

# **APPLICATION FOR MEMBER SERVICE CONTRACT**

1002 Diamond Ridge Suite 500 Jefferson City, Missouri 65109

TELEPHONE (573) 893-7500 OR 1-800-475-6703

The undersigned (hereinafter referred to as the Applicant) petitions **Accudata Credit Systems LLC** for the use of its services upon the basis outlined below, and if accepted by **Accudata Credit Systems LLC** as a member user of service, agrees that the following shall constitute the service contract between the Applicant and **Accudata Credit Systems LLC**

## **THE APPLICANT CERTIFIES AND AGREES:**

That Applicant will comply with all the provisions of Public Law 91-508 (Fair Credit Reporting Act).

That information will be requested only for the Applicant's exclusive use.

- (A) That each time a request for information or a credit report is made of **Accudata Credit Systems LLC**, the Applicant's representative authorized to make such a request will use the information or report solely for a permissible purpose, namely:
- (B) In connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to , or review or collection of an account of, the consumer; or
- (C) For employment purposes; and Applicant agrees to make the employment certification below; or
- (D) In connection with the underwriting of insurance involving the consumer; or
- (E) In connection with a legitimate business need for the information in connection with a business transaction initiated by the consumer or to review an account to determine whether the consumer continues to meet the terms of the account; and the Applicant agrees to identify to **Accudata Credit Systems LLC** each request at the time such report is ordered, and to certify the legitimate business need for such report; or
- (F) In connection with a determination of the 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; or
- (G) As a potential servicer or investor, or current insurer, in connection with a valuation of, or assessment of the credit or prepayment risks associated with, an existing credit obligation.

Reports on employees will be requested only by the Applicant's designated representatives. Employees will be

forbidden to attempt to obtain reports on themselves, associates, or any other person except in the exercise of their official duties.

That each time a request for information or credit report is made of **Accudata Credit Systems LLC** for employment purposes it will comply with §604 of the FCRA, namely: (1) the consumer has been given a clear and conspicuous written notice, in advance (in a document that consists solely of the disclosure), that a consumer report may be requested for employment purposes; (2) the consumer has authorized the Applicant, in writing, to procure the report; (3) the information in the consumer report will not be used in violation of any applicable federal or state equal employment opportunity law or regulation; (4) before taking adverse action, in whole or in part on the report, Applicant will provide the consumer a copy of the report and a description of the consumer's rights under the FCRA.

(Public Law 91-508 provides that any person who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses shall be fined under Title 18 of the United States Code, or imprisoned not more than two years, or both)

## **USE OF CRIMINAL RECORDS**

Applicant hereby agrees that if criminal records are to be requested from Accudata Credit Systems LLC, that the consumer will be informed of such request prior to ordering criminal histories from Accudata Credit Systems LLC Applicant understands that the criminal information received from Accudata Credit Systems LLC, is obtained from outside sources. Applicant further agrees that the information is obtained and managed by fallible human sources, and that, for the fee charged, Accudata Credit Systems LLC cannot guarantee, nor will be liable for the accuracy or the depth of information provided, regardless of the origin or the inaccuracies.

**Applicant may discuss information received from Accudata Credit Systems LLC with the consumer in the event Applicant declines or takes adverse action regarding the consumer. In the event of disclosure to the consumer by Applicant, Accudata Credit Systems LLC shall be held harmless from any liability, damages, cost or expense including reasonable attorney's fees resulting there from. Accudata Credit Systems LLC shall not be liable in any manner whatsoever for any loss or injury to Applicant resulting from the obtaining or furnishing of such information and shall not be deemed to have guaranteed the accuracy of such information, such information being based, however, upon reports obtained from sources considered by Accudata Credit Systems LLC to be reliable**

To pay upon receipt of billing for the report or reports which the Applicant hereby requests **Accudata Credit Systems LLC** to furnish, and for any and all reports or

information subsequently requested, according to the regular member rate schedule of charges now or subsequently established by Accudata Credit System, Inc., plus the charges now or subsequently established by **Accudata Credit Systems LLC**, plus the charges for any special telephone or telefax services or other special services rendered.

**Accudata Credit Systems LLC Agrees:**

To maintain files on individuals, firms or corporations, recording information furnished by its members or subscribers or obtained from other available sources.

