



**PRAESIDIUM, INC.  
CONTRACT FOR SERVICES**

The undersigned (“Client”) wishes to contract with Praesidium, Inc., a Texas corporation (“Praesidium”), for one or more Praesidium services for use by the Client in its organization. Subject to the terms herein set forth, Praesidium agrees to provide to Client the services more fully set forth below. In consideration for the delivery of such services, Client and Praesidium agree to the following:

**Services.** Praesidium agrees to provide Client with the services (“Services”) and benefits attached hereto as Exhibit “A”. Client may request additional services from time to time provided such additional services shall be set forth in a separate, written agreement between the parties.

**Fees.** The Client shall pay Praesidium for its Services the total sum as is set out in Exhibit "D" ("Payment for Services").

**A. Client’s Certification of Fair Credit Reporting Act (FCRA) Permissible Purpose(s)**

Client hereby certifies that all of its orders for information products from Praesidium shall be made, and the resulting reports shall be used, for the following permissible purpose(s) under the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.*, only:

*(Please check all that apply)*

<input type="checkbox"/>	For an “employment purpose,” but only upon the express written consent of any person that will be screened. See 15 U.S.C §1681b(a)(3)(B). This might include background checks on job applicants and employees.
<input type="checkbox"/>	For another purpose, but only upon the express written consent of any person that will be screened. See 15 U.S.C. §1681b(a)(2). This might include background checks on volunteers or board of director candidates.

Client will always certify the specific permissible purpose at the time a report is requested.

**B. Client’s Certification of Legal Compliance**

Client certifies to Praesidium that the information products it receives will not be used in violation of any applicable federal, state or local laws, including, but not limited to the Fair Credit Reporting Act and Title VII of the Civil Rights Act of 1964. Client accepts full responsibility for complying with all such laws and for using the information products it receives from Praesidium in a legally acceptable fashion. To that end, Client agrees to comply with and provide all statutorily required notices in Section 615 of the Fair Credit Reporting Act or other state laws when using information products. Client further accepts full responsibility for any and all consequences of use and/or dissemination of those products. Client further agrees that each consumer report will only be used for a one-time use.

Client agrees to have reasonable procedures for the fair and equitable use of background information and to secure the confidentiality of private information. Client agrees to take precautionary measures to protect the security and dissemination of all consumer report or investigative consumer report information including, for example, restricting terminal access, utilizing passwords to restrict access to terminal devices, and securing access to, dissemination and destruction of electronic and hard copy reports. Client agrees to abide by **Addendum B** attached hereto which is incorporated into and is part of this Contract.

As a condition of entering into this Contract, Client certifies that it has in place reasonable procedures designed to comply with all applicable local, state and federal laws. Client also certifies that it will retain any information it receives from Praesidium for a period of five years from the date the report was received, and will make such reports available to Praesidium upon request. Clients seeking credit information must provide information and sign **Addendum C** before Praesidium can provide credit information to Client. Addendum C is incorporated into and is part of this Contract, if applicable.

Client understands that the credit bureaus require specific written approval from Praesidium before the following persons, entities and/or businesses may obtain credit reports: private detectives, private detective agencies, private investigative companies, bail bondsmen, attorneys, law firms, credit counseling firms, security services, members of the media, resellers, financial counseling firms, credit repair clinics, pawn shops (except companies that do only Title pawn), check cashing companies (except companies that do only loans, no check cashing), genealogical or heir research firms, dating services, massage or tattoo services, businesses that operate out of an apartment, individuals seeking information for their own private use, adult entertainment services of any kind, companies that locate missing children, companies that handle third party repossession, companies seeking information in connection with time shares, subscriptions companies, individuals involved in spiritual counseling or persons or entities that are not a Client or decision maker.

Client hereby acknowledges that it has received a copy of the Summary of Rights (16 C.F.R. Part 601, Exhibit C) and Notice of Users of Consumer Reports (16 C.F.R. Part 601, Appendix C).

(1) **When Information Products are Used for Employment Purposes.** If the information products Client obtains from Praesidium are to be used for an employment purpose, Client certifies that prior to obtaining or causing a “consumer report” and/or “investigative consumer report” to be obtained, a clear and conspicuous disclosure, in a document consisting solely of the disclosure, will be made in writing to the consumer explaining that a consumer report and/or investigative consumer report may be obtained for employment purposes. This disclosure will satisfy all requirements identified in Section 606(a)(1) of the FCRA, as well as any applicable state or local laws. The consumer will have authorized, in writing, the obtaining of the report by Client.

If the consumer is denied employment, or other adverse employment action is taken based in whole or in part on the information products provided by Praesidium, Client will provide to the

consumer: (a) a copy of the report, and (b) a description, in writing, of the rights of the consumer entitled: “A Summary of Your Rights Under the Fair Credit Reporting Act.” After the appropriate waiting period, Client will issue to the consumer notice of the adverse action taken, including the statutorily required notices identified in Section 615 of the Fair Credit Reporting Act.

(2) **Investigative Consumer Reports.** In addition to the disclosure requirements identified above, if the consumer makes a written request within a reasonable amount of time, Client will provide: (a) information about whether an investigative consumer report has been requested; (b) if an investigative consumer report has been requested, written disclosure of the nature and scope of the investigation requested; and (c) Praesidium’s contact information, including complete address and toll-free telephone number. This information will be provided to the consumer no later than five (5) days after the request for such disclosure was received from the consumer or such report was first requested, whichever is the latter.

(3) **International Criminal Record Searches.** Client understands that searches of international background screening will be conducted through the services of a third-party independent contractor. Because of differences in foreign laws, language, and the manner in which foreign records are maintained and reported, cannot be Praesidium either an insurer or a guarantor of the accuracy of the information reported. Client therefore releases Praesidium and its affiliated companies, officers, agents, employees, and independent contractors from any liability whatsoever in connection with erroneous information received as a result of an international background screening report.

