

COLLECTION SERVICES AGREEMENT

This **COLLECTION SERVICES AGREEMENT** (the "Agreement") is dated as of the date set forth below by and between **MANDERSON & ASSOCIATES, INC.**, ("M&A"), A New York corporation and the undersigned.

WHEREAS, M&A is a debt collection agency that operates in accordance with all applicable Federal, state and local laws; and

WHEREAS, M&A has been hired by the undersigned for the purpose of rendering collections services.

NOW THEREFORE, in consideration of the premises and of the mutual agreements hereinafter Set forth, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Services:** M&A agrees that it will provide its debt collection services in a professional and ethical manner, in accordance with applicable federal, state and local laws. All monies collected by M&A will be remitted to the undersigned client with the monthly statement.
2. **Fee Schedule:** The collection fee schedule is:
 - a. If M&A does not collect any payment in respect of a debt, there is no fee. M&A does not require up-front fees or retainers.
 - b. When a claim is delinquent 120 days or less, the fee is 25% of what is collected. This applies to any claim that is pre-judgment.
 - c. When a claim is over 120 days delinquent and less than 365 days delinquent, the fee is 30% of what is collected. This applies to any claim that is pre-judgment.
 - d. When a claim is delinquent 365 days or more, the fee is 40% of what is collected. This applies to any claim that is pre-judgment.
 - e. For claims placed with a judgment, or a judgment is obtained with the assistance of M&A, the fee is 50% of what is collected.
 - f. Any claim placed that has a principle value of \$1,000.00 or less, the fee is 50% of what is collected.
3. **Additional Terms and Conditions:**

The undersigned client agrees to the following additional terms and conditions:

- a. When sending a collection file client agrees to provide, if available, copies of the Cover sheet (provided) with debtor information, the bill, invoice, contract, promissory note or other debt instrument, mortgage or other lien proof, the credit

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application, your last demand letter, any other correspondence between you and the debtor about the debt, one of the debtor's payment checks, and any skip tracing or other relevant file notes. Please also provide debtor's (and co-debtor's) employment, financial accounts, owned real estate and other income and asset information when you have it.

- b. Promptly report to M&A (i) all payments made to the undersigned by the debtor, (ii) Bankruptcy or related notices received, and (iii) any and all communications received from the debtor or any third party in connection with or on behalf of the debtor;
- c. Instruct the debtor to make all payments directly to M&A;
- d. To forward to M&A all payments received directly by the undersigned in respect of any debt placed with M&A (M&A will then remit the amount due client in accordance with the terms of this agreement);
- e. Once an account has been placed for collection with M&A, to stop all collection efforts on the account;
- f. The undersigned authorized M&A to endorse in the name of the creditor and deposit in its account any and all remittances in any form payable or endorsed to the undersigned;

The undersigned client has the authority to close a claim at any time provided that M&A is not in the process of negotiating a settlement, pay-off or payment arrangement or the undersigned Client or M&A is receiving payment from or on behalf of the debtor. In addition, a claim may not be closed if M&A is working with an attorney to litigate the claim.

The undersigned client will be contacted in advance for approval of any expenses that may need to be incurred to collect a claim. If M&A prepays any such additional expenses, the undersigned client agrees to promptly reimburse M&A for such expenses upon presentment with substantiating documentation. M&A may forward an account to an attorney if the undersigned client and M&A mutually agree that legal action is desirable in order to collect a claim. In such event, M&A will be entitled to receive its full collection fee from any funds collected.

4. Representations and Warranties: The undersigned client represents and warrants that it will provide M&A truthful and accurate information regarding the debt including any supporting documentation. The undersigned client acknowledges that M&A will rely exclusively on the information provided to it by the undersigned client without any obligation to conduct additional verification or investigation. The Undersigned client agrees to indemnify and hold harmless M&A from any and all claims of any nature, including attorney fees and costs of defense, arising out of inaccurate or incomplete information provided by the undersigned client. The undersigned client further agrees to immediately cease all communication with the debtor. The undersigned further represents and warrants that this claim is not currently being managed by another collection agency and/or attorney.

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- 5. Disputes:** In the event of a dispute and/or disagreement between M&A and client, the parties agree to act in good faith to find a mutually satisfactory solution. Any disputes relating to this Agreement and the subject matter hereof shall be interpreted in accordance with New York law.