Risk Factors Comparison 2024-02-27 to 2023-02-16 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Our business is significantly impacted by general macroeconomic conditions, and ~~accordingly~~ **as a result** , our business, results of operations and financial condition could be materially ~~adversely~~ affected by further deterioration or a protracted extension of current macroeconomic challenges. ~~The COVID- 19 pandemic, geopolitical~~ **Geopolitical** instability ~~, including the conflict between Russia and Ukraine~~ , actual and potential shifts in U. S. and foreign, trade, economic and other policies, and ~~rising trade tensions between the United States and China, as well as~~ other global events, have significantly increased macroeconomic uncertainty at a global level. ~~The current macroeconomic environment is characterized by record- high inflation, supply chain challenges, labor shortages, high interest rates, foreign currency exchange volatility, volatility in global capital markets, and growing recession risk.~~ Such economic volatility could adversely affect our business, financial condition, results of operations and cash flows, and future market disruptions could negatively impact us. Further, adverse macroeconomic conditions may affect our customers' and prospective customers' operations and financial condition and make it difficult for our customers and prospective customers to accurately forecast and plan future business activities, which may in turn cause our customers to elect not to renew their managed services agreements or affect their ability to pay amounts owed to us in a timely manner or at all, or adversely affect prospective customers' ability or willingness to enter into managed services agreements with us. ~~In the third quarter of 2022, we experienced lower than expected incentive fee revenue partially as a result of adverse macro- environmental factors delaying the achievement of our expected performance goals under certain of our customer contracts. We also observed the inflationary effect on our labor and cost structure to be higher than payer rate increases flowing to our customers' revenue and cash collections, and weaknesses in consumer collections as healthcare bills were de- prioritized. If these trends continue into 2023 or beyond, our business, operating results, financial condition and cash flows may be materially adversely affected.~~ An economic downturn or increased uncertainty may also lead to increased credit and collectability risks, higher borrowing costs or reduced availability of capital and credit markets, reduced liquidity, adverse impacts on our suppliers, failures of counterparties including financial institutions and insurers, asset impairments, and declines in the value of our financial instruments. ~~Our business could~~ **In 2023, we worked closely with our provider partners to address revenue optimization and workforce management needs more effectively. Such needs continue to impact our provider partners' performance because of changes to payer timeframes, increased coding complexity, regulatory shifts, and macroeconomic pressures. On the modular side, we continued to see positive booking trends in 2023 because of macroeconomic pressures and the same performance- related pressures noted above. In 2023, we also increased the allowance for credit losses as a result of a few specific customers that have been experiencing financial challenges. As inflation and high interest rates continue, along with the industry dynamics described above, we will continue to monitor the financial health of our customers, we may** be **required to** ~~adversely affected by the effects of health pandemics or epidemics, including the ongoing COVID- 19 pandemic, which has negatively affected, and may~~ continue to **increase** ~~negatively affect, our business, operating results, and financial condition. Our business could be adversely affected by the effects of health pandemics or~~ **our allowance** ~~epidemics, including the ongoing COVID- 19 global pandemic, the evolution of which continues to be uncertain. Recurring COVID- 19 outbreaks around the world, have heightened concerns relating to new and potentially more dangerous virus variants, which, if transmitted around the globe, could lead to the re- introduction of restrictions that were in place in 2020, 2021, and to a lesser extent in 2022, or~~ **for credit losses** ~~even the adoption of stricter measures to combat outbreaks . In 2020 and 2021, we experienced adverse impacts to our results of operations which resulted from revenue pressure due to decreased patient volumes. We may face similar effects to our results of operations in the event of a resurgence of COVID- 19. The COVID- 19 pandemic contributed to the current macroeconomic environment and caused significant~~ **Significant** disruptions and volatility in the global capital markets **could** ~~, which can~~ increase the cost of capital and adversely impact our ability to access capital. ~~A resurgence of COVID- 19 or another pandemic with effects similar to those of COVID- 19 may adversely affect our liquidity position as well as our customers' ability to make timely payments to us. On January 30, 2023, the Biden Administration announced plans to end the COVID- 19 national emergency and PHE on May 11, 2023, which plans, if implemented, are likely to change a wide array of healthcare policies that our customers have relied upon during the PHE. Relatedly, states will begin to redetermine the eligibility of Medicaid recipients beginning on April 1, 2023 following the termination of the continuous enrollment provisions of the FFCRA, which may result in fewer eligible Medicaid recipients. These developments may cause a reduction in the amounts received by our customers and may have an adverse effect on our business and operating results. As the COVID- 19 pandemic continues to evolve, its ultimate impact on our business is subject to change. A severe outbreak of COVID- 19 or another pandemic can disrupt our business and adversely materially impact our financial results.