

EFFECTIVE DEBT RECOVERY
The Cost Effective Solution for Your California Business
Debt Collection for only 25%

- EDR is effective Nationwide and specializes in:

Retail
Medical
Commercial
Personal Loans/Debts
Bad Checks
Overdue Invoices
Unpaid Bills/Loans
Breaches of Contract
Civil Money Judgments

- EDR provides personal attention to all of your accounts regardless of the amount of the claim.
- All of EDR's Collectors are trained and tested to adhere to the requirements of the Fair Debt Collection Practices Act, and utilizes the latest internet technology:

Skip Tracing and Debtor Location
Asset Location
Credit Profiling

- EDR is a full service collection agency that uses many ways to collect on debts:

Phone & Written Communication with Debtor
Negotiation/Mediation Techniques Unique to the Industry
Affects Consumer Credit Bureau Reports
Small Claims Court Guidance – for claims less than \$5,000
Attorney Representation – for claims greater than \$5,000

- For debts greater than \$5,000, or debtors out-of-state, EDR has access to top-rated attorneys ready to assist you with Superior Court Filings (the contingency rate becomes 35%).
- For debts less than \$5,000 EDR can point you in the right direction for pursuing debts in Small Claims Court.
- After you are awarded a judgment our Judgment Recovery Specialists, members of the National Judgment Network, have the tools & knowledge to help recover your money:

Bank & Wage Garnishments
Business Till-Taps
8-24 Hour Keepers
Real & Personal Property Liens
Property Seizure & Sale

Let Effective Debt Recovery collect on your past due accounts and increase your company's financial health. We're never satisfied unless you're satisfied, because we only get paid when you get paid! Call 888-707-5999 Today!!!

Instructions for Collection Account Submission

1. Please read the provided Terms & Conditions for using Effective Debt Recovery for collection services and keep a copy for your records.
2. Complete one Claim Placement Form for each account you would like to submit for collections. Please include as much information as possible. **YOU MUST SIGN THE BOTTOM OF EACH CLAIM PLACEMENT FORM IN ORDER TO BEGIN THE COLLECTIONS PROCESS. FORMS RECEIVED WITHOUT A SIGNATURE WILL NOT BE ACCEPTED.**
3. Remember to include copies of invoices, contracts, returned checks, valid checks, driver's licenses and any written correspondence you may have had with the debtor (the person who owes you money). The more information we have, the easier it will be for us to collect on your delinquent accounts. **Claims submitted without sufficient supporting documents will not be accepted.**
4. If it is your intent to pursue this matter in court, when necessary, please indicate so on the Claim Placement Form. This knowledge is an important tool for our agents when negotiating with the debtor. If you have already obtained a court judgment against the debtor, please include a copy of the judgment and any other documents the court may have given you.

Mail or Fax your Claim Placement Form and Supporting Documents to:

**EDR
5330 Manhattan Circle, Suite E
Boulder, CO 80303
888-707-5999 888-707-5442 Fax**

The Collection Process

Below is a generalized list of the collection process. When reviewing this process keep the following in mind: All claims are somewhat unique and may not necessarily follow the pattern below; time frames are purposefully omitted because of the uniqueness and different handling of each claim; at any point in the collection process the debtor may pay or otherwise satisfy the debt. EDR will provide updates on claims when there are developments.

1. Upon receipt of your claim form and supporting documents an initial demand letter will be mailed to the debtor. We will also attempt direct telephone contact with the debtor. If the debtor's location or phone number is unknown, we will begin gathering information on the debtor by method of "skip tracing".
2. When applicable, we will affect the debtor's personal credit report (available for consumers only) to indicate they have been sent to collections on a seriously delinquent account.
3. If the debtor fails to cooperate in resolving the debt the pre-legal process will begin. This includes address verification and asset location. Based on the results, a recommendation may be made to file in Small Claims Court (SCC) on claims of \$5,000 or less. EDR can assist with SCC by filing with the court, serving the debtor and enforcing the judgment (if awarded). The fee for this service is \$140 and includes all required court and service costs.
4. For claims over \$5,000 we may recommend forwarding the account to an EDR affiliated attorney to file and litigate your case. You will be responsible for court filing fees which range from \$400-\$500. All fees will be discussed with you prior to initiating any legal action. In the event that a cross-complaint is filed by the debtor, the attorney assigned to your collection account may require being retained on an hourly basis to defend the claim. If awarded a judgment the attorney will attempt to locate, verify and levy on any assets.