To furnish all available pertinent information on individuals, firms or corporations, including but not limited to: identifying information, credit history, and employment and public record information in file. Such information is being furnished at the special request of Applicant, as evidenced by the signature of this application.

**Accudata Credit Systems LLC** will not provide a record of inquiries in connection with credit or insurance transaction not initiated by the consumer.

*IT IS MUTUALLY AGREED that this service contract, if accepted by **Accudata Credit Systems LLC**, shall remain in force and effect for one year and thereafter, from year to year, on the same basis as set forth herein until written notice of cancellation shall be given by either party at least 10 days prior to cancellation. ALL pricing is subject to a 30 day written notice of change. It is further agreed, however, that if the applicant is delinquent in the payment of the charges, or is guilty of violating the terms of this contract, **Accudata Credit Systems LLC** may, at its election, discontinue providing service to the Applicant and cancel this contract immediately by written notice to the Applicant.*

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

Applicant: \_\_\_\_\_

By: \_\_\_\_\_  
Name (Type or Print)

Title \_\_\_\_\_  
(Owner, Partner or Manager)

Address 1: \_\_\_\_\_  
(Location)

Address 2: \_\_\_\_\_  
(Mailing)

City: \_\_\_\_\_

State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Type of Business \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

*This is an extensive online screening option that provides a detailed profile of each applicant. Every option is customized to meet the needs of any HR manager and is formatted specifically for the HR industry.*

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

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

Title: \_\_\_\_\_

Accepted by **Accudata Credit Systems LLC** names below:

By \_\_\_\_\_  
Date \_\_\_\_\_

Title \_\_\_\_\_

Member Identification Number Assigned: \_\_\_\_\_

Billing Identification Number Assigned: \_\_\_\_\_

Agent Name: \_\_\_\_\_

PROVIDE APPLICANT WITH A NOTICE OF RESPONSIBILITIES UNDER FCRA

# Client Information Form

Thank you for selecting our program as your choice for HR pre-employment screening services. As you review our service agreement please feel free to contact our office if you have any questions. The service agreement contains many disclosures that are required to be signed by any agency wanting to access detailed background information on consumers. The Fair Credit Reporting Act (FCRA) and the Fair and Accurate Credit Transaction Act (FACTA) specifically regulate not just credit data, but any type of third party consumer information that is collected and stored for commercial use. Accudata has a long history of following and enforcing all federal and state laws to ensure everyone's personal information is only accessed by approved users and for permissible purpose. We ask that you have the same dedication to compliance as you complete the service agreement.

Company Name (include all dba's): \_\_\_\_\_

Corporate or Regional Agent: \_\_\_\_\_ Phone: \_\_\_\_\_

Ownership Type (Check one):  Sole Owner  Partnership  Corporation  LLC  Nonprofit  Gov't Agency  Other

Provide Federal Tax ID #: \_\_\_\_\_ &/or Secretary of State Charter #: \_\_\_\_\_

Business Physical Location Address: \_\_\_\_\_

Mailing Address (list PO Box here): \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Phone # \_\_\_\_\_ Fax # \_\_\_\_\_

Describe the purpose for which the information obtained from Accudata will be used:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*\*\*\*Check List of Documents that must be included with your application:

(Initial) \_\_\_\_\_ Provide a copy of your County/City or State Business License.

(Initial) \_\_\_\_\_ Provide a blank copy of your employment application.

(Initial) \_\_\_\_\_ Provide a copy of your Business Listing with the Telephone Book/Directory Assistance, Chamber of Commerce OR, If business listing is not available, provide a clipping from your local news periodical or website advertising your most recent employment available.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

# Physical Business Information Disclosure/Residential

*This disclosure must be completed prior to the granting of access to credit information.*

Business Name:	Phone:
dba (if used):	Contact:
Address:	Title:
City, State, Zip: _____, _____	

1. Is your company actually located at the <b>exact</b> address stated on the Physical Business Information Disclosure form? Yes/no, please explain any discrepancy.	
2. Is office located in a: <b>commercial building, house, apartment, or other? If other, please explain.</b>	
3. Is your office space shared with another business? If <b>YES</b> , what is the name and what type of service do they provide? What is the relationship between the companies?	
4. Total number of employees (full time and part time) employed with your company.	
5. Do you have an accounting system and/or customer files used specifically for your business?	
6. Does your business have appropriate furnishings: office equipment, telephones and/or trade association plaques?	
7. Is your company is involved in or associated with <b>credit repair, legal services of any kind, investigative activity or bail bonds activity? IF YES, PLEASE EXPLAIN.</b>	
8. Please attach a business card used for your business activity.	
10. Company website address:	

