

RynohLive[®] An Executive Summary

What is RynohLive?

RynohLive is a patented financial management system provided by Segin Systems, LLC currently optimized for real estate settlement with strategic plans to penetrate new verticals, such as accounting and legal, in 2018. Today, RynohLive monitors more than 20% of all residential real estate transactions.

- i. ISO 27001 Certified: Segin's information security management system (ISMS) was certified compliant with all 114 ISO 27001 requirements by Aprio, an external independent certification authority.
- ii. [TRUSTe Certified Privacy](#) which discloses how we protect our customers' privacy.
- iii. [SOC-2 Security Report](#) Our servers are housed in an SSAE-16 SOC-2 certified datacenter, and are mirrored and balanced to ensure uninterrupted availability. SOC 2 details are available at rynoh.com/softlayer-soc-2-request/.
- iv. [Inc. 5000 List of America's Fastest-Growing Private Companies](#) – three consecutive years (2015 / #1022, 2016 / #655, 2017 #1182)

When did RynohLive begin?

Founded in 2007 by Richard (Dick) M. Reass to fulfill a need based on experience of financial loss. Mr. Reass' title agency was hit with a delinquent IRS payoff that cost about \$25,000 in fees. He realized antiquated, manual monthly reconciliations were insufficient, thus RynohLive was born to provide the oversight necessary to prevent this from happening again.

Why is RynohLive relevant?

Excerpts from 2017 AFP Payments Fraud and Control Survey¹

Underwritten by J.P.Morgan

- 74% of organizations were victims of payments fraud in 2016.
- Protecting themselves from payments fraud can be very difficult for organizations. Certainly there are a number of products in the market that can help fight fraud on some level. However, criminals are relentless and are constantly discovering new ways to infiltrate organizations; most companies simply do not have the resources to adequately protect themselves.
- Checks continue to be the payment method most frequently targeted by those committing or attempting to commit fraud. Seventy-five percent of organizations that were victims of fraud attempts/attacks in 2016 experienced check fraud.
- Positive pay continues to be the method most often used by organizations to guard against check fraud, used by 74 percent of organizations. Other methods include:
 - Segregation of accounts (cited by 69 percent of respondents)

- Daily reconciliations and other internal processes (64 percent)
- Payee positive pay (41 percent).
- In 2016, wire transfers were the second most-often targeted payment method attacked by fraudsters. Forty-six percent of corporate practitioners whose organizations had experienced attempted or actual payments fraud report that such attacks were via wire transfers.

Finance professionals are eager to mitigate the instances of check fraud and are cognizant of the fact that certain security features are more effective in preventing it.

How does RynohLive prevent fraud?

RynohPay

Automates the submission of issue items to your bank's Positive Pay system. Positive Pay eliminates check fraud and ensures that only checks that you have issued are processed for payment by your bank.

RynohLive Morning Report

Is the key management report that must be reviewed every day to protect the agency. Utilizing the RynohTrax and RynohRecon functionality, the Morning Report reports fraud, embezzlement, bank errors, and employee errors long with any and all credit/debit anomalies.

Our Reconciliation Wizard allows you to quickly and easily automate your reconciliation process from bank to book and all the way down to the trial, and also helps to prevent fraud and embezzlement since there will be a daily 3-way reconciliation taking place each day.

RynohSecure

A composite "Audit/Analysis" summary provides daily snapshot of the integrity of escrow operations, along with the advanced alerting functions that provide management oversight of all escrow accounts.

Who does RynohLive protect?

More than 2,000 settlement agents use RynohLive to protect their clients and their business.

RynohLive Saves an Agent from Cyber Fraud

One of Rynoh's clients unknowingly had a Zeusbot malware virus infect a computer in their office. This virus infiltrated their settlement software, created a fake file, fake disbursements and wired out funds. This created a \$340k trial balance shortage that Positive Pay didn't catch since there was what looked like a real file, although fictitious, in the software. With only Positive Pay, the fraudulent checks would have cleared as these checks would have been in their Positive Pay batch sent to the bank that afternoon. It was the RynohLive Morning Report the next morning that showed the file shortage which alerted our client who was then able to stop payment in time to save this agency millions of dollars. When the Underwriter and FBI came in to investigate, they found that the hackers used the \$340k file as a test. The plan was to sweep the remaining \$3.8 million in escrow the following day.

More Rynoh Tales:

1. The real estate division of our law firm agreed to beta test Rynoh. Upon installation, we were immediately alerted to account irregularities. Our investigation began and regrettably, we found our Escrow Clerk had been embezzling funds for several months. Rynoh identified an account irregularity of \$153,000.00. Unfortunately, the clerk never returned to work and could not be located at her home.
2. Prior to Rynoh, our law firm handled a commercial closing with a \$10,000,000.00 pay out. The wire was initiated but never approved. The next day the pending wire did not show in the bank system, but our Escrow software showed the wire as sent. Several weeks passed with the \$10,000,000 undisbursed. By this time, the accrued interest was in excess of \$40,000. If we would have installed Rynoh a few weeks sooner, this problem would have been identified immediately on the Morning Report.
3. We mistakenly wired \$750,000 into the wrong account. The Rynoh Morning Report alerted us that the bank had received \$750,000 and the file could not be identified. The next alert said, 'there should be \$750,000 in account X but it is not there.' What a simple fix -transfer funds from one account to the other. Rynoh caught the mistake before we were faced with bounced checks.
4. In March of 2013 our company became the victim of a sophisticated check fraud operation spanning multiple states throughout the United States. Counterfeit checks drawn on our account were passed to individuals selling vehicles through Craig's List. The attack began swiftly and aggressively in a matter of hours giving us little time to discover and protect ourselves. We were not yet Rynoh customers. I was skeptical as to whether the Rynoh system would really work and could not fathom the possibility of being reconciled daily. However, within hours of frantically contacting Rynoh they began implementing their system. Because of Rynoh, our company survived the attack with no loss of funds in spite of thousands of dollars of fraudulent checks attempted. I now consider Rynoh vital to our continued operation.
5. Rynoh has caught numerous fraudulent checks drawn against our escrow account. A scheme was launched in the Chicago market and Rynoh caught over 20 checks totaling over \$40,000!

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1. <https://commercial.jpmporganchase.com/jpmpdf/1320732417358.pdf>