~~ We may fail to realize the success of **acquisitions,** strategic initiatives and other investments. The ~~anticipated~~ benefits ~~of~~ **we achieve from** acquisitions **, including the acquisition of the RCM business (" Acclara ") of Providence Health & Services – Washington (" Providence ") and certain of its affiliates (the " Acclara Acquisition ")** , strategic initiatives, and other investments ~~will~~ depend on, among other things, our ability to realize anticipated synergies, cost savings, and operational benefits of corresponding activity, which benefits are subject to, among others, the following risks: • the incurrence of additional indebtedness in connection with the financing of an acquisition may have an adverse effect on our liquidity; • we may fail to retain key employees of the acquired company; • we may be unable to successfully integrate personnel from acquired companies, while at the same time attempting to provide consistent, high - quality services; • we may fail to realize the anticipated synergies and cost savings we expect from an acquisition; • future developments may impair the value of our

purchased goodwill or intangible assets; • we may face difficulties establishing, integrating, or combining operations and systems; • we may face challenges retaining the customers of an acquired business; • we may encounter unforeseen internal control, regulatory or compliance issues; and • we may face other additional risks ~~relating~~ **related** to regulatory matters, legal proceedings, or tax laws or positions. If any of these risks occurs, we may not be able to realize the anticipated benefits of an acquisition, or they may take longer to realize than expected. The integration process could result in the distraction of our management, the disruption of our ongoing business, or inconsistencies in our services, standards, controls, procedures, and policies, any of which could adversely affect our ability to maintain relationships with customers, vendors, and employees or to achieve the anticipated benefits of an acquisition, or could otherwise adversely affect our business and operating results **. If we do not realize the anticipated benefits from the Acclara Acquisition, which closed on January 17, 2024, and commercial agreements with Providence, our business could suffer materially and our stock price could decline. We expect the Acclara Acquisition, and 10- year commercial agreements with Providence, to result in financial and operational benefits, including enhanced revenue, earnings, and cash flows. If we are unable to achieve these objectives within the anticipated timeframe or at all, the anticipated benefits may not be realized in full or at all, our financial results may differ from our expectations or the expectations of the investment community, and the value of our common stock may decline as a result** . We have a substantial amount of indebtedness, which could adversely affect us, including by decreasing our business flexibility. The agreement that governs our indebtedness contains covenants that could impact our ability to perform certain transactions without obtaining pre- approval from our lenders. Our consolidated indebtedness as of December 31, ~~2022~~ **2023** was approximately $ 1. ~~8~~ **7** billion. In conjunction with the ~~Cloudmed~~ **Acclara** Acquisition **on January 17, 2024** , we entered into **Amendment No. 2 (** the **" ~~second~~ Second Amendment ") to the Second ~~amended~~ Amended** and ~~restated~~ **Restated ~~senior credit~~ Credit ~~agreement~~ Agreement , dated as of June 21, 2022, by and among the Company and certain of its subsidiaries, Bank of America, N. A., as administrative agent, and the lenders named therein** (the " Second A & R Credit Agreement "), which **, combined with borrowings of $ 80 million under our senior secured revolving credit facility (the " Senior Revolver ") to finance the acquisition,** increased our consolidated indebtedness by $ ~~1~~ **655** . 