

[This letter should go on Service Organization letter head]

[Current Date]

[Name]

[Title]

[Name of company you are addressing this letter too]

[Address]

Dear [Name of the individual you are addressing this letter too]:

We have received your request for information regarding material changes in internal control related to the [list services here]. K Financial prepared the latest SOC 2 Type II report for these services, pursuant to Statement on Standards for Attestation Engagements #18 (SSAE #18), and the report is dated [report date]. This report includes tests of operating effectiveness for the period [period start and end date].

[Service organization name] recognizes the need to maintain an appropriate internal control environment and report upon the effectiveness, as well as material changes to its internal controls. As of [current date], I am not aware of any *material changes* in our control environment that would adversely affect the Auditor's Opinion reached in the above referenced SOC 2 report.

You should also be aware that [Service organization name], as a normal part of its operations, continually updates its services and technology as appropriate. In addition, the controls for all of [Service organization name] were designed with certain responsibilities required of the system users (See Complementary User Entity Controls in the SOC 2 report). [Service organization name] controls must always be evaluated in conjunction with an assessment of the strength of these user controls.

Finally, in order to conclude upon the design and effectiveness of internal controls for [Service organization name], you must read the current SOC 2 report. This letter is not intended to be a substitute for the SOC 2 report.

Sincerely,

[Name of Member of Management¹]

[Title]