

CBY Systems, Inc.

Equifax Retail Credit Reports

Application for Membership and Services Contract

In order to cooperate with other business and professional people in the confidential dissemination of credit information, the undersigned (hereinafter referred to as the End User) petitions CBY Systems, Inc. (hereinafter referred to as CBY) for the use of its services upon the basis outlined below and, if accepted as a member, agrees that the following shall constitute a service contract between the End User and CBY under the following terms and conditions of membership:

The End User Agrees:

1. To comply with all the provisions of Public Law 91-508 "Fair Credit Reporting Act" (FCRA) and all other applicable statutes, both state and federal.
2. End User is a _____ and has permissible purpose for obtaining consumer reports in accordance with the FCRA (15 U.S.C. 1681 et seq.) including, without limitation, all amendments thereto. The End User certifies its permissible purpose as:
 - [A] In connection with a transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or the review or collection of an account of the consumer; or
 - [B] In connection with the underwriting of insurance involving the consumer or review of existing policy holders for insurance underwriting purposes, or in connection with an insurance claim where written permission of the consumer has been obtained, or
 - [C] For employment purposes, or
 - [D] For a legitimate business need in connection with a business transaction that is initiated by the consumer, including, but not limited to, tenant screening, or
 - [E] As a potential investor, servicer or current insurer in connection with a valuation of, or assessment of, the credit or repayment risks.

End User certifies that End User shall use the consumer reports: (a) solely for the End User's certified use(s); and (b) solely for End User's exclusive one-time use. End User shall not request, obtain or use consumer reports for any other purpose including, but not limited to, for the purposes of selling, leasing, renting or otherwise providing information obtained under this Agreement to any other party, whether alone, in conjunction with End User's own data, or otherwise in any service which is derived from the consumer reports. The consumer reports shall be requested by, and disclosed by End User only to End User's designated and authorized employees having a need to know and only to the extent necessary to enable End User to use the Consumer Reports in accordance with this Agreement. End User shall ensure that such designated and authorized employees shall not attempt to obtain any Consumer Reports on themselves, associates, or any other person except in the exercise of their official duties.

3. End User will maintain copies of all written authorizations for a minimum of five (5) years from the date of the inquiry.

4. The FCRA provides that any person who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses shall be fined under Title 18 of the United States Code or imprisoned not more than two years or both.

5. End User shall use each Consumer Report only for a one-time use and shall hold the report in strict confidence, and not disclose it to any third parties; provided, however, that End User may, but is not required to, disclose the report to the subject of the report only in connection with an adverse action based on the report. Moreover, unless otherwise explicitly authorized in an agreement between Reseller and its End User for scores obtained from Experian, TransUnion, and Equifax or as explicitly otherwise authorized in advance and in writing by Experian, TransUnion, or Equifax through Reseller, End User shall not disclose to consumers or any third party, any or all such scores provided under such agreement, unless clearly required by law.

6. With just cause, such as violation of the terms of the End User's contract or legal requirement, or a material change in existing legal requirements that adversely affects the End User's agreement, Reseller may, upon its election, discontinue serving the End User and cancel the agreement immediately.

7. To hold Experian, TransUnion, Equifax and all its agents harmless on account of any expense or damage arising or resulting from the publishing or other disclosure of Experian, Trans Union, or Equifax Information by Applicant (Qualified Subscriber), its employees or agents contrary to paragraph 3 or applicable law.

It is Mutually Agreed That:

1. End User will pay an annual Membership fee of forty-five dollars (\$45) as well as service charges that may be levied from time to time. Fees and service charges are set by CBY and may be changed at any time. Membership dues are payable in advance at the start of each membership year. Service charges will be billed monthly and are payable by the 10th of the month following that in which the service was furnished.

2. Violation of any of the provisions of the agreement by the End User shall give CBY the right to suspend service without notice and terminate Membership Contract.

3. The Membership Contract shall remain in full force and effect for one year and shall then be automatically renewed from year to year, unless terminated as provided in the immediately preceding paragraph of this agreement or unless canceled by either CBY or by the End User, upon either party giving ten (10) days written notice to the other.

