Vendor Compliance Summary

For compliance officers reviewing ModelLayer for their firm's advisors. It maps the platform to the areas a vendor review covers and shows what ModelLayer handles and what stays with your firm.

Key Points

- ModelLayer is modeling software. It is not an investment adviser, broker-dealer, or fiduciary, and gives no advice or recommendations.
- Your advisors control every input, every assumption, and what the client sees.
- Platform disclosures print on every PDF report and cannot be turned off or edited. Your firm adds its own on top.
- Historical scenarios are labeled hypothetical, with sources, methodology, and limitations disclosed.
- Data tables show the year-by-year numbers behind the results, and every PDF and CSV is stamped with the model name, version, and date generated.
- The AI summary is optional, editable, and removable. Client names, dates of birth, and contact details are designed to be removed before any AI request.
- We never ask for Social Security numbers, account numbers, or financial-institution credentials.
- We notify your firm within 72 hours of becoming aware of an incident affecting your data. A DPA is available on request.

1 Review Areas

Area	How ModelLayer Handles It
Adviser Status and Advice	• Not a registered investment adviser, broker-dealer, financial planner, or fiduciary. • Provides no investment advice, securities recommendations, or suitability determinations. Outputs are illustrative. • No relationship with your clients. ModelLayer never contacts them.
Inputs and Assumptions	• Every input and assumption is set by the advisor, documented in the model, and available on the report. • Custom asset class returns are advisor-defined, either uploaded by the advisor or calculated by ModelLayer from beta, historical market returns, or a flat rate. The method used is shown in the model's assumptions. • Entering false or manipulated inputs to mislead a client is prohibited under our Acceptable Use Policy.
Hypothetical Performance (Rule 206(4)-1)	• Historical scenarios are labeled hypothetical. Data sources (Shiller, Yale; Damodaran, NYU Stern; NBER via FRED), methodology, and calculation notes are documented. • Limitations are disclosed. Fees and costs are excluded unless reflected in the rate assumption. Taxes are excluded unless the optional Portfolio Tax Estimator is on, which uses advisor-entered effective rates and is an estimate, not tax advice. Annual values are approximations. • Results are shown as the share of historical scenarios with a positive outcome (for example, % Positive Real Historical Scenarios), never as a probability of success. The AI summary is instructed not to guarantee or predict outcomes.
Disclosures	• The app adds ModelLayer's platform disclosures to every PDF report, with no setting to turn them off or edit them. • Firms on Pro add their own, for one model, several, or all of them, and they print on every PDF report for those models.
Supervision and Output Control	• The advisor chooses which sections reach the client: key metrics, charts, data tables, and the AI summary. • Nothing goes to a client without the advisor's action. Reports go out by PDF or by email from our verified domain.
AI-Generated Content	• The AI summary is a draft built from the model's own output. It is designed not to add figures, predictions, or recommendations. • Advisors can edit, rewrite, or remove it. Every account can turn AI off in Settings. • Client names and identifiers are designed to be removed before any AI request (Section 2).
Model Accuracy	• Each model starts as an advisor's own Excel model. The software is checked against Excel's own results for that model across a full set of test cases, and an advisor reviews it before release. • Data tables show the numbers behind the results, year by year, and the methodology is documented in Model Info.
Recordkeeping	• Every PDF and CSV is stamped with the model name, version, and the date it was generated, so the firm can show what a client saw and when. • Saved models can be reopened, and reports exported as PDF or CSV. • ModelLayer is not a books-and-records system. Firms keep their own copies of client communications.
Lapsed Subscriptions	• Pro is sold per model. If a model's subscription ends, its saved models, clients, and notes are kept, and that model goes back to the free plan: one saved model stays open and the rest are locked until renewal. Paid features for that model, including branded output, PDF, email, CSV, Chat, and the client library, stop until then. • Data stays until the account is deleted, or until an inactive free account is closed after notice.
Incident Notification	• Affected firms are notified as soon as possible, and no later than 72 hours after we become aware of an incident affecting their data. A written incident response plan is drafted and awaiting adoption.

What Stays With Your Firm

- Advice, suitability, and all client communication.
- Accuracy of inputs and assumptions.
- Review and approval of outputs and AI narratives before delivery.
- Firm-specific disclosures and Marketing Rule determinations.
- Retaining client communications under Rule 204-2.
- Notifying the firm's own clients after an incident, where required.
- Keeping identifiers other than the client record out of custom AI prompts.

2 Client Data and AI

Area	How ModelLayer Handles It
Data We Hold	• User name and email. • Model inputs entered by advisors: client and spouse names, dates of birth, email addresses, phone numbers, marital status, state of residence, retirement ages, balances, allocations, tax rates, cash flows, uploaded custom asset class returns, and assumptions, plus a default PDF password if the advisor sets one. • Saved models, reports (with any AI summary), and notes. • Basic technical data for security: IP address and browser for sign-in sessions.
Data We Never Ask For	• Social Security numbers, account numbers, card numbers, or credentials to any other financial institution. Entering them is prohibited under our Acceptable Use Policy.
Client Data (Reg S-P)	• Processed only on your firm's behalf. Never sold, used for marketing, or used to train AI. • Access is limited to the firm's own signed-in users, plus personnel and providers who need it to run and secure the service.
AI Processing	• Before any request leaves our servers, the names, dates of birth, email addresses, and phone numbers on the client record are designed to be removed, from the figures and from anything the advisor types in a custom prompt or Chat. Any email address or phone number typed is masked, whether or not a client is open. The AI is told not to invent client details. • Only identifiers on the client record, plus email addresses and phone numbers, are caught. A name the system does not know, such as a child's, or an account number is not, so advisors should not type them into custom prompts or Chat. • The AI summary runs on Meta's Llama 3.3 through Cloudflare Workers AI, inside our own Cloudflare account. The usage record we keep (account, time, tokens, cost) holds no request or reply text. A new summary is kept on our servers until the advisor puts it on a report or discards it, then removed about a day later. An unused one is removed after 30 days. On a report, it is kept with the saved report. Chat conversations are not stored on our servers. Cloudflare states that it does not use customer content to train AI models. • Every account has an off switch that shuts the AI down entirely.

3 Security Controls

Control	Detail
Hosting and Encryption	The app, API, database, and file storage run on Cloudflare, encrypted in transit and at rest. The database and file storage sit in Cloudflare's Eastern North America location (a placement preference with no residency guarantee), and requests, AI included, run on Cloudflare's network.
Authentication	A dedicated authentication layer. Passwords are hashed and never stored in plain text. Sessions are held on the server, and password reset links expire. Two-step sign-in with an authenticator app and backup codes is available on every account and required for admin accounts.
Account Isolation	Every API request is checked on the server. Clients and reports belong to one firm and are visible only to that firm's signed-in users, and notes are private to the person who wrote them. No firm can see another firm's data.
Administrative Access	Limited to a short list of verified email addresses set in the server's configuration. There is no path to admin access through sign-up.
API Access	Browsers can call the API only from ModelLayer's own site, and anything that touches client or account data needs a signed-in session.
Exports and Email	Password-protected PDFs use AES-256 encryption. Emailed reports are sent from our verified domain, and each account can email up to 40 reports in any 24 hours.
Backups and Recovery	The database keeps a continuous restore history for 30 days and can be restored to any minute in that window.
Deletion	An account owner can delete the account from Settings once any subscription is cancelled, its paid period has ended, and no subscription is left unpaid. Deletion runs on the server and removes clients, notes, reports, firm records, and logo files. Anonymous usage counts and a minimal record of Terms acceptance are kept. Stripe keeps its own billing records, and Resend its copies of sent emails. Backups roll off within 30 days.
Independent Review	ModelLayer has no SOC 2 report yet. Cloudflare, Stripe, and Resend have their own SOC 2 Type II reports.
Subprocessors	Cloudflare (hosting, storage, AI, web analytics), Stripe (payments), Resend (email), Google Workspace (our own email), GetTerms (cookie consent), Google Analytics (website and app analytics after cookie consent, no client data), Premier Studio LLC (our developer), and Google or Microsoft only when a user signs in with them. The full list is in the DPA.

4 For Your Vendor File

Available on Request

- Data Processing Addendum: processing, subprocessors, security, breach notice, and deletion.
- A summary of our incident response plan.
- Answers to your firm's security or vendor due diligence questionnaire.

Governing Documents

- Terms and Conditions of Sale: modellayer.app/terms
- Disclosures: modellayer.app/disclosures
- Privacy Policy: modellayer.app/privacy
- Acceptable Use Policy: modellayer.app/acceptable-use
- Cookie Policy: modellayer.app/cookies

Security, DPA, and Questionnaires: security@modellayer.app
General: team@modellayer.app

ModelLayer LLC (Ohio) is not a registered investment adviser, broker-dealer, or fiduciary and does not provide investment, legal, or tax advice. This summary describes the platform as of November 2026 and may change. The governing documents above control. It is not legal or compliance advice.