

E-212-16**Contract Details**SERVICE: Collection Services ContractNIFS ID #: CLTV16000005NIFS Entry Date: 8/5/2016Term: Three years from date of execution

New <input type="checkbox"/>	Renewal <input type="checkbox"/>
Amendment #1 <input checked="" type="checkbox"/>	
Time Extension <input type="checkbox"/>	
Addl. Funds <input type="checkbox"/>	
Blanket Resolution RES# <input type="checkbox"/>	

1) Mandated Program:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
2) Comptroller Approval Form Attached:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
3) CSEA Agmt. § 32 Compliance Attached:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
4) Vendor Ownership & Mgmt. Disclosure Attached:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
5) Insurance Required	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Agency Information

Vendor	
Name AllianceOne Receivables Management Inc.	Vendor ID# 232994246
Address 6565 Kimball Drive, Suite 200	Contact Person
Gig Harbor, WA 98335	Phone

County Department
Department Contact John G. Marks
Address 16 Cooper Street, Hempstead, NY 11550
Phone 516-572-2654

Routing Slip

DATE Rec'd.	DEPARTMENT	Internal Verification	DATE App'd & Fw'd.	SIGNATURE	Leg. Approval Required
	Department	NIFS Entry (Dept) NIFS Appvl (Dept. Head)	<input checked="" type="checkbox"/>	<i>John G. Marks</i>	
8/9/16	OMB	NIFS Approval	<input checked="" type="checkbox"/>	<i>William G. Carr</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Not required if blanket resolution
8/10/16	County Attorney	CA RE & Insurance Verification	<input checked="" type="checkbox"/>	<i>[Signature]</i>	
8/10/16	County Attorney	CA Approval as to form	<input checked="" type="checkbox"/>	<i>[Signature]</i>	
8/26/16	Legislative Affairs	Fw'd Original Contract to CA	<input type="checkbox"/>	<i>[Signature]</i>	
	Rules <input checked="" type="checkbox"/> / Leg. <input type="checkbox"/>		<input type="checkbox"/>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	County Attorney	NIFS Approval	<input type="checkbox"/>		
	Comptroller	NIFS Approval	<input type="checkbox"/>		
	County Executive	Notarization Filed with Clerk of the Leg.	<input type="checkbox"/>		
	Chief Deputy County Executive		<input type="checkbox"/>		
9/5/16	Deputy County Executive		<input type="checkbox"/>	<i>Chen</i>	

Contract Summary

Description:

Approve a three-year contract with options to renew for five additional one year terms. In addition, this Amendment #1 elects to activate the original option to allow the vendor to assist in processing Default Judgments; there is no cost to the County, the cost is borne by debtor. AllianceOne is an integral part of TPVA's collection strategy in that AllianceOne has an interface with the County's Photo Enforcement vendor as well as the County's Boot & Tow vendor.

Purpose:

The contractor provides debt collection services regarding past due fines from parking and traffic tickets as well as photo enforcement NOL's as set forth in said contract, which TPVA cannot collect due to the lack of resources available.

Method of Procurement:

TPVA initiated the Request for Proposal process on March 25, 2012. Approximately eighteen companies' submitted proposals and some performed demonstrations. TPVA then interviewed top 5 candidates. TPVA selected Alliance One according to standard county procurement procedures.

Procurement History:

This contract was previously granted to AllianceOne Receivables Management, Inc who has been serving the agency since 2008. However, after the current Request for Proposal was released, Alliance One is one of eighteen vendors who submitted successful proposals.

Description of General Provisions:

The Traffic and Parking Violations Agency will assign delinquent parking and traffic tickets along with red light camera NOL's as outlined in the contract to Contractor for collection. Contractor will provide a variety of services associated with collection, including but not limited to initiating a call center, credit reporting, linking to DMV, sending notices and interfacing with TPVA's computer system.

Impact on Funding / Price Analysis:

Contractor will be paid on a contingency basis and said funds are required to meet the requirements of the contract.

Change in Contract from Prior Procurement: Pricing and fee structure. Collection fee now calculated on total amount due. Previous calculation was based upon violation distribution code (set by NYS OSC) and was calculated upon fine and penalty due. Amendment has option to renew for five additional one year terms. In addition, amendment elects to activate the original option to allow vendor to assist in processing Default Judgments at no cost to the County, the cost is borne by the debtor.

Recommendation: Approve as Submitted

Advisement Information

BUDGET CODES	
Fund:	Gen
Control:	TV
Resp:	1000
Object:	DE
Transaction:	CL

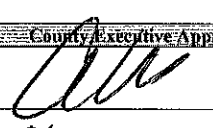
RENEWAL	
% Increase	
% Decrease	

FUNDING SOURCE	AMOUNT
Revenue Contract <input type="checkbox"/>	XXXXXXX
County	\$ 0.01
Federal	\$
State	\$
Capital	\$
Other	\$
TOTAL	\$ 0.01

LINE	INDEX/OBJECT CODE	AMOUNT
1	TVGEN1000DE500	\$ 0.01
2		\$
3		\$
4		\$
5		\$
6		\$
TOTAL		\$ 0.01

Document Prepared By: **Irene Higgins**

Date: **8/5/2016**

NIFS Certification	Comptroller Certification	County Executive Approval
I certify that this document was accepted into NIFS.	I certify that an unencumbered balance sufficient to cover this contract is present in the appropriation to be charged.	Name 
Name	Name	Date 9/9/16
Date	Date	(For Office Use Only)
		E #:



Nassau County Interim Finance Authority

Contract Approval Request Form (As of January 1, 2015)

1. Vendor: ALLIANCEONE RECEIVABLES MANAGEMENT INC.

2. Dollar amount requiring NIFA approval: \$ 0.00

Amount to be encumbered: \$ 0.00

This is a New Contract Advisement ☒ Amendment (CLTV16000005)

If new contract - \$ amount should be full amount of contract

If advisement - NIFA only needs to review if it is increasing funds above the amount previously approved by NIFA

If amendment - \$ amount should be full amount of amendment only

3. Contract Term: 9/6/13-9/5/16

Has work or services on this contract commenced? ☒ Yes No

If yes, please explain: Services began in 2013 under this current contract.

4. Funding Source:

☒ General Fund (GEN) Grant Fund (GRT) Federal %
 Capital Improvement Fund (CAP) State %
 Other County %

Is the cash available for the full amount of the contract? ☒ Yes No

If not, will it require a future borrowing? Yes No

Has the County Legislature approved the borrowing? ☒ Yes No N/A

Has NIFA approved the borrowing for this contract? ☒ Yes No N/A

5. Provide a brief description (4 to 5 sentences) of the item for which this approval is requested:

Contractor provides debt collection services regarding past due fines from parking, traffic and photo enforcement NOL's which TPVA cannot collect due to the lack of resources available for collection efforts. In addition, this Amendment #1 elects to activate the original option to allow the vendor to assist in processing Default Judgments; there will be no cost to the County, the cost will be borne by the debtor. Amendment is for a three year contract with the option to renew for five additional one year periods.

6. Has the item requested herein followed all proper procedures and thereby approved by the:

Nassau County Attorney as to form Yes No N/A
Nassau County Committee and/or Legislature Yes No N/A

Date of approval(s) and citation to the resolution where approval for this item was provided:

7. Identify all contracts (with dollar amounts) with this or an affiliated party within the prior 12 months:

CQTV13000002 - \$1,100,000.00 encumbered in 2015.

AUTHORIZATION

To the best of my knowledge, I hereby certify that the information contained in this Contract Approval Request Form and any additional information submitted in connection with this request is true and accurate and that all expenditures that will be made in reliance on this authorization are in conformance with the Nassau County Approved Budget and not in conflict with the Nassau County Multi-Year Financial Plan. I understand that NIFA will rely upon this information in its official deliberations.

Signature Rosemary Allen Title Director Date 8/10/16

Print Name

COMPTROLLER'S OFFICE

To the best of my knowledge, I hereby certify that the information listed is true and accurate and is in conformance with the Nassau County Approved Budget and not in conflict with the Nassau County Multi-Year Financial Plan.

Regarding funding, please check the correct response:

I certify that the funds are available to be encumbered pending NIFA approval of this contract.

If this is a capital project:

I certify that the bonding for this contract has been approved by NIFA.

Budget is available and funds have been encumbered but the project requires NIFA bonding authorization

Signature	Title	Date
-----------	-------	------

Print Name

NIFA

Amount being approved by NIFA: _____

Signature	Title	Date
-----------	-------	------

Print Name _____

NOTE: All contract submissions MUST include the County's own routing slip, current NIFS printouts for all relevant accounts and relevant Nassau County Legislature communication documents and relevant supplemental information pertaining to the item requested herein.

NIFA Contract Approval Request Form MUST be filled out in its entirety before being submitted to NIFA for review.

NIFA reserves the right to request additional information as needed.

RULES RESOLUTION NO. – 2016

A RESOLUTION AUTHORIZING THE COUNTY EXECUTIVE TO EXECUTE AN AMENDMENT TO A PERSONAL SERVICES AGREEMENT BETWEEN THE COUNTY OF NASSAU, ACTING ON BEHALF OF THE NASSAU COUNTY TRAFFIC AND PARKING VIOLATIONS AGENCY AND ALLIANCEONE RECEIVABLES MANAGEMENT, INC.

WHEREAS, the County has negotiated an amendment to a personal services agreement with AllianceOne Receivables Management, Inc. to provide collection services to the Department, a copy of which is on file with the Clerk of the Legislature; now, therefore, be it

RESOLVED, that the Rules Committee of the Nassau County Legislature authorize the County Executive to execute the said amended agreement with AllianceOne Receivables Management, Inc..

George Maragos
Comptroller



OFFICE OF THE COMPTROLLER
240 Old Country Road
Mineola, New York 11501

COMPTROLLER APPROVAL FORM FOR PERSONAL, PROFESSIONAL OR HUMAN SERVICES CONTRACTS

Attach this form along with all personal, professional or human services contracts, contract renewals, extensions and amendments.

CONTRACTOR NAME: AllianceOne Receivables Management Inc.

CONTRACTOR ADDRESS: 6565 Kimball Dr., Ste 200, Gig Harbor, WA 98335

FEDERAL TAX ID #: 232994246

Instructions: Please check the appropriate box ("☑") after one of the following roman numerals, and provide all the requested information.

I. ☐ The contract was awarded to the lowest, responsible bidder after advertisement for sealed bids. The contract was awarded after a request for sealed bids was published in _____ [newspaper] on _____ [date]. The sealed bids were publicly opened on _____ [date]. _____ [#] of sealed bids were received and opened.

II. ☐ The contractor was selected pursuant to a Request for Proposals.

The Contract was entered into after a written request for proposals was issued on _____. Potential proposers were made aware of the availability of the RFP by _____ and by publication on the County procurement website. Proposals were due on _____. _____ were received and evaluated. The evaluation committee consisted of: _____. The proposals were scored and ranked. As a result of the scoring and ranking, the highest-ranking proposer was selected.

III. X This is a renewal, extension or amendment of an existing contract.

The contract was originally executed by Nassau County on September 6, 2013. This is a renewal or extension pursuant to the contract, or an amendment within the scope of the contract or RFP (copies of the relevant pages are attached). The original contract was entered into after _____

_____[describe procurement method, i.e., RFP, three proposals evaluated, etc.] Attach a copy of the most recent evaluation of the contractor's performance for any contract to be renewed or extended. If the contractor has not received a satisfactory evaluation, the department must explain why the contractor should nevertheless be permitted to continue to contract with the county.

IV. ☐ Pursuant to Executive Order No. 1 of 1993, as amended, at least three proposals were solicited and received. The attached memorandum from the department head describes the proposals received, along with the cost of each proposal.

- ☐ A. The contract has been awarded to the proposer offering the lowest cost proposal; **OR:**
- ☐ B. The attached memorandum contains a detailed explanation as to the reason(s) why the contract was awarded to other than the lowest-cost proposer. The attachment includes a specific delineation of the unique skills and experience, the specific reasons why a proposal is deemed superior, and/or why the proposer has been judged to be able to perform more quickly than other proposers.

V. ☐ Pursuant to Executive Order No. 1 of 1993 as amended, the attached memorandum from the department head explains why the department did not obtain at least three proposals.

- ☐ A. There are only one or two providers of the services sought or less than three providers submitted proposals. The memorandum describes how the contractor was determined to be the sole source provider of the personal service needed or explains why only two proposals could be obtained. If two proposals were obtained, the memorandum explains that the contract was awarded to the lowest cost proposer, or why the selected proposer offered the higher quality proposal, the proposer's unique and special experience, skill, or expertise, or its availability to perform in the most immediate and timely manner.
- ☐ B. The memorandum explains that the contractor's selection was dictated by the terms of a federal or New York State grant, by legislation or by a court order. (Copies of the relevant documents are attached).
- ☐ C. Pursuant to General Municipal Law Section 104, the department is purchasing the services required through a New York State Office of General Services contract no. _____, and the attached memorandum explains how the purchase is within the scope of the terms of that contract.

☐ **D.** Pursuant to General Municipal Law Section 119-o, the department is purchasing the services required through an inter-municipal agreement.

VI. ☐ This is a human services contract with a not-for-profit agency for which a competitive process has not been initiated. Attached is a memorandum that explains the reasons for entering into this contract without conducting a competitive process, and details when the department intends to initiate a competitive process for the future award of these services. For any such contract, where the vendor has previously provided services to the county, attach a copy of the most recent evaluation of the vendor's performance. If the contractor has not received a satisfactory evaluation, the department must explain why the contractor should nevertheless be permitted to contract with the county.

In certain limited circumstances, conducting a competitive process and/or completing performance evaluations may not be possible because of the nature of the human services program, or because of a compelling need to continue services through the same provider. In those circumstances, attach an explanation of why a competitive process and/or performance evaluation is inapplicable.

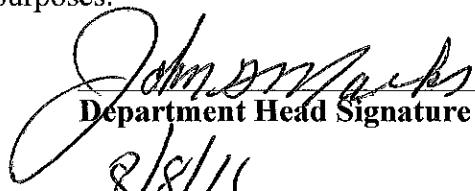
VII. ☐ This is a public works contract for the provision of architectural, engineering or surveying services. The attached memorandum provides details of the department's compliance with Board of Supervisors' Resolution No.928 of 1993, including its receipt and evaluation of annual Statements of Qualifications & Performance Data, and its negotiations with the most highly qualified firms.

VIII. X Participation of Minority Group Members and Women in Nassau County Contracts. The selected contractor has agreed that it has an obligation to utilize best efforts to hire MWBE sub-contractors. Proof of the contractual utilization of best efforts as outlined in Exhibit "EE" may be requested at any time, from time to time, by the Comptroller's Office prior to the approval of claim vouchers.

IX. ☐ Department MWBE responsibilities. To ensure compliance with MWBE requirements as outlined in Exhibit "EE", Department will require vendor to submit list of sub-contractor requirements prior to the contract being submitted to the Comptroller.

X. ☐ Vendor will not require any sub-contractors.

In addition, if this is a contract with an individual or with an entity that has only one or two employees: ☐ a review of the criteria set forth by the Internal Revenue Service, *Revenue Ruling No. 87-41, 1987-1 C.B. 296*, attached as Appendix A to the Comptroller's Memorandum, dated February 13, 2004, concerning independent contractors and employees indicates that the contractor would not be considered an employee for federal tax purposes.


Department Head Signature
8/8/16
Date

NOTE: Any information requested above, or in the exhibit below, may be included in the county's "staff summary" form in lieu of a separate memorandum.

Compt. form Pers./Prof. Services Contracts: Rev. 3 09/15

Exhibit A



COUNTY OF NASSAU

POLITICAL CAMPAIGN CONTRIBUTION DISCLOSURE FORM

1. Has the vendor or any corporate officers of the vendor provided campaign contributions pursuant to the New York State Election Law in (a) the period beginning April 1, 2016 and ending on the date of this disclosure, or (b), beginning April 1, 2018, the period beginning two years prior to the date of this disclosure and ending on the date of this disclosure, to the campaign committees of any of the following Nassau County elected officials or to the campaign committees of any candidates for any of the following Nassau County elected offices: the County Executive, the County Clerk, the Comptroller, the District Attorney, or any County Legislator? If yes, to what campaign committee?

No

2. VERIFICATION: This section must be signed by a principal of the consultant, contractor or Vendor authorized as a signatory of the firm for the purpose of executing Contracts.

The undersigned affirms and so swears that he/she has read and understood the foregoing statements and they are, to his/her knowledge, true and accurate.

The undersigned further certifies and affirms that the contribution(s) to the campaign committees identified above were made freely and without duress, threat or any promise of a governmental benefit or in exchange for any benefit or remuneration.

Vendor: AllianceOne Receivables Management Inc.

Dated: August 3, 2016

Signed: Harry Neerenberg

Print Name: Harry Neerenberg

Title: CFO

PRINCIPAL QUESTIONNAIRE FORM

All questions on these questionnaires must be answered by all officers and any individuals who hold a ten percent (10%) or greater ownership interest in the proposer. Answers typewritten or printed in ink. If you need more space to answer any question, make as many photocopies of the appropriate page(s) as necessary and attach them to the questionnaire.

COMPLETE THIS QUESTIONNAIRE CAREFULLY AND COMPLETELY. FAILURE TO SUBMIT A COMPLETE QUESTIONNAIRE MAY MEAN THAT YOUR BID OR PROPOSAL WILL BE REJECTED AS NON-RESPONSIVE AND IT WILL NOT BE CONSIDERED FOR AWARD

1. Principal Name Harry Neerenberg
Date of birth 02/12/1967
Home address 124 Chinaberry Dr.
City/state/zip Lafayette Hill, PA 19444
Business address 4850 E. Street Rd. Suite 300
City/state/zip Trevose, PA 19053
Telephone 866-568-9235
Other present address(es) _____
City/state/zip _____
Telephone _____
List of other addresses and telephone numbers attached _____
2. Positions held in submitting business and starting date of each (check all applicable)
President ____/____/____ Treasurer 07/31/2007
Chairman of Board ____/____/____ Shareholder ____/____/____
Chief Exec. Officer/____/____ Secretary 07/31/2007
Chief Financial Officer 05 /31 /2005 Partner ____/____/____
Vice President ____/____/____/____/____
(Other) _____
3. Do you have an equity interest in the business submitting the questionnaire?
YES ____ NO X If Yes, provide details. _____
4. Are there any outstanding loans, guarantees or any other form of security or lease or any other type of contribution made in whole or in part between you and the business submitting the questionnaire? YES ____ NO X If Yes, provide details. _____
5. Within the past 3 years, have you been a principal owner or officer of any business or not-for-profit organization other than the one submitting the questionnaire? YES ____ NO X ;
If Yes, provide details. _____

6. Has any governmental entity awarded any contracts to a business or organization listed in Section 5 in the past 3 years while you were a principal owner or officer? YES____NO X
If Yes, provide details.

NOTE: An affirmative answer is required below whether the sanction arose automatically, by operation of law, or as a result of any action taken by a government agency.
Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

7. In the past (5) years, have you and/or any affiliated businesses or not-for-profit organizations listed in Section 5 in which you have been a principal owner or officer:
- a. Been debarred by any government agency from entering into contracts with that agency?
YES____NO X If Yes, provide details for each such instance.
 - b. Been declared in default and/or terminated for cause on any contract, and/or had any contracts cancelled for cause? YES____NO X If Yes, provide details for each such instance.
 - c. Been denied the award of a contract and/or the opportunity to bid on a contract, including, but not limited to, failure to meet pre-qualification standards? YES____NO X If Yes, provide details for each such instance.
 - d. Been suspended by any government agency from entering into any contract with it; and/or is any action pending that could formally debar or otherwise affect such business's ability to bid or propose on contract? YES _ NO X If Yes, provide details for each such instance.
8. Have any of the businesses or organizations listed in response to Question 5 filed a bankruptcy petition and/or been the subject of involuntary bankruptcy proceedings during the past 7 years, and/or for any portion of the last 7 year period, been in a state of bankruptcy as a result of bankruptcy proceedings initiated more than 7 years ago and/or is any such business now the subject of any pending bankruptcy proceedings, whenever initiated? If 'Yes', provide details for each such instance. (Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.)
- a) Is there any felony charge pending against you? YES____NO X If Yes, provide details for each such charge.
 - b) Is there any misdemeanor charge pending against you? YES____NO X If Yes, provide details for each such charge.
 - c) Is there any administrative charge pending against you? YES____NO X If Yes, provide details for each such charge.
 - d) In the past 10 years, have you been convicted, after trial or by plea, of any felony, or of any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business? YES____NO X If Yes, provide details for each such conviction.

- e) In the past 5 years, have you been convicted, after trial or by plea, of a misdemeanor? YES ____ NO X If Yes, provide details for each such conviction.
- f) In the past 5 years, have you been found in violation of any administrative or statutory charges? YES ____ NO X If Yes, provide details for each such occurrence.
9. In addition to the information provided in response to the previous questions, in the past 5 years, have you been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency and/or the subject of an investigation where such investigation was related to activities performed at, for, or on behalf of the submitting business entity and/or an affiliated business listed in response to Question 5? YES ____ NO X If Yes, provide details for each such investigation.
10. In addition to the information provided, in the past 5 years has any business or organization listed in response to Question 5, been the subject of a criminal investigation and/or a civil anti-trust investigation and/or any other type of investigation by any government agency, including but not limited to federal, state, and local regulatory agencies while you were a principal owner or officer? YES ____ NO X If Yes; provide details for each such investigation.
11. In the past 5 years, have you or this business, or any other affiliated business listed in response to Question 5 had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held? YES ____ NO X If Yes; provide details for each such instance.
12. For the past 5 tax years, have you failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges? YES ____ NO X If Yes, provide details for each such year.

CERTIFICATION

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

I, Harry Neerenberg, being duly sworn, state that I have read and understand all the items contained in the foregoing pages of this questionnaire and the following pages of attachments; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this questionnaire and before the execution of the contract; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this questionnaire as additional inducement to enter into a contract with the submitting business entity.

Sworn to before me this 26 day of July 2016

Kevin Anderson
Notary Public

AllianceOne Receivables Management Inc.
Name of submitting business

Harry Neerenberg
Print name

[Signature]
Signature
CFO
Title

7 / 26 / 2016
Date

PRINCIPAL QUESTIONNAIRE FORM

All questions on these questionnaires must be answered by all officers and any individuals who hold a ten percent (10%) or greater ownership interest in the proposer. Answers typewritten or printed in ink. If you need more space to answer any question, make as many photocopies of the appropriate page(s) as necessary and attach them to the questionnaire.

COMPLETE THIS QUESTIONNAIRE CAREFULLY AND COMPLETELY. FAILURE TO SUBMIT A COMPLETE QUESTIONNAIRE MAY MEAN THAT YOUR BID OR PROPOSAL WILL BE REJECTED AS NON-RESPONSIVE AND IT WILL NOT BE CONSIDERED FOR AWARD

1. Principal Name Tim Casey
Date of birth 11/09/1962
Home address: 12213 S. 75th Ave.
City/state/zip Palos Heights, IL 60463
Business address: 1211 W. 22nd St. Suite 804
City/state/zip Oak Brook, IL 60523
Telephone 630-203-0900
Other present address(es) _____
City/state/zip _____
Telephone _____
List of other addresses and telephone numbers attached _____
2. Positions held in submitting business and starting date of each (check all applicable)
President 07/31/2007 Treasurer / /
Chairman of Board/ / / Shareholder / /
Chief Exec. Officer 07/31 /2007 Secretary / /
Chief Financial Officer / / Partner / /
Vice President / /
(Other) _____
3. Do you have an equity interest in the business submitting the questionnaire?
YES ___ NO X If Yes, provide details.
4. Are there any outstanding loans, guarantees or any other form of security or lease or any other type of contribution made in whole or in part between you and the business submitting the questionnaire? YES ___ NO X If Yes, provide details.
5. Within the past 3 years, have you been a principal owner or officer of any business or not-for-profit organization other than the one submitting the questionnaire? YES ___ NO X;
If Yes, provide details.

6. Has any governmental entity awarded any contracts to a business or organization listed in Section 5 in the past 3 years while you were a principal owner or officer? YES _____ NO X
If Yes, provide details.

NOTE: An affirmative answer is required below whether the sanction arose automatically, by operation of law, or as a result of any action taken by a government agency.

Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

7. In the past (5) years, have you and/or any affiliated businesses or not-for-profit organizations listed in Section 5 in which you have been a principal owner or officer:
- a. Been debarred by any government agency from entering into contracts with that agency?
YES _____ NO X If Yes, provide details for each such instance.
 - b. Been declared in default and/or terminated for cause on any contract, and/or had any contracts cancelled for cause? YES _____ NO X If Yes, provide details for each such instance.
 - c. Been denied the award of a contract and/or the opportunity to bid on a contract, including, but not limited to, failure to meet pre-qualification standards? YES _____ NO X If Yes, provide details for each such instance.
 - d. Been suspended by any government agency from entering into any contract with it; and/or is any action pending that could formally debar or otherwise affect such business's ability to bid or propose on contract? YES _____ NO X If Yes, provide details for each such instance.
8. Have any of the businesses or organizations listed in response to Question 5 filed a bankruptcy petition and/or been the subject of involuntary bankruptcy proceedings during the past 7 years, and/or for any portion of the last 7 year period, been in a state of bankruptcy as a result of bankruptcy proceedings initiated more than 7 years ago and/or is any such business now the subject of any pending bankruptcy proceedings, whenever initiated? If 'Yes', provide details for each such instance. (Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.)
- a) Is there any felony charge pending against you? YES _____ NO X If Yes, provide details for each such charge.
 - b) Is there any misdemeanor charge pending against you? YES _____ NO X If Yes, provide details for each such charge.
 - c) Is there any administrative charge pending against you? YES _____ NO X If Yes, provide details for each such charge.
 - d) In the past 10 years, have you been convicted, after trial or by plea, of any felony, or of any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business? YES _____ NO X If Yes, provide details for each such conviction.

- e) In the past 5 years, have you been convicted, after trial or by plea, of a misdemeanor? YES____NO X If Yes, provide details for each such conviction.
- f) In the past 5 years, have you been found in violation of any administrative or statutory charges? YES____NO X If Yes, provide details for each such occurrence.
9. In addition to the information provided in response to the previous questions, in the past 5 years, have you been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency and/or the subject of an investigation where such investigation was related to activities performed at, for, or on behalf of the submitting business entity and/or an affiliated business listed in response to Question 5? YES____NO X If Yes, provide details for each such investigation.
10. In addition to the information provided, in the past 5 years has any business or organization listed in response to Question 5, been the subject of a criminal investigation and/or a civil anti-trust investigation and/or any other type of investigation by any government agency, including but not limited to federal, state, and local regulatory agencies while you were a principal owner or officer? YES____NO X If Yes; provide details for each such investigation.
11. In the past 5 years, have you or this business, or any other affiliated business listed in response to Question 5 had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held? YES____NO X If Yes; provide details for each such instance.
12. For the past 5 tax years, have you failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges? YES____NO X If Yes, provide details for each such year.

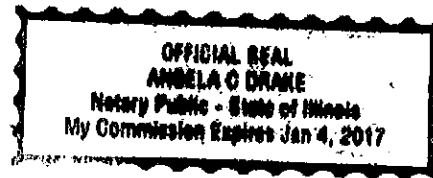
CERTIFICATION

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

I, Timothy Casey, being duly sworn, state that I have read and understand all the items contained in the foregoing pages of this questionnaire and the following pages of attachments; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this questionnaire and before the execution of the contract; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this questionnaire as additional inducement to enter into a contract with the submitting business entity.

Sworn to before me this 28th day of July, 2016

Angela C Drake
Notary Public



AllianceOne Receivables Management Inc.
Name of submitting business

Timothy Casey
Print name

[Signature]
Signature

CEO
Title

07/28/2016
Date

Business History Form

The contract shall be awarded to the responsible proposer who, at the discretion of the County, taking into consideration the reliability of the proposer and the capacity of the proposer to perform the services required by the County, offers the best value to the County and who will best promote the public interest.

In addition to the submission of proposals, each proposer shall complete and submit this questionnaire. The questionnaire shall be filled out by the owner of a sole proprietorship or by an authorized representative of the firm, corporation or partnership submitting the Proposal.

NOTE: All questions require a response, even if response is “none” or “not-applicable.” No blanks.

(USE ADDITIONAL SHEETS IF NECESSARY TO FULLY ANSWER THE FOLLOWING QUESTIONS).

Date: August 1, 2016

- 1) Proposer's Legal Name: AllianceOne Receivables Management Inc.
- 2) Address of Place of Business: 4850 E. Street Rd, Ste. 300 Trevose, PA 19053

List all other business addresses used within last five years: N/A

- 3) Mailing Address (if different): N/A

Phone : 866-568-9235

Does the business own or rent its facilities? Rent

- 4) Dun and Bradstreet number: 04-647-5013

- 5) Federal I.D. Number: 23-2994246

- 6) The proposer is a (check one): ☒ Sole Proprietorship ☐ Partnership ☐ Corporation X Other (Describe) _____

- 7) Does this business share office space, staff, or equipment expenses with any other business?
Yes _____ No X If Yes, please provide details: _____

- 8) Does this business control one or more other businesses? Yes ___ No X If Yes, please provide details:

Business History Form ✓

The contract shall be awarded to the responsible proposer who, at the discretion of the County, taking into consideration the reliability of the proposer and the capacity of the proposer to perform the services required by the County, offers the best value to the County and who will best promote the public interest.

In addition to the submission of proposals, each proposer shall complete and submit this questionnaire. The questionnaire shall be filled out by the owner of a sole proprietorship or by an authorized representative of the firm, corporation or partnership submitting the Proposal.

**NOTE: All questions require a response, even if response is "none" or "not-applicable."
No blanks.**

(USE ADDITIONAL SHEETS IF NECESSARY TO FULLY ANSWER THE FOLLOWING QUESTIONS).

Date: August 1, 2016

1) Proposer's Legal Name: AllianceOne Receivables Management Inc. ✓

2) Address of Place of Business: 4850 E. Street Rd. Ste. 300 Trevose, PA 19053

List all other business addresses used within last five years: N/A

3) Mailing Address (if different): N/A

Phone : 866-568-9235

Does the business own or rent its facilities? Rent

4) Dun and Bradstreet number: 04-647-5013

5) Federal I.D. Number: 23-2994246

✓ 6) The proposer is a (check one): Sole Proprietorship Partnership
Corporation X Other (Describe) _____

7) Does this business share office space, staff, or equipment expenses with any other business?
Yes ___ No X If Yes, please provide details: _____

8) Does this business control one or more other businesses? Yes ___ No X If Yes, please provide details: _____

Higgins, Irene

From: Rich, David H
Sent: Wednesday, September 21, 2016 9:42 AM
To: Higgins, Irene
Cc: Marks, John G
Subject: FW: Business History Form Correction

From: Tim Casey [mailto:Tim.Casey@teleperformance.com] ✓
Sent: Wednesday, September 21, 2016 8:15 AM
To: Rich, David H <drich@nassaucountyny.gov>
Cc: Harry Neerenberg <Harry.Neerenberg@allianceoneinc.com>; Kevin Underwood <Kevin.Underwood@allianceoneinc.com>
Subject: Business History Form Correction

Dave,

Please accept this correspondence as evidence that AllianceOne Receivables Management Inc. is a Corporation, and serve as correcting Question 6 of the Business History Form submission. ✓

Please let me know if you need the page resubmitted.

Thanks,

Tim

Tim Casey
Chief Executive Officer
AllianceOne Inc.
Teleperformance ARM

T +01 630 203 0900
M +01 801 953 9128
Oakbrook, Illinois USA
Tim.Casey@teleperformance.com



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♻️ Please consider the environmental impact of needlessly printing this e-mail.

- 9) Does this business have one or more affiliates, and/or is it a subsidiary of, or controlled by any other business? Yes ☒ No ☐ If Yes, provide details. AllianceOne Receivables Management Inc. is a subsidiary of AllianceOne Incorporated
- 10) Has the proposer ever had a bond or surety cancelled or forfeited, or a contract with Nassau County or any other government entity terminated? Yes ☐ No ☒
If Yes, state the name of bonding agency, (if a bond), date, amount of bond and reason for such cancellation or forfeiture: or details regarding the termination (if a contract).
- 11) Has the proposer, during the past seven years, been declared bankrupt? Yes ☐ No ☒
If Yes, state date, court jurisdiction, amount of liabilities and amount of assets
- 12) In the past five years, has this business and/or any of its owners and/or officers and/or any affiliated business, been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency? And/or, in the past 5 years, have any owner and/or officer of any affiliated business been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency, where such investigation was related to activities performed at, for, or on behalf of an affiliated business.
Yes ☐ No ☒ If Yes, provide details for each such investigation.
- 13) In the past 5 years, has this business and/or any of its owners and/or officers and/or any affiliated business been the subject of an investigation by any government agency, including but not limited to federal, state and local regulatory agencies? And/or, in the past 5 years, has any owner and/or officer of an affiliated business been the subject of an investigation by any government agency, including but not limited to federal, state and local regulatory agencies, for matters pertaining to that individual's position at or relationship to an affiliated business. Yes ☒ No ☐ If Yes, provide details for each such investigation.

