

# Blue Express Moves State Governments Toward Paper-Less Compliance

## Open Source Code is Key to Electronic Filing for Mutual Fund 'Blue Sky' Documents

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Automated Business Development Corp. (ABD), the leading provider of compliance services and solutions for the mutual fund industry, announced today it will help state governments streamline their oversight of mutual fund sales by providing free access to BlueExpress, the first Internet-based system to enable electronic filing of "Blue Sky" documents. These documents are required by state securities registration laws designed to regulate the registration, reporting and sale of securities, as well as to protect fund investors from fraud.

Eight states and the District of Columbia have already begun using BlueExpress, resulting in reduced paperwork, simplified accounting and faster realization of fee payments from mutual fund companies. The states using the program -- Arkansas, Colorado, Iowa, Massachusetts, Nebraska, North Dakota, New Jersey and Oklahoma -- have handled more than 117,000 filings electronically as of June 30, 2002. "Working with BlueExpress has been an enjoyable and rewarding experience," said Harold P. Kocher, Chief Examiner for the state of North Dakota. "We have found it to be a beneficial and cost-efficient tool that supports our agency's ongoing efforts to enhance services. In addition, we have been very pleased that, although questions or issues are infrequent, the ABD staff is admirably prompt in responding to us."

ABD, a pioneer in the development of automated solutions for compliance with state Blue Sky laws, developed BlueExpress in response to demand for an open-standard e-filing alternative for the thousands of registration and renewal forms that mutual fund companies are required to submit each year in every state where they sell shares. As the first program to successfully enable online filing for mutual funds, BlueExpress is built around an open source code. That means anyone filing forms electronically -- not just ABD -- can use the BlueExpress system.

"As state governments search for ways to promote efficiency, BlueExpress can help cut costs while improving the accuracy and timeliness of securities filings," said Peter Lemay, ABD's founder and chief executive officer. "Until now, attempts at establishing an electronic filing system for securities compliance forms relied on proprietary technology and were also expensive and complex."

State governments can integrate BlueExpress into their regulatory databases to receive Form NF and Form U-2 filings from any fund company or administrator. The system also receives and tracks the associated Automated Clearing House (ACH) payments from investment companies for registration fees.

By offering BlueExpress software and Web hosting services free of charge, ABD has improved the speed and accuracy of Blue Sky filings for its own mutual fund clients. Through its BlueLink and ClearSky divisions, ABD provides Blue Sky automation and outsourcing services to investment companies that

collectively manage more than two-thirds of all mutual fund assets.

Along with elimination of paper filings and the resulting savings in processing and accounting costs, BlueExpress provides the following advantages:

- Consolidation of filing packages and fee payments
- Easy export to state registration systems
- Simplified account reconciliation
- Graduated move from current practices
- User friendly interface

"We work with each state, one at a time, to make sure BlueExpress fits its technology capabilities so that each filing is transferred directly into the state's regulatory database with information linking it to a particular ACH payment," said Liz Nystedt, chief operating officer of ClearSky, the ABD division that provides outsourcing solutions to mutual fund companies. "The electronic system enables same-day filing, so the state's fee collections are up-to-date and the incidence of late payments is significantly reduced."

Automated Business Development is a subsidiary of PFPC Worldwide Inc. Founded in 1985, ABD helps mutual fund companies navigate through the complexities of Blue Sky laws, with technology solutions developed and implemented by its BlueLink division and outsourcing through its ClearSky division. The combined client base of the two divisions oversees 70 percent of the nation's mutual fund assets.

Providing a wide range of global fund services to the investment management industry, PFPC is the largest full-service mutual fund transfer agent and second largest provider of mutual fund accounting and administrative services in the United States. A member of The PNC Financial Services Group, Inc., PFPC is also a leading provider of subaccounting and shareholder services, retirement services, custody, securities lending, integrated banking transaction services, alternative investments services and advanced output solutions through print mail services. PFPC clients comprise some of the world's most successful financial services companies, including brokerage firms, pension and investment managers, insurance companies and banks. PFPC's affiliate, PFPC International Ltd., with offices in Dublin and County Wexford, Ireland and Luxembourg, has served the international funds community since 1993. For more information, please visit <http://www.pfpc.com/>.

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