

COLLECTION SERVICE AGREEMENT

Allied Collection Services of California, LLC, a California Limited Liability Company, located at 7120 Hayvenhurst Ave., Suite 109, Van Nuys, CA., 91406, herein referred to as “ACS” and “_____” herein referred to as “CLIENT” agree that the accounts placed with ACS are subject to the terms and conditions of the following agreement between the parties:

1. Collection activities shall be in compliance with federal, state and local laws or regulations, and will be conducted in a courteous and businesslike manner always considering the image and reputation of the CLIENT.
2. Collections made by ACS of CLIENT’s accounts will be deposited immediately into a separate trust account maintained in a federally insured bank for CLIENT, as well as other clients.
3. All collections made by ACS of CLIENT’s accounts shall be remitted to CLIENT, less ACS’s collection fees, on the 15th and the last day of each month, for all monies collected for the previous 15-day period. CLIENT agrees to notify ACS with information on all direct payments received by CLIENT from accounts placed for collection. CLIENT agrees to contact and pay ACS the appropriate collection fee for direct payments in a timely manner.
4. The collection fee on payments made to ACS and direct to CLIENT on accounts placed with ACS shall be 33.33%. ACS is authorized to add interest to our accounts, as allowed by law, and retains all interest collected to offset extraordinary expenses and supplement lower collection fees. All accounts placed with ACS, that were previously placed with another collection agency will be termed second placed accounts and be charged at a rate of 33.33%.
5. CLIENT authorizes ACS to accept all settlement offers in the amount of eighty percent (80%) of the total principle balance of the accounts placed by CLIENT for collection.
6. ACS will not initiate any form of legal action without prior written consent from CLIENT. When legal action is authorized, CLIENT will execute a written assignment of the account. Legal action will be brought in the name of ACS to further indemnify CLIENT. ACS will advance all court costs, service fees, and advanced attorney fees on approved accounts. ACS will retain all damages on bad check lawsuits, as awarded under CC §1719. All legal action accounts shall be charged at a rate of 40%.
7. Audits of ACS may be performed from time to time by CLIENT or persons retained by CLIENT, to include a review of collection effort, adequacy of cash controls, promptness of recording and remitting payments, compliance with this agreement and any other normal audit procedures.

8. Accounts placed by CLIENT with ACS for collection may be withdrawn by CLIENT through reasonable written request after sixty (60) days of date assigned. ACS shall retain the right to commissions on paying and/or legal accounts as well as the right to recover any court costs advanced on paying and/or legal accounts. Paying accounts shall be defined as any accounts placed by CLIENT wherein the debtor has made payments to ACS on the account in the past, has made a promise to pay in the future, or legal action has been initiated by ACS.
9. In the event the debtor moves out of the area serviced by ACS, ACS may forward an account to an associated collector located in the debtor's area. ACS will remain responsible to CLIENT for all collection activity on forwarded accounts. All forwarded accounts will be charged at a 33.33% rate.
10. As for indemnification for the receipt and handling of collection accounts by ACS and for services rendered to CLIENT by ACS, the parties agree that each party will assume its own proper responsibility in connection with any claims made by third party against CLIENT and/or ACS. If the acts of the agents, servants and employees of ACS are the proximate and actual causes of any action brought against CLIENT, ACS will assume full responsibility for the defense of said action and the payment of any resulting judgment. If the acts of the agents, servants and employees of CLIENT are the proximate cause of any action brought against ACS by a third party, then CLIENT will assume full responsibility for the defense of said action and payment of any resulting judgment.
11. This agreement shall be effective as of the date shown and continue in effect until terminated as herein provided. Either party may terminate this agreement by giving the other party sixty (60) days prior written notice of the date of termination: however, CLIENT may terminate this agreement immediately in the event ACS shall violate any terms or provisions of this agreement, or CLIENT shall in its sole judgment determine that there has been an adverse change in ACS financial condition. Termination or cancellation of this agreement by either party shall not affect the collection, enforcement or validity of any accrued obligations owing between parties.
12. ACS shall not use or disclose or in any manner make available to any third party any account information provided to it by CLIENT or obtained by it in providing services hereunder, except as is necessary in providing services pursuant to this agreement.
13. CLIENT represents to ACS that the amount alleged due at the time the accounts are assigned to ACS for collection is true and correct. CLIENT represents that the accounts represent a legal and valid debt of the claim holder, and that CLIENT is unaware of any disputes regarding the debt which would render it invalid. Further, CLIENT represents that all accounts assigned to ACS for collection have not been pre-paid prior to assignment, and CLIENT agrees that it may be liable to ACS for collection fees due to ACS, if ACS performs work on an account that is deemed to have been paid prior to assignment.