Yes as to this business; no as to the rest. See schedule below

State Agency	Admin file #	Date resolved	Allegation	Result
WA Dept of Licensing	2011-09-0907-00COL	10/25/2011	state law; charging fee for credit card payment	Dismissed - No violation committed
North Carolina Dept of Insurance	None assigned	03/07/14	Transaction fees are not allowed	Voluntary Settlement Agreement - Fine
Maryland Commissioner of Financial Regulation	None assigned	1-26-15 (rcvd 2-10-16)	Unlicensed mortgage servicing (self-reported seven payments received)	Consent Order - Fine, obtained licensure
New York City Department of Consumer Affairs - Regulatory Compliance Division	None assigned	Pending	Subpoena requests information regarding New York City residents who were contacted by AllianceOne via mail.	Pending

- 14) Has any current or former director, owner or officer or managerial employee of this business had, either before or during such person's employment, or since such employment if the charges pertained to events that allegedly occurred during the time of employment by the submitting business, and allegedly related to the conduct of that business:
- a) Any felony charge pending? Yes ☐ No ☒ If Yes, provide details for

each such charge. _____

b) Any misdemeanor charge pending? Yes _____ No X _____

If Yes, provide details for each such charge. _____

c) In the past 10 years, you been convicted, after trial or by plea, of any felony and/or any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business? Yes _____ No X _____

If Yes, provide details for each such conviction _____

d) In the past 5 years, been convicted, after trial or by plea, of a misdemeanor? Yes _____ No X _____ If Yes, provide details for each such conviction. _____

e) In the past 5 years, been found in violation of any administrative, statutory, or regulatory provisions? Yes _____ No X _____ If Yes, provide details for each such occurrence. _____

15) In the past (5) years, has this business or any of its owners or officers, or any other affiliated business had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held? Yes _____ No X; If Yes, provide details for each such instance. _____

16) For the past (5) tax years, has this business failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges? Yes _____ No X _____ If Yes, provide details for each such year. Provide a detailed response to all questions checked 'YES'. If you need more space, photocopy the appropriate page and attach it to the questionnaire. _____

Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

17) Conflict of Interest:

a) Please disclose any conflicts of interest as outlined below. **NOTE: If no conflicts exist, please expressly state "No conflict exists."**

(i) Any material financial relationships that your firm or any firm employee has that may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County.

No conflicts exist

(ii) Any family relationship that any employee of your firm has with any County public servant that may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County.

No conflicts exist

(iii) Any other matter that your firm believes may create a conflict of interest or

the appearance of a conflict of interest in acting on behalf of Nassau County.
No conflicts exist

- b) Please describe any procedures your firm has, or would adopt, to assure the County that a conflict of interest would not exist for your firm in the future.
No conflicts exist
-

If something questionable should arise, we will notify Nassau County.

- A. Include a resume or detailed description of the Proposer's professional qualifications, demonstrating extensive experience in your profession. Any prior similar experiences, and the results of these experiences, must be identified.

Should the proposer be other than an individual, the Proposal **MUST** include:

- i) Date of formation; - **March 1999**
- ii) Name, addresses, and position of all persons having a financial interest in the company, including shareholders, members, general or limited partner;

There are no individuals who have a financial interest in the company.

- iii) Name, address and position of all officers and directors of the company;

Tim Casey

1211 W. 22nd St. Suite 804

Oak Brook, IL 60523

Harry Neerenberg

4850 E. Street Rd, Suite 300

Trevose, PA 19053

- iv) State of incorporation (if applicable); **Delaware**

- v) The number of employees in the firm; **2,500**

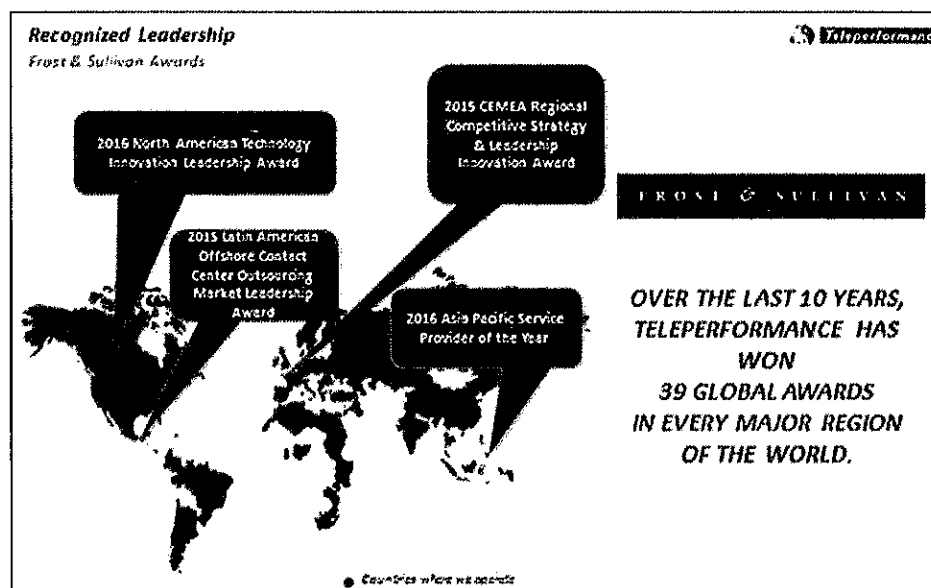
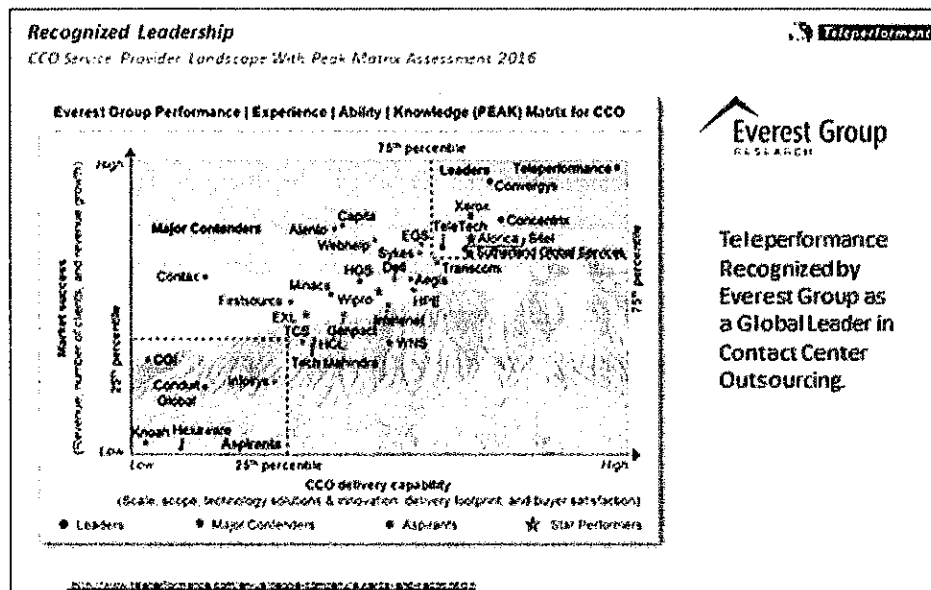
AllianceOne believes this information is excepted from FOIL disclosure under Article 6 of the New York State Public Officers Law as a trade secret or other information the disclosure of which would cause substantial injury to our competitive position.

- vi) Annual revenue of firm; **\$104,000,000**

AllianceOne believes this information is excepted from FOIL disclosure under Article 6 of the New York State Public Officers Law as a trade secret or other information the disclosure of which would cause substantial injury to our competitive position.

- vii) Summary of relevant accomplishments





viii) Copies of all state and local licenses and permits. See embedded file below



- B. Indicate number of years in business. – 17 years
- C. Provide any other information which would be appropriate and helpful in determining the Proposer's capacity and reliability to perform these services.

AllianceOne has over 30 years of government collection experience. Our Government Services division will monitor this contract to ensure our internal policies and procedures are followed. We will work to provide Nassau County with exceptional revenue recovery while maintaining low to zero complaints. AllianceOne's work with similar scale and scope government contracts provides our team with the experience and tools to successfully implement and execute all services for Nassau County.

- D. Provide names and addresses for no fewer than three references for whom the Proposer has provided similar services or who are qualified to evaluate the Proposer's capability to perform this work.

Company State of Washington
Contact Person Scott Schumacher
Address 1500 Jefferson Street
City/State Olympia, WA
Telephone 360-407-8527
Fax # N/A
E-Mail Address scott.schumacher@des.wa.gov

Company Pennsylvania Department of Revenue/Commonwealth of PA
Contact Person Brenda Bishop
Address 15th Floor Strawberry Square
City/State Harrisburg, PA
Telephone 717-783-8035
Fax # N/A
E-Mail Address Bbishop@attorneygeneral.gov

Company Florida Department of Revenue
Contact Person Deborah Maddren
Address CCOC Building, 2nd Floor, 2450 Shumard Oak Blvd.
City/State Tallahassee, FL
Telephone 850-617-8823
Fax # N/A
E-Mail Address maddrend@dor.state.fl.us

CERTIFICATION

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

I, Harry Neerenberg, being duly sworn, state that I have read and understand all the items contained in the foregoing pages of this questionnaire and the following pages of attachments; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this questionnaire and before the execution of the contract; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this questionnaire as additional inducement to enter into a contract with the submitting business entity.

Sworn to before me this 26 day of July 2016

Kevin Underwood
Notary Public

Name of submitting business: AllianceOne Receivables Management Inc.

By: Harry Neerenberg

Print name

Signature

CFO

Title

7, 26, 16
Date

(iii) Rate Schedule:

All collection activities taken by the Contractor (including preparing but not filing paperwork for filing of a Default Judgment) are included in the commission fee. However, the rate is based on monies collected, if none collected, no money is collected. The commission rate shall be a 15.9% add-on fee (13.7% retained by AllianceOne). The add-on fee is applied to all amounts, including the fine, administrative penalty, surcharge, etc. A transaction fee may be imposed for each payment by electronic means (e.g., credit card): The current fee is \$10 regardless of payment amount.

AllianceOne is confident that there is no risk from this investigation to Nassau County based on the internal discussions referenced as well as our internal research concluding that it was lawful to charge transaction fees on traffic fines and fees.

2. Did they obtain the mortgage license in Maryland?

Response: Please see attached copy of our current MD mortgage license.

Please feel free to contact Tim, Kevin or me if you should require anything further.

Regards,

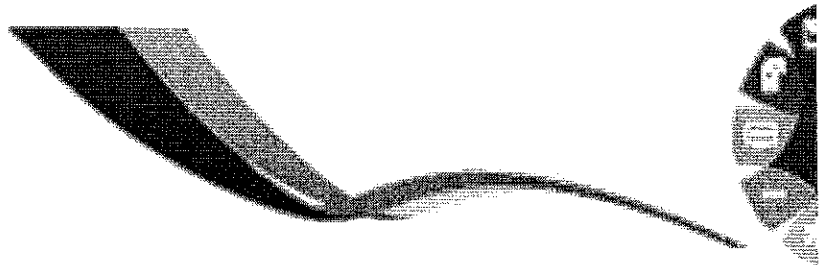
Harry Neerenberg
Chief Financial Officer
Teleperformance ARM

T 866-568-9235
M 610-564-1287
Trevose, PA, USA
Harry.Neerenberg@allianceoneinc.com



Teleperformance

Transforming Passion into Excellence



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From: Rich, David H
Sent: Thursday, August 11, 2016 9:50 AM
To: McDermott, Dennis
Cc: Higgins, Irene
Subject: FW: AllianceOne receivables Management CLTV16000005

Hi Dennis,

I hope the attached satisfies the additional required material. If it does not, please let me know.

Thanks,
Dave

From: Kevin Underwood [<mailto:Kevin.Underwood@allianceoneinc.com>]
Sent: Wednesday, August 10, 2016 8:12 PM
To: Rich, David H <drich@nassaucountyny.gov>
Cc: Higgins, Irene <IHiggins@nassaucountyny.gov>; Harry Neerenberg <Harry.Neerenberg@allianceoneinc.com>; Grace Kroeger <Grace.Kroeger@allianceoneinc.com>; Tim Casey <Tim.Casey@teleperformance.com>
Subject: RE: AllianceOne receivables Management CLTV16000005

Dear Mr. Rich,

Please see our responses to your requests:

1. A copy of the original contract is required.
Response: Client advises it has the contract.

2. In the Business History form #13 lists four investigations. As to all, we require all documentation (i.e. settlement agreements, dismissals, etc.) regarding these matters in addition to full explanations respecting each item.

Response:

- Washington State Department of Licensing (WA DOL): In October 2011, the WA DOL alleged ARMI violated state law by charging a transaction fee for a credit card payment. Case number 2011-09-0907-00COL. An investigation found no violation and the matter was dismissed. See attached pdf: WA DOL Dismissal – 11-03-11.
- North Carolina Department of Insurance (NC DOI): In late 2013, the NC DOI alleged ARMI assessed prohibited transaction fees and failed to promptly self-report MN and CO disciplinary information. No case number was assigned. NC DOI interpreted the statute allowing/prohibiting such fees differently than AllianceOne. On March 07, 2014, the matter was voluntarily settled with a fine of \$21,412.50. See attached pdf: NC Voluntary Settlement Agreement executed 3-07-14.
- Maryland Commissioner of Financial Regulation (MD CFR): At the end of 2014, the MD CFR alleged ARMI performed unlicensed mortgage servicing, after AllianceOne self-reported seven payments it had

received. No case number was assigned. On January 26, 2015, a Consent Order was issued with a fine of \$2,750, and licensure was obtained. See attached pdf: MD Consent Ord & Settlement Agreement - 1-26-15 Executed.

- New York City Department of Consumer Affairs - Regulatory Compliance Division (NY DCA): In October 2015, the NY DCA issued a subpoena requesting information regarding New York City residents who were contacted by AllianceOne via mail. No case number has been assigned. On 5-06-16 the DCA issued a "findings" letter, alleging numerous violations in letters sent. On 6-16-16 AllianceOne responded to the DCA's findings letter, advising that two letters out of the 291,000 letters sent contained possible violations. The DCA has not formally responded, and the matter is pending. See attached 3 documents: NYC DCA subpoena - Dated 10-13-15; NY DCA Findings Letter 5-16-16; NY DCA Response letter 6-16-16.

3. In the Business History form #17 A it states there are no owners of this corporation. That cannot be correct. Whether an individual, corporation or other entity owns the vendor, this must be disclosed both here and in the Consultant's, Contractor's, and vendor's Disclosure form (no. 3). Additional principal questionnaire forms may be required.

Response: I do not see a reference to ownership in the Business History form. I do see that reference in question 5 of the "County Of Nassau Consultant's, Contractor's And Vendor's Disclosure Form." Attached please find a revised version of the relevant page of the Consultant's, Contractor's And Vendor's Disclosure Form. Please substitute this page for its counterparts in the original and redacted document packets AllianceOne recently provided.

If you should have any questions, or if you should require the disclosure form revisions in a different format, please let me know.

Thank you.

Kevin Underwood
Senior Vice President, Legal Affairs
AllianceOne Receivables Management, Inc.
253-620-2202 office
253-620-2227 fax
253-722-3630 mobile
kevin.underwood@allianceoneinc.com



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🌱 Please consider the environmental impact of needlessly printing this e-mail.

From: Tim Casey
Sent: Wednesday, August 10, 2016 9:23 AM
To: Rich, David H <drich@nassaucountyny.gov>
Cc: Higgins, Irene <IHiggins@nassaucountyny.gov>; Kevin Underwood <Kevin.Underwood@allianceoneinc.com>; Harry Neerenberg <Harry.Neerenberg@allianceoneinc.com>; Grace Kroeger <Grace.Kroeger@allianceoneinc.com>
Subject: RE: AllianceOne receivables Management CLTV16000005

McDermott, Dennis

From: Rich, David H
Sent: Monday, August 15, 2016 12:17 PM
To: McDermott, Dennis
Cc: Higgins, Irene
Subject: FW: AllianceOne receivables Management CLTV16000005
Attachments: Maryland Mortgage Lender 12-31-2016.pdf

Hi Dennis,

See attached document and explanation.

Let me know if you need anything else.

Dave

From: Harry Neerenberg [mailto:Harry.Neerenberg@allianceoneinc.com]
Sent: Friday, August 12, 2016 3:16 PM
To: Rich, David H <drich@nassaucountyny.gov>
Cc: Higgins, Irene <IHiggins@nassaucountyny.gov>; Kevin Underwood <Kevin.Underwood@allianceoneinc.com>; Tim Casey <Tim.Casey@teleperformance.com>
Subject: RE: AllianceOne receivables Management CLTV16000005

Dear Mr. Rich,

Kevin Underwood is out of the office today, so in response to your requests:

1. We need to see an explanation from the company or its attorney as to why the NYC investigation is not a material concern for the County. Do they charge the processing fee complained about to Nassau residents or those involved in Nassau traffic payments?

Response: We do not consider the NYC investigation to be a material concern. The initial findings letter assumed that all accounts and all letters were subject to New York City consumer collection regulations. However, the vast majority of the accounts and letters at issue pertained to non-consumer traffic and criminal accounts, which are not subject to the city regulations. In informal discussions with our outside counsel after we submitted our response letter, the DCA seemingly accepts this position; we thus believe that there will be a very small number of violations found when the final letter comes out, as reflected in our responsive letter—none of which involve Nassau County accounts.

We do charge a transaction fee for Nassau accounts and some consumers have paid this fee, as permitted in the Contract for Services at section 3(iii):

3 Payment. (a) Amount of Consideration.

...



STATE OF WASHINGTON
DEPARTMENT OF LICENSING
PO Box 9027 • Olympia, Washington 98507-9027

November 3, 2011

Jaime Nordstrom
AllianceOne Receivables Management, Inc.
3000 Ames Crossing Road, Suite 750
Eagan, MN 55121

RE: AllianceOne Receivables Management, Inc.
File No. 2011-09-0907-00COL

Dear Ms. Nordstrom:

Thank you very much for your letter dated October 27, 2011. The additional information that you provided was very helpful in understanding the type of debt being collected.

Therefore, the Washington State Department of Licensing has withdrawn the charges served upon AllianceOne Receivables Management, Inc. on October 12, 2011, in the above-referenced matter, without prejudice. A copy of the withdrawal is enclosed.

Sincerely,

MARGARET EBY
Program Administrator
Collection Agency Board
PO Box 9027
Olympia, WA 98507-9027

Enclosure

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We are committed to providing equal access to our services.
If you need accommodation, please call 360-664-1379 or TTY 360-664-0116.

I, Harumi Tolbert, certify that I mailed a copy of this document, postage prepaid, to all parties or their counsel of record. I certify under penalty of perjury, under the laws of the State of Washington, that the foregoing is true and correct.

Dated: 11/3/11 at: Olympia, WA.

By: Harumi Tolbert

**STATE OF WASHINGTON
DEPARTMENT OF LICENSING
COLLECTION AGENCY BOARD**

In the Matter of the Collection Agency
License of:

AllianceOne Receivables Management, Inc.

Respondent

NO. 2011-09-0907-00COL

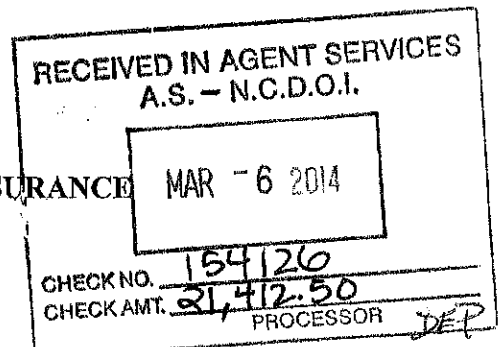
WITHDRAWAL OF
STATEMENT OF CHARGES
WITHOUT PREJUDICE

COMES NOW MARGARET EBY, Program Administrator, Collection Agency Board, who is the duly authorized delegate for the Collection Agency Board for the administration of the disciplinary and enforcement provisions of Chapter 19.16 RCW. The Program Administrator, having reviewed the file and being fully advised in the premises at issue, withdraws the Statement of Charges issued on October 12, 2011, in the above-captioned matter without prejudice.

DATED this 3 day of November, 2011.

Margaret Eby
MARGARET EBY
Program Administrator
Collection Agency Board

**NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA**



**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER
OF INSURANCE**

**IN THE MATTER OF
THE LICENSURE OF
ALLIANCEONE RECEIVABLES
MANAGEMENT, INC.
CA #3701 and #3703**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME AllianceOne Receivables Management, Inc., (hereinafter "AllianceOne"), its officers, Tim Casey, Harry Neerenberg, Kevin Underwood, Roy Buchholz, and the North Carolina Department of Insurance (hereinafter "Department") and hereby enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

WHEREAS, AllianceOne is a corporation organized and existing under the laws of the State of Minnesota;

WHEREAS, the Department has the authority and responsibility for the enforcement of the provisions of Article 70 of Chapter 58 of the General Statutes of North Carolina applicable to Collection Agencies and the collection agency business; and

WHEREAS, AllianceOne's offices in Anderson, Indiana; Gig Harbor, Washington; Maumee, Ohio; Eagan, Minnesota; San Diego, California; and Montego Bay, Jamaica hold permits to operate as a collection agency in North Carolina issued pursuant to N.C.G.S. § 58-70-5;

WHEREAS, Tim Casey is AllianceOne's President and Chief Executive Officer, Harry Nurenburg is AllianceOne's Vice President, Chief Financial Officer, Secretary, and Treasurer, Kevin Underwood is AllianceOne's Vice President of Legal Affairs and Roy Buchholz is AllianceOne's Senior Vice President of Administration and Operations Support;

WHEREAS, on February 25, 2013, the Department received a complaint from consumer David F. Lauer which indicated that AllianceOne charged him \$10.00 to pay a medical bill in January 2013 and another \$10.00 to pay a second medical bill in February 2013;

WHEREAS, in response to Mr. Lauer's complaint, AllianceOne informed the Department that it charges a \$10.00 processing fee for payments made by credit or debit card;

WHEREAS, on June 5, 2013, the Department requested pursuant to N.C.G.S. § 58-70-25 that AllianceOne provide information regarding North Carolina consumers from whom AllianceOne has charged and collected processing fees from July 1, 2010 to June 1, 2013;

WHEREAS, the term "consumer" is defined under N.C.G.S. § 58-70-90(2) as "an individual, aggregation of individuals, corporation, company, association, or partnership that has incurred a debt or alleged debt;"

WHEREAS, on June 20, 2013, AllianceOne's Vice President of Legal Affairs, Kevin Underwood, produced spreadsheets in response to the Department's request for information which show that AllianceOne collected \$20,912.50 in processing fees from North Carolina consumers for credit/debit card and phone check payments between June 1, 2010 through June 5, 2013. The spreadsheet also indicates that AllianceOne charged these consumers a fee of \$5.00, \$7.50, or \$10.00 for each payment method;

WHEREAS, collection agencies are prohibited under Part 3 of Article 70 of Chapter 58 from collecting or attempting to collect certain fees from consumers. In particular, N.C.G.S. § 58-70-115 provides, in pertinent part, that:

No collection agency shall collect or attempt to collect any debt by use of any unfair practices. Such practices include, but are not limited to, the following:
... *Collecting or attempting to collect from the consumer all or any part of the collection agency's fee or charge for services rendered*, collecting or attempting to collect any interest or other charge, fee or expense incidental to the principal debt unless legally entitled to such fee or charge.

N.C.G.S. § 58-70-115(2) (Emphasis added);

WHEREAS, N.C.G.S. § 58-70-130(c) provides that "The specific and general provisions of Part 3 of this Article shall constitute unfair or deceptive acts or practices proscribed herein or by N.C.G.S. § 75-1.1 in the area of commerce regulated thereby;"

WHEREAS, it is the Department's position that N.C.G.S. § 58-70-115(2) prohibits collection agencies from charging and collecting any collection fees from consumers, including the processing fees charged and collected by AllianceOne for payments made by phone, credit card or debit card;

WHEREAS, it is AllianceOne's position that N.C.G.S. § 58-70-115(2) does not prohibit collection agencies from charging and collecting the processing fees charged and collected by AllianceOne for payments made by phone, credit card or debit card so long as the consumer voluntarily agrees to pay such processing fees and the consumer is offered a payment option that does not include processing fees;

WHEREAS, on July 15, 2013, the Department sent an e-mail to AllianceOne's Vice President of Legal Affairs, Kevin Underwood, requesting additional information regarding the fees which AllianceOne has charged to North Carolina consumers and requesting that AllianceOne immediately cease and desist collecting or attempting to collect collection fees from North Carolina consumers;

WHEREAS, AllianceOne promptly responded, and in a July 26, 2013 e-mail response to the Department, Mr. Underwood stated that "North Carolina was reclassified as a 'no fee' state on June 6, 2013 in response to your [Department's] inquiries";

WHEREAS, N.C.G.S. § 58-70-40(e) provides, in pertinent part, that "A collection agency shall report to the Commissioner any administrative action taken against the collection agency by another state or by another governmental agency in this State within 30 days after the final disposition of the matter. This report shall include a copy of the order or consent order and other information or documents filed in the proceeding necessary to describe the action";

WHEREAS, AllianceOne failed to report administrative action taken against it by Minnesota in September 2011 and failed to report administrative action taken against it by Colorado in November 2011 within 30 days after the final disposition of the matters;

WHEREAS, AllianceOne did voluntarily report administrative action taken against it by Minnesota in September 2011 and administrative action taken against it by Colorado in November 2011 by disclosing the same on its July 2012 license renewal application;

WHEREAS, the Department has requested that AllianceOne and its officers enter into this agreement to permanently cease and desist collecting any fees for its services from North Carolina consumers, including but not limited to processing fees, and to pay a civil penalty of twenty thousand nine hundred twelve dollars and fifty cents (\$20,912.50) in lieu of administrative action against AllianceOne's collection agency permits;

WHEREAS, the Department has requested that AllianceOne and its officers have further agreed to promptly and fully reimburse any North Carolina consumer from whom it collected fees between June 1, 2010 through June 5, 2013 upon receipt of a written request from the consumer for such refund made within one year of the execution of this agreement;

WHEREAS, the Department has requested that AllianceOne and its officers have agreed to pay a civil penalty of five hundred dollars (\$500.00) for its violations of N.C.G.S. § 58-70-40(e); and

WHEREAS, pursuant to N.C.G.S. § 58-2-70(g), the Commissioner of Insurance and the Department have the express authority to negotiate "a mutually acceptable agreement with any person as to the status of the person's license or certificate or as to any civil penalty or restitution"; and

WHEREAS, AllianceOne does not acknowledge any wrongdoing and denies it has violated N.C.G.S. §58-70-1 *et seq*;

WHEREAS, the parties are desirous of resolving all issues arising out of the foregoing alleged violations without an administrative hearing;

WHEREAS, the parties to this Agreement have reached a mutually agreeable resolution of this matter as set out in this Agreement; and

NOW THEREFORE, in consideration of the promises and agreements set out herein, the Department, AllianceOne, and its officers hereby agree to the following;

1. AllianceOne shall pay a civil penalty of twenty one thousand four hundred twelve dollars and fifty cents (\$21,412.50) to the Department. The check for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." AllianceOne shall remit the civil penalty along with a copy of this signed agreement by mailing the same via certified mail, return receipt requested on or before March 10, 2014 to the Department in care of its counsel, Assistant Attorney General Anne Kirby. The civil penalty shall be subject to disbursement in accordance with the provisions of Article IX, Section 7 of the North Carolina Constitution for the benefit of public schools.
2. AllianceOne and its officers shall permanently cease and desist from collecting any collection fees from North Carolina consumers, including but not limited to processing fees for payments made by credit card, debit card or phone, and shall otherwise comply with all provisions of Article 70 of Chapter 58 of the General Statutes of North Carolina.
3. AllianceOne shall promptly and fully reimburse any North Carolina consumer from whom it collected fees between June 1, 2010 through June 5, 2013 upon receipt of a written request from the consumer for such refund made within one year of the execution of this agreement.
4. AllianceOne and its officers shall comply with all provisions of Article 70 of Chapter 58 of the General Statutes of North Carolina and Title 11 of the North Carolina Administrative Code that are applicable to AllianceOne.
5. This Agreement does not in any way affect the Department's disciplinary power in any future or follow-up examination of AllianceOne, or in any cases or complaints involving AllianceOne. In the event that AllianceOne or any of its present or future locations fail to comply with this Agreement or otherwise fail to comply with the laws and rules applicable to AllianceOne, the Department may take any administrative or legal action it is authorized to take.
6. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner of Insurance. AllianceOne understands that N.C.G.S. § 58-70-40(c)(6) provides that a collection agency's permit may be revoked if a partner or proprietor or officer of the collection agency has violated or refused to comply with an Order of the Commissioner.
7. AllianceOne and its officers enter into this Agreement freely and voluntarily and with knowledge of its right to have an administrative hearing on this matter. AllianceOne and its officers have consulted with an attorney prior to entering into this Agreement.

8. This Voluntary Settlement Agreement, when finalized will be a public record and will not be treated as confidential. Any and all permits issued by the Department to AllianceOne shall reflect that Regulatory Action has been taken against the licensee following the execution of this Agreement. The Department may disclose the contents of this Agreement to third parties upon request or pursuant to any law or policy providing for such disclosure.
9. This Agreement shall become effective when signed by the parties.

AllianceOne Receivables Management, Inc.

By: _____

Tim Casey
President and Chief Executive Officer

Date: _____

2/10/14

AllianceOne Receivables Management, Inc.

By: _____

Harry Neerenberg
Vice President, Chief Financial Officer,
Secretary, and Treasurer

Date: _____

AllianceOne Receivables Management, Inc.

By: _____

Kevin Underwood
Vice President, Legal Affairs

Date: _____

AllianceOne Receivables Management, Inc.

By: _____

Roy Buchholz
Senior Vice President of Administration
and Operations Support

Date: _____

North Carolina Department of Insurance

By: _____

Angela K. Ford
Senior Deputy Commissioner

Date: _____

March 7, 2014

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9. This Agreement shall become effective when signed by the parties.

AllianceOne Receivables Management, Inc.

By: _____
Tim Casey
President and Chief Executive Officer

Date: _____

AllianceOne Receivables Management, Inc.

By: Harry Neerenberg
Harry Neerenberg
Vice President, Chief Financial Officer,
Secretary, and Treasurer

Date: 2/10/2014

AllianceOne Receivables Management, Inc.

By: _____
Kevin Underwood
Vice President, Legal Affairs

Date: _____

AllianceOne Receivables Management, Inc.

By: _____
Roy Buchholz
Senior Vice President of Administration
and Operations Support

Date: _____

North Carolina Department of Insurance

By: Angela K. Ford
Angela K. Ford
Senior Deputy Commissioner

Date: March 7, 2014

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AllianceOne Receivables Management, Inc.

By: _____
Tim Casey
President and Chief Executive Officer

Date: _____

AllianceOne Receivables Management, Inc.

By: _____
Harry Neerenberg
Vice President, Chief Financial Officer,
Secretary, and Treasurer

Date: _____

AllianceOne Receivables Management, Inc.

By: Kevin Underwood
Kevin Underwood
Vice President, Legal Affairs

Date: 2-17-14

AllianceOne Receivables Management, Inc.

By: _____
Roy Buchholz
Senior Vice President of Administration
and Operations Support

Date: _____

North Carolina Department of Insurance

By: Angela K. Ford
Angela K. Ford
Senior Deputy Commissioner

Date: March 7, 2014

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AllianceOne Receivables Management, Inc.

By: _____
Tim Casey
President and Chief Executive Officer

Date: _____

AllianceOne Receivables Management, Inc.

By: _____
Harry Neerenberg
Vice President, Chief Financial Officer,
Secretary, and Treasurer

Date: _____

AllianceOne Receivables Management, Inc.

By: _____
Kevin Underwood
Vice President, Legal Affairs

Date: _____

AllianceOne Receivables Management, Inc.

By: _____
Roy Buchholz
Senior Vice President of Administration
and Operations Support

Date: 3-3-14

North Carolina Department of Insurance

By: Angela K. Ford
Angela K. Ford
Senior Deputy Commissioner

Date: March 7, 2014

OUR REF NUMBER	YOUR INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
195770	DOI -SETTLEMENT	2/17/2014	21,412.50	21,412.50	0.00	21,412.50

AllianceOne

4850 E. STREET ROAD, SUITE 300
TREVISO, PA 19053
PHONE (866) 728-7972

JPMorgan Chase Bank, N.A.
Salt Lake City, UT
97-154/1240

154126

CHECK DATE

CONTROL NUMBER

AMOUNT

2/27/2014

154126

\$21,412.50

PAY Twenty-One Thousand Four Hundred Twelve and 50/100----- US Dollars.

NC DEPARTMENT OF INSURANCE

TO THE
ORDER
OF

VOID AFTER 6 MONTHS

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

AUTHORIZED SIGNATURE
Two Signatures Required for checks over \$1000.00

⑈ 154126 ⑈ ⑆ 124001545⑆

838527281⑈

ALLIANCEONE INCORPORATED AND SUBSIDIARIES

154126

Vendor	NCINSURAN	Check Date	2/27/2014	Check Number	154126	
Ref Nbr	Inv Nbr	Inv Date	Invoice Amount	Amount Paid	Disc Taken	Net Check Amt
195770	DOI -SETTLEMENT	2/17/2014	21,412.50	21,412.50	0.00	21,412.50



March 5, 2014

Caren D. Enloe
919-433-2821
cenloe@MMMLaw.com
www.MMMLaw.com

VIA FEDEX

Anne Kirby c/o
North Carolina Department of Justice
114 W. Edenton Street
Raleigh, NC 27602-0629

Re: NC Department of Insurance/AllianceOne Receivables Management, Inc.
Our File No.: 24624-93783

Dear Anne:

Enclosed please find check number 154126 in the amount of \$21,412.50 and the Voluntary Settlement Agreement executed by AllianceOne Receivables Management, Inc. Please forward the same to the North Carolina Department of Insurance for processing. Please notify us immediately once the North Carolina Department of Insurance executes the agreement so AllianceOne can make the necessary notifications to other states. As you know, certain states require that they be notified within twenty-four (24) hours. Finally, please forward us a full executed copy of the Voluntary Settlement Agreement. If you should have any questions, please feel free to contact our office.

