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REPORT OF INDEPENDENT ACCOUNTANTS

To: NoZone, Inc. dba Steadfast Networks

We have examined management's assertion that Steadfast Networks as of June 30, 2011 complied with the AICPA/CICA Trust Services Security and Availability Criteria and, based on these Criteria, maintained effective controls to provide reasonable assurance that:

- the Cloud Services system was protected against unauthorized access (both physical and logical); and
- the Cloud Services system was available for operation and use as committed or agreed.

This assertion is the responsibility of Steadfast Networks' management. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included (1) obtaining an understanding of Steadfast Networks' relevant security controls, (2) testing and evaluating the design of controls, (3) testing compliance with the Security and Availability Criteria and (4) performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, Steadfast Networks' management's assertion referred to above is fairly stated, in all material respects, based on the AICPA/CICA Trust Services Security and Availability Criteria.

Because of inherent limitations in controls, error or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that the validity of such conclusions may be altered because of changes made to the system or controls, the failure to make needed changes to the system or controls, or a deterioration in the degree of effectiveness of the controls.

June 30, 2011
Tampa, Florida



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REPORT BY MANAGEMENT ON THE CONTROLS OVER STEADFAST NETWORKS' CLOUD SERVICES BASED ON THE AICPA/CICA TRUST SERVICES CRITERIA FOR SECURITY AND AVAILABILITY

June 30, 2011

Steadfast Networks maintained effective controls over the security and availability of its Cloud Services system to provide reasonable assurance that:

- the Cloud Services system was protected against unauthorized access (both physical and logical); and
- the Cloud Services system was available for operation and use as committed or agreed;

as of June 30, 2011 (the description), based on the AICPA/CICA Trust Services Criteria for Security and Availability which are available at www.aicpa.org.

Our attached System Description summarizes those aspects of this System covered by our assertion.

A handwritten signature in black ink, appearing to read "Karl Z.", is placed over a light yellow rectangular background.

Karl Zimmerman
President/Chief Executive Officer
Steadfast Networks

SYSTEM DESCRIPTION OF STEADFAST NETWORKS' CLOUD SERVICES

OVERVIEW OF OPERATIONS

Company Background

NoZone, Inc. dba Steadfast Networks (Steadfast Networks) is a privately held company that was founded in 1998 by Karl Zimmerman and incorporated in the state of Wisconsin in 2000. Steadfast Networks provides data center cloud platform services for Fortune 1000, mid-market, and emerging businesses. The Steadfast Networks data center is engineered to provide mission-critical levels of performance. NoZone Inc.'s primary data center is located in Chicago, Illinois, with a secondary data center in New York, New York.

Description of Services Provided

Cloud Services

The Steadfast Cloud Platform consists of a Storage Area Network (SAN) and a group of hypervisor machines that connect to the SAN. The SAN provides the necessary hard drive storage for each virtual machine. The hypervisors provide processing power and RAM. Each virtual machine uses resources provided by the SAN and the hypervisors.

The Steadfast Cloud Platform services allow customers to have completely isolated operating system installation on Steadfast Networks' shared hardware. It is based off of Xen-based Virtual Machines utilizing the OnApp software platform. Having an isolated operating system of secure, shared hardware allows an optimal utilization of resources and availability. The resources of each virtual machine are instantly scalable through the cloud platform.

The Steadfast Cloud Platform is powered by high availability NetApp SANs. NetApp SANs are true enterprise hardware used by major corporations to withstand a full array of failures, with no single point of failure. 15,000 rpm Serial Attached SCSI (SAS) drives are used for primary storage with 1 TB of solid state cache. Serial Advanced Technology Attachment (SATA) storage is provided as an alternative to SAS drives.

