

## States, Industry in Oversight Flap

By Jean Eaglesham

States are getting ready to take over the regulation of thousands of investment advisers from federal agencies this summer in an effort to intensify scrutiny of the firms. But that oversight has costs that some cash-strapped states can't easily afford.

Securities regulators in states that will pick up the lion's share of the extra workload are battling to get funding for extra staff from local lawmakers who already are struggling with ballooning deficits.

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## Benefits of Data Storage in the Cloud

By Chas Arnold, DynaSis

The importance of data backup is clear, but what about the appropriate solution for data storage? Some still rely on hard drives and external storage options, and others may stick with deleting outdated information to create free space, but many have discovered the benefits of the cloud.

### Accessibility

Since the cloud utilizes the Internet to drive the sharing of information, accessing your data is as easy as logging on from wherever you are. Most cloud data storage services offer an online Web interface to access your company data, and since it is accessed from a Web browser, you can use any device or platform. Even though your information is stored somewhere else, you can still get it quickly and easily when you need it.

### Redundancy

Cloud storage providers keep a backup of your work should anything happen to it ...

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### Caveat Emptor

When buying or investing, the lesson is a simple and historic one: let the buyer beware! This age old warning is one that we have all learned in one way or another, and most often the hard way. As we at Treetop work on prospective investments

and with startup companies, we are seeing too many companies ignoring the 'buyer beware' warning. Therefore, an old adage comes to mind. Reward is always relative to risk; if it looks too good to be true, it probably is. Be wary of any assumptions that are overly optimistic. Adjust for them in your analysis.

The avoidance of risk is not a simple process, yet it can be properly managed if you approach it the right way. The surest way to avoid many of the risks involved with investment prospects is to "lawyer up". We know that lawyers are one of those things that people would rather go to the dentist than deal with whether it is due to cost or possibly delays or whatever. However, we like to remind clients of what Abraham Lincoln once said. "He who represents himself has a fool for a client."

In addition to using an attorney to ensure adequate legal due diligence and compliance, Treetop also suggests that when considering buying, selling, or investing in a business, you remember that in any purchase/sale, there is always 'asymmetrical information' present. What is asymmetrical information? It is when one party in a transaction has more or superior information compared to another. The other side

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## Caveat Emptor continued

has this knowledge and your job is to find it via due diligence. Don't assume they will just volunteer it. Be doggedly determined about getting it and don't quit until you have it.

It is also important to always be aware of the motives from both sides; you should know what the motivation is behind the purchase/sale? Sometimes, just knowing the motivations of the other party will help you immensely with your strategy.

Sometimes a seller who desperately needs the cash might be willing to give up other items that are typically part of transactions. Also, worthwhile to always think through the following:

1. **Fiduciary responsibility** – Unless you are the only shareholder, it is always wise to get your legal counsel to brief you on your fiduciary duties.
2. **ZeroSumGame** - If you feel you are winning, who is losing? Are you sure? The best deals are ones where both sides feel they won.
3. **K.I.S.S.** - Can I make this any simpler and still accomplish my fiduciary responsibilities? Simplicity is always worth striving for; it doesn't mean taking shortcuts or not doing your due diligence; it just means 'simpler'. For example, it is simpler to get a representation from a seller that all taxes were filed rather than having to review and validate all of the tax filings.

Finally, when we asked an experienced local CEO what he felt was a key in getting a deal done, he replied ... "run the lawyers out of time." Upon further investigation, it was clear that he didn't mean to take shortcuts or skip steps. He just meant that one you get 99% of what is needed, you need to move to seal the deal. Apologies in advance to our legal friends; however, this is a key to getting a deal done as a 'document' is never final in the eyes of any lawyer unless they feel they got the last word on the issue. This is clearly a game of tag in their mind and they want the last word. Exercise patience ... but run them out of time.

There is a point where you have to be ready to proceed with some risk, but at least by following some of these steps you can be well prepared and acquainted with those risks and know what you are taking on.

Remember if you need help with this, Treetop is here and we are happy to help you navigate this process.

## Small Business Jobs Act of 2010

sba.gov

On Sept. 27, 2010, President Obama signed into law the Small Business Jobs Act, the most significant piece of small business legislation in over a decade. The new law is providing critical resources to help small businesses continue to drive economic recovery and create jobs.

► [Click here to read the full article.](#)

## Thinking like a startup

The San Jose Mercury News

SAN JOSE, Calif. — As 2010 draws to a close, much of the tech world is struggling to regain its footing after a difficult recession. Then there's Apple.

Never before has this venerable company, which at age 34 is a grizzled veteran by Silicon Valley standards, stood so firmly atop the high tech industry.

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## Partner's In The News - FTNI

### Mutual of Omaha set to achieve PCI compliance goals

In 2009, Mutual of Omaha recognized that it had not yet fully satisfied its obligations under the Payment Card Industry's Data Security Standards. In early 2010, they initiated an RFP process to a variety of electronic payment firms, in order to address those needs. In March, FTNI was notified that they were chosen as the preferred partner to address Mutual of Omaha's PCI compliance issues.

Through a series of design meetings, FTNI worked closely with large cast of Mutual of Omaha staff, focused on several payment channels that offer credit cards as a form of payment for insurance applicants. These payment channels include web-based payments, payments over the phone and payments from third party marketing organizations working on behalf of Mutual of Omaha. As much of the work in delivering the solution involved changes to a variety of Mutual of Omaha legacy systems, FTNI was able to completely avoid being on the critical path of the implementation.

Mutual of Omaha took the first phase of their new PCI compliant solution into production in early December of 2010, without issue. The final phase of the project will complete in January 2011.

The Mutual of Omaha staff has been complimentary of both the project consulting as well as the solution delivery by FTNI staff. With a history of "building" rather than "buying" technology, this project has caused many within Mutual of Omaha, to reevaluate that thinking.

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