Very truly yours,

MORRIS, MANNING & MARTIN, LLP

Caren D. Enloe

CDE/jr

Enc.

Agent Services Division
Monetary Penalty Tracking Form

SECTION I: Compliance or Licensing analysts/supervisors complete and routes to accounting when referral is made to AG's Office for VSA.

Date	02-10-2014
Name of Licensee	AllianceOne Receivables Management, Inc.
Case Number	24207
NPN or FEIN	Permit #: 3701 and 3703
Applicable Statutes	NCGS § 58-70-25

Prepared by ASD Analyst or Supervisor: STEVE BRYANT

Date: 02-10-2014

SECTION II: Accounting Unit completes upon receipt of VSA and monetary penalty.

Payment Information:
Payor: Alliance One
Amount: \$21,412.50
Check Number: 154126
Date of Check: 2/27/2014

1. Accounting maintains the original form by Fiscal Year.
2. Accounting staples a photocopy of this form to VSA when monetary penalty is received and routes to ASD employee handling the case.

08/21/09

01/04/2016

4,799,694

COMMISSIONER OF FINANCIAL REGULATION

04 06 21556 ALLIANCEONE RECEIVABLES MANAGEMENT, INC 6184 01/01/2016
MESSAGE(S):

THINGS TO REMEMBER:

- * PRINT AND POST A COPY OF YOUR LICENSE.
- * KEEP YOUR EMAIL ADDRESSES UPDATED ON NMLS TO ENSURE PROPER UPDATES FROM REGULATORS.
- * ADD FINREG_LIC@DLLR.STATE.MD.US TO YOUR CONTACTS TO ENSURE CORRESPONDENCE FROM THE COMMISSIONER IS DELIVERED.
- * NOTICES REGARDING THE AVAILABILITY OF BRANCH LICENSES WILL BE SENT TO THE EMAIL ADDRESS OF "CONTACT EMPLOYEE" LISTED ON NMLS.



LICENSE * REGISTRATION * CERTIFICATION * PERMIT

STATE OF MARYLAND

DEPARTMENT OF LABOR, LICENSING AND REGULATION

Lawrence J. Hogan, Jr.
Governor

Boyd K. Rutherford
Lt. Governor

Kelly M. Schulz
Secretary

COMMISSIONER OF FINANCIAL REGULATION

CERTIFIES THAT:

LEGAL NAME: ALLIANCEONE RECEIVABLES MANAGEMENT, INC
D/B/A:

4850 E STREET ROAD, SUITE 300

TREVOSE

PA 19053

NMLS ID#
441662

IS AN AUTHORIZED: 06 - MORTGAGE LENDER

LIC/REG/CERT
21556

EXPIRATION
12/31/2016

EFFECTIVE
01-01-2016

CONTROL NO.
4799694

Signature of Bearer

Kelly M. Schulz
Secretary DLLR

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

04 06 21556

4,799,694

04 06 21556
COMMISSIONER OF FINANCIAL REGULATION
500 N. CALVERT STREET, ROOM 402
BALTIMORE, MD 21202-3651

ALLIANCEONE RECEIVABLES MANAGEMENT,
4850 E STREET ROAD, SUITE 300
TREVOSE PA 19053

LICENSE * REGISTRATION * CERTIFICATION * PERMIT		STATE OF MARYLAND		DEPARTMENT OF LABOR, LICENSING AND REGULATION	
COMMISSIONER OF FINANCIAL REGULATION					
NMLS ID#: 441662					
ALLIANCEONE RECEIVABLES MANAGEMENT,					
IS AN AUTHORIZED: 06 - MORTGAGE LENDER					
LIC/REG/CERT	EXPIRATION	EFFECTIVE	CONTROL NO.		
21556	12/31/2016	01-01-2016	4799694		
Signature of Bearer			Secretary DLLR		

IN THE MATTER OF:	*	BEFORE THE MARYLAND COMMISSIONER
	*	
ALLIANCEONE RECEIVABLES	*	OF FINANCIAL REGULATION
MANAGEMENT, INC.	*	
	*	
Respondent	*	
	*	
* * * * *	*	* * * * *

SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order (this "Order") is entered into this 26 day of JANUARY, 2015 ~~December, 2014~~ by and between the MARYLAND COMMISSIONER OF FINANCIAL REGULATION (the "Commissioner") and AllianceOne Receivables Management, Inc., NMLS ID 441662, ("Respondent").

WHEREAS, the Commissioner is charged under the Maryland Mortgage Lender Law (the "MMLL"), Md. Code Ann. Fin. Inst. § 11-501 *et seq.*, with the responsibility of licensing and regulating mortgage lenders who make, broker and/or service consumer loans secured by residential real property located in this State; and

WHEREAS, at all times relevant hereto Respondent has neither been exempt from licensing under the MMLL nor duly licensed under the MMLL as a Maryland mortgage lender engaged in the mortgage lending business as those terms are defined in FI § 11-501(i) and (j); and

WHEREAS, the Commissioner has received information indicating that without benefit of the Maryland Mortgage Lender license or an exemption from licensure, Respondent has engaged in whole or in part in the business of servicing mortgage loans for others at an unauthorized location, 4850 Street Road, Suite 300, Trevose, PA 19053, (the "Violation"); and

WHEREAS, Respondent wishes to operate in this State as a mortgage lender in compliance with all applicable laws and regulations and further wishes to resolve the Violation without the need for an administrative hearing, thereby avoiding the costs associated with such hearing and any potential appeals; and

WHEREAS, the Commissioner desires to ensure that Respondent will comply with all applicable provisions of law and regulation applicable to mortgage lenders in this State, and further wishes to avoid the cost to the taxpayers of an administrative hearing and any potential appeals; and

WHEREAS, Respondent acknowledges that it has voluntarily entered into this Order with full knowledge of its right to a hearing in connection with any charges brought by the Commissioner alleging the Violation pursuant to the MMLL and the Maryland Administrative Procedures Act (Md. Code Ann., State Gov't. § 10-201 *et seq.*), and hereby waives its right to a hearing. Respondent further acknowledges that it has had an opportunity to consult with independent legal counsel and has either obtained legal advice or has waived its right to obtain counsel in connection with the negotiation and execution of this Order.

NOW, THEREFORE, it is hereby ORDERED by the Commissioner of Financial Regulation that:

1. Respondent shall no longer engage in whole or in part in the business of servicing mortgage loans for others without being duly licensed as a Maryland mortgage lender under FI § 11-501 *et seq.*
2. Respondent shall no longer engage in the mortgage lending business at a location which is not authorized by the Commissioner.
3. Respondent shall pay to the Commissioner a civil money penalty in the amount of Two Thousand Seven Hundred Forty Dollars (\$2,740.00). This amounts to a Five Hundred Dollar (\$500) non-refundable surcharge for conducting business at an unlicensed location, and Two Thousand Two Hundred Forty Dollars (\$2,240.00) for the unlicensed servicing of seven (7) loan transactions, by the Respondent.
4. Respondent shall pay a total amount of Two Thousand Seven Hundred and Forty Dollars (\$2,740) by check upon the execution of this Order. The check or money order should be made payable to the "Commissioner of Financial Regulation."
5. In the event Respondent violates any provision of this Order, the MMLL, any other law which applies to mortgage lending in Maryland or any regulation promulgated pursuant to such laws, the Commissioner may, at the Commissioner's discretion, take such enforcement actions as permitted by, and in

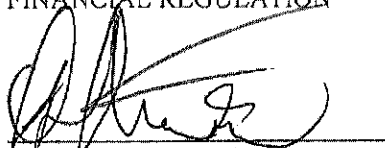
accordance with, applicable law. Subject to the particular circumstances, such actions may include an order to cease and desist, suspension or revocation of a mortgage lender license, civil money penalties of up to \$5,000 for each violation and/or referral for possible criminal prosecution.

6. The Violation shall be resolved in accordance with the terms of this Order and the same shall be reflected among the records of the Office of the Commissioner of Financial Regulation and shall constitute a Final Order of the Maryland Commissioner of Financial Regulation.

IN WITNESS WHEREOF, this Order is executed on the day and year first above written.


COMMISSIONER OF
FINANCIAL REGULATION

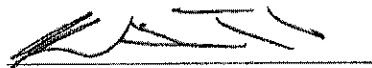
By:


Juan M. Sempertegui
Director of Licensing

AllianceOne Receivables Management, Inc.

By:


Timothy James Casey, President
Company NMLS ID 441662


Keisha Whitehall Wolfe
Acting Deputy Commissioner

CITY OF NEW YORK
DEPARTMENT OF CONSUMER AFFAIRS
42 BROADWAY – 9TH FLOOR
NEW YORK, NEW YORK 10004-1716

SUBPOENA DUCES TECUM

TO: AllianceOne Receivables Management, Inc
Attn: Tim Grenz
3000 Ames Crossing Rd, Suite 750
Eagan, MN 55121

By virtue of the authority conferred upon the Commissioner of the Department of Consumer Affairs ("the Department") of the City of New York by Section 2203(f) of Chapter 64 of the Charter of the City of New York, Sections 20-104(d), and 20-493 of the Administrative Code of the City of New York ("Administrative Code");

You are hereby commanded to appear and produce all documents and other tangible evidence requested in the attached Schedule "A", to the Office of the Department of Consumer Affairs of the City of New York at 42 Broadway, 9th Floor, Borough of Manhattan, City of New York, 10004, on Tuesday, November 17, 2015 at 9:30 a.m., and at any recessed or adjourned date thereof, to be inspected, examined, and audited in the matter of an investigation now being conducted by the Commissioner of the Department of Consumer Affairs. The purpose of this investigation is to determine whether debt collection agencies or other unnamed persons have engaged or are engaging in unlawful acts or practices related to the collection of debts, in violation of the Administrative Code §§ 20-101 *et seq.*, §§ 20-488 *et seq.*, and §§ 20-700 *et seq.*, and Title 6 of the Rules of the City of New York, §§ 5-76 *et seq.* and §§ 2-190 *et seq.*

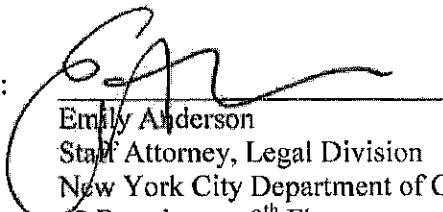
If you fail to fully comply with this subpoena on the date, time, and place stated above, or at an agreed upon adjourned date and time, action may be taken against you in the Supreme Court of the State of New York and in any other appropriate forum to compel compliance and to impose costs and sanctions.

YOU MAY BE ACCOMPANIED BY COUNSEL.

Witness my hand, this 13th day of October, 2015,

Julie Menin, Commissioner
New York City Department of Consumer Affairs

By:


Emily Anderson
Staff Attorney, Legal Division
New York City Department of Consumer Affairs
42 Broadway – 9th Floor
New York, NY 10004
Telephone: (212) 436-0316
eanderson@dca.nyc.gov

SCHEDULE A

Subpoena Dated October 13, 2015 Served Upon AllianceOne Receivables Management, Inc

DEFINITIONS

- A. The terms “**all**” and “**each**” shall both be construed as “all,” “each,” “any,” and “every.”
- B. The terms “**and**” and “**or**” shall be construed either disjunctively or conjunctively as necessary in order to bring within the scope of the Subpoena all responses that might otherwise be construed to be outside of its scope.
- C. The term “**any**” shall be construed to include “all,” “each and every,” as well as “any one.”
- D. The terms “**communication**” and “**communications**” shall mean any discussion, representation, conversation, telephone call, face-to-face meeting, utterance, contact, statement, or other form of communicating information, whether oral or written.
- E. The term “**concerning**” means relating to, referring to, describing, evidencing or constituting.
- F. The term “**debt**” means “debt” as defined in the Administrative Code § 20-489(d).
- The terms “**document**” or “**documents**” mean any written matter of every type and description, including any book, record, report, memorandum, paper, communication, tabulations, chart, log, electronic file, or other data or data compilation stored in any medium. “Document” also means any non-identical copy (such as a draft or annotated copy) of the foregoing, however and by whomever prepared, produced, disseminated or made, regardless of origin or location. “Document” also includes **Electronically Stored Information**.
- G. The terms “**documents sufficient to show**” and “**documents sufficient to identify**” mean the document or documents necessary and sufficient to provide all of the requested information in an intelligible and reasonably accessible format.
- H. The term “**employee**” means any person presently or formerly employed for hire including, but not limited to, independent contractors, any person who manages or oversees the work of another, and any person whose earnings are based in whole or in part on salary or commission for work performed.
- I. The term “**electronically stored information**” or “**ESI**” means the complete original and any non-identical copy (whether different from the original because of notations, different metadata, or otherwise), regardless of origin or location, of any electronically created or stored information, including but not limited to electronic mail, instant messaging, videoconferencing, SMS, MMS, or other text messaging, and other electronic correspondence (whether active, archived, unsent, or in a deleted items folder), word processing files, spreadsheets, databases, unorganized data, document metadata, presentation files, and sound recordings, whether stored on cards, magnetic or electronic tapes, disks, computer files, computer or other drives, cell phones, Blackberry, or other storage media, and such technical assistance or instructions as will enable conversion of such ESI into a reasonably useable form.

J. The term **"identify"** means: (a) with respect to New York City consumer accounts, to produce the person's: full name, account number, amount of the debt claimed due, the original creditor, present mailing address, telephone number, and email address, or if the present mailing address, telephone number, or email address is not know, the last known mailing address, telephone number, and email address; (b) with respect to all other natural persons, to give the person's full name, current and past title(s) or position(s) within you organization, dates of employments, present business affiliation, present business address, telephone number, and email address, or if a present business address, telephone number, or email address is not know, the last known business address, telephone number, and email address; (c) with respect to businesses or other organizations, to give the business or other organization's name, address, identities of natural persons who are officers, directors or managers of the business or organization, and contact persons with email addresses and telephone numbers, where applicable; and (d) with respect to documents, to give the title, date, author(s), recipient(s), Bates-number(s), if applicable, description of the type of document, or some other means of identifying the document and its present or last known custodian.

K. The term **"including"** shall mean including without limitation. "Including" should not be read to restrict or limit the scope of a particular request in any way; rather it provides an example of a responsive document or category of responsive documents.

L. The term **"New York City consumer"** means any natural person who: (a) was ever obligated or allegedly obligated to pay any debt; and (b) resided in New York City at any time relevant to the collection of a debt.

M. The terms **"regarding"**, **"relating to"** or **"referring to"** shall mean reflecting, containing, analyzing, studying, reporting, commenting, evidencing, comprising, showing, setting forth, considering, recommending, directly or indirectly, concerning, constituting, describing, discussing, identifying, including, involving, mentioning, referring, refuting or supporting, pertaining to in whole or in part or being connected with a stated subject matter

N. The terms **"company," "you" or "your"** means the entity to whom this Subpoena is directed its parent companies, wholly or partially owned subsidiaries, unincorporated divisions, joint ventures, operations under assumed named, and affiliates, and all principals, directors, officers, owners, employees, agents representatives, consultants, attorneys, accountants, independent contractors, and other person working for or on behalf of the foregoing.

INSTRUCTIONS

A. **Time Period.** Unless otherwise directed, the applicable time period for the information sought by this Subpoena is from **June 1, 2015** through **August 31, 2015**.

B. **Determining Whether Someone is a New York City Consumer.** A list of New York City zip codes is included below. For the purposes of responding to this Subpoena, you may use this list to determine whether a consumer's address is within New York City.

10001	10027	10087	10123	10164	10257	10302	10463	11202	11228	11352	11379	11429
10002	10028	10090	10124	10165	10258	10303	10464	11203	11229	11354	11380	11430
10003	10029	10095	10125	10166	10259	10304	10465	11204	11230	11355	11381	11431
10004	10030	10101	10126	10167	10260	10305	10466	11205	11231	11356	11385	11432
10005	10031	10102	10128	10168	10261	10306	10467	11206	11232	11357	11386	11433
10006	10032	10103	10129	10169	10265	10307	10468	11207	11233	11358	11390	11434
10007	10033	10104	10130	10170	10268	10308	10469	11208	11234	11359	11405	11435
10008	10034	10105	10131	10171	10269	10309	10470	11209	11235	11360	11411	11436
10009	10035	10106	10132	10172	10270	10310	10471	11210	11236	11361	11412	11439
10010	10036	10107	10133	10173	10271	10311	10472	11211	11237	11362	11413	11451
10011	10037	10108	10138	10174	10272	10312	10473	11212	11238	11363	11414	11499
10012	10038	10109	10150	10175	10273	10313	10474	11213	11239	11364	11415	11690
10013	10039	10110	10151	10176	10274	10314	10475	11214	11241	11365	11416	11691
10014	10040	10111	10152	10177	10275	10451	10499	11215	11242	11366	11417	11692
10016	10041	10112	10153	10178	10276	10452	11004	11216	11243	11367	11418	11693
10017	10043	10113	10154	10179	10277	10453	11005	11217	11245	11368	11419	11694
10018	10044	10114	10155	10185	10278	10454	11101	11218	11247	11369	11420	11695
10019	10045	10115	10156	10199	10279	10455	11102	11219	11248	11370	11421	11697
10020	10055	10116	10157	10203	10280	10456	11103	11220	11249	11371	11422	
10021	10060	10117	10158	10211	10281	10457	11104	11221	11251	11372	11423	
10022	10065	10118	10159	10212	10282	10458	11105	11222	11252	11373	11424	
10023	10069	10119	10160	10213	10285	10459	11106	11223	11254	11374	11425	
10024	10075	10120	10161	10242	10286	10460	11109	11224	11255	11375	11426	
10025	10080	10121	10162	10249	10292	10461	11120	11225	11256	11377	11427	
10026	10081	10122	10163	10256	10301	10462	11201	11226	11351	11378	11428	

C. **Scope of Search.** This Subpoena calls for all responsive documents or information in your possession, custody and control. This includes, without limitation, documents or information possessed or held by any of your present or former officers, directors, employees, agents, accountants, consultants, representatives, divisions, affiliates, subsidiaries or persons from whom you could request documents or information. If documents or information responsive to a request in the Subpoena are in your control, but not in your possession or custody, you must promptly identify the person with possession or custody. Each request seeks the production of all responsive documents (including all attachments), in your possession, custody or control.

D. **Document Retention.** You are reminded of your obligations under law to preserve all documents, other tangible things and information that are in any way relevant or potentially relevant to this Subpoena from destruction or loss, and of the consequences of, and penalties available for, spoliation of evidence. During the pendency of this investigation and any related enforcement action, you must suspend any routine or non-routine procedures that may result in

the destruction of documents or tangible things that are in any way potentially relevant to this investigation. No agreement, written or otherwise, purporting to modify, limit or otherwise vary the terms of this Subpoena, must be construed in any way to eliminate, narrow, qualify or otherwise diminish your preservation obligations. If any relevant or responsive documents or tangible things have been destroyed, you must submit an affidavit fully describing the contents of the documents or tangible things and the facts and circumstances under which such documents or tangible things were destroyed as well as any documentation pertaining to the company's document retention policies or procedures at the time the document(s) or tangible thing(s) were destroyed. (*see also* instructions in paragraph "E")

E. Documents No Longer in Your Possession. If any document requested in this Subpoena was formerly in your possession, custody or control but is no longer available, or no longer exists, you must submit an affidavit that: (a) describes in detail the nature of such document and its contents; (b) identifies the person(s) who prepared such document and its contents; (c) identifies all persons who have seen or had possession of such document; (d) specifies the date(s) on which such document was prepared, transmitted or received; (e) specifies the date(s) on which such document became unavailable; (f) specifies the reason why such document is unavailable, including without limitation whether it was misplaced, lost, destroyed or transferred; and if such document has been destroyed or transferred, the conditions of and reasons for such destruction or transfer and the identity of the person(s) requesting and performing such destruction or transfer; and (g) identifies all persons with knowledge of any portion of the contents of the document.

F. Existing Organization of Documents to be Preserved. Regardless of whether a production is in electronic or paper format, each document must be produced in the same form, sequence, organization or other order or layout in which it was maintained before production, including but not limited to production of any document or other material indicating filing or other organization. Such production must include without limitation any file folder, file jacket, cover or similar organizational material, as well as any folder bearing any title or legend that contains no document. Likewise, all documents that are physically attached to each other in your files must remain so attached in any production; or if such production is electronic, must be accompanied by notation or information sufficient to indicate clearly such physical attachment. All productions shall clearly and precisely identify the paragraph number(s) of the corresponding Subpoena request to which it is responsive as instructed in the "Document Identification" paragraph "H".

G. Document Production. The Department encourages the electronic production of all documents responsive to this Subpoena; however, documents created or stored electronically MUST be produced in their original electronic formation and not printed to paper or PDF. All documents submitted electronically must be copied onto one or more write-once CDs or DVDs (*i.e.*, CD-R or DVD-R, not CD-RW or DVD-RW), or thumb drives with all electronic folder information intact. The CDs, DVDs, or thumb drives and their containers or covers must be dated and labeled with your name, Department license number and a simple name for the disc (*e.g.*, "CD #1"). Do not affix any labels to discs. Instead, write the required information on the disc using a soft marker. All electronic files must be submitted in the format in which you, or a third party on your behalf, maintain the electronic files. If you submit documents electronically or by mail, you do not need to appear at the Department in response to this Subpoena. All electronic productions shall clearly and precisely identify the paragraph number(s) of the

corresponding Subpoena request to which it is responsive as instructed in the "Document Identification" paragraph "H".

H. **Document Identification.** All documents should be Bates-stamped, or otherwise identified with a consistently formatted, sequential number that remains consistent across all productions. Whether submitted in paper or electronic format, a cover letter should be provided with each production with the following information: (a) the name of the party making the production and the date of the Subpoena to which the submission is responsive; (b) list of each piece of media (CD, DVD, or thumb drive) included in the production (labeled as described in paragraph H); and (c) the paragraph number of the request to which the documents are responsive with corresponding Bates number or range. Documents that may be responsive to more than one request of this Subpoena do not need to be submitted more than once; however, your response should indicate, for each document submitted, each request to which the document is responsive.

I. **No Documents Responsive to Subpoena Requests.** If there are no documents responsive to any particular Subpoena request, you must state so in writing accompanied by a signed, notarized verification, a copy of which is attached to this Subpoena, identifying the paragraph number(s) of the Subpoena request concerned.

J. **Privilege and Privilege Placeholders.** If any material called for in this Subpoena is withheld based on a claim of privilege or other legal doctrine, the claim must be asserted no later than the date set for the production of the material. For each document withheld from production on ground of privilege or other legal doctrine, regardless of whether a production is electronic or in hard copy, you must insert one or more placeholder page(s) in the production. Documents withheld on the ground of privilege or other legal doctrine must be identified in an affidavit stating: (a) the name of the document withheld; (b) the type of document; (c) the date of the document; (d) the author(s) and recipient(s) of the document; (e) the general subject matter of the document; (f) the number of pages of the document; (g) a description of any attachments; (h) the legal ground for withholding the document; (i) the request to which the privileged document or information is responsive; and (j) the corresponding Bates number or range. If the legal ground for withholding the document is attorney-client privilege, you must indicate the name of the attorney(s) whose legal advice was sought or provided in the document.

K. **Objections.** If the response to a Subpoena request is an objection, provide the basis of the objection. Your refusal to produce any document or your objection to any request in no way excuses you from timely production of all other documents requested in this Subpoena.

L. **Interpretation of this Subpoena.** In construing these requests: (a) the use of feminine, masculine or neutral pronouns must not exclude other genders; (b) the singular must be construed to include the plural, and the plural must be construed to include the singular; and (c) the present tense must be construed to include the past tense, and the past tense must be construed to include the present tense. Any questions regarding the interpretation of this Subpoena must be resolved in favor of the broadest possible construction.

M. **Continuing Obligation to Produce.** This Subpoena imposes a continuing obligation to produce the documents and information requested. Documents located, and information learned or acquired, at any time after your response is due must be promptly produced at the place specified in this Subpoena.

N. **Verification.** Your response to this Subpoena must include a signed and notarized Verification, which is attached to this Subpoena. The verification must be completed by a person with knowledge of the facts and circumstances relating to the production. The Verification certifies that all company records produced in response to the Subpoena were prepared in the ordinary course of business. If you provide your response in the form of a CD, DVD or thumb drive, you must produce the signed and notarized Verification in PDF format.

O. **Questions.** If you have any questions, would like to request an extension, or propose modifications to the Subpoena please contact the Department at least two weeks prior to the return date by email at eanderson@dca.nyc.gov or by phone at 212-436-0316.

DOCUMENTS REQUESTED

1. Documents sufficient to identify each New York City consumer from whom you have collected or attempted to collect debt.
2. For each consumer identified in response to request number 1, provide all documents and written communications sent by you to the consumer.
3. Documents or other information sufficient to interpret the above requested information and documents. This may include keys for codes or other internal markings used in any documents or records produced in response to this Subpoena.

VERIFICATION

These responses to the Subpoena of the New York City Department of Consumer Affairs dated **October 13, 2015** (the "Subpoena"), including, without limitation, production of the requested documents and information, were prepared and assembled under my personal supervision from the records of **AllianceOne Receivables Management, Inc** in accordance with the Definitions and Instructions set forth in the Subpoena and are complete and correct to the best of my knowledge and belief. In preparing all documents and information in response the Subpoena, I have made a diligent inquiry of all persons who likely has possession of responsive documents and information, and I have confirmed that a diligent search has been made of all the locations and files that likely contained responsive documents and information in the possession, custody, and control of **AllianceOne Receivables Management, Inc.** All records of the company, named herein, produced in response to the Subpoena were prepared in the regular course of business. The documents and information produced in response to this Subpoena are authentic, genuine and what they purport to be.

Signature

Printed Name

Title

Subscribed and sworn to before me this
____ day of _____, 2015.

Notary Public



Alba Pico
First Deputy Commissioner

Emily L. Anderson
Staff Attorney
eanderson@dca.nyc.gov

42 Broadway
9th Floor
New York, NY 10004

+1 (212) 436-0316 tel
nyc.gov/consumers

VIA EMAIL

May 6, 2016

John K. Rossman, Esq.
Moss & Barnett
150 South Fifth Street, Suite 1200
Minneapolis, MN 55402
John.Rossman@lawmoss.com

Re: AllianceOne Receivables Management, Inc.

Dear Mr. Rossman:

On or about October 2, 2105, the Department of Consumer Affairs (the "Department") served a subpoena *duces tecum* (the "Subpoena") on AllianceOne Receivables Management, Inc. ("AllianceOne"). The Department has reviewed the documents and information AllianceOne produced in response to the Subpoena and has determined that AllianceOne is violating the New York City Administrative Code (Code) and the Rules of the City of New York (RCNY) as described below.

(1) AllianceOne's collection letters falsely imply that AllianceOne is affiliated with the Department

6 RCNY § 5-77(d) prohibits "any false, deceptive, or misleading representation . . . includ[ing] the false representation or implication that the debt collector is vouched for, bonded by, or affiliated with the United States or any State"

Forty-seven of AllianceOne's collection letter templates include the same or substantially similar signature block.¹ Immediately under the name of an AllianceOne representative, the letter states: "New York City Department of Consumer Affairs license number [Department license number]."

The wording and proximity of the statement "New York Department of Consumer Affairs license number [Department license number]" to the name of the AllianceOne representative implies and misrepresents that, AllianceOne and/or its representative are affiliated with, the Department rather than a private third party debt collection agency.

¹ See Attachment A.

Letter to John K. Rossman, Esq.

May 6, 2016

Page 1 of 6

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During a three-month period, AllianceOne sent at least 125,909 letters to New York City consumers that violate 6 RCNY § 5-77(d)(1) by implying and misleading consumers that AllianceOne is affiliated with the Department.

(2) AllianceOne engages in harassing conduct in connection with the collection of debts

6 RCNY § 5-77(d)(12) prohibits debt collectors from “engag[ing] in conduct the natural consequence of which is to harass, oppress or abuse any person in connection with a debt.”

As a whole, AllianceOne’s collection letter template SPLCT (bates stamped ARM0000647) is threatening and intimidating; it has the natural consequence of harassing, oppressing and abusing the consumer. First the letter states the consumer’s account has been assigned to an AllianceOne “Special Collection Unit, which has been instructed to research and submit documentation” on the consumer’s “source of income,” “savings and/or checking accounts,” “real estate ownership and equities,” and “business and employment activities.” It goes on to say that based on AllianceOne’s research, its “staff will then decide the best course of legal process, or other action necessary to collect the debt” which could include wage garnishment, property attachment, or judgment liens. Finally, the closing paragraph states that AllianceOne “ha[s] no desire to cause [the consumer] embarrassment” and “strongly suggest[s]” the consumer contact AllianceOne “within 72 hours of receipt of this letter or remit the balance in full.”

The statements that a special investigation will be made into the consumer’s private affairs, including the consumer’s “business and employment activities,” that AllianceOne “ha[s] no desire to cause [the consumer] embarrassment,” and “strongly suggest[s]” the consumer contact AllianceOne “within 72 hours of receipt of this letter or remit the balance in full” are intended to intimidate the consumer into paying the debt.² These statements imply that if the debt is not immediately paid, the actions AllianceOne will take will be embarrassing to the consumer.

During a three-month period, AllianceOne sent at least five letters to New York City consumers that violate 6 RCNY § 5-77(d)(12) by making statements the natural consequence of which is to harass, oppress, and abuse the recipient.

(3) AllianceOne’s collection letters contain false and misleading representations regarding credit scores.

6 RCNY § 5-77(d)(12) prohibits “the use of any false representation or deceptive means to collect or attempt to collect any debt”

² See *Rutyna v. Collection Accounts Terminal, Inc.*, 478 F. Supp 980, 981-82 (N.D.Ill, 1979) (finding that a letter that threatens an investigation and resulting embarrassment to a consumer “has the natural consequence of harassing, oppressing, and abusing the recipient”).

Letter to John K. Rossman, Esq.

May 6, 2016

Page 2 of 6

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AllianceOne's collection letter templates NASPRES (bates stamped ARM000588) and NASRES (bates stamped ARM000590) falsely state that "[t]he longer a negative entry on your credit report exists, the more damage it can do to your credit score."

While a consumer's credit score is negatively impacted by a collection item at the time it is reported to the consumer's credit file, the older a collection item, the less impact it is likely to have on a consumer's credit score.³ In fact, after a period of time, a negative item is removed from the consumer's credit report.⁴

During a three-month period, AllianceOne sent at least 1,027 letters to New York City consumers that violate 6 RCNY § 5-77(d)(12) by falsely stating the longer a negative item is on a consumer's credit report, the greater impact it will have on a consumer's credit score.

AllianceOne's collection letter template NASPRES (bates stamped ARM000588) refers to a "[a] negative or low credit score" and describes the impact the score could have on a consumer. In fact, consumer credit scores are on a positive scale. For example, one of the most common credit scoring models has a range of 300 to 850.⁵ Describing the impact of a "negative credit score" implies that a negative credit score is possible. Therefore, statements about the impact of a "negative credit score" are false or misleading.

During a three month period, AllianceOne sent 684 letters to New York City consumers that violate 6 RCNY § 5-77(d)(12) by making false statements about a "negative credit score."

(4) AllianceOne's collection letters do not include disclosures required by law

Code § 20-493.1(a) requires debt collection agencies to provide consumers with the original creditor, the amount of the debt at the time of the communication, and the name of a person to call back in every communication. 6 RCNY § 1-05 requires licensees to include their Department license number in each written communication with New York City consumers.

Six of Alliance One's collection letter templates do not include the name of the original creditor.⁶ AllianceOne's collection letter template DISRES_In House (bates stamped ARM0000553) and RP (bates stamped ARM0000634) do not include the amount of the debt at the time of the communication. Twenty of AllianceOne's collection letter templates do not include the name of a

³ My FICO, <http://www.myfico.com/CreditEducation/Credit-Payment-History.aspx> ("[collection items] are considered quite serious, although older items . . . will count less than recent items . . .") (last visited May 6, 2016).

⁴ 15 U.S.C. § 1681c.

⁵ See My FICO, <http://www.myfico.com/CreditEducation/articles/> (last visited May 6, 2016).

⁶ See Attachment B.

Letter to John K. Rossman, Esq.

May 6, 2016

Page 3 of 6

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person to call back.⁷ Twenty-three of AllianceOne's collection letter templates do not include its Department license number.⁸

During a three-month period, AllianceOne sent at least 170 letters to New York City consumers that violate Code § 20-493.1(a) by not including the name of the original creditor; 410 letters to New York City consumers that violate Code § 20-493.1(a) by not including the amount of the debt at the time of the communication; 15,361 letters to New York City consumers violate Code § 20-493.1(a) by not including the name of a person to call back; and 15,755 letters to New York City consumers that violate 6 RCNY § 1-05 by not including its Department license number.

(5) AllianceOne's initial written communications do not include notice of a consumer's right to dispute and request verification of the debt

6 RCNY § 5-77(f)(2) requires that the initial written communication sent to New York City consumers include:

a statement that if the consumer notifies the debt collector in writing within the thirty-day period at the address designated by the debt collector in the notice that the debt, or any portion thereof, is disputed, the debt collector will obtain verification of the debt or a copy of a judgment against the consumer and a copy of such verification or judgment will be mailed to the consumer by the debt collector; a statement that, upon the consumer's written request within the thirty-day period sent to the address designated by the debt collector in the notice, the debt collector will provide the consumer with the name and address of the original creditor, if different from the current creditor; and an address to which the consumer should send any writing which disputes the validity of the debt or any portion thereof or any writing requesting the name and address of the original creditor.

