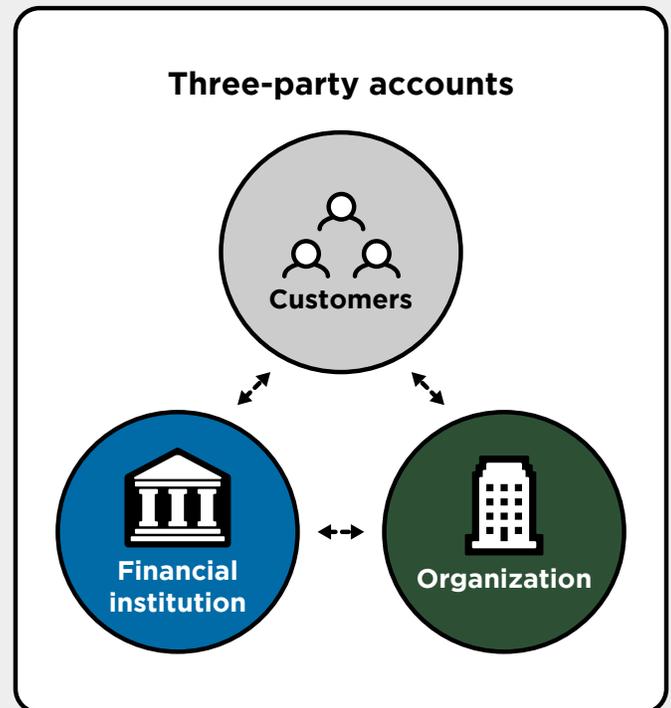


What is Commercial Escrow?

Commercial Escrow accounts are different than the kind of escrow most people know like mortgage escrow. It is a type of account with three parts: (1) a financial institution, (2) an organization that works with the institution, and (3) the customers or clients of the organization.

This kind of account is important for organizations because it helps them keep track of how much money they have, how much each person has, and how much interest each person earns on their deposits.

One simple example of this is a 1031 Qualified Intermediary who is holding funds for a real estate transaction on behalf of a customer. The average 1031 exchange is around \$500,000. These funds need to be held for specific amount of time at a financial institution, and all interest and fee activity must be tracked and visible to all three parties involved.



Sub-ledger accounts

Municipality example

Without ZEscrow
Master account with \$500,000

\$500k

With ZEscrow
Subaccounts totaling \$500,000

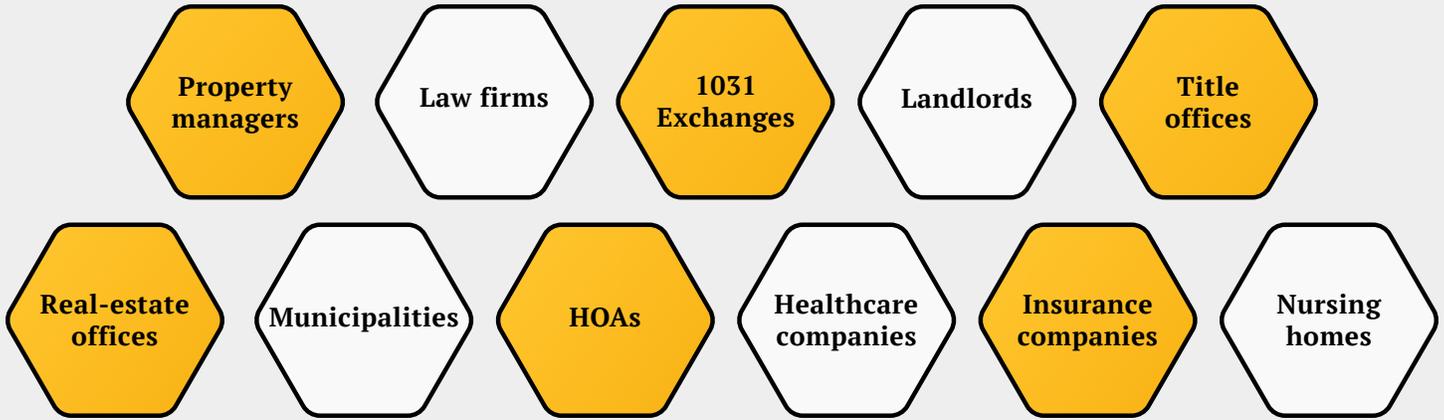
Police \$125k	Fire Dept. \$125k	Education \$125k	Roads \$125k
------------------	----------------------	---------------------	-----------------

What is Commercial Escrow Subaccounting?

Commercial customers might use something called "sub-ledgered accounts" which keep track of money in different parts of the account. For example, a company might want to split their budget into separate P&L centers and see the activity broken out within each center. This type of account will record any money going into or out of these centers and how much interest is earned on deposits.

The example shown here is a municipality who has separated funds for each of their departments, but this would also work for operating accounts at any company who wanted to break out departmental funds as budgeted.

What is the Market Opportunity?



In 2022, in the US there were:

44 million rental units with an average monthly cost of **\$2,305**.

Per Harvard JCHS

449,633 law firms with approximately **44,963,300** subaccounts.

Per ibisworld.com

5.95 million homes sold with an average down payment of **13%**.

Per cnbc.com

2.4 million funerals with an average cost of **\$8,000** each.

Per us-funerals.com

Why doesn't everyone do this?

Not many banks offer services to help with commercial escrow. This is because different businesses like landlords, title companies, real estate offices and funeral homes all have different rules depending on where they are located and what industry they are in. Banks can have trouble helping each one while keeping their costs low.

How You Can Succeed

ZEscrow is a responsive web application built around the two major use cases: Three-party accounts and sub-ledgering. With this high level framework as the foundation, ZEscrow can help you serve multiple commercial verticals efficiently while growing commercial deposits.

Key ZEscrow features include:

- Remote online access 24/7 for both the financial institution and their commercial clients
- Easy management including opening and closing subaccounts online
- Seamless regulatory compliance
- Precise interest splitting, accrual calculation and distribution
- Regular statementing
- Subaccount level document depository
- On demand reporting