

CBY Systems

Collection Services Agreement

This Agreement is made by and between the undersigned company (hereinafter referred to as the Client) and The Credit Bureau of York, Inc. (hereinafter referred to as CBY).

Whereas Client has need for and is interested in obtaining the services of a collection agency; and

Whereas CBY provides collection services and is interested in serving as Collection agent for Client.

Now therefore, in consideration of the mutual benefits, Client and CBY enter into the following agreement:

THE CLIENT AGREES:

1. To provide CBY with certain delinquent accounts, claims, or other evidence of indebtedness (hereinafter called Claims) on a periodic basis.
2. That all Claims forwarded to CBY are warranted by Client to be valid and legally enforceable debts and that Client both before and after forwarding said Claims, will comply with all applicable federal and state laws with respect thereto. Further, Client agrees to provide, upon request of CBY a written verification of the Claim: a copy of the judgment, if any, on which the Claim is based; and any other pertinent information to enable CBY to verify a disputed Claim.
3. That Claims placed by Client and accepted by CBY for collection may not be withdrawn for a minimum period of three (3) years and a maximum of seven (7) years (or still being eligible to be reported on the credit file, whichever is longer), except at CBY option, and that if withdrawn CBY shall be entitled to assess a 20% withdrawal fee to the Client to recover its cost of servicing Claim; and that Claims may not be withdrawn if in process of payment activity. CBY reserves the right to cancel and return any Claim for cause.
4. That CBY shall be entitled to commission on all monies collected, including insurance payments, in accordance with its fee schedule set forth in the Addendum Terms and Conditions attached hereto and made a part hereof, whether paid direct to Client, or to CBY, as of the Acknowledgment Date of the Claim.
5. To report to CBY all payments, including insurance payments, made directly to Client within two (2) business days of receipt of such payments.
6. That, in order to prevent compromise of CBY collection effort, Client grants CBY control of account and agrees to cease communication with the debtor, and to immediately refer all debtor initiated contact with Client to CBY in such case. Client shall obtain debtor's identity, home address and telephone, or other telephone number (including written permission to call cell phones) and immediately relay the information to CBY.
7. That Client will not settle or compromise any Claim without CBY's prior knowledge and agreement and that any settlement, whether payments, or as a credit against the debtor's account, or the return of merchandise, shall be considered the same as a cash payment, or collection and shall entitle CBY to its assigned fee, unless otherwise agreed upon between Client and CBY.
8. To authorize CBY to use discretionary judgment in settling Claims as payment in full after 180 days of collection effort, provided no payments have been received on the Claim and provided settlement is made in an amount not less than 70% of the initial placed Claim balance, unless otherwise agreed to by the parties and Client agrees that CBY shall be entitled to its standard commission on the settled amount.
9. To remit to CBY by the 25th of the month in which the itemized statement is issued, all commissions earned thereon by CBY. Unpaid balances carried forward shall accrue interest at a rate of 1.5% per month of the unpaid balance. If collection efforts are required, Client shall pay all costs of collection.
10. To authorize CBY to post existence of Client's Claims on the debtors' credit files with national credit reporting repositories as allowed by the Fair Credit Reporting Act.
11. To forward Claim placements in acceptable format and to include; responsible party's (debtor's) name, Social Security Number, current or last known address, debtor's and relative's last known telephone number, debtor's last known employment, patient name, or service address. Client's account number, date of last sale or service, date of last payment, balance owing and any other information which Client may deem pertinent to effect recovery of the account.

CBY AGREES:

1. That it will use its best effort to effect collection of Client's Claims and that all collection activity shall be performed in compliance with all applicable federal, state and local laws governing debt collection practices.
2. That unless otherwise stipulated in the Addendum Terms and Conditions, no litigation, with respect to any Claims referred hereunder, shall be instituted in any court without the express written consent of Client.
3. To issue a monthly itemized statement of all collections, whether received by Client, or by CBY and all commissions to which CBY is entitled for the month concluded by the tenth (10th) day of the new month; and to remit, with such statement, a check for all monies due Client, as shown on said statement.

IT IS MUTUALLY AGREED:

1. That Claims are accepted by CBY only with the understanding that they are not in the hands of any other collection agency or other third party; and that, if found, presently or in the future, to be placed with another agency or third party collector, CBY hereunder reserves the right to terminate said Claims, and Client shall reimburse CBY for costs expended on said Claims.
2. That as a member of CBY, Client shall be entitled to use any and all other CBY services offered presently, or in the future at the applicable service fees.
3. That each party to this Agreement shall indemnify and hold harmless the other party, its officers, agents, and employees, from and against any and all claims, demands, actions, suits, and proceedings by others, and against all liability, both negligent and non-negligent, arising directly or indirectly out of the actions of each party in the performance of this Agreement.
4. That CBY is authorized to endorse and deposit checks, money orders, or other negotiable instruments, made payable to the Client but received by CBY, and Client does hereby constitute and appoint CBY as its agent and attorney-in-fact for such purposes only.
5. That this Agreement shall remain in force and effect for one year, and thereafter, from year to year, on the same terms and conditions as set forth herein, including continuing to pay annual membership dues. Non-payment of dues does not cancel the contract or cease CBY efforts.
6. Either party may cancel this Agreement at any time, upon one hundred eighty (180) days written notice to the other party, and with the stipulation that CBY shall be entitled to continue collection, at the assigned commission rate, of any Claim in process of payment that was referred prior to the notice of cancellation. Claims must be officially withdrawn (see Withdraw Fee terms and conditions) before giving to another Collection Agency, Attorney, any other Agent or Client directly resuming collection activity.
7. It is further agreed, however, that CBY may, at its sole election and option, discontinue service and cancel this contract for delinquency in payments, for failure of client to fulfill any statutory or other legal duty, for any violation of the terms and conditions of this Agreement, or for any other just cause.
8. That in the event of written termination of this Agreement, either voluntary or involuntary, Client's Claims posted by CBY will be deleted from national credit reporting repositories.
9. That unless terminated by prior written notice, this Agreement shall be binding on the heirs, legal representatives, successors and assigns of the parties hereto.
10. That if any court of competent jurisdiction shall rule that any provision of this Agreement is invalid or unenforceable, the remaining provisions shall remain in full force and effect and shall not be affected by said ruling.
11. The parties hereto agree that this instrument is the full and complete Agreement between them, and is not to be altered, varied, or enlarged upon by any verbal promises, statements or representations and expressed herein. This Agreement shall not be binding upon either party until signed by CBY.
12. In the event that Legal Action is brought against the Client and/or CBY to determine the validity of the debt, CBY will cease all collection activity, remove the debt from the national credit repositories and return the Claim to the Client to respond to the lawsuit at the Client's expense. Upon a Judgment in the Client's favor, the Claim can be reinstated with CBY to resume normal collection efforts including reporting to the national credit repositories at the same contingency rates outlined in this agreement.

FEES AND OTHER PROVISIONS

CONTINGENCY FEE - Client agrees to pay CBY for its collection efforts based on the following fee schedule that applies to all monies collected. No fees (except withdrawal fees – see below) are charged on uncollected balances.

- 25% Of amounts collected on Claims less than six (6) months from date of last charge. (Not including finance charges and/or collection fee.)
- 35% Of amounts collected on Claims over six (6) months from date of last charge. (Not including finance charges and/or collection fee.)
- 50% Of amounts collected on Claims that have been forwarded to other agencies and Claims previously handled by other agencies.

WITHDRAWAL FEE- A withdrawal fee of 20% of the current balance will be charged on all Claims withdrawn prior to a three (3) year collection period or while being reported to the national credit files. To allow sufficient time for proper collection and credit reporting effort, Claims placed for collection require a minimum three (3) year collection period and maximum seven (7) years or as long as eligible to be reported on the credit files, whichever is longer, and can be returned thereafter only upon a sixty (60) day written notice to CBY. Payments received on Claims during the sixty (60) days written notice period will be subject to the full contingency fees listed above.

NOTE: Claims must be officially withdrawn in writing before assigning the accounts to another Collection Agency, Attorney, any other Agent or the Client directly resuming collection activities. Non-payment of dues does NOT constitute the withdrawal of any existing Claims.

ANNUAL DUES – Client agrees to pay CBY annual dues, which are currently \$45. Annual dues are Non-Refundable and set by CBY and may change without notice. Payment of dues entitles Client to all rights and privileges of membership in CBY. Client may elect not to join CBY, but will then be assessed fees for listing Claims (currently \$35 for any one unlimited batch of Claims).

MINIMUM AMOUNT ACCEPTED FOR COLLECTION IS \$50.

COMMISSIONS CHARGED ON ALL MONIES COLLECTED

Client Name:	_____	CBY:	_____
Signature:	_____	By:	_____
Print Name/Title:	_____	Title:	_____
Date:	_____	Date:	_____
Address:	_____		
Phone:	_____		
Email:	_____		
Billing Contact:	_____		

PLEASE PRINT ALL INFORMATION

Owners' Name: _____ Social Security Number: _____

Place of Residence: _____

Kind of Business (Describe): _____

THIS INFORMATION WILL ENABLE US TO ENSURE THAT YOU RECEIVE ALL PAYMENTS DUE YOU.
THANK YOU

How to Submit Accounts for Collection

- Use our Submission Form with Debtor Name, Phone, Address, Amount Owed, Date of Charge (the date of the invoice or date received service from you), Social Security Number if you have it and any other contact information (put an "X" in the box if you don't have that information), you can fit up to 3 people per page
- We only accept accounts that are less than 4 years old
- Accounts can be submitted by mail, fax, email, website
- Be sure to put your own contact information on all submission forms so we can contact you with any questions
- If the person disputes the debt, you must be able to provide documentation to validate the debt. **If you cannot provide proof of the debt, we must cease collection activity and withdraw the account and you will be subject to a Withdrawal Fee as outlined in the Withdrawal clause in your Agreement.**
- **IF & ONLY IF** your Lease or Contract signed **prior** to service states that you're allowed to add collection fees to the balance can you add our fees in by **DIVIDING** the balance by .75 (or .65 for our 35% rate) and submitting that amount. For example: someone owes you \$100 divide that by .75 = \$133.34, submit that amount **NOT \$125** so that when we take our 25% of the new figure you still receive \$100 or Balance divided by .75 = amount you submit. By law, **FEES MUST BE ADDED TO ACCOUNTS BEFORE SENDING TO CBY**
- If your customer visits you to pay or mails you a payment, you can accept it and deposit it in your bank but you **MUST** report the payment to CBY to update the Credit Report and all payments will be subject to our commissions
- You can request Quarterly Status Reports sent by email
- Print out more submission forms at www.cby.com

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