

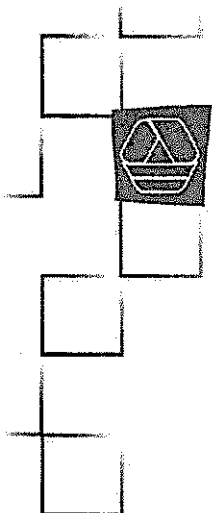
# **OPUS CAPITAL MARKETS CONSULTANTS, LLC**

FINANCIAL STATEMENTS

Year Ended March 31, 2019

**OPUS CAPITAL MARKETS CONSULTANTS, LLC**  
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**March 31, 2019**

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**Williams Overman Pierce, LLP**  
Certified Public Accountants and Consultants

## INDEPENDENT AUDITORS' REPORT

To the Member of  
Opus Capital Markets Consultants, LLC

We have audited the accompanying financial statements of Opus Capital Markets Consultants, LLC, which comprise the balance sheet as of March 31, 2019, and the related statements of operations and member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Opus Capital Markets Consultants, LLC as of March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Raleigh • Greensboro

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### Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule on page 13 is presented for purposes of additional analysis of the financial statements and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

SDI-

Raleigh, North Carolina  
June 15, 2019

OPUS CAPITAL MARKETS CONSULTANTS, LLC  
BALANCE SHEET  
MARCH 31, 2019

Assets

Current assets:	
Cash and cash equivalents	\$ 11,164,149
Accounts receivable, less allowance for doubtful accounts of \$315,826	5,686,722
Unbilled revenues	2,448,795
Prepaid expenses and other current assets	<u>351,710</u>
	<u>19,651,376</u>
Property and equipment, net	<u>1,740,602</u>
Other assets:	
Loan receivable from affiliate	3,000,000
Interest receivable from affiliate	<u>21,728</u>
	<u>3,021,728</u>
Total assets	<u>\$ 24,413,706</u>

Liabilities and Member's Equity

Current liabilities:	
Accounts payable and accrued expenses	\$ 1,523,131
Due to affiliates	8,564,542
Employee benefits payable	1,493,504
Deferred revenue	<u>179,187</u>
	<u>11,760,364</u>
Long-term liabilities:	
Deferred tax liabilities	<u>7,156,050</u>
Commitments and contingencies	
Member's equity	<u>5,497,292</u>
Total liabilities and member's equity	<u>\$ 24,413,706</u>

See accompanying notes to financial statements.

**OPUS CAPITAL MARKETS CONSULTANTS, LLC**  
**STATEMENT OF OPERATIONS AND MEMBER'S EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2019**

Revenues:	
Service revenue	\$ 37,682,603
Reimbursements	1,379,441
Service revenue - related party	<u>33,689</u>
Total revenues	39,095,733
Cost of revenues	<u>38,753,481</u>
Gross profit	342,252
Selling, general and administrative	<u>1,377,048</u>
Loss from operations	(1,034,796)
Other income:	
Other income	30,046
Interest income	<u>88,120</u>
	<u>118,166</u>
Income before provision for income taxes	(916,630)
Provision for income taxes, net	<u>1,270,690</u>
Net loss	(2,187,320)
Member's equity - beginning of year	<u>7,684,612</u>
Member's equity - end of year	<u>\$ 5,497,292</u>

See accompanying notes to financial statements.

**OPUS CAPITAL MARKETS CONSULTANTS, LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

Cash flow from operating activities:

Net loss \$ (2,187,320)

Adjustments to reconcile net

loss to net cash provided by operating activities:

    Depreciation and amortization 692,781  
    Allowance for doubtful accounts 90,000  
    Loss on disposal of asset 43,652

(Increase) decrease in:

    Accounts receivable (886,406)  
    Unbilled revenues (1,407,159)  
    Prepaid expenses and other current assets (40,162)  
    Interest receivable from affiliate 141,835

Increase (decrease) in:

    Accounts payable and accrued expenses (137,209)  
    Due to affiliates 8,098,980  
    Employee benefits payable 94,561  
    Income taxes payable (567,436)  
    Deferred revenue 154,436  
    Deferred tax liabilities 1,838,129

    Net cash provided by operating activities 5,928,682

Cash flow from investing activities:

    Purchases of property and equipment (2,149,960)

    Net cash used in investing activities (2,149,960)

Net increase in cash and cash equivalents 3,778,722

Cash and cash equivalents:

    Beginning of year 7,385,427

    End of year \$ 11,164,149

See accompanying notes to financial statements.

**NOTE 1 – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF BUSINESS**

Opus Capital Markets Consultants, LLC ("Opus" or the "Company"), a limited liability company, is a wholly owned subsidiary of Wipro Gallagher Solution, LLC ("WGS"), a Florida limited liability company. WGS is owned by Wipro LLC, a wholly-owned subsidiary of Wipro Limited (Ultimate Holding Company), a company traded on the New York Stock Exchange.

