



## Service 1<sup>st</sup> Information Systems

2789 Bechelli Lane Redding, CA 96002  
Ph(877)814-1178 Fax (877)813-7178

### SERVICE 1<sup>ST</sup> INFORMATION SYSTEMS, INC. SERVICES AGREEMENT

This Service Agreement is made and entered into between Service 1st Information Systems, Inc with office located at 2789 Bechelli Lane, Redding, Ca 96002 ("Agency") \_\_\_\_\_ ("Client") with business located at \_\_\_\_\_. WHEREAS, AGENCY is a credit reporting agency in the business of providing credit reports for permissible purposes and CLIENT is a company who desires to engage the services of AGENCY subject to the terms and provisions of the Agreement. It is understood and agreed that both AGENCY, Equifax, Experian, Trans Union, and CLIENT will comply with the provisions of the Fair Credit Reporting Act, Public Law 91-508. CLIENT warrants that it will request credit reports only when there is permissible purpose, as defined by sections 604(a)(3)(E) and 604(a)(3)(F) of the Fair Credit Reporting Act (FCRA) for obtaining a credit report. CLIENT understands that Section 606(b) of the FCRA provides for civil liability for willful noncompliance with the above referenced sections regarding permissible purposes. Client certifies that it is not engaged in credit repair activities and will not refer consumers to such businesses. THEREFORE, the AGENCY and CLIENT agree as follows:

#### I. SERVICES FROM AGENCY

Upon a request made by CLIENT, AGENCY will provide to CLIENT in accordance with AGENCY'S customary practices, reports, which consist of, credit information with respect to individuals for which CLIENT has a permissible purpose to evaluate. Normal hours of operation are, Monday-Friday, 8:00am to 5:00pm, legal holidays excepted.

#### II. PRICING

Charges to CLIENT for specific services are as follows:

See Attached Price list.

#### III. OBLIGATIONS OF CLIENT

CLIENT agrees to furnish to AGENCY such pertinent information on any applicant of CLIENT or as requested by AGENCY. CLIENT hereby certifies that each report requested by CLIENT shall be used only for legitimated business transactions involving the consumer. Credit information will not be used for consumer credit counseling or any other purpose not identified and approved in this agreement. Employees are forbidden from obtaining reports on themselves, associates, or any other persons except in the exercise of their official duties. CLIENT further affirms that it is not an investigative or detective agency, law firm, government agency, law enforcement agency, credit counseling firm or credit repair firm. CLIENT shall hold in strict confidence all information received from AGENCY, whether written, printed or verbal.

IV. CLIENT hereby agrees to comply with all policies and procedures instituted by AGENCY'S consumer reporting vendor. Service 1<sup>st</sup> will give client as much notice as possible prior to the effective date of any such new policies required in the future, but does not guarantee that reasonable notice will be possible. CLIENT may terminate this agreement at any time after notification of a change in policy in the event CLIENT deems such compliance as not within its best interest.

V. CLIENT agrees that AGENCY'S consumer reporting vendor shall have the right to audit records of CLIENT that are relevant to the provision of services set forth in the Agreement. CLIENT further agrees that it will respond within a requested time frame for information requested by AGENCY'S consumer reporting vendor regarding information provided by such vendor. CLIENT understands that such vendor may suspend or terminate access to the vendor's information in the event CLIENT does not cooperate with such an investigation.

VI. CLIENT understands and agrees that, notwithstanding the fact that under federal law CLIENT may have several permissible purposes to obtain consumer reports, CLIENT shall only obtain such reports in connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer. The Federal Fair Credit Reporting Act 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, United States Code, imprisoned for not more than 2 years, or both."

VII. ACCESS SECURITY POLICIES. A. During the term of this Agreement, CLIENT agrees to comply with all federal, state local statutes, regulations and rules applicable to it, including, without limitation the FCRA, with any changes enacted to FCRA during the term of this Agreement, the Gramm Leach Bliley Act and its implementing regulations, any state or local laws governing the disclosure of consumer credit information, and any regulations or limitations promulgated by AGENCY'S consumer reporting vendor. Without limiting the foregoing, AGENCY'S may from time to time notify CLIENT of additional, upgraded or new requirements relating to such laws, compliance with which will be a condition of AGENCY'S continued provision of the credit information to CLIENT, and CLIENT shall utilize training materials to train and educate its employees in proper security procedures consistent with industry standards. In addition, such new requirements might require price increases. CLIENT agrees to comply with any such new requirements no later than thirty (30) days after it actually receives notice from AGENCY and such requirements shall be incorporated into this Agreement by this reference. CLIENT understands and agrees that AGENCY may require evidence, including a certification that CLIENT understands and will comply with applicable laws. B. CLIENT will implement strict procedures designed to ensure that CLIENT'S employees and customers use the services and the credit information in accordance with this Agreement and for no purposes other than as permitted by the Agreement. CLIENT will treat and hold the services and the credit information in strict confidence and will restrict access to the services and the credit information to CLIENT'S employees and customers who agree to act in accordance with the terms of this Agreement and applicable law. CLIENT will inform CLIENT'S employees and customers to whom any credit information is disclosed of the provisions of this Agreement. CLIENT agrees to indemnify AGENCY for any claims or losses incurred by AGENCY as a result of the misuse of the services or the credit information by CLIENT or CLIENT'S affiliates, employees, agents, subcontractors or customers in violation of this Agreement.