Nine of AllianceOne's collection letter templates appear to be initial written communications, but do not include a notice of the consumer's rights, including, but not limited to, the consumer's right to dispute the debt and request verification of the debt from AllianceOne.⁹

During a three-month period, AllianceOne sent at least 130,929 initial communication letters to New York City consumers that violate 6 RCNY § 5-77(f)(2) by not including a notice of the consumer's rights, including, but not limited to, the consumer's right to dispute the debt and request verification of the debt from AllianceOne.

⁷ See Attachment C.

⁸ See Attachment D.

⁹ See Attachment E.

Letter to John K. Rossman, Esq.

May 6, 2016

Page 4 of 6

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In addition to the violations identified above, the Department has identified several representations in AllianceOne's collection letters that are likely to be false or misleading. AllianceOne must immediately cease and desist from making false and misleading statements in its communications with New York City consumers.

(6) AllianceOne's claim that it is permitted to charge processing fees for credit and debt payments

6 RCNY § 5-77(e)(1) prohibits "the collection of any amount (including any interest, fee, charge, or expense incidental to the principal obligation) unless such amount is expressly authorized by the agreement creating the debt or permitted by law." 6 RCNY § 5-77(d)(12) prohibits "any false representation or deceptive means to collect or attempt to collect any debt"

Fifteen of AllianceOne's collection letter templates state "[a] \$10.00 fee will be charged for each credit or debit card payment."¹⁰

In *Tuttle v. Equifax Check*, the Second Circuit held that a debt collector is permitted to "impose a service charge if (i) the customer expressly agrees to the charge in the contract creating the debt or (ii) the charge is permitted by law" and where "*state law neither affirmatively permits nor expressly prohibits service charges*, a service charge can be imposed only if the customer expressly agrees to it in the contract."¹¹

During a three-month period AllianceOne sent at least eighty-eight letters to New York City consumers stating AllianceOne was entitled to a \$10.00 processing fee for credit and debit card payments. Since New York state law does not affirmatively permit a debt collector to impose a service charge to process a credit or debit payment, charging such a fee violates 6 § RCNY 5-77(e)(1) unless the consumer agrees to that fee in the contract creating the debt. Moreover, the mere representation that a fee could be lawfully collected, when it cannot, violates 6 RCNY § 5-77(d)(12).

If the consumer has not agreed to a credit or debt payment processing fee in the contract creating the debt, AllianceOne must immediately cease and desist from representing it is entitled to that fee.

(7) AllianceOne's claim that it is entitled to a \$30 dishonored check fee plus other amounts

AllianceOne's collection letter template DSH2 (bates stamped ARM0000557) is a notice of a dishonored check. The letter states "You are CAUTIONED that unless you pay the amount of this

¹⁰ See Attachment F.

¹¹ *Tuttle v. Equifax Check*, 190 F.3d 9, 13 (2d Cir. 1999) (emphasis in original). See also, *Campbell v. MBI Associates, Inc.*, 98 F. Supp. 3d 568, 579 (E.D.N.Y. 2015).



check (plus a reasonable handling fee of \$ 30.00 per check as provided in RCW 62A.3-560) . . . you may very well have to pay the following additional amounts . . .” (emphasis in original)

6 RCNY § 5-77(e)(1) prohibits “the collection of any amount (including any interest, fee, charge, or expense incidental to the principal obligation) unless such amount is expressly authorized by the agreement creating the debt or permitted by law.”

6 RCNY § 5-77(d)(12) prohibits “any false representation or deceptive means to collect or attempt to collect any debt”

New York General Obligations Law § 5-328 limits the maximum service charge for a dishonored check to the *lesser* of the amount specifically contracted for by the parties, or \$20.00.

AllianceOne sent eight letters to New York City consumers stating that, under Washington state law, AllianceOne is entitled to collect a \$30.00 dishonored check fee and potentially other fees. Since New York state law limits a dishonored check fee to \$20.00, charging a dishonored check fees in excess of \$20.00 may violate 6 § RCNY 5-77(e)(1). Moreover, the mere representation that a dishonored check fee in excess of \$20.00 could be lawfully charged, may violate 6 RCNY § 5-77(d)(12).

The Department requests that AllianceOne either provide an explanation as to why it is applying Washington law to New York City consumers or else cease and desist from representing it is entitled to a dishonored check fee of any amount in excess of that permitted by New York State law.

* * *

The Department is prepared to continue its investigation and commence enforcement action related to the foregoing conduct. However, the Department is providing AllianceOne with an opportunity to resolve these issues before the Department issues a Notice of Hearing. Please contact me by May 20, 2016, if AllianceOne is interested in pursuing settlement, which would include AllianceOne entering into a Consent Order with the Department that includes injunctive relief and monetary penalties.

Sincerely,

A handwritten signature in cursive script, appearing to read "Emily L. Anderson".

Emily L. Anderson

Attachments

Letter to John K. Rossman, Esq.

May 6, 2016

Page 6 of 6

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June 16, 2016

VIA E-MAIL AND U.S. MAIL

Ms. Emily L. Anderson, Staff Attorney
New York City Department of Consumer Affairs
42 Broadway
9th Floor
New York, NY 10004

Re: AllianceOne Receivables Management, Inc.
Our File Number: 44483.44

Dear Ms. Anderson:

On behalf of AllianceOne Receivables Management, Inc. ("AllianceOne"), we are submitting this response to the May 6, 2016, letter of the Department of Consumer Affairs (the "Department"). That letter alleges that AllianceOne is in violation of several parts of the New York City Administrative Code ("Code") and the Rules of the City of New York ("Rules").

Our response is presented in four parts, which are interrelated but which each constitute an independent basis for responding to the Department's concerns.

First, we describe the total number of letters sent during the data look-back period, our methodology in determining this figure, and analyzing the letters according to their content.

Second, as an overarching response (addressed in Section A below), we wish to advise that the Department's asserted violations are inapplicable to a substantial number of the AllianceOne letters that were sent. That is because the overwhelming majority of the letters referenced by the Department involved efforts to collect unpaid fines, penalties, or tolls imposed by municipalities. The plain language of the Code, as well as numerous judicial decisions, make clear that such non-consensual monetary obligations do not constitute consumer "debt" and, thus, are not subject to the Code's provisions.

Third, as discussed in Section B, even assuming that unpaid fines, penalties, or tolls constitute consumer "debt", any letters that were sent to a business entity or intended to collect payment from a business entity should not be considered in an analysis of alleged violations. A business is plainly excluded from the definition of "consumer," and is not afforded the protections provided by either the Code or the Rules. Likewise, many individuals who received letters for toll violations were presumably engaged in a business activity at the time the violation occurred. Absent proof that a particular violation actually occurred while the individual was engaged in "*a transaction*" that primarily involved "*personal, family, or household*" activity"-- as opposed to being directly engaged in a business pursuit --it simply cannot be presumed in any instance that the asserted violation arose out of activity such that the violation or penalty constitutes "consumer debt."

Fourth, with respect to those communications that did involve collection of a consumer debt, AllianceOne respectfully submits that many of the Department's asserted violations are not supported by the facts or law, as further addressed in Section C below. Notwithstanding, following a comprehensive investigation of the data and concerns raised by the Department in its May 6, 2016, letter, AllianceOne identified 2 letters sent to 2 consumers containing 6 violations of the Code. Attached as Exhibit A is a chart describing the violations along with templates of the letters (these templates

were previously produced). Regarding the violations, the AllianceOne system identifies FDCPA and non-FDCPA debt and allows for the inclusion of required disclosures based upon that determination. As a result of this investigation, AllianceOne identified an anomaly in the merging of data with the disclosure matrix causing these unintentional violations. AllianceOne is actively taking steps to remediate this issue.

A. TOTAL NUMBER OF LETTERS SENT DURING DATA LOOK-BACK PERIOD AND ANALYSIS

				Less:		
				Adjustment of	Alleged	
			Initial Alleged	Alleged Violations	Violations	
			Violations Identified	Identified	Remaining	
Section	1		125,905	[125,905]	0	Location of the signature block; discussed at p. 10, section D.1
Section	2		17	[17]	0	Harassing language; discussed at p. 13, section D.2
Section	3		1,711	[1,711]	0	Statements about credit scores; discussed at p. 13, section D.3
Section	4		31,706	[31,701]	5	Omitted disclosures; discussed at p. 14, section D.4; 5 violations (Bates 553 and 624)
Section	5		130,928	[130,928]	0	Omitted notice; discussed at p. 14, section D.5
Section	6		1,016	[1,015]	1	Processing fees; discussed at p. 14, section D.6; 1 violation (Bates 577)
Section	7		8	[8]	0	Dishonored check fee; discussed at p.15, section D.7
Total			291,291	291,285	6	

B. THE VAST MAJORITY OF THE LETTERS REFERENCED IN THE DEPARTMENT'S MAY 6, 2016, LETTER DO NOT RELATE TO "DEBTS."

AllianceOne has determined through its review of the letters identified by the Department in its May 6, 2016, correspondence that Code § 20-488 *et seq.* does not apply to a large portion of the letters cited.

AllianceOne focuses its collection business, among other things, upon recovering unpaid fines, penalties, or tolls owed to municipalities and other governmental authorities. Under the plain language of the Code, unpaid parking tickets, speeding tickets, or tolls do not constitute "*money, property, insurance, or services*" obtained "*primarily for personal, family, or household purposes.*" Quite simply, non-consensual monetary obligations imposed by a municipality do not constitute "debts" as the Code defines them. Accordingly, New York City residents receiving correspondence from AllianceOne that involve collection of unpaid fines, penalties, or tolls are not "consumers" under the Code's plain terms. Likewise, AllianceOne is not acting as a "debt collection agency" when corresponding with New York City residents who owe money for unpaid fines, penalties, or tolls.

For this reason alone, the Code is inapplicable to much of the correspondence AllianceOne sends to New York City residents.

This interpretation of the Code is consistent with positions adopted by the Department in prior enforcement actions as well as with numerous court decisions addressing similar involuntary payment obligations in the context of the FDCPA. It is also consistent with the position AllianceOne has relied upon in its dealings with New York residents, as well as complaints relayed to AllianceOne by the Department and other regulators, including the CFPB. *See, e.g., Response of AllianceOne to DCA Complaint of Rukiya Hutchinson*, Case Number 5201-2015-CMPL (informing CFPB and DCA that the collection of monetary obligations arising from municipal parking tickets are not covered by the FDCPA or New York law, but nonetheless offering to provide Ms. Hutchinson verification of the tickets as a courtesy).

1. The Department Previously Advanced the Position that the Code should be Read Consistently with its Federal Counterpart as well as its Plain Meaning.

In prior enforcement actions against members of the credit and collection industry, the Department asserted that "New York Administrative Code, Title 20, Chapter 2, subchapter 30, Sections 20-488 *et seq.* ["Debt Collection Agencies"], should be interpreted consistently with the courts' interpretation" of similar provisions and definitions set forth in the Fair Debt Collection Practices Act, 15 U.S.C. § 1692 *et seq.* (FDCPA). *See Department of Consumer Affairs v. Asset Acceptance, LLC*, Violation No. PL1044927, p. 3 (Decision and Order of Mitchell B. Nisonoff, ALJ, July 24, 2006) (agreeing with the Department argument that the term "debt collector," as defined in NY Code § 20-488 *et seq.* should be interpreted consistently with the courts' interpretation of the definition of "debt collector" contained in the FDCPA).

In *Asset Acceptance*, the Administrative Law Judge also made clear that "[i]t is fundamental . . . in interpreting a statute, [that] a court should attempt to effectuate the intent of the Legislature. As the clearest indicator of legislative intent is the statutory text, the starting point in any case of interpretation must always be the language itself, giving effect to the plain meaning thereof." *Id.* at p. 3 (citing *Flores v. The Lower East Side Center, Inc. et al*, 828 N.E.2d 593 (NY Ct. App. 2005)).

2. The Code's Definitions of "Consumer" and "Debt" are Nearly Identical to the FDCPA's.

There are three definitions in the Code that are inter-related and must be considered collectively when addressing AllianceOne's collection correspondence and practices:

- The Code governs the practices of a “debt collection agency,” which is “a person engaged in the business the principal purpose of which is to regularly collect or attempt to collect *debts* owed or due or asserted to be owed or due to another.” NY Code § 20-489(a) (Emphasis added).
- The term “debt” is defined to “mean[] any obligation or alleged obligation of a *consumer* to pay money *arising out of a transaction in which the money, property, insurance, or services which are the subject of the transaction are primarily for personal, family, or household purposes*, whether or not such obligation has been reduced to judgment, or any obligation or alleged obligation arising out of a judgment or valid agreement for the payment of child support.” *Id.* at subdiv. (d) (Emphasis added).
- A “consumer” is “any natural person obligated or allegedly obligated to pay any *debt*.” *Id.* at subdiv. (c) (Emphasis added).

As discussed above, it is significant that the FDCPA definition of the term “debt” is nearly identical to the Code definition: “any obligation of a consumer to pay money arising out of a transaction in which the money, property, insurance or services which are the subject of the transaction are primarily for personal, family, or household purposes, whether or not such obligation has been reduced to judgment.” 15 U.S.C. § 1692a(5). The same is true for the FDCPA definition of “consumer.” *Id.* at subdiv. (3) (“any natural person obligated or allegedly obligated to pay any debt.”).

3. Judicial Determinations Involving Analogous FDCPA Provisions Support the Conclusion that the Code’s Definition of “Debt” is Inapplicable to Involuntary Monetary Obligations.

Numerous courts have made clear that, “[a]s a threshold matter, a suit brought under the FDCPA must involve a ‘debt’ within the meaning of the statute.” *Patisso v. Law Offices of Bruce E. Baldinger, LLC*, No. 11-cv-1996, 2011 WL 5117604, at *2 (E.D. N.Y. Oct. 24, 2011); *see also, Shmerkovich v. RMC Consulting Group LLC*, No. 09-cv-5490, 2011 WL 887871, at *4 (E.D. N.Y. Jan. 31, 2011), *adopted by* 2011 WL 900850 (E.D. N.Y. Mar. 14, 2011).

The Eastern District of New York specifically addressed the applicability of the “debt” classification to an involuntary monetary obligation in *Boyd v. J.E. Roberts Co.*, No. 05-cv-2455 (KAM)(RER), 2012 WL 4718723, *1 (E.D. N.Y. Oct. 2, 2012). There, three individuals commenced a putative class action alleging, among other things, violations of the FDCPA in the attempted collection of New York City “property taxes, water and sewage charges, and other statutory charges,” that the individuals failed to pay, causing liens to attach to their respective real property interests, which liens the City of New York subsequently sold to a private entity for foreclosure. *Id.* at *2. Citing to the Second Circuit’s opinion in *Beggs v. Rossi*, 145 F.3d 511 (2d Cir. 1998) (per curiam), the “[d]efendants submit[ted] that a debt must arise out of a consensual, negotiated transaction involving ‘an exchange for a service or property’” for the FDCPA to apply. *Id.* at *11. The *Boyd* defendants argued on that premise that the liens fell outside the scope of the FDCPA because they “did not arise from consensual, negotiated transactions because the real property taxes, water charges, and sewer charges secured under [the liens] are mandatorily imposed as an incident to real property ownership in New York City....” *Id.*

The *Boyd* court noted that, “[a]lthough the FDCPA does not define the statutory term ‘transaction’ used in the FDCPA’s definition of a ‘debt,’ the ‘consensus judicial interpretation is reflected in the Seventh Circuit’s ruling that the statute is limited in its reach ‘to those obligations to pay arising from consensual transactions where parties negotiate or contract for consumer-related goods or services.’” *Id.* at *11 (emphasis applied) (citing *Turner v. Cook*, 362 F.3d 1219, 1227 (9th Cir. 2004); *Bass v. Stolper, Koritzinsky, Brewster & Neider, S.C.*, 111 F.3d 1322, 1326 (7th Cir. 1997); *Beggs*, 145 F.3d at 512; *Beal v. Himmel & Bernstein, LLP*, 615 F. Supp.2d 214, 216 (S.D. N.Y. 2009)); *see also Hawthorne v. Mac Adjustment, Inc.*, 140 F.3d 1367, 1371 (11th Cir. 1998). Accordingly, the *Boyd* court held that, even though the amounts owing for water and

sewer services might be based on usage, "the water and sewer obligations secured by the [liens] do not arise from a consensual transaction and thus do not constitute debts under the FDCPA." *Id.* at *14.

The Seventh Circuit has reached the same conclusion concerning fines, noting that FTC commentary supports its interpretation of the FDCPA and the definition of "debt." See *Gulley v. Markoff & Krasny*, 664 F.3d 1073, 1074 (7th Cir. 2011) (citing *Statements of General Policy or Interpretation Staff Commentary on the Fair Debt Collection Practices Act*, 53 Fed. Reg. 50, 097, 50, 102 (Dec. 13, 1998))

4. Collection Letters that Attempt to Collect Fees and Fines Imposed for Unpaid Toll Charges do not Qualify as the Collection of "Debt" under the FDCPA and Are Not Included in the Definition of "Debt" under the Code.

As noted, much of AllianceOne's collection efforts in New York City involve monetary obligations arising from drivers' failure to pay toll charges for roads and bridges, and related fines and penalties. Those charges and fines are imposed by statute and are akin to a monetary obligation arising from a traffic citation or other criminal infraction. Such involuntary obligations do not constitute "debts" under the FDCPA, and therefore do not fall within the Code definition of "debt." Accordingly, the letters AllianceOne sent to New York City residents concerning those obligations are not regulated by the Code or the Rules.

i. Fines and similar involuntary monetary obligations related to toll charges are not "debts" for purposes of the FDCPA.

The definition of "debt" under the FDCPA does not include monetary obligations incurred through fines. See *Gulley*, 664 F.3d at 1075 (7th Cir. 2011) (holding that municipal fines "cannot reasonably be understood as a "debt" arising from consensual consumer transaction for goods and services"). This position aligns with the Federal Trade Commission's interpretive guidance on the FDCPA definition of "debt," which the Commission has stated does not include "[u]npaid taxes, fines, alimony, or tort claims." *Statements of General Policy or Interpretation Staff Commentary on the Fair Debt Collection Practices Act*, 53 Fed. Reg. 50,097, 50,102 (Dec. 13, 1988).

Multiple district courts have also addressed the issue and concluded uniformly that a fine is not a "debt" under the FDCPA. See *Franklin v. Parking Revenue Recovery Services, Inc.*, 2014 WL 6685472 (N.D. Ill. Nov. 25, 2014) (holding that fine associated with unpaid parking fee was not subject to the FDCPA no matter how it was classified in the collection letters); *Reid v. Am. Traffic Solutions, Inc.*, Nos. 10-cv-204-JPG-DGW & 10-cv-269-JPG, 2010 WL 5289108, at *4-5 (S.D. Ill. Dec. 20, 2010) (concluding that fines for traffic violations are not debts under FDCPA); *Mills v. City of Springfield, Mo.*, No. 2:10-CV-04036-NKL, 2010 WL 3526208, at *15-16 (W.D. Mo. Sept. 3, 2010) (same); *Durso v. Summer Brook Preserve Homeowners Ass'n*, 641 F. Supp.2d 1256, 1264-65 (M.D.Fla.2008) (concluding that fines assessed against homeowner by homeowners association did not create debts under FDCPA); *Shannon v. ACS State & Local Solutions, Inc.*, No. 08-594(DSD/SRN), 2008 WL 2277814, at *1 (D.Minn. May 30, 2008) (holding that fines levied by county for parking violation and failure to register vehicle did not meet criteria for FDCPA debts); *Williams v. Redflex Traffic Sys., Inc.*, No. 3:06-CV-400, 2008 WL 782540, at *5 (E.D. Tenn. Mar. 20, 2008) (holding that unpaid traffic fine is not debt under FDCPA), *aff'd on other grounds*, 582 F.3d 617 (6th Cir.2009); *Yon v. Alliance One Receivables Mgmt., Inc.*, No. 07-61362-Civ, 2007 WL 4287628, at *1 (S.D. Fla. Dec. 5, 2007) (same); *Harper v. Collection Bureau of Walla Walla, Inc.*, No. C06-1605-JCC, 2007 WL 4287293, at *7 (W.D. Wash. Dec. 4, 2007) (same); *Graham v. ACS State & Local Solutions, Inc.*, No. 0:06-cv-2708-JNE/JJG, 2006 WL 2911780, at *2 (D.Minn. Oct. 10, 2006) (concluding that unpaid parking tickets do not qualify as debts under FDCPA); *Riebe v. Juergensmeyer & Assocs.*, 979 F. Supp. 1218, 1221-22 (N.D. Ill.1997) (concluding that unpaid fine imposed for overdue library book is not debt under FDCPA).

ii. The Code definition of "debt" should likewise exclude monetary obligations arising from a driver's use of a toll road without paying the

toll because such use is effectively theft, and not a voluntary transaction.

Pursuant to the power granted to it in Article 2 Section 9 the Public Authorities Laws, the New York State Thruway Authority (the "Authority") has established toll roads within the State of New York. *See* N.Y. Pub. Auth. Laws § 361(a); *see also* Thruway Regs. § 101.2 (setting forth the toll fee schedule promulgated by the Authority). An individual who fails to pay the toll is effectively a trespasser upon the toll road. *See Isquith v. New York State Thruway Auth.*, 215 N.Y.S.2d 393, 397 (Ct. Cl. 1961); *see also* 90A C.J.S. Turnpikes and Toll Roads § 43 (a driver who violates the terms of the license by not paying a toll, "no longer is entitled to its benefits and forfeits the right to hold the toll ticket becoming, in a sense, a trespasser upon the toll road and very likely could be arrested under those circumstances."). This type of monetary obligation does not meet the FDCPA definition of a "debt."

A case from the Northern District of California is instructive on this issue. In *Yazo v. Law Enforcement Systems, Inc.*, 2008 WL 4852965, *1 (N.D. Cal. Nov. 7, 2008), a consumer-plaintiff brought a class action lawsuit against a collection agency for its attempts to collect unpaid tolls and fines from drivers. The court broke its analysis of the agency's collection efforts into two parts: (1) whether the toll charges themselves constituted a "debt" under the FDCPA; and (2) whether the fines imposed for failure to pay a toll constituted a "debt."

As to the toll charges themselves, the *Yazo* court noted that a toll charge is a charge for services, which is incurred upon the driver's choice to utilize the toll road. *Id.* at *3. However, the court found that a consensual transaction does not exist until the driver actually pays the toll charge—a driver who fails to pay the charge is stealing a service (*i.e.*, use of the road.) *Id.* Therefore, the court held, "to the extent a driver does not have intent or does not have means to pay for use of the toll road, yet uses the toll road anyway, that use constitutes theft, and is not a consensual transaction that gives rise to 'debt' under the FDCPA." *Id.* (citing for analogy *Bass v. Stolper, Koritzinsky, Brewster & Neider, S.C.*, 111 F.3d 1322, 1326 (7th Cir. 1997) (discussing *Zimmerman v. HBO Affiliate Group*, 834 F.2d 1163 (3d Cir.1987)); *Shorts v. Palmer*, 155 F.R.D. 172, 175-76 (S.D. Ohio 1994)).

Second Circuit FDCPA jurisprudence also demonstrates that, because a driver's continued use of a toll way after failing to pay the toll charge is analogous to theft, an attempt to collect the toll is not an attempt to collect a "debt," as that term is defined in the FDCPA. *See Beauvoir v. Israel*, 794 F.3d 244 (2d Cir. 2015) ("money owed as a result of theft is not an 'obligation or alleged obligation of a consumer to pay money arising out of a transaction' and, therefore, does not constitute a 'debt' for purposes of the FDCPA."); *see also Bass v. Stolper, Koritzinsky, Brewster & Neider, S.C.*, 111 F.3d 1322, 1324 (7th Cir.1997) ("although a thief undoubtedly has an obligation to pay for the goods or services he steals, the FDCPA limits its reach to those obligations to pay arising from consensual transactions, where parties negotiate or contract for consumer-related goods or services.").

Inasmuch as the Department is of the view that the Code and Rules should be construed consistently with the FDCPA, then an unpaid toll charge should not be considered a "debt" under the Code or Rules, either. *See* section A.1 *supra*.

iii. The Code definition of "debt" should exclude penalties and fees for failing to pay a toll because those penalties arise by operation of statute, not a voluntary transaction.

Fees associated with the failure to pay a toll charge also should not be considered "debts" under the Code because those fees are charged as a penalty and are provided for by New York statute.

An individual who fails to pay for the use of a toll road may be punished by a fine, imprisonment, or both. N.Y. Pub. Auth. Laws § 361(1)(d) ("violation of any such rule or regulation promulgated pursuant to this

section shall be an offense and a first conviction thereof shall be punishable by a fine of not more than fifty dollars or by imprisonment for not more than fifteen days or by both such fine and imprisonment"). "Violators shall be apprehended and prosecuted in the same manner as provided for the apprehension and prosecution of violators of the vehicle and traffic law who commit violations thereof upon the state highway system." *Id.* at (2). The courts have held that this provision of New York law establishes that "jurisdiction over Thruway Authority regulations is criminal in both substance and procedure." *People ex rel. New York State Thruway Auth. v. NYRAC*, 630 N.Y.S.2d 844, 847 (City Ct. 1995).

The *Yazo* court's analysis on this issue is again instructive. There, the court noted that the fines incurred for failing to pay the toll charge were incurred as a statutorily authorized penalty and "[b]ecause these are fines imposed as a result of a statutory violation, they were not incurred through a consensual transaction and fall outside the scope of the FDCPA's definition of 'debt.'" *Id.* at *3 (citing *Betts* 245 F. Supp.2d at 1133). Other district courts have similarly held that such fines are not "debts" under the FDCPA. *See Betts v. Equifax Credit Info. Servs., Inc.*, 245 F. Supp. 2d 1130, 1134 (W.D. Wash. 2003) ("Impoundment under [Washington law] is not a consensual consumer transaction. Rather, it is a consequence of leaving one's vehicle in an unauthorized location subject to impoundment. Liability automatically attaches. The impoundment of one's vehicle and statutory liability that necessarily attaches are not akin to even a broad interpretation of a contractual, business, or otherwise consensual arrangement for services rendered.").

Again, because the Department is of the view that the Code and Rules should be construed consistently with the FDCPA, a fee, penalty, or fine associated with an unpaid toll should not be considered a "debt" under the Code or Rules, either. *See* section A.1 *supra*.

iv. The monetary obligations at issue here related to unpaid toll charges are distinguishable from those AllianceOne attempts to collect in other jurisdictions that do qualify as debts under the FDCPA.

AllianceOne's collection efforts for unpaid tolls in New York are distinguishable from its collection efforts in Florida, which the Southern District of Florida deemed in an unpublished decision to be debts under the FDCPA. *See Yunker v. AllianceOne Receivables Mgmt, Inc.*, No.10-61796, at *1 (S.D. Fla. July 9, 2011). *Yunker* involved collection efforts against a consumer who had entered into an agreement with a tolling transponder company in which the consumer agreed that she would be liable for any deficiencies in her prepaid account or any other charges associated with the collection of such deficiencies. *Id.* at *6. Thus, the liability for overcharges arose not from her failure to pay the toll fee, but from her failure to pay the deficiencies and charges that arose when funds held in the pre-paid account were exhausted. The *Yunker* court found that such an obligation falls within the FDCPA definition of "debt" because it was created contractually.

AllianceOne's current collection efforts in New York City are much more similar to the collection practices at issue in *Yazo v. Law Enforcement Systems, Inc.*, 2008 WL 4852965 (N.D. Cal. Nov. 7, 2008), discussed *supra*. Accordingly, neither the Code nor the Rules governs those collection efforts.

5. Based on both the Department's Prior Reasoning and the Courts' Jurisprudence Concerning the Definitions of "Debt" and "Consumer" in the Context of the FDCPA, a Majority of AllianceOne's Letters Identified by the Department are not Regulated by the Code.

It is clear from the face of NY Code § 20-489(d) that an involuntary municipal fine or penalty does not fit the definition of a "debt." Adhering to the Department's previously expressed preference for interpreting the Code consistently with the FDCPA and judicial decisions considering this issue, it is equally clear that an involuntary municipal fine or penalty does not constitute a "debt" under the FDCPA. Accordingly, any of the letters identified in the Department's May 6, 2016, correspondence sent to a New York City residents concerning an involuntary municipal fine or penalty are not subject to regulation under the Code.

The Department's May 6, 2016, correspondence asserts that that AllianceOne sent in excess of 130,929 letters to New York City residents. Based on its own internal audit following receipt of the Department's letter, AllianceOne has identified a total of 159,484 such letters, after accounting for duplicate letters (i.e., those letters containing multiple alleged violations). Furthermore, AllianceOne has determined that out of all the letters identified as having a deficiency by the NYDCA sent to New York City residents, all but 27 were for the collection of unpaid municipal fees, fines, and tolls. Because these types of involuntary monetary obligations do not fall within the Code or Rules definition of "debt," AllianceOne did not violate the Code with respect to these letters and they should not be considered by the Department.

C. ATTEMPTS TO COLLECT PAYMENT OBLIGATIONS OWED BY BUSINESS ENTITIES OR FROM INDIVIDUALS WHO WERE ENGAGED IN BUSINESS ACTIVITY WHEN THE VIOLATION OCCURRED DO NOT FALL UNDER THE DEFINITION OF "CONSUMER" AND SHOULD BE EXCLUDED FROM CONSIDERATION FOR ANY ALLEGED VIOLATIONS.

1. Communications with Business Entities are not Regulated by the Code.

Both the Code and the Rules set forth an initial definitions section that is meant to guide interpretations of the provisions therein. *See* Code § 20-489 *et seq.*; 6 RCNY § 5-76 *et seq.* Both the Code and the Rules provide an identical definition to the term "consumer" as "any *natural person* obligated or allegedly obligated to pay any debt." Code § 20-489(c); 6 RCNY § 5-76. The term natural person is legally defined as a "human being." *Black's Law Dictionary* 126 p. 1325 (10th ed. 2014).

While there is no statement of purpose in the Rules, the Code provides a "Legislative Declaration" noting that "[t]he council hereby finds the presence of consumer related problems with respect to the practices of debt collection agencies whose sole concern is the collection of debts owed to their clients. . . . Due to the sensitive nature of the information used in the course of such agency's everyday business, and the vulnerable position consumers find themselves in when dealing with these agencies, it is incumbent upon this council to protect the interests, reputations and fiscal well-being of the citizens of this city against those agencies who would abuse their privilege of operation. It is herein declared that the city should license debt collection agencies." Code § 20-488 (Emphasis added).

Thus, the intent behind the enactment of the regulations was solely for the protection of *consumers* defined as "natural persons," which only includes human beings. Therefore, any attempt to collect an obligation from an entity other than a human being is not governed by these regulations.

Many of the letters at issue are letters that were sent to business entities with the purpose of collecting an obligation owed by that entity. Accordingly, the Department should recognize that any letter listing a business entity as the debtor does not fall within its jurisdiction and should be removed from this analysis.

2. Unpaid Fines and Penalties that were Incurred While an Individual was Engaged in a Business Pursuit do not Constitute "Debt" as Defined by the Code and Should not be Regulated by the Code.

Notwithstanding the distinction between an individual and business entity discussed in Section B.1 above, it is unclear who or what is the obligated party in a large number of the remaining letters at issue. Even a letter containing an individual's name could involve collection of an obligation that is owed by a business entity, depending on the nature of the obligation and the potential relation of an individual to a business entity. Moreover, the Department cannot presume that just because a letter is addressed to an individual that the underlying unpaid fine or penalty is a "debt" covered by the Code, i.e. that it arose "*out of a transaction in which the money, property, insurance, or services which are the subject of the transaction are primarily for personal, family, or household purposes.*" *See* NY Code § 20-489(d).

To the contrary, it can be safely presumed that many of the individuals who incurred the fine or penalty were using a company-supplied vehicle or their own vehicle while engaged in business activity. Numerous examples abound and would include a salesperson in route to meeting a customer; a real estate agent going to a showing; a plumber or carpet layer traveling to an appointment; a business person commuting in a company-owned car, an Uber driver with a fare-paying passenger, a delivery person, etc. AllianceOne submits that an examination of the expense reports or tax returns for these individuals would reflect substantial use of personal vehicles for business purposes and that many of the toll violations occurred while the driver was directly engaged in a business activity as distinguished from "*personal, family, or household purposes*".

In such circumstances, the fine or penalty sought to be collected would not involve a "debt" and, thus, it cannot be presumed that the Code automatically applies to any letter sent to an individual without substantiation that the person was driving his or her vehicle for "*personal, family, or household purposes*" and not engaged in a commercial activity when the violation occurred. Without conducting an individual review of the letters, it is impossible to know who the obligated party on a debt actually is or whether it arose from a commercial activity.

D. ANALYSIS AND RESPONSE TO ITEMS (1) THROUGH (7) IN THE DEPARTMENT'S MAY 6, 2016, CORRESPONDENCE

1. The Location of AllianceOne's Department License Number

The Department alleges that the inclusion of the collection agent's Department License Number immediately below the AllianceOne representative's signature block implies or misrepresents that AllianceOne or its representatives are somehow affiliated with the Department. Although AllianceOne maintains that, as described more fully *infra*, its current placement of collection agents' Department License Numbers in its letters is proper, it is nonetheless in the process of modifying its letters to alleviate the Department's concerns on this issue.

