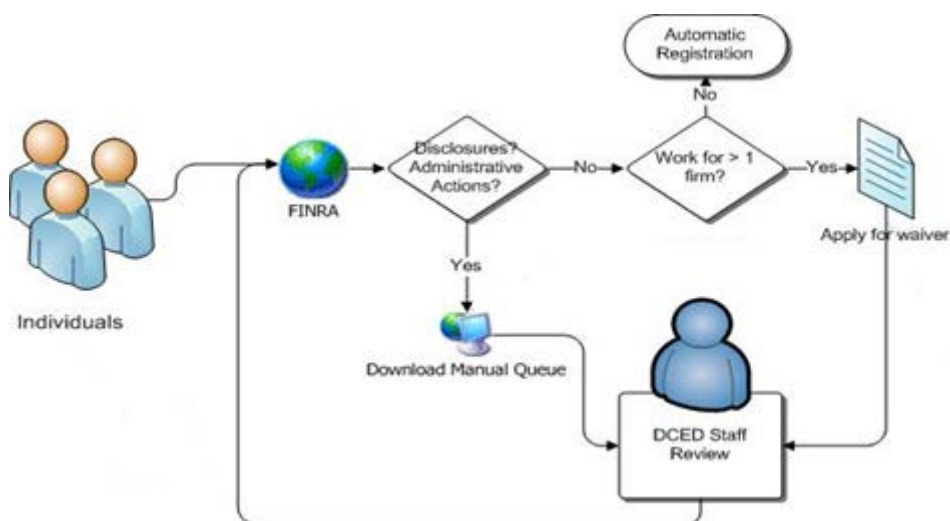


Figure 15

An individual must be employed by a registered firm in order to be qualified for registration in Alaska. If they lose their job, the individual's registration with the firm is terminated.

State regulations allow an individual to work simultaneously for a broker-dealer and investment adviser; however, a waiver is required if the individual works for more than one broker-dealer or more than one investment adviser, simultaneously. The waiver covers the supervision of the individual between the two firms, and flags the agent for tracking. They must submit a separate registration for each firm where they are employed. FINRA does not

track nor manage state-specific restrictions—these are the responsibility of each state. **The EARL software will need to track specific detail about agents or representatives that are subject to supervisory actions of the Section, or waivers for dual registration. In addition, the EARL software will need to track individuals that are considered “bad actors” due to the number or type of disclosure or disciplinary actions filed against them.**

Once a year, individuals are required to renew their registration and individuals must be employed by a registered firm to have a license. As with new registrations, the process and associated fees for renewals are handled through FINRA. Renewals that require manual review (i.e., those associated with disclosures) are reviewed by the Section.

Approximately 78,000 individuals register/renew to do business in the securities industry in Alaska each year. The Section handles around 2,000 manual reviews of individual registrations each year and approximately 150 dual registration requests. The fee for an individual registration is \$75, which is electronically remitted to the Section by FINRA.

4.7.2.2.2 *Investment Firms Registrations*

A firm’s registration is submitted through FINRA and is divided into two categories, those with disclosures and those without disclosures. A firm must renew its registration annually. The cost of registration is \$250 per year, and is collected by FINRA and transferred to the State electronically. On an annual basis the State registers approximately 2,000 firms, including broker-dealer and investment advisers. If the firm has more than one disclosure, it is subject to a manual review. Approximately 75 to 100 firms are manually reviewed on an annual basis.



Figure 16

The manual review must be tracked by the new registration software in order to determine if the Section has placed any limitations on the firm, or required notification of exam review by its home state.

Only renewals that require manual review (i.e., those associated with disclosures) are downloaded from the FINRA site by the Section. **The EARL software will need to track specific detail about firms that are subject to supervisory actions of the Section, or are considered “bad actors” due to the number or type of disclosure or disciplinary actions filed against them.**

4.7.2.2.3 *Expiration*

If either firm or individual registrations expire without renewal, the records go into document retention mode. This is a passive process--no warning letters are sent to filers. When a firm or individual is tracked in the EARL

software, record retention is necessary to track the office location, closure reason, and the name of the firm if client accounts were transferred to another firm.

4.7.2.2.4 **Reviews**

Most firm and individual registrations are approved automatically through the FINRA web-portal software; only those that have more than 1 disclosure are forced into a manual review process.

The business registration examiner works with a staff examiner to review the FINRA record of the individual, based on:

- Number of disclosures.
- Any open disclosures.
- Length of employment.
- Number of firms that they've worked with.

If the review is associated with a firm (versus an individual), then, the reviewer pulls the following information from the FINRA site for the firm—

- Number of years in business.
- Home state approval status (yes/no)
- Are they subject to open administrative actions?
- Disclosures of the principles of the firm

The staff examiner looks at the disclosures and the entity's records and determines whether they should be registered in the State. The administrative staff member and staff examiner will review the

disclosures and if they involve offenses such as

falsification of records, unauthorized trading

activity or other unethical conduct, the staff examiner will request information about the alleged violation and any

resolution. If the violations are pending with the home state, information will be requested from the home state;

and if related to firms the request may include information about the last compliance examination. If the firm or

individual is not approved by the Section, they will be allowed to withdraw. If the firm or individual does not

voluntarily withdraw their application, the Section will terminate their application. If the firm is an investment

adviser located in Alaska, additional review is conducted to determine if they are offering any proprietary

investment products or services.

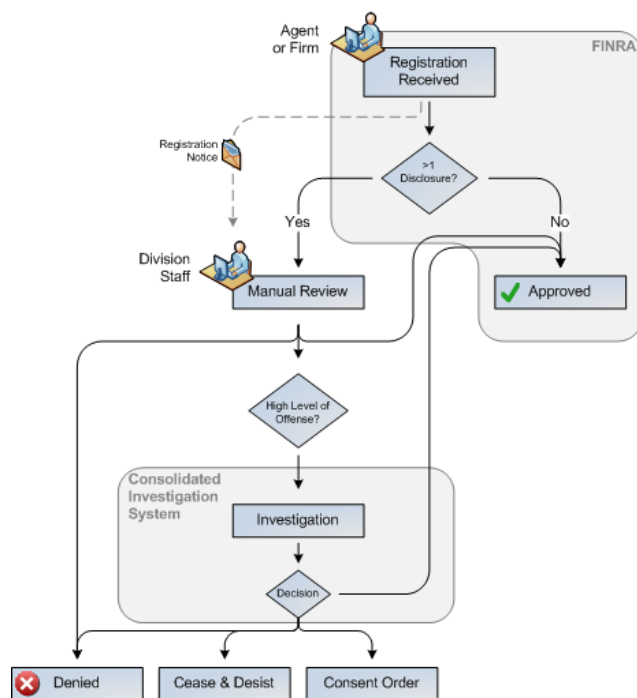


Figure 17

The EARL software must support the manual review function performed by the Section. The process includes application review, administrative actions (approval, denial, withdrawal, etc.), correspondence, calendaring, and imaging support.

4.7.2.2.5 **Registering Canadian Firms and Individuals**

The State receives registrations of Canadian firms and individuals that work in Canada but offer service in this state. In order to register a Canadian agent, the Section receives from the firm an application letter and a statement of registration from the Canadian provincial registration system. The Section receives approximately

100 registrations per year. The registration fee is \$75 annually and is paid by check, which requires manual processing by the division.

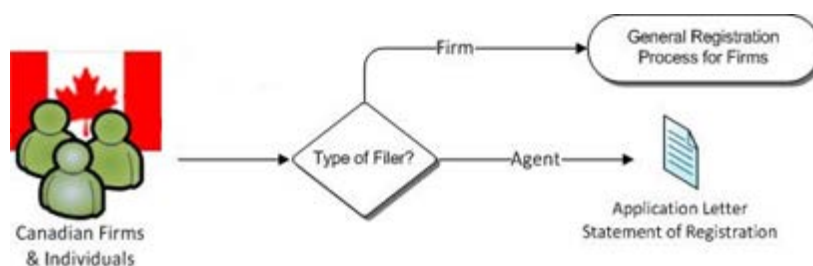


Figure 18

Currently, all Canadian Individual registrations are paper driven. **This process should be electronically enhanced to remove the need for somewhat labor-intensive digitization (scanning) by Section staff. The EARL software must support the application, web component, review, approval, correspondence, monitoring, renewal and examination requirements of Canadian firms and individuals.**

4.7.2.3 Examinations

The Section conducts compliance examination of state-supervised investment adviser firms on an annual basis. Although the registration of the firms is reviewed at their annual registration renewal, an on-site examination is conducted. The Section performs approximately 15 examinations annually. The routine examinations are conducted with a notice letter to the firm, pre-exam request information, on-site exam, post-exam review, and a letter of compliance or corrective action. The on-site exam process include review of firm operations, securities trades, safekeeping and custody review, discretionary authority, documentation review, policies and procedure review, continuing education, and information technology and security. Additionally, on an as-needed or 'for cause' basis, the Section conducts examinations on broker-dealer firms and agents of issuers for compliance purposes. For cause exams, desk audits/exams are contemplated to reduce travel and allow more flexibility in the exam process.

The EARL software must support examination calendaring, tracking fee payment, work paper storage, correspondence, and examiner hours.

4.7.2.4 Investigations of Complaints / ANCSA Requests for Investigation

The Securities section receives complaints related to a wide variety of securities related issues. After an initial review by the Chief of Enforcement, a record is created in the CIS database and the complaint is assigned to the investigator and/or staff examiner for further review and analysis. The investigator works with the staff examiner to conduct evidence gathering and witness interviews. **The EARL software must have an ability to search records of the CIS database and the EARL software. The search results should allow the staff member to locate any record (registration, investigation, inquiry, etc.) related to the search query.**

Complaints may be submitted by the general public, other regulators, law enforcement or by firms or individuals who are involved in the securities industry.

4.7.2.5 General Securities Inquiries

The Section receives approximately 500 inquiries by letter, email, or telephone from members of the public, attorneys, and representative for securities firms regarding issues related to the securities market and various aspects of the Alaska Securities Act. In some cases, formal letters are submitted to provide a record of the inquiry.

The State attempts to respond to each inquiry; however, some inquiries are based on issues that are not within the statutory authority of the Section. Presently, the record keeping of inquiries is disjointed and up to each staff to keep notes of inquiries they receive. The workflow diagram for collecting, processing and closing inquiries presented in the diagram to the right is what is required in the new registration software. The proposed method for logging inquiries would include the following workflow:

An inquiry typically originates with a phone call or an e-mail from nearly any source in the public domain. Inquiries are submitted on various subjects, including ANCSA, registrations, exemptions, legal questions, etc.

The EARL software will provide the ability for the staff member to enter a record in the EARL software and either completes the inquiry, or assigns it to another staff member. In addition, if an inquiry is not resolved almost instantly, which is possible, the processing stage will involve a process of researching the inquiry content and forming a response. This process typically requires a number of actions such as clarification calls to the requester, research into the statute or any number of other variable actions. As processing of the inquiry progresses, documents, notes and time are tracked and associated with the inquiry. In the case of time, this information is used by the agency to determine the amount of time spent by staff researching inquiries, which would be stored in record on the EARL software.

After the processing stage is complete, the agency forms and delivers the official response to the inquiry and considers it closed.

Inquiry information, related documents and timekeeping must be maintained in the EARL software.

4.8 Existing Systems

The current software solutions consist of multiple systems that are owned and operated by different entities. The Section uses a couple of systems that are owned by agencies outside of the State that have authority for regulating some aspects of the securities industry. Some of these systems do not support Alaska specific needs; therefore, the Section also maintains information locally.

4.8.1 Desktop Tools

The majority of information is tracked through a variety of means, including STAR, individual Excel spreadsheets, and paper files. In addition, the Division uses an investigation system, CIS, to track all investigations. CIS is capable of storing all investigation related information, and provides reports regarding activity and other information. Investigators and examiners utilize CIS for all investigations.

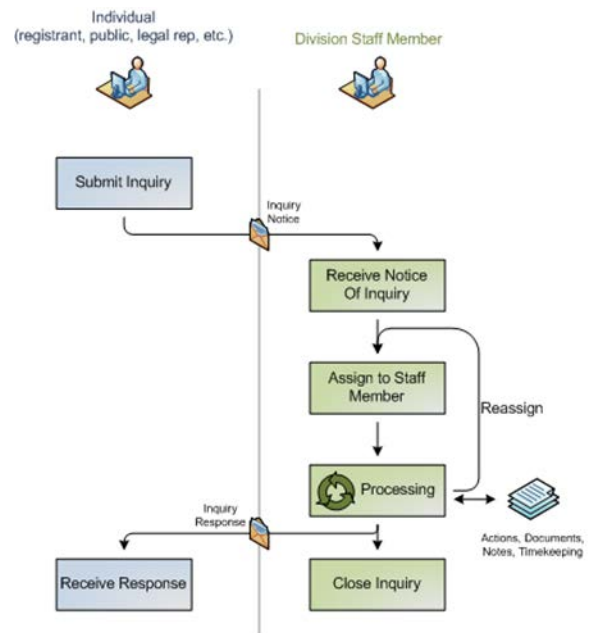


Figure 19

4.8.2 EDGAR (SEC)

EDGAR stands for Electronic Data Gathering, Analysis, and Retrieval system, and is operated by the U.S. Securities and Exchange Commission (SEC) system that supports automated collection, validation, acceptance and forwarding of submissions by entities that are required to file forms with the SEC.

4.8.3 FINRA Website

FINRA sponsors several software applications through its website. The State accesses the information in these sites as needed to support their processes. The FINRA site has public and private areas. The Section has a login and password to get to the private areas that contain restricted or sensitive information that is not public domain. The FINRA systems include Web CRD and IARD described as follows. The FINRA website is available at www.finra.org

4.8.3.1 Web CRD (FINRA)

All persons associated with a firm that is engaged in the securities industry must register with FINRA—this includes all firm officers, staff and salespersons. FINRA maintains licensing and registration information for the U.S. securities industry and its regulators in Web Central Registration Depository (Web CRD).

There are public and private parts of FINRA site—State has a secure login to get to information that is not available to public.

4.8.3.2 IARD (FINRA)

The Investment Adviser Registration Depository (IARD) is an electronic filing system for Investment Advisers sponsored by the Securities and Exchange Commission (SEC or Commission) and North American Securities Administrators Association (NASAA). It was developed and deployed by FINRA as a web application to serve regulatory needs related to Investment Advisors (www.iard.com/default.asp) including online automated registration of Advisers and publishing of Adviser information to the public.

4.8.4 Blue Express and other Registration Providers

Blue Express and others provide an automated electronic filings system for the purpose of streamlining the notice filing of mutual funds with states. The software requires Section staff to log into the application to download a package of filings, which includes both new filings and renewals. The application gateway requires processing by the Section's business registration examiners to manually type in the filing in the Section's file number and registration information, which is a time consuming process that includes large amount duplication. In addition, the business registration examiner must duplicate the process and type the information into STAR.

The EARL software must have a gateway configuration manager to automate the population of filing information from the data download and allow the production of a batch report automatically filled in with the Section's registration information that can be exported back to the registration provider.

4.8.5 NEMO

NEMO is a software system to automate and manage examinations. The Section is working on integrating the most recent version of the NEMO software. The new NEMO program allows states to incorporate their own statutes and regulation modules for examinations.

4.8.6 STAR

STAR is a commercial system that was purchased by the Section to support tracking and managing securities related activities. Its primary value is the ability to attach payment details to a unique document identifier. It has not met the needs of the organization and will be phased out and replaced by the EARL software.

As mentioned earlier in this document, it is used to track mutual fund registrations, notice filings, exemptions, registrations, and no-action letter requests. **Conversion of data from STAR to the new registration software will be necessary. Presently there are over 35,000 records that will need to be converted.**

4.8.7 CIS

The Consolidated Investigation System (CIS) is an off-the-shelf system configured and implemented for the State of Alaska by GL Suites (out of Oregon). Its primary purpose is to track and manage investigations and enforcement related to banking and securities issues, complaints and enforcement related inquiries. The software is operational and being used by the Division staff. Upgrades are planned for the software, but a release date has not been scheduled. **The new registration software will need to integrate the information from CIS for purposes of search and providing a one-click search function.**

4.9 Itemized Requirements

The following grid presents the itemized requirements of the Securities Section with regards to the EARL software. Items in the list were derived from the process discussion in the preceding sections.