0 ~~billion~~ **million** . The loan agreement for this indebtedness contains certain customary representations and warranties, affirmative and negative financial covenants, indemnity obligations, and events of default. The amount of debt and related covenants could have significant consequences to us, including: • affecting our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions, share repurchases and dividends, or other purposes may be impaired or such financing may not be available on favorable terms, or at all; • negative financial covenants contained in the debt agreement require us to meet financial tests that may affect our flexibility in planning for, and reacting to, changes in our business, including possible acquisition opportunities; • a substantial portion of our cash flow is required to make principal and interest payments on our indebtedness, reducing the funds that would otherwise be available for operations and future business opportunities; and • level of indebtedness makes us more vulnerable than our less leveraged competitors to competitive pressures or a downturn in our business or the economy generally. Our ability to comply with the provisions of the debt agreement may be affected by events beyond our control. Failure to comply with these covenants could result in an event of default, which, if not cured or waived, could accelerate our debt repayment obligations. Litigation could materially adversely affect our business, financial condition, operating results, and cash flows and cause reputational damage from the view of current and potential customers and shareholders. We have been and in the future may become subject to lawsuits, claims, audits, and investigations related to our business, which may lead to unfavorable publicity for us and could materially adversely affect our business, financial condition, operating results, and cash flows in various ways, including subjecting us to significant liability, resulting in significant settlement payments, or having a disruptive effect upon the operation of our business and consuming the time and attention of our senior management. In addition, we may incur substantial expenses in connection with these litigation matters, including substantial fees for attorneys. Although we maintain insurance that may provide coverage for some or all of these expenses, our insurers have rights under the policies to deny coverage under various policy exclusions. There is risk that the insurers will rescind the policies, that some or all claims will not be covered by such policies, or that, even if covered, our ultimate liability will exceed the available insurance. **For further details on our litigation matters, refer to Note 18, Commitments and Contingencies, to our consolidated financial statements included in this Annual Report on Form 10- K.** We are unable to predict the outcome of pending legal actions. The ultimate resolutions of our pending litigation could have a material adverse effect on our operating results, financial condition or liquidity, and on the trading price of our common stock. Regulatory Risks The healthcare industry is heavily regulated. Our failure to comply with regulatory requirements could create liability for us, result in adverse publicity, and adversely affect our business. The healthcare industry is heavily regulated and is subject to changing political, legislative, regulatory, and other influences. Many healthcare laws are complex, and their application to specific services and relationships may be unclear. In particular, many existing healthcare laws and regulations, when enacted, did not anticipate the services we provide. There can be no assurance that our operations will not be challenged or adversely affected by enforcement initiatives. Our failure to anticipate the application of these laws and regulations to our business, or any other failure to comply with regulatory requirements, could create liability for us, result in adverse publicity, and adversely affect the attractiveness of our services to existing customers and our ability to market new services. We are unable to predict what changes to laws or regulations might be made in the future or how those changes could affect our business or our operating costs. If we violate HIPAA, the HITECH Act or state or foreign health information privacy laws, we may incur significant liabilities, and any such violations could make it more difficult to retain existing customers or attract new customers, extend the time it takes to enter into service agreements with new customers, or result in a material adverse effect on our business, operating results, and financial condition. As described in Item 1 above, HIPAA contains substantial restrictions and requirements with respect to the use and disclosure of individuals' PHI. Since the passage of the HITECH Act in 2009, enforcement of HIPAA violations has increased, as reflected by the announcement of a number of significant settlement

agreements and sanctions by federal authorities, the pursuit of HIPAA violations by state attorneys general, and the roll- out of a federal audit program for covered entities and business associates. HHS may resolve HIPAA violations through informal means, such as allowing a covered entity to implement a corrective action plan, but HHS also has the discretion to move directly to impose monetary penalties and is required to impose penalties for violations resulting from willful neglect. In addition to enforcement by HHS, state attorneys general may bring civil actions in response to violations of HIPAA privacy and security regulations or state privacy and security laws that threaten the privacy of state residents. We and our customers also are subject to federal and state privacy- related laws that are more restrictive than the privacy regulations issued under