Payment Notification

When a payment is received by you directly, you must notify EDR immediately so that we can update the account balance and cease collection activity. An invoice for our commission (25%) will then be sent to you. When EDR receives payment, EDR will remit your portion within 45 days of receipt to allow time for the approval of funds.

Claim Placement Form

Effective Debt Recovery
5330 Manhattan Cir, Suite E
Boulder, CO 80303
888-707-5999 • 888-707-5442 Fax

Internal use only

File No.:

Date:

Client Information: Your Name/Business Name: _____

Contact Name: _____ Phone: _____ Fax: _____

Address: _____ City: _____ State: _____

Email: _____ LAGA Member? No Yes, Membership Number: _____

Debtor Information

Consumer Commercial Medical Personal

Individual/Business Name: _____

Contact Person/Co-Signer/Responsible Party: _____

Physical Address: _____

City: _____ State: _____ Zip Code: _____

Mailing Address (if different): _____

City: _____ State: _____ Zip Code: _____

Business/Home Phone: _____ Fax: _____ Alt Phone: _____

Place of Employment: _____ Phone: _____

Social Security Number: _____ - _____ - _____ Date of Birth: _____ Minor?: Yes No

Driver's License Number: _____ State of Issue: _____ Expiration Date: _____

Email Address: _____ Web Address: _____

Account Information

Current Total Owed: \$ _____ Interest Rate % (If any): _____ Interest Total: \$ _____

Date of Delinquency: _____ Date of Last Payment: _____ Amount of Last Payment: \$ _____

Did the debtor write a bad check? Insufficient Funds Stop Payment Account Closed

Do you intend to pursue this matter in court if necessary (call for details)? Yes No

Source of Debt: _____

Are you willing to accept a settlement on this claim? Yes No If yes, how much would you accept?

Additional Info/Comments: _____

I, _____, have read, understood and agree to EDR'S Terms & Conditions. I hereby certify that the Debtor(s) placed for collections are obligated to pay the amount claimed and I can supply documentation and verification of the debt if it is disputed. I hereby assign accounts to EDR with cause for action, subject to the provisions of the aforementioned Terms & Conditions.

Client Signature

Date

Claim
Form
v. 3.2

EFFECTIVE DEBT RECOVERY TERMS & CONDITIONS

This contract is effective beginning January 1, 2009 by and between Effective Debt Recovery (hereinafter referred to as EDR) and any individual or company (hereinafter referred to as CLIENT) that is requesting EDR to collect on money owed to them. CLIENT has submitted or will submit to EDR one or more delinquent accounts for collections activity (hereinafter referred to as DEBTOR(s)). The relationship between the aforementioned CLIENT and EDR is defined solely by this contract and the provisions herein:

- 1.** Upon placement of a claim(s), where a DEBTOR owes funds to CLIENT, EDR will use its best efforts to expeditiously collect the claim on behalf of CLIENT. EDR agrees to charge a commission only on funds actually paid by DEBTOR and not the actual amount owed, subject to the provisions of paragraphs 4, 5, 6 and 7 below. Handwritten alterations to this agreement shall not be honored.
- 2.** CLIENT warrants the validity, amount and authenticity of all claims and accounts placed with EDR for collection. Upon request by EDR, CLIENT agrees to forward documentation to EDR to prove the amount and authenticity of the claim when requested. EDR is not a law firm and does not give legal advice. Advice concerning this collection or any legal matter should be obtained from an attorney.
- 3.** EDR'S standard commission rates is to be 25% of collected funds. Sums collected over and above the amounts placed with EDR as interest, treble damages or applicable fees are to be retained by EDR to defray costs, when appropriate.
- 4.** CLIENT may at any time request that EDR cease collection efforts, in accordance with the provisions of paragraph 4a and 4b. CLIENT may withdraw a claim placed with EDR only where a) there has been no activity on the account in the preceding sixty (60) days and b) the claim is not in litigation or involved in an insolvency proceeding. All withdrawals must be done in writing via e-mail, postal mail or fax to EDR by CLIENT and any commission then due and payable to EDR must be paid before the claim is deemed withdrawn. CLIENT understands that if the account is withdrawn for no cause or bad cause and CLIENT later receives any payment from the DEBTOR, even when using another collection agency or an attorney, EDR is still entitled to 25% of the collected sums. Any claim cancelled by CLIENT while payments are being made by DEBTOR will be billed by EDR for the full anticipated commission due EDR on the entire amount of the original claim assigned to EDR.
- 5.** CLIENT shall report all direct payments made by DEBTOR to CLIENT to EDR within three (3) business days of receipt of payment by CLIENT via phone, e-mail, or fax and the commission due EDR on the direct payment shall be remitted to EDR upon receipt.
- 6.** Any merchandise returned to CLIENT by DEBTOR after initial contract by EDR shall entitle EDR to a commission equal to 25% of the actual invoiced amount where CLIENT invoiced DEBTOR for the equipment returned.
- 7.** Any claim placed with EDR by CLIENT that is discovered to have been previously paid by DEBTOR, or placed by CLIENT in error will be billed by EDR to CLIENT at a rate of 25% of the claim as a nonrefundable administrative, clerical and initiation fee.

TERMS & CONDITIONS (Continued)

8. CLIENT grants to EDR, its affiliates and any attorney handling CLIENT'S claim the express authority to endorse and negotiate any check, draft or other negotiable instrument made payable to EDR for distribution to CLIENT after deducting the commission and fees due EDR under this agreement. EDR shall remit payments due to CLIENT within 45 days of receipt, less the aforementioned commission and fees due EDR subject to the provisions of paragraphs 3 and 4 above.

9. If the debt being collected is less than \$5,000 EDR can, upon request, assist CLIENT in filing a claim in Small Claims Court (SCC). If proceeding to SCC, CLIENT agrees to pay EDR a non-refundable fee of \$40 plus applicable SCC filing and service fees. This fee is in addition to the 25% collections commission of the amount recovered. Any debt exceeding \$5,000 may require filing in Superior Court. If requested, EDR can assign a collections attorney to assist with filing in Superior Court. CLIENT acknowledges that the attorney typically requires filing and service fees of \$400 - \$500 prior to filing in Superior Court. In addition, the attorney will retain a contingency fee of 35% of the amount recovered. It is understood and agreed that neither EDR nor its partner attorneys can guarantee any specific result on accounts placed by CLIENT.

10. CLIENT acknowledges that debts incurred in "closed" states (states that require collection agencies to maintain resident offices within their borders while collecting debts from DEBTORS located within those states) must be forwarded to a nationally licensed collection agency. EDR has a preexisting relationship with a nationally licensed agency and will forward any and all collection accounts upon CLIENT'S request, or the account must be closed. It is understood by CLIENT that the commission rate for forwarded accounts is 35% of funds collected. Closed states include AK, AR, AZ, CO, CT, HI, ID, MA, ME, MO, MN, NM, NV, OR, TX, NY (New York City and Buffalo only), WA, WI, WV and WY.

11. In no event shall EDR be liable in any respect for the inability to collect any account placed with EDR by CLIENT for collection. CLIENT agrees and shall hold harmless EDR from any claim, demand, action, cost or judgment, including reasonable attorney fees arising out of any action done or failing to be done by EDR in connection with the collection of any claim(s) placed with EDR by CLIENT for collection.

12. This contract shall be construed in accordance with the laws of the State of California. In the event that any provision hereof is found to be invalid or unenforceable, then that provision shall be deemed to be severed and removed and the remaining provisions shall remain valid and in full effect. In the event of the commencement of any action under this agreement, the parties agree that venue will be proper in the County of Los Angeles, California and expressly consent to the jurisdiction of that Court.