The itemized list is divided into various component groups, which each category title in highlighted color.
The individual items in each group identify key features or requirements that must be provided by the EARL software. The functionality of the component groups must provide the user with an efficient interface.

ID No.	Requirement	Comment
1	Support Storage, Management and Reporting of Inquiry-related Data (Record)	
2	Auto assign file number (format to be determined)	Each record will have a unique locator number.
3	Support inquiry status (i.e. Open, Pending Response, Closed)	Status determines if the inquiry is still active. Open or Pending Response statuses will stay active in the desktop of users and on active reports. Once closed they will be viewable, but not appear in active queues.
4	Provide specific input screens (capture note/comment/follow up task related information) (See User Activity Functionality)	Each activity would be organized chronologically. Any user could create a note.
5	Support basic attributes of an inquiry (i.e. Issue, Name of Requestor, Contact Information, Agency Response, etc.) (See Entity/Association Database Functionality)	
6	Support field for section list (drop down selection field: Banking, Consumer Finance, Securities.)	
7	Support inquiry type (drop down selection field: ANCSA, General, Registration, Exemption, Notice Filing, Broker/Dealer, Investment Adviser, Legal, Other, etc.)	Define the type of Inquiry; list of fields is controlled by section listed in item 6. (i.e. if you select Securities section from item 6, then only the mapped inquiry types will display. Limit the number of fields that appear, which will reduce the chance of an incorrect selection.)
8	Support fields to insert statutes and regulations. (allow multiple chains of more than one citation)	Optional field, determine if the field should user-supplied, or selected from a drop down list. If drop down list, determine best course for maintaining list. Determine how to retain version of drop down list so old records are not changed when drop-down list has been revised.
9	Support image/file attachment (See Imaging and File Attachment Functionality)	
10	Support web submission of forms (See Web Component Functionality)	

ID No.	Requirement	Comment
11	Support Storage, Management and Reporting of Securities Registrations (Record)	
12	Auto assign file number (format to be determined)	Each record will have a unique locator number.
13	Support registration status (i.e. Pending, Registered, Non-Compliance, Registration Revoked, Closed)	<p>Pending - when a license application has been filed, the default is pending.</p> <p>Registered - after application has been reviewed and meets statutory/regulatory requirement, license is approved.</p> <p>Non-Compliance - is used If an applicant has not filed a report or is non-compliant for other causes, the status non-compliance can be manually set, or it will auto trigger based on rules for certain fields. Fields that will auto trigger non-compliance are bond cancellation, reports, payment of examination fee or license fee.</p> <p>Registration Revoked - when a licensee has surrendered their license based on an administrative action, placed in receivership, or other regulatory action.</p> <p>Closed - when a licensee ends their business for any other reason than a regulatory action.</p>
14	Support basic attributes of a filer (i.e. Issuer Name, Name of Requestor, Contact Information, etc.) (See Entity/Association Database Functionality)	
15	Support drop-down menu for filing type.	Determine menu content. Tie to statutory references.
16	Support date fields (date mailed, date received, date registered, date of expiration, etc.)	Date registered may include two date fields from state and federal dates of effectiveness.
17	Support input screen to add comments/notes to filings.	
18	Support statute or regulation citation. (Allow multiple input fields)	
19	Support underwriting screen. (defined fields to be added.)	Input review notes from either drop-down windows, or text fields.
20	Support filings by event task. (Filings would be organized by year, and include information about offering name, number of shares offered, par value, etc.)	
21	Support task activities (See User Activity Functionality)	
22	Support payment invoicing (See Payment and Invoicing functionality)	
23	Support image/file attachment (See Imaging and File Attachment Functionality)	

ID No.	Requirement	Comment
24	Support forms and correspondence (See Forms and Correspondence Functionality)	
25	Support reports on activity (See Report Production Functionality)	
26	Support web submission of forms (See Web Component Functionality)	
27	Support Storage, Management and Reporting of Notice Filings (Record)	
28	Auto assign file number (format to be determined)	Each record will have a unique locator number.
29	Support registration status (i.e. Pending, Filed, Non-Compliance, Filing Revoked, Closed)	<p>Pending - when a filing has been filed, the default is pending.</p> <p>Filed - after notice filing has been reviewed and meets statutory/regulatory requirement, filing is filed.</p> <p>Non-Compliance - is used If an applicant has not filed a report or is non-compliant for other causes, the status non-compliance can be manually set, or it will auto trigger based on rules for certain fields.</p> <p>Filing Revoked - when a filing has surrendered its filing based on an administrative action, placed in receivership, or other regulatory action.</p> <p>Closed - when a filer ends their business for any other reason than a regulatory action.</p>
30	Support basic attributes of a filer (i.e. Issuer Name, Name of Requestor, Contact Information, etc.) (See Entity/Association Database Functionality)	Completing the filer information will be automated in some cases through a download and install process from Blue Express and EFD. Filing information will populate based on the extract file from the electronic filing.
31	Support drop-down menu for filing type. (i.e. 504, 505, 506, mutual fund, etc.)	
32	Support filings by event task. (Filings would be organized by year, and include information about the filer, fund/offer name, type of security, date received, dated filed, date of effectiveness, date of first sale, conditions waived, etc.)	Event tasks are a single record that will appear in the tab of each entity record. Event task collects information about each filing that is submitted to the Section by the filer.
33	Support renewal process (new event task tracking the new renewal date, date of expiration, include sales report information (upload), etc.)	
34	Support task activities (See User Activity Functionality)	

ID No.	Requirement	Comment
35	Support payment invoicing (See Payment and Invoicing functionality)	Payment processing will include automated ACH/EFT and manual depositing.
36	Support image/file attachment (See Imaging and File Attachment Functionality)	
37	Support forms and correspondence (See Forms and Correspondence Functionality)	
38	Support reports on activity (See Report Production Functionality)	
39	Support web submission of forms (See Web Component Functionality)	
40	Support Storage, Management and Reporting of Exemption Filings (Record)	
41	Auto assign file number (format to be determined)	Each record will have a unique locator number.
42	Support registration status (i.e. Pending, Filed, Amended, Non-Compliance, Filing Revoked, Closed)	<p>Pending - when a filing has been filed, the default is pending.</p> <p>Filed - after exemption filing has been reviewed and meets statutory/regulatory requirement, filing is filed.</p> <p>Amended - if the filer amends the exemption filing.</p> <p>Non-Compliance - is used If an applicant has not filed a report or is non-compliant for other causes, the status non-compliance can be manually set, or it will auto trigger based on rules for certain fields.</p> <p>Filing Revoked - when a filing has surrendered its filing based on an administrative action, placed in receivership, or other regulatory action.</p> <p>Closed - when an exemption expires for any other reason than a regulatory action.</p>
43	Support basic attributes of a filer (i.e. Issuer Name, Name of Requestor, Contact Information, etc.) (See Entity/Association Database Functionality)	
44	Support date fields (date mailed, date received, date filed, date of expiration, etc.)	
45	Support filings by event task. (Filings would be organized by year, and include information about filer, type of exemption, statutory reference, conditions waived, share price and number of shares, etc.)	Event task is a single record that will appear in the tab of each entity record. Event task collects information about each filing that is submitted to the Section by the filer.
46	Support payment invoicing (See Payment and Invoicing functionality)	

ID No.	Requirement	Comment
47	Support image/file attachment (See Imaging and File Attachment Functionality)	
48	Support task activities (See User Activity Functionality)	
49	Support forms and correspondence (See Forms and Correspondence Functionality)	
50	Support reports on activity (See Report Production Functionality)	
51	Support web submission of forms (See Web Component Functionality)	
52	Support Storage, Management and Reporting of No-Action Requests/Interpretive Opinion Filings (Record)	
53	Auto assign file number (format to be determined)	Each record will have a unique locator number.
54	Support registration status (i.e. Pending, Response Issued, Non-Compliance, Filing Revoked, Closed)	<p>Pending - when a filing has been filed, the default is pending.</p> <p>Response Issued - after request has been reviewed and a statutory/regulatory interpretation has been issued.</p> <p>Non-Compliance - is used if the conditions of the filing are no longer valid or if the conditions of the interpretation have been violated.</p> <p>Filing Revoked - is used if the conditions under which the terms of the Section's response are no longer valid, the Section may exercise a nullification of the response.</p> <p>Closed - If the filer submits a notice to the Section that is abandoning it use of the Section's determination.</p>
55	Support input screen containing required fields (Requestor's name, Date of Request, Date Received, summary of request, statutory or regulatory citation.) (See Entity/Association Database Functionality)	Determine parent/offspring relationship.
56	Support filings by event task. (Filings would be organized by year, and include information about filer, type of request, citation of statute or regulation, summary of request/analysis, etc.)	Determine if the field should user-supplied, or selected from a drop down list. If drop down list, determine best course for maintaining list. Determine how to retain version of drop down list so old records are not changed when drop-down list has been revised.
57	Support input screen to add comments/notes to filings.	
58	Support task activities (See User Activity Functionality)	
59	Support payment invoicing (See Payment and Invoicing functionality)	

ID No.	Requirement	Comment
60	Support image/file attachment (See Imaging and File Attachment Functionality)	
61	Support forms and correspondence (See Forms and Correspondence Functionality)	
62	Support reports on activity (See Report Production Functionality)	
63	Support web submission of forms (See Web Component Functionality)	
64	Support Storage, Management and Reporting of ANCSA Filings (Record)	
65	Auto assign file number (format to be determined)	Each record will have a unique locator number.
66	<p>Support filing status (i.e. Default is Filed; other statuses are pending, filed, non-compliance, filing revoked, or amended).</p> <p>If the filing has technical issues other status codes may be added by the administrator/key user in the configuration manager.</p>	<p>Pending - If the filing requires review by the Section, the Pending status is used.</p> <p>Filed - Filer has submitted their materials to the Section.</p> <p>Non-Compliance - is used If a filer has not filed a report or is non-compliant for other causes, the status non-compliance can be manually set, or it will auto trigger based on rules for certain fields.</p> <p>Filing Revoked - when a filer has surrendered its filing based on an administrative action.</p> <p>Amended - When a filing has been revised by a filer.</p>
67	Support entity records containing Filer's Name, Contact Address, Phone Number, Contact Name, etc. (See Entity/Association Database Functionality)	Primary record information for each entity, which can be an individual, partnership, or corporation.

ID No.	Requirement	Comment
68	Support Association of two or more entities. (See Entity/Association Database Functionality)	Support ability to associate independent candidate with ANCSA corporation. If the independent candidate is running for a seat on the board of the ANCSA corporation and the association is required. Example: John Doe is running as an independent candidate. The filing is tied to John Doe, and John Doe is associated to the ANCSA Corporation. If you conduct a search for John Doe, the search results would show that he filed a proxy notice as an independent candidate and that it related to XYZ Corporation. If John Doe was a shareholder of one or more corporations, the association would link him to each corporation he filed a proxy filing.
69	Support input screen containing required fields (Type of Filing, Date of Filing, Date of Annual Meeting, etc.)	
70	Support input screen to add multiple candidate names to one proxy solicitation	
71	Support input screen to add comments/notes to filings.	
72	Support input screen to cross-reference investigation files.	
73	Support filings by event task. (Filings would be organized by year, and include information about filer, date of mailing/distribution to shareholders, date received by the Section, name of candidates, discretionary authority, cumulative voting. Allow for other type of documents to be cataloged: annual report, notice of shareholder meeting, notice of special meeting, etc.)	
74	Support task activities (See User Activity Functionality)	
75	Support image/file attachment (See Imaging and File Attachment Functionality)	
76	Support forms and correspondence (See Forms and Correspondence Functionality)	
77	Support reports on activity (See Report Production Functionality)	
78	Support web submission of forms (See Web Component Functionality)	
79	Support Storage, Management and Reporting of Securities Firms and Individuals (Record)	
80	Auto assign file number (format to be determined)	Each record will have a unique locator number.

ID No.	Requirement	Comment
81	Support registration status (i.e. Pending, Registered, Non-Compliance, Registration Revoked, Closed)	<p>Pending - when a filing has been filed, the default is pending.</p> <p>Registered - after filing has been reviewed and meets statutory/regulatory requirement, filing is filed.</p> <p>Non-Compliance - is used If an applicant has not filed a report or is non-compliant for other causes, the status non-compliance can be manually set, or it will auto trigger based on rules for certain fields. Fields that will auto trigger non-compliance are bond cancellation, reports, payment of examination fee or license fee, or heightened supervision.</p> <p>Registration Revoked - when a registrant has surrendered its registration based on an administrative action, placed in receivership, or other regulatory action.</p> <p>Closed - when a licensee ends their business for any other reason than a regulatory action.</p>
82	Support entity records containing Name, Contact Address, Phone Number, Contact Name, CRD Number, Canadian firms and individuals, etc. (See Entity/Association Database Functionality)	Primary record information for each entity, which can be an individual, partnership, or corporation.
83	Support drop-down menu for type of firm or individual (i.e. Broker/Dealer, Investment Adviser, Canadian Broker/Dealer - Agent, Canadian Broker/Dealer, Agent of the Issuer, etc.)	Differentiate between state and federal.
84	Support input screen to add comments/notes to filings.	
85	Support input screen to cross-reference investigation files.	
86	Support payment invoicing (See Payment and Invoicing functionality)	
87	Support image/file attachment (See Imaging and File Attachment Functionality)	
88	Support task activities (See User Activity Functionality)	
89	Support examination (See Examination Functionality)	
90	Support forms and correspondence (See Forms and Correspondence Functionality)	
91	Support reports on activity (See Report Production Functionality)	
92	Support input screen to calendar events. (i.e. heightened supervision requirement, no-supervision allowed, and suspension.)	

5 Consumer Finance

This section includes the analysis and requirements identified for the State of Alaska, Department of Commerce, Community, and Economic Development, Division of Banking and Securities, Consumer Finance Section (CFS).

5.1 Overview

CFS is charged with administering and enforcing the statutes and regulations governing Mortgage Brokers/Lenders (MB/Ls), Mortgage Loan Originators (MLOs), and Money Services Businesses (MSBs). MB/Ls and MLOs who wish to conduct business in Alaska must be licensed by the Section, unless they are exempt.

MB/Ls, MLOs and MSBs must renew their licenses annually. CFS administers and manages the renewal process. Support for the license and renewal of MB/Ls and MLOs is provided through the National Mortgage Licensing System (NMLS), which is a stand-alone software application developed through the Conference of State Banking Supervisors. The use of the software will have some overlap because some components are presently performed manually by the Section. Where NMLS use is described, the process would be encapsulated by the NMLS software and would not be duplicated by the EARL software.

CFS may conduct examinations of mortgage companies on an as-necessary exam cycle, while MSBs may be examined annually. Examinations, similar to the Banking section, are sometimes coordinated with other States.

5.2 Consumer Finance Entities

5.2.1 Mortgage License: Mortgage Brokers and Lenders

A license is required for a MB/L if the lending transaction involves real estate in the Alaska. The difference between a broker and lender is based on the type of financing arrangement. A broker is paid to arrange a mortgage loan through a variety of funding sources, while a lender funds the mortgage loan through its own financial resources.

MB/Ls must apply annually, maintain a bond/security and be have a business license registered and in good standing with the State. If the MB/L is a partnership, corporation, or limited liability company the entity must be registered and in good standing with the State. In addition, all Control Persons must submit to a criminal history background check. MB/Ls must pay a \$250 application fee and a \$500 licensing fee collected through the NMLS. Application Investigative Fees are collected at the time the license is approved. A late renewal fee of \$250 is accessed between January 1 and Feb. 28.

5.2.2 Mortgage Branch Registration: Mortgage Brokers and Lenders

Each entity that is a MB/L licensee or applicant is required to register each office, other than the main office identified in the application, whether located in Alaska or not, that is or will be conducting business with Alaska residents. The registration must be renewed annually, pay a \$150 application fee and a \$250 registration fee collected through the NMLS. A late renewal fee of \$125 is accessed between January 1 and Feb. 28.