I, \_\_\_\_\_ have described the premises to the best of my ability. I certify that all the  
Print Name

facts set forth above is true and complete to the best of my knowledge. Credit Systems LLC and all divisions therein, are hereby authorized make any investigation of my personal history or financial record through any investigative or credit agencies or bureaus of your choice.

**I also acknowledge that I understand that the Federal Fair Credit Reporting Act requires that any person who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses may be fined under Title 18, United States Code, imprisoned for not more than 2 years, or both.**

\_\_\_\_\_

Signature

*DO NOT WRITE BELOW ; FOR ACCUDATA CREDIT SYSTEMS USE ONLY:*

ACS Completed Physical inspection by on: \_\_\_\_\_, 200 Inspected by: \_\_\_\_\_, \_\_\_\_\_  
Date

ACS Representative Signature                      Title



**Access Security Requirements:**

We must work together to protect the privacy of consumers. The following measures are designed to reduce unauthorized access of consumer credit reports. In signing the Accudata Client Application, you agree to follow these measures:

- 1. You must protect you Client ID number and password so that only key personnel know this sensitive information. Unauthorized persons should never have knowledge of your password. Do not post the information in any manner within your facility.
2. System access software, whether developed by your company or purchased from a third party vendor, must have your Accudata Credit Systems LLC account number and password "hidden" or embedded and be known only by supervisory personnel. Assign each user of your system access software a unique logon password.
3. Do not discuss your account number and password by telephone with any unknown caller, even if the caller claims to be a representative or employee of Consumer Credit Agency.
4. Restrict the ability to obtain credit to a few key personnel.
5. Place all terminal devices used to obtain credit information in a secure location within your facility. You should secure these devices so that unauthorized persons cannot easily access them.
6. After normal business hours, be sure to turn off and lock all devices or systems used to obtain credit information.
7. Secure hard copies and electronic files of consumer reports within your facility so that unauthorized persons cannot easily access them.
8. Shred or destroy all hard copy consumer reports when no longer needed.
9. Erase or scramble electronic files containing consumer information when no longer needed and when applicable regulations(s) permit destruction.
10. Make all employees aware that your company can access credit information only for the permissible purposes listed in the Permissible Purpose Information section of your membership application. Your employees may not access their own report or the report of a family member or friend if your company does not have permissible purpose.
11. By agreeing to this document you agree to release Accudata Credit Systems LLC, Experian, Equifax, and TransUnion from any litigation, damages, and liabilities arising from supplying credit reports, criminal records, reference checks or any other resident screening service(s) to you and further agree to comply with the FCRA and this Access Security Requirements/Service Agreement in it's entirety.
12. Upon request of Accudata Credit Systems LLC, Subscriber shall provide Agency with a copy of the signed statement of Permissible Purpose within three (3) business days of the request. Accudata Credit Systems and its authorized agents shall be permitted to enter the Subscribers premises to inspect any records or files related to the Subscriber's use of the internet based software at any time during business hours

**Vermont Fair Credit Reporting Statute, 9 V.S.A. § 2480e (1999)**

**§ 2480e. Consumer consent**

- (a) A person shall not obtain the credit report of a consumer unless:
(1) the report is obtained in response to the order of a court having jurisdiction to issue such an order; or
(2) the person has secured the consent of the consumer, and the report is used for the purpose consented to by the consumer.
(b) Credit reporting agencies shall adopt reasonable procedures to assure maximum possible compliance with subsection (a) of this section.
(c) Nothing in this section shall be construed to affect:
(1) the ability of a person who has secured the consent of the consumer pursuant to subdivision (a)(2) of this section to include in his or her request to the consumer permission to also obtain credit reports, in connection with the same transaction or extension of credit, for the purpose of reviewing the account, increasing the credit line on the account, for the purpose of taking collection action on the account, or for other legitimate purposes associated with the account; and
(2) the use of credit information for the purpose of prescreening, as defined and permitted from time to time by the Federal Trade Commission.