This issue highlights competing regulatory demands of New York City Rules 6 § 1-05 and § 5-77(d)(1). Because AllianceOne has located no Department commentary or other guidance on this particular issue, it is necessary to examine the federal courts' interpretation of analogous FDCPA requirements. *See* Section A.1 *supra*.

i. New York City Rule 6 § 1-05

New York City Rule 6 § 1-05 requires a licensee to include its Department License Number in any advertisement, letterhead, receipt or other printed material. "The license number must be clearly identified as a New York City Department of Consumer Affairs license number and must be disclosed and disseminated in a lawful manner." *Id.* In a legal opinion issued on August 2, 2010, the Department stated:

[T]he New York City law does not require debt collection agencies to use specific language to list their license numbers in letters sent to consumers. However, the New York City rules governing all businesses licensed by the Department mandate certain license number disclosures in all licensee letters and other printed material.

AllianceOne was therefore required to include its Department License Number in the letters identified in the Department's May 6, 2016, correspondence in order to comply with the New York City Rules. Nonetheless, the Department contends that the placement of the license number language below the name of the AllianceOne representative's signature improperly implies that the representative is affiliated with the Department.

ii. New York City Rule 6 § 5-77(d)(1)

New York City Rule 6 § 5-77(d)(1) prohibits a debt collector from making "the false representation or implication that the debt collector is vouched for, bonded by, or affiliated with the United States or any State, including the use of any badge, uniform or facsimile thereof." This prohibition is identical to the restriction set out in § 1692e(1) of the FDCPA. Because the New York City Rules and the FDCPA contain identical prohibitions—and because we have located no Department guidance or enforcement decisions addressing placement of a Department License Number in written correspondence to a New York City resident—the federal courts' interpretation of § 1692e(1) must serve as a guidepost for determining the propriety of AllianceOne's placement of its Department License Number in such written correspondence.

iii. FDCPA Jurisprudence Rejects the Position that Inclusion of the Department License Number was False or Misleading.

The falsity or misleading nature of a representation is typically judged in the FDCPA context from the vantage point of the hypothetical "least sophisticated consumer." *See, e.g., Clomon v. Jackson*, 988 F.2d 1314 (2d Cir. 1993). The Second Circuit in *Clomon* noted that "even the 'least sophisticated consumer' can be presumed to possess a rudimentary amount of information about the world and a willingness to read a collection notice with some care." *Id.* at 1319 (citing *Johnson v. NCB*, 799 F. Supp. 1298 (D. Conn. 1992) for the proposition that "even the 'least sophisticated debtor knows that a 'Revenue Department' may be part of a department store or other creditor just as it may be a governmental body.")

Without expressly adopting other courts' interpretations of the least sophisticated consumer standard, the *Clomon* court *did* hold "that the least-sophisticated-consumer standard effectively serves its dual purpose: it (1) ensures the protection of all consumers, even the naïve and the trusting, against deceptive debt collection practices, and (2) protects debt collectors against liability for bizarre or idiosyncratic interpretations of collection notices." *Id.* at 1320.

The Department's view that AllianceOne's inclusion of its Department License Number below the signature block of its collection correspondence as improperly implying an affiliation with the Department is the type of idiosyncratic interpretation the *Clomon* court and others have cautioned against. Indeed, in *Smith v. Transworld Systems, Inc.*, the Sixth Circuit Court of Appeals rejected a consumer-plaintiff's claim that a debt collector's inclusion of the following language in a letter to the consumer was an improper representation that the collector was affiliated with the State of Ohio:

Transworld Systems Inc. is a licensed collection agency and any information obtained from you will be used for the purpose of collecting this debt.

953 F.2d 1025, 1029 (6th Cir. 1992).

The Court noted that "[i]n addition to the statement being true (Transworld *is* a licensed collection agency in numerous states), Transworld's statement clearly falls outside the scope of 15 U.S.C. § 1692e(1)." *Id.* at 1029. Therefore, the *Smith* court held that "[t]hough a very narrow reading of the statute may support Smith's position, we believe that the district court correctly found Smith's argument unpersuasive, even under the 'least sophisticated consumer standard.'" *Id.* at 1029-30.

Decisions from the federal district courts on this issue also support the propriety of AllianceOne's placement of the Department license number. For example, in *Sullivan v. Credit Control Services, Inc.*, 745 F. Supp2d 2 (D. Mass. 2010), the district court was asked to determine whether the collector's inclusion of its full name, Government Employees Insurance Company, within a collection letter improperly represented the collector's affiliation with the federal government. The *Sullivan* court found that the layout and other characteristics of the letter relevant in deciding a § 1692e(1) claim:

[T]he very first words printed on the Notice are "CREDIT COLLECTION SERVICES," in large print, followed by an address in Newton, Massachusetts. Surely this information would alert

even an unsophisticated consumer that the Notice was sent by a private collection company. The phrase "Government Employees Insurance Company" was only used once—in much smaller print—and solely in order to identify the creditor.

Finally, the Notice stated, under the section entitled "Federal Law," that "[t]his communication has been sent by a debt collector." This language was not buried in small print, nor was it hidden on the back of the page. Rather, it appeared in the same size font as the other text in the Notice (excluding the words "Warning Notice") and appeared on the first (and only) page of the Notice. Even an unsophisticated consumer would not equate "debt collector" with "federal government."

Id. at 9.

Indeed, the Supreme Court's recent holding in *Sheriff v. Gillie* buttresses AllianceOne's position on this issue. No. 15-338, ___ U.S. ___ (2016) (holding that private attorneys contracting with the Ohio Attorney General's office to collect debts owed the state did not violate § 1692e by sending collection notices on Attorney General letterhead and identifying themselves in signature blocks as "Special Counsel to the Attorney General for the State of Ohio.").

iv. The Position of the Department License Number would not have Misled even the Least Sophisticated Consumer that AllianceOne was Affiliated with the Department.

Even the least sophisticated consumer would not be misled into thinking that AllianceOne is affiliated with the Department by inclusion of the Department license number below the representative's signature block. The case law supports this conclusion.

First, AllianceOne clearly states in the letters that it is a debt collector engaged in an effort to collect money owed by the letter recipient. Second, a "license" is defined as "formal permission from a governmental or other constituted authority to do something, as to carry on some business or profession." See Dictionary.com (<http://www.dictionary.com/browse/license>) (Emphasis added). Thus, when AllianceOne lists its Department License Number it is clearly advising the letter recipient that AllianceOne has formal permission from the Department to engage in debt collection activity within New York City. Thus, referencing a license number -- regardless of the location in a written communication -- does not imply an affiliation with the Department.

Accordingly, AllianceOne did not violate Code 6 RCNY § 5-77(d).

2. Allegation of Harassing Language in Collection Letters

The Department further alleges that AllianceOne violated 6 RCNY §5-77(d)(12). This allegation stems from language in a collection notice informing New York residents that the AllianceOne Collection Unit will investigate the consumer's source of income, savings and checking accounts, real estate ownership, and business and employment activities to decide the best course of legal process and other action necessary to collect the debt. The letter closes by informing the resident that AllianceOne has no desire to cause them embarrassment and strongly suggests that the resident contact it.

In reviewing the letters sent to New York residents containing this verbiage, AllianceOne has determined that all such letters concerned non-consumer debts. In all instances, the letters were sent to commercial

entities that failed to respond to a garnishor's writ of garnishment, causing the garnishor to obtain judgment against the garnishee defendant (the commercial entity) itself. Accordingly, these obligations are not a "debt" because they are not owed by a "consumer" and the Code is inapplicable to the letters sent to New York residents containing this verbiage.

Notwithstanding this analysis, AllianceOne is in the process of modifying these letters to address the concerns the Department has raised.

3. Allegation of False Statements about Credit Scores.

The Department alleges that two letter templates violate 6 RCNY § 5-77(d)(12), which prohibits "the use of any false or deceptive means to collect or attempt to collect any debt," because it informs the consumer that the "longer a negative entry on your credit record exists, the more damage it can do to your credit score." The Department contends that the statement is false because after a period of time "a negative item is removed from the consumer's credit report" and the older a collection item, the less impact it is likely to have on a person's credit score.

While it is true that an item is eventually removed from a consumer's credit report after a period of time, seven years is the typical period within which a collection account may be reported and potentially harm a person's credit. 15 U.S.C.A. § 1681c ("no consumer reporting agency may make any consumer report containing any of the following items of information: (5) Any other adverse item of information, other than records of convictions of crimes which antedates the report by more than seven years"). In that time an item will remain on the report impacting the score. And while the length of time one particular item sits will not cause greater harm alone, the aggregated effect over time of additional negative items reported on a credit report can certainly be expected to lower the person's credit score.

Examining statements about credit scores from a different angle, it is undeniably true that the presence of a negative entry on a consumer's credit record hurts his or her credit score. It is also true that as long as it stays on the credit record, there is the opportunity for additional negative entries to be added, which will clearly have an added negative effect on a consumer's credit score. Thus, it is entirely accurate to state that it is an individual's best interest to remove all negative entries from his or her report as soon as possible.

The Department also takes issue with AllianceOne referring to a "negative or low credit score" in some of its collection letters because a negative credit score is not technically possible, thus making reference to such a score misleading. Describing the potential for a "negative" score does not mean negative relative to the number zero, but negative to what it might otherwise be. Adverse impacts on credit scores are often referred to – even by the FTC and the credit reporting agencies themselves -- as negative entries.¹ The term is common usage for a score going in a direction that will harm the consumer and is certainly understood by consumers. Negative scores will impact a consumer, lowering his or her overall credit score and potentially harming the consumer in the ways listed in the letter. To inform the consumer of this possibility is neither false nor misleading.

Accordingly, the letters identified in Section (3) of the Department's May 6, 2016, correspondence do not violate 6 RCNY §5-77(d)(12).

¹ See e.g. <https://www.consumer.ftc.gov/articles/0151-disputing-errors-credit-reports>; <http://www.experian.com/blogs/ask-experian/2013/08/28/when-negative-information-will-be-removed-from-your-credit-report/>; <http://www.myfico.com/crediteducation/questions/negative-items-on-credit-report-chapter-7-13.aspx>

4. Required Disclosures Allegedly Omitted from Certain Letters.

AllianceOne does not dispute the Department's interpretation of NY Code § 20-493(1) to require debt collection agencies to include the name of the original creditor, the amount of the debt at the time of mailing, and a contact number for callbacks in every written communication sent to New York City residents. AllianceOne similarly does not challenge the Department's finding that the letter templates identified in the Department's May 6, 2016, correspondence do not include some or all of those required disclosures.

Notwithstanding, AllianceOne has determined that of the 31,706 alleged violations the Department has identified, 31,692 of them concerned involuntary monetary obligations owing to a municipality for fines, penalties, or tolls. Accordingly, for the reasons discussed in Section A.1-4 above, those letters are not governed by the Code. Therefore, those letters are not actionable under the Code.

Letters on 3 of the accounts identified by the DCA in this section, which contained a total of 9 alleged violations, were sent in response to consumer inquiries after the accounts were closed by the creditor with a zero balance and AllianceOne had ceased pursuing collections. Because AllianceOne was not pursuing collection on these closed accounts with a zero balance, no disclosures were required in these letters responding to consumer inquiries. As discussed on page 2 *infra*, the omitted disclosures on the remaining consumer, FDCPA accounts – which total five violations – occurred due to an anomaly in the merging of data with the disclosure matrix in the AllianceOne system. AllianceOne is actively taking steps to remediate this issue.

5. Required Notice Omitted from Certain Initial Written Communications.

AllianceOne does not dispute the Department's interpretation of New York City Rules § 5-77(f)(2) as setting forth certain notices that must be included in an initial written communication to a New York City resident concerning the resident's rights including, among others, the right to dispute the debt. Nor does AllianceOne challenge the Department's finding that the letter templates identified in the Department's May 6, 2016, correspondence do not include these notices.

Notwithstanding, AllianceOne has determined that of the 130,928 letters mailed using the templates the Department has identified, all of them concerned involuntary monetary obligations owing to a municipality for fines, penalties, or tolls. Accordingly, for the reasons discussed in Section A.1-4 above, those letters are not governed by the Code. Therefore, those letters are not actionable under the Code.

6. Processing Fees for Credit and Debit Card Payments.

AllianceOne does not dispute the Department's interpretation of New York City Rules § 5-77(e)(1) or the Second Circuit's analysis in *Tuttle v. Equifax Check*, 190 F.3d 9, 13 (2d Cir. 1999) concerning the relevant analysis for determining the propriety of charging a processing fee for making payments by credit or debit card. AllianceOne similarly does not dispute that New York state law does not expressly provide for the charging of credit or debit card processing fees.

Notwithstanding, AllianceOne has determined that of the 1016 letters mailed using the templates the Department has identified, all except one of them concerned involuntary monetary obligations owing to municipal or county courts for fines or penalties imposed for traffic or criminal violations. Accordingly, for the reasons discussed in Section A.1-4 above, these letters are not governed by the Code and are not actionable under the Code. For the one identified violation, this also resulted from the system anomaly identified by AllianceOne that is being remediated.

7. Claim for \$30 Dishonored Check Fee plus Other Amounts.

The \$30 fee AllianceOne charges New York residents for dishonored checks does not violate 6 RCNY § 5-77(e)(1) or (d)(12) because, according to choice of law principles, Washington law governs these transactions.

i. The Right of AllianceOne to Assess a \$30 Fee Depends on what Law Applies.

New York and Washington set differing maximum service charges for dishonored checks. Under New York law, such service charge is limited to \$20. N.Y. Gen. Oblig. Law § 5-328. However, in Washington, pursuant to Revised Code of Washington § 62A.3-530, the payee may assess a reasonable handling fee and other amounts:

If a check as defined in RCW 62A.3-104 is dishonored by nonacceptance or nonpayment and the check is assigned or written to a collection agency as defined in RCW 19.16.100, the collection agency may collect a reasonable handling fee for each instrument. If the collection agency or its agent provides a notice of dishonor in the form provided in RCW 62A.3-540 to the drawer and the check amount plus the reasonable handling fee are not paid within thirty-three days after providing the notice of dishonor, then, unless the instrument otherwise provides, the drawer of the instrument is liable for payment of interest at the rate of twelve percent per annum from the date of dishonor, and a cost of collection of forty dollars or the face amount of the check, whichever is less, payable to the collection agency. In addition, in the event of court action on the check and after notice and the expiration of the thirty-three days, the court shall award reasonable attorneys' fees, and three times the face amount of the check or three hundred dollars, whichever is less, as part of the damages payable to the collection agency. This section does not apply to an instrument that is dishonored by reason of a justifiable stop payment order.

Id. at (1) (Emphasis added).

Thus, where an out-of-state entity is attempting to collect a service fee for a check from a New York resident sent to Washington state, the determination becomes whether New York or Washington law governs. In order to make this determination, the federal choice of law doctrine must be applied. The doctrine is designed to "determine which state law to use by ascertaining and valuing points of contact between the transaction giving rise to the cause of action and the states or governments whose competing laws are involved." *Advani Enters., Inc. v. Underwriters at Lloyds*, 140 F.3d 157, 162 (2d Cir. 1998) (internal quotations and alterations omitted).

ii. Under the Federal Choice of Law Doctrine Washington Law Governs the Permitted Fee.

In the case of a collection letter sent to a New York debtor that attempts to collect a check dishonored in Washington, New York is the consumer's domicile, but all significant points of the transaction are within Washington. The case law demonstrates that the relevant inquiry is upon these transaction points, not the consumer's domicile, that is dispositive in determining which state's law governs questions regarding permissible check fees. *See Liantonio v. Lavintman*, No. 11-cv-1292 SJF AKT, 2012 WL 4483040, at *4 (E.D.N.Y. Sep. 27, 2012) (holding that Minnesota law applied to determination of maximum service charge for dishonored checks where the collector sent notices to New York consumers but checks were sent to a Minnesota address, deposited in Minnesota banks, and dishonored in Minnesota).

Letter template Bates number ARM0000566-567 is the particular template at issue. That template indicates in the letterhead that AllianceOne is sending it from its office in Gig Harbor, Washington. The letter also instructs that payment is to be made to AllianceOne. Although the Remit Address is not filled in in the template, AllianceOne represents to the Department that its Gig Harbor address is the Remit

Address, and all remittances would have been made to its Washington office. The letter also informs the consumer that the imposition of the \$30 handling fee is "as provided in RCW 62A.3-530".

The check is sent to Washington where it is presented for payment and dishonored. *See Liantonio v. Lavintman*, No. 11-CV-1292 SJF AKT, 2012 WL 4483040, at *4 (E.D. N.Y. Sept. 27, 2012) (holding that Minnesota law applied to determination of maximum service charge for dishonored checks where the collector sent notices to New York consumers but checks were sent to a Minnesota address, deposited in Minnesota banks, and dishonored in Minnesota.)

Accordingly, the collection letters attempting to collect a \$30 handling fee cannot violate the Code because those transactions are not governed by New York state law, but by Washington state law.

AllianceOne appreciates the Department's careful consideration of the foregoing points and it looks forward to continued efforts to resolve the Department's concerns.

Very truly yours,

John K. Rossman

Attorney at Law

P: (612) 877-5396 F: (612) 877-5999

john.rossman@lawmoss.com

Enclosures

COUNTY OF NASSAU
CONSULTANT'S, CONTRACTOR'S AND VENDOR'S DISCLOSURE FORM

1. Name of the Entity: AllianceOne Incorporated.

Address: 4850 E. Street Rd. Suite 300

City, State and Zip Code: Trevose, PA 19053

2. Entity's Vendor Identification Number: 23-2983290

3. Type of Business: ☐ Public Corp ☐ Partnership ☐ Joint Venture

☐ Ltd. Liability Co ☒ Closely Held Corp ☐ Other (specify)

4. List names and addresses of all principals; that is, all individuals serving on the Board of Directors or comparable body, all partners and limited partners, all corporate officers, all parties of Joint Ventures, and all members and officers of limited liability companies (attach additional sheets if necessary):

Harry Neerenberg 4850 E. Street Rd. Ste. 300 Trevose, PA 19053

Tim Casey 1211 W. 22nd St. Ste. 804 Oak Brook, IL 60523

5. List names and addresses of all shareholders, members, or partners of the firm. If the shareholder is not an individual, list the individual shareholders/partners/members. If a Publicly held Corporation, include a copy of the 10K in lieu of completing this section.

TPUSA, Inc. 5295 S. Commerce Dr., Ste. 600, Murray, UT 84107

6. List all affiliated and related companies and their relationship to the firm entered on line 1. above (if none, enter "None"). Attach a separate disclosure form for each affiliated or subsidiary company that may take part in the performance of this contract. Such disclosure shall be updated to include affiliated or subsidiary companies not previously disclosed that participate in the performance of the contract.

AllianceOne Receivables Management, Inc., is a wholly-owned subsidiary of AllianceOne Incorporated. Only AllianceOne Receivables Management, Inc. will take part in the performance of this contract.

7. List all lobbyists whose services were utilized at any stage in this matter (i.e., pre-bid, bid, post-bid, etc.). If none, enter "None." The term "lobbyist" means any and every person or organization retained, employed or designated by any client to influence - or promote a matter before - Nassau County, its agencies, boards, commissions, department heads, legislators or committees, including but not limited to the Open Space and Parks Advisory Committee and Planning Commission. Such matters include, but are not limited to, requests for proposals, development or improvement of real property subject to County regulation, procurements. The term "lobbyist" does not include any officer, director, trustee, employee, counsel or agent of the County of Nassau, or State of New York, when discharging his or her official duties.

(a) Name, title, business address and telephone number of lobbyist(s):

None

(b) Describe lobbying activity of each lobbyist. See below for a complete description of lobbying activities.

N/A

(c) List whether and where the person/organization is registered as a lobbyist (e.g., Nassau County, New York State):

N/A

8. VERIFICATION: This section must be signed by a principal of the consultant, contractor or Vendor authorized as a signatory of the firm for the purpose of executing Contracts.

The undersigned affirms and so swears that he/she has read and understood the foregoing statements and they are, to his/her knowledge, true and accurate.

Dated: August 17, 2016

Signed:  _____

Print Name: Harry Neerenberg

Title: CFO

The term lobbying shall mean any attempt to influence: any determination made by the Nassau County Legislature, or any member thereof, with respect to the introduction, passage, defeat, or substance of any local legislation or resolution; any determination by the County Executive to support, oppose, approve or disapprove any local legislation or resolution, whether or not such legislation has been introduced in the County Legislature; any determination by an elected County official or an officer or employee of the County with respect to the procurement of goods, services or construction, including the preparation of contract specifications, including by not limited to the preparation of requests for proposals, or solicitation, award or administration of a contract or with respect to the solicitation, award or administration of a grant, loan, or agreement involving the disbursement of public monies; any determination made by the County Executive, County Legislature, or by the County of Nassau, its agencies, boards, commissions, department heads or committees, including but not limited to the Open Space and Parks Advisory Committee, the Planning Commission, with respect to the zoning, use, development or improvement of real property subject to County regulation, or any agencies, boards, commissions, department heads or committees with respect to requests for proposals, bidding, procurement or contracting for services for the County; any determination made by an elected county official or an officer or employee of the county with respect to the terms of the acquisition or disposition by the county of any interest in real property, with respect to a license or permit for the use of real property of or by the county, or with respect to a franchise, concession or revocable consent; the proposal, adoption, amendment or rejection by an agency of any rule having the force and effect of law; the decision to hold, timing or outcome of any rate making proceeding before an agency; the agenda or any determination of a board or commission; any determination regarding the calendaring or scope of any legislature oversight hearing; the issuance, repeal, modification or substance of a County Executive Order; or any determination made by an elected county official or an officer or employee of the county to support or oppose any state or federal legislation, rule or regulation, including any determination made to support or oppose that is contingent on any amendment of such legislation, rule or regulation, whether or not such legislation has been formally introduced and whether or not such rule or regulation has been formally proposed.

FIRST AMENDMENT TO CONTRACT FOR SERVICES

This First Amendment ("First Amendment") is dated effective this _____ day of _____, 2016 ("Effective Date") and is entered into (i) Nassau County, a municipal corporation having its principal office at One West Street, Mineola, New York 11501 (the "County"), acting on behalf of the Nassau County Traffic and Parking Violations Agency, having its principal office at 16 Cooper Street, Hempstead, New York 11550 (the "Department" or "TPVA"), and (ii) AllianceOne Receivables Management, Inc., authorized to do business in New York, having its principal office at 6565 Kimball Drive, Suite 200, Gig Harbor, Washington 98335 (the "Contractor" or "AllianceOne").

RECITALS

WHEREAS, on September 6, 2013, the County and AllianceOne entered into a Contract for Collection Services (the "Agreement"); and

WHEREAS, section 10 of the Agreement requires any amendments, modifications, or alterations of the Agreement to be in writing and duly executed by the parties; and

WHEREAS, the County and ATS mutually desire to amend, modify or alter certain terms and conditions of the Agreement. So as to, among other things, expand the number of camera installations.

TERMS AND CONDITIONS

NOW THEREFORE, in consideration of the mutual covenants and promises contained in this First Amendment, the County and ATS do hereby agree as set forth below:

1. Paragraph 1 of the Agreement entitled "Term" is hereby deleted in its entirety and is replaced with the following language:

"1. Term. This Agreement shall terminate three (3) years from the date of execution by all parties, (including approval by the Nassau County Legislature) unless sooner terminated in accordance with the provisions of this Agreement; provided, however, that this Agreement may be renewed upon the mutual agreement of the parties for a total of five (5) additional one year periods, under the same terms, conditions, and monthly compensation rate, so that the total term of this Agreement may be eight (8) years."
2. The County and AllianceOne hereby agree to exercise the first one (1) year renewal option so that the term of this Agreement, as amended by this First Amendment, shall expire on September 6, 2017.
3. Section 2(a)(i) of the Agreement is hereby deleted in its entirety and replaced with the following language:

"(i) All Photo Enforcement Notices of Liability eligible for collection."
4. Section 2(a)(ii) of the Agreement is hereby deleted in its entirety and replaced with the following:

"(ii) All Parking tickets eligible for collection."
5. The description of the Services described in Section 2 of the Agreement is hereby expanded to include additional services. As provided for in the original RFP for the solicitation of the subject collection services, issued as TV0514-1216 on May 25, 2012, and as AllianceOne responded in its proposal to the solicitation, AllianceOne will work with the County to prepare and assist in filing Default Judgments ("DJ"). The amount to be paid to AllianceOne as full consideration for the Default Judgment work will be a commission rate of or add-on fee of 15.9%, which is the same as the current collection fee AllianceOne accepts as payment for non-DJ assignments.

6. Section 3 (iv) of the Agreement is hereby deleted in its entirety and replaced with the following:

"(iv) All costs and expenses incurred by the Contractor in the performance of Services shall be the sole responsibility of the Contractor and shall be paid by it without reimbursement from the County, provided, however, that, with respect to certified mailings, AllianceOne will be permitted to add a fee of \$15 per Certified Mailing by USPS to the DJ debtor's account in order to recapture said cost. The County shall have no obligation to reimburse AllianceOne for the certified mailing expense, it being the understanding of the parties that AllianceOne shall look solely to the the DJ debtors for the collection of the certified mailing expense.

7. Except as expressly amended or modified by the terms of this First Amendment, all terms of the Agreement shall remain in full force and effect. In the event of a conflict between the terms of this First Amendment and the Agreement, the terms of this First Amendment shall prevail and control.
8. The provisions of this First Amendment, including the recitals, comprise all of the terms, conditions, agreements, and representations of the parties with respect to the subject matter hereof. All representations and promises made by any party to another, whether in writing or orally, concerning the subject matter of this First Amendment are merged into this First Amendment.
9. This First Amendment may be executed in one or more counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same instrument. Each party represents and warrants that the representative signing this First Amendment on its behalf has all right and authority to bind and commit that party to the terms and conditions of this First Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment.

COUNTY OF NASSAU

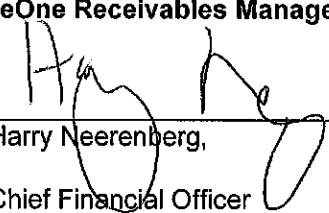
By:

Deputy County Executive

Date

AllianceOne Receivables Management, Inc

By:



Harry Neerenberg,

Chief Financial Officer

7/26/11

Date

STATE OF NEW YORK)

)ss.:

COUNTY OF NASSAU)

On the ___ day of _____ in the year 2016 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

STATE OF WASHINGTON)

)ss.:

COUNTY OF PIERCE)

On the ²⁶ day of July in the year 2016 before me, the undersigned, a Notary Public in and for said State, personally appeared Harry Neerenberg, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Kevin Underwood

NOTARY PUBLIC

E-107-13

RULES RESOLUTION NO. ~~222~~ 2013

A RESOLUTION AUTHORIZING THE COUNTY EXECUTIVE
TO EXECUTE A PERSONAL SERVICES AGREEMENT BETWEEN
THE COUNTY OF NASSAU, ACTING ON BEHALF OF THE NASSAU
COUNTY TRAFFIC AND PARKING VIOLATIONS AGENCY AND
ALLIANCE ONE RECEIVABLES MANAGEMENT, INC.

Passed by the Rules Committee
Nassau County Legislature
By Voice Vote on 7-29-13
VOTING:
ayes 7 nays 0 abstained 0 recused 0
Legislators present: 7

WHEREAS, the County has negotiated a personal services agreement
with Alliance One Receivables Management, Inc. for parking, red light
and/or traffic ticket collection services, a copy of which is on file with the
Clerk of the Legislature; now, therefore, be it

RESOLVED, that the Rules Committee of the Nassau County
Legislature authorize the County Executive to execute the said agreement
with Alliance One Receivables Management, Inc.

AllianceOne Receivables

E-107-13

New
contract
pg 1-11

CONTRACT FOR SERVICES

THIS AGREEMENT, dated as of <date> (together with the schedules, appendices, attachments and exhibits, if any, this "Agreement"), is entered into by and between (i) Nassau County, a municipal corporation having its principal office at One West Street, Mineola, New York 11501 (the "County"), acting on behalf of the Nassau County Traffic and Parking Violations Agency, having its principal office at 18 Cooper Street, Hempstead, New York 11550 (the "Department" or "TPVA"), and (ii) AllianceOne Receivables Management, Inc., authorized to do business in New York, having its principal office at 6655 Kimball Drive, Suite 200, Gig Harbor, Washington 98335 (the "Contractor" or "AllianceOne").

WITNESSETH:

WHEREAS, the County issued a request for proposal (the "RFP") # TV0514-1216 on May 25, 2012 for parking, red light and/ or traffic ticket collection services;

WHEREAS, the Contractor, in response to the County's RFP, submitted a proposal found to be beneficial to the County, which Statement of Work (SOW) from proposal is attached hereto as Exhibit A and incorporated herein by reference;

WHEREAS, the Contractor was selected pursuant to a competitive process;

WHEREAS, the County desires to hire the Contractor to perform the services described in this Agreement; and

WHEREAS, this is a personal service contract within the intent and purview of Section 2206 of the County Charter;

WHEREAS, the Contractor desires to perform the services described in this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained in this Agreement, the parties agree as follows:

1. Term. This Agreement shall terminate three (3) years from the date of execution by all parties, (including approval by the legislature) unless sooner terminated in accordance with the provisions of this Agreement; provided, however, the County may renew this Agreement under the same terms and conditions for two (2) additional one (1) year periods for a total term of five (5) years.

2. Services. The services to be provided by the Contractor under this Agreement shall consist of providing parking, red light and/ or traffic ticket collection services (hereinafter "Services") as more fully described in the Contractor's SOW attached hereto as Exhibit A and incorporated herein by reference.

(a) The following inventory will be assigned to AllianceOne for collection (assignment subject to change);

(i) All Red Light Camera Notices Of Liability eligible for collection.

(ii) Parking tickets eligible for collection issued from 1/1/2005 to current.

HW 3/24/13

8 Payment. (a) Amount of Consideration.

(i) The amounts to be paid to the Contractor as full consideration for the Contractor's Services under this Agreement shall be add-on fee basis payable as described below.

(ii) Contractor understands that all funds under this Agreement are subject to encumbrance and that the County shall not be liable for payment of any amounts which have not been encumbered for this Agreement by the County.

(iii) Rate Schedule:

All collection activities taken by the Contractor (including preparing but not filing paperwork for filing of a Default Judgment) are included in the commission fee. However, the rate is based on monies collected. If none collected, no money is due. The commission rate shall be a 15.9% add-on fee (13.7% retained by AllianceOne). The add-on fee is applied to all amounts, including the fine, admin. fee, penalty, surcharge, etc. A transaction fee may be imposed for each payment made by electronic means (e.g., credit card). The current fee is \$10 regardless of payment amount.

Example:

Principal balance assigned	\$100.00
Add-on fee	\$ 15.90 (15.9%)
New balance:	\$115.90
Total collected:	\$115.90
Remit to TPVA:	\$100.00
Retained by AllianceOne:	\$ 15.90 (which is 13.7% of \$115.90)

(iv) All costs and expenses incurred by the Contractor in the performance of Services shall be the sole responsibility of the Contractor and shall be paid by it without reimbursement from the County.

(v) Payment is made to AllianceOne only where collection activity immediately preceded payment by motorist within 90 days

(b) Voucher Review, Approval and Audit. Payments shall be made to the Contractor in arrears and shall be contingent upon (i) the Contractor submitting a claim voucher (the "Voucher") in a form satisfactory to the County, that (a) states with reasonable specificity the services provided and the payment requested as consideration for such services, (b) certifies that the services rendered and the payment requested are in accordance with this Agreement, and (c) is accompanied by documentation satisfactory to the County supporting the amount claimed, and (ii) review, approval and audit of the Voucher by the Department and/or the County Comptroller or his or her duly designated representative (the "Comptroller").

(c) Timing of Payment Claims. The Contractor shall submit claims no later than three (3) months following the County's receipt of the services that are the subject of the claim and no more

HN 3/24/13

frequently than once a month. The County shall pay undisputed claim vouchers not later than thirty (30) days after submittal.

(d) Payments in Connection with Termination or Notice of Termination. Unless a provision of this Agreement expressly states otherwise, payments to the Contractor following the termination of this Agreement shall not exceed payments made as consideration for services that were (i) performed prior to termination, (ii) authorized by this Agreement to be performed, and (iii) not performed after the Contractor received notice that the County did not desire to receive such services.

4. Independent Contractor. The Contractor is an independent contractor of the County. The Contractor shall not, nor shall any officer, director, employee, servant, agent or independent contractor of the Contractor (a "Contractor Agent"), be (i) deemed a County employee, (ii) commit the County to any obligation, or (iii) hold itself, himself, or herself out as a County employee or Person with the authority to commit the County to any obligation. As used in this Agreement the word "Person" means any individual person, entity (including partnerships, corporations and limited liability companies), and government or political subdivision thereof (including agencies, bureaus, offices and departments thereof).

5. No Arrears or Default. The Contractor is not in arrears to the County upon any debt or contract and it is not in default as surety, contractor, or otherwise upon any obligation to the County, including any obligation to pay taxes to, or perform services for or on behalf of, the County.

6. Compliance with Law. (a) Generally. The Contractor shall comply with any and all applicable Federal, State and local Laws, including, but not limited to those relating to conflicts of interest, discrimination, a living wage, disclosure of information, privacy laws, and vendor registration, in connection with its performance under this Agreement. In furtherance of the foregoing, the Contractor is bound by and shall comply with the terms of Appendices EE and U attached hereto and with the County's vendor registration protocol. As used in this Agreement the word "Law" includes any and all statutes, local laws, ordinances, rules, regulations, applicable orders, and/or decrees, as the same may be amended from time to time, enacted, or adopted.