(4) **National/Multi-State Database Searches.** Praesidium recommends that Client screen its applicants or employees at the county court-house or online system, federal, and multi-state/nationwide database levels. Client understands that if it chooses not to conduct searches at these levels, Praesidium cannot be held responsible for any records that exist that are not included in the Client’s coverage requested. Client further understands that the multi-state/nationwide database report will only be offered in conjunction with a county-level verification of any records found and that Client will bear any additional costs associated with this verification.

### **C. Additional Requirements for Moving Violation Reports (MVRs) and Driving Records**

Client hereby certifies that Moving Violation Reports and/or Driving Records (MVRs) shall only be ordered in strict compliance with the Driver Privacy Protection Act (“DPPA”, at 18 U.S.C. § 2721 et seq.) and any related state laws. Client further certifies that no MVRs shall be ordered without first obtaining the written consent of the consumer to obtain “driving records,” evidence of which shall be transmitted to Praesidium in the form of the consumer’s signed release authorization form. Client also certifies that it will use this information only in the normal course of business to obtain lawful information relating to the holder of a commercial driver’s license or to verify information provided by an applicant or employee. Client shall not transmit any data contained in the resulting MVR via the public internet, electronic mail or any other unsecured means.

**D. Warrants**

In the course of completing background checks, Praesidium may uncover active arrest warrants which are outstanding against the subject. In these cases, Praesidium may be contacted by the law enforcement agency seeking the subject. Subscriber understands that Praesidium will furnish to law enforcement any information contained within the subject's file to assist in the apprehension of the subject. Additionally, Praesidium may contact Subscriber, and Subscriber agrees to release to Praesidium, any and all information Subscriber may have which will further the apprehension of the wanted individual.

**E. Additional Compliance, Audit and Remedies**

If Client requests consumer reports for employment purposes via Praesidium's website, then, in addition to all other obligations, Client agrees to provide all required certifications electronically, to maintain complete and accurate files containing all required consent, authorization and disclosure forms with regard to each consumer for whom a report has been requested, and maintain strict security procedures and controls to assure that its personnel are not able to use Client's internet access to obtain reports for improper, illegal or unauthorized purposes. Client agrees to allow Praesidium to audit its records at any time, upon reasonable notice given. Breaches of this Contract and/or violations of applicable law discovered by may Praesidium result in immediate suspension and/or termination of the account, legal action and/or referral to federal or state regulatory agencies.

**F. Additional Terms.**

(1) **Term and Termination.** This Contract shall be effective immediately upon the execution of this Contract by the Client and Praesidium. This Contract will automatically renew unless otherwise terminated as outlined in this Section. This Contract may be terminated (a) by mutual consent or (b) by either party upon thirty (30) days advanced written notice in the event the other party has materially and repeatedly defaulted in its performance obligations herein and has failed to cure the default after reasonable notice and opportunity to cure. If Client terminates this Contract, any and all unpaid feeds will become immediately due. If Praesidium terminates this contract, any and all unpaid fees earned up to the effective date of termination but not yet paid to Praesidium will become immediately due and payable to Praesidium.

(2) **Independent Contract Status.** The Parties agree that Praesidium is an independent contractor under this Contract and will in no way be considered to be an agent, partner, joint venturer or employee of Client.

(3) **Disclaimer of Warranties and Limitation of Liability.**

Background checks are an important part of any company's security and safety programs. Nevertheless, Praesidium cannot and does not guarantee that its services will eliminate any threat of violence, theft, sexual abuse, poor performance, or other problems in the workplace.

**PRAESIDIUM SPECIFICALLY DISCLAIMS ALL REPRESENTATIONS, CONDITIONS, AND WARRANTIES, WHETHER EXPRESSED OR IMPLIED, ARISING BY STATUTE, OPERATION OF LAW, USAGE OF TRADE, COURSE OF DEALING, OR OTHERWISE, INCLUDING BUT NOT LIMITED TO, WARRANTIES OR CONDITIONS OF MERCHANTABILITY, MERCHANTABILITY, SATISFACTORY, QUALITY, OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO PRAESIDIUM'S SERVICES TO BE PROVIDED, ACCESSED, USED OR DELIVERED PURSUANT TO THIS CONTRACT. PRAESIDIUM PROVIDES ANY AND ALL INFORMATION AND SERVICES TO CLIENT "AS IS."**

In no event will Praesidium be liable for any punitive, incidental, special or consequential damages in any action arising from or related to this Contract and/or arising from information or services provided by Praesidium. This includes, but is not limited to, damages resulting from the loss of profits, income, business or goodwill. This limitation applies regardless of whether Praesidium has been advised of the possibility of such damages.

The total amount of damages recoverable from Praesidium by Client in any lawsuit or legal matter shall not exceed, in the aggregate, the amount paid by Client to Praesidium for the services to which a given claim relates. Recovery of this amount is Client's sole and exclusive remedy for a claim of any kind against Praesidium.

(4) **Indemnification.** Client agrees to indemnify, defend, and hold harmless Praesidium, its successors and assigns, officers, directors, employees, agents, vendors, suppliers, and insurers from any and all third-party claims, actions or liabilities (including attorneys' fees and other costs) arising from or with respect to: (i) any breach by Client of this Contract or the representations, certifications or warranties made hereunder, (ii) Client's violation of applicable laws or ordinances, (iii) Client's negligence, misconduct, recklessness, errors or omissions, (iv) Client's acquisition of or use of Praesidium's information products or services, and/or (v) Praesidium's preparation of or delivery of information products or services to Client.

(5) **Force Majeure.** Client agrees that Praesidium is not responsible for any events or circumstances beyond its control (e.g., including but not limited to war, riots, embargoes, strikes and/or Acts of God) that prevent Praesidium from meeting its obligations under this Contract.

(6) **Governing Law.** This Contract shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflicts of law provisions. Sole and exclusive jurisdiction for any action or proceeding arising out of or related to this Contract shall be in an appropriate state or federal court located in the State of Texas.

(7) **Cumulative Relief.** All remedies provided for in this Contract shall be cumulative and in addition to and not in lieu of any other remedies available to either Party at law, in equity or otherwise.

