



## CENTURY DEBT SOLUTIONS, INC

### FINANCIAL SERVICES

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## DEBT COLLECTION SERVICES AGREEMENT

THIS DEBT COLLECTION SERVICES AGREEMENT (the "Agreement") is entered into effective as of \_\_\_\_\_, 2018 by and between Century Debt Solutions, Inc., a California corporation ("CDS"), and \_\_\_\_\_, ("Client") hereinafter sometimes collectively referred to as the "Parties" and is made with reference to the following facts:

NOW, THEREFORE, in consideration of the recitals, covenants, conditions and promises contained herein, the Parties agree as follows:

1. **Fees for Services Rendered:** No fees will be due to CDS if the Debt is not collected, either in whole or in part. All collection costs will be added to the principle balance in accordance with state law. Client agrees for any Debt over \$500 that CDS will receive thirty-three percent (33%) of all amounts collected, regardless of age or dollar amount of Debt. If the Debt is under \$500, CDS will receive fifty percent (50%) of any amount recovered. CDS will receive fifty percent (50%) of any amount recovered of any claim regardless of age that requires attorney involvement. If the Debtor attempts to return any equipment, merchandise, or other tangible good in satisfaction (partial or full) of the Debt, Client will pay CDS ten percent (10%) of the actual amount originally invoiced for purchase of said good at the time of the original purchase. These fees are due to CDS upon any portion of the Debt collected, whether actually collected by CDS or subsequently collected through the efforts of a third party, regardless of whether such Debt is collected through Advanced Placement, Client's own actions after termination of this Agreement, or some other third party's efforts. Any later assignment or agreement to collect this Debt to a third party other than CDS will expressly include a provision that CDS will be paid the fees within twenty-one (21) days of receipt of any monies or goods collected.

A. **Payment of Collected Debt:** For all funds collected by CDS in satisfaction of the Debt, CDS will pay out all funds received less the fees as defined herein on the last day of every month for all collections received three (3) months prior. If the Client wishes to have the collected funds remitted sooner than the last day of the scheduled remittance month, CDS will provide such monies upon Client's written request less the fees and an additional ten percent (10%) of the monies collected (or initial invoice price in the case of return of tangible goods/merchandise).

B. **Uncollectible Debt:** CDS will continue its collection efforts under this Agreement unless CDS considers a Debt uncollectible, at which point CDS will notify Client in writing that the Debt is uncollectible and cease all collection efforts. Only CDS can determine a Debt to be uncollectible. A debt may be uncollectible when the Debtor is a) bankrupt; b) deceased with no ability to collect from the Debtor's estate of an individual; c) unable to be located after numerous attempts at skip tracing or asset searches have failed; or d) the Debtor is a company or other entity other than an individual and is dissolved, revoked, or inactive.

C. **Errors:** Client agrees that in the event the Debt is discovered to have been previously paid by Debtor or is not owed by Debtor due to Client error, Client shall pay CDS the sum of ten percent (10%) of the Debt.

2. **Scope of Services:** CDS shall take all reasonable steps to collect the Debt on behalf of Client which includes but is not limited to a) conduct skip tracing and asset searches; b) send letter correspondence to Debtor; and c) otherwise seek to contact Debtor (the "Services"). All such Services will be conducted in order to negotiate and facilitate collection of the Debt.

A) **Advanced Placement of Debt:** In instances where standard collections are unsuccessful, the Client has the option to enter into a separate addendum to this Agreement with CDS for Advanced Placement Forwarding Services, whereby CDS will provide further litigation support to Client for a higher fee than contemplated by this Agreement. Client is under no obligation to utilize CDS's forwarding fee service. Forwarding fees are paid in advance in accordance with The Commercial Law League of America's definition of "forwarding fees" and are non-refundable. CDS's liability is strictly limited to performing the functions of a "Forwarder" as defined by CLLA and accepts no liability for the performance or non-performance of the "Receiver". It is understood CDS is not a guarantor of any specific results /outcome. In the event the Debtor initiates a lawsuit or counterclaim, it is understood CDS does not provide counter-claim services. Client agrees to pay any costs associated with counter-claims directly to the receiving attorney.