It is further mutually agreed that CBY and the End User shall each be liable to any third party claimant for its own acts of negligence with regard to the performance of its duties hereunder, and each shall indemnify and hold harmless the other for and from all such third party claims arising on account of its acts of negligence, or on account of its failure to perform any of its obligations hereunder, and any cost or expense, including reasonable attorney's fees, incurred by the other in connection therewith.

This Membership Application, when approved by the Board of Directors of CBY and signed by its authorized officer, shall constitute a contract between CBY and the Member, and shall be the entire agreement/amendments between the parties hereto.

End User Information:

Company Name: _____

DBA Doing Business As (list all): _____

Physical Address: _____

City: _____ State: ____ Zip: _____

Telephone Number: _____ Fax Number: _____

Contact Person: _____ Email Address: _____

Type of Business: _____ Years in Business: _____

Business License: _____ Expiration Date: _____

(Required) Consumer Report Purpose: _____

Billing Contact: _____ Phone/email: _____

Street Address: _____

City: _____ State: ____ Zip: _____

Printed Name and Title: _____

Signature: _____ Date: _____

(For Internal Office Purposes, Do Not Write Below This Line)

Membership Approved by Board of Directors of CBY Systems:

By: _____ Date: _____ Code No: _____
President/Secretary

Complete application and send it with your first year's dues of \$45 to:

CBY Systems • 33 South Duke Street • York, PA 17401

Amendment A. California Law Certification. Applicant will refer to **Exhibit 1-A** in making the following certification, and Applicant agrees to comply with all applicable provisions of the California Credit Reporting Agencies Act.

(PLEASE CHECK "X" THE APPROPRIATE LINE BELOW)

Applicant certifies that is ___ IS or ___ IS NOT a "retail seller" as defined in Section 1802.3 of the California Civil Code and ___ DOES or ___ DOES NOT issue credit to consumers who appear in person on the basis of an application for credit submitted in person.

**EXHIBIT 1-A to Applicant (Qualified Subscriber) Terms & Conditions
State Compliance Matters
California Retail Seller**

Provisions of the California Consumer Credit Reporting Agencies Act, as amended effective July 1, 1998, will impact the provision of consumer reports to Applicant under the following circumstances: (a) if Applicant is a "retail seller" (defined in part by CA law as "a person engaged in the business of selling goods or services to retail buyers") and is selling to a "retail buyer" (defined as a "person who buys goods or obtains services from a retail seller in a retail installment sale and not principally for the purpose of resale") and a consumer about whom Applicant is inquiring is applying, (b) in person, and (c) for credit. Under the foregoing circumstances, Equifax, before delivering a consumer report to Applicant, must match at least three (3) items of a consumer's identification within the file maintained by Equifax with the information provided to Equifax by Applicant in connection with the in-person credit transaction. Compliance with this law further includes Applicant's inspection of the photo identification of each consumer who applies for in-person credit, mailing extensions of credit to consumers responding to a mail solicitation at specified addresses, taking special actions regarding a consumer's presentment of a police report regarding fraud, and acknowledging consumer demands for reinvestigations within certain time frames.

If Applicant designated in Amendment A that it is a "retail seller", Applicant certifies that it will instruct its employees to inspect a photo identification of the consumer at the time an application is submitted in person. If Applicant is not currently, but subsequently becomes a "retail seller", Applicant agrees to provide written notice to Equifax prior to ordering credit reports in connection with an in-person credit transaction, and agrees to comply with the requirements of the CA law as outlined in this Exhibit, and with specific certifications set forth herein.

Applicant certifies that, as a "retail seller", it will either (a) acquire a new Applicant number for use in processing consumer report inquiries that result from in-person credit applications covered by CA law, with the understanding that all inquiries using this new Applicant number will require that Applicant supply at least three items of identifying information from the applicant; or (b) contact Applicant's Equifax sales representative to ensure that Applicant's existing number is properly coded for these transactions.