(b) Nassau County Living Wage Law. Pursuant to LL 1-2006, as amended, and to the extent that a waiver has not been obtained in accordance with such law or any rules of the County Executive, the Contractor agrees as follows:

- (i) Contractor shall comply with the applicable requirements of the Living Wage Law, as amended;
- (ii) Failure to comply with the Living Wage Law, as amended, may constitute a material breach of this Agreement, the occurrence of which shall be determined solely by the County. Contractor has the right to cure such breach within thirty days of receipt of notice of breach from the County. In the event that such breach is not timely cured, the County may terminate this Agreement as well as exercise any other rights available to the County under applicable law.
- (iii) It shall be a continuing obligation of the Contractor to inform the County of any material changes in the content of its certification of compliance, attached as Appendix L, and shall provide to the County any information necessary to maintain the certification's accuracy.

(c) Records Access. The parties acknowledge and agree that all records, information, and data ("Information") acquired in connection with performance or administration of this Agreement shall be used and disclosed solely for the purpose of performance and administration of the contract or as required by law. The Contractor acknowledges that Contractor Information in the County's possession may be subject to disclosure under Article 6 of the New York State Public Officer's Law ("Freedom of Information Law" or "FOIL"). In the event that such a request for disclosure is made, the County shall make reasonable efforts to notify the Contractor of such request prior to disclosure of the Information so that the Contractor may take such action as it deems appropriate.

(d) Protection of Client Information. The Contractor agrees to hold in confidence and not to directly or indirectly reveal, report, publish, use, copy, disclose or transfer any individual's information (including, but not limited to, individual names, addresses, social security numbers, and dates of birth), or utilize any of such information (collectively "Confidential Information") for any purpose, except as may be necessary in the course of the Contractor's use of Confidential Information for the purposes of this Agreement, unless disclosure of the Confidential Information is required by law, regulation, judicial or administrative process. The Contractor agrees to exercise reasonable efforts to preserve the confidentiality of all Confidential Information. Contractor acknowledges that its nondisclosure obligations under this Agreement shall apply equally to all documents prepared by the Contractor in the course of performing this Agreement, including, without limitation, notes, data, reference materials, information, memoranda, reports, recommendations, analyses, documentation and records, that in any way incorporate or reflect any of the Confidential Information, except as otherwise provided in this Agreement. This paragraph shall survive termination of this Agreement.

(e) Confidentiality. To the extent permitted by law, the County will keep confidential any information marked by the Contractor as "Confidential" or "Proprietary."

(f) Non-Disclosure Agreement (NDA). The Contractor understands that the Contractor and the Contractor's personnel and/or agents providing Services pursuant to this Agreement may be required to enter into an NDA.

7. Minimum Service Standards. Regardless of whether required by Law: (a) The Contractor shall, and shall cause Contractor Agents to, conduct its, his or her activities in connection with this Agreement so as not to endanger or harm any Person or property.

(b) The Contractor shall deliver services under this Agreement in a professional manner consistent with the best practices of the industry in which the Contractor operates. The Contractor shall take all actions necessary or appropriate to meet the obligation described in the immediately preceding sentence, including obtaining and maintaining, and causing all Contractor Agents to obtain and maintain, all approvals, licenses, and certifications ("Approvals") necessary or appropriate in connection with this Agreement.

8. Indemnification; Defense; Cooperation. (a) The Contractor shall be solely responsible for and shall indemnify and hold harmless the County, the Department and its officers, employees, and agents (the "Indemnified Parties") from and against any and all liabilities, losses, costs, expenses (including, without limitation, attorneys' fees and disbursements) and damages ("Losses"), arising out of or in connection with any acts or omissions of the Contractor or a Contractor Agent, regardless of whether due to negligence, fault, or default, including Losses in

connection with any threatened investigation, litigation or other proceeding or preparing a defense to or prosecuting the same; provided, however, that the Contractor shall not be responsible for that portion, if any, of a Loss that is caused by the negligence of the County.

(b) The Contractor shall, upon the County's demand and at the County's direction, promptly and diligently defend, at the Contractor's own risk and expense, any and all suits, actions, or proceedings which may be brought or instituted against one or more Indemnified Parties for which the Contractor is responsible under this Section, and, further to the Contractor's indemnification obligations, the Contractor shall pay and satisfy any judgment, decree, loss or settlement in connection therewith.

(c) The Contractor shall, and shall cause Contractor Agents to, cooperate with the County and the Department in connection with the investigation, defense or prosecution of any action, suit or proceeding in connection with this Agreement, including the acts or omissions of the Contractor and/or a Contractor Agent in connection with this Agreement.

(d) The County shall indemnify and hold harmless the Contractor, its parent, subsidiary and related companies and divisions, and their officers, directors, employees, shareholders, agents, successors, assigns, attorneys and insurers (the "Contractor Indemnified Parties"), from and against any and all claims, debts, obligations, liabilities, actions or causes of action, demands, proceedings, suits, losses, attorneys' fees, court costs or judgments arising out of any failure by the County to comply with any term, provision, covenant, warranty or representation contained in this Agreement, or any negligent or willful act or omission of its agents, servants, or employees.

(e) The provisions of this Section shall survive the termination of this Agreement.

9. Insurance. (a) Types and Amounts. The Contractor shall obtain and maintain throughout the term of this Agreement, at its own expense: (i) one or more policies for commercial general liability insurance, which policy(ies) shall name "Nassau County" as an additional insured and have a minimum single combined limit of liability of not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate coverage, (ii) if contracting in whole or part to provide professional services, one or more policies for professional liability insurance, which policy(ies) shall have a minimum single combined limit liability of not less than one million dollars (\$1,000,000) per occurrence, (iii) compensation insurance for the benefit of the Contractor's employees ("Workers' Compensation Insurance"), which insurance is in compliance with the New York State Workers' Compensation Law, and (iv) such additional insurance as the County may from time to time specify.

(b) Acceptability; Deductibles; Subcontractors. All insurance obtained and maintained by the Contractor pursuant to this Agreement shall be (i) written by one or more commercial insurance carriers licensed to do business in New York State and acceptable to the County, and which is (ii) in form and substance acceptable to the County. The Contractor shall be solely responsible for the payment of all deductibles to which such policies are subject. The Contractor shall require any subcontractor hired in connection with this Agreement to carry insurance with the same limits and provisions required to be carried by the Contractor under this Agreement.

(c) Delivery; Coverage Change; No Inconsistent Action. Prior to the execution of this Agreement, copies of current certificates of insurance evidencing the insurance coverage required by this Agreement shall be delivered to the Department. Not less than thirty (30) days prior to the

date of any expiration or renewal of, or actual, proposed or threatened reduction or cancellation of coverage under, any insurance required hereunder, the Contractor shall provide written notice to the Department of the same and deliver to THE DEPARTMENT renewal or replacement certificates of insurance. The Contractor shall cause all insurance to remain in full force and effect throughout the term of this Agreement and shall not take or omit to take any action that would suspend or invalidate any of the required coverages. The failure of the Contractor to maintain Workers' Compensation Insurance shall render this contract void and of no effect. The failure of the Contractor to maintain the other required coverages shall be deemed a material breach of this Agreement upon which the County reserves the right to consider this Agreement terminated as of the date of such failure.

10. Assignment; Amendment; Waiver; Subcontracting. This Agreement and the rights and obligations hereunder may not be in whole or part (i) assigned, transferred or disposed of, (ii) amended, (iii) waived, or (iv) subcontracted, without the prior written consent of the County Executive or his or her duly designated deputy (the "County Executive"), and any purported assignment, other disposal or modification without such prior written consent shall be null and void. The failure of a party to assert any of its rights under this Agreement, including the right to demand strict performance, shall not constitute a waiver of such rights.

11. Termination. (a) Generally. This Agreement may be terminated (i) for any reason by the County upon thirty (30) days' written notice to the Contractor, (ii) for "Cause" by the County immediately upon the receipt by the Contractor of written notice of termination if, after a ten-day written notice to cure, the Contractor has failed to cure the violations identified in the notice to cure, (iii) upon mutual written Agreement of the County and the Contractor, and (iv) in accordance with any other provisions of this Agreement expressly addressing termination.

As used in this Agreement the word "Cause" includes: (i) a breach of this Agreement; (ii) the failure to obtain and maintain in full force and effect all Approvals required for the services described in this Agreement to be legally and professionally rendered; and (iii) the termination or impending termination of federal or state funding for the services to be provided under this Agreement.

(b) By the Contractor. This Agreement may be terminated by the Contractor if performance becomes impracticable through no fault of the Contractor, where the impracticability relates to the Contractor's ability to perform its obligations and not to a judgment as to convenience or the desirability of continued performance. Termination under this subsection shall be effected by the Contractor delivering to the Executive Director or other head of the Department (the "Executive Director"), at least sixty (60) days prior to the termination date (or a shorter period if sixty days' notice is impossible), a notice stating (i) that the Contractor is terminating this Agreement in accordance with this subsection, (ii) the date as of which this Agreement will terminate, and (iii) the facts giving rise to the Contractor's right to terminate under this subsection. A copy of the notice given to the Executive Director shall be given to the Deputy County Executive who oversees the administration of the Department (the "Applicable DCE") on the same day that notice is given to the Executive Director. This Agreement may be terminated by the Contractor for any reason upon ninety (90) days' written notice to the County.

(c) Contractor Assistance upon Termination. In connection with the termination or impending termination of this Agreement the Contractor shall, regardless of the reason for termination, take all actions reasonably requested by the County, excluding sending notices on all outstanding accounts (including those set forth in other provisions of this Agreement) to assist the

County in transitioning the Contractor's responsibilities under this Agreement. The provisions of this subsection shall survive the termination of this Agreement.

12. Accounting Procedures; Records. The Contractor shall maintain and retain, for a period of three (3) years following the later of termination of or final payment under this Agreement, complete and accurate records, documents, accounts and other evidence, whether maintained electronically or manually ("Records"), pertinent to performance under this Agreement. Records shall be maintained in accordance with Generally Accepted Accounting Principles and, if the Contractor is a non-profit entity, must comply with the accounting guidelines set forth in the federal Office of Management & Budget Circular A-122, "Cost Principles for Non-Profit Organizations." Such Records shall at all times be available for audit and inspection by the Comptroller, the Department, any other governmental authority with jurisdiction over the provision of services hereunder and/or the payment therefore, and any of their duly designated representatives. The provisions of this Section shall survive the termination of this Agreement.

13. Limitations on Actions and Special Proceedings against the County. No action or special proceeding shall lie or be prosecuted or maintained against the County upon any claims arising out of or in connection with this Agreement unless:

(a) Notice. At least thirty (30) days prior to seeking relief the Contractor shall have presented the demand or claim(s) upon which such action or special proceeding is based in writing to the Applicable DCE for adjustment and the County shall have neglected or refused to make an adjustment or payment on the demand or claim for thirty (30) days after presentment. The Contractor shall send or deliver copies of the documents presented to the Applicable DCE under this Section to each of (i) the Department and the (ii) the County Attorney (at the address specified above for the County) on the same day that documents are sent or delivered to the Applicable DCE. The complaint or necessary moving papers of the Contractor shall allege that the above-described actions and inactions preceded the Contractor's action or special proceeding against the County.

(b) Time Limitation. Such action or special proceeding is commenced within the earlier of (i) one (1) year of the first to occur of (A) final payment under or the termination of this Agreement, and (B) the accrual of the cause of action, and (ii) the time specified in any other provision of this Agreement.

14. Work Performance Liability. The Contractor is and shall remain primarily liable for the successful completion of all work in accordance with this Agreement irrespective of whether the Contractor is using a Contractor Agent to perform some or all of the work contemplated by this Agreement, and irrespective of whether the use of such Contractor Agent has been approved by the County.

15. Consent to Jurisdiction and Venue; Governing Law. Unless otherwise specified in this Agreement or required by Law, exclusive original jurisdiction for all claims or actions with respect to this Agreement shall be in the Supreme Court in Nassau County in New York State and the parties expressly waive any objections to the same on any grounds, including venue and forum non convenience. This Agreement is intended as a contract under, and shall be governed and construed in accordance with, the Laws of New York State, without regard to the conflict of laws provisions thereof.

16. Notices. Any notice, request, demand or other communication required to be given or made in connection with this Agreement shall be (a) in writing, (b) delivered or sent (i) by hand

delivery, evidenced by a signed, dated receipt, (ii) postage prepaid via certified mail, return receipt requested, or (iii) overnight delivery via a nationally recognized courier service, (c) deemed given or made on the date the delivery receipt was signed by a County employee, three (3) business days after it is mailed or one (1) business day after it is released to a courier service, as applicable, and (d)(i) if to the Department, to the attention of the Executive Director at the address specified above for the Department, (ii) if to an Applicable DCE, to the attention of the Applicable DCE (whose name the Contractor shall obtain from the Department) at the address specified above for the County, (iii) if to the Comptroller, to the attention of the Comptroller at 240 Old Country Road, Mineola, NY 11501, and (iv) if to the Contractor, to the attention of the person who executed this Agreement on behalf of the Contractor at the address specified above for the Contractor, or in each case to such other persons or addresses as shall be designated by written notice.

17. All Legal Provisions Deemed Included; Severability; Supremacy. (a) Every provision required by Law to be inserted into or referenced by this Agreement is intended to be a part of this Agreement. If any such provision is not inserted or referenced or is not inserted or referenced in correct form then (i) such provision shall be deemed inserted into or referenced by this Agreement for purposes of interpretation and (ii) upon the application of either party this Agreement shall be formally amended to comply strictly with the Law, without prejudice to the rights of either party.

(b) In the event that any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) Unless the application of this subsection will cause a provision required by Law to be excluded from this Agreement, in the event of an actual conflict between the terms and conditions set forth above the signature page to this Agreement and those contained in any incorporated documents, schedule, exhibit, appendix, or attachment to this Agreement, the terms and conditions set forth above the signature page shall control. To the extent possible, all the terms of this Agreement should be read together as not conflicting.

(d) Each party has cooperated in the negotiation and preparation of this Agreement. Therefore, in the event that construction of this Agreement occurs, it shall not be construed against either party as drafter.

18. Section and Other Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

19. Entire Agreement. This Agreement represents the full and entire understanding and agreement between the parties with regard to the subject matter hereof and supersedes all prior agreements (whether written or oral) of the parties relating to the subject matter of this Agreement.

20. Administrative Service Charge. The Contractor agrees to pay the County an administrative service charge of five hundred thirty-three dollars (\$533.00) for the processing of this Agreement pursuant to Ordinance Number 74-1979, as amended by Ordinance Number 128-2006 as it is anticipated that said contract will meet the requirements for such amount. The administrative service charge shall be due and payable to the County by the Contractor upon signing this Agreement payable to the order of "Nassau County."

21. Executory Clause. Notwithstanding any other provision of this Agreement:

(a) Approval and Execution. The County shall have no liability under this Agreement (including any extension or other modification of this Agreement) to any Person unless (i) all County approvals have been obtained, including, if required, approval by the County Legislature, and (ii) this Agreement has been executed by the County Executive (as defined in this Agreement).

(b) Availability of Funds. The County shall have no liability under this Agreement (including any extension or other modification of this Agreement) to any Person beyond funds appropriated or otherwise lawfully available for this Agreement, and, if any portion of the funds for this Agreement are from the state and/or federal governments, then beyond funds available to the County from the state and/or federal governments.

22. Limitation on Damages. Except for the claims of third parties, neither party shall be entitled to any indirect, special, consequential, exemplary or punitive damages against the other, including but not limited to damages described as lost profits or sales, or loss of reputation. In all cases except those involving the claims of third parties, or failure to remit amounts collected and/or due for services, and to the extent any claim does not assert the claim of a third party or failure to remit amounts collected and/or due for services, neither party's aggregate damages for claims asserted in any calendar year shall exceed the amount of the Contractor's revenues under this Agreement for the three months preceding the month in which the first claim arose in said calendar year.

23. Debts Just and Owing. The County represents that to the best of its knowledge, every account referred will be a just debt due and owing, and will not be subject to any valid defense, set-off or counterclaim, including that such account or the obligor of such account will not be subject to any bankruptcy proceeding, stay or discharge as of the time of referral. The County will promptly inform the Contractor, in writing, of any notice it receives concerning any bankruptcy filings by debtors. The County further represents that (i) to the best of its knowledge, every account referred will contain accurate information, including information regarding the identity of the debtor and the balance of the account.

24. Intellectual Property. (a) Intellectual Property Rights include without limitation all patents, copyright, design rights (whether registered or unregistered), trademarks (whether registered or unregistered), data base rights, moral rights, skill and/or know-how and other similar rights, whether existing now and/or in the future, wherever existing, together with the right to apply for protection and/or extensions of the same and any and all goodwill relating thereto.

(b) All Intellectual Property Rights belonging to either the Contractor or THE CLIENT, respectively, at the commencement date of the Agreement, shall remain at all times the property of the Contractor or the County, respectively, and any Intellectual Property developed by either Party during this Agreement shall remain the developing Party's property. Neither Party will acquire any right, title and/or interest in the other Party's Intellectual Property as a result of this Agreement except the rights to use the other Party's Intellectual Property for the purpose of carrying out their respective obligations under, and during the term of, this Agreement.

(c) During the term of this Agreement (including any ramp-down or termination-of-service period), each Party hereby grants the other Party a non-exclusive, non-transferable, royalty-free license to its Intellectual Property for the sole purpose of, and to the extent necessary for, performing their respective obligations under this Agreement. Neither Party shall make any other use of the other Party's Intellectual Property.

(d) Neither party, in the performance of this Agreement, will infringe the Intellectual Property rights of any person.

STATE OF NEW YORK)

)ss.:

COUNTY OF NASSAU)

On the 6 day of September in the year 2013 before me personally came Richard R. Walker to me personally known, who, being by me duly sworn, did depose and say that he or she resides in the County of Nassau; that he or she is a Deputy County Executive of the County of Nassau, the municipal corporation described herein and which executed the above instrument; and that he or she signed his or her name thereto pursuant to Section 205 of the County Government Law of Nassau County.

NOTARY PUBLIC

Concetta A. Petrucci

CONCETTA A. PETRUCCI
Notary Public, State of New York
No. 91P2253028
Qualified in Nassau County
Commission Expires April 02, 20...

Appendix EE ✓
Equal Employment Opportunities for Minorities and Women

The provisions of this Appendix EE are hereby made a part of the document to which it is attached.

The Contractor shall comply with all federal, State and local statutory and constitutional anti-discrimination provisions. In addition, Local Law No. 14-2002, entitled "Participation by Minority Group Members and Women in Nassau County Contracts," governs all County Contracts as defined herein and solicitations for bids or proposals for County Contracts. In accordance with Local Law 14-2002;

(a) The Contractor shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status in recruitment, employment, job assignments, promotions, upgradings, demotions, transfers, layoffs, terminations, and rates of pay or other forms of compensation. The Contractor will undertake or continue existing programs related to recruitment, employment, job assignments, promotions, upgradings, transfers, and rates of pay or other forms of compensation to ensure that minority group members and women are afforded equal employment opportunities without discrimination.

(b) At the request of the County contracting agency, the Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, union, or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability, or marital status and that such employment agency, labor union, or representative will affirmatively cooperate in the implementation of the Contractor's obligations herein.

(c) The Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of the County Contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

(d) The Contractor shall make best efforts to solicit active participation by certified minority or women-owned business enterprises ("Certified M/WBEs") as defined in Section 101 of Local Law No. 14-2002, for the purpose of granting of Subcontracts.

(e) The Contractor shall, in its advertisements and solicitations for Subcontractors, indicate its interest in receiving bids from Certified M/WBEs and the requirement that Subcontractors must be equal opportunity employers.

(f) Contractors must notify and receive approval from the respective Department Head prior to issuing any Subcontracts and, at the time of requesting such authorization, must submit a signed Best Efforts Checklist.

(g) Contractors for projects under the supervision of the County's Department of Public Works shall also submit a utilization plan listing all proposed Subcontractors so that, to the greatest extent feasible, all Subcontractors will be approved prior to commencement of work. Any additions or changes to the list of subcontractors under the utilization plan shall be approved by the Commissioner of the Department of Public Works when made. A copy of the utilization plan any

additions or changes thereto shall be submitted by the Contractor to the Office of Minority Affairs simultaneously with the submission to the Department of Public Works.

(h) At any time after Subcontractor approval has been requested and prior to being granted, the contracting agency may require the Contractor to submit Documentation Demonstrating Best Efforts to Obtain Certified Minority or Women-owned Business Enterprises. In addition, the contracting agency may require the Contractor to submit such documentation at any time after Subcontractor approval when the contracting agency has reasonable cause to believe that the existing Best Efforts Checklist may be inaccurate. Within ten working days (10) of any such request by the contracting agency, the Contractor must submit Documentation.

(i) In the case where a request is made by the contracting agency or a Deputy County Executive acting on behalf of the contracting agency, the Contractor must, within two (2) working days of such request, submit evidence to demonstrate that it employed Best Efforts to obtain Certified M/WBE participation through proper documentation.

(j) Award of a County Contract alone shall not be deemed or interpreted as approval of all Contractor's Subcontracts and Contractor's fulfillment of Best Efforts to obtain participation by Certified M/WBEs.

(k) A Contractor shall maintain Documentation Demonstrating Best Efforts to Obtain Certified Minority or Women-owned Business Enterprises for a period of six (6) years. Failure to maintain such records shall be deemed failure to make Best Efforts to comply with this Appendix EE, evidence of false certification as M/WBE compliant or considered breach of the County Contract.

(l) The Contractor shall be bound by the provisions of Section 109 of Local Law No. 14-2002 providing for enforcement of violations as follows:

- a. Upon receipt by the Executive Director of a complaint from a contracting agency that a County Contractor has failed to comply with the provisions of Local Law No. 14-2002, this Appendix EE or any other contractual provisions included in furtherance of Local Law No. 14-2002, the Executive Director will try to resolve the matter.
- b. If efforts to resolve such matter to the satisfaction of all parties are unsuccessful, the Executive Director shall refer the matter, within thirty days (30) of receipt of the complaint, to the American Arbitration Association for proceeding thereon.
- c. Upon conclusion of the arbitration proceedings, the arbitrator shall submit to the Executive Director his recommendations regarding the imposition of sanctions, fines or penalties. The Executive Director shall either (i) adopt the recommendation of the arbitrator (ii) determine that no sanctions, fines or penalties should be imposed or (iii) modify the recommendation of the arbitrator, provided that such modification shall not expand upon any sanction recommended or impose any new sanction, or increase the amount of any recommended fine or penalty. The Executive Director, within ten days (10) of receipt of the arbitrators award and recommendations, shall file a determination of such matter and shall cause a copy of such determination to be served upon the respondent by personal service or by certified mail return receipt requested.

The award of the arbitrator, and the fines and penalties imposed by the Executive Director, shall be final determinations and may only be vacated or modified as provided in the civil practice law and rules ("CPLR").

(m) The contractor shall provide contracting agency with information regarding all subcontracts awarded under any County Contract, including the amount of compensation paid to each Subcontractor and shall complete all forms provided by the Executive Director or the Department Head relating to subcontractor utilization and efforts to obtain M/WBE participation.

Failure to comply with provisions (a) through (m) above, as ultimately determined by the Executive Director, shall be a material breach of the contract constituting grounds for immediate termination. Once a final determination of failure to comply has been reached by the Executive Director, the determination of whether to terminate a contract shall rest with the Deputy County Executive with oversight responsibility for the contracting agency.

Provisions (a), (b) and (c) shall not be binding upon Contractors or Subcontractors in the performance of work or the provision of services or any other activity that are unrelated, separate, or distinct from the County Contract as expressed by its terms.

The requirements of the provisions (a), (b) and (c) shall not apply to any employment or application for employment outside of this County or solicitations or advertisements therefor or any existing programs of affirmative action regarding employment outside of this County and the effect of contract provisions required by these provisions (a), (b) and (c) shall be so limited.

The Contractor shall include provisions (a), (b) and (c) in every Subcontract in such a manner that these provisions shall be binding upon each Subcontractor as to work in connection with the County Contract.

As used in this Appendix EE the term "Best Efforts Checklist" shall mean a list signed by the Contractor, listing the procedures it has undertaken to procure Subcontractors in accordance with this Appendix EE.

As used in this Appendix EE the term "County Contract" shall mean (i) a written agreement or purchase order instrument, providing for a total expenditure in excess of twenty-five thousand dollars (\$25,000), whereby a County contracting agency is committed to expend or does expend funds in return for labor, services, supplies, equipment, materials or any combination of the foregoing, to be performed for, or rendered or furnished to the County; or (ii) a written agreement in excess of one hundred thousand dollars (\$100,000), whereby a County contracting agency is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon. However, the term "County Contract" does not include agreements or orders for the following services: banking services, insurance policies or contracts, or contracts with a County contracting agency for the sale of bonds, notes or other securities.

As used in this Appendix EE the term "County Contractor" means an individual, business enterprise, including sole proprietorship, partnership, corporation, not-for-profit corporation, or any other person or entity other than the County, whether a contractor, licensor, licensee or any other

party, that is (i) a party to a County Contract, (ii) a bidder in connection with the award of a County Contract, or (iii) a proposed party to a County Contract, but shall not include any Subcontractor.

As used in this Appendix EE the term "County Contractor" shall mean a person or firm who will manage and be responsible for an entire contracted project.

As used in this Appendix EE "Documentation Demonstrating Best Efforts to Obtain Certified Minority or Women-owned Business Enterprises" shall include, but is not limited to the following:

- a. Proof of having advertised for bids, where appropriate, in minority publications, trade newspapers/notices and magazines, trade and union publications, and publications of general circulation in Nassau County and surrounding areas or having verbally solicited M/WBEs whom the County Contractor reasonably believed might have the qualifications to do the work. A copy of the advertisement, if used, shall be included to demonstrate that it contained language indicating that the County Contractor welcomed bids and quotes from M/WBE Subcontractors. In addition, proof of the date(s) any such advertisements appeared must be included in the Best Effort Documentation. If verbal solicitation is used, a County Contractor's affidavit with a notary's signature and stamp shall be required as part of the documentation.
- b. Proof of having provided reasonable time for M/WBE Subcontractors to respond to bid opportunities according to industry norms and standards. A chart outlining the schedule/time frame used to obtain bids from M/WBEs is suggested to be included with the Best Effort Documentation
- c. Proof or affidavit of follow-up of telephone calls with potential M/WBE subcontractors encouraging their participation. Telephone logs indicating such action can be included with the Best Effort Documentation
- d. Proof or affidavit that M/WBE Subcontractors were allowed to review bid specifications, blue prints and all other bid/RFP related items at no charge to the M/WBEs, other than reasonable documentation costs incurred by the County Contractor that are passed onto the M/WBE.
- e. Proof or affidavit that sufficient time prior to making award was allowed for M/WBEs to participate effectively, to the extent practicable given the timeframe of the County Contract.
- f. Proof or affidavit that negotiations were held in good faith with interested M/WBEs, and that M/WBEs were not rejected as unqualified or unacceptable without sound business reasons based on (1) a thorough investigation of M/WBE qualifications and capabilities reviewed against industry custom and standards and (2) cost of performance. The basis for rejecting any M/WBE deemed unqualified by the County Contractor shall be included in the Best Effort Documentation
- g. If an M/WBE is rejected based on cost, the County Contractor must submit a list of all sub-bidders for each item of work solicited and their bid prices for the work.
- h. The conditions of performance expected of Subcontractors by the County

Contractor must also be included with the Best Effort Documentation

- i. County Contractors may include any other type of documentation they feel necessary to further demonstrate their Best Efforts regarding their bid documents.

As used in this Appendix EE the term "Executive Director" shall mean the Executive Director of the Nassau County Office of Minority Affairs; provided, however, that Executive Director shall include a designee of the Executive Director except in the case of final determinations issued pursuant to Section (a) through (l) of these rules.

As used in this Appendix EE the term "Subcontract" shall mean an agreement consisting of part or parts of the contracted work of the County Contractor.

As used in this Appendix EE, the term "Subcontractor" shall mean a person or firm who performs part or parts of the contracted work of a prime contractor providing services, including construction services, to the County pursuant to a county contract. Subcontractor shall include a person or firm that provides labor, professional or other services, materials or supplies to a prime contractor that are necessary for the prime contractor to fulfill its obligations to provide services to the County pursuant to a county contract. Subcontractor shall not include a supplier of materials to a contractor who has contracted to provide goods but no services to the County, nor a supplier of incidental materials to a contractor, such as office supplies, tools and other items of nominal cost that are utilized in the performance of a service contract.

Provisions requiring contractors to retain or submit documentation of best efforts to utilize certified subcontractors and requiring Department head approval prior to subcontracting shall not apply to inter-governmental agreements. In addition, the tracking of expenditures of County dollars by not-for-profit corporations, other municipalities, States, or the federal government is not required.

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Appendix U – Collective Bargaining

Title 56

COLLECTIVE BARGAINING ACTIVITIES OF UNIONS IN NASSAU COUNTY

§ 1. Legislative Intent.

This Legislature hereby finds and determines that funds appropriated by the County Legislature for the purchase of necessary goods and services should ultimately be expended solely for the purpose for which they were appropriated and should not be used to deter, or promote union organizing.

This Legislature also finds that the use of County funds and property to assist, deter or promote union organizing causes conflicts and work interruptions which waste scarce County resources on issues of secondary importance.

This Legislature further finds and determines that where the County expends significant resources for the purchase of goods or the delivery of needed human services, the County's financial interests is advanced by the promotion of non-confrontational procedures which limit the economic and social disruptions associated with collective bargaining disputes.

This Legislature also determines that the State of New York has recently enacted amendments to the New York Finance Law to restrict the use of State funds in assisting, deterring or promoting union organizing.

Therefore, the purpose of this law is to protect the County's financial interests in connection with its commitment of economic resources by prohibiting funding of certain forms of labor/management conflict and is not intended to provide an advantage to either labor or management during the conduct of union organization campaigns, nor to express any generally applicable policy regarding labor/management relations.

§ 2. Definitions.

As used in this law, the following terms shall have the meanings indicated:

- A) "Assist, Promote or Deter Union Organizing" shall mean any attempt by an employer to influence the decision of its employees in the County of Nassau or those of its subcontractors regarding either of the following:
- 1.) whether to support or oppose a labor organization that represents or seeks to represent those employees; and
 - 2.) whether to become a member of any labor organization.

- B.) "Binding Arbitration Agreements" shall mean a written agreement to submit any dispute arising out of the efforts of a labor organization to represent the employees of a County contractor to final and binding arbitration.
- C.) "County Contractor" shall mean any employer that receives more than Fifty Thousand (\$50,000) Dollars in County funds for supplying goods or services pursuant to a written contract with the County of Nassau or any of its agencies; pursuant to a Nassau County grant; pursuant to a Nassau County program; pursuant to a Nassau County reimbursement for services provided in any calendar year; or pursuant to a sub-contract with any of the above.
- D.) "County Funds" shall mean any monies appropriated by the Nassau County Legislature.
- E.) "County Property" shall mean any property or facility owned or leased to or by the County of Nassau or any Nassau County agency or authority.
- F.) "Employee" shall mean any person employed by an employer other than a person employed in a supervisory, managerial or confidential position as defined by applicable law.
- G.) "Employer" shall mean any individual, corporation, unincorporated association, partnership, government agency or authority, or another legal entity, whether a for profit entity, a not-for-profit entity or a public entity that employs more than one person in the County of Nassau.
- H.) "Fair Communication Agreements" shall mean a written agreement requiring the parties to such agreement to refrain from providing employees with false and misleading information regarding the circumstances surrounding their employment.
- I.) "Human Services Contract" shall mean a County contract, grant or reimbursement of over Fifty Thousand (\$50,000) Dollars for the provision of health, mental health, residential or day treatment services to the mentally ill and developmentally disabled, social services and other care and treatment services of the County.
- J.) "Labor Disputes" shall mean any concerted action concerning wages, hours and conditions of employment or concerning the representation of person in negotiating, maintaining changing or seeking to arrange wages, hours and conditions of employment.
- K.) "Labor Organization" shall mean an organization of any kind in which employees participate and which exists for the purpose, in whole or in part, of representing employees concerning wages, rates for pay, benefit, grievances, labor disputes, hours of employment, working conditions or other matters incidental to the employment relationship, and shall include the parent, national or international organization of a local labor organization.
- L.) "Majority Authorization Card Agreement" shall mean a written agreement authorizing the recognition of a labor organization as the exclusive bargaining agent for a bargaining unit based on the presentation of a majority of authorizing cards.
- M.) "Neutrality Agreement" shall mean a written agreement by a County contractor not to participate in or request or otherwise seek to influence, either in writing or orally, the decision of its employees as to whether or not to be represented by a labor organization.

- N.) "Non-Intimidation Agreements" shall mean a written agreement prohibiting the parties from coercing or intimidating employees explicitly or implicitly in selecting or not selecting a bargaining representative.
- O.) "Reasonable Access Agreement" shall mean a written agreement granting a labor organization reasonable access to employees and information necessary to be communicated therewith.

§3. Prohibitions

- A.) A County contractor shall not use any of County funds to assist, promote or deter union organizing.
- B.) No County funds shall be used to reimburse a County contractor for any costs incurred to assist, promote or deter union organizing.
- C.) The County of Nassau shall not use County funds to assist, promote or deter union organizing.
- D.) All County contracts, grant applications, program guidelines and any other relevant documents shall contain the text of the prohibitions in this section.
- E.) No employer shall use County property to hold a meeting with employees or supervisors if the purpose of such meeting is to assist, promote or deter union organizing.
- F.) Prior to the award of a County contract or grant, and/or prior to authorization to participate in a County program, the potential awardee, recipient, and or program participant, as the case may be, shall provide a certification, subscribed by such awardee, recipient and or program participant and affirmed by said person as true under the penalties of perjury to the County agency or authority involved that none of the funds shall be used to assist, promote or deter union organizing.
- G.) Every request for payment of County funds by a County contractor shall include a certification, subscribed to by such person seeking reimbursement and affirmed by said person as true under the penalties of perjury, that the contractor is not seeking reimbursement for costs incurred to assist, promote or deter union organizing.
- H.) Every County Department, Agency, Authority or Office shall require those seeking County contracts, grants, awards, program participation and/or County reimbursement to certify and affirm as true under the penalty of perjury that such entities will take all action necessary to ensure that County funds are not used to assist, promote or deter union organizing.
- I.) Any County contractor who makes expenditures or incurs costs to assist, promote or deter union organizing shall maintain records sufficient to show that no County funds were used for those expenditures and, as applicable, that no reimbursement from County funds has been sought for such costs. Such records shall be made available to the pertinent County agency or authority, the County Comptroller, or the County Attorney, upon request.