(8) **Counterparts.** This Contract may be executed in several counterparts and each such counterpart will be deemed an original copy of this Contract when so executed and the counterparts will, when taken together, constitute and be one and the same instrument.

(9) **Assignment.** The Client may not assign this Contract without the prior written consent of Praesidium.

(10) **Entire Contract.** This Contract, including any addenda and exhibits, is binding between the Parties, constitutes the entire understanding between the Parties regarding the subject matter of the Contract, and supersedes all prior or contemporaneous statements, understandings and contracts, whether oral or written, between the Parties with respect to the subject matter of this Contract.

(11) **Severability.** If any provision of this Contract, or the application thereof to any person or circumstance, shall be held invalid or unenforceable under any applicable law, such invalidity or unenforceability shall not affect the other provisions of this Contract that can be given effect without the invalid or unenforceable provision, or the application of such provision to other persons or circumstances, and, to this end, the provisions hereof are severable. In all instances, the Contract shall be given the maximum possible effect.

(12) **Amendment.** This Contract may be modified or amended only by an instrument in writing and signed by all the Parties to this Contract.

(13) **Disputes/Venue.** Should a dispute arise between the parties to this Contract the parties agree to negotiate in good faith a resolution of the dispute. In the event the dispute cannot be resolved by negotiation, the parties agree to mediate the dispute with an impartial mediator acceptable to all parties. Only after unsuccessful mediation may either party file suit against the other for an alleged breach of this Contract. Venue for all actions arising under this Contract shall be in Tarrant County, Texas.

[Signature Page to Follow]

**I certify that I am authorized to execute this Contract on behalf of the company listed below. Further, I certify on behalf of such company, that the above statements are true and correct and agree for the company to the terms and conditions set forth in the Contract.**

PRAESIDIUM, INC.

CLIENT

\_\_\_\_\_  
Signature

By Richard F. Dangel, Ph.D.

Its: President and CEO

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

\_\_\_\_\_  
Signature

By: \_\_\_\_\_

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

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

Address: \_\_\_\_\_

\_\_\_\_\_  
E-mail Address: \_\_\_\_\_

Telephone No.: \_\_\_\_\_



**ADDENDUM A RELATING TO PRAESIDIUM  
CRIMINAL BACKGROUND AND CONSUMER REPORT(S) SERVICES**

Client has requested Praesidium produce for the Client's general use certain criminal background and consumer report services on individuals designated by client. These services are provided subject to the following terms, conditions and restrictions, all of which shall be considered a part of the contract between Praesidium and the Client to which this Addendum is attached:

- (1) All consumer reports are provided "as is". Praesidium does not make any representation or warranty, express or implied, including but not limited to implied warranties of merchantability or fitness for particular purpose, and implied warranties arising from the course of dealing or a course of performance with respect to the accuracy, validity, or completeness of any consumer report, that will meet client's needs, or that will be provided on an uninterrupted basis, and Praesidium expressly disclaims all such representations and warranties.
- (2) Client acknowledges that they are running "instant" database searches without internal review by Praesidium. Client takes responsibility for the information returned and agrees to do additional due diligence prior to taking any Adverse Action against applicant. Additional due diligence may include verifying the record truly belongs to the applicant by ordering county courthouse searches or equivalent to determine if the conviction is accurate. Client takes responsibility that no unverified record will be used for Adverse Action.
- (3) Attached hereto as "Exhibit A" is a description of the various consumer report service packages available to the client as well as a Schedule of Fees for each service package.
- (4) Attached hereto as "Exhibit B" is a federally mandated "Notice to Users of Consumer Reports: Obligations of Users under the FCRA" and attached hereto as "Exhibit C" is Summary of Rights (16 C.F.R. Part 601, Appendix A) Client agrees to comply strictly with all applicable regulations under the Fair Credit Reporting Act (FCRA), 15 U.S.C. 1681-16-1y with respect to the consumer reports furnished by Praesidium pursuant to this contract.

## **ADDENDUM B RELATING TO ACCESS SECURITY REQUIREMENTS**

The parties acknowledge they must work together to protect the privacy of consumers. The following measures are designed to reduce unauthorized access of consumer reports. In accessing consumer information, Client agrees to the following:

1. Client will take reasonable procedures to protect its account number and password so that only key personnel employed by your company know this sensitive information, including not posting this information anywhere in the facility. Client agrees to change account passwords immediately if a person who knows the password leaves its company or no longer needs to have access due to a change in duties.
2. Client agrees that system access software, whether developed by your company or purchased from a third party vendor, will have Client's account number and password "hidden" or embedded and be known only by supervisory personnel. Client will assign each user of its system access software a unique logon password. If such system access software is replaced by different access software and therefore no longer is in use or, alternatively, the hardware upon which such system access software resides is no longer being used or is being disposed of, or if the password has been compromised or believed to be compromised in any way, Client will change its password immediately.
3. Client agrees it will not discuss its account number or password by telephone with any unknown caller, even if the caller claims to be an employee of Praesidium.
4. Client will restrict the ability to obtain consumer information to a few key personnel.
5. Client agrees to place all terminal devices used to obtain consumer information in a secure location within its facility so that unauthorized persons cannot easily access them.
6. Client agrees it will turn off and lock all devices or systems used to obtain consumer information.
7. Client will secure hard copies and electronic files of consumer reports within its facility so that unauthorized persons cannot easily access them.
8. Client agrees to shred and/or destroy all hard copy consumer reports when they are no longer needed and erase and overwrite or scramble electronic files containing consumer information when no longer needed and when applicable regulation(s) permit destruction.
9. Client agrees to notify its employees that Client can access credit information only for the permissible purposes listed in the Fair Credit Reporting Act.