Opus performs services on different types of loan products including credit and compliance reviews, reverse mortgages, auto loans, student loans, forensic fraud reviews, international due diligence, representation and warranty review, data integrity reviews, Home Mortgage Disclosure Act ("HMDA") scrubs, professional staffing reviews, collateral reviews, and non-performing asset reviews. Customers include banks, government institutions, and private institutions located primarily in the United States of America.

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

**a. Basis of Accounting**

The financial statements of the Company have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and satisfaction of liabilities in the normal course of business. These financial statements have been presented in U.S. Dollars, which is the functional and reporting currency of the Company.

**b. Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that these estimates are reasonable. Actual results could differ from those estimates.



**c. Cash and Cash Equivalents**

The Company considers all highly liquid investments with an original maturity date of three months or less at the time of purchase to be cash equivalents. Cash and cash equivalents are stated at cost, which approximate fair value, based on quoted market prices as of March 31, 2019.

**d. Concentrations**

***Credit Risk***

The Company maintains cash balances with various major financial institutions located in the United States. Accounts at these institutions are guaranteed by the Federal Deposit Insurance Corporation up to \$250,000. The Company's management does not believe cash is exposed to significant credit risk. The Company periodically evaluates the relative credit standings of the financial institutions with which they do business.

***Major Customers***

The Company recognized revenues of \$17,616,222 from the top two customers who have contributed individually more than 10% of total revenue for the year ended March 31, 2019. The accounts receivable balances outstanding from these two customers as of March 31, 2019 totaled \$3,691,433.

**e. Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable are uncollateralized customer obligations due under normal trade terms and include amounts earned and billed but uncollected. Management assesses each customer's balance based on historical experience and future economic conditions to determine its best estimate of the portion that will not be collected.

**f. Property and Equipment**

Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation is recorded on a straight-line basis over the assets estimated useful lives.

Maintenance and repairs are charged to expense as incurred. Major renewals and enhancements are capitalized. When property and equipment is sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in operations. Property and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. There were no impairment charges for the year ended March 31, 2019.

The useful lives of property and equipment is as follows:

Computers and software	3 years
Office equipment	5 years
Plant and machinery	5 years
Furniture and fixtures	5 years

Leasehold improvements are amortized over the life of the lease, or the estimated useful life of the asset, whichever is shorter.

**g. Fair Value of Financial Instruments**

The carrying amount of financial instruments, which include cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, approximate fair value at March 31, 2019.

**h. Revenue Recognition**

The Company recognizes revenue on a proportional performance method of accounting based on the specifics of each customer contract. The Company uses historical costs to complete each stage of the contracts to determine the percent of performance that has been achieved for each stage of the contract. Revenue is recognized at the completion of each stage of the contract. Revenue on time and materials contracts is recognized as the related services are rendered.

All revenues earned that have not yet been billed are categorized as unbilled revenues. These balances are stated at negotiated billing rates for professional time incurred. Deferred revenue represents billings in excess of revenue recognized.

Interest is recognized based on the rates implicit in the related agreement.

**i. Income Taxes**

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period the change is enacted.

The Company files consolidated income tax returns with its parent company in the U.S. federal jurisdiction and various states, whenever applicable, and records its share of the consolidated federal tax liability on a separate return basis. The Company regularly reviews the likelihood of additional tax assessments and adjusts its reserves as additional information or events require. The Company believes that its tax positions comply with applicable tax law and that the Company has adequately provided for applicable tax matters as of March 31, 2019.

**j. Uncertain Tax Positions**

The Company evaluates all significant tax positions in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740-10, Accounting for Uncertainty in Income Taxes. The Company recognizes the financial statement effects of an uncertain income tax position when it is more likely than not, based on the technical merits, that the position will not be sustained upon examination. The Company accrues for other tax contingencies when it is probable that a liability to a taxing authority has been incurred and the amount of the contingency can be reasonably estimated.

As of March 31, 2019, the Company does not believe that it has taken any positions that would require the recording of any additional tax liability, nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year.

**k. Accounting Pronouncements**

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers ("Topic 606"), which supersedes the revenue recognition requirements in ASC 605, Revenue Recognition. This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The effective date of ASU No. 2014-09 was amended by ASU No. 2015-14. Therefore, the ASU will be effective for the Company for the year ended March 31, 2020 with earlier adoption permitted for annual periods beginning after December 15, 2016. Further ASUs (ASU No. 2016-08, 2016-10) have been issued to clarify Topic 606 for principal and agent considerations and performance obligations and licensing implementation guidance. The Company is assessing the potential effects on future financial statements.

In January 2016, the FASB issued ASU No. 2016-01, Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities. The new guidance is intended to improve the recognition and measurement of financial instruments. The ASU is effective for fiscal years and interim periods within those years beginning after December 15, 2018. The Company is assessing the potential effects on future financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset for all leases (with the exception of short-term leases) at the commencement date. This ASU is effective for fiscal years and interim periods within those years beginning after December 15, 2019. The Company is assessing the potential effects on future financial statements.