§ 4. Accounting.

Each County contractor shall account for funds spent on assisting, deterring or promoting

union organizing activities as follows:

- A) County funds designated by the County for use for a specific expenditure of the recipient shall be accounted for as allocated to the expenditure.
- B.) County funds that are not designated as described in paragraph (A) of this section shall be allocated on a pro rata basis to all expenditures by the recipient that support the program for which the grant is awarded.
- C.) If County funds and other funds are commingled, and the contractor fails to keep records sufficient to satisfy the requirements of paragraphs (A) or (B) of this section, any expenditure to assist, promote or deter union organizing shall be allocated between the County funds and other funds on the pro rata basis derived from the interplay of paragraphs (A) and (B) of this section.
- D.) Any expense, including legal and consulting fees and salaries of supervisor and employees, incurred for research for, or preparation, planning or coordination of, carrying out, an activity to assist, promote or deter union organizing shall be treated as paid or incurred for that activity.

§ 5. Applicability.

- A) This law shall apply to any contracts awarded on or after the effective date of this law.
- B.) This law shall not apply to an activity performed or to an expense incurred in connection with any of the following:
 - 1.) addressing a grievance or negotiating or administering a collective bargaining agreement;
 - 2.) allowing a labor organization or its representative's access to the employer's facility or property;
 - 3.) performing an activity required by Federal or State law or by a collective bargaining agreement; and
 - 4.) negotiating, entering into or carrying out a voluntary recognition agreement with a labor organization.

§ 6. Implementation.

Every Nassau County Department, Agency; Authority or Office shall:

- 1.) Include in all bid documents, County grant applications, County program guidelines and County reimbursement documents, a statement informing potential and actual County contractors that the efficient, timely and non-disruptive provision of goods and services sought by such Department, Agency, Authority or Office is a paramount financial interest of the County of Nassau and as such the County expects the

potential County contractor to protect the County's financial interest by adopting non-confrontational procedures for the orderly resolution of labor disputes. The statement shall also inform the potential and actual County contractors that such non-confrontational procedures may include, but are not limited to, neutrality agreements, majority authorization card agreements, binding arbitration agreements, fair communication agreements, non-intimidation agreements and reasonable access agreements.

- 2.) Require County contractors and those seeking County contracts, to certify and affirm as true under the penalty of perjury:
 - a.) that such contractor will not express to employees any false or misleading information that is intended to influence the determination of employee preferences regarding union representation;
 - b.) that such contractor will not coerce or intimidate employees, explicitly or implicitly, in selecting or not selecting a bargaining representative;
 - c.) that such contractor will not require an employee, individually or in a group, to attend a meeting or an event that is intended to influence his or her decision in selecting or not selecting a bargaining representative;
 - d.) that such contractor understands its obligation to limit disruptions caused by pre-recognition labor disputes through the adoption of non-confrontational procedures for the resolution of pre-recognition labor disputes with employees engaged in the production of goods or the rendering of services for the County; and
 - e.) that such contractor has and will adopt any or all of the above-referenced procedures, or their functional equivalent, to ensure the efficient, timely and quality provision of goods and services to the County. The contractor shall include a list of said procedures in such certification.
- 3.) Ensure that every County contract for the provision of services, when such services will be performed on County property, include as a condition of award, grant receipt or reimbursement, as the case may be, a requirement that such County contractor adopt a reasonable access agreement, a neutrality agreement, fair communication agreement, non-intimidation agreement, and a majority authorization card agreement.
- 4.) Ensure that every County contract for the provision of human services, when such services are not to be performed on County property, include as a condition of award, grant receipt or reimbursement, as the case may be, a requirement that such County contractor adopt, at the least, a neutrality agreement.

§ 7. Penalties.

- A) A County contractor who expends funds and/or obtains reimbursement for funds spent in violation in Section 3 or 4 of this law shall be liable for any funds so expended plus a civil penalty equal to twice the amount of those funds. Such penalty shall not be paid by the

contractor from any other County funds. In addition, said County contractor shall be prohibited from bidding on County contracts for a period of five (5) years from the final determination of a violation, either by administrative action or judicial action.

- B.) An employer that violates Section 3 of this law, shall also be liable for a civil penalty equal to One Thousand (\$1,000) Dollars per employee per meeting. Such penalty shall not be paid by the employer from any other County funds.
- C.) Any public official who knowingly authorizes the use of County funds in violation of Section 3 of this law, shall be liable to the County for those funds.

Section 8. Enforcement.

- A) A civil action for a violation of this law may be brought by the County Attorney's office for injunctive relief, damages, civil penalties and other appropriate equitable relief.
- B.) All damages and civil penalties collected pursuant to this law shall be paid to the general fund of the county;
- C.) Any Labor Organization may file a complaint with the Nassau County Department of Labor or the Nassau County Attorney's office alleging violations of this law. Said complaint shall be promptly investigated and a written response shall be issued to the complaining Labor Organization.

§ 9. Rules and Regulations.

The Department of Labor shall promulgate such rules and regulations as it deems necessary and appropriate for the implementation and enforcement of any provision of this law.

§ 10. Severability.

If any clause, sentence, paragraph, subdivision, section or part of this law or the application thereof to any person, individual, corporation, firm, partnership, entity, or circumstance shall be adjudged by any court of competent jurisdiction to be invalid or unconstitutional, such order or judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part of this law or in its application to the person, individual, corporation, firm, partnership, entity or circumstance directly involved in the controversy in which such order or judgment shall be rendered.

§ 11. Effective Date.

This law shall take effect on the later of March 1, 2004 or upon the filing with the Office of the Secretary of State.

Appendix L v

Certificate of Compliance

In compliance with Local Law 1-2006, as amended (the "Law"), the Contractor hereby certifies the following:

1. The chief executive officer of the Contractor is:

Tim Casey (Name)

____ (Address)

(630) 203-0900 (Telephone Number)

2. The Contractor agrees to either (1) comply with the requirements of the Nassau County Living Wage Law or (2) as applicable, obtain a waiver of the requirements of the Law pursuant to section 9 of the Law. In the event that the contractor does not comply with the requirements of the Law or obtain a waiver of the requirements of the Law, and such contractor establishes to the satisfaction of TPVA that at the time of execution of this agreement, it had a reasonable certainty that it would receive such waiver based on the Law and Rules pertaining to waivers, the County will agree to terminate the contract without imposing costs or seeking damages against the Contractor

3. In the past five years, Contractor _____ has ☒ has not been found by a court or a government agency to have violated federal, state, or local laws regulating payment of wages or benefits, labor relations, or occupational safety and health. If a violation has been assessed against the Contractor, describe below:

4. In the past five years, an administrative proceeding, investigation, or government body-initiated judicial action _____ has ☒ has not been commenced against or relating to the Contractor in connection with federal, state, or local laws regulating payment of wages or benefits, labor relations, or occupational safety and health. If such a proceeding, action, or investigation has been commenced, describe below:

5. Contractor agrees to permit access to work sites and relevant payroll records by authorized County representatives for the purpose of monitoring compliance with the Living Wage Law and investigating employee complaints of noncompliance.

I hereby certify that I have read the foregoing statement and, to the best of my knowledge and belief, it is true, correct and complete. Any statement or representation made herein shall be accurate and true as of the date stated below.

3/5/13
Dated

Harry M. Neenan
Signature of Chief Executive Officer
Financial
Harry M. Neenan
Name of Chief Executive Officer
Financial

Sworn to before me this
5th day of March, 2013

Stacy Bumpus
Notary Public

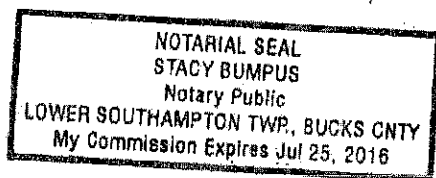


Exhibit A
Scope of Work

Following is a description of our proposed account handling process for the County.

Initial action following account placement - AllianceOne will process all accounts assigned regardless of debt type, age or amount of the account. AllianceOne has the ability to accept and transmit data and reporting in a secure encrypted manner or manually at the discretion of the County. AllianceOne strictly adheres to the FDCPA guidelines regarding issuance of first notice letters within desirable timeframes. Upon account activation, the County will receive an acknowledgment report detailing the accounts assigned in the current placement. This acknowledgment can be formatted to meet exact requirements and can be transmitted to the County electronically or manually. If approved by the County, during the first day-end process after an account has been assigned, accounts will be compared to the existing County account database for possible account matches to the account and batched appropriately for skiptracing purposes. Prior to the first mailing, account address information is compared against our comprehensive AutoTrace skiptracing databases for address correction. During the same day-end process, the account is qualified for the project collector's work in process (WIP) list and scheduled to appear in his/her work queue the following day. The account is classified as new work by our system and is given a number one work priority in an effort to establish contact with the customer as soon as possible. The goal is to make contact with the customer in the first 48 hours after the account is activated. Consequently, if there is a valid telephone number, the collector's first priority is to initiate telephone contact. If there is no telephone number or the telephone number is no longer valid, skiptracing efforts begin in an effort to establish contact.

Frequency of contact - AllianceOne will attempt to contact customers until there is an appropriate account resolution or disposition. Accounts are dialed every 3 days within the first 120 days. If contact or payment is not made within the first 45 days the account will transfer to another contract assigned collection representative for additional processing. This process provides increased incentive for the initial collection representative to solidify payment within the first 45 days of assignment.

AllianceOne insists on a diligent contact effort, however, we also understand that customer reaction to our efforts is a key aspect of our performance. Therefore, all contact attempts will be made in a dignified and professional manner and will meet the highest standards set by the County.

The following information describes the different stages of our debt recovery process; these stages can be customized to meet specific requirements and expectations

STAGE 1: ACCOUNT LOADING

AllianceOne is able to receive account information in a wide variety of formats from our clients. The systems we have in place contain mechanisms that allow us to verify, track and monitor different variables that are crucial in our account reconciliation process. Inconsistencies or inadequacies at any phase or metric are immediately flagged and addressed before collection efforts are attempted.

STAGE 2: SKIPTRACING / ACCOUNT SCRUB

Accounts are processed through specific filters to identify and, if needed, correct the information in each account to maximize the accuracy of our collection efforts.

Bankruptcy and Deceased

All of our accounts are submitted to a scrub that identifies these accounts prior to initiating collection activity. Accounts that are flagged by our Bankruptcy scrub are handled as follows:

AllianceOne has one dedicated employee for handling bankruptcy cases. This employee works under the guidance of in-house counsel. AllianceOne has the ability to file claims on behalf of clients. If a client requests notification of bankruptcies without filing, AllianceOne reports the bankruptcy notice of the Chapter 7 or Chapter 13 status and cancels all accounts back to the client. If the client chooses to have AllianceOne process bankruptcy accounts it then would be dependent upon the type of account and whether or not the debt survives a bankruptcy. A hardcopy statement or proof of the debt would be required from the client to file a claim.

Chapter 7

Accounts that do not survive a Chapter 7 bankruptcy are canceled when the notice of filing is received. Accounts that would survive are noted and held until the Chapter 7 discharges and providing there is no collection fee or interest on the account AllianceOne would resume collection efforts after the discharge is filed. If there are collection fees and interest on the account the account would need to be canceled from our office and re-assigned by the client after the discharge before we could resume collection efforts.

Chapter 13

A claim will be filed in the name of AllianceOne on behalf of the client. The funds paid are dependant upon the type of debt and the bankruptcy plan. Upon discharge, the unpaid balance of an account that would not survive the Chapter 13 is canceled back to the client. Once discharged, the unpaid balance of an account that would survive the Chapter 13 can be collected providing the account does not have any collection fees or interest. Any collection fees or interest would discharge and the account would need to be canceled from our office and re-assigned by the client after the discharge before we could resume collection efforts.

Skiptracing

AllianceOne has a national skiptracing system that effectively locates customers throughout the United States teamed with an extensive internal national database of individuals and businesses. The geographical location of the individual/business is not a factor in the success of AllianceOne's collection program. Our skip tools research location information on a nationwide basis.

We use Lexis batch for plate searches in states where available. We push and pull files to and from Lexis and utilize this information to pursue these accounts. Lexis uses the date of service to determine the owner at the time of the ticket. Following is a sampling of the data provided.

Input_ACCOUNT.	Input_LIC PLATE	Input_ STATE	Input_ DOS	CLNT	Input_Make	Input_Model	Input_Year	Additional Address:
12345678	ABC111	NY	1999		2D	CHEV	11/13/2007	
12345678	ABC111	NY			2D	MAZD	1/23/2007	
12345678	ABC111	TX	1940		4DR	KIA	12/4/2008	
12345678	ABC111	NY	1991		4D	CHEV	8/30/2007	

Additional Lienholder Mailing	Additional Lienholder:	Body Style:	Co- Owner 1:	CO-REGISTRANT INFORMATION	Co- Registrant Mailing	Co- Registrant:	Color:	Explr Date:	LIENHOLDER INFORMATION
-------------------------------------	---------------------------	----------------	--------------------	------------------------------	------------------------------	--------------------	--------	----------------	---------------------------

Address:

Address:

Lienholder

Mailing

Address:

Lienholder:

Manufacturer:

Model

Year:

Model:

Original

Registration

Date:

Original

Title Date:

Owner

Date of

Birth:

Owner

Mailing

Address:

Owner

Name:

PLATE
INFORMATION

Plate
Number:

Plate
State:

Plate
Type:

Registrant

Date of

Birth:

Registrant

Mailing

Address:

Registrant:

Registration

Date:

REGISTRATION

INFORMATION

THIS DATA IS F
INFORMATION/
PURPOSES ONLY

TITLE

INFO

Title

Number:

Title

Transfer

Date:

Vehicle

Class

Description:

VEHICLE

INFORMATION

Vehicle

Physical

Address:

Vehicle

Series:

Vehicle

Weight:

Vehicle's

Previous

Plate

Number:

Vehicle's

Previous

Plate

State:

VIN:

Owner_

FirstName

Owner_

LastName

Owner_

StreetAddress

Owner_City

Owner_State

Owner_Zip

Registrant_

FirstName

Registrant_

LastName

Registrant_

StreetAddress

Registrant_

City

Registrant_

State

Registrant_

Zip

We will use these comprehensive skiptracing procedures for the County's assigned accounts. Contact attempts begin immediately following the entering of accounts into the system and upon verification of information through skiptracing. Skiptracing is an integral part of the collection process.

Please see pages 101 through 107 for details on our skiptracing tools.

STAGE 3: ACCOUNT SCORING

AllianceOne utilizes an internal scoring system to categorize accounts into the most successful handling to ensure complete coverage and recovery of assigned accounts.

STAGE 4: LETTERS

AllianceOne tailors our letters to meet the exact specifications of our clients. The initial demand letter is sent within 5 business days of the assignment date of each account. Subsequent letters are sent and a letter schedule is set based on client requirements. Documents generated by AllianceOne are authorized and approved by our compliance attorney and our client. The letters we create are done in English and Spanish, but can be made available in other foreign languages if needed.

AllianceOne will provide a local lockbox to provide a local Nassau County mailing address. We will also have a toll free number on all correspondence that routes directly to contract assigned staff.

AllianceOne has the ability to customize collection letters, telephone training and reports to be utilized for the County. All letters utilized by AllianceOne are reviewed by one of its in-house attorneys for compliance with all applicable federal, state and local laws. AllianceOne will partner with the County to develop and approve a letter series for this contract. All draft letters will be submitted to the County for approval prior to implementation. Letters can reference the County's account number(s) and any other

identifying information requested. AllianceOne's Columbia Ultimate collection software allows for complete customization of letter series distribution.

The software allows for electronic restrictions to be added restricting the sending of a particular letter within a given period of time. AllianceOne provides its collection representatives with client approved letter options to effectively evoke payment. All letters are supplied with a Spanish and English translation.

AllianceOne will send bi-fold mailers in addition to regular collection letters. These are sealed on each edge and offer another means to contact the consumer when they may not be responding to regular letters.

We will acquiesce fully to the County's requirements regarding letter production, format, content and frequency.

Please see Exhibit A:

Sample Letters - *Confidential Materials*

STAGE 5: COLLECTOR CONTACT

Collection results have proven that telephone contact is definitely the strongest and most efficient tool we have. Our agents strive to find a solution that is mutually beneficial to all parties involved, while at the same time keeping our client's best interest in mind and never losing sight of our ultimate goal which is to obtain "the most amount of money, in the shortest amount of time". Our collection team works a variety of different time shifts to maximize our coverage and exceed production standards. Our approach to a collection call is very comprehensive, we not only demand that the debt be paid as quickly as possible but we show them how to accomplish that through a series of questions designed to outline a financial profile that is unique to each person and based on the information gathered a payment solution is proposed.

Collection Script

ID the Debtor (First and Last Name)

Open

This is _____ calling from AllianceOne. We are the collection agency calling in reference to your _____ case with the balance of \$ _____. [This is an attempt to collect a debt, any information I obtain will be used for that purpose] (NON-GOV accts). This call may be monitored and recorded. Mr. / Mrs. _____ What are your intentions on resolving the balance in full today?

I NEED to update the file and see what options we have on your account....

D-NAPESS

Facts

EMPLOYMENT

Where are you currently employed?

What is your take home income?

How often are you paid?

What is your position at your POE?

How long have you been there?

What is your work contact #?

How long have you invested in your 401k?

Same Questions about spouse...

UNEMPLOYED?

What is their source of income?

How much are they receiving?

How long in the situation?

How do they survive?

RESIDENCE

How much is your monthly mortgage/rent payment?

If Mortgage.....

If Rent.....

Are you current on the payments?

Who do you live with?

Are you current on the payments?

How long have you been in the home?

Who do you live with?

TRANSPORTATION

How much is your car payment?

How long have you had it?

Are you current on your payments?

BANKING

Who do you bank with?

How much do you have available in checking? How much in your savings?

What open credit cards do you currently use?

What happened that got you behind on this account?

FRIENDS & FAMILY

When have you been behind before, which family member helped you out?

What do they do for a living?

What can they do to help you out now?

Before I put you on hold and see what options we have on your account, there are 3 more questions I have to ask you.

Have you ever had your wages garnished for non-payment of a debt?

Have you ever been sued for non-payment of a debt?

What are you offering to pay voluntarily on this account?

OK, I need to put you on hold and see what options we have for you...

DUN

CLOSE

PIF

Repeat

Down-Stroke

Guarantee

PPLAN

Assume

GFP = \$\$\$ NOW

Responsibility

STAGE 6: CREDIT BUREAU REPORTING

AllianceOne has found that Credit Reporting is an effective tool to produce urgency in resolving collection matters. We typically report balances exceeding fifty dollars (\$50.00) to the national credit bureaus (Equifax, Experian and Trans Union) 30 days after assignment if payment in full has not been received. The time frame and conditions on credit reporting can be customized to suit the needs of each client.

STAGE 7: CLOSING ACCOUNTS

The following information indicates situations that merit account closure:

- Debtor is deceased

- Debtor is bankrupt
- Contractual limit has been met
- At client's request
- If account is paid-in-full

Additionally, AllianceOne will flag an account as uncollectable when all efforts to secure payment have been explored and exhausted. Some examples of situations that would qualify an account to be considered uncollectable are:

- Incarceration
- Death
- Deportation
- Bankruptcy
- Unable to locate debtor
- And others...

Collection Settings

AllianceOne has outlined some common collection settings to better illustrate our collection process, the following settings are part of our daily operations and can be adjusted to meet the needs of each of our clients.

Setting 1

Contact is made via telephone; the debtor acknowledges the debt and makes payment to resolve the account in full.

- ✓ Full contact information is requested.
- ✓ Payment is agreed upon and processed.
- ✓ Once payment is posted in our system, the account is updated and monies are remitted to our client.
- ✓ If credit bureau has already been marked, an update is sent.
- ✓ Account is closed.

Setting 2

Contact is made via telephone; Payment in full is not possible.

- ✓ Full contact information is requested.
- ✓ A financial profile is created to determine a viable payment arrangement.
- ✓ Payment arrangement is agreed upon and secured if possible.
- ✓ Payments are remitted to client once they have been posted in our system.
- ✓ Upon completion of the payment plan the account is closed and returned to client.

Setting 3

Contact is made via telephone; the debtor is uncooperative and refuses to pay.

- ✓ Full contact information is requested.
- ✓ Debtor is advised of consequences of not resolving the debt; these will vary by debt type and client guidelines and may include:
 - Credit reporting
 - License suspension
 - Referral to Tax Board (if appropriate and permitted by client)

- Legal action

- ✓ Letters continue to be sent containing progressively assertive language.
- ✓ Continued telephone calls are made in an attempt to persuade the debtor into a voluntary resolution.
- ✓ After the designated amount of time, the credit bureaus are notified of this delinquent debt.
- ✓ If the debt continues unpaid and legal action is allowed by client, credit bureau reports and other tools are utilized to identify and verify assets. Legal action follows its course.

Setting 4

Debtor has valid address and telephone information but contact cannot be established; No payment is received.

- ✓ Letters are sent in monthly intervals and become progressively assertive in language.
- ✓ Continued telephone calls are made at different times and different days.
- ✓ After the designated amount of time, the credit bureaus are notified of this delinquent debt.
- ✓ If the debt continues unpaid and legal action is allowed by client, credit bureau reports and other tools are utilized to identify and verify assets. Legal action follows its course.

Setting 5

Debtor has no valid address or telephone information.

- ✓ When attempts to reach the debtor through correspondence or via telephone are unsuccessful, AllianceOne will refer the account to our skip-trace queue where our expert skip-tracers use different tools and on-line data bases to obtain more up-to-date location/contact information.
- ✓ If the results of our skip-tracing efforts are successful, we continue our collection process by sending letters and placing telephone calls to try and resolve the debt.
- ✓ If we are unsuccessful in locating the debtor, after the designated amount of time, the credit bureaus are notified of this delinquent debt.
- ✓ If the debt continues unpaid and legal action is allowed by client, credit bureau reports and other tools are utilized to identify and verify assets. Legal action follows its course.

Setting 6

Debtor promises to pay in full and doesn't follow through or has a payment plan and defaults on a payment.

- ✓ If a promise to pay is documented in our system and the deadline for said payment has elapsed without a payment, our agents are notified immediately in order for the debtor to be contacted and inquire on the reason for defaulting on the arrangement.
- ✓ If a payment plan was established, our system automatically sends a reminder notice to the debtor advising them of their upcoming obligation. If a payment is not received on time, a letter is sent automatically notifying the debtor on their delinquency.
- ✓ If the amount of the payment plan cannot be paid, a new payment plan is negotiated and debtor is advised that the lower payment plan is only temporarily approved and will be re-assessed in the near future to allow for increased payment amounts (usually 3 months after).

- ✓ After the designated amount of time, if there is a remaining balance, the credit bureaus are notified of this delinquent debt.
- ✓ If the debt continues unpaid and legal action is allowed by client, credit bureau reports and other tools are utilized to identify and verify assets. Legal action follows its course.

Setting 7

Debtor disputes the validity of the debt or requests evidence of the debt.

- ✓ When a debtor expresses that they are disputing the debt, our agents will enquire on the nature of the dispute.
- ✓ If the dispute is pertaining to the amount owed, our agents request that the debtor submit the dispute in writing, outlining the reason and amount they are disputing.
- ✓ If the debtor requests validation of the debt, our agent refers the account to our Client Services department for proper documentation and proof of debt to be sent.
- ✓ All information and proof received by our client is sent to the debtor within 30 days of the request date in compliance with the Fair Debt Collection Practices Act.
- ✓ If the validity of the debt cannot be proved, AllianceOne will cancel and send the account back to our client.
- ✓ If the validity of the debt is asserted, AllianceOne will continue collection activity.

Setting 8

Debtor is deceased.

- ✓ If our agents are notified by a third party that the debtor is deceased, we request a certificate of death be mailed or sent through facsimile to verify the death.
- ✓ If documentation is not received or is denied by a third party, our agent will utilize a skip-tracing procedure in an attempt to verify if the debtor has been reported as deceased (Social Security Death Index is the most common resource used).
- ✓ If we are unable to verify the debtor's death, we flag the account as an "Unverified death" and suspend or continue collection activity according to our client's instructions.

Supervisory review - Collection supervisors' primary task is to provide training to employees and to ensure compliance with all applicable federal, state and local laws. They also review collection effort in the individual collection files on an ongoing basis. In addition, they identify training issues and schedule remedial training for that individual or group of individuals with one of our full-time staff trainers. Team leaders are located strategically throughout the work group to answer questions and provide peer training. All AllianceOne collection representatives are cautioned that collection calls may be recorded and/or listened to without their notice at any time. Each representative has signed an agreement informing them of this policy. AllianceOne's Compliance department frequently monitors phone calls to ensure proper handling and to help address any additional training issues as necessary.

Mail cycle - The following represents the typical mail cycle applied to each account. We will work within the County timelines and regulations regarding issuing and sending of notices.

Day 1: Within twenty-four hours of placement, all customer accounts that are not coded as mail returns will be sent a formal notice stating that their account has been referred to AllianceOne for collection. All letters are subject to client review prior to implementation.

Day 31: All customer accounts with a valid address will be sent a second collection notice if appropriate.

Day 61: Accounts that require further correspondence will be sent a third collection notice. Additional letters may be mailed throughout the life of the account as required.

Final Effort: A final effort is made prior to account closure

Telephone Contact - AllianceOne will apply a diligent telephone collection effort to each viable account referred, provided the account has a telephone number established, and the customer can be contacted. AllianceOne can assure the County that each and every viable account will be fully worked.

Every account placed with AllianceOne is immediately assigned to a pooled predictive dialer environment where dedicated collection specialists will work with customers as they are contacted.

Initial contact - Whenever contact is established, the account will be directed to an appointed collector who will attempt to resolve the account on the initial contact. The collector will take one or more of the following actions:

- All new accounts must be worked within 24 to 48 hours of placement.
- All client supplied phone numbers must be validated either through a predictive dialing campaign, power dialer, unattended voice broadcast or manually and the results properly notated on the screen.
- All state and federal laws must be followed when calling accounts.
- Accounts remain in a dialing pool until one of four things happen:
- The customer is contacted and a satisfactory arrangement is made to resolve the debt.
- The customer is contacted and a dispute or problem that has caused payment to be withheld is documented (this would then be followed by an immediate attempt to resolve the disputed issue and effect payment).
- The customer is contacted and flatly refuses to pay or reasonably discuss the matter; this is documented and various other avenues of collection are evaluated.
- It is determined that the customer cannot be contacted and skiptracing has not successfully developed a valid number or address for the customer.

On-going collection effort - Whenever a customer can be contacted by telephone, the account must be worked regularly until the account is resolved. A consistent and diligent level of activity shall continue for the active life of the account until the account is either paid in full, or determined to be uncollectible. All available points of contact will receive collection efforts. With a good phone number and good address accounts will be worked daily at different times to ensure proper follow-up. When the customer is on the phone, AllianceOne personnel are trained to obtain the following information:

- Verify contact addresses, including business and home address and phone numbers.
- Obtain financial status of the individual, including information on assets and sources of income.
- Obtain information regarding significant outstanding litigation items, such as an ongoing bankruptcy, etc.
- Verify any real assets such as property or other tangible items. Find out if the assets are leveraged and if not, whether they can be used as collateral to obtain a loan.

If the proper information is obtained, the collector will:

- Provide the customer with relevant information regarding the obligation.

- Inform the customer of their rights and responsibilities.
- Demand the balance in full.
- When all efforts are exhausted the account is sent to a supervisor for final review and close/suspension.

Dollar value threshold – Following is a suggested flow of handling account and actions. We will abide by the County's requirements and guidelines regarding all contact and communication with customers. AllianceOne does not base efforts on age of account however we do vary procedures based on dollar amount of an account.

AllianceOne combines totals for the same individual or business and bases efforts on the total dollar value assigned. AllianceOne typically varies collection and skiptracing efforts based upon dollar balance of accounts in the following categories:

- \$0.01 – less than \$100.00 – First notice is sent and contact attempts are made the first day it is dealt to a collector's electronic desk. The accounts for the County, if approved and permitted, will be cross-referenced to see if there are additional accounts for the same individual/business. All phone numbers provided by the client are attempted. Skiptracing is completed if the contact information provided is not successful. Accounts are then "autodialed" for 30 days. If all attempts are unsuccessful, a second letter is sent to the customer. AllianceOne will dial accounts every 3 days within the first 120 days of assignment until account resolution or recycling process begins to search for additional contact avenues.
- \$101.00 - \$500.00 –Steps are followed for the \$0.01 - \$100.00 category. Extensive skiptracing databases are accessed in this dollar grouping if the above steps are not successful. An additional letter is sent. Collectors must review all account notes to ensure possible leads are exhausted. To ensure a thorough handling of every account AllianceOne will dial accounts every 3 days within the first 120 days of assignment until account resolution or recycling process begins to search for additional contact avenues.
- \$501.00 - \$1,000.00 –Steps for all categories above are followed. An additional letter is sent. Additional skiptracing services are utilized to locate contact information. Additional letter(s) are sent to secure payment. AllianceOne will dial accounts every 3 days within the first 120 days of assignment until account resolution or recycling process begins to search for additional contact avenues.
- \$1,001.00 and above –Steps for all categories above are followed. An additional letter is sent. Additional skiptracing services are utilized to locate contact information. Additional letter(s) are sent to secure payment. AllianceOne will dial accounts every 3 days within the first 120 days of assignment until account resolution or recycling process begins to search for additional contact avenues.

Email - Toll Free Numbers – Customer Service - AllianceOne is committed to providing the County and each assigned individual or business with accurate, professional service. AllianceOne will provide the County with a client services representative. This employee will be supported by our Government Division client service team as necessary. Each team member has direct toll free telephone numbers, email and fax numbers. AllianceOne's customer service team has all been trained in the unique intricacies of government debt collection and service to our government clients. They understand the

need for expeditious, friendly service. AllianceOne's customer service staff member will be required to respond to County inquiries immediately or within two hours of receipt dependent upon the time of day the voicemail, email or fax was received. AllianceOne also proposes, at minimum, weekly conference calls and monthly contract review meetings at the County's location to review the contract, set future goals and revise procedures to meet the changing needs of the County.

90-day review of all terms - When we determine that the only resolution to expeditiously collect the debt is by setting up monthly payment arrangements, the customer must be advised that the terms of the arrangement will be reviewed in 90 days.

Sample letters

As previously noted, AllianceOne tailors our letters to meet the exact specifications of our clients. The initial demand letter is sent within 5 business days of the assignment date of each account. Subsequent letters are sent and a letter schedule is set based on client requirements.

Documents generated by AllianceOne are authorized and approved by our compliance attorney and our client. The letters we create are done in English and Spanish, but can be made available in other foreign languages if needed.

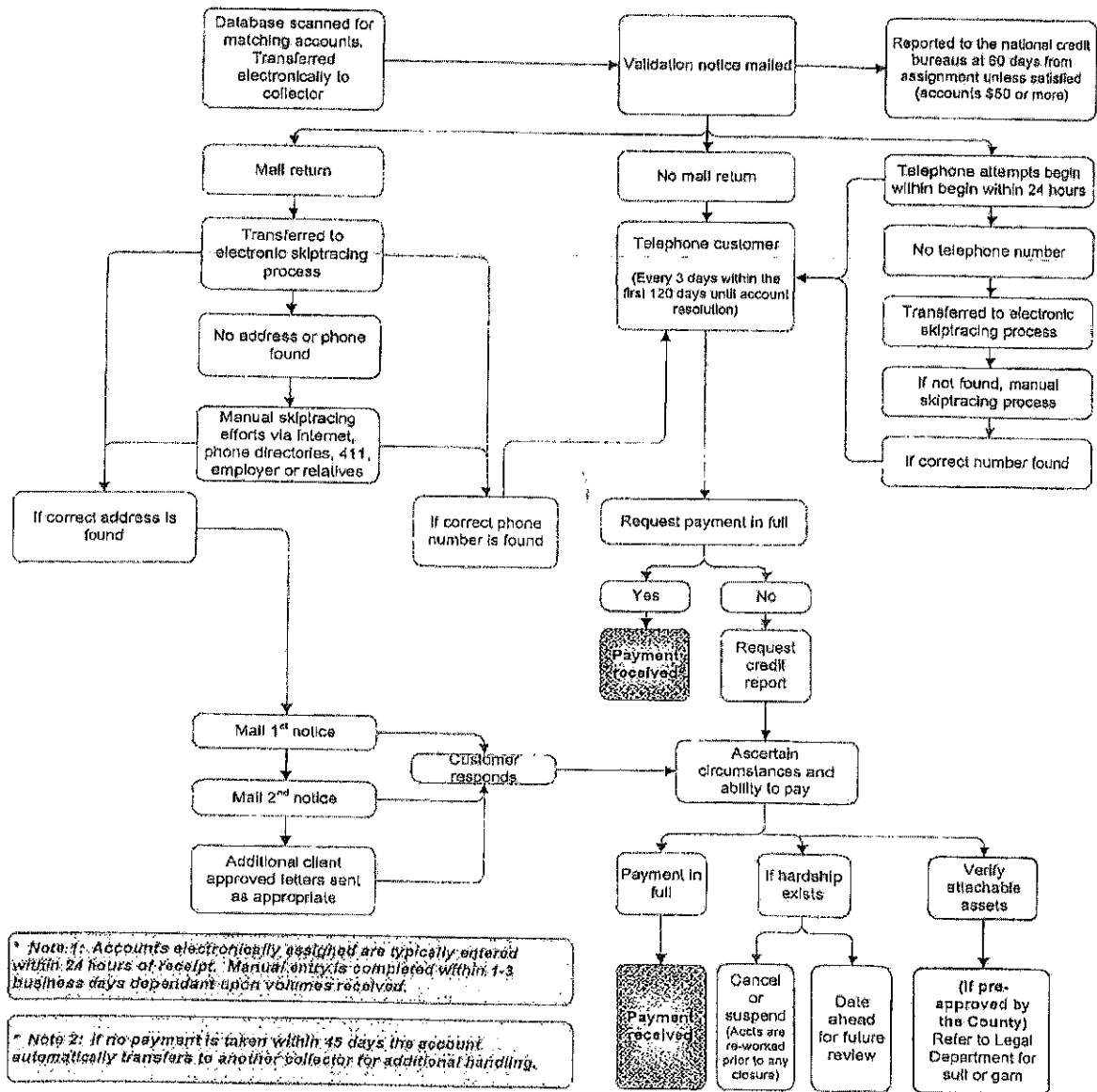
AllianceOne has the ability to customize collection letters, telephone training and reports to be utilized for the County. All letters utilized by AllianceOne are reviewed by one of its in-house attorneys for compliance with all applicable federal, state and local laws. AllianceOne will partner with the County to develop and approve a letter series for this contract. All draft letters will be submitted to the County for approval prior to implementation. Letters can reference the County's account number(s) and any other identifying information requested. AllianceOne's Columbia Ultimate collection software allows for complete customization of letter series distribution.