## **ADDENDUM C RELATING TO DOCUMENTS REQUIRED BEFORE REQUESTING CREDIT REPORT INFORMATION**

Before Client will be allowed to access credit report information, Praesidium requires that Client provide one (1) of the following (if Client is not publicly traded):

1. Business license status from a government web site (please include entire web page print out);
2. Business license, copy or documented verification;
3. Documented corporation verification with state or federal government;
4. Copy of Articles of Incorporation with proof of filing;
5. State and/or federal tax records originating from the state or federal government;
6. FDIC Certification; or
7. 501(c)(3) certificate for non-profit originations.

If Client is a publicly traded company, the following items are acceptable methods for verifying that the Client is a bona fide entity:

1. Documentation of ticker symbol information from trading website;
2. Certified copy of audited annual or quarterly statements submitted to the SEC.

## EXHIBIT "A"

### SERVICES

#### Background Screening Bundled Services™

**Praesidium Package.** Created specifically to meet our standards of due diligence, the Praesidium Package includes our Multi-State Criminal Records and National Sex Offender Registry Search with Social Security Number Trace and Alias Search plus one (1) County Criminal Records Search. Results for the Multi-State Criminal Records and National Sex Offender Registry Search with Social Security Number Trace and Alias Search are returned within one (1) business day; turnaround time for the County Criminal Records Search varies by county. Cost - \$30.00 plus applicable county fees.

**Confidence Package.** Our most popular search, the Confidence Package, starts with a social security number trace to identify all names and aliases known to be associated with the social security number provided to you. We then conduct a Multi-State Criminal Records and National Sex Offender Registry Search for every name identified by the social security number trace. For only a couple of dollars more than the Multi-State Criminal Records and National Sex Offender Registry Search, which checks only one name, you have the added protection of checking the criminal history for all known names. Results are returned within one (1) business day. Cost - \$18.50.

**Basic Package.** The basic package includes checking the criminal records and the sex offender registries for all 50 states, plus Washington DC. This check is our minimum recommendation for screening employees and volunteers. Results are returned within one (1) business day. Please note, CO, DE, MA, LA, SD, VT, WV and WY provide limited records to third party vendors. If an applicant or staff member has lived in these states Praesidium recommends an organization run individual County Criminal Records searches (for the last 10 years) or for Colorado, a Colorado State Search. Cost - \$15.00 per name searched.

#### Featured À La Carte Services™

**Individual County Criminal Search.** Due diligence best practices include conducting a county search in each of the counties the applicant or staff has lived for the past 10 years. A county search is absolutely the most comprehensive search available as it includes the records available in each county's court system on any given day. It is a live search done in real time. Turnaround time varies by county; typically 3 -5 business days. Cost - \$15.00 plus applicable county fees. Fees range from \$0 - \$75.

#### Statewide Criminal Records Search

Some states have a statewide search that allows you to check all counties in the state for one price (often the same cost as checking just one county). States that participate include AL, AZ, CO, DE, FL, GA, HI, IL, IN, KS, KY, ME, MD, MS, MT, NE, NY, NC, SC, SD, TN, UT, VA, WA, and Washington D.C. Turnaround time for the Statewide County Criminal Records Search is between one and seven business days, depending on the jurisdiction and whether they provide records via an online system or if we have to use a clerk or court runner. Cost - \$15.00 plus applicable county fees. Fees range from \$0 - \$75.

**Colorado Records Search.** Colorado has a proprietary database of criminal records that must be searched manually. If an individual has lived in Colorado, we recommend a Colorado Records Search and the Multi-State Criminal Records and National Sex Offender Registry Search. Results are returned to you within two (2) business days. Cost - \$15.00 plus applicable county fees. Fees range from \$0 - \$75.

**Motor Vehicle Records Search.** A Motor Vehicle Records Search can be used as an additional search for locating an individual, verifying application information, or obtaining motor vehicle information. A faxed copy of the applicant's consent is necessary in some states. MVR searches in PA require a special consent form that needs to be submitted at the time of order to prevent delay in results. Results are returned to you within one (1) business day. Cost - \$5.00 plus applicable fees. Fees range from \$0 - \$20.

**Education Verification.** Studies indicate that over 30 percent of all job applicants falsify or embellish their résumés. One of the most common areas of résumé fraud occurs in the overstatement of the applicant's education. Through this search option, Praesidium will verify the applicant's higher education degrees. Turnaround time varies by institution; typically 5 – 10 business days. Cost - \$15.00 plus applicable fees. Fees range by institution.

**Employment Verification.** Checking employment is useful to determine if the employee or volunteer's employment history is accurate. Through employment verification, we determine if the employee or volunteer was employed at the organization, the dates of employment, and if he or she is eligible for rehire. Turnaround time varies by employer; typically 5 -10 business days. Cost - \$15.00 plus applicable fees. Fees range by employer.

**Professional License Verification.** Each profession operates by a set of laws, rules, and regulations. A licensing process helps to ensure that only qualified individuals are authorized to serve in certain capacities. Sometimes licensed professionals do not meet the standards of conduct required of them. Through this search option, professional licenses are checked and verified by state using the applicant's name or license number. With this search option, you will receive details on the license status of the applicant. Turnaround time varies by accrediting body; typically 5 – 10 business days. Cost - \$16.50 plus applicable fees. Fees range by licensure.

**International Country Criminal Records Search.** We recommend an International Country Criminal Records Search if your applicant or staff member has either lived in or visited a foreign country for an extended period of time. We will search criminal records in the country, state, or local jurisdiction for charges and convictions involving your applicant or staff. Turnaround time varies by jurisdiction; typically 7 – 14 business day.

## Additional Screening Services

**AppliScan™.** This cost-effective service provides an external review of completed employee and volunteer applications and references checks to determine whether any known abuse risk indicators are present. Submit the required documents to Praesidium, and within three days you receive a detailed analysis of each application and specific instructions if follow-up information is required from the applicant. Cost - \$26.00 per applicant.

**ViaCheck™.** References can provide valuable information about an applicant, but many employers initially refuse to release information. Knowing the right questions to ask—and how to get specific and revealing answers—requires technical expertise. ViaCheck™ checks references for you so you can rest assured that only candidates with suitable references will be forwarded for your consideration. Cost - \$26.00 per applicant.