VIII. DATA BREACH. A. CLIENT shall notify AGENCY of any breach of the security of consumer reporting data if the personal information of consumers was, or is reasonably believed to have been, acquired by an unauthorized person within 24 hours following discovery thereof. B. In the event of such a breach, CLIENT agrees to cooperate with AGENCY and with AGENCY'S consumer reporting vendor in any investigation relating thereto. The nature and timing of any notifications required herein shall be under the control of AGENCY'S consumer reporting vendor, unless otherwise required by law. C. For purposes of the Agreement, "breach of the security of the system" means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of personal information maintained by the person or business. Good faith acquisition of personal information by an employee or agent of the person or business for the purposes of the person or business is not a breach of the security of the system, provided that the personal information is not used or subject to further unauthorized disclosure. D. For purposes of the Agreement, "personal information" means an Individual's first name or first initial and last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted:

- (1) Social security number.
- (2) Driver's license number.

- (3) Account number, credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account.

E. For purposes of this Agreement, "personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records. F.

For purposes of the Agreement, "notice" may be provided by one of the following methods:

- (1) Written notice
- (2) Electronic notice, if the notice provided is consistent with the provisions regarding electronic records and signatures set forth in Section 7001 of Title 15 of the United States Code.
- (3) E-mail notice when the CLIENT has an e-mail address for the subject persons.
- (4) Conspicuous posting of the notice on the web site of the CLIENT.

G. The disclosure shall be made in the most expedient time possible and without unreasonable delay, consistent with the legitimate needs of law enforcement or any measures necessary to determine the scope of the breach and restore the reasonable integrity of the data system. H. The notification may be delayed if a law enforcement agency determines that the notification will impede a criminal investigation. The notification required by this section shall be made after the law enforcement agency determines that it will not compromise the investigation. I. In the event the breach is determined by AGENCY'S consumer reporting vendor to be within the control of CLIENT, (1) CLIENT shall provide to each affected or potentially affected consumer, credit history monitoring services for a minimum of one year in which the consumer's credit history is monitored and the consumer receives daily notification of changes that may indicate fraud or ID theft from at least one of the national consumer credit reporting bureaus, and (2) AGENCY'S consumer reporting vendor and AGENCY may assess CLIENT an expense recovery fee.

VIII. END-USER NOTIFICATION. If approved by AGENCY and AGENCY'S consumer reporting vendor, CLIENT may deliver the consumer credit information to a third party, secondary user with which CLIENT has an ongoing business relationship for the permissible use of such information. AGENCY'S consumer reporting vendor may charge a fee for the subsequent delivery to secondary users. Client agrees that AGENCY may verify, through audit or otherwise, that CLIENT is in fact the end user of the credit information with no intention to resell or otherwise provide or transfer the credit information in whole or in part to any other person or entity. CLIENT agrees to notify AGENCY of any change of ownership or control fifteen days prior to any such change. AGENCY may require the new ownership of re-apply for the services provided for herein and may require to new physical inspection in the event the office location is changed. Client hereby authorizes AGENCY to provide copies of any information regarding CLIENT to AGENCY'S consumer reporting vendor.

X. MONITORING. CLIENT agrees that AGENCY may monitor CLIENT on an ongoing basis to determine CLIENT'S compliance with applicable law and the provisions of this Agreement. In the event AGENCY determines that CLIENT is not in compliance with applicable law or this Agreement, CLIENT may immediately discontinue services under this agreement. CLIENT shall remain responsible for the payment for any services provided to CLIENT by AGENCY prior to any such discontinuance.

XI. TRAINING MATERIALS. AGENCY will provide, and CLIENT will utilize, training and training materials to CLIENT in order for CLIENT to comply with the Federal Fair Credit Reporting Act and with the policies and procedures required by AGENCY'S consumer reporting vendor.

## XII. GENERAL - DISCLAIMER

CLIENT shall indemnify and hold AGENCY, Equifax, Experian, and Trans Union, harmless from and against any and all claims, demands, suits, causes of action, judgments, liabilities, damages, losses and expenses resulting and due to the acts of omissions of CLIENT in performing pursuant to this Agreement. In WITNESS WHEREOF, the parties hereto enter into this Service Agreement as of the \_\_\_ day of \_\_\_\_\_.

## XIII. BILLING/ PAYMENT TERMS

Account invoices/statements will be issued monthly under net 30 day billing terms. Any balance unpaid after 30 days of invoice is subject to interest charges equal to one-and-one-half percent (1.5%) per month, or eighteen percent (18%) per annum. If Client is delinquent in any payment provided for herein or is in

violation of any term of the Agreement forthwith. Client agrees to this term of severance without notice and waives any claim for any resulting damages. Accounts 30 days delinquent or those exceeding established credit limits are automatically placed on credit hold. In the event of non-payment, the Client agrees to pay reasonable attorney's fees and cost of suit and all fees incurred in the cost of collection. Clients not meeting credit standards for a line of credit may be required to provide a security deposit before services are provided.

XIII. This Agreement shall continue in force without any fixed date of termination, subject to cancellation by either party upon ten (10) days prior written notice mailed or delivered to the office of the other party; further subject to the right of Service 1<sup>st</sup> at any time and without prior notice, to terminate this Agreement in event of any federal or state law or decision which affects the economic operation of Service 1<sup>st</sup> or any violation by Client of any provision of the Agreement.

**OWNERSHIP INFORMATION (EXCLUDES PUBLICLY TRADED CORPS, BANKS, SAVINGS & LOANS AND CREDIT UNIONS)**

As Owner, Partner, Principal or Officer of Client, I hereby give my consent to Service 1<sup>st</sup> Information Systems to obtain any and all information concerning my business, personal history and financial credit report, which Service 1<sup>st</sup> Information Systems may require in connection with this Agreement. Such Information may gathered through the use of any investigative or credit agencies of its choice. I hereby accept full responsibility for all charges incurred with Service 1<sup>st</sup> Information Systems and agree to act as a personal guarantor.

Dated : \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Service 1st Information Systems, Inc (AGENCY)

\_\_\_\_\_  
"CLIENT"

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title