NoteBot has solved a major problem for the Mortgage and other Institutions by using Machine Intelligence to fill out Standardized Forms Correctly with Minimal Human Intervention

Mark Singleton
Chief Executive Officer

NoteBot
www.notebot.io

Contact:
Mark A Singelton
(678) 674-4000
msingleton@notebot.io

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

> **'AI Perfect' means capturing behaviors of your best and the brightest workers to create actionable data capable producing error free transactions."- Mark Singleton**

CEOCFO: *Mr. Singleton, what is the concept behind NoteBot?*
Mr. Singleton: It is to take standardized forms and use machine intelligence to fill them out correctly. Most preprinted forms need human interaction, where signatures, initials, dates, all need to be supplied – our system identifies where the form needs to be completed. Instead of paper 'sticky notes' that a notary might use, think of it as automated digital sticky notes. Large organizations typically invest a great deal of money training people to insure documents get completed correctly but NoteBoT technology is able to highlight and review documents automatically.

CEOCFO: *What types of forms?*
Mr. Singleton: We like especially high end transactions that are typically very complex. Mortgage documentation is our initial focus. If you have ever done a mortgage closing, you know what I mean. There are lots of forms that require signing, dating, and making selections with some forms requiring notarizing. All 50 States require using notary's to complete a mortgage and most do an amazing job of it. Our technology makes the process of organizing forms, capturing signatures and reviewing or correcting errors faster and easier. NoteBoT makes the life of a notary far easier.

There are more than four and a half million notaries in the country, all needing to check and recheck their work for mistakes. This is kind of a double check. It makes sure the documents are done correctly the first time. I call that 'AI perfect'. NoteBoT uses machine intelligence to learn from good and bad examples. This is like using facial recognition to tell the difference between dogs and cats or other animals? You feed as

1

many dog, cat, and bird pictures as you can find into a deep learning system. Eventually enough examples are analyzed to identify the animal type. Documents work the same way – with enough sample data you can the teach system to identify documents and insure they are completed correctly.

CEOCFO: *How does it work? How would someone use NoteBot?*
Mr. Singleton: Let's use mortgage again as an example. When you decide to buy a house the lender has the house appraised after analyzing your credit worthiness. Our technology doesn't change that but at some point both the lender and the title insurance company prepare all the forms for you to sign, typically pdf's. Instead of emailing documents to be printed they get sent to NoteBoT servers first to add both tamper-proof encryption and our digital version of sticky notes. Forms are printed and signed as usual, then original and copies are routed off to respective parties including a copy for you.

This all sounds easier than it is, why? Forms can vary quite a bit, even in the same State, depending on the type of loan – is it a VA or FHA loan, are there special compliance rules, what type of property is it, etc. It is those many differences that create so many different forms just to complete a mortgage. There are over 100 thousand different forms in the US with only 30 to 50 needing to be signed in your average mortgage. Sign this one on the 3rd page, that one on last page, initial all the pages for 1 document and have someone witness your signature on 10 different pages – but which pages? That's where NoteBoT comes and, when used with a professional notary, you get a perfect set of documents.

CEOCFO: *Has the marketplace been looking for a solution or is it more that they will be happy to find out that NoteBot exists?*
Mr. Singleton: Interestingly enough, yes the largest financial market in the world has been looking for a solution for many years. A truly paperless mortgage closing remains the dream of financial, insurance and local county title clerks. Existing technology only works if you know all the steps and forms in advance. When you have a last minute mortgage document or find an error it requires time to fix it or you end up rescheduling the closing. There are lots of unhappy people when everyone has to come back for a 2nd attempt! Programming a new form takes time no matter whose software you use but what if it didn't? The beauty of NoteBot technology is that we do not need to see the form in advance. We can receive a document minutes before a closing and still insure that it is completed correctly. The investment required to solve that problem today would be too much for a single company to undertake using today's software. NoteBoT technology is breakthrough because it does so much using existing systems and without major investment. This allows lenders to start seeing benefits incrementally without requiring wholesale organizational changes.

CEOCFO: *How did you know when you had enough information to do this accurately?*
Mr. Singleton: We have been programming preprinted forms for over forty years for the auto industry. We learned how to best complete documents necessary to finance an automobile. Those technologies were

focused on a specific type of loan with standard collateral descriptions. Typically, most car buyers trade in vehicles using similar documents for both the buying side and the selling side.

That experience added to the document mess that made the 2008 financial meltdown worse and helped convince us there must be a better way. What better place to start than a complex market that uses a lot of forms. There aren't too many trillion dollar markets around that use a lot of documents to complete 1-2 Trillion dollars every year. I was surprised that an average 200 thousand dollar mortgage will have over $7,000 in non-interest fees. When you factor in wasted expense with high volumes, endless regulation, and legal documentation – shame on us if we can't simplifying the process and while building a great company.

CEOCFO: *Is NoteBot available today?*
Mr. Singleton: Yes! Well, I should say "yes and no." We have been working on building the NoteBoT solution for a little over two years and we are starting pilots now. It seems to be working well with no super surprises so far, and we plan on being in all fifty States by the end of next year. We did this in the auto industry by piloting in a few states, and then rapidly deploying to the rest. We like to do pilots in both large and small institutions so if any of your readers like being early adopters – call me!