HIPAA. These laws vary and could impose additional penalties and subject us to additional privacy and security restrictions. In addition, legislation has been proposed or implemented at various times at both the federal and the state levels that would limit, forbid **,** or regulate the use or transmission of medical information pertaining to U. S. patients outside of the ~~United States~~ **U. S** . In addition, various states recently have enacted, and other states are considering, new laws and regulations concerning the privacy and security of consumer and other personal information **, such as health data** . To the extent we are subject to such requirements, these laws and regulations often have far- reaching effects, may require us to modify our data processing practices and policies, may require us to incur substantial costs and expenses to comply, and may render our international operations impracticable or make them substantially more expensive. These laws and regulations often provide for civil penalties for violations, as well as a private right of action for data breaches, which may increase the likelihood or impact of data breach litigation. Along with state and federal laws, international laws may impact our operations. The GDPR, for example, imposes obligations on us as well as our customers, depending on the operations at issue. The GDPR and related international laws also may restrict how we can store, transfer, and process personal information of our customers' patients and other data subjects. These laws are constantly changing, and may impact how we may transfer or store information in the U. S. or abroad. We have implemented and maintain commercially reasonable physical, technical, and administrative safeguards intended to protect all personal data and have processes in place to assist us in complying with applicable laws and regulations regarding the protection of this data and properly responding to any security incidents or breaches. Nonetheless, a knowing breach of HIPAA' s requirements could expose us to criminal liability, and a breach of our safeguards and processes that is not due to reasonable cause or involves willful neglect could expose us to significant civil penalties and the possibility of civil litigation under HIPAA and applicable state law. In addition, given the omnipresent threat of potential cybersecurity incidents or security breaches, we, or our customers, could be required to report such breaches to affected consumers or regulatory authorities, leading to disclosures that could damage our reputation or harm our business, financial position, and operating results. We have been the victim of theft of company property containing patient data in the past, and we may face similar incidents in the future. During the current COVID- 19 pandemic, we shifted many employees to work from home environments, which involves additional risk surrounding theft of company property and access to PHI. Cybersecurity incidents or allegations of deficiencies regarding our data security practices could require us to change aspects of our business practices, make it more difficult to retain existing customers or attract new customers, extend the time it takes to enter into service agreements with new customers, or result in a material adverse effect on our business, operating results, and financial condition. Developments in the healthcare industry, including national healthcare reform, could adversely affect our business. The healthcare industry has changed significantly in recent years **,** and we expect this to continue. We are unable to predict each healthcare initiative that will be implemented at the federal or state level, or what the ultimate effect these initiatives may have on us. For example, changes to Medicare and Medicaid reimbursement are implemented periodically and may cause a reduction in the amounts received by our customers and may have an indirect adverse effect on our business. The **ongoing implementation of the** No Surprises Act ~~and its implementing regulations may~~ **, which took effect on January 1, 2022,** also **may** result in a reduction in the amounts received by our customers and may have an adverse effect on our business and operating results. In addition, healthcare reform is causing some ~~payors~~ **payers** to transition from volume to value- based reimbursement models, which can include risk- sharing, bundled payment, and other innovative approaches. While these models may provide us with opportunities to provide new or additional services (e. g., our value- based reimbursement capabilities within our RCM service offering) and to participate in incentive- based payment arrangements, there can be no assurance that such new models and approaches will prove to be profitable to our customers or us. Further, new models and approaches may require investment by us to develop technology or expertise to offer necessary and appropriate services or support to our customers, and the amount of such investment and the timing for return of such investment are not fully known at this time. In addition, some of these new models are being offered as pilot programs and there is no assurance that they will continue or be renewed. Further, adoption of such new models and approaches may require compliance with a