3. **Client Right to Withdraw Debt From CDS:** Client may only withdraw the Debt from CDS without incurring any of the fees as defined herein under one of the following circumstances (it being expressly understood that the foregoing are the only grounds for Client withdrawal of Debt without payment of fees): a) there have been no Services (as defined herein) rendered by CDS in connection with the debt within the preceding 60 days; or b) the Debt has not been assigned to Advance Placement. While the fees will not be incurred in such instance, Client agrees to pay ten percent (10%) of the Debt to CDS for the administrative, clerical and initiation efforts undertaken by CDS.

4. **Nature of Relationship/Power of Attorney:** At all times, Client is the owner of the Debt. Client hereby provides CDS with an exclusive Power of Attorney for the duration of the Term of this Agreement. By virtue of this Power of Attorney, Client hereby authorizes CDS to be the exclusive agent of Client to provide the Services defined by this Agreement. By virtue of this Power of Attorney, CDS is granted the right to a) directly negotiate collection of the Debt with the debtor on Client's behalf; b) negotiate a settlement of the Debt without the Client's prior consent; c) accept payment (or payment plan) of the Debt at CDS's sole discretion; d) determine the amount collected to satisfy the Debt; e) assign, transfer, convey, subcontract (in whole or in part) this Power of Attorney; f) appoint agents, field representatives, and other individuals or entities as CDS deems necessary to collect the Debt on CDS's behalf; and g) negotiate any contract on Client's behalf as a result of collecting the Debt. Client agrees to cease all collection efforts and will not permit any other entity to attempt to collect the Debt during the Term of this Agreement and further agrees to forward any offers to resolve the Debt directly to CDS. If the Debtor repays the Debt, or any portion thereof, directly to Client for any reason, Client agrees to report the payment to CDS within three (3) business days of receipt of payment via email at collections@centurydebtssolutions.com and must remit CDS's portion of fees as agreed herein within twenty-one (21) days of receipt of payment.

5. **No Guarantees:** CDS makes no representations or warranties about the likelihood of success in collecting the Debt. In no event shall CDS be liable in any respect for the ability or inability to collect any Debt placed by Client for collection by CDS. It is expressly understood and agreed that CDS is not the guarantor of any specific result whatsoever with respect to collecting the debt.

6. **Client Warranties:** Client expressly represents and warrants: Client warrants the validity, amount and authenticity of each Debt owed directly to Client. Client agrees to satisfactorily provide documentary validation of the authenticity of the Debt to CDS upon request; that the Debt is presently and validly owed by the debtor to Client; and the amount stated in supporting documentation provided by Client to CDS is the current amount that is owed (inclusive of any interest) to Client or will have provided such written verification within twenty-four (24) hours of Client's

execution of this Agreement. Client understands that until such verification is provided, CDS will not process or commence any work under this Agreement.

A. Client has not committed any breach of any agreements between Debtor and Client

B. Client represents and warrants that it has the right and authority to enter into and fully perform its obligations under this Agreement and under all collateral agreements to be entered into by it in furtherance of the provisions hereof, without the need for any additional authorizations, consents or approvals.

C. Client expressly represents and warrants that it has complied with and shall continue to comply with any and all federal, state and local laws, codes, statutes, ordinances, rules, regulations, and directives which directly or indirectly regulate or affect this Agreement or any activities in connection with this Agreement (collectively "Laws").

7. **Indemnification:** Client shall defend, indemnify and hold harmless CDS, and its and their officers, directors, agents, employees, contractors and representatives from and against any and all demands, claims, counterclaims or suits brought by Debtor, damages, losses, taxes, suits, judgments, liabilities and expenses, of whatever nature, including, but not limited to court costs and reasonable attorney's fees, arising in any way out of or resulting from (a) the incurring of the debt and/or any component thereof due to acts and/or omissions by Client, (b) a breach of any of Client's representations, warranties or covenants set forth in this Agreement (whether by Client, or others engaged or authorized by Client in connection with the Debt), (c) any other acts or omissions of Client, or others engaged or authorized by Client in connection with the debt; and (e) any separate agreements that CDS entered into on behalf of Client for purpose of collecting the Debt, including any attorney's fees and costs incurred in connection with any alleged breach of such agreement and eventual payments owing pursuant to said Agreement. Client shall give notice in writing as soon as practicable to CDS of the commencement or threatened commencement of any claim against CDS which indemnification will or could be sought under this Agreement.

