



Cash Management Solutions for Corporations, Foundations and Public Depositors



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Interview conducted by:
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CEOCFO: Mr. Zondag, what is American Deposit Management?

Mr. Zondag: American Deposit Management is a financial services company focused on providing cash management solutions to corporations, foundations and public depositors.

CEOCFO: What are some of the challenges faced by those three groups?

Mr. Zondag: Today, coming out of the economic downturn over the last decade, most CFOs and chief investment officers are faced with finding places to safely manage their cash portfolio and get a great return in that investment. What our firm does is take large deposits and we invest that into a network of FDIC insured banks so that the money is all FDIC insured. It provides safety for the depositor and a very competitive rate of return that they need that on that money.

CEOCFO: Is it because you are bundling and able to put in such large amounts that the return becomes effective?

Mr. Zondag: Exactly.

“That is where we see a lot of potential, working with corporate treasurers or the CFOs on the corporate side of the business as they look for more options for that cash investment. We are really specialized. The area of expertise we focus on is cash management.” - Robert Zondag

CEOCFO: Are you not bound by FDI limits of 250,000 now?

Mr. Zondag: We absolutely are. Each deposit that we place is under the FDIC limit. For instance, if you think of a million dollar deposit, we would place that into five banks and each deposit amount would be under the FDIC limit. For our customers, they have the convenience of just having one point of entry, one statement and one advisor to work with, ADM.

CEOCFO: How are you able to get decent rates?

Mr. Zondag: Because we are aggregating many customers' deposits, we are able to provide a steady and reliable funding source to our bank partners, and in exchange for that, we are able to negotiate rates for our customers that they would be unable to obtain negotiating on their own. If you think of a buyer's club like COSTCO or Sam's Club, we are just like that for depositors. We group depositors together to create buying power.

CEOCFO: Do many people know about ADM? Are they looking for this type of solution or are people missing what is a pretty basic solution as they think there is something better out there?

Mr. Zondag: A basic solution is so needed by the customers we work with. We are sought out many times by CFOs and treasurers who are looking for an investment for their cash. As companies have increased their cash balances over the past decade, they are always looking for alternatives that provide this. We would love to get the word out. We want more and more people to know about us, but I think we have a fantastic solution for my peers who are CFOs.

CEOCFO: What is involved when you start with an organization? How do they implement using ADM?

Mr. Zondag: We sit down with the customer in person or on the phone and we get their cash cycle, the needs of their business and when they have highs and lows in the cash cycle. We help them plan out where they need the investment, where they need cash versus when they are saving it. We set up their account. We have sub accounting features, payment features that they can use and then they fund the account and we go ahead and investment. It is a money market account. Just like you and I have a personal savings account or money market, they can withdraw as they need to pay their bills or provide the liquidity needs for their company. We help to understand that cash cycle and their liquidity needs, so we ensure that we have invested properly for them.

CEOCFO: Even though banks are insured, how do you help, should there be a problem in facilitating a quick release of the funds?

Mr. Zondag: I think our first approach is an ounce of prevention is worth a pound of cure. All of the banks that we work with are well capitalized. We do underwrite all of our banks both internally and we buy the third party validation of our own underwriting methods. This ensures our program has screened all of the banks that we work with. We are very careful if a bank starts to go below our underwriting standards to ensure that our customers' funds are not in those institutions, and we have all the mechanisms in place with third party providers to insure that our records are safe, sound and well kept. In the event that there should be a bank failure, we have all the records necessary to retrieve those funds for our customers. In our program, over the past decade, we have never experienced any liquidity event or bank failure within our network that caused any issues for our customers.

CEOCFO: What segments do you see as growth opportunities and are there groups that do not understand as well others?

Mr. Zondag: I think for our firm, we see the greatest growth potential with our corporate and business customers. I myself am a certified treasury professional or CTP. Most often when we work with individuals who have treasury experience or cash management experience, it is a perfect fit. That is where we see a lot of potential, working with corporate treasurers or the CFOs on the corporate side of the business as they look for more options for that cash investment. We are really specialized. The area of expertise we focus on is cash management.

CEOCFO: How do potential changes in banking regulation in the economy come into play for ADM?

Mr. Zondag: We are committed to a strong US banking system and really a strong community banking system. One of the things that I think is so unique for the United States is we have a myriad of banks that provide the means of the community. I think one of the things that has been challenging is community banks facing a lot of regulatory hurdles. Of course everyone believes that regulation is necessary and prudent, but I think if we are looking at some of the changes, the community banks that serve small business customers and Main Street, that is what we are most excited about with the future of what may happen.

CEOCFO: Would you tell us about your Max My Interest program? Is that a partner program?

Mr. Zondag: Yes, that is a partnership we have with the Max My Interest program. American Deposit Management is focused on the non personal relationships, the corporate or public customer. Max My Interest is a great firm and they focus on providing the solution for personal customers like yourself. It has worked as an excellent approach. When we have businesses looking for solutions, we focus on that. When people are looking for personal solutions, we provide the max my interest account, which works the same way. A customer can obtain FDIC coverage above that 250 thousand dollar limited by using the Max My Interest program bank network. Vice Versa; When Max My Interest has a business customer, they use the American Deposit Management program for their business customers.

CEOCFO: How do you work with clients that need settlement services?

Mr. Zondag: One of the specialties of my background is working with litigation funds or qualified settlement funds, often termed QSF. They have very unique needs based on the type of litigation or settlement that occurs. What we do is work with the attorneys and courts to provide a safe solution to insure that the claim and funds are protected. We also provide accounting services, payment services and escrow agent services for those funds. Above and beyond just providing the

investment solution, we are a full support for managing qualified settlement funds. When you had the experience that our team has had going back in banking for a long time and working in the trust area, it makes sense. We have managed a lot of different qualified settlement funds over the years and have really seen all aspects of that. It is important if you are part of a class action lawsuit or maybe a mass tort case that you have people who can protect your money once it is awarded to the case. We provide that FDIC coverage to the fund. We do a lot of the accounting, the trustee or administration services for the fund.

CEOCFO: *What is the competitive landscape?*

Mr. Zondag: We are really a unique company. There are many a dozen or so companies across the United States that provide similar services but each of us has a unique value proposition. We think we have the right combination of providing not only the product, that FDIC insured money market account, but also those cash management services. I do not know many other companies that provide the depth of service that we do.

CEOCFO: *What is next for ADM?*

Mr. Zondag: We are always continuing to grow the number of customers we serve. We are certainly looking at several very key new partnerships as well as a couple of new services in the future. Right now they are in development but I think the next couple of years, we will be expanding our footprint across the United States and providing services to corporate and businesses.



American Deposit Management Co.