range of federal and state laws relating to fraud and abuse, insurance, reinsurance and managed care regulation, billing and collection, corporate practice of medicine, and licensing, among others. Many states in which these new value- based structures are being developed lack regulatory guidance or a well- developed body of law for these new models and approaches, or may not have updated their laws or enacted legislation yet to reflect the new healthcare reform models. As a result, although we have attempted to structure and conduct our operations in accordance with our interpretation of current laws and regulations, new and existing laws, regulations, or guidance could have a material adverse effect on our current and future operations and could subject us to the risk of restructuring or terminating our customer agreements and arrangements, as well as the risk of regulatory enforcement, penalties, and sanctions if state enforcement agencies disagree with our interpretation of state laws. If we fail to comply with federal and state laws governing submission of false or fraudulent claims to government healthcare programs and financial relationships among healthcare providers, we may be subject to civil and criminal penalties or loss of eligibility to participate in government healthcare programs. Healthcare is one of the largest industries in the country and one of the costliest line items in the federal budget. As a result, the healthcare industry continues to attract attention from legislators and regulators. As described in Item 1 above, a number of healthcare fraud and abuse laws, including but not limited to the AKS, FCA, Stark Law, and EMTALA, and their state counterparts, apply to hospitals, physicians, and others who (i)

furnish healthcare services to patients and submit claims for reimbursement to government programs or commercial insurers, and (ii) refer patients to one another. Federal and state regulatory and law enforcement authorities continue to focus on enforcement activities with respect to Medicare and Medicaid fraud and abuse regulations and other healthcare reimbursement laws and rules in an effort to reduce overall healthcare spending. These laws are complex, may change rapidly, and their application to our specific services and relationships may not be clear and may be applied to our business in ways we do not anticipate. New and evolving payment structures, for example, such as accountable care organizations **, value- based enterprises,** and other arrangements involving combinations of healthcare providers who share savings, potentially implicate anti- kickback and other fraud and abuse laws. In addition, errors created by our proprietary applications or services that relate to entry, formatting, preparation, or transmission of claims, reporting of quality or other data pursuant to value- based purchasing initiatives, or cost report information may be alleged or determined to cause the submission of false claims or otherwise be in violation of these laws. Further, the continued growth of our coding and billing services provided from a global business services environment necessitates comprehensive monitoring and oversight of these services to promote quality control and regulatory compliance. While we seek to structure our business relationships and activities to avoid any activity that could be construed to implicate federal and state fraud and abuse laws, we cannot assure you that our arrangements and activities will be deemed outside the scope of these laws or that increased enforcement activities will not directly or indirectly have a material adverse effect on our business, financial condition, or operating results. Any determination that we have violated any of these laws could, for example (i) subject us to civil or criminal penalties (ii) require us to change or terminate some portions of our operations or business (iii) disqualify us from providing services to healthcare providers doing business with government programs, (iv) give our customers the right to terminate our managed services agreements with them, and / or (v) require us to refund portions of our ~~base fee revenues and incentive payment~~ revenues, any of which could have a material adverse effect on our business and operating results. Moreover, any violations by, and resulting penalties or exclusions imposed upon, our customers could adversely affect their financial condition and, in turn, have a material adverse effect on our business and operating results. Finally, even absent an alleged violation of the law by us, participants in the healthcare industry receive inquiries **, demands,** or subpoenas to produce documents and provide testimony in connection with government investigations. We could be required to expend significant time and resources to comply with these requests, and the attention of our management team could be diverted by these efforts. Our failure to comply with debt collection and other consumer protection laws and regulations could subject us to fines and other liabilities, which could harm our reputation and business, and could make it more difficult to retain existing customers or attract new customers, extend the time it takes to enter into service agreements with new customers, or result in a material adverse effect on our