Amendment B. Vermont Certification. Applicant certifies that the attached copy of Section 2480e (**Exhibit 1-B**) of the Vermont Fair Credit Reporting Statute was received from CBY Systems, Inc. an Authorized Reseller for Equifax.

**EXHIBIT 1-B to Applicant Terms & Conditions
Vermont Fair Credit Reporting Contract Certification**

The undersigned, _____ ("Applicant"), acknowledges that it subscribes to receive various information from Equifax Information Services LLC ("Equifax") in accordance with the Vermont Fair Credit Reporting Statute, 9 V. S. A. Section 2480e (1999), as amended (the "VFCRA") and the Federal Fair Credit Reporting Act, 15, U. S. C. 1681 et. Seq., as amended (the "FCRA") and its other state law counterparts. In connection with Applicant's continued use of Equifax information services in relation to Vermont consumers, Applicant hereby certifies as follows:

Vermont Certification. Applicant certifies that it will comply with applicable provisions under Vermont law. In particular Applicant certifies that it will order information services relating to Vermont residents, that are credit reports as defined by the VFCRA, only after Applicant has received prior consumer consent in accordance with VFCRA Section 2480e and applicable Vermont rules. Applicant further certifies that the attached copy of Section 2480e of the Vermont Fair Credit Reporting Statute was received from CBY Systems Inc. an Authorized Reseller for Equifax.

Applicant Name (print): _____

Signed By: _____

Printed Name: _____

Title: _____

Date: _____

Please also include the following information

Compliance Officer or person responsible for Credit Reporting Compliance

Printed Name: _____

Title: _____ Phone: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

E-mail Address: _____

Attachment to EXHIBIT 1-B
Vermont Fair Credit Reporting Statute, 9 V. S. A. Section 2480e (1999)

Section 2480e. Consumer Consent

- (a) A person shall not obtain the credit report of a consumer unless:
- (1) the report is obtained in response to the order of a court having jurisdiction to issue such an order; or
 - (2) the person has secured the consent of the consumer, and the report is used for the purpose consented to by the consumer
- (b) Credit reporting agencies shall adopt reasonable procedures to assure maximum possible compliance with subsection (a) of this section
- (c) Nothing in this section shall be construed to affect:
- (1) the ability of a person who has secured the consent of the consumer pursuant to subdivision (a)(2) of this section to include in his or her request to the consumer permission to also obtain credit reports, in connection with the same transaction of extension of credit, for the purpose of reviewing the account, increasing the credit line on the account , for the purpose of taking collection action on the account, or for other legitimate purposes associated with the account; and
 - (2) the use of credit information for the purpose of prescreening, as defined and permitted from time to time by the Federal Trade Commission
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VERMONT RULES * CURRENT THROUGH JUNE 1999*****
AGENCY 06. OFFICE OF THE ATTORNEY GENERAL
SUB-AGENCY 031. CONSUMER PROTECTION DIVISION
CHAPTER 012. CONSUMER FRAUD—FAIR CREDIT REPORTING
RULE CF 112 FAIR CREDIT REPORTING
CVR 06-031-012, CF 112.03 (1999)
CF 112.03 CONSUMER CONSENT

- (a) A person required to obtain consumer consent pursuant to 9 V.S.A. Sections 2480e and 2480g shall obtain said consent in writing if the consumer has made a written application or written request for credit, insurance, employment, housing or governmental benefit. If the consumer has applied for or requested credit, insurance, employment, housing or governmental benefit in a manner other than in writing, then the person required to obtain consumer consent pursuant to 9 V.S.A. Sections 2480e and 2480g shall obtain said consent in writing or in the same manner in which the consumer made the application or request. The terms of this rule apply whether the consumer or the person required to obtain consumer consent initiates the transaction.
- (b) Consumer consent required pursuant to 9 V.S.A. Sections 2480e and 2480g shall be deemed to have been obtained in writing if, after a clear and adequate written disclosure of the circumstances under which a credit report or credit reports may be obtained and the purposes for which the credit report or credit reports may be obtained, the consumer indicates his or her consent by providing his or her signature.
- (c) The fact that a clear and adequate written consent form is signed by the consumer after the consumer's credit report has been obtained pursuant to some other form of consent shall not affect the validity of the earlier consent.