## EXHIBIT "B"

### NOTICE TO USERS OF CONSUMER REPORTS: OBLIGATIONS OF USERS UNDER THE FCRA

All users subject to the Federal Trade Commission's jurisdiction must comply with all applicable regulations, including regulations promulgated after this notice was prescribed in 2004. Information about applicable regulations currently in effect can be found at the Commission's Web site, [www.ftc.gov/credit](http://www.ftc.gov/credit). Persons not subject to the Commission's jurisdiction should consult with their regulators to find any relevant regulations.

The Fair Credit Reporting Act (FCRA), 15 U.S.C. 1681-1681y, requires that this notice be provided to inform users of consumer reports of their legal obligations. State law may impose additional requirements. The text of the FCRA is set forth in full at the Federal Trade Commission's Website at [www.ftc.gov/credit](http://www.ftc.gov/credit). At the end of this document is a list of United States Code citations for the FCRA. Other information about user duties is also available at the Commission's Web site. **Users must consult the relevant provisions of the FCRA for details about their obligations under the FCRA.**

The first section of this summary sets forth the responsibilities imposed by the FCRA on all users of consumer reports. The subsequent sections discuss the duties of users of reports that contain specific types of information, or that are used for certain purposes, and the legal consequences of violations. If you are a furnisher of information to a consumer reporting agency (CRA), you have additional obligations and will receive a separate notice from the CRA describing your duties as a furnisher.

#### I. OBLIGATIONS OF ALL USERS OF CONSUMER REPORTS

##### A. Users Must Have a Permissible Purpose

Congress has limited the use of consumer reports to protect consumers' privacy. All users must have a permissible purpose under the FCRA to obtain a consumer report. Section 604 contains a list of the permissible purposes under the law. These are: •

- As ordered by a court or a federal grand jury subpoena. Section 604(a) (1)
- As instructed by the consumer in writing. Section 604(a) (2)
- For the extension of credit as a result of an application from a consumer, or the review or collection of a consumer's account. Section 604(a)(3)(A)
- For employment purposes, including hiring and promotion decisions, where the consumer has given written permission. Sections 604(a)(3)(B) and 604(b)
- For the underwriting of insurance as a result of an application from a consumer. Section 604(a) (3) (C)
- When there is a legitimate business need, in connection with a business transaction that is initiated by the consumer. Section 604(a) (3) (F) (i)
- To review a consumer's account to determine whether the consumer continues to meet the terms of the account. Section 604(a)(3)(F)(ii)
- To determine a consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status. Section 604(a) (3) (D)
- For use by a potential investor or servicer, or current insurer, in a valuation or assessment of the credit or prepayment risks associated with an existing credit obligation. Section 604(a) (3)(E)

- For use by state and local officials in connection with the determination of child support payments, or modifications and enforcement thereof. Sections 604(a) (4) and 604(a)(5)

In addition, creditors and insurers may obtain certain consumer report information for the purpose of making “prescreened” unsolicited offers of credit or insurance. Section 604©. The particular obligations of users of “prescreened” information are described in Section VII below.

## **B. Users Must Provide Certifications**

Section 604(f) prohibits any person from obtaining a consumer report from a consumer reporting agency (CRA) unless the person has certified to the CRA the permissible purpose(s) for which the report is being obtained and certifies that the report will not be used for any other purpose.

## **C. Users Must Notify Consumers When Adverse Actions Are Taken**

The term “adverse action” is defined very broadly by Section 603. “Adverse actions” include all business, credit, and employment actions affecting consumers that can be considered to have a negative impact as defined by Section 603(k) of the FCRA – such as denying or canceling credit or insurance, or denying employment or promotion. No adverse action occurs in a credit transaction where the creditor makes a counteroffer that is accepted by the consumer.

### **1. Adverse Actions Based on Information Obtained From a CRA**

If a user takes any type of adverse action as defined by the FCRA that is based at least in part on information contained in a consumer report, Section 615(a) requires the user to notify the consumer. The notification may be done in writing, orally, or by electronic means. It must include the following:

- The name, address, and telephone number of the CRA (including a toll-free telephone number, if it is a nationwide CRA) that provided the report.
- A statement that the CRA did not make the adverse decision and is not able to explain why the decision was made.
- A statement setting forth the consumer’s right to obtain a free disclosure of the consumer’s file from the CRA if the consumer makes a request within 60 days.
- A statement setting forth the consumer’s right to dispute directly with the CRA the accuracy or completeness of any information provided by the CRA.

### **2. Adverse Actions Based on Information Obtained From Third Parties Who Are Not Consumer Reporting Agencies**

If a person denies (or increases the charge for) credit for personal, family, or household purposes based either wholly or partly upon information from a person other than a CRA, and the information is the type of consumer information covered by the FCRA, Section 615(b)(1) requires that the user clearly and accurately disclose to the consumer his or her right to be told the nature of the information that was relied upon if the consumer makes a written request within 60 days of notification. The user must provide the disclosure within a reasonable period of time following the consumer’s written request.

### **3. Adverse Actions Based on Information Obtained From Affiliates**

If a person takes an adverse action involving insurance, employment, or a credit transaction initiated by the consumer, based on information of the type covered by the FCRA, and this information was obtained from an entity affiliated with the user of the information by common ownership or control, Section 615(b)(2) requires the user to notify the consumer of the adverse action. The notice must inform the consumer that he or she may obtain a disclosure of the nature of the information relied upon by making a written request within 60 days of receiving the adverse action notice. If the consumer makes such a request, the user must disclose the nature of the information not later than 30



days after receiving the request. If consumer report information is shared among affiliates and then used for an adverse action, the user must make an adverse action disclosure as set forth in I.C.1 above.