The following list comprises offerings from the Steadfast Cloud Platform:

- High Availability
- Instant Deployment
- Hourly Billing
- Support
- VLAN Support
- Managed Services
- Tiered Storage
- Backup Management
- Console Access

High Availability

The Steadfast Cloud Platform is powered by fully redundant Cisco network infrastructure and redundant Supermicro servers. Redundancy allows for the failure of a switch with no reduction in maintaining 100% availability. If a physical hypervisor, to which the customer's virtual machine is assigned, fails, the customer's virtual machine is instantly deployed on another physical hypervisor with a minimal amount of down time.

Instant Deployment

Virtual machine setups are automated upon customer sign-up. Approval for setup is dependent upon fraud verification of payment method. After the automated account setup, customers may deploy virtual machines within moments.

Hourly Billing

All resources are billing hourly and can be added or removed from a customer's account instantly at any time.

Support

Support is offered by the Steadfast Networks staff 24x7x365 via email and phone. All staff is in-house and on-site at the Steadfast Networks data centers.

VLAN Support

While Steadfast Networks' internal network is available for use for customers of the Steadfast Cloud Platform, virtual local area network (VLAN) support is also offered. Private VLANs allow customers to build a highly secure environment, with the option to connect to existing dedicated servers or colocation configurations.

Managed Services

All Steadfast Cloud Platform services come with managed services, including full operating systems and control panel software. In addition to OSs and control panels, software support and firewall support and setup are offered to customers as part of the overall Cloud Platform services offered.

Tiered Storage

In addition to SAS storage offered to customers, Serial Advanced Technology Attachment (SATA) storage is provided as an alternative. SATA storage is a cheaper solution that is optimal for archived data, infrequently accessed data, and backups. The backup of data on drives/subsystems separate from the local data allows for added security.

Backup Management

The Steadfast Cloud Platform allows the creation of automatic backups directly from the control panel. The option to schedule backups at set intervals is also available. Backups may be saved as images to be used to deploy new virtual machines.

Console Access

All virtual machines within the Steadfast Cloud Platform allow full virtual network computing (VNC) access.

CONTROL ENVIRONMENT

The control environment reflects the overall attitude and awareness of management and personnel concerning the importance of controls and the emphasis given to controls in the Steadfast Networks' policies, procedures, and actions. Integrity and ethical values are essential elements of the control environment, affecting the design, administration, and monitoring of components. Integrity and ethical behavior are the products of Steadfast Networks' ethical and behavioral standards, how they are communicated, and how they are reinforced through practices. Incentives and temptations to commit dishonest, illegal, and unethical acts are mitigated through management's actions.

The organizational structure, separation of job responsibilities by departments and business function and documentation of policies and procedures, are the methods used to define and implement operational controls and assign authority and responsibility.

Steadfast Networks' organizational structure provides the overall framework for planning, directing, and controlling operations.

Management

- Maintain financial integrity of the company
- Execute and develop the strategic vision of the company
- Communicate with other departments as needed to enhance and monitor the operational systems of the company
- Ensure that communication is fluid throughout the company to move toward common goals
- Develop overall company policy, procedures, and standards

Sales

- Sales, marketing, account management and oversight of customer provisioning and of the customer experience
- Develop overall sales strategy
- Acquisition of new customers and handling customers' pre-sales questions/problems through answering sales calls, tickets, and chats, following up with customers/leads, and actively going out to find new leads/customers
- Give feedback as to what product offerings or specials we might have based on customer requests/interest, to, act as a "customer advocate" representing the best interests of the customer

Support

- Answer all technical support questions that come in via telephone or e-mail (ticket system) and escalating issues that are either beyond their skill set global in nature (relating to the system overall - e.g., global network issues, global policy issues or any part of the Steadfast system that is causing trouble for customers).
- Customer support, remote hands, network and facilities monitoring, ticketing, escalations, receiving, and data center operations oversight
- Monitor and process reports of abusive network activity via tickets according to the Abuse Handling policies
- Interfacing with package handling companies (UPS and FedEx) at the respective site and informing customers of the arrival of packages

Operations

- Implement and maintain the day-to-day operational systems of the company, including network, data center, and internal IT related infrastructure
- Ensure that all operational systems achieve maximum efficiency, security, and uptime, assigning tasks as necessary to appropriate individuals within the department
- Communicate with other departments as needed to enhance and monitor the operational systems of the company

- High-level network engineering and ongoing network maintenance, including changes to the core network and configuring new core networking equipment
- Resolve network trouble tickets that are escalated by network engineers, systems administrators, or other members of the company, scheduling and performing upgrades and preventative and corrective network maintenance
- Configure access and distribution switches for provisioning customer network resources, diagnosing and resolving problems indicated in network trouble tickets, and escalating network trouble tickets to the senior network engineer as necessary
- Add and remove cabling, install new cabinets, network equipment, power equipment and servers, maintain a clean datacenter environment, and track and organize inventory and storage areas
- Maintain, secure, monitor and back up all customer and staff facing internal systems

Development

- Engineer, test, document, and prepare for deployment software and hardware solutions that function as customer accessible products
- Maintain systems previously designed and deployed by the development department
- Serves as a point of escalation for complex customer support issues, such as those that require more in-depth understanding of operating systems or specialized engineering to solve

The managers of each functional area report to the CEO. Steadfast Networks has a culture of accountability and caring. Customers have direct access to their account team including 24x7x365 escalation procedures to ensure prompt response. All customers either sign contracts or agree to the terms of service through the website that include a scope of work detailing Steadfast Networks' responsibilities and a Service Level Agreement (SLA) surrounding that service. Continual ticket reminders are sent to key stakeholders regarding any open tickets and tickets are logged in the customer portal. Each customer has the ability to create authorized users and set read, read/write, or no permissions to specific users regarding access to key Steadfast Networks portal resources such as the ability to reboot a server.

Change requests require creation of a ticket as well as confirmation within the customer portal that the requesting party is authorized in the functional area of the business. All customers with data center access have agreed to the terms of service and the colocation policies and have been given access in the customer portal to request or manage future changes to personnel or permissions.

RISK ASSESSMENT

Steadfast Networks has placed into operation a risk assessment process to identify and manage risks that could affect Steadfast Networks' ability to provide reliable service for user entities. Steadfast Networks also proactively monitors data center primary and backup power systems as well as environmental infrastructure. Risks that are considered during management's formal and informal risk assessment activities may include consideration of the following events:

- Changes in the operating environment
- Rapid growth
- Changes or new technology
- Expanding operations
- New business models, products, or activities
- New personnel
- New or upgraded information systems
- Changes in the legal and business environment

MONITORING

Each service offering provided by Steadfast Networks has an established service level agreement (SLA) and by design is built and maintained to meet or exceed the defined SLA. Steadfast Networks has a culture of accountability and track record of providing reliable services for customers. Whenever possible or in scope, Steadfast Networks will utilize high availability or N+1 design to build a service framework. For dedicated servers, where Steadfast Networks provides a device and management (ex: continuous data protection), a spare pool is maintained to ensure prompt replacement in the event of device failure. In addition, all services are monitored 24x7x365 to ensure adherence to the service SLA.

INFORMATION AND COMMUNICATION SYSTEMS

Management is committed to maintaining effective communication with all personnel and customers. Steadfast Networks has implemented policies and procedures to address critical operational processes including human resources, information systems, and operations. In addition, Steadfast Networks developed an internal use compliance and customer account repository where all critical customer information is stored such as contracts, amendments, and certain change requests. All Steadfast Networks employees with functional responsibility involving the data center are assigned a key card that requires a fingerprint scan to access data center areas and customer or company equipment.

The Steadfast Networks customer portal provides customers with a framework to manage their relationship in terms of who has access to key resources and who is authorized to make changes. As a colocation customer, each user is provided with a unique keycard paired with the customer's fingerprint, and provided access to the data center, as requested and approved by management.