The ultimate goal is to apply the NoteBoT solution to any type of financial transaction that requires insuring documents have been completed error free. When you look at the financial services industry, they do repetitive transactions using mountains of paper printed on high speed printers. Training personnel to keep up with hundreds of changing forms is expensive and time consuming. Whether institutions use NoteBoT technology or not, there is a lot of exciting developments going on using big data and machine intelligence to increase productivity and to offset ever increasing labor costs. We hope using NoteBoT and SmartPen technology allows the average employee to do a higher quality job without retraining.

CEOCFO: *What is your plan for commercialization? How will you be reaching out?*
Mr. Singleton: Among NoteBoT's commercialization efforts are building strategic relationships with high profile organizations that have great reputations with large number of financial institutions. For example, four major title insurance companies already participate in 85% of mortgage transactions made in the US.

There are other emerging technology companies that would make great non-competitive allies. One technology we think shows great promise is called, Remote Online Notarization or RON's. 20 States are allowing mortgages to be closed almost anywhere convenient. For example, signing documents in your home instead of having to go to a lawyer's office or a settlement agent. Adoption challenges remain, including legal requirements in many States to sign documents using 'wet ink' signatures. For now, NoteBoT is the only technology that can simultaneously capture both wet-ink signatures and digital with minimal organizational impact.

CEOCFO: *Are you seeking partnership, investments or funding as you move forward?*

Mr. Singleton: As I mentioned, we are aggressively pursuing partnerships. At some point, we may be growing faster than our capital allows but believe that makes us a good candidate to close an 'A' round. Our management team has been able to provide sufficient working capital to fund product development without going outside. Up to now, personnel costs have been manageable but with sales and marketing expenses starting to kick in we will be keeping a close eye on our needs and use of cash. Also, if we have a lot of early success then going to outside for capital to allow us to more aggressively pursue the hundred thousand US bank branch locations starts to make sense.

CEOCFO: *Would you be licensing technology to different organizations? Are you offering a SaaS solution?*

Mr. Singleton: NoteBoT uses a cloud based computing model to support our SmartPen solution of adding intelligence to paper. For large lenders we might sublicense the technology to use on their own servers behind a firewall. Remember our goal is to change as much as possible by changing as little as possible so multiple software versions increases support complexity. SmartPen is just a normal pen with some added cool technology to it to make it 'smart'. It has both an onboard computer and a built in video camera that captures a 120 frames per second. It instantly recognizes the specific document, where you sign or any other marks, while allowing gps location and redundant data storage on secure smart phone. The amazing thing is all those human interactions are captured passively to feed the NoteBoT machine intelligence engine. It 'learns' if someone signs in the right or wrong place or even if they missed a spot entirely. 'AI Perfect' means capturing behaviors of your best and the brightest workers to create actionable data capable producing error free transactions.

CEOCFO: *You recently changed from Coin Closing to NoteBot. Why the new name?*

Mr. Singleton: That is a great question! I have been fortunate to a built a number of successful companies using the name COIN as part of its name for decades. One reason for the change is because everyone thinks we are in the bitcoin business! What had been a great name for so long because 'COIN' and finance went together, has gotten to where now everyone thinks we are in the cryptocurrency business. Now we are dealing with notaries, digital documents, and artificial intelligence.

The term 'bot' in technology has grown to mean software that operates with minimal human intervention. There are all kinds of places that 'bot' technology is being used in the financial service industry, but we believe we are one of the first companies to apply the term to identifying and completing standardized forms error free. With high end transactions worth many thousands of dollars then you want to make sure that T's are crossed and the I's are dotted, and that is exactly what we do.

CEOCFO: *What surprised you through the process of developing NoteBot?*

Mr. Singleton: There has been so many! We looked at it the way we solved problems before and I do not think I really appreciated just how

complex the problem was in mortgage. One of the reasons that the mortgage industry is so difficult is that there are so many different players doing little pieces of it. It is kind of a Tower of Babel problem communicating between many different entities using many different technologies. A single change not communicated up and down the food chain can create unforeseen errors. Closing locations are also all over the place, from an attorney's office for 1st mortgages to a refinancing closed in your local Starbucks. In other States, you might have to go to an escrow agent or a title insurance company, to be able to actually complete a document package. Fifty different States means fifty different sets of rules that are also changing all the time. Also after the 2007/2008 financial collapse, everyone wanted to clean up this industry. You also had new players out there; the Consumer Finance Protection Bureau (CFPB) for example, creating and recreating rules. This froze innovation because companies wanted to wait to see what the rules where before building something new to solve problems. No matter how clever you were, you did not know what the problem was you were supposed to solve because they were still defining the rules that you had to play by! That has been a real education and it is remains a real interesting challenge! It is amazing how paper driven and slowly moving this industry is but I'm not complaining! If it moved quickly we would not have the opportunity we have now.

NoteBoT
Technology