**D. Users Have Obligations When Fraud and Active Duty Military Alerts are in Files**

When a consumer has placed a fraud alert, including one relating to identity theft, or an active duty military alert with nationwide consumer reporting agency as defined in Section 603(p) and resellers, Section 605A(h) imposes limitations on users of reports obtained from the consumer reporting agency in certain circumstances, including the establishment of a new credit plan and the issuance of additional credit cards. For initial fraud alerts and active duty alerts, the user must have reasonable policies and procedures in place to form a belief that the user knows the identity of the applicant or contact the consumer at a telephone number specified by the consumer; in the case of extended fraud alerts, the user must contact the consumer in accordance with the contact information provided in the consumer's alert.

**E. Users Have Obligations When Notified of an Address Discrepancy**

Section 605(h) requires nationwide CRAs, as defined in Section 603(p), to notify users that request reports when the address for a consumer provided by the user in requesting the report is substantially different from the addresses in the consumer's file. When this occurs, users must comply with regulations specifying the procedures to be followed, which will be issued by the Federal Trade Commission and the banking and credit union regulators. The Federal Trade Commission's regulations will be available at [www.ftc.gov/credit](http://www.ftc.gov/credit).

**F. Users Have Obligations When Disposing of Records**

Section 628 requires that all users of consumer report information have in place procedures to properly dispose of records containing this information. The Federal Trade Commission, the Securities and Exchange Commission, and the banking and credit union regulators have issued regulations covering disposal. The Federal Trade Commission's regulations may be found at [www.ftc.gov/credit](http://www.ftc.gov/credit).

**II. CREDITORS MUST MAKE ADDITIONAL DISCLOSURES**

If a person uses a consumer report in connection with an application for, or a grant, extension, or provision of, credit to a consumer on material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that person, based in whole or in part on a consumer report, the person must provide a risk-based pricing notice to the consumer in accordance with regulations to be jointly prescribed by the Federal Trade Commission and the Federal Reserve Board. Section 609(g) requires a disclosure by all persons that make or arrange loans secured by residential real property (one to four units) and that use credit scores. These persons must provide credit scores and other information about credit scores to applicants, including the disclosure set forth in Section 609(g)(1)(D) ("Notice to the Home Loan Applicant").

**III. OBLIGATIONS OF USERS WHEN CONSUMER REPORTS ARE OBTAINED FOR EMPLOYMENT PURPOSES**

**A. Employment Other Than in the Trucking Industry**

If information from a CRA is used for employment purposes, the user has specific duties, which are set forth in Section 604(b) of the FCRA. The user must:

- Make a clear and conspicuous written disclosure to the consumer before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained.
- Obtain from the consumer prior written authorization. Authorization to access reports during the term of employment may be obtained at the time of employment.
- Certify to the CRA that the above steps have been followed, that the information being obtained will not be used in violation of any federal or state equal opportunity law or regulation, and that, if any adverse action is to be taken based on the consumer report, a copy of the report and a summary of the consumer's rights will be provided to the consumer.

- Before taking an adverse action, the user must provide a copy of the report to the consumer as well as the summary of consumer's rights. (The user should receive this summary from the CRA.) A Section 615(a) adverse action notice should be sent after the adverse action is taken.

An adverse action notice also is required in employment situations if credit information (other than transactions and experience data) obtained from an affiliate is used to deny employment. Section 615(b) (2)

The procedures for investigative consumer reports and employee misconduct investigations are set forth below.

#### **B. Employment in the Trucking Industry**

Special rules apply for truck drivers where the only interaction between the consumer and the potential employer is by mail, telephone, or computer. In this case, the consumer may provide consent orally or electronically, and an adverse action may be made orally, in writing, or electronically. The consumer may obtain a copy of any report relied upon by the trucking company by contacting the company.

#### **IV. OBLIGATIONS WHEN INVESTIGATIVE CONSUMER REPORTS ARE USED**

Investigative consumer reports are a special type of consumer report in which information about a consumer's character, general reputation, personal characteristics, and mode of living is obtained through personal interviews by an entity or person that is a consumer reporting agency. Consumers who are the subjects of such reports are given special rights under the FCRA. If a user intends to obtain an investigative consumer report, Section 606 requires the following:

- The user must disclose to the consumer that an investigative consumer report may be obtained. This must be done in a written disclosure that is mailed, or otherwise delivered, to the consumer at some time before or not later than three days after the date on which the report was first requested. The disclosure must include a statement informing the consumer of his or her right to request additional disclosures of the nature and scope of the investigation as described below, and the summary of consumer rights required by Section 609 of the FCRA. (The summary of consumer rights will be provided by the CRA that conducts the investigation.)
- The user must certify to the CRA that the disclosures set forth above have been made and that the user will make the disclosure described below.
- Upon the written request of a consumer made within a reasonable period of time after the disclosures required above, the user must make a complete disclosure of the nature and scope of the investigation. This must be made in a written statement that is mailed, or otherwise delivered, to the consumer no later than five days after the date on which the request was received from the consumer or the report was first requested, whichever is later in time.

#### **V. SPECIAL PROCEDURES FOR EMPLOYEE INVESTIGATIONS**

Section 603(x) provides special procedures for investigations of suspected misconduct by an employee or for compliance with Federal, state or local laws and regulations or the rules of a self-regulatory organization, and compliance with written policies of the employer. These investigations are not treated as consumer reports so long as the employer or its agent complies with the procedures set forth in Section 603(x), and a summary describing the nature and scope of the inquiry is made to the employee if an adverse action is taken based on the investigation.

## **VI. OBLIGATIONS OF USERS OF MEDICAL INFORMATION**

Section 604(g) limits the use of medical information obtained from consumer reporting agencies (other than payment information that appears in a coded form that does not identify the medical provider). If the information is to be used for an insurance transaction, the consumer must give consent to the user of the report or the information must be coded. If the report is to be used for employment purposes – or in connection with a credit transaction (except as provided in regulations issued by the banking and credit union regulators) – the consumer must provide specific written consent and the medical information must be relevant. Any user who receives medical information shall not disclose the information to any other person (except where necessary to carry out the purpose for which the information was disclosed, or as permitted by statute, regulation, or order).