The software allows for electronic restrictions to be added restricting the sending of a particular letter within a given period of time. AllianceOne provides its collection representatives with client approved letter options to effectively evoke payment. **All letters are supplied with a Spanish and English translation.**

Please see Exhibit A: **Sample Letters - Confidential Materials**

Account Handling Procedures flowchart -- AllianceOne has supplied an account handling procedures flowchart which maps the collection process from beginning to end.

Actions immediately following an account entering the AllianceOne system



PAYMENT OPTIONS

AllianceOne has established relationships with several financial institutions that accept cash payments as a convenience to debtors.


- Credit card and debit card payments
- CU*Remit (automated in-house check writing software)
- Web-based / Internet (www.payaol.com)
- Western Union / Quick Collect

- Money orders
- Personal checks
- Cashiers checks
- Post-dated checks
- Cash at any AllianceOne office
- IVR

AllianceOne's Interactive Voice Response system provides debtors access to their accounts, their transaction history and next due date. Payment plans can be created and the debtor can make a payment on their account via credit card or check from their bank account directly to our office. The IVR system maintains accurate and detailed call logs for each day's activities.


AllianceOne accepts payments online via a web-based payment portal for debtors.

www.payaoi.com



- Home
- Credit Card Payment
- Contact Us
- FAQ
- Privacy Policy
- State Disclosures
- Technical Problems

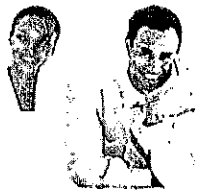
Receivables Management Specialists



Innovative solutions
for your account
and a safe, secure
repayment environment

OUR SERVICES INCLUDE:

Our services span several markets and are provided to clients in virtually every segment of the economy. Our customers include financial services institutions, public utilities, governmental entities, telecommunications carriers, retailers and healthcare providers.






CONTACT US TODAY

AllianceOne offers the financial strength, imagination, technological sophistication and a work ethic that is the envy of our industry. We have highly skilled and well developed centers of excellence that are dedicated to finding solutions to your financial needs.

Make Your Payment Online

- No Registration Required
- Pay your account from anywhere, at your convenience
- It's safe and secure
- Receive a receipt of your transaction
- Save time and postage



Office Locations:
Gig Harbor, WA • San Diego, CA • Anderson, IN

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HOURS OF OPERATION

AllianceOne's collection system has electronic controls in place to monitor calling restrictions in all time zones so a collection representative is unable to access an account prior to, or beyond, designated calling time periods. Representatives are available during the maximum hours permitted by the FDCPA and all applicable laws in each individual's standard time zone. Our office proposed for this contract is located in Anderson, Indiana and operates on an extended day split-shift schedule to accommodate calling time zones across the country. AllianceOne's collection representatives work a schedule allowing for additional hours of operation for extended contact with County debtors. Contact is more likely during the morning and evening hours of the day Monday through Friday that AllianceOne considers primetime hours. The Anderson, Indiana team has its entire group working during these higher contact hours. AllianceOne's Anderson office is open six days a week and in addition our Interactive Voice Response (IVR) system and after hours payment options including a web-based payment portal will be available 24-hours a day, seven days per week, throughout the contract for debtors.

Representatives for the County contract will be available during the hours listed below (EST):

Mon - Friday: 7:00 a.m. to 8:00 p.m.
Saturday: 8:00 a.m. to 1:00 p.m.
Sunday: Hours upon request

LITIGATION

When other avenues for voluntary resolution have failed, If the County so chooses, we initiate legal activity to resolve the debt as a last resort. Our in-house Legal department that is fully capable and prepared to provide litigation services to reach a fair resolution.

Following are our processes for litigation of government accounts.

AllianceOne currently provides litigation services nationwide for our government clients. Our in-house Government Services division legal department and staff attorneys provide excellent service. Litigation is an important step in the overall collection process. There is no added cost to us for attorney service, and unlike other private collection agencies, we don't have attorneys on retainer where we have to consider the financial impact of going legal. Collectors retain credit for the accounts, and therefore they are not disincented to utilize this tool. We will host a training session for the County to cover the process. AllianceOne maintains two staff attorneys. AllianceOne has the ability to provide comprehensive litigation services (only if pre-approved by the County).

We offer our clients the same service offerings as a collection law firm with the added expertise in comprehensive debt collection. AllianceOne treats legal action as a remedy of last resort against debtors who have the ability to pay but refuse to pay an appropriate amount. Where circumstances warrant payment arrangements, those arrangements must be fair to the client as well as the debtor.

While legal action is never the preferred method of collection, it is a necessary tool that AllianceOne can utilize against reluctant debtors, if pre-approved by the County for their respective accounts. AllianceOne houses an internal legal department within its Government Services Division consisting of two staff attorneys, national network of attorneys and multiple legal clerks. AllianceOne has devoted years to streamlining its legal policies and procedures. Court costs and fees will be collected from the

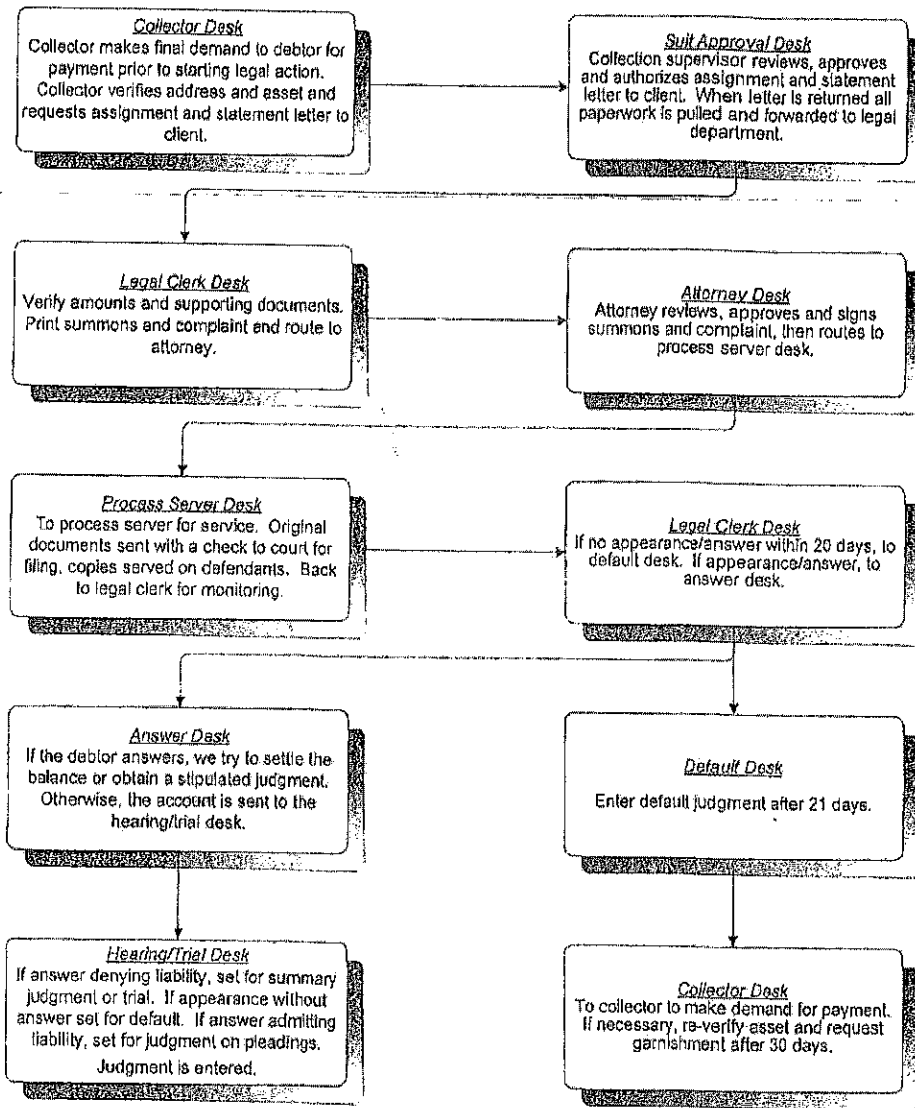
debtors where permitted by law, not from the County. AllianceOne will not initiate legal action against delinquent debtors without the prior receipt of written approval from the County. Before any litigation activity is initiated by AllianceOne, all procedures will be submitted in detail to the County for approval.

Litigation process –The legal process is initiated by the collection representative, who makes a final demand for payment usually after several unsuccessful attempts, verifies the debtor's address and asset (job, bank account or property ownership) information, and sends a written request for verification of debt to the client for signature. The collection supervisor reviews and must approve the account handling and account information prior to any written request to the client.

The supervisor pays special attention to previous payment history, attempts at settlements, the recovery-potential represented by the asset (e.g., bank account with known balances, "high-end" employment versus low-wage employment, known or suspected superior wage assignments or liens for such things as child support), and information verification (including such things as confirming that the debtor's identification information matches that of the employee or bank account holder to be garnished).

Once approved, a written request for verification of debt is sent to the client. The form to be utilized with the County for verification of the debt will be submitted for written pre-approval by the County. At this time the County will have the ability to review the account to determine appropriateness to proceed with the legal process. When the approval/verification is received back, the supervisor sends the account and supporting documentation to one of AllianceOne's attorneys for final approval. All letters and pleadings to be utilized in the legal process for the County's contract will be prepared in compliance with all statutory requirements and submitted for pre-approval by the County. As with other collection processes, the legal process is electronically monitored and accounts have to be worked within specified time periods at each stage of the process.

Legal Management System



Note: Procedures are dependant upon state laws

Serving garnishments - Garnishments to employers are served within 3 to 5 days of being picked up by the server. Bank garnishments are valid for one year from the issued date and are held by the server awaiting notice from AllianceOne to serve. AllianceOne faxes a list of bank garnishments that are ready to be served daily to the server and the accounts on that list are served that same day.

Attorney representation - Many times in the collection process it becomes apparent that a debtor will not pay voluntarily. AllianceOne goes through a stringent review process in selecting attorneys to litigate cases on your behalf. All attorneys must clear the local bar in addition to being members of the American Collectors Association Member Attorney Program. There are currently over 300 MAP attorney affiliations. We only have attorneys who know the local law, judges and stand up to the highest ethical standards. Our expansive legal department coordinates all administrative tasks. Together this partnership brings the benefits of a collection agency and law firm full circle. We currently work with the following legal firm. If approved by the County, we propose using Jay Winston for legal services for the County's contract.

Jay Winston
Winston & Winston, P.C.
295 Madison Ave, Suite 930
New York, NY 10017
212-922-9482 x106
Fax 212-532-2722
jay@winstonandwinston.com

AllianceOne has a fully integrated legal system within the Columbia Ultimate software which is continuously upgraded.

Bankruptcy Processing

AllianceOne has the ability to file claims on behalf of clients. If a client requests notification of bankruptcies without filing, AllianceOne reports the bankruptcy notice of the Chapter 7 or Chapter 13 status and cancels all accounts back to the client. If the client chooses to have AllianceOne process bankruptcy accounts it then would be dependent upon the type of account and whether or not the debt survives a bankruptcy. A hardcopy statement or proof of the debt would be required from the client to file a claim.

Chapter 7 Procedures

When the Chapter 7 notice is received all accounts are identified and updated with the bankruptcy information, status codes are changed to stop notices and the interest is stopped. Accounts are separated depending on the type of account, dischargeable or non-dischargeable. A date of service of the debt is required to determine if the debt is pre-petition and will be discharged in the bankruptcy or post-petition and can be collected after the discharge of the bankruptcy.

Dischargeable debts:

If the account will be discharged it is canceled when the notice is received.

Non-dischargeable debts:

If the account will not discharge it is held on a support desk to wait for the discharge to be received. It is protected by the status code so no notices can be sent and no calls can be made to avoid any violations of the bankruptcy stay.

Discharge filed:

When the discharge notice is received it is noted on all accounts. Any accounts that do not include interest or a collection fee are sent back to the collection staff to resume collection efforts. The collection fee and interest are discharged in the chapter 7 bankruptcy so any accounts that include a collection fee will either need to be canceled and reassigned by the client or if the client chooses they can sign a "General Administrative Order" that will allow AllianceOne to reassign all accounts upon receipt of the discharge notice and collection efforts resume.

Chapter 13 Procedures

When the Chapter 13 notice is received all accounts are identified and are updated with the bankruptcy information, status codes are changed to stop notices and the interest is stopped. A date of service of the debt is required to determine if the debt is pre-petition and a claim can be filed or post-petition and can be collected after the discharge of the bankruptcy. A copy of the account statement will be required for AllianceOne to file a claim.

Accounts are separated depending on the type of account, judgments, open accounts, infraction tickets, criminal tickets and superior violations. The type of account is part of the determination by the bankruptcy judge for the priority of the claims and payments to the creditors. Separate claims are filed for each packet of account types and are filed electronically or paper filed with the bankruptcy court.

Once the claims are filed and the plan is approved the trustee will send payments monthly for the allowed claims. Some claims may be approved and receive payments and some claims may not. Separate payments are sent for the various claims and they must be noted and posted accordingly.

Most all debts will be discharged in the chapter 13 but certain types of debts if not paid through the chapter 13 will survive and collection efforts can resume.

UNITED STATES BANKRUPTCY COURT
U S BANKRUPTCY COURT, 1717 PACIFIC AVE STE 2100, TACOMA WA 98402
CHAPTER 13 CASE NUMBER: 12-12345

RE: TEST, DEBTOR,
123 SESAME STREET
SHORELINE, WA
[DEBTOR(S)]

PROOF OF CLAIM

PAYEE AND ADDRESS TO WHICH DISTRIBUTION AND FUTURE NOTICES ARE TO BE SENT:
ALLIANCEONE RECEIVABLES MANAGEMENT, INC. ACCT NUMBER: 4336844
P.O. BOX 2449
GIG HARBOR WA 98335
253-620-2222

UNPAID PRINCIPAL BALANCE OR UNPAID AMOUNT OF JUDGMENT ON FILING DATE (THIS AMOUNT
MUST NOT CONTAIN UNMATURED INTEREST OR INTEREST CHARGES AFTER FILING DATE): \$ 0.00

DATE: [REDACTED] IF JUDGMENT, ORIGINAL AMOUNT: \$ 0.00
COURT: [REDACTED] DISTRICT COURT CASE NUMBER:

ORIGINAL CREDITOR: TEST CLIENT (SEE ACCOUNT DETAIL BELOW)
OTHER AMOUNT DUE: EXPLAIN

JUDGMENT INTEREST:	\$	0.00
POST-JUDGMENT, TAXABLE COSTS:	\$	0.00
LESS PAYMENTS RECEIVED:	(\$	0.00)
TOTAL AMOUNT CLAIMED:	\$	0.00

THIS CLAIM IS FILED AS:

- () SECURED YOU MUST ATTACH A LEGIBLE COPY OF ALL SECURED INSTRUMENTS, PROMISSORY
NOTE, TITLE AND PROOF OF PERFECTION.
() PRIORITY STATE THE BASIS THEREOF AND ATTACH A STATEMENT.
(X) UNSECURED ATTACH A COPY OF A STATEMENT OF ACCOUNT, NOTE OR JUDGMENT.

IF ATTACHMENTS ARE NOT AVAILABLE, SET FORTH REASON AND ATTACH HERETO. CLAIMS RECEIVED
WITHOUT THIS DOCUMENTATION MAY BE OBJECTED TO BY THE TRUSTEE.

THE CLAIMANT BELOW ASSERTS THAT HE/SHE IS DULY AUTHORIZED TO MAKE THIS PROOF OF CLAIM:
THE DEBTOR IS INDEBTED TO THE CLAIMANT IN THE ABOVE AMOUNTS; THERE ARE NO SETOFFS OR
COUNTERCLAIMS WHICH THE DEBTOR MAY HAVE EXCEPT:

FILE CLAIM IN DUPLICATE WITH:
U S BANKRUPTCY COURT
1717 PACIFIC AVE STE 2100
TACOMA WA 98402

DATE: May 3, 2012
SIGNATURE: /s/HEATHER INGULSRUD
PRINTED NAME: HEATHER INGULSRUD (253) 620-2229

TITLE: BANKRUPTCY UNIT MANAGER

PENALTY FOR FILING A FRAUDULENT CLAIM: FINE OF NOT MORE THAN \$5000 OR IMPRISONMENT
FOR NOT MORE THAN FIVE YEARS OR BOTH. TITLE 18, U.S.C. SEC 152.

4336844 BC1Z (06/05)
BANKRUPTCY CLAIM--NON JUDGMENT-1

Legal staff - AllianceOne's legal department has an experienced staff with many of the department members working for AllianceOne for over 8 years.

Employee	Hire Date	Position
Christensen, Danle	1/5/1998	Legal Clerk
Schurman, Michelle	1/8/2007	Legal Secretary
Freeman, Jessica	3/2/2009	Legal Support
Herbert, Neda	3/10/2008	Legal Support
Soto, Jenny	3/28/1995	Legal Secretary
Hawthorne, K. C.	4/4/2000	Attorney
Wright, Phyllis	4/4/2003	Legal Clerk
Samson, Michele	4/21/2000	Legal Clerk
Underwood, Kevin	5/1/1992	Attorney
Ward, Robin	5/9/1989	Legal Manger
Oyler, Gayla	7/1/1994	Legal Secretary
Maddux, Betsy	7/28/1993	Legal Clerk
Insglrsud, Heather	9/11/2003	Bankruptcy Clerk

Legal Department Highlights – Government Division - As noted, AllianceOne maintains an in-house legal department to process and oversee the litigation process for clients. Additionally, AllianceOne's staff attorneys work in conjunction with the compliance team and Internal Audit department to ensure that all applicable regulations and legislation are clearly followed, letters and correspondence meet all local, state and federal regulations as well as client requirements. AllianceOne's legal department has extensive experience in the litigation of government accounts similar in nature to the County including:

- Monthly average filing of 168 suits and approximately 1,600 garnishments.
- AllianceOne's success rate for suits filed equals out to approximately: 65% of accounts have a default judgment entered, 10% are answered, 20% pay after served with 5% bad address issues)
- AllianceOne's success rate for garnishments filed is approximately 75%.
- AllianceOne incorporates a thorough review process prior to legal action to ensure a good asset, address, etc. Comprehensive review of the account balance and statements prior to filing suit also takes place to ensure little to no questions received from the judge. If questions arise at a hearing AllianceOne is fully prepared to support the case with documentation.
- AllianceOne advances legal costs up-front and is reimbursed when payments on the account are received.

Year summary of garnishment activity for review:

	# of legal	\$ of legal entered	\$ of legal collected	amount Liq %	Full Pay	% Paid in Full	Partial Pay	% with Partial Pay	total acct with pay	% with any payment
2011	11655	\$23,209,543.32	\$9,383,714.94	40%	4,683	40%	3,924	34%	8,607	74%
2010	11966	\$21,269,858.86	\$9,109,621.89	43%	5,127	43%	3,538	30%	8,665	72%
2009	9948	\$18,510,996.53	\$8,761,774.32	47%	4,725	47%	2,946	30%	7,671	77%
Total 09-11	33569	\$62,990,398.71	\$27,255,111.15	43%	14,535	43%	10408	31%	24943	74%

CREDIT BUREAU REPORTING

AllianceOne feels reporting to credit bureaus is an effective tool in producing a positive end result. AllianceOne can report accounts over fifty dollars (\$50.00) (this may include multiple accounts for the same debtor) to the national credit bureaus Equifax, Experian and Trans Union, only if possible and approved by the County. AllianceOne reports accounts to the credit bureaus in accordance with all federal, state and local laws. Once the account is reported, the credit bureaus in-turn produce an electronic notification of updated information to AllianceOne. AllianceOne's recovery for clients that allow credit bureau reporting is more than twice that of those who do not allow reporting.

DISPUTE AND COMPLAINT HANDLING

AllianceOne's goal is to be proactive rather than reactive in regards to customer complaints and disputes. We employ a Compliance department staffed with compliance directors and officers who monitor all aspects of legal and contractual compliance. The Compliance department for the Government Services Division will be assigned to monitor the County's contract. Our Compliance department has staff to monitor a set minimum number of collector calls each month which provides a comprehensive review of all employees' performance. Additionally, as noted herein supervisors are on the collection floor at all times and monitor collector actions all day, every day.

Monitoring by supervisors is accomplished through electronic CF (Collector File) reports, dialer activity, manually walking the collection floor, questions and answers and unannounced barging of calls along with other methods. These procedures help to eliminate most complaints. The use of a dedicated collector team and a toll free number that routes to this select team will provide the County's customers with access to contract trained individuals to quickly answer any questions.

AllianceOne's Vice President of Legal Affairs and corporate counsel, Kevin Underwood is actively involved in reviewing compliance. Mr. Underwood reviews all collection letters, phone scripts and other communication techniques to ensure we are always conducting business in an appropriate and lawful manner.

Collector phone calls are recorded for training and review. The County can listen to their assigned account calls upon request, including recorded and live calls. Our management and compliance teams randomly barge/listen to live collection calls to ensure excellent service and proper account handling.

The Government Compliance department will be responsible for investigating and initiating action on any complaint received. These compliance employees will receive support from the contract management team in the complaint investigation and proper handling monitoring for the collection staff assigned to this contract. AllianceOne investigates all complaints received concerning collectors and/or accounts placed for collections. Complaints received typically come from Better Business Bureaus and various Attorney General Offices. AllianceOne also fully investigates customer complaints received in writing. Complaints are investigated by the Compliance department or the responsible Assistant Call Center Manager.

Claim of improper handling of an account - If the complaint received is concerning the handling of an account by a collector the following steps are initiated:

- All collection notes are reviewed
- The collector is interviewed and asked to prepare a written statement of the situation

- Management determines appropriate action to bring the issue to conclusion
- A copy of the investigation is placed in the collector's personnel file and the incident is noted on the AllianceOne internal Complaint Log.
- Dependent upon each client's contractual specifications, copies of all complaints and handling is forwarded to the client for review.

The results of these investigations can end in the complaint being unfounded and claims are unable to be substantiated. If, upon review, the claim is undetermined the collector will receive remedial training to ensure that proper handling and communication tactics are used at all times. If the claim is found to be accurate the collector receives immediate counseling, remedial training and/or discipline leading up to termination.

Complaint call handling - Resolution for any compliance violations requires open communication channels. AllianceOne has adopted the following internal procedures to achieve effective resolution of infractions as they occur. The primary responsibility for handling complaint calls falls to the responsible Collection Supervisor. The goal is to rectify the situation at this level. If the Collection Supervisor cannot reach an amicable resolution the complaint call is channeled through the operational management of an AllianceOne division where the call originated, leading up to the Call Center Manager. If the complaint is not resolved through this chain of command, it is then forwarded to the Compliance Department for handling. When handling a complaint call, the primary objective is to prevent escalation of the situation. Collection activity is secondary until resolution of the situation can be achieved. Collectors are instructed to gauge the type of complaint from a consumer:

- Complaint regarding the account representative - *transfer to Supervisor*
- Complaint regarding the Supervisor - *transfer to Assistant Call Center Manager*
- Complaint regarding the Assistant Call Center Manager - *transfer to Call Center Manager*
- Complaint received from an Attorney General - *transfer directly to Call Center Manager or Compliance Dept*
- If complaining about switchboard - *transfer to Assistant Call Center Manager*

Regulatory complaint handling - All state regulatory complaints are forwarded to the Compliance Department to investigate and provide a written response.

The account is immediately documented that a complaint has been received and from what regulatory body. The account is suspended from collection action to prevent future calls during the investigation. The divisional management handling the account is notified and a copy of the account notes are sent to the Compliance department and reviewed for validity. If the complaint necessitates backup documentation or special handling by the client, the client will be notified accordingly. Generally, if the complaint is from a regulatory agency, the Call Center Manager will be notified so they can properly inform the necessary parties that an account is being returned and requires sensitive handling. If an account is paying monthly but requested not to be contacted, the account is forwarded to the Assistant Call Center Manager for proper handling. An investigation is conducted if the complaint alleges a compliance violation. The collector and Supervisor are interviewed so their interpretation of the situation can be noted. Disciplinary action will be taken if an infraction is determined to have occurred. Disciplinary action may range from a verbal warning to termination depending on the nature or severity of the infraction.

The collector's calls may be monitored for several weeks to ensure ongoing compliance. Communication of all findings is determined between the Assistant Call Center Manager and Call Center Manager. A copy of the notes are attached to the original complaint along with AllianceOne's response and filed and scanned to the consumer record. All complaints are updated on a Complaint Log that is forwarded to Executive Management monthly for review.

The following is a screen shot of our online complaint form which provides customers with another line of communication regarding inquiries.

AllianceOne
United States | choose global location
Client Login | Contact Us | Careers

Home / Complaints

Complaint?

Please enter your information below. Where there is * next to a field you must enter information into it.

* = Required Fields

Your Information

*Last Name: *First Name: Middle Initial:
*Address: *City: *State: *Zip:
*Day Phone: Eve Phone:
*Email Address: *Confirm Email:

Information About your complaint

*Account Number: Your IP Address is:
69 10 203 67

Did you speak with Someone: With whom:
☐ Yes

*Reason for Complaint:

Submit

AllianceOne, A Teleperformance Company | Contact Alliance One
© Copyright 2001-2008 Teleperformance | Site Map | Legal Statement

215-364-5511 | fax: 215-399-7255
info@allianceone.com

Any breaches of compliance are fully investigated and policies reviewed. AllianceOne's collection services comply with all applicable federal, state and local laws and regulations including the FDCPA.

We ensure this through continuous staff training, monitoring through our compliance, supervisor and management daily involvement in staff account handling. *Although complaints are often associated with the collection industry, AllianceOne is proud to note that it continually maintains low to zero complaint ratios.*

AllianceOne will provide the County with an acknowledgment report of accounts assigned within 24 hours of entering the AllianceOne system. Acknowledgment reporting can be supplied in the format desired by the County (hard copy, electronic transmission).

Performance Matrix:

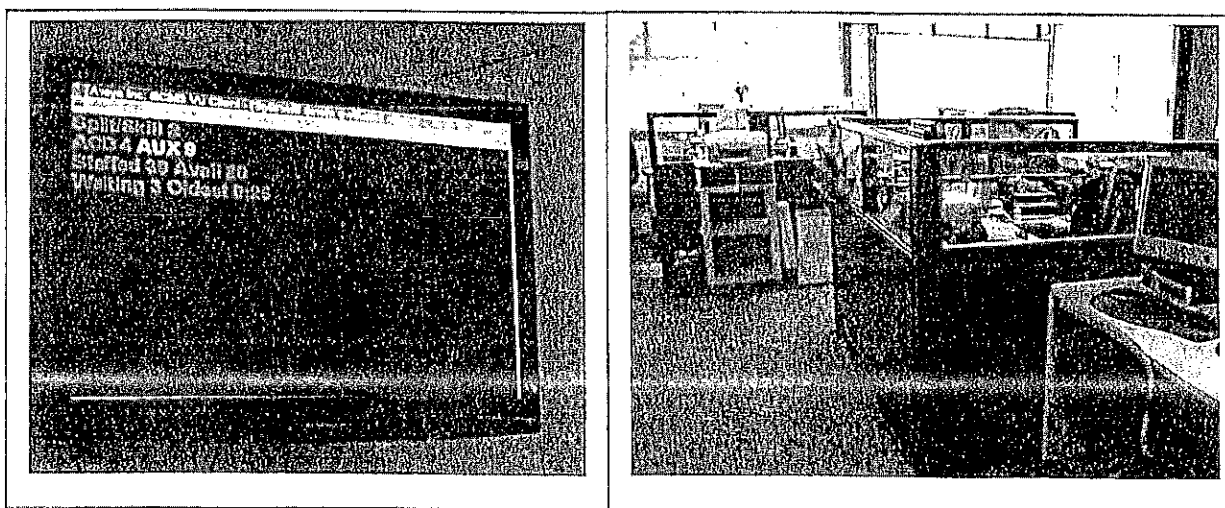
30-day implementation	Reviewed with County daily with weekly recap during implementation
Work continually with the County staff from implementation through contract completion ensuring compliance with all County policies, procedures and directives	Reviewed with County, at minimum, quarterly
Liquidation goals by year and overall	Reviewed with County quarterly
Superior results with best return on investment	Reviewed with County quarterly
Telephone attempt every 3 days for the first 120 days unless paid in full	Review with County quarterly
Responsive Client Service for the County	Reviewed with County monthly or at designation of County
Timely reports each and every month, file and remittance transmission with zero errors	Reviewed with County monthly
Treat County defendants with dignity and respect while attempting to collect debt	Review with County quarterly
World class compliance	Reviewed with County quarterly

AllianceOne will supply supporting reports for discussion during all reviews of performance objectives.

THE FOLLOWING ARE PROGRAMS THE COUNTY IS NOT CURRENTLY UTILIZING THAT COULD SAVE COURT STAFF TIME IF IMPLEMENTED.

Signal Credit Management Services (Signal)

Following is a description of the Signal program as well as pictures of the Signal department and our monitor that depicts the calls holding and average hold time for the ACD.



AllianceOne has dedicated a separate department of its Government Services Division to the Signal Credit Management Services (Signal) time payment monitoring program. Signal is a "pre" collection

time payment-monitoring program of non-delinquent accounts. The program was developed for AllianceOne's court clients and established at the request of many of our clients that have had significant staff reductions and are no longer able to monitor lengthy time payment plans. The defendant bears the cost of this program. Defendants who request payment options for accounts, prior to collection activity, are directed to Signal. The defendant signs a pre-approved agreement outlining payment amounts, fees, timeframes and restrictions. The only costs of this program are the set-up fee and a monthly fee which are paid by the defendant. This program allows defendants to pay their outstanding accounts over time without proceeding to the collection process.

Many of AllianceOne's court and government clients utilize this service and are pleased with the results and reduction in staff time dealing with long term payment plans and monthly monitoring. These plans are strictly monitored for compliance. The defendants receive monthly statements and return envelopes, as well as telephone contact if payment is late. Defendants benefit from this program by satisfying their outstanding financial obligation to the Court without collection activity. AllianceOne's court clients utilizing this program have reported a significant benefit in an increase in payments in full to the court within the first 30 to 60 day timeframe prior to a payment plan with Signal.

Relicensing Program / PIA (Payment in Adjudication) Program

AllianceOne currently works with multiple Washington and Oregon court clients in a relicensing program and has a far-reaching payment program in place. This program was originally initiated with Kitsap County District Court and Clark County District Court in September of 1999 and was pioneered to assist AllianceOne's court clients in their endeavor to reduce the number of individuals with Driving While License Suspended charges. AllianceOne worked with these courts and came up with parameters to allow defendants to reinstate their driver's licenses, while maintaining strict payment plans of outstanding debts owed the courts which had been referred for collection. This program is supported by designated collectors who obtain detailed information from the defendant prior to plan initiation. The defendant must meet all of the criteria agreed upon by the court to qualify for the payment plan option and show a good faith first payment prior to being placed on the plan. When a defendant has met these requirements the Court is notified by a daily email or fax report so it can accomplish the on-line DOL adjudication of the driver's license hold. If the defendant makes the first payment at an AllianceOne office and wants to go directly to DOL, he/she is given a paper adjudication form which is accepted by DOL. The courts supporting this collection payment plan for relicensing agree to re-suspend licenses immediately upon notification by AllianceOne if the defendant has defaulted on a payment. Once a defendant has defaulted, eligibility is determined on a case-by-case basis. If the determination is made to remove the defendant from the PIA program they must pay the account in full before their license hold is released. Since defendants traditionally have violations in multiple jurisdictions, AllianceOne's program allows most defendants to take care of their matters in one place and satisfy the courts' goal in regards to driver's license restoration. Minimal court staff is needed to assist with this program. This program is offered at no additional cost to the court or the defendant. To-date, over 90 of AllianceOne's court clients utilize this program.