**NOTE 2 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of March 31, 2019:

Computers and software	\$ 3,929,441
Office equipment	90,344
Plant and machinery	106,850
Furniture and fixtures	1,000,387
Leasehold improvement	<u>564,327</u>
	5,691,349
Less: Accumulated depreciation and amortization	<u>(3,950,747)</u>
	<u>\$ 1,740,602</u>

Depreciation and amortization expense related to property and equipment totaled \$692,781 for the year ended March 31, 2019.

**NOTE 3 – RELATED PARTY TRANSACTIONS**

Throughout the year, the Company has outsourced certain services to other Wipro companies. In addition, some employee-related benefits and insurance are paid for by Wipro Limited or included in Wipro Limited's policies and charged back to Opus. As of March 31, 2019, Opus has related party payables to other Wipro companies of \$8,564,542.

In May 2016, the Company loaned \$3,000,000 to HealthPlan Services, Inc., a related party through common ownership. The loan matures in December 2020. The loan bears interest at a rate equal to the 6-month U.S. Dollar LIBOR rate plus 200 basis points. Interest payments must be paid upon the expiration of the lease, as and when principal payments are made, or on dates previously agreed upon by the parties. During the year ended March 31, 2019, the Company recognized interest income of \$88,120 in connection with this loan. At March 31, 2019, the outstanding balance related to this loan, including interest receivable, was \$3,021,728.

**OPUS CAPITAL MARKETS CONSULTANTS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

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During the year ended March 31, 2019, the Company recognized related party revenue of \$33,689 from Wipro Limited.

**NOTE 4 – INCOME TAXES**

The Company files its federal tax return as a member of a consolidated group and records its share of the consolidated federal tax liability on a separate return basis. The Company's provision for income taxes for the year ended March 31, 2019 consisted of the following:

Current income tax benefit	\$ (567,439)
Deferred income tax expense	<u>1,838,129</u>
Total income tax provision	<u>\$ 1,270,690</u>

Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. Differences are primarily attributable to net operating loss carryforwards, allowance for doubtful accounts, and accrued liabilities.

**NOTE 5 – EMPLOYEE BENEFIT PLAN**

The Company's employees participate in Wipro Limited's defined contribution profit sharing plan (the "Plan"). Employer contributions to the Plan are made at the sole discretion of the Company. There were no contributions made to the Plan by the Company during the year ended March 31, 2019.

**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

***Leasing Arrangements***

The Company has a non-cancellable operating lease for office space in Lincolnshire, Illinois, which expires on September 30, 2019 and requires monthly rental payments ranging from \$20,697 to \$30,532. The Company is also responsible for certain expenses included in the lease agreement.

The Company has a non-cancellable operating lease for office space in Brookfield, Wisconsin, which expires on February 29, 2020 and requires monthly rental payments ranging from \$9,003 to \$10,437. The Company is also responsible for certain expenses included in the lease agreement.

The Company had a non-cancellable operating lease for office space in Jacksonville, Florida, which expired on May 31, 2018 with monthly rental payments ranging from approximately \$7,064 to \$7,248. The Company was also responsible for certain expenses included in the lease agreement.

The Company signed a new non-cancellable operating lease for office space in Tampa, Florida, which commenced on April 15, 2018 and will expire on July 14, 2021. This lease requires monthly rental payments ranging from \$120,005 to \$129,263. The Company is also responsible for certain expenses included in the lease agreement.

Rent expense for the year ended March 31, 2019 totaled \$1,927,421.

Future minimum rental commitments under the above leases are as follows:

Year Ending March 31:

2020	\$ 1,714,821
2021	1,511,759
2022	<u>450,843</u>
	<u>\$ 3,677,423</u>

***Legal Matters***

From time to time, the Company may be involved in various litigation matters in the ordinary course of business. The Company is currently unaware of any litigation, pending or threatened, against them.

**NOTE 7 – SUBSEQUENT EVENTS**

Management of the Company has evaluated subsequent events through June 15, 2019, the date the financial statements were available to be issued. No significant subsequent events have been identified by management.

**SUPPLEMENTARY INFORMATION**

**OPUS CAPITAL MARKETS CONSULTANTS, LLC**  
**SCHEDULE OF EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2019**

Cost of revenues:

Payroll	\$ 21,638,843
Subcontracting	12,431,011
Jobs expense	1,186,604
Rent	1,927,421
Depreciation	692,781
Software technology	646,180
Communications	230,641
	<u>\$ 38,753,481</u>

Selling, general and administrative:

Corporate overhead	\$ 418,340
Travel and other direct costs	234,390
Professional fees	315,870
Meetings and conferences	107,963
Office expenses	135,947
Recruiting	14,052
Other expenses	16,834
Provision for bad debts	90,000
Loss on disposal of asset	43,652
	<u>\$ 1,377,048</u>