## **VII. OBLIGATIONS OF USERS OF “PRESCREENED” LISTS**

The FCRA permits creditors and insurers to obtain limited consumer report information for use in connection with unsolicited offers of credit or insurance under certain circumstances. Sections 603 (l), 604©, 604(e), and 615(d). This practice is known as “prescreening” and typically involves obtaining from a CRA a list of consumers who meet certain pre-established criteria. If any person intends to use prescreened lists, that person must (1) before the offer is made, establish the criteria that will be relied upon to make the offer and to grant credit or insurance, and (2) maintain such criteria on file for a three-year period beginning on the date on which the offer is made to each consumer. In addition, any user must provide with each written solicitation a clear and conspicuous statement that:

- Information contained in a consumer’s CRA file was used in connection with the transaction.
- The consumer received the offer because he or she satisfied the criteria for credit worthiness or insurability used to screen for the offer.
- Credit or insurance may not be extended if, after the consumer responds, it is determined that the consumer does not meet the criteria used for screening or any applicable criteria bearing on credit worthiness or insurability, or the consumer does not furnish required collateral.
- The consumer may prohibit the use of information in his or her file in connection with future prescreened offers of credit or insurance by contacting the notification system established by the CRA that provided the report. The statement must include the address and toll-free telephone number of the appropriate notification system.

In addition, once the Federal Trade Commission by rule has established the format, type size, and manner of the disclosure required by Section 615(d), users must be in compliance with the rule. The FTC’s regulations will be at [www.ftc.gov/credit](http://www.ftc.gov/credit) .

## **VIII. OBLIGATIONS OF RESELLERS**

### **A. Disclosure and Certification Requirements**

Section 607(e) requires any person who obtains a consumer report for resale to take the following steps:

- Disclose the identity of the Client to the source CRA.
- Identify to the source CRA each permissible purpose for which the report will be furnished to the end-user.
- Establish and follow reasonable procedures to ensure that reports are resold only for permissible purposes, including procedures to obtain:
  - (1) the identity of all Clients;
  - (2) certifications from all users of each purpose for which reports will be used;and

(3) certifications that reports will not be used for any purpose other than the purpose(s) specified to the reseller. Resellers must make reasonable efforts to verify this information before selling the report.

**B. Reinvestigations by Resellers**

Under Section 611(f), if a consumer disputes the accuracy or completeness of information in a report prepared by a reseller, the reseller must determine whether this is a result of an action or omission on its part and, if so, correct or delete the information. If not, the reseller must send the dispute to the source CRA for reinvestigation. When any CRA notifies the reseller of the results of an investigation, the reseller must immediately convey the information to the consumer.

**C. Fraud Alerts and Resellers**

Section 605A(f) requires resellers who receive fraud alerts or active duty alerts from another consumer reporting agency to include these in their reports.

**IX. LIABILITY FOR VIOLATIONS OF THE FCRA**

Failure to comply with the FCRA can result in state government or federal government enforcement actions, as well as private lawsuits. Sections 616, 617 and 621. In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution. Section 619..

**The FTC’s Web site, [www.ftc.gov/credit](http://www.ftc.gov/credit), has more information about the FCRA, including publications for businesses and the full text of the FCRA**

Citations for FCRA sections in the U.S. Code, 15 U.S.C. § 1681 et seq.:

Section 602 15 U.S.C. 1681	Section 603 15 U.S.C. 1681a	Section 604 15 U.S.C. 1681b
Section 605 15 U.S.C. 1681c	Section 605A 15 U.S.C. 1681Ca	Section 605B 15 U.S.C. 1681Cb
Section 606 15 U.S.C. 1681d	Section 607 15 U.S.C. 1681e	Section 608 15 U.S.C. 1681f
Section 609 15 U.S.C. 1681g	Section 610 15 U.S.C. 1681h	Section 611 15 U.S.C. 1681i
Section 612 15 U.S.C. 1681j	Section 613 15 U.S.C. 1681k	Section 614 15 U.S.C. 1681l
Section 615 15 U.S.C. 1681m	Section 616 15 U.S.C. 1681n	Section 617 15 U.S.C. 1681o
Section 618 15 U.S.C. 1681p	Section 619 15 U.S.C. 1681q	Section 620 15 U.S.C. 1681r
Section 621 15 U.S.C. 1681s	Section 622 15 U.S.C. 1681s-1	Section 623 15 U.S.C. 1681s-2
Section 624 15 U.S.C. 1681t	Section 625 15 U.S.C. 1681u	Section 626 15 U.S.C. 1681v
Section 627 15 U.S.C. 1681w	Section 628 15 U.S.C. 1681x	Section 629 15 U.S.C. 1681y

## EXHIBIT "C"

*Para información en español, visite [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) o escribe a la Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552.*

### A Summary of Your Rights Under the Fair Credit Reporting Act

The federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Here is a summary of your major rights under the FCRA. **For more information, including information about additional rights, go to [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) or write to: Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552.**

- **You must be told if information in your file has been used against you.** Anyone who uses a credit report or another type of consumer report to deny your application for credit, insurance, or employment – or to take another adverse action against you – must tell you, and must give you the name, address, and phone number of the agency that provided the information.
- **You have the right to know what is in your file.** You may request and obtain all the information about you in the files of a consumer reporting agency (your “file disclosure”). You will be required to provide proper identification, which may include your Social Security number. In many cases, the disclosure will be free. You are entitled to a free file disclosure if:
  - a person has taken adverse action against you because of information in your credit report;
  - you are the victim of identity theft and place a fraud alert in your file;
  - your file contains inaccurate information as a result of fraud;
  - you are on public assistance;
  - you are unemployed but expect to apply for employment within 60 days.

In addition, all consumers are entitled to one free disclosure every 12 months upon request from each nationwide credit bureau and from nationwide specialty consumer reporting agencies. See [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) for additional information.