**OFFICE OF THE ATTORNEY GENERAL
SUB-AGENCY 031. CONSUMER PROTECTION DIVISION
CHAPTER 012. Consumer Fraud--Fair Credit Reporting
RULE CF 112 FAIR CREDIT REPORTING CVR 06-031-012, CF 112.03 (1999) CF 112.03 CONSUMER CONSENT**

- (a) A person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing if the consumer has made a written application or written request for credit, insurance, employment, housing or governmental benefit. If the consumer has applied for or requested credit, insurance, employment, housing or governmental benefit in a manner other than in writing, then the person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing or in the same manner in which the consumer made the application or request. The terms of this rule apply whether the consumer or the person required to obtain consumer consent initiates the transaction.
(b) Consumer consent required pursuant to 9 V.S.A. §§ 2480e and 2480g shall be deemed to have been obtained in writing if, after a clear and adequate written disclosure of the circumstances under which a credit report or credit reports may be obtained and the purposes for which the credit report or credit reports may be obtained, the consumer indicates his or her consent by providing his or her signature.
(c) The fact that a clear and adequate written consent form is signed by the consumer after the consumer's credit report has been obtained pursuant to some other form of consent shall not affect the validity of the earlier consent.

Record Retention: It is important that you keep credit applications for a reasonable period of time. This will help to facilitate the investigative process if the consumer claims your company inappropriately accessed their credit report. By using any Information, Subscriber acknowledges and agrees that because of error inherent in the procurement of information and the human factors involved in the compilation of data and information, the Information may contain a degree of error, and that the Information is supplied "as is" with no guarantee of accuracy, correctness, completeness, currentness, merchantability, or fitness for a particular purpose, and that nothing has been stated or otherwise indicated to you contrary to this clause. (Note: The Federal Equal Credit Opportunity Act states that a creditor must preserve all written or recorded information connected with an application for five (5) years.)"Under Section 621 (a) (2) (A) of the FCRA, any person that violates any of the provisions of the FCRA maybe liable for a civil penalty of not more than \$2,500 per violation." I have read and understand the Access Security Requirements and will take all reasonable measures to enforce them within my facility.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

## FCRA Disclosure:

**Confidentiality.** Subscriber shall hold all Services Information in strict confidence and shall not disclose it to any third parties, except as required by any law or lawful order. However, this restriction shall not prohibit Subscriber from discussing with the subject of the Consumer Report Information, who is the subject of an adverse action, the content of the Consumer Report Information as it relates to any such adverse action.

**Authorized Requests.** Services shall be requested only by Subscriber's designated and authorized employees. Subscriber shall ensure that such Subscriber employees shall not attempt to obtain Services Information on themselves, associates, or any other person except in the exercise of their official duties and that each such Subscriber employee is bound by an appropriate written agreement or employment policy sufficient to ensure compliance with the provisions of this Agreement. Subscriber certifies it will not resell information obtained from Accudata Credit Systems LLC, Equifax, Experian and/or Trans Union.

**Compliance with Laws.** Each party hereto shall be responsible for compliance with all applicable federal (including, but not limited to the FCRA) and state legislation, regulations and judicial actions, as now or as may become effective, to which it is subject.

**Term, Termination and Survival.** The term of this Agreement shall commence upon the Effective Date and shall remain in effect until terminated by any party hereto by providing ten (10) days prior written notification to the other party. The foregoing notwithstanding, Equifax, Trans Union and Experian reserves the right immediately suspend its performance, in whole or in part, under this Agreement, immediately terminate this Agreement, or both, if Equifax, Trans Union and Experian, in good faith, determines that (1) Subscriber has materially breached any of its obligations under this Agreement, including, but not limited to delinquency; (2) the requirements of any law, regulations and/or judicial action have not been met; (3) as a result of any new, or changes in existing, laws, regulations or regulatory or judicial action, that the requirements of any law, regulation or judicial action will not be met; or (4) any combination of the foregoing. With the exception of Accudata Credit Systems LLC, Equifax's, Trans Union's and Experian's obligation to provide Services under this Agreement, all provisions of this Agreement shall survive any such termination of this Agreement including, but not limited to, all restrictions on Subscriber's use of Services Information. Moreover, any such termination shall not relieve Subscriber of any fees or other payments due to Equifax, Trans Union and Experian through the date of any such termination nor affect any rights, duties or obligations of either party that accrue prior to the effective date of any such termination.

**Limited Warranty.** Accudata Credit Systems LLC, Equifax, Trans Union and Experian agrees to provide Services under this Agreement in conformance with the terms hereof. The parties recognize that Information furnished to Subscriber is based upon data obtained from sources considered by Equifax, Trans Union and Experian to be reliable. However, due to the possibilities of errors inherent in the procurement and compilation of statistical data involving a large number of individuals, neither the accuracy nor completeness of the Services Information provided to Subscriber, under this Agreement, is guaranteed. *THE WARRANTY SET FORTH IN THIS SECTION IS IN LIEU OF ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.*

**Limitation of Liability.** IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, OR PUNITIVE DAMAGES INCURRED BY THE OTHER PARTY AND ARISING OUT OF THE PERFORMANCE OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOSS OF GOOD WILL AND LOST PROFITS OR REVENUE, WHETHER OR NOT SUCH LOSS OR DAMAGE IS BASED IN CONTRACT, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY, INDEMNITY, OR OTHERWISE, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

THE FOREGOING NOTWITHSTANDING, WITH RESPECT TO SUBSCRIBER, IN NO EVENT SHALL THE AFORESTATED LIMITATIONS OF LIABILITY, SET FORTH ABOVE IN SECTION APPLY TO DAMAGES INCURRED BY EQUIFAX, TRANS UNION AND EXPERIAN AS A RESULT OF GOVERNMENTAL, REGULATORY OR JUDICIAL ACTION(S) PERTAINING TO VIOLATIONS OF THE FCRA AND/OR OTHER LAWS, REGULATIONS AND/OR JUDICIAL ACTIONS TO THE EXTENT SUCH DAMAGES RESULT FROM SUBSCRIBER'S BREACH OF ITS OBLIGATIONS UNDER THIS AGREEMENT, FROM SUBSCRIBER'S NEGLIGENCE OR INTENTIONAL CONDUCT, OR ANY COMBINATION OF THE FOREGOING. ADDITIONALLY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY AND ALL CLAIMS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT BROUGHT MORE THAN ONE (1) YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED.

**Assignment and Subcontracting.** Neither party may assign or otherwise transfer (e.g., stock purchase) this Agreement, in whole or in part without the prior written consent of the other, and such consent shall not be unreasonably withheld. Notwithstanding the foregoing, Equifax, Trans Union and Experian may assign or transfer its rights and/or obligations in whole or in part, under this Agreement to a wholly-owned subsidiary or to a company that results from the reorganization of Equifax, Trans Union and Experian, provided there are no material changes in management, and Subscriber may assign or transfer its rights and/or obligations under this agreement to any affiliate of Subscriber identified on Exhibit A hereto. Moreover, Accudata Credit System LLC, Equifax, Trans Union and Experian shall have the unrestricted right to subcontract the services to be provided to Subscriber under this Agreement; provided however, that such subcontracting shall not relieve Equifax, Trans Union and Experian of its obligations under this Agreement. The limited warranty and limitation of liability provisions set forth in this Agreement shall also apply for the benefit of Accudata Credit Systems LLC Equifax, Trans Union and Experian's subcontractors and agents.

**Disclosure of Scores.** Client will hold all information received from Accudata Credit Systems LLC, Equifax, Trans Union and Experian and Accudata Credit Systems LLC in connection with any Credit Score Information Services received from Equifax, Trans Union and Experian under this Agreement in strict confidence and will not disclose that information ("Scores") to the consumer or to others except as required or permitted by law. Client may provide the principal factors contributing to the Scores to the subject of the report when those principal factors are the basis of Client's adverse action against the subject consumer.

**No Waiver.** No failure or successive failures on the part of either party, its respective successors or permitted assigns, to enforce any covenant or agreement, and no waiver or successive waivers on its or their part of any condition of this Agreement shall operate as a discharge of such covenant, agreement, or condition, or render the same invalid, or impair the right of either party, its respective successors and permitted assigns, to enforce the same in the event of any subsequent breach or breaches by the other party, its successors or permitted assigns.

PLEASE INITIAL: \_\_\_\_\_

Construction and Severability. All references in this Agreement to the singular shall include the plural where applicable. Titles and headings to sections or paragraphs in this Agreement are inserted for convenience of reference only and are not intended to affect the interpretation or construction of this Agreement. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Force Majeure. Neither party shall be liable to the other for failure to perform or delay in performance under this Agreement if, and to the extent, such failure or delay is caused by conditions beyond its reasonable control and which, by the exercise of reasonable diligence, the delayed party is unable to prevent or provide against. Such conditions include, but are not limited to, acts of God; strikes, boycotts or other concerted acts of workmen; laws, regulations or other orders of public authorities; military action, state of war or other national emergency; fire or flood. The party affected by any such force majeure event or occurrence shall give the other party written notice of said event or occurrence within five (5) business days of such event or occurrence.

Audit Rights. During the term of this Agreement and for a period of three (3) years thereafter, Accudata Credit Systems LLC may audit Subscriber's policies, procedures and records which pertain to this Agreement, to ensure compliance with this Agreement, upon reasonable notice and during normal business hours.

Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri regardless of the laws that might otherwise govern under applicable Missouri principles of conflicts of law.

California Certification. Provisions of the California Consumer Credit Reporting Agencies Act, as amended effective July 1, 1998, will impact the provision of consumer reports to subscriber under the following circumstances: (a) if subscriber is a "retail seller" (defined in part by California law as "a person engaged in the business of selling goods or services to retail buyers") and is selling to a "retail buyer" (defined as "a person who buys goods or obtains services from a retail seller in a retail installment sale and not principally for the purpose of resale") and a consumer about whom subscriber is inquiring is applying (b) in person and (c) for credit. Under the foregoing circumstances, Equifax, Trans Union and Experian, before delivering a consumer report to subscriber, must match at least three items of a consumer's identification within the file maintained by Equifax, Trans Union and Experian with the information provided to Equifax, Trans Union and Experian by subscriber in connection with the in-person credit transaction. Compliance with this law further includes subscriber's inspection of the photo identification of each consumer who applies for in-person credit, mailing extensions of credit to consumers responding to a mail solicitation at specified addresses, taking special actions regarding a consumer's presentation of a police report regarding fraud, and acknowledging consumer demands for reinvestigations within certain time frames. If Subscriber of the Agreement that it is a "retail seller", subscriber certifies that it will instruct its employees and agents to inspect a photo identification of the consumer at the time an application is submitted in person. If subscriber is not currently, but subsequently becomes a "retail seller", subscriber agrees to provide written notice to Equifax, Trans Union and Experian prior to ordering credit reports in connection with an in-person credit transaction, and agrees to comply with the requirements of the California law as outlined in this Section, and with the specific certifications set forth herein. Subscriber certifies that, as a "retail seller", it will either (a) acquire a new customer number for use in processing consumer report inquiries that result from in-person credit applications covered by California law, with the understanding that all inquiries using this new customer number will require that subscriber supply at least three items of identifying information from the applicant; or (b) contact subscriber's Equifax, Trans Union and Experian representative to ensure that subscriber's existing number is properly coded for these transactions.

Subscriber Certifies that it <u>  </u> IS or <u>  X  </u> IS NOT a retail seller as defined in Section 1802.3 of the California Civil Code and <u>  </u> DOES or <u>  X  </u> DOES NOT issue credit to consumers who appear in person on the basis of an application for credit submitted in person
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Entire Agreement. Except as specifically amended and modified by this Addendum, all other agreements between **Accudata Credit Systems LLC** and subscriber shall remain in full force and effect and are hereby ratified by all parties.

**IN WITNESS WHEREOF**, the parties, intending to be legally bound, have caused this Agreement to be executed by their duly authorized representatives as of the last date and year set forth below. The parties hereto agree that a facsimile transmission of this fully executed Agreement shall constitute an original and legally binding document.

**Accudata Credit Systems, LLC**

	_____	Print or Type Name of Company
By: _____	By: _____	
Signature (Duly Authorized Officer Only)	Signature (Duly Authorized Officer Only)	
Name: _____	Name: _____	
Print	Print	
Title: _____	Title: _____	
Print	Print	

## Data Breach Obligations Disclosure

As a Subscriber of consumer information you are required to implement and maintain access and security measures to protect this sensitive information from data breaches. A data breach occurs when sensitive information is stored, delivered, displayed, transmitted or exposed to Subscriber clients and others without permissible purposes in a manner that is inconsistent with or in violation of applicable laws and/or Accudata Credit Systems LLC policy. Data breaches include, but are not limited to the following events and types of events.

1. Stolen, lost or missing copies of consumer information, including but not limited to paper and electronic copies, including files, backup media, computers, computer hard disks, and other similar items.
2. Online exposure of consumer information online in any fashion, including but not limited to intentional or unintentional E-mail or web browser technology
3. Lost, stolen or exposed passwords
4. Lost or stolen packages and/or correspondence containing consumer information
5. Hacker intrusion into systems that are thought to be secure
6. Establishment of bogus accounts
7. Use of legitimate accounts for fraudulent purposes
8. Unauthorized access to consumer information by a dishonest employee or former employee If a data breach is suspected to have occurred but has not been confirmed by Accudata Credit Systems LLC, the Subscriber is responsible to take action in the same manner as if an actual confirmed data breach had occurred. Such action is to continue and progress until such time that Accudata Credit Systems LLC has notified the Subscriber in writing that the suspected data breach has not occurred. As a Subscriber you are required to take the following steps with respect to data breaches.
  1. Implement formal training consistent with industry standards for all employees and develop and implement in-house procedures.
  2. Notify Accudata Credit Systems LLC of the discovery that a data breach (real or suspected) has occurred within 24 hours of the discovery
  3. Actively and completely cooperate in a timely manner with Accudata Credit Systems LLC in any investigation into a real or suspected data breach
  4. Notify your Subscriber customer that their personally sensitive information may have been compromised. Accudata Credit Systems LLC will have control of the nature and timing of consumer correspondence related to the breach when Accudata Credit Systems LLC is involved.
  5. Implementation of a credit monitoring service for each affected consumer as required.

## Requirements for the Disposal of Consumer Information Disclosure

### 1. Definitions

(A) As used herein, the term "Consumer Information" shall mean any record about an individual, whether in paper, electronic, or other form, that is a consumer report or is derived from a consumer report. Consumer information also means a compilation of such records. Consumer information does not include information that does not identify individuals, such as aggregate information or blind data.

(B) "Dispose," "disposing," or "disposal" means

- (i) The discarding or abandonment of consumer information, or
- (ii) The sale, donation or transfer of any medium, including computer equipment, upon which consumer information is stored.
- (iii) The shredding or burning of fabric or film ribbons used in printers, typewriters and/or copy machines that retain an impression of the image that was printed, transmitted or reproduced.

### 2. Proper Disposal of Consumer Information

(A) Standard. An person who maintains consumer information for a business purpose must properly dispose of such information by taking reasonable measures to protect against unauthorized access to or use of the information in connection with its disposal

(B) Examples. Reasonable measures to protect against unauthorized access to or use of consumer information in connection with its disposal include the following examples

- (i) Implementing and monitoring compliance with policies and procedures that requires the burning, pulverizing, or shredding of papers containing consumer information so that the information cannot practicably be read or reconstructed.
- (ii) Implementing and monitoring compliance with policies and procedures that require the destruction or erasure of electronic media containing consumer information so that the information cannot practicably be read or reconstructed.
- (iii) After due diligence, entering into and monitoring compliance with a contract with another party engaged in the business of record destruction to dispose of material, specifically identified as consumer information, in a manner consistent with this rule.
- (iv) For persons who maintain consumer information through their provision of services directly to a person subject to this part, implementing and monitoring compliance with policies and procedures that protect against unauthorized or unintentional disposal of consumer information, and disposing of such information in accordance with examples (B)(i) and (ii) of this section.

I (we) agree to implement and adhere to the above steps with respect to data breaches and data disposal.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

# Fair Credit Reporting Act (FCRA) Requirements for Subscribers

Federal Fair Credit Reporting Act (as amended by the Consumer Credit Reporting Reform Act of 1996)

Although the FCRA primarily regulates the operations of consumer credit reporting agencies, it also affects you as a user of consumer information. We have included a copy of the FCRA with your membership kit. We suggest that you and your employees become familiar with the following sections in particular:

**§ 604. Permissible Purposes of Reