

**For Immediate Release**

Contact Info:  
Jim Hughes  
For NES Financial  
323-397-7077  
jim@jim-hughes.net

## **NES Financial (NESF) Successfully Completes Fifth Consecutive Annual SAS 70 Type II Audit**

- *Nationwide Exchange Services Division is the only 1031 QI to Pass the Five Year Mark for SAS 70 Type II Audits*
- *NESF has Defined the Most Extensive and Robust Audit Environment in the 1031 Industry*
- *Achievement Raises the Bar in the 1031 Marketplace for More Transparency and Security*

**San Jose, CA** – June 30, 2010 – NES Financial (NESF), a leading financial services provider for the banking industry and Fortune 500 companies, announced that Nationwide Exchange Services (NES), the company's 1031 division, has successfully completed its fifth consecutive SAS 70 Type II audit. The company has obtained an unqualified opinion for the third-party service provider Type II audit based on Statement on Auditing Standards No. 70 (SAS 70).

NES, the nation's [leading provider](#) of Internal Revenue Code Section 1031 Like-Kind Exchange services, is the only Qualified Intermediary (QI) to have achieved five consecutive SAS 70 Type II annual certifications. Though a small number of other QIs periodically conduct audits, NES defines the most extensive and robust audit environment in the industry. The SAS 70 Type II certification is part of a proven set of measures NESF has taken to protect its clients' exchange funds and the integrity of exchange transactions.

Conducted by one of the nation's leading CPA firms, the SAS 70 Type II certification establishes that a service organization has undergone an in-depth third party inspection and testing of their control objectives and activities. NES voluntarily meets the most stringent requirements in the industry, conforming to OCC and BSA third party vendor requirements for financial institutions and high standards of reporting and compliance. As the market leader, NES helps set a higher standard of transparency and funds security by adhering to the strictest security and operational paradigms in the industry.

"In recent years, too many consumers and businesses have lost funds due to poor practices of QIs," said Michael Halloran, CEO of NES Financial, referring to the recent spate of major QI defalcations resulting from mismanagement of funds, fraud, and even theft. "This certification validates that we are delivering a bulletproof approach to addressing 1031 exchanges by providing the highest levels of [transparency](#), [security](#) and [compliance](#). Our continued market momentum and market share growth are evidence of the importance that our clients place on these benefits."

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As a result of its SAS 70 Type II certification and proven security and transparency measures, NES is uniquely qualified to serve the needs of Fortune 500 companies that must comply with the requirements of Section 404 of the Sarbanes-Oxley Act, the Bank Secrecy Act, Gramm-Leach-Bliley Act (privacy provisions), and other important financial regulatory statutes.

#### **About NES Financial**

NES Financial (NESF) partners with leading banks, trust companies and other financial institutions to provide transparent, secure and compliant third-party administration solutions for trusts, complex multi-party escrows and 1031 exchanges. Flexible, scalable and cost-effective, these solutions include proprietary state-of-the-art technology and outstanding professional services, with subject matter expertise in banking, real estate, leasing, transportation and tax law. As a result, NES Financial has become a leader in third-party administration solutions for the legal profession, banking industry, Fortune 500 companies and government agencies, with tens of billions of dollars processed each year.

#### **About Nationwide Exchange Services**

Nationwide Exchange Services (NES), a division of NES Financial, is the leading provider of 1031 tax-deferred exchange solutions for the Fortune 500 and major banks and title companies, servicing over \$20 billion of exchange transactions annually. Since 1990, NES has conducted tens of thousands of 1031 exchange transactions across the nation resulting in the deferral of tens of billions of dollars of client tax liability. Today, NES applies advanced technologies, proven business process and industry expertise to create new standards of customer-driven solutions that feature the highest level of funds security, transactional transparency and regulatory compliance in the 1031 industry. NES submits to independent annual audits of its technology, processes and control procedure to which it has received an unqualified SAS 70 Type II certification, enabling compliance with Sarbanes-Oxley Section 404 (SOX 404) and other state and federal standards for financial controls, privacy and reporting. As a result, NES is uniquely qualified to serve the needs of companies with complex exchange requirement, and those that operate in strict corporate governance and compliance environments.

For more information on NES Financial visit [www.nesf.com](http://www.nesf.com) and [www.nesf1031.com](http://www.nesf1031.com) or call (800) 339-1031.

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