- **You have the right to ask for a credit score.** Credit scores are numerical summaries of your credit-worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores used in residential real property loans, but you will have to pay for it. In some mortgage transactions, you will receive credit score information for free from the mortgage lender.
- **You have the right to dispute incomplete or inaccurate information.** If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous. See [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) for an explanation of dispute procedures.
- **Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.** Inaccurate, incomplete or unverifiable information must be removed

or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.

- **Consumer reporting agencies may not report outdated negative information.** In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.
- **Access to your file is limited.** A consumer reporting agency may provide information about you only to people with a valid need – usually to consider an application with a creditor, insurer, employer, landlord, or other business. The FCRA specifies those with a valid need for access.
- **You must give your consent for reports to be provided to employers.** A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).
- **You may limit “prescreened” offers of credit and insurance you get based on information in your credit report.** Unsolicited “prescreened” offers for credit and insurance must include a toll-free phone number you can call if you choose to remove your name and address from the lists these offers are based on. You may opt-out with the nationwide credit bureaus at 1-888-567- 8688.
- **You may seek damages from violators.** If a consumer reporting agency, or, in some cases, a user of consumer reports or a furnisher of information to a consumer reporting agency violates the FCRA, you may be able to sue in state or federal court.
- **Identity theft victims and active duty military personnel have additional rights.** For more information, visit [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).

**States may enforce the FCRA, and many states have their own consumer reporting laws. In some cases, you may have more rights under state law. For more information, contact your state or local consumer protection agency or your state Attorney General. For information about your federal rights, contact:**

**TYPE OF BUSINESS:**

1.a. Banks, savings associations, and credit unions with total assets of over \$10 billion and their affiliates.

b. Such affiliates that are not banks, savings associations, or credit unions also should list, in addition to the CFPB:

2. To the extent not included in item 1 above:

- a. National banks, federal savings associations, and federal branches and federal agencies of foreign banks
- b. State member banks, branches and agencies of foreign banks (other than federal branches, federal agencies, and Insured State Branches of Foreign Banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act
- c. Nonmember Insured Banks, Insured State Branches of Foreign Banks, and insured state savings associations
- d. Federal Credit Unions

3. Air carriers

4. Creditors Subject to Surface Transportation Board

5. Creditors Subject to Packers and Stockyards Act, 1921

6. Small Business Investment Companies

7. Brokers and Dealers

8. Federal Land Banks, Federal Land Bank Associations, Federal Intermediate Credit Banks, and Production Credit Associations

9. Retailers, Finance Companies, and All Other Creditors Not Listed Above

**CONTACT:**

- a. Consumer Financial Protection Bureau 1700 G Street NW Washington, DC 20552
  - b. Federal Trade Commission: Consumer Response Center – FCRA Washington, DC 20580 (877) 382-4357
  - a. Office of the Comptroller of the Currency Customer Assistance Group 1301 McKinney Street, Suite 3450 Houston, TX 77010-9050
  - b. Federal Reserve Consumer Help Center P.O. Box 1200 Minneapolis, MN 55480
  - c. FDIC Consumer Response Center 1100 Walnut Street, Box #11 Kansas City, MO 64106
  - d. National Credit Union Administration Office of Consumer Protection (OCP) Division of Consumer Compliance and Outreach (DCCO) 1775 Duke Street Alexandria, VA 22314  
Asst. General Counsel for Aviation Enforcement & Proceedings Aviation Consumer Protection Division Department of Transportation 1200 New Jersey Avenue, SE Washington, DC 20590  
Office of Proceedings, Surface Transportation Board Department of Transportation 395 E Street S.W. Washington, DC 20423
- Nearest Packers and Stockyards Administration area supervisor  
Associate Deputy Administrator for Capital Access  
United States Small Business Administration  
409 Third Street, SW, 8th Floor  
Washington, DC 20416  
Securities and Exchange Commission  
100 F St NE  
Washington, DC 20549  
Farm Credit Administration  
1501 Farm Credit Drive  
McLean, VA 22102-5090  
FTC Regional Office for region in which the creditor operates or Federal Trade Commission: Consumer Response Center – FCRA (877) 382-4357

**EXHIBIT "D"**

**PAYMENT FOR SERVICES**

Praesidium Package	\$30.00 (plus county fees)
Confidence Package	\$18.50
Basic Package	\$15.00
County Criminal Records Search – Individual county	\$15.00 (plus county fees)
Criminal Records Search – Statewide, all counties	\$15.00 (plus county fees)
Motor Vehicle Records Search	\$5.00 (plus state fees)
Education Verification	\$15.00 (plus school fees )
Employment Verification	\$15.00 (plus employer fees )
Professional License Verification	\$16.50 (plus licensure fees )
ViaCheck™	\$26.00
AppliScan™	\$26.00

\* Price subject to change





# CREDIT CARD PAYMENT FORM

**\*\*\*All information must be provided and faxed to (817) 261-7864 for processing \*\*\***

CREDIT CARD INFORMATION	
Organization Name:	
Credit Card Type: <input type="checkbox"/> Visa <input type="checkbox"/> Master Card <input type="checkbox"/> American Express	
Credit Card Number:	Expiration Date:
Name as it appears on Credit Card:	CVC2 Code:
Payment Amount (US Dollars):	
Credit Card to pay future payments: Yes <input type="checkbox"/> No <input type="checkbox"/>	
Signature:	Date:

CREDIT CARD BILLING ADDRESS		
Street Address:		
City:		
State:	Zip/Postal Code:	Country:
Phone Number:	Fax Number:	

RECEIPT OPTIONS		
Mail/Fax Receipt <input type="checkbox"/>	Email Receipt: <input type="checkbox"/> (email address)	No Receipt: <input type="checkbox"/>
Street Address:		
City:		
State:	Zip/Postal Code:	Country:
Fax Number:		

\*\*\* For Office Use Only \*\*\*

Order No.: _____
Client No: _____      Invoice No. _____
<input type="checkbox"/> Approved      Approval Code _____
<input type="checkbox"/> Declined

**\* NOTE: Sales tax will be added if applicable.**