business, operating results, and financial condition. Our business practices involve collecting or assisting our customers in collecting non- defaulted amounts owed by patients for current and prior services activities, which may subject us to the FDCPA. The FDCPA and the TCPA restrict the methods that we may use to contact and seek payment from consumer debtors regarding past due accounts. Many states impose additional requirements on debt collection practices, and some of those requirements may be more stringent than the federal requirements. Moreover, regulations governing debt collection are subject to changing interpretations that may be inconsistent among different jurisdictions. We could incur costs or could be subject to fines or other penalties under the TCPA, the FDCPA and the FTC Act if we are determined to have violated the provisions of those authorities during the course of conducting our operations. Any perceived breach of the FDCPA could result in us being required to change aspects of our business practices, make it more difficult to retain existing customers or attract new customers, extend the time it takes to enter into service agreements with new customers, or result in a material adverse effect on our business, operating results, and financial condition. We cannot be certain that governmental officials responsible for enforcing EMTALA, or other parties, will not assert that our customers are in violation of EMTALA, and defending and settling allegations of EMTALA violations could have a material adverse effect on our business even if we are ultimately not found to have contributed to such violations. Although EMTALA is not directly applicable to us because we are not a Medicare participating hospital, we cannot be certain that governmental officials responsible for enforcing EMTALA, or other parties, will not assert that our customers are in violation of EMTALA. If our customers are found to have violated EMTALA, they may assert claims that our management practices contributed to the violation. Defending and settling allegations of EMTALA violations could have a material adverse effect on our business even if we ultimately are not found guilty of a violation. Risks Related to **Our Control Environment If we fail to maintain proper and effective internal control and remediate any future material weaknesses or significant deficiencies, our ability to produce accurate and timely financial statements could be impaired, which could harm our operating results, our ability to operate our business and our reputation with investors. In 2023, we identified a material weakness in the design and operating effectiveness of our internal controls over financial reporting relating to the controls over business combinations impacting the accounting for acquiree compensation arrangements, and also determined that our disclosure controls and procedures were not effective, as of December 31, 2022 and 2021. Although such material weakness has been remediated at December 31, 2023, there can be no assurance that similar internal control issues will not be identified in the future. If we cannot remediate future material weaknesses or significant deficiencies in a timely manner, or if we identify additional control deficiencies that individually or together constitute significant deficiencies or material weaknesses, our ability to accurately record, process, and report financial information, and our ability to prepare financial statements within required time periods, could be adversely affected. Failure to maintain effective internal controls could result in violations of applicable securities laws, stock exchange listing requirements, and the covenants under our debt agreements, subject us to litigation and investigations, negatively affect investor confidence in our financial statements, and adversely impact our stock price and our ability to access capital markets. As a result of the delayed filing of our Quarterly Report on Form 10- Q for the quarter ended September 30, 2023, we face limitations in registering securities for a public offering or acquisitions, which could adversely affect our business. Due to our**

inability to file our Quarterly Report on Form 10- Q for the quarter ended September 30, 2023 on or prior to its due date, we generally are ineligible to use " short- form " registration statements, or Form S- 3, that would allow us to incorporate by reference our SEC reports into our registration statements, or to use automatic shelf registration statements, until we have filed all of our periodic reports in a timely manner for a period of 12 months. Our inability to register our securities on Form S- 3 could increase the costs of selling securities publicly, significantly delay such sales and adversely affect our business. We face risks related to the restatement of our previously issued financial statements. In December 2023, we restated certain information in our previously issued consolidated financial statements for the years ended December 31, 2022 and 2021, for each of the quarters within 2022 and 2021, and for the quarters ended June 30, 2023 and March 31, 2023. As a result, we could be subject to additional risks and uncertainties, which could affect investor confidence in the accuracy of our financial disclosures. We could face