5.2.3 Mortgage Loan Originators

The Section utilizes the National Mortgage Licensing System (NMLS) to process and approve all MLOs in the state. The NMLS system is a separate application provided by the Conference of State Banking Supervisors (CSBS). All applications, renewals, fee payments, and continuing education requirements are tracked and input into the NMLS software. Section staff directly logs into the software to perform their various duties.

Because this software is already in place, the EARL software will only need to provide limited functionality to track MLOs that may relate to an enforcement action or track disclosure information during the registration and renewal process.

5.2.4 Money Service Businesses

A license is required for any MSB, whether company or sole proprietorship. An MSB can be involved in the selling or issuing of payment instruments or prepaid access accounts, or receiving money or monetary value for

transmission. This does not include the provision solely of delivery, online services, telecommunications services, or network access. In addition, an MSB license is required of any currency exchange business, whether company or sole proprietorship, who gains the receipts of revenues from the exchange of money of one government for money of another government.

MSBs must apply annually, have net worth minimum requirement of \$25,000, register with FinCEN as an MSB, maintain bond/security device (\$25,000 minimum), and pay application and licensing fees. If the MSB is located in Alaska it must register a business license with the Division of Corporations, Business and Professional Licensing and remain in good standing. If the MSB is a corporation or limited liability company, the MSB must provide either a certificate of incorporation, certification or organization and remain in good standing. The licensing fee schedule for MSBs includes fixed fee amounts, variable fee amounts based on each office, examination fees, investigative fees, and late fees. All fee payments are processed by administrative staff, and will need to be receipted through the new software.

5.3 Consumer Finance License Types

5.3.1 Mortgage Broker or Lender License (MB/L)

MB/Ls must submit a request for licensure through NMLS and forward certain jurisdictional documents to CFS for review.

5.3.2 MB/L Required Jurisdictional Documents

The following chart details the items required in order to obtain a MB/L license, and whether they are submitted through NMLS or stored in the new registration software:

Document Type	Submitted Through NMLS	Submitted through Section
Application	X	
Surety Bond Form		X
Business formation documents		X
Certification of Good Standing		X
Alaska Business License		X
Financial Statements	X	
Fingerprint cards*	X	X
Disclosure documents	X	X
Credit, CHBC Documents		X
Name Change Documents		X
Annual Reports		X
Branch Office Application	X	
Examinations		X

*Fingerprints are submitted through NMLS and in paper format that will need to be stored in the new software. As noted in the chart, some items that are part of the application process are submitted to NMLS directly, while others are submitted to NMLS and CFS. The new software must be capable to store and track information received by CFS.

5.3.3 Post Review

After review of the application, supporting documents and background reports, license request is either denied or approved. License status is updated in NMLS. CFS will use new registration database to enter information about licensee, bond information, and add the licensee to its examination calendar. .

5.3.4 Mortgage Branch Registration

MB/Ls must submit a request for branch registration through NMLS and forward jurisdictional documents for review.

Each branch location desiring to conduct business under this license authority must be separately authorized and

will require a filing of Form MU3 through the NMLS. A branch location is defined as an office of the licensee acting as an MB/L that is separate and distinct from the licensee's principal office.

A branch manager must be designated for each licensed location. Branch manager is defined as an individual whose principal office is physically located in, who is in charge of, and who is responsible for the business operations of a branch office of an MB/L.

5.3.5 Post Review

After review of the application, supporting documents and background reports, license request is either denied or approved. License status is updated in NMLS. MB/Ls must submit a license request and pay all fees through NMLS and additional requirements must be met.

5.3.6 Mortgage Loan Originators (MLO)

An MLO submits their application for license and associated documents through NMLS. The review and approval process is performed by staff examiners and administrative staff through NMLS application. Fees are paid through NMLS and remitted electronically to the Section.

5.3.7 MLO Required Jurisdictional Documents

The following are additional requirements for MLOs:

Document Type	Submitted Through NMLS	Submitted through Section
Application	X	
SAFE Test (Alaska and National)	X	
Sponsorship Form from MB/L	X	
Authorization Form for Credit	X	
Pre-License and Continuing	X	
Fingerprint cards	X	
Disclosure documents		X
Surety Fee Payment	X	

5.3.8 Surety Fund

Each MLO pays a portion of their licensing fee into a surety fund, operated by the State of Alaska. The surety fund is available to pay claims by customers of an MLO, who have suffered a loss due to the MLO's deceit, fraud, misrepresentation or wrongful conversion. The MLO pays their fee to NMLS as part of the licensing fee and that money is remitted to the State for deposit in a State-controlled account. Claims made against the fund are tracked and administered in the Division's investigation system. For further details see the section regarding the Consolidated Investigation System (CIS).

5.3.9 Post Review

After review of the application, supporting documents and background reports, license request is either denied or approved. If the license is denied, the denial process may be processed through the CIS software. License status is updated in NMLS.

5.3.10 Annual Requirements

Once licensed, a MLO must complete eight hours of continuing education per year. The education provider submits a certification form to NMLS as proof the MLO attended the continuing education course. No documents are filed locally with the Section.

5.3.11 Money Services Businesses (MSB)

MSB applicants must submit a paper application to CFS with all applicable fees. Fees may be paid by check, credit card, or money order made payable to the SOA. Additional licensing investigative fees are collected after licensing.

Applicants licensed in another state which has enacted the Uniform Money Services Act must pay a \$250 application fee and a \$500 licensing fee.

All other applicants pay a \$500 application fee plus \$50 for each additional location where the applicant or its authorized delegate will provide services, a \$500 licensing fee and an additional \$100 fee for each location.

For the initial license, the MSB submits a package of information containing:

- Application for Money Transmitter License.
- Alaska Uniform Money Service Act Bond
- State Regulatory Questionnaire (if out of state applicant)

Application forms and materials are available on the Section's webpage. The new software must support the application process and tracking.

Listed below is the annual renewal checklist for MSBs, which will be entirely supported by the new software:

- Completed Annual Renewal Report (ARR)
- \$500 check made payable to the "State of Alaska"
- Authorized delegates list for Alaska
- Application for money transmitter license to report material changes, if any
- Anti-Money Laundering policy
- Audited annual financial statements or
 - If the licensee is a wholly-owned subsidiary of another corporation
 - the most recent audited consolidated annual financial statements of the parent corporation or
 - The licensee's most recent audited consolidated annual financial statements
- Updated copy of the current surety bond rider or certificate of deposit, letter of credit, if any changes. A permissible investment list

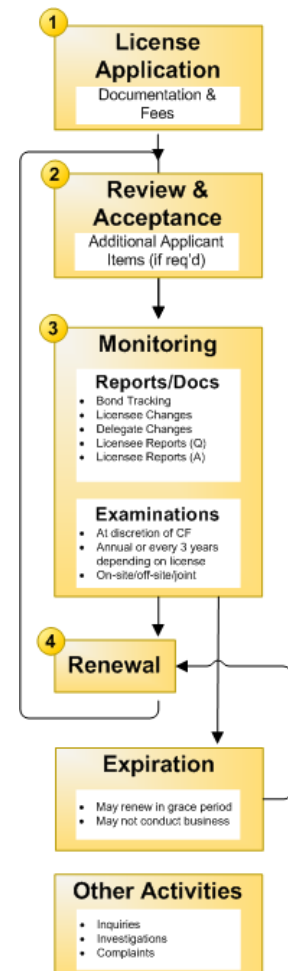


Figure 20

Renewal periods are annually for Money Transmitters and biennially for Currency Exchangers.

5.4 Processes

Mortgage Brokers and Lenders, Mortgage Loan Originators and Money Services Businesses share common processes, but have differing workflows and tools. The Workflows section addresses these differences.

- Applicants must apply and provide all the required items.
- Consumer Finance processes and approves or denies the license.
- Licensees must provide changes in key information to Consumer Finance.
- Licensees must provide reports within designated timeframes.
- Consumer Finance tracks bonds and processes renewals and expirations.
- Consumer Finance conducts licensee examinations.

5.4.1 Process Players

5.4.1.1 Division of Banking & Securities, (Anchorage)

Consumer Finance has one Chief Examiner, one Financial Institution Examiner III, one Financial Institution Examiner II, and two Licensing Examiners.

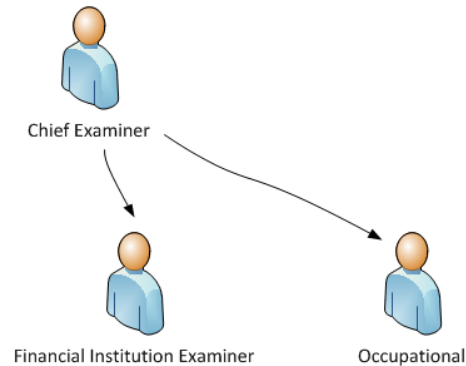


Figure 21

5.4.1.2 Mortgage Broker/Lenders and Mortgage Loan Originators

A MB/L may have more than one MLO, but a MLO may only be associated with one MB/L who is licensed in Alaska. Currently, there are 105 MB/Ls and approximately 450 MLOs licensed.

A MB/L may have a branch or branches registered in Alaska.

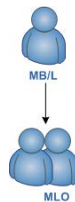


Figure 22

5.4.1.3 Nationwide Mortgage Licensing System (NMLS)

NMLS is a national records registry required with the passage of the SAFE Act which is used by MB/Ls and MLOs to file license applications and much of the supporting documents, through the web portal software program. The Section is considering whether to allow MSBs to file license applications and supporting documents through the NMLS on a voluntary basis.

5.4.1.4 American Association of Residential Mortgage Regulators (AARMR)

AARMR promotes the exchange of information between and among the executives and employees of the various states who are charged with the administration and regulation of residential mortgage lending, servicing and brokering. AARMR works with CSBS in regards to joint training and joint examinations.

5.4.1.5 Money Service Businesses and Delegates (MSB)

MSBs work directly with CFS staff regarding licensing, renewals, examinations and complaints. The software will need to support the licensing, renewal and examination components; in addition, it will need to have an interface linking investigations in the Consolidated Investigation System. The following diagram depicts the relationships between MSBs and Delegates. A MSB may have one or more Delegates and a Delegate may represent one or more MSBs. A Delegate, however, may not have a sub delegate. Currently there are 50 MSBs and over 1,000 Delegates licensed.

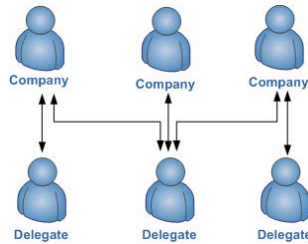


Figure 23

5.4.1.6 Money Transmitter Regulatory Agency (MTRA)

MTRA provides information on planned joint state examinations and provides opportunity for other states to participate.

5.4.1.7 Financial Crimes Enforcement Network (FinCEN)

FinCEN is a Federal government agency operating under the U.S. Department of the Treasury which maintains a national registry of MSBs. FinCEN supports various agencies through sharing and analysis of financial intelligence.

5.4.1.8 Conference of State Banking Supervisors (CSBS)

CSBS oversees NMLS and facilitates training on new regulatory requirements as they effect licensing and the NMLS process. CSBS also facilitates joint state exams for MB/Ls.

5.4.1.9 General Public

The General Public is integrated into some of the lesser used workflows in that they occasionally initiate the inquiry or investigation processes.

5.4.2 Workflows

The following diagram depicts the workflow for MB/Ls and MLOs.

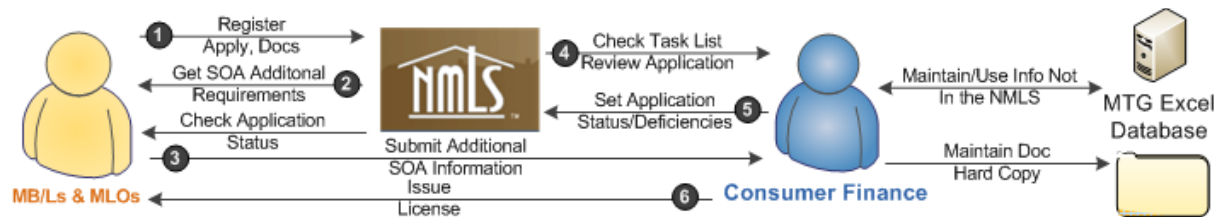


Figure 24

The following applications and forms are available at:

<http://commerce.alaska.gov/bsc/mortgagelicensing/forms.html>

Applications and Forms	PDF	PDF Form	Needs Notarization	Return by Mail	Return by Email
Bond Form					
MB/L Annual Report					
Surety Fund Claim Form					
Complaint Form					
Credit Card Payment Form					

Figure 25

5.4.2.1 Mortgage Brokers/Lenders

5.4.2.1.1 *Application and Registration*

MB/Ls register on NMLS and submit a license request through NMLS to the Section. The electronic request contains:

- MU1 form which contains all legal, contact and record keeping info.
- MU2 form filed for each direct owner and officer.
- MU3 form filed for any branches which will be conducting business in Alaska.
- Financials uploaded via NMLS.

For documents submitted to the Section, see section 5.3.2.

5.4.2.1.2 *Review*

Licensing Examiners review the license request via the Work Item Task List available on NMLS.

- “Requirements” and “deficiencies” may be added to the entity’s license request after the review.
- Licensing Examiners create physical file, which includes:
 - Identifying info for entity
 - Identifying and personal info for all Control Persons (CPs).
 - Jurisdictional documents as listed in section 5.3.6.
 - Key financial info.
 - Criminal history background reports on CPs.
 - Lexis Nexis (Accurant) background report on CPs and the company.

The Licensing Examiners review the completed physical file. The physical file content will need to be supported by the new software, which will include all tasks and activities performed by Section staff.

If an applicant has civil, administrative or criminal disclosures for the applicant or any CP is set for review, in NMLS, by the Chief Examiner for approval/denial.

Applicants with no disclosure issues are approved in NMLS by the Licensing Examiner.

Upon approval the following is sent to the licensee:

- Approval letter with invoice for investigative fees associated with review of the application file.

Approval/denial is made through the NMLS and includes a license number and a license date.

5.4.2.1.3 *Reporting*

Each MB/L must submit a Mortgage Call Report quarterly through NMLS. If the report is not filed before the deadline, a fine is assessed at \$25 per day. In addition, each MB/L submits an annual report through NMLS. If the

annual report is not filed before the deadline, a fine of \$25 per day is assessed. Fines paid for either a late Mortgage Call Report or Annual Report are paid directly to the Section, and not processed through NMLS.

5.4.2.1.4 Renewals

Licenses must be renewed annually. Renewals are requested and processed using the NMLS. Renewals begin November 1st and end December 31st. Renewals requires a licensing fee, proof of bond and a sworn certification identifying any changes in the information presented in the initial license application or most recent renewal applications. Licenses not renewed, expire.

5.4.2.1.5 Expiration

If a license expires without renewal, licensee may request renewal during the late renewal period ending the last day of February. They are not authorized to conduct business until their license status has been approved. If a licensee has not requested renewal by the last day of February, the licensee must submit a new license application through NMLS. If a licensee does not request renewal or a new license, the license is considered to have lapsed and the licensee is required to keep bond/security in effect for three years after expiration of the license. The EARL software is required to track the bond information.

5.4.2.2 Mortgage Loan Originators (approximately 525 currently licensed)

5.4.2.2.1 Application and Registration

MLOs must register on NMLS using the MU4 and submit an electronic license request to the Section.

Submit jurisdictional documents to the Section as listed in 5.3.6.

Licensing Examiners review license request via the Work Item Task List available on NMLS.

5.4.2.2.2 Review

“Requirements” and “deficiencies” may be added to the entity’s license request after review.

- Licensing Examiner creates hard file including:
 - Identifying and personal info.
 - Jurisdictional documents as listed in section 5.3.6.
 - Sponsorship information.
 - Criminal history background report.
- Licensing Examiner reviews completed hard file.
 - MLO with civil, administrative or criminal disclosures is set for review by a Chief Examiner for approval/denial.
 - MLO with no disclosure issues is approved by the Licensing Examiner.
 - Upon approval, the following is sent to the licensee:
 - Approval Letter.
 - Approval/denial is made through the NMLS and includes a license number and license date (for approvals).

