



## **Software Equity Group's Client, Compliance Depot Acquired by RealPage**

SAN DIEGO, CA – May 5, 2011. Software Equity Group, LLC (SEG) announced today that its client, Compliance Depot, a leading provider of subscription-based vendor risk management and compliance services to the multifamily housing industry, has been acquired by RealPage (NASDAQ: RP), a leading provider of on-demand software and services to the real estate industry.

"The acquisition of Compliance Depot is consistent with our strategy of adding new products and services to sell to the rental housing industry and once fully integrated will contribute to achieving our target operating model," said Steve Winn, Chairman and CEO of RealPage. "Compliance Depot is the only brand name vendor risk management company in the multifamily industry. We see a tremendous opportunity to integrate the services of Compliance Depot and its 32,000+ unique vendors with RealPage's offering."

RealPage expects existing management of Compliance Depot will remain with the business. Based in Plano, Texas, Compliance Depot helps property owners reduce exposure to litigation, uninsured losses, compliance with federal law, the potential for fraud and abuse, as well as reputational damage caused by suppliers that are not properly credentialed to perform work for owners. Compliance Depot reports that over 45% of vendors have experienced a lapse in general liability coverage in the past two years; 31% of professional vendors have had a lapse in auto liability coverage in the past two years; and 11% of vendors have relevant derogatory information in their file. Compliance Depot protects owners from millions of dollars of potential exposure to the risk of uninsured or underinsured vendors.

Compliance Depot provides its services for an annual subscription fee, paid by each vendor for each property that is protected. Compliance Depot's data indicates there are at least 20 vendors per property that should subscribe to Compliance Depot, which adds approximately \$170 million to RealPage's total addressable market for multifamily properties. As a result, RealPage is increasing the total addressable market for all of its products and services from \$5.6 billion to \$5.8 billion.

According to Dirk Wakeham, President of RealPage, "Compliance Depot is a great fit for RealPage because we can vastly expand its sales channel and capitalize on expense synergies between the businesses. Compliance Depot tracks workers compensation, general liability and automobile insurance renewal dates so we believe there is an opportunity to market additional insurance products to vendors through our LeasingDesk division, which includes a general insurance agency. We also believe that vendors will be better able to market themselves if they buy listings and advertising in our OpsMerchant and OpsAdvantage network. The exposure that vendors can receive through the network should make the Compliance Depot services more valuable to them. Combining the Compliance Depot network and Ops Supplier network will result in the largest online supplier network that includes vendor risk management and compliance in the multifamily industry, and also provides property management companies with the ability to increase the utilization of our Spend Management Systems."

Compliance Depot's CEO and Co-Founder Lonnie Derden said, "We are extremely pleased to be part of RealPage. This presents a unique opportunity to leverage RealPage's assets and strong brand to help grow Compliance Depot, enhance the services we offer and explore new technologies that can create an even more powerful service for vendor risk management and compliance within the rental housing industry. We look forward to working with the management team at RealPage to strengthen our industry-leading position."

Doug Clark, Compliance Depot's COO and Co-Founder, said, "Compliance Depot has amassed a customer base of 130 property management companies, including nine of the NMHC top 12. Our vendor compliance management services allow property managers and owners to review a vendor's background for bankruptcy filings, liens and judgments, criminal records, collections and professional licenses. We also utilize customizable business rules to check compliance against custom rules for vendor insurance certificates, and we track additional insured language, manage contractual terms and W-9 documents, and check Government Watch List Searches, including the Patriot Act and The Money Laundering Control Act. "

### **About Software Equity Group**

Software Equity Group is an investment bank and M&A advisory serving the software and technology sectors. Founded in 1992, our firm has guided and advised companies on five continents, including privately-held software and technology companies in the United States, Canada, Europe, Asia Pacific, Africa and Israel. We have represented public companies listed on the NASDAQ, NYSE, American, Toronto, London and Euronext exchanges. Software Equity Group also advises several of the world's leading private equity firms. We are ranked among the top ten investment banks worldwide for application software mergers and acquisitions.

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