litigation under the federal and state securities laws or other claims arising from the restatements. The cost of defending against any such claims and the ultimate outcome of any such litigation could materially affect our results of operations. In addition, we could discover additional material or immaterial errors in our financial statements, and our financial statements remain subject to the risk of future restatement. Risks Related to Intellectual Property We may be unable to adequately protect our **IP** ~~intellectual property~~. Our success depends, in part, upon our ability to establish, protect and enforce our **IP** ~~intellectual property~~ and other proprietary rights. If we fail to establish or protect our **IP** ~~intellectual property~~ rights, we may lose an important advantage in the market in which we compete. We rely upon a combination of patent, trademark, copyright and trade secret law and contractual terms and conditions to protect our **IP** ~~intellectual property~~ rights, all of which provide only limited protection. We cannot assure you that our **IP** ~~intellectual property~~ rights are sufficient to protect our competitive advantages. We cannot assure you that any patents issued or that will be issued from current or future applications will provide us with the protection that we seek or that any current or future patents issued to us will not be challenged, invalidated or circumvented. Legal standards relating to the validity, enforceability and scope of protection of patents are uncertain. Also, we cannot assure you that any trademark registrations will be issued for pending or future applications or that any of our trademarks will be enforceable or provide adequate protection of our proprietary rights. We also rely in some circumstances on trade secrets to protect our technology. Trade secrets may lose their value if not properly protected. We endeavor to enter into non- disclosure agreements with our employees, customers, contractors, and business partners to limit access to and disclosure of our proprietary information. The steps we have taken, however, may not prevent unauthorized use of our technology, and adequate remedies may not be available in the event of unauthorized use or disclosure of our trade secrets and proprietary technology. Moreover, others may reverse engineer or independently develop technologies that are competitive to ours or infringe our **IP** ~~intellectual property~~. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing or misappropriating our **IP** ~~intellectual property~~ and using our technology for their competitive advantage. Any such infringement or misappropriation could have a material adverse effect on our business, operating results, and financial condition. Monitoring infringement of our **IP** ~~intellectual property~~ rights can be difficult and costly, and enforcement of our **IP** ~~intellectual property~~ rights may require us to bring legal actions against infringers. Infringement actions are inherently uncertain and therefore may not be successful, even when our rights have been infringed, and even if successful, may require a substantial amount of resources and divert our management' s attention. Claims by others that we infringe their **IP** ~~intellectual property~~ could force us to incur significant costs or revise the way we conduct our business. Our competitors protect their **IP** ~~intellectual property~~ rights by means such as patents, trade secrets, copyrights, and trademarks. We have not conducted an independent review of patents issued to third parties. Additionally, because patent applications in the ~~United States~~ **U. S.** and many other jurisdictions are kept confidential for 18 months before they are published, we may be unaware of pending patent applications that relate to our proprietary technology. Any party asserting that we infringe its proprietary rights would force us to defend ourselves, and possibly our customers, against the alleged infringement. These claims and any resulting lawsuit, if successful, could subject us to significant liability for damages and invalidation of our proprietary rights; cause interruption or cessation of our operations; require us to enter into royalty or licensing agreements with third parties; and consume time which would otherwise be spent on our core business. Even if we prevail, the cost of such litigation could deplete our financial resources. Furthermore, during the course of litigation, confidential information may be disclosed in the form of documents or testimony in connection with discovery requests, depositions, or trial testimony. The software and technology industries are characterized by the existence of a large number of patents, copyrights, trademarks and trade secrets and by frequent litigation based on allegations of infringement or other violations of **IP** ~~intellectual property~~ rights. Moreover, the risk of such a lawsuit will likely increase as our size and scope of our services and technology platforms increase, as our geographic presence and market share expand and as the number of competitors in our market increases. Any of the foregoing could disrupt our business and have a material adverse effect on our operating results and financial condition. Item 1B. Unresolved Staff Comments