5.4.2.2.3 Renewals

License must be renewed annually. Renewal is requested and processed using the NMLS. Renewal begins November 1st and ends December 31st. Renewal requires a licensing fee and an OSF fee. MLO’s must complete eight hours of continuing education before renewal is approved.

5.4.2.2.4 **Expiration**

If license expires without renewal, MLOs may request renewal during the late renewal period ending the last day of February. However, they are no longer authorized to originate loans in Alaska. If the MLO has not requested renewal within the late renewal period, they must file a new license request through NMLS and may not originate loans until their license request is approved by the state.

5.4.2.3 **Work Items for MB/Ls and MLOs**

Items on NMLS must be reviewed for possible further actions or required additional information. NMLS does not have the attributes required to manage and track these items. Consumer Finance must track these items using a shared database created with Excel, and will need to be supported in the new system.

MB/L Amendment to Current filing requires:

- Contact Information.
- Change to CPs (additions/deletions).
- “Yes” disclosure answers.
- License surrender/withdrawal request

MLO Amendment to Current filing requires:

- “Yes” disclosure answers

5.4.2.4 **Money Service Businesses**

Alaska adopted the Uniform Money Services Act, which provides that a person may not engage in specific regulated activities (money transmission and currency exchange) unless they hold a qualifying license or are an authorized delegate of a person holding a qualifying license. All activity identified for MSBs is to be supported by the new software. The following diagram depicts the workflow for MSBs.

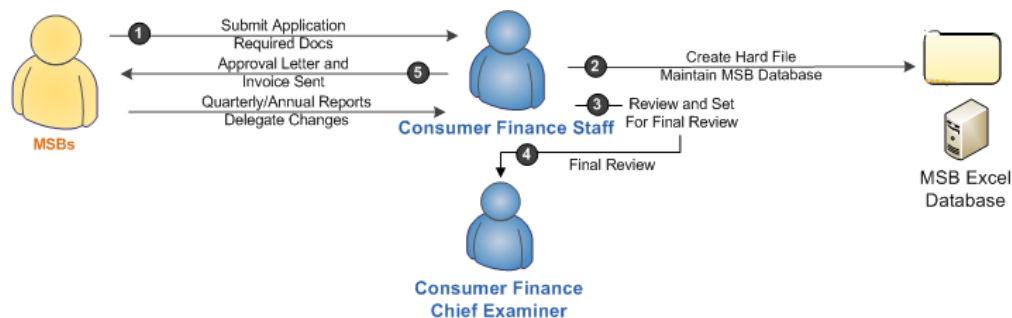


Figure 26

5.4.2.4.1 **Application**

MSB submits paper application for licensure to Consumer Finance.

Provide supporting documents as listed in section 5.3.3

Fees submitted in the form of check or money order are processed for deposit by the Licensing Examiner.

The following applications and forms are available at:

http://commerce.alaska.gov/bsc/money_service_businesses.html

Applications and Forms	PDF	PDF Form	Needs Notarization	Return by Mail	Return by Email
Registration for Entity Licensed in Another Jurisdiction					
Alaska Money Transmitter License Application					
Alaska Uniform Money Service Act Bond					
State Regulatory Questionnaire					
Money Service Quarterly Report					
Currency Exchange Biennial Renewal Report					
Money Transmitter Annual Renewal Report					
Credit Card Payment Form					
Complaint Form					

Figure 27

5.4.2.4.2 **Review**

Licensing Examiners create a hard file with application and supporting documents.

Licensing Examiners review file for deficiencies and possible licensing red flags.

- Requests deficiencies through applicant contact.
- Red flag concerns are forwarded to Financial Institution Examiner for review.

Licensing Examiners review completed hard file and sets file for final review by the Chief Examiner.

Chief Examiner approves or denies the license request.

- Upon Approval, the following is sent to the licensee:
 - Approval letter with invoice for investigative fees associated with the review of the application.
 - Paper license.
- If denied, a notice is sent to the applicant.

5.4.2.4.3 **Work Items for MSBs**

The following items require additional review:

- Delegate additions/deletions (have frequent changes).
- Delegate address/contact information changes.
- Change of Control.
 - Fee and approval required.
- Bond/Security cancellations/changes.

5.4.2.4.4 **Reports for MSBs**

Quarterly Reports are due 45 days after the end of each quarter:

- 1st quarter – 5/15
- 2nd quarter – 8/15
- 3rd quarter – 10/15
- 4th quarter – 2/15 of following year

Annual Reports are due with the renewal request on 12/1

5.4.2.4.5 ***Renewal***

Renewal requests are due December 1st and must be accompanied by:

- Annual Renewal Report form
- A \$500 licensing fee

5.4.2.4.6 ***Expiration***

All licenses expire on December 31. The license period is annually for Money Transmitters and biennially for Check Cashers. If renewal is not requested, the licensee must still maintain an active bond for at least five years after the money transmission licensee ceases to provide money services in this state.

5.4.2.5 **Examinations**

5.4.2.5.1 ***Mortgage Brokers and Mortgage Lenders***

MB/Ls may be examined as determined by the Section. MLO loan files are reviewed during the MB/L examination. The Section may participate in joint exams with other states when possible. The EARL software is required to support all examination activity of MB/Ls, including exam calendaring, cost and staff tracking, exam work papers, correspondence and report retention.

Examination workflow is as follows:

- Joint Examinations
 - Request loan list for examination period
 - Request digital or hard copies of select loan files
 - Review of loan files
 - Examination findings
 - Joint Examination Findings
 - Possible consent orders and/or fines
- On-Site Examinations
 - Pre-Exam:
 - Request loan list for examination period
 - Request digital or hard copies for select loan files
 - Review of loan files
 - On-Site:
 - Review of entity operations
 - Review documentation
 - Review P&Ps
 - Review Information Technology and security

5.4.2.5.2 Money Service Businesses

MSBs may be examined on an annual basis. This is a relatively new process and there have not been a large number of examinations as yet. It is possible the process may undergo changes as more examinations are performed. The new software is required to support all examination activity of MSBs.

The examination workflow is as follows for MSBs:

- Pre-Planning (Analysis of the following):
 - Historical information
 - Prior examination reports, correspondence, and work papers
 - BSA-reporting databases
 - The MSB's BSA/AML risk assessment and "registrant profile"
 - Independent review or audits
 - Business structure, including delegate relationships
- On-site visit to the business and interview of appropriate personnel responsible for BSA compliance
 - The MSB's organizational structure
 - Services provided and how these services are conducted
 - document responsibilities and duties of BSA personnel
 - process for handling transactions
 - knowledge of suspicious activity reporting (SARs)
- Examinations of the AML program
 - Risk Assessment
 - Internal controls
 - MSB Monitoring/Oversight Procedures
 - BSA Compliance Officer
 - Independent Testing
 - Training
 - Preliminary evaluation
- Examination of the books and records of the business
 - Review records to be maintained for transmittal of funds / Currency Exchangers
 - Evaluating compliance with recordkeeping requirements
- Examination findings

5.4.2.6 Investigation of Complaints

A person may file a complaint by downloading the PDF Complaint Form from either the MB/L-MLO or MSB websites. The entity must complete the form and mail a copy to CFS. All complaints and investigations are supported by CIS. Cross-platform search capability is needed in the new software to allow a user to search one screen and view all records, whether they are in the new software or in CIS.



Figure 28

CFS receives and reviews the complaint and forwards to the investigator for DBS. The investigator logs and tracks the complaint in the CIS software. The investigator will review and notify the complainant of the decision to

proceed or not with the investigation.

In addition to complaints, the investigator is assigned all Surety Fund claims, and they are logged and tracked in the CIS software.

5.4.2.7 Public Information Request

Public Records requests are handled by the Section and tracked manually. Under the Administration section, the new software package will log, track and store all Public Records requests.

5.4.2.8 General Inquiries

Consumer Finance may receive general inquiries through the website via the mortgagelending@alaska.gov or moneytransmitters@alaska.gov mailboxes. Inquiries are tracked and responded to via the email client (Outlook). The new software will need to allow tracking of all inquiries. The software will have to track specific details and information about the inquiry.

5.5 Existing Systems

The current software solutions consist of a system that is owned and operated by a different entity, multiple databases created with Excel, and various documents, most of which are downloaded by entities and mailed to Consumer Finance. The external system, NMLS, is utilized by Consumer Finance's MB/Ls and MLOs for managing a large part of the licensing process. NMLS meets many, but not all of Consumer Finance needs; therefore, some redundant information with additional attributes must be maintained locally. MSBs are managed locally only and do not rely on an external system.

5.5.1 Desktop Tools

Consumer Finance staff utilize the MTG database, an Excel application, to manage information attributes that currently do not exist in the NMLS. Some of the information in the MTG database is redundant in order to reduce the need to access two applications to locate information. To manage MSBs, the MSB Excel database is used. Outlook is currently used to manage general inquiries and denial of requests for confidential information is done using a template letter.

The MTG database contains, which is partially tracked by NMLS and CIS:

Description	Processed through NMLS	Processed through CIS	Required in EARL
Licensing information for MB/L	X		
Licensing information for MLOs	X		
Investigations/Surety Fund Claims		X	
Surety Fund Accounting			X
Company Contact Information	X		
Surrender/Withdrawal Information	X		
Inactive Licenses*	X		X

Examinations	X
Calendaring	X
Inquiries	X
Bond Information	X
Reporting	X

*Inactive licenses are filed with NMLS, but paper copies will need to be stored by EARL.

The MSB database contains:

- Licensing Information
- Reporting Checklist
- Licensee website list
- Investigations/Complaints and links to licensee file notes
- License Template

The new software must support all activity of MSBs.

5.5.2 Nationwide Mortgage Licensing System (NMLS)

NMLS is a nationwide mortgage licensing application that is used by all states to license and track MB/Ls and MLOs.

MB/Ls and MLOs must use NMLS to apply, amend, renew or surrender licenses. NMLS has information and checklists for all participating states. Consumer Finance views the license requests, processes, and updates the status of the request.

5.6 Itemized Requirements

The following grid presents the itemized requirements of the Consumer Finance Section with regards to the EARL software. Items in the list were derived from the process discussion in the preceding sections.

The itemized list is divided into various component groups, which each category title in highlighted color.

The individual items in each group identify key features or requirements that must be provided by the EARL software. The functionality of the component groups must provide the user with an efficient interface.

ID No.	Requirement	Comment
1	Support Storage, Management and Reporting of Inquiry-related Data (Record)	
2	Auto assign file number (format to be determined)	Each record will have a unique locator number.

ID No.	Requirement	Comment
3	Support inquiry status (i.e. Open, Pending Response, Closed)	Status determines if the inquiry is still active. Open or Pending Response statuses will stay active in the desktop of users and on active reports. Once closed they will be viewable, but not appear in active queues.
4	Support basic attributes of an inquiry (i.e. Issue, Name of Requestor, Contact Information, Agency Response, etc.) (See Entity/Association Database Functionality)	
5	Support field for section list (drop down selection field: Banking, Consumer Finance, Securities.)	
6	Support inquiry type (drop down selection field: Mortgage Broker, Mortgage Lender - Financial Institution, Mortgage Originator, Mortgage Originator - Financial Institution, Money Transmitter, Currency Exchange, Other, etc.)	Define type of Inquiry; list of fields is controlled by section list in item 5. (i.e. if you select consumer finance section from item 5, then only the mapped inquiry types will display. Limit the number of fields that appear, which will reduce the chance of an incorrect selection.)
7	Support fields to insert statutes and regulations. (allow multiple chains of more than one citation)	
8	Provide specific input screens (capture note/comment/follow up task related information) (see User Activity Functionality)	Each record would be organized chronologically. Any user could create a note.
9	Support image/file attachment (See Imaging and File Attachment Functionality)	
10	Support calendar functionality to add task items that require dates (See Calendar/Scheduling Functionality)	
11	Support web submission of forms (See Web Component Functionality)	Support online inquiry form. Form will auto-generate an inquiry entry and format fields from form. The inquiry will auto assign into the desktop list for the supervisor.
12	Support forms and correspondence (See Forms and Correspondence Functionality)	
13	Support report for user and supervisor (See Report Production Functionality)	
14	Support Storage, Management and Reporting of Money Service Business (MSB) Data (Record)	
15	Auto assign file number (format to be determined)	Each record will have a unique locator number.
16	Support entity type (i.e. Money Transmitters, Currency Exchange)	

ID No.	Requirement	Comment
17	Support license status (i.e. Pending, Approved, Non-Compliance, License Surrendered, Closed)	<p>Pending - when a license application has been filed, the default is pending.</p> <p>Approved - after application has been reviewed and meets statutory/regulatory requirement, license is approved.</p> <p>Non-Compliance - is used if an applicant has not filed a report or is non-compliant for other causes, the status non-compliance can be manually set, or it will auto trigger based on rules for certain fields. Fields that will auto trigger non-compliance are bond cancellation, reports, payment of examination fee or license fee.</p> <p>License Surrendered - when a licensee has surrendered their license based on an administrative action, placed in receivership, or other regulatory action.</p> <p>Closed - when a licensee ends their business for any other reason than a regulatory action.</p>
18	Support basic attributes of a filer (i.e. MSB Name, Contact Information, entity related information, Delegate listing, etc.) (See Entity/Association Database Functionality)	Support nesting of delegate information with MSB. Delegate information will reflect if the company is active, inactive, suspended, etc.
19	Support basic attributes of a delegate (i.e. Link to MSB Name, Delegate name, store location, web address, etc.) (See Entity/Association Database Functionality)	The unique number would be tied to the record file number and then a suffix for the delegate information.
20	Support date fields (date mailed, date received, date approved, date licensed issued, date of expiration, etc.)	
21	Support input screen to add comments/notes to filings.	
22	Support statute or regulation citation. (Allow multiple input fields)	
23	Support licensing approval screen. (defined fields to be added.)	Input review notes from either drop-down windows, or text fields.
24	Support filings by event task. (Filings would be organized by year, and include information about the licensee and delegates, etc.) (See User Activity Functionality)	
25	Support calendar for examinations, bond information, correspondence follow-up and deadline for submitting forms (See Calendar/Scheduling Functionality)	Allow for dates to be entered for due date and follow-up.
26	Support storing information about bond. (See Bond Tracking Functionality)	
27	Support examination records (See Examination Functionality)	Allow examination of entity or delegate. Link exams of delegate to delegate and delegates location, if there are more than one location.
28	Support report for user and supervisor (See Report Production Functionality)	

ID No.	Requirement	Comment
29	Support forms and correspondence (See Forms and Correspondence Functionality)	
30	Support payment invoicing (See Payment and Invoicing functionality)	
31	Support image/file attachment (See Imaging and File Attachment Functionality)	
32	Support web submission of forms (See Web Component Functionality, Calendar/Scheduling Functionality)	Allow reports to be filed online and updated into the record. Tag the reports and file by report ID number.
33	Support report for user and supervisor (See Report Production Functionality)	
34	Support Storage, Management and Reporting of Mortgage Broker/Lender Data (Record)	
35	Auto assign file number (format to be determined)	Each record will have a unique locator number.
36	Support integration of licensee information from NMLS (see System Interfaces Functionality)	
37	Support creating names of mortgage broker/lender records (See Entity/Association Database Functionality)	
38	Support license status (i.e. Pending, Approved, Non-Compliance, License Surrendered, Closed)	<p>Pending - when a license application has been filed, the default is pending.</p> <p>Approved - after application has been reviewed and meets statutory/regulatory requirement, license is approved.</p> <p>Non-Compliance - is used If an applicant has not filed a report or is non-compliant for other causes, the status non-compliance can be manually set, or it will auto trigger based on rules for certain fields. Fields that will auto trigger non-compliance are bond cancellation, reports, payment of examination fee or license fee.</p> <p>License Surrendered - when a licensee has surrendered their license based on an administrative action, placed in receivership, or other regulatory action.</p> <p>Closed - when a licensee ends their business for any other reason than a regulatory action.</p>
39	Support filings by event task. (Filings would be organized by year, and include information about the licensee, etc.) (See User Activity Functionality, Email Integration Functionality)	
40	Support calendar for examinations, bond information, correspondence follow-up and deadline for submitting forms (See Calendar/Scheduling Functionality)	Allow for dates to be entered for due date and follow-up.
41	Support storing information about bond. (See Bond Tracking Functionality)	

ID No.	Requirement	Comment
42	Support examination records (See Examination Functionality)	Allow associated names of other DBA licensees.
43	Support report for user and supervisor (See Report Production Functionality)	
44	Support forms and correspondence (See Forms and Correspondence Functionality)	
45	Support user submitted web forms and reports (See Web Component Functionality)	Annual Reports and Call Reports.
46	Support invoicing for examinations (See Payment and Invoicing Functionality)	
47	Support reports for all activities (See Report Production Functionality)	
48	Support Surety Fund Data (Record)	
49	Support deposits of payments received from NMLS to the surety fund, and allow entry of credit information for any interest earned on the account. (See Payment and Invoicing Functionality)	
50	Support reconciliation process for audit of bank statements of the Surety Fund with fiscal.	Support audit process to reconcile bank statements with fiscal records. Administrative process required.
51	Support claims process. Claims process would include entity/association for claimant and respondent (See Entity/Association Database Functionality)	If a claim is submitted, support review, approval or rejection of claim. Administrative process required.
52	Support case note and review function for administrative process for claim processing. (See User Activity Functionality and Email Integration Functionality)	Screen for administrative process to review claims to the Surety Fund.
53	Support check request process	If claim has been approved for payment, support administrative process for payment of claim, issue checks.
54	Support user submitted web forms and reports (See Web Component Functionality)	
55	Support report for user and supervisor (See Report Production Functionality)	
56	Support image/file attachment (See Imaging and File Attachment Functionality)	

6 Core Application Components

As part of the overall development of EARL, a number of core components are used by all three sections. These core components relate to examinations, report generation, invoicing, document and image management, security, calendaring, web component, remote access, and a number of other activities.