8. **Notice:** All writings required under this Agreement must be sent via fax to CDS at (888) 336-7040 even if also sent to CDS through any other written medium.

9. **Disputes:** In case of any dispute between CDS and Client arising out of this Agreement or subsequent agreement entered in connection with the Debt, Client agrees to waive its rights to file a lawsuit and will seek to informally resolve this suit through mediation before submitting to binding arbitration with a mutually agreeable arbitrator. The mediation and arbitration must occur within Los Angeles County, California.

10. **Execution of Instruments:** The Parties agree that each will execute and deliver to the other, upon request, any document or legal instrument which may be necessary to carry out the provisions of this Agreement.

11. **Attorney Fees:** In the event that any party to this Agreement shall institute a legal or equitable action, including but not limited to arbitration, against any other party hereto arising out of this Agreement, then, as between such parties, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and other reasonable expenses in connection with such action of proceeding, in addition to all recoverable court costs. In addition, the prevailing party shall be entitled to receive its reasonable attorney's fees incurred in enforcing any judgment or award. Said attorney's fees incurred in enforcing any judgment or award are recoverable as a separate item. The post-judgment attorney's fees provision herein is intended to be severable from the other provisions of the Agreement and to survive any judgment or award and is not deemed merged into the judgment or award.

12. **Amendments/Modifications:** No amendment, modification or waiver of any provision of this Agreement shall be of any effect unless in writing and signed by authorized representatives of both Client and CDS.

13. **Setoff:** Without limiting any of CDS' other rights and remedies under this Agreement, or in law or equity, Client agrees that CDS shall have the right to set-off any amounts which otherwise may be payable by CDS to Client against any amounts which Client may owe to CDS arising under this Agreement or otherwise.

14. **Exclusivity of Agreement:** CDS is the sole entity who may undertake collection efforts during the Term of this Agreement. The Parties acknowledge and agree that neither of them has made any representation with respect to the subject matter of this Agreement or any representations inducing the execution and delivery of this agreement, except such representations as are specifically set forth in this Agreement, and each of the Parties acknowledges that they have relied on their judgment in entering into the Agreement. (The Parties further acknowledge that any statements or representations that may have previously been made by either of them to the other are void and of no effect and that neither of them has relied thereon in connection with the execution of the Agreement.) This Agreement shall bind the parties, their personal representatives, successors and assigns.

15. **Entire Agreement:** Unless an addendum for Advanced Placement is attached to this Agreement, this Agreement contains all agreements and understandings between Client and CDS and covers the entire relationship between the parties in connection with the Debt. (There are no oral representations that are not fully set forth herein and all prior or contemporaneous promises, representations, agreements or understanding in connection with the Debt are expressly merged herein.)

16. **Assignment:** Neither this Agreement nor any duties, obligations, benefits nor services under this Agreement may be assigned by Client without the prior written consent of CDS. CDS has the express right to assign their rights and obligations under this Agreement as they deem necessary in the ordinary course of business.

17. **Severability:** If any provision of this Agreement is declared invalid, such decision shall not affect the validity of any remaining portion, which remaining portion shall remain in full force, valid, enforceable and in effect as if this Agreement had been executed with the invalid portion thereof eliminated.

18. **Law and Venue:** This Agreement and all matters or issues collateral thereto shall be governed by the laws of the State of California applicable to contracts made and performed within the State of California without regard to its conflicts of law rules. Each of the parties consent to the exclusive jurisdiction of the state and federal courts situated in the County of Los Angeles, State of California.

19. **Electronic Signatures:** Signatures transmitted electronically shall be as valid as an original signature and binding upon the individual whose signature is contained thereon.

20. **Counterparts:** This Agreement may be executed in counterparts and all counterparts so executed shall constitute one Agreement binding on all the Parties. Telefaxed or scanned and emailed signatures on this Agreement shall be deemed to be original manually signed executions of this Agreement.

IN WITNESS WHEREOF, CDS and CLIENT have executed this Agreement and agree to the terms and conditions contained herein.

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

CLIENT: \_\_\_\_\_

Its: \_\_\_\_\_

[If Client is an entity be sure to add this second line to indicate title of authorized signee]