

Case Study: Moelis Asset Management

Investment advisory firm gains visibility into vendor risk with Prevalent TPRM solutions

Moelis Asset Management is an investment advisory firm with more than \$8 billion in assets under management. Associated with Moelis & Company, an independent investment bank headquartered in New York City and with 20 offices globally, the firm invests in multiple asset classes across various industries through its subsidiary funds and partnerships.

The Challenge

Moelis Asset Management developed a manual process for third-party risk due diligence in the wake of the Securities and Exchange Commission's oversight rule related to third parties that came into effect in 2023. According to Marie Bober, chief compliance officer and general counsel, Moelis created a questionnaire that business owners completed prior to doing business with each proposed vendor. Business owners were then tasked with collecting documentation like business continuity plans and SOC 2 certifications for Bober and her team to keep on file.

"We were gathering all these documents from our vendors, but we didn't really have the expertise in-house to determine whether they were standard or not. We'd get documents and see a major auditor signed it, and that would be 'good enough' essentially. It's hard to really create a central risk register or make a risk determination with that sort of information," Bober said.

Despite gathering information for pre-contract due diligence, Bober said that Moelis lacked an easily accessible record of vendor assessments and a method for continuous risk monitoring. Having a centralized record of assessments is vital in case regulators ask for vendor due diligence, so Bober and her team needed a solution that would empower them to provide that.

Additionally, Bober is responsible for all IT security risk throughout the organization. This meant the company needed a cohesive solution that could provide insight into IT risks in their vendor landscape, in addition to creating a consolidated record. The Moelis team also sought someone who could manage the day-to-day activities of a third-party risk program, as they are a small organization with limited internal resources.



Industry: Financial Services

Location: United States

Solution: The Prevalent™ TPRM Platform + Risk Operations Center Managed Services

Benefits:

- Centralized risk register to use for identifying vendor risks and reporting to regulators
- Continuous monitoring of risks throughout the vendor landscape
- Consistent managed services that enable internal teams to focus on their core jobs

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- Marie Bober, Chief Compliance Officer and General Counsel, Moelis Asset Management

The Solution

Moelis Asset Management chose the Prevalent Third-Party Risk Management Platform and its Risk Operations Center (ROC) managed services to outsource its third-party risk management operations. Bober said they also leverage Prevalent for its continuous risk monitoring capabilities, which provide them with a cohesive view into their IT vendor risks.

Prevalent also ensures that Moelis has a centralized, easy-to-access record in case regulators seek documentation. As a financial services company, Bober said that Moelis tends to use a lot of the same vendors as other financial firms of their size and type. This means there are few risks that regulators don't know about, but using Prevalent and its managed services empowers Bober to have a written record of their work.

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Bober and Laura Capicotto, senior associate counsel at Moelis, noted that the other vendors they looked at didn't provide the same level of consultative services. One would provide only a spreadsheet of all the problems with no remediation advice and another service provider didn't instill the confidence that Prevalent did during the process. Bober and Capicotto praised Prevalent's services and the back-end help that the company has provided.

“The ROC team has always been very responsive every time we've emailed them with an issue. This has made Prevalent a strong partner for our third-party risk management program,” Capicotto said.

Moelis uses Prevalent's data breach monitoring to keep tabs on their most critical vendors, Bober said. This ensures that they're kept aware of any risks to their data from their vendor landscape. Some vendors are unlikely to change, according to Bober, such as their custodian bank unless there are major issues, but the position of Moelis within the financial regulatory ecosystem means they need to be aware of these risks.

Results

Moelis doesn't bring on a substantial number of new vendors each year, Bober said, making them relatively static except for a few added relationships. What Prevalent provides, according to Bober and Capicotto, is the ability to maintain insight into existing vendors and stay up to date on any changes.

Bober praised Prevalent for ensuring they had a consistent vendor record and intelligence into their risk landscape. As chief compliance officer, she's confident that Prevalent ensures that Moelis is compliant and retains the records that the SEC and other regulators may need to see.

“I give great credit to Prevalent as a strong partner to Moelis Asset. We keep the meetings every Friday even though we don't actually have anything to say sometimes because things are just rolling along. The team is always really helpful.”

- Marie Bober