The itemized list is divided into various component groups, which each category title in highlighted color.
The individual items in each group identify key features or requirements that must be provided by the new software solution. The functionality of the component groups must provide the user with an efficient interface.

ID No.	Requirement	Comment
1	Support Bond Tracking Functionality (Component)	
2	Bond Tracking Identifier	The unique number would be tied to the record file number and then a suffix for the bond information.
3	Support attributes required for tracking bond information.	Amount, verification the bond meet statutory/regulatory requirements, etc.
4	Support field for Bond Issuing Company (or an entity id, possibly)	
5	Support field for Bond Number or Policy Number	
6	Support field for Bond Effective Date	
7	Support field for bond duration.	Bond duration can be a fixed value of 6 months, 1 year, 2 years, or specific date. This would allow a flag so the bond would appear on a renewal report when flag is triggered.
8	Support field for Bond Cancellation Date	
9	Support automated confirmation notices that prints letters to both bond issuers and licensee/registrant.	Notices and confirmation would print based on bond duration.
10	Provide a boilerplate for Cancellation Notice with merged fields for Entity	Automate notice of cancellation if received or after the expiration date of the bond duration, if no renewal has been processed.
11	Bond Cancellation Date entry triggers Cancellation Notice creation	Automatic update of entity status to non-compliance.
12	Support User Activity Functionality (Component)	
13	Support notification to user when a new assignment has been entered into the database if user is assigned the task. A task can be assigned to more than one user.	Provide a message center in the application that provides information about upcoming due dates, new assignments, new task items, etc.
14	Support assignment of tasks in the system to the assigned user or other users to complete. Tasks can be assigned by any user. Task fields would include: type of task, date created, date due, assigned to, created by, comment/notes, and ability to mark task completed with date completed.	Task items are displayed in the record it was created in, the purpose is to track all activity performed in the record.
15	Support extended view of task due date, either through calendar or list of assignments organized chronologically.	Along with the message center, calendar of events or list to appear on the user desktop.

ID No.	Requirement	Comment
16	Support recording of time for completing user activity (See Time Management Functionality)	Determine format for logging duration of user to complete task.
17	Support report for user and supervisor (See Report Production Functionality)	
18	Support Forms and Correspondence Functionality (Component)	
19	Support correspondence template for letters and forms. Letters would be either form letters with boilerplate language to free-form letters where only the date and recipient is added to the letter, and the user provides the rest of the content.	
20	Support ability to turn letters and forms that are complete into static version documents.	Allow documents to become read-only. If read-only, user can open and copy contents, but cannot make changes and save in the same file.
21	Allow index of documents and forms to appear in the record and associated to an activity.	Example: if a user sends an approval letter, the approval letter is linked within the approval worksheet activity or task. For future reference, the record can be retrieved and display notes and attached document.
22	Use a text writer program or a document shell in MS Word.	If an embedded text writer program is used, it should have the ability to spellcheck, thesaurus, formatting attributes (i.e. bold, italic, underline, etc.).
23	Support document viewer function, so user do not have to open the document but only view a preview of the document, thereby reducing the time it takes to find a specific document.	
24	Support index to add documents attached to a record. Index would provide a list of all documents attached or created for a record.	Include a tab in the record that has a catalog of both documents created or imaging uploads.
25	Provide ability for administrator/key user to replace base template for letterhead or forms.	Configuration manager for administrator/key user to have the ability to add new letterhead or replace an existing form. The version archive would not change any letter or form completed in previous record activity, only from an effective date going forward.
26	Support Calendar/Scheduling Functionality (Component)	
27	Support ability to set a calendar item for user activity, licensing, examination, reporting, etc.	
28	Support interface from Calendar/Scheduling functionality to Correspondence/Form Functionality to produce automated letter/notices to entities.	Automate notices to entities (i.e. Banks, Credit Unions, Money Service Businesses, Broker-Dealer firms, etc.)

ID No.	Requirement	Comment
29	Support ability to set schedules for monitoring intervals, automated notices, activities.	Set system alerts for either an interval or a specific date.
30	Allow calendar/scheduling to be based on specific date or user-defined intervals.	Potential for user to enter a static date, or intervals based on the number of days (i.e. notices to occur yearly, quarterly, monthly, on the 1st day of each month, etc.)
31	Support Examination Functionality (Component)	
32	Support exam planning tools -- Examiner tools would include calendar functionality, auto filled previous examination information, auto filled financial reports, etc.	Allow exams to be planned based on previous exam findings, administrative actions, other exam conflicts, etc.
33	Support examination tracking using event task. Exams are stored as an event with the ability to capture in the event record the start date of the exam, examination hours, on-time examination, exam findings, examiner(s) assigned to the exam, rating or score results. (See Time Management Functionality)	Examination component is required to capture the scope of the exam, relevant dates, exam results, and a calendar for future examinations.
34	Support issuance of administrative actions (Memorandum of Understanding, deficiency notices, etc.)	Allow specific exam findings to be flagged.
35	Support exam types	Banking - State, FDIC, NCUA, Joint, Coordinated Consumer Finance - State, Joint, Coordinated Securities - State, Joint, Coordinated.
36	Support Exam subtype	Banking - Compliance, Focused, Follow-up Consumer Finance - Compliance, Focused, Follow-up. Securities - Compliance, For Cause, Follow-up.
37	Support designation of Lead Examiner	Store data on lead examiner and agency. For example, if DBS is the lead examining agency, the field would include Alaska as the Lead Examiner and the Examiner in Charge would be one of the Financial Institution Examiner III's.
38	Support examiner roles for examinations and allow multiple role assignment for each assigned examiner.	Banking - Examiner in Charge, Detail in Charge, Loan in Charge, staff examiner Consumer Finance - Examiner in Charge, staff examiner Securities - Examiner in Charge and staff examiner.
39	Support storage of travel related itineraries, approvals, costs of travel. (See Time Management Functionality)	Support exam cost components to allow both travel and per diem costs, plus staff hours and staff cost.

ID No.	Requirement	Comment
40	Support storage of correspondence, work papers and exam report. (See Imaging/File Attachment Functionality.)	
41	Support invoicing for examination costs (See Payment and Invoicing Functionality.)	Support travel and per diem invoicing, plus the hours of staff examiners.
42	Support ability to set exam cycle (every 6, 12, 18 months, or user defined interval) and incorporate automated calendaring for examination report.	Exam cycle would calculate based on the most recent exam start date.
43	Support Entity/Association Database Functionality (Component)	
44	Support entity records for entities associated to a record. The entity would include any associations. Example: ABC Company is the primary entity filer, but they have offices in 5 locations throughout the state. The entity record would have ABC listed and an association record for each of the 5 business locations. XYZ Company is a money transmitter and they have 5 delegates in the state, XYZ would be the entity and each delegate would be associated to XYZ.	Primary record information for each entity, which can be an individual, partnership, or corporation.
45	Support primary/secondary association. Either individual or firm can be primary/secondary. Support entity/event relationship, where an entity can be related to an event, such as: Entity related to a licensing review event.	One primary can have multiple secondary associations. Primary or Secondary Associations can be associated to each other and have multiple links. -- Allow a parent/offspring relationship for primary and secondary associations. The parent can have multiple offspring that are tied to the entity and/or to the record.
46	Support role relationship category. Allow definition of association to include sub-group category for entities.	The purpose is to allow complicated relationships, for example: Securities firm has a compliance officer, corporate attorney, and main supervisor. Each is associated to the firm and can be added to each activity record.

ID No.	Requirement	Comment
47	Support auto fill capability for association of records to an already existing entity.	<p>The purpose is to allow users to bypass a look-up table and then can create the record from the input field. Using an auto fill function, the user, when creating the record, would begin typing the entity name and a list of names would display, from the list of names the user can pick the one they want, if it already exists, and by selecting the name, the remaining information would auto fill.</p> <p>--The same operation could be done for the contact address, if the entity name has more than one contact address, the user can select from a drop-down list.</p> <p>-- If the address did not exist, the user, from the same screen, could add the new address and it would populate the entity list but not change any other record the entity was associated with.</p>
48	Support association records for activity or task related items. Associated records would appear as tabs in the record. (Associated records would be related to licensing information, examinations, payment invoicing, correspondence/contacts, attached files, etc.)	Allow components to display in the record as tabs. This would allow the user to quickly navigate the different activities that occur in the record.
49	Support name changes to record. Track history of previous names. Allow full search capability of either current or previous name.	
50	Support entity records that have expanded fields for contact information, type of entity, multiple individual contact names, associated contact information, and licensing information (including information from CRD, CBPL, NMLS, etc.)	
51	Support Payment and Invoicing Functionality (Component)	
52	Support invoice receipt number	Payment information will include a unique identifier number that is based on the record number and a suffix.
53	Support invoicing for new, renewal, amendments, or closed records	
54	Support schedule of fees to allow for registration and licensing fees, plus late fees.	Allow for normal fees, and if payment is not received by a certain time period after the payment due date, auto add the late payment fee to the amount due.
55	Support capture of date fields (date received, date posted, effective date, etc.)	

ID No.	Requirement	Comment
56	Support invoicing and payment tracking.	Add method for auditing individual transactions. If bulk payments are received, the transactions should allow all payments deducted from the bulk deposit to be traced.
57	Support payment tracking interface to capture payment of an invoice.	
58	Support payment tracking to record and display payment receipt and invoicing in individual record type.	
59	Support payment tracking to allow multiple check payment, split payment, prorated amounts, and add-on payment.	Provide multiple payment tracking configurations either through drop down or other selection type options.
60	Support payment tracking to provide daily reconciliation and audit report.	
61	Support payment tracking to include data from credit card payments.	
62	Support payment tracking to record EFT/ACH payment transfers; allow EFT/ACH payments to populate individual records and automated payment receipt.	
63	Support refund request capability and track refund to specific record.	
64	Support correction of invoicing and payment tracking information.	
65	Support Web Component Functionality (Component)	
66	Support interface to allow online submission of various types of filings.	Banking - Annual Financial Reports, Oath of Directors, BIDCO Reports, etc. Consumer Finance - Quarterly money service business reports, FINCEN compliance reports, etc. Securities - Exemption Filings, Canadian Broker-Dealer, ANCSA proxy and related filings, No action requests, etc. Administration - Public Records Request, Outreach Request Form
67	Support Payment Invoicing function for payment of filing fees. (see Payment and Invoicing Functionality) *Determine receipt number. Entity number or transaction Id.	Payment information will include a unique identifier number that is based on the record number and a suffix.
68	Support email confirmation for web submitted filings.	Confirmation would be sent to the email address of the contact information of the person that submitted the form.

ID No.	Requirement	Comment
69	Support document upload function to temporary file, with back end function for virus scanning and protection.	Append entity record to add file and web form submittal.
70	Support submission confirmation/challenge code.	In order to defeat spawn filings, use a challenge code or confirmation field. -- Include statutory reference regarding false or misleading information by requiring submitter to type "I agree" in form in order to submit the form.
71	Log IP address of filer.	
72	Support web form for online inquiries. (set a maximum length of input fields)	Inquiries would be separate to public records request, or no-action letters. This would be generic information and the form would have explanation language.
73	Support production of filings to the division webpage. (i.e. Administrative Orders or other public documents)	Allow some records to have published documents. Some records should have the request letter and division correspondence available for public review.
74	Support public access to filings. (web search for registration and licensing information)	Allow public to search filings to determine if they are filed with the division.
75	Support Email Integration Functionality (Component)	
76	Support email server to send and receive email that can be attached to individual records, without upload requirement.	Exchange server to link through Outlook or using an embedded email application.
77	Support email function to include file attachment.	Allow email to be uploaded to a record through a one-click process.
78	Support Search/Query Functionality (Component)	
79	Cross-system search capability for information (CIS, CBPL, others)	Include a unified search screen, which will return search results for each program associated to the search screen. Example: name search and the name are displayed for the CIS and CBPL databases, so the user can see all records related the name.
80	Support Search based on multiple fields.	Allow the user to add multiple fields to refine their search query.
81	Support search using wildcard	Include wildcard "*" and "sounds like", "begins with", or "contains."
82	Support search by date range	Select the date field type. (i.e. open date, date of expiration, etc.)
83	Support auto-fill use case sensitive input	As user types a name, a list of possible names (based on relevance) will appear underneath the field in a drop down box.

ID No.	Requirement	Comment
84	Support search by filters	Allow advanced search capability to pick from available fields. Search filters would allow selection of one or more field values.
85	User selectable display search result fields (allow user to select what fields to display search result information)	Customizable display result screens
86	Support display of search result either on screen or in a extracted shell (i.e. Excel, Word, other)	Allow the user to save the search results for later use.
87	Support Time Management Functionality (Component)	
88	Support time tracking in each record/task.	User will input the time expended completing an activity.
89	Support user profile to include hourly rate.	Fixed rate and allow multiple histories as the rate changes. New entries do not affect previous records. Determine how the record will be calculated based on the date of the record matching the date of the hourly rate.
90	Support billing support based on time units input in record/task.	If billing is based on hours, auto fill the billing amount based on user profile rate.
91	Support time input by multiple users in individual records.	Example: examiner completes examination and enters exam hours and values are entered for each examiner that participated in the exam.
92	Support history display of total time in each record by user name and cumulative time.	Ability to display the total exam hours performed by an examiner over a date range, by institution, or by role.
93	Support User Security/Profile/Tracking Functionality (Component)	
94	Support LDAP user name and password	
95	Support configurable security access	Access level to restrict user to search, view edit, created, delete, manage users, administrator
96	Support audit trail log of user activity (including search, view, create, edit, delete, etc.)	
97	Support user-configured desktop	Allow appearance settings, fonts, colors, screen layout, etc.
98	Support user defined attributes (mailing address, email, phone number)	
99	Support automated notification to assigned user when changes by another user have been made to assigned records.	
100	Support Report Production Functionality (Component)	
101	Support report generator that contains pre-defined queries. (Expiration Report, Renewal Report, Revenue Report, etc.)	

ID No.	Requirement	Comment
102	Support report generator through a configuration interface for pre-defined queries. (allow a user to select criteria from a menu to determine report content.)	
103	Support report generator that allow users to prepare ad-hoc reports	
104	Support report generator to output to a variety of file formats (i.e. PDF, Excel, CSV, etc.)	
105	Support report generator to include customizable report headers	
106	Support report generator that allows users to save ad-hoc designs for repeated use.	
107	Support report generator that allows multiple filters from same data fields.	
108	Support automated report capability. (user can schedule batch reports to print on a schedule, specific day, or other defined trigger.)	Allow report to appear in queue on desktop, which can be open by user with a one-click action.
109	Support administrator/key user ability to configure new reports, or modify existing reports.	
110	Support Imaging and File Attachment Functionality (Component)	
111	Support ability to add digital files to records. (i.e. add Word, Excel, PDF or other files, etc.)	Any type of file can be added to the database. The file will attach to the record and display in the event record it was attached. Example: If a new license is approved, under the license event record, the user can attach the application form. The form will display in the event record listing the licensing review activity completed by the user.
112	Support ability to add digital files with no individual file size limit.	
113	Support ability to version uploaded documents. Allow any edited content to be stored as a separate version, while retaining the original. Ability to write-protect document from editing through file format or password protection.	Requirement is to protect the original content of the file that was uploaded. Allow versioning to include ability to redact content for publication, if necessary.
114	Support ability to add information regarding the digital file. (Provide fields to capture metadata elements.)	Information would include date, received, date uploaded, description, source of document, or other metadata elements.
115	Support field codes and functionality to maintain files according to the Division's Record Retention Policy.	Include field codes for dates the document was entered, retention period, and calculate holding period, which is based on the date the primary record was closed using the end date.

ID No.	Requirement	Comment
116	Support web component for uploading digital files.	Allow files to upload for review and acceptance, when a filing is submitted through web application.
117	Support Peer-Through search capability (from application search screen it can search the individual documents.)	This would function similar to Microsoft File Indexing capability.
118	Support User Help Functionality (Component)	
119	Support roll-over information about the field, tied to a help directory.	When mouse is moved over field allow pop-up balloon description of field to appear. Allow user to configure to turn on or off the balloon help.
120	Support electronic user guide, and one-click help button for each screen.	Use (?) on page to open policy and user guides.
121	Support spell-check and other word processing editor tools.	
122	Support System Interfaces (Component)	
123	Support integrated search results with third-party software (CBPL, CIS, NMLS, CSBS, etc.)	If possible, allow a search function to gather web/application results and display in search screens. Results from each source would be partitioned so a user to could see the results by source.
124	Support import ability to import files from third-party software used by vendors (i.e. Blue Express, NMLS, FINRA, etc.)	Import data files to map file content to fields in a record. Determine source file and field mapping codes.
125	Support download of third-party examination information (NMLS, NEMO, FDIC, NCUA, EDGAR, etc.)	Allow data files from examination software to be stored in system.
126	Support data import of records in common formats (CSV, XML, XLSX, etc.)	Determine how to populate database tables with imported data.
127	Support Remote Access Functionality (Component)	
128	Support for user to log into the system from a remote, or offsite location.	
129	Support ability to use all components from remote or offsite login location.	Integrate with VPN connection.
130	Support Conversion Process (Other)	
131	Support conversion and mapping of existing records into new system	Populate data tables and mapping requirements.
132	Support upload of conversion records from various file formats (i.e. Excel, CSV, Text, XML, SQL, etc.)	
133	Support Administrator Configuration Manager	
134	Support ability for administrator/key user to add new data elements to field that have stored values.	
135	Support ability for administrator/key user to configure system elements, rules, pre-defined report designs, forms, etc.	Add, modify, delete, turn to inactive fields, etc.
136	Support ability for administrator/key user to recover deleted data.	

ID No.	Requirement	Comment
137	Support ability for administrator/key user to run internal security reports.	
138	Support ability for administrator/key user to configure system fields.	
139	Support ability for administrator/key user to write, edit, turn off, or delete logic rules.	
140	Support ability for administrator/key user to configure data mapping elements.	

7 Other Requirements

This section contains requirements that exist outside classification in either the Banking or the Securities processes. For the most part, the scope of these requirements is focused on technical and general environment needs.

7.1 Environment Standards⁶

Presentation (Internal): Stand Alone Client Application or Web Based Application (MSIE 9+)

Presentation (External): Web Application complying with standards published at <http://alaska.gov/LookAndFeel/>

Client Target Resolution: 1024x768

External Interfaces: FINRA, GENESYS, AIRES, EDGAR, CIS, NMLS

7.2 Integration with Existing Systems

Where the system must rely on data from state systems on an ongoing basis the data must be imported into the system via a regularly scheduled process. Data can be provided via CSV, tab delimited, or XML files made available via SFTP or similar encrypted protocols.

⁶ The system should follow current DCCED Development Standards. All technical requirements outlined here should be verified prior to implementation.

8 Conclusions and Recommendations

The following conclusions and recommendations represent the culmination of this analysis and requirements definition project, as revised and amended by the Division. Any solution should consider the following the highest priority, but not lose focus on all the requirements and process outlined above.

8.1 Inquiry and Assignment Management

Overall, the Division has an acute need for an inquiry and assignment management system. The Division has home-grown tools (Excel, Access, Oracle forms) in place to support the need to track and manage this information; however, the tools are disconnected and require unnecessary effort to maintain and report against.

A purchased or internally-developed task assignment and management system with time keeping capabilities would satisfy the internal need to track and catalog a variety of tasks. Combined with a web tool to collect information from the public-domain (inquires, complaints, etc.), this system could cover the vast majority of needs represented at the top of the priority list for the Division. In addition, the Division needs a billing and invoicing function, where the Division can generate billings based on a number of activities and track payments.

On the reporting end, the Division needs to produce reports for tracking of time spent on tasks and assignments (such as inquires and examinations). This need is directly related to budgeting and potential billing of time spent back to the entities. Any task management solution should include fields for tracking time spent against assigned tasks and have the ability to produce the desire aggregate and detail time reports.

8.2 Entity Data Management

The Division needs an entity⁷ contact(s) database under which the assignments, comments, final documents, etc. can be filed.

The entities represent the data object at the heart of the Division. At some level, a simple catalog of these objects and the ability to query them for all related information (exams, documents, registrations, form, applications, etc.) should be created. The intent is to not duplicate already existing data from national databases.

8.3 Document Management

The Division works around a number of digital and hardcopy document artifacts. While some are stored and managed in the national systems (FINRA, EDGAR, GENESYS, NMLS and AIRES), others are kept locally. In some cases, these documents may be called for use in legal proceedings and must support non-repudiation. This being the case, the current approach of storing and managing these documents in the windows file system (server/local) or as part of the Oracle Forms application is not sufficient.

On the relatively simple document management front, the Division should make consistent use of existing Department document management systems such as Stellent (or equivalent) and relate the document identifier back to a "case" such as a specific task or assignment (as mentioned above).

To support the apparent need for storage of official digital documents, the Division should make use of existing functionality in myAlaska (for public signing/storage) and an internal mechanism for digitally signing and storing documents in a way that will support non-repudiation. This may be accomplished with a combination of tools and mechanisms used to digitally certify and authenticate a document's integrity.

⁷ Institutions, Firms, Products and Individuals

8.4 Event Scheduling, Tracking and Notifications

The Division needs an event “tickler” system. The “tickler” system would support scheduling, tracking, reporting and reminders on pending events (e.g., scheduled examinations).

The solution should provide a configurable event management system that supports pre-defined event types, but, allows for the addition of new event types in the future.

Some types of events that are common to all sections include—

- Reviews
- Renewals
- Bond Coverage
- Examination and exam follow-up actions.
- Outreach and education
- Regulatory Reports

The solution needs to support creating new scheduled event instances as well as support for tracking and managing those events. It should support automated reminders of pending events to specific users or user roles.

The Division has a critical need for scheduling and reminders that support its examination responsibility. Only the Banking section currently has support for reminders with the Oracle Forms application, which is insufficient for the needs and still requires a significant amount of external monitoring.

The Division has a need for scheduling and tracking activities that are related to examination results—required follow-up actions, results, etc. This includes storing of examination results, and scheduling, tracking and management of required follow-up actions.

A new system should also be capable of cataloging, tracking and managing the various reporting requirements for entities.

Ideally, a new system would provide integration with the current Exchange calendar to allow the Division’s examination schedule or other time-sensitive events to be added and configured to remind users of upcoming events.

8.5 Support for the Manual Review Process

The Division needs a system to support its manual review processes. While this could be somewhat supported by a simple case management system (as mentioned above in the “Assignment Management” section) a new application could be developed one step further to provide support for the workflow around manual reviews. This could be implemented to include a simple state model thus providing a fairly strict process flow for users engaged in the receipt, review and conclusion of manual reviews.

8.6 Web Tools for the Public

The Division interacts with public entities on a very regular basis. Bits and pieces of public functionality are included in the above sections/requirements, but there exists an overall need in all sections to provide tools for the public to submit and query information/documents in a future database and document management system. Any system developed to provide management to internal users should remain open to the collection of data and documents from external (public) users.

8.7 Integration with other Systems

The Division is currently supported by a number of mature external tools that staff examiners are required to use. Among these are FINRA, EDGAR, NEMO, GENESYS, AIRES, NMLS. In general, any new system should not endeavor to replace functionality that already exists in these applications. Instead, the new solution should augment functionality that is provided by these existing systems and avoid duplication of data or functionality as much as possible. This focus on functionality that is not provided by the current systems is indicated in the requirements and narrative above.

Where applicable, a new system should provide links to these other systems to avoid issues associated with duplication of data.

The solution should also be capable of integration with key State of Alaska infrastructure services such as Exchange email and myAlaska.

8.8 Data Migration

The Banking unit appears to have a more distinct potential need for data migration, almost entirely focused on the existing Oracle Forms application. This application contains quite a bit of data related to institutions, assignments, correspondence and time tracking. Any new system put in place should analyze the existing data for its applicability in the new structure and either execute a data migration plan or transcribe data in small batches as-needed⁸.

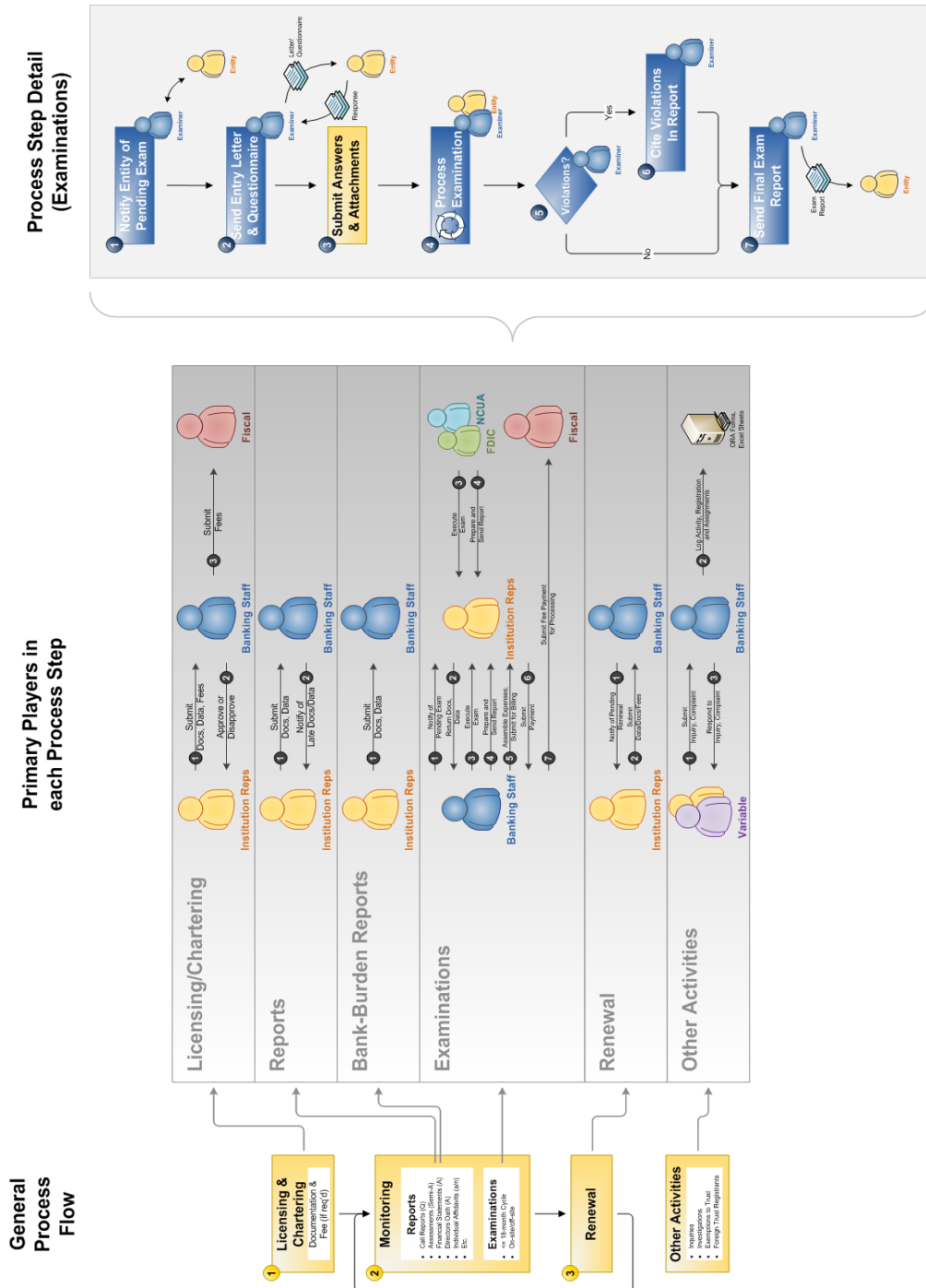
The Securities unit has a number of data support tools in place for their workflows, but most are in the form of Excel spreadsheets. These sheets should be used to help assemble the base domain data (products, firms and individuals) for any new system. In addition, a wealth of domain data is available in the external products (such as FINRA). Where available, these systems should be used to either populate the domain tables in any new system, or if available, be used in a service-based architecture and simply called when information about an entity is needed.

8.9 GL Suite

The Division utilizes a customizable off-the-shelf software application to manage its investigation. The software is a joint project with the Division of Corporations, Business and Professional Licensing. The software company is GL Solution and its product is called GL Suites. GL Solutions offers a number of application suites that appear to possess much of the common functionality needed by Division. As part of the process to implement the EARL software, it is recommended the features included in the various GLS Solutions products be evaluated to determine if they may be leveraged. GL Solutions may provide custom built functionality to integrate with other solutions, if needed. Please refer to Appendix IV for further information regarding GL Solutions.

⁸ The small number of some base domain institution records (such as banks/credit unions) will likely make it simpler and faster to simply enter this data from scratch during roll-out rather than migrate. But that decision should be made further into the implementation process.

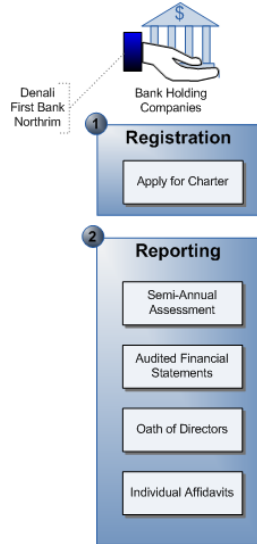
9 Appendix I: Banking Process (Step-by-Step) Summary Diagram



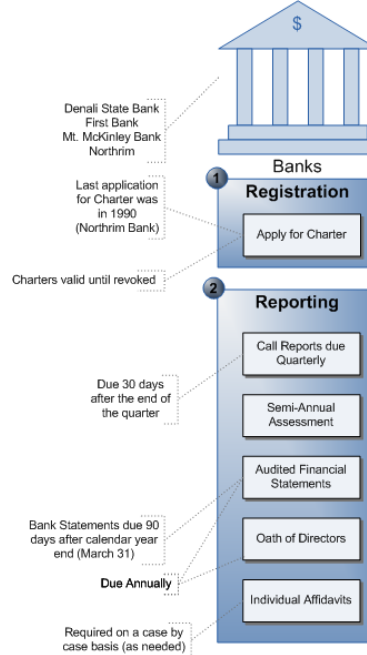
10 Appendix II: Banking Entity Process Summary Diagrams

Relative volume of work is represented by institution icon size.

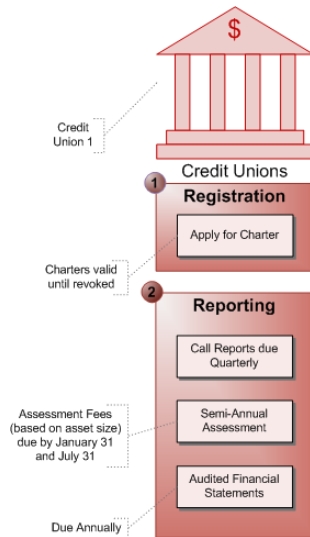
10.1 Bank Holding Companies



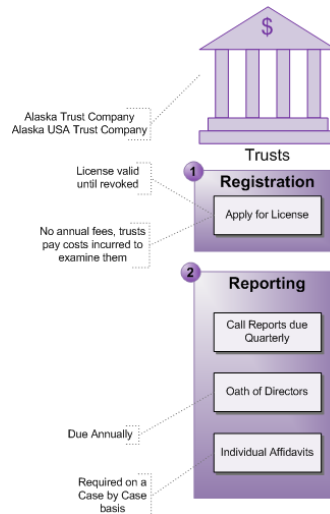
10.2 Banks



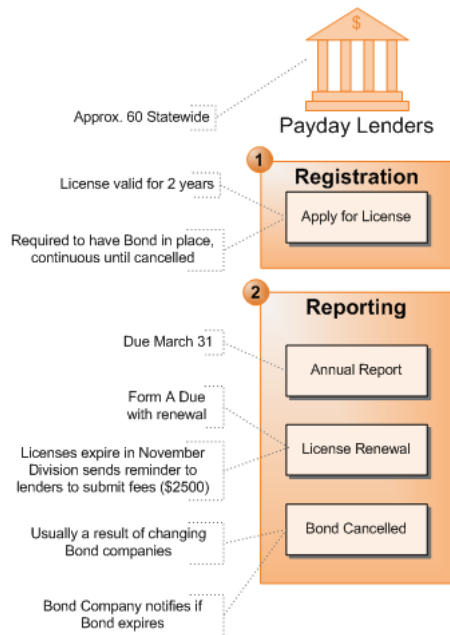
10.3 Credit Unions



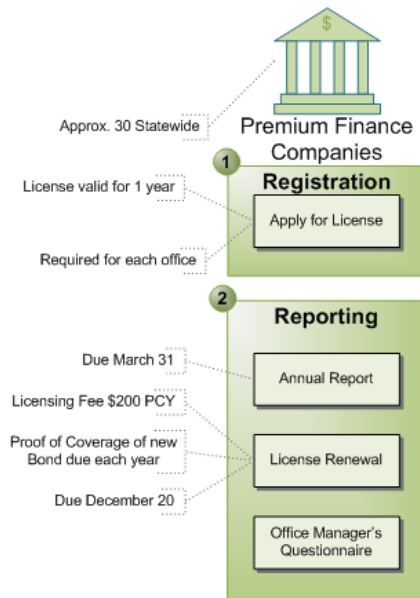
10.4 Trusts



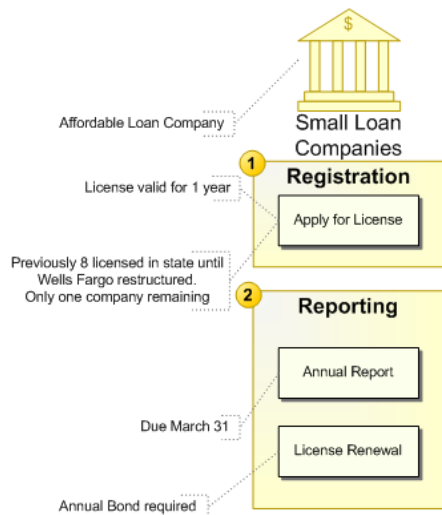
10.5 Payday Lenders



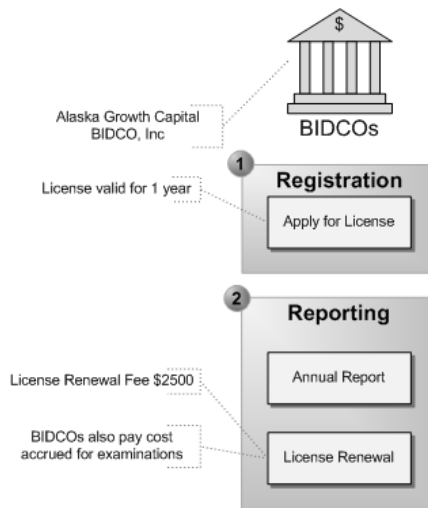
10.6 Premium Finance Companies



10.7 Small Loan Companies



10.8 BIDCO's



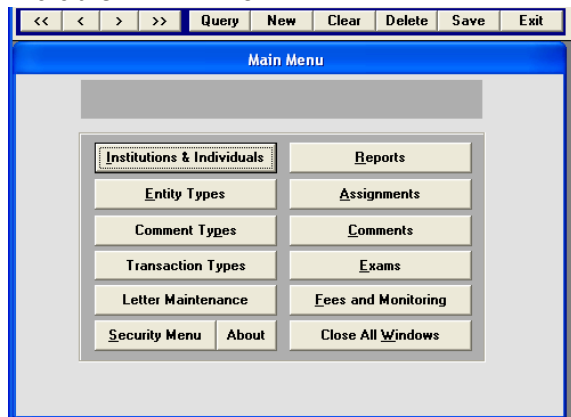
11 Appendix III: Reference Material (as available)

The complete set of user documentation can be obtained from the State of Alaska Department of Commerce and Economic Development Securities Section—contact Katrina Mitchell 907-465-2570.

11.1 Oracle Forms: Main Menu User Guide

Once you have logged into the Oracle banking database, this is the first screen you will see.

This is the MAIN MENU:



INSTITUTIONS & INDIVIDUALS: This is where you can find detailed information about any institution the banking section regulates. In addition, all assignments and work in progress is logged here.

ABOUT: This button tells who designed the database and when.

REPORTS: This button will bring you to the reports menu, where you can pull various reports.

SECURITY MENU: Clicking this button prompts you to enter your password. You may not continue your use of oracle until you enter your password. This option should be used when you step away from your desk to prevent unauthorized persons from viewing the confidential information contained in the database.

ASSIGNMENTS: This button is for conducting queries of the entire database. **No data may be entered here.**

COMMENTS: This button is for conducting queries of the entire database. **No data may be entered here.**

EXAM: This button is for conducting queries of the entire database. **No data may be entered here.**

FEES AND MONITORING: This button is for conducting queries (searches) only. **No data may be entered here.**

CLOSE ALL WINDOWS: This button allows you, no matter how deep you are into the database; to close all the windows you currently have open.

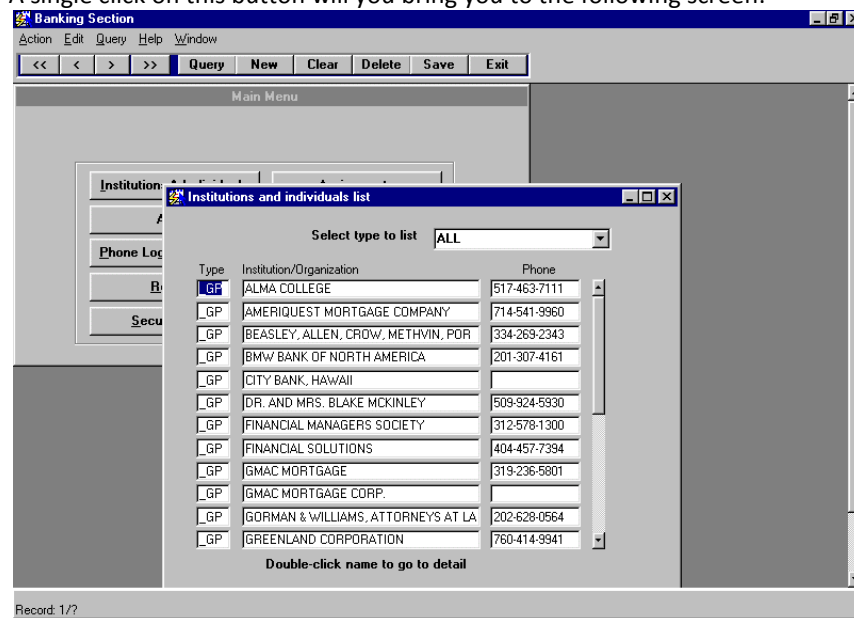
11.2 Oracle Forms: How to Enter and Manage Assignments

Typically, Terry L. will set up an assignment, assign it to an examiner, and then notify that examiner to work the assignment.

All assignments are set up at the INSTITUTIONS & INDIVIDUALS BUTTON, WHICH IS FOUND ON THE MAIN MENU:



A single click on this button will you bring you to the following screen:

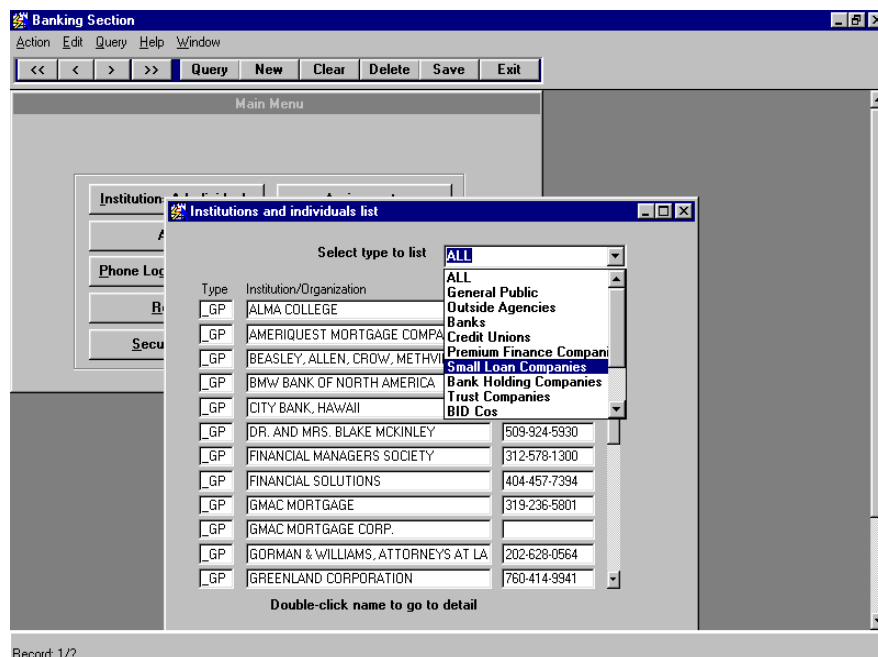


Click on the arrow to scroll through the various "types" of institutions, i.e. banks, credit unions, small loan companies, etc.

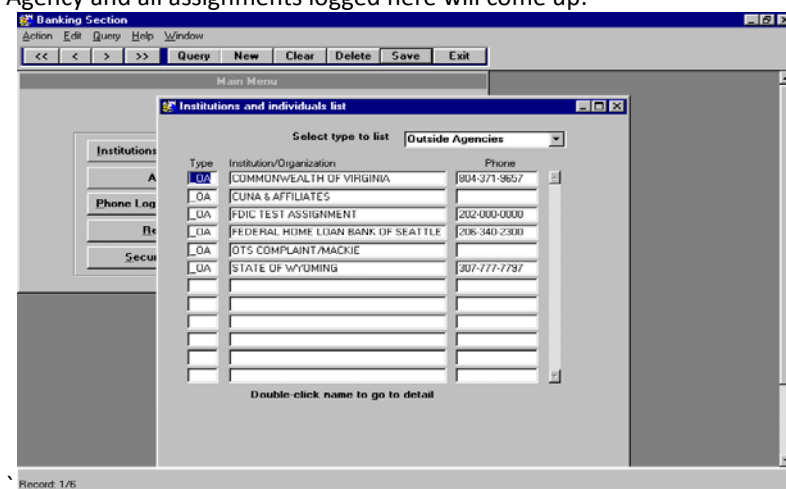
An assignment related to an institution we supervise will be set up in that Institution's record. An assignment not related to any institutions we supervise will either be set up under _GP (General Public) or _OA (Outside Agency).

Outside Agency is defined as any regulatory authority (i.e. FDIC, NCUA, and State of Texas)

General Public is defined as anything that doesn't fit into any other category (i.e. letters from mortgage brokers, attorneys, etc.).



When Terry L. notifies you of an assignment, he'll tell you where it is. Let's use the **FDIC Test Assignment** for an example. It is set up as type **_OA** because the FDIC is a regulatory agency. Click once on the type **_OA** Outside Agency and all assignments logged here will come up:



Note the instructions at the bottom of the screen. Double click on the words **FDIC TEST ASSIGNMENT**, and you will see the following screen:

Banking Section

Action Edit Query Help Window

<< < > >> Query New Clear Delete Save Exit

Main Menu

Institution Detail

Officers Locations Assignments Show Service of Process
Subsidiaries Exams Comments Monitoring and Fees

Entity: **FDIC TEST ASSIGNMENT** 126 Type: **OA**

Name: **MR. BIG SHOT** Phone: **202-000-0000**
Title: Fax: **202-111-1111**
PO Box: Toll-free: **800-000-0000**

Address: **BIG BRICK OFFICE BUILDING**
City/State/Zip: **WASHINGTON DC 99999 -9999** License/charter number:
Email: **bigshot@fdic.gov** Audited Financial Statements Date:
Web: **www.bigshot.com**

Contact Name: **MR. BIG SHOT**

Record: 1/1

Now, click on the **ASSIGNMENTS** TAB. This will bring you to a list of assignments associated with this entity:

Banking Section

Action Edit Query Help Window

<< < > >> Query New Clear Delete Save Exit

Main Menu

Institution Detail

Officers Locations Assignments Show Service of Process
Subsidiaries Exams Comments Monitoring and Fees

Correspondence, projects, other assignments

Double-click assignment name to go to detail

Name	Type	Beginning date	Name of assignment/activity
RESPONDENCE		05-30-2000	FDIC REQUEST FOR LIST OF AK BANKS
Assigned to	KMITCHELL	Copy	Contact MR. BIG SHOT
Assigned to		Copy	Contact
Assigned to		Copy	Contact
Assigned to		Copy	Contact
Assigned to		Copy	Contact
Assigned to		Copy	Contact

Record: 1/1 List of Values

There is only one assignment listed here. It is a request for a list of AK banks, and it was assigned to KMITCHELL. Double click in the **Name of assignment/activity** field. Note the instructions on the screen. You will see the following screen:

Banking Section

Action Edit Query Help Window

<< < > >> Query New Clear Delete Save Exit

Main Menu

Assignments Detail

Assignment detail

Type: CORRESPONDENCE Assignment: FDIC REQUEST FOR LIST OF AK BANKS

Beginning Date: 05-30-2000 Assigned to: KMITCHELL Last Action Date: 05-31-2000 Date Completed: 05-31-2000

Contact: MR. BIG SHOT Phone: 202-000-0000

PO Box: Fax: 202-111-1111

Address: BIG BRICK OFFICE BUILDING Copy Contact Details

City/State/Zip: WASHINGTON DC 09999-9999

Email: bigshot@fdic.gov Related Comments

Record: 1/1 List of Values

Now click on the **Related Comments** button. This will bring you to the individual actions (called comments) that were taken to complete this assignment.

Banking Section

Action Edit Query Help Window

<< < > >> Query New Clear Delete Save Exit

Main Menu

Assignments Detail

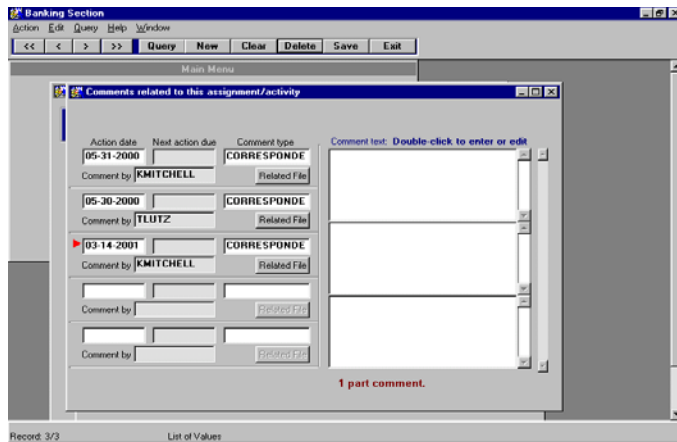
Comments related to this assignment/activity

Action date	Next action due	Comment type	Comment text
05-31-2000		CORRESPONDENCE	RESPONDED TO A LETTER FROM THE FDIC REQUESTING A LIST OF ALL BANKS HEADQUARTERED IN ALASKA. IN ADDITION, I GAVE THEM THE WEBSITE TO OUR HOME PAGE SO THAT THEY
05-30-2000		CORRESPONDENCE	

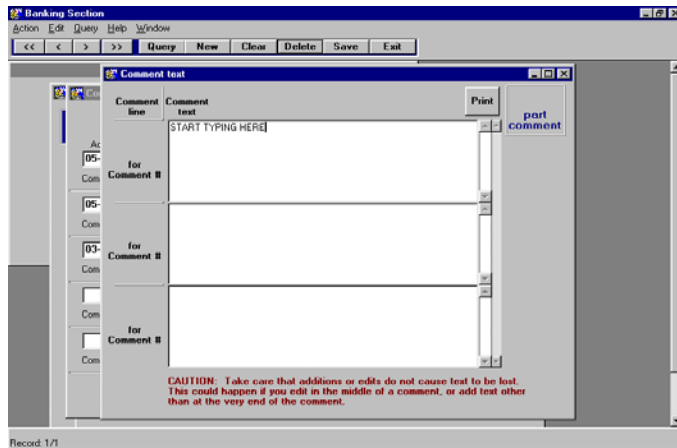
Record: 1/2

To log an action you have taken on an assignment:

1. Put your cursor in the **Action Date** field and type in the appropriate date - enter it like this: 031401, no dashes are needed, the date will be formatted for you.
2. Tab to the **Next Action Due** field, this is an optional field. If, for example, you expect a response in 30 days, and don't want to forget to follow up in 30 days to see if you have rec'd it, input a date here and it will show up on a report (more on that later).
3. Tab to the **Comment type** field and hit your F9 key. Scroll through your choices on the pull down screen, highlight the one you want and click **ok**.
4. Tab to the **Comment by** field. Oracle automatically fills in the users name here. If you would like to change the name, hit your F9 key and choose another name.
5. Now it's time to type your comment, you should have a screen that look's something like this:



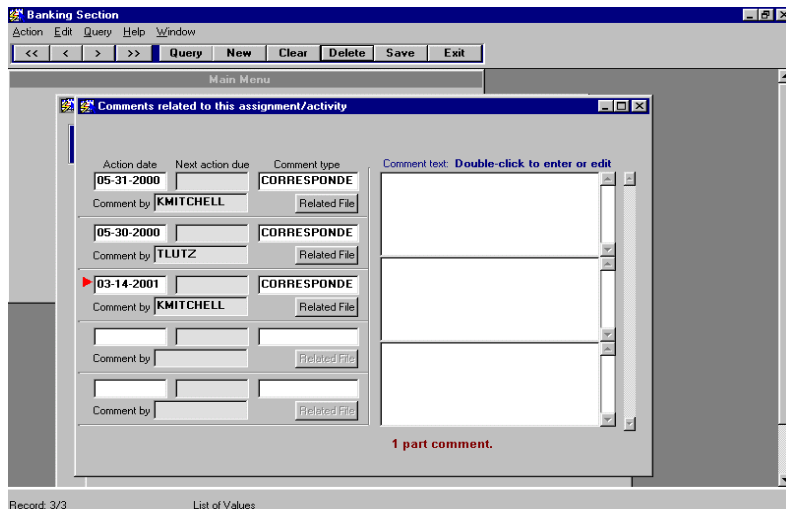
The three blank boxes to the right are where you will type your comments. In order to start typing, double click anywhere in the white boxes. Note the instructions on the screen. Once you double click, your screen will look like this:



You can type 1000 characters in each box. When you hit the thousandth character you won't be able to type anymore and you will have to click into the next box to start typing again. When you are done typing your comment, hit the **Save** button at the very top. If you forget to save, it should be ok. Oracle should prompt you to save your changes before you exit the program.

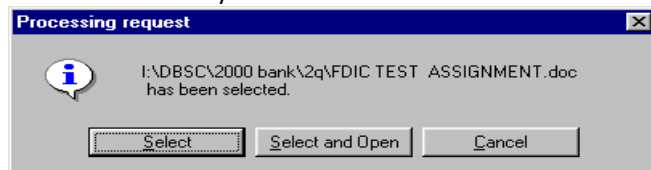
Now close the Comment text screen by clicking on the 'x' in the upper right corner. This will bring you back to the previous screen. You will not be able to see the comment you just typed unless you **double click** on the **Query** button at the very top of the screen.

We have the ability to link a Word document (.doc), an Excel spreadsheet (.xls), or a Binder document (.obd) to any comment. To do this, click on the **Related File** button.



This will allow you to browse through the I/J drive and select a file to associate with your comment. Once you find the document/spreadsheet, double click on it:

You will be asked if you want to select this file:

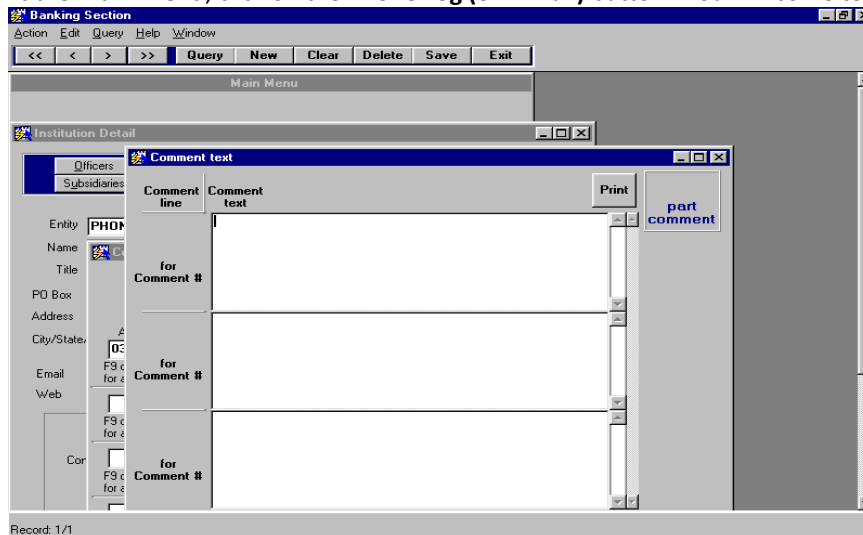


Click on an answer.

Close out of all the windows you have opened by either closing each window individually (double click on 'x' in the upper right hand corner of each window), or click on the **Main Menu** (you can always see it in the background - you may need to use your scroll bar) and choose **Close All Windows** button - this will close all windows and bring you back to the main menu.

11.3 Oracle Forms: How to Log a Phone Call or E-mail

At the **Main Menu**, click on the **Phone Log (or E-Mail)** button. You will come to a screen that looks like this:



You can type 1000 characters in each white box. When you reach the 1000th character you will not be able to type anymore and you will need to click into the next white box to continue typing. When you are done typing, click the **Save** button at the very top of the screen. Then close the Comment text window by clicking on the "x" in the upper right hand corner.

11.4 Oracle Forms: How to Perform a Query

1. How to query for a specific violation

Choose the **Comments** button from the main menu. You will see this screen:

Record: 1/7

Double click anywhere in the white box area to the right; notice the instructions on the screen.

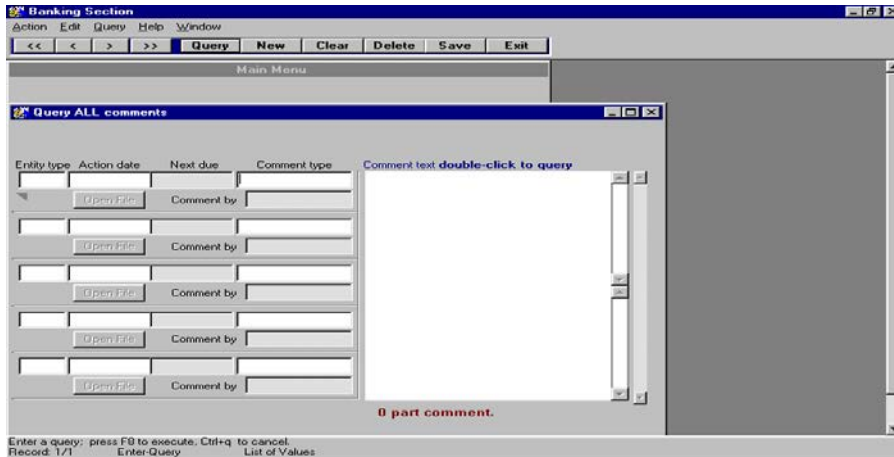
You will get a blank white area. Type in the specific information you are looking for surrounded by percent signs, your screen should look like this:

Enter a query: press F8 to execute, Ctrl+q to cancel.
Record: 1/1

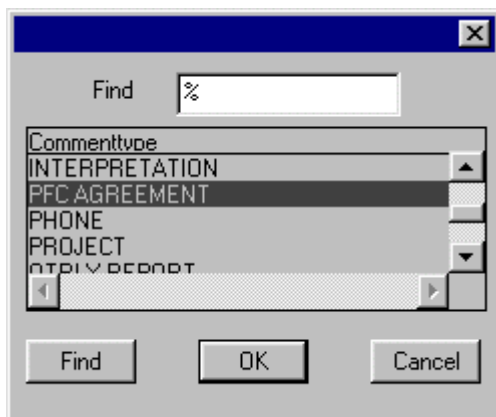
Now click on the query button at the very top of the screen. The query results will show up as text in the “Comment text” boxes. You will have to scroll down in each comment to read the entire text, or you can use the Print button to print out each comment.

2. How to query in other fields.

You may query in most other fields as well. From the main menu, chose **Comments** button. Next, click the **Query** button at the very top of the screen **once**. All fields will go blank:



Place your cursor in the field you would like to search. In this example we will search by comment **type**, so place your cursor in the **type** field and then hit F9 to get the pull down list of choices. Scroll down and choose **PFC Agreement** and click **OK**:



The comment type field will automatically fill with PFC Agreement. Now click the **Query** button **again** at the top of the screen, and you will get the results of your query:

The results show all premium finance agreements that have been approved and are on file with the Division.

12 Appendix IV: GL Solutions

GL Solutions provides a full featured suite of products for any company or agency with regulatory and/or licensing/permitting needs. The product line is geared towards a diverse list of company/agencies including, but limited to, government, gambling, medical, real estate, and construction.

GL Solutions offers Regulatory Software, Enforcement/Case Management, Paperless Office, Inspections and services such as Expert Licensing Advice, Renewal Processing, and Online Services for users.

On the surface, GL Solutions appears to possess functionality identified within the “Conclusions and Recommendations” section of this document or in the “Itemized Requirements”.

12.1 GL Solutions Core Functionality

The following list core functionality in GL Suite may be of interest

- Licensing – exams, exam fees, exam letters, education hours, regulation
- Entity Management –names/addresses
- Payments & Invoices – reports, collection letters
- Inspections – scheduling, fees, portable devices, reporting, workflow
- Enforcement/Case Management – penalties, complaints, reporting, case workflow, compliance
- Paperless Office - document management, scanning, OCR, association to records, integrates with other document imaging systems.
- Correspondence – merge letters, follow up letters, fax, email
- Appointments – scheduling of people or resources, appointment history
- Tasks – single/multiple assignments, requirements tracking for licensing and compliance, tracks to-do lists, productivity stats
- Associations – definable relationships, relationship information, reporting based on relationship

12.2 Technology

GL Solutions is a Microsoft Certified Partner and its current products utilize .Net 3.0 and SQLServer 2008.

Further information may be found online at: <http://www.glsolutions.com>

13 Appendix V: National Mortgage Licensing System

13.1 About NMLS

NMLS streamlines the licensing process for both regulatory agencies and the mortgage industry by providing a centralized and standardized system for mortgage licensing. The NMLS initiative was begun by state mortgage regulators in 2004 in response to the increased volume and variety of residential mortgage originators and the need to address these changes with modern tools and authorities. NMLS is the official and sole system for companies and individuals seeking to apply for, amend, renew and surrender licenses managed in the NMLS on behalf of the jurisdiction's governmental agencies. NMLS itself does not grant or deny license authority.

NMLS is used by Mortgage Broker/Lenders and Mortgage Loan Originators for license application, and required forms and documentation. The Consumer Finance Section reviews and processes entities using NMLS. Other states will be using the NMLS for licensing Money Service Businesses, either on a mandatory or volunteer basis. Alaska is considering allowing MSBs to use the NMLS on a voluntary basis.

13.2 Additional Information

Further information regarding NMLS may be found at:

<http://mortgage.nationwidelicensingsystem.org/Pages/default.aspx>

NMLS Quick Guides for companies and individuals may be found at:

<http://mortgage.nationwidelicensingsystem.org/licensees/resources/Pages/QuickGuides.aspx>

SUPPLEMENT 2

Supplement 2 is a list of typical reports used by the Division when it processes and completes various workflows.

Report Title	Description
Pending records	A report that list the number of applications for licensure or registration that have not been approved; it should list the number days since it was received,
Invoicing Report	A report that provides a list all invoices issued during a specified period of time.
Expiration Report	A list of licenses or registrations that are set to expire within 60 days of the date of the report.
Enforcement Report	A list of all cases during a selected date range, providing details of outcomes.
Revenue Report	A list of revenue collected for each license type.
Examination Calendar Report	A list of when licensees' exams are due.
Exam Results Report	Include exam hours for each examiner, travel cost, BSA violations, other violations, invoice for licensee, unresolved violations, report turn-around time.
Unpaid Invoices	Report showing past due accounts over 30 days.
Public Record Request	Who requested what type of documents, request denied or provided.
Emails of licensee	A report of licensee's email addresses for use in mass mailings.
Bond expiration	A report to see whose bond is due to expire, or those that have expired.
Management Chart	List of managers of licensee to compare with the organizational chart.
Complaints Filed	List of complaints per license type.
Enforcement Actions	Report of type of action and \$ of fine.
License surrenders , denials, revocations,	List by license type.
Active licensees	Statistical report listing the total number per license type.
Number of branches registered	Statistical report listing the total number per license type.
Cost of training examiners	Price for examiner's training per license type.
In-state vs. out-of state licensee	List of in-state vs. out-of -state licensees per license type.
Tickler Report	<p>A method to track items due/assignments to ensure they are completed on time and do not become stale.</p> <p>Examples: licensee annual reports are due each March, proof of bond coverage is due each Nov, fees are due each Dec, and call reports are due quarterly/exam response due in 30 days.</p>
Revenue Report	A method to extract revenue received by date/amount/licensee/description and the ability to differentiate costs that are reimbursed by licensee.
Examination Due Report	Ability to sort by next exam due date based on statutory requirement/past due exams/last exam due/prior EIC/lead regulatory agency.
Budget Report	Ability to determine workload/fees/man-hours/etc. – all relevant items necessary for providing OMB w/requested budget items on a fiscal year basis.
Travel Report	Ability to monitor travel costs associated with examination travel: sort by examiner name/travel location/hourly rate/hard travel costs/ability to aggregate total costs where licensee is reimbursing costs as required by statute.