FCRA Requirements

Federal Fair Credit Reporting Act (as amended by the Consumer Credit Reporting Reform Act of 1996)

Although the FCRA primarily regulates the operations of consumer credit reporting agencies, it also affects you as a user of information. We have included a copy of the FCRA with your membership kit. We suggest that you and your employees become familiar with the following sections in particular:

- § 604. Permissible Purposes of Reports
- § 607. Compliance Procedures
- § 615. Requirement on users of consumer reports
- § 616. Civil liability for willful noncompliance
- § 617. Civil liability for negligent noncompliance
- § 619. Obtaining information under false pretenses
- § 621. Administrative Enforcement
- § 623. Responsibilities of Furnishers of Information to Consumer Reporting Agencies
- § 628. Disposal of Records

Each of these sections is of direct consequence to users who obtain reports on consumers.

As directed by the law, credit reports may be issued only if they are to be used for extending credit, review or collection of an account, employment purposes, underwriting insurance or in connection with some other legitimate business transaction such as in investment, partnership, etc. It is imperative that you identify each request for a report to be used for employment purposes when such report is ordered. Additional state laws may also impact your usage of reports for employment purposes.

We strongly endorse the letter and spirit of the Federal Fair Credit Reporting Act. We believe that this law and similar state laws recognize and preserve the delicate balance between the rights of the consumer and the legitimate needs of commerce.

In addition to the Federal Fair Credit Reporting Act, other federal and state laws addressing such topics as computer crime and unauthorized access to protected databases have also been enacted. As a prospective user of consumer reports, we expect that you and your staff will comply with all relevant federal statutes and the statutes and regulations of the states in which you operate.

We support consumer reporting legislation that will assure fair and equitable treatment for all consumers and users of credit information.

Signature/Title

Date

Access Security Requirements

For GLB VB and White Page Data

We must work together to protect the privacy of consumers. The following measures are designed to reduce unauthorized access of consumer information. In accessing consumer information products, you agree to follow these measures.

1. You must protect your account number and password so that only key personnel employed by your company know this sensitive information. Unauthorized persons should never have knowledge of your password. Do not post this information in any manner within your facility. If a person who knows the password leaves your company or no longer needs to have it due to a change in duties, the password should be changed immediately.
2. System access software, whether developed by your company or purchased from a third party vendor, must have your account number and password “hidden” or embedded and be known only by supervisory personnel. Assign each user of your system access software a unique logon password. If such system access software is replaced by different access software and therefore no longer in use or, alternatively, the hardware upon which such system access software resides is no longer being used or is being disposed of, your password should be changed immediately.
3. Do not discuss your account number and password by telephone with any unknown caller, even if the caller claims to be an employee of your credit provider.
4. Restrict the ability to obtain consumer information products-to a few key personnel.
5. Place all terminal devices used to obtain consumer information products in a secure location within your facility. You should secure these devices so that unauthorized persons cannot easily access them.
6. After normal business hours, be sure to turn off and lock all devices or systems used to obtain consumer information products.
7. Secure hard copies and electronic files of consumer information products within your facility so that unauthorized persons cannot easily access them.
8. Shred or destroy all hard copy consumer information products when no longer needed.
9. Erase and overwrite or scramble electronic files containing consumer information when no longer needed and when applicable regulation(s) permit destruction.
10. Make all employees aware that your company can access consumer information products only for the GLB Exception Appropriate use/Appropriate industry listed on GLB Matrix section of your membership application. You or your employees may not access their own information. Nor should you or your employees’ access information of a family member or friend unless it is in connection with an appropriate GLB transaction.

I agree to implement and adhere to the above controls.

Date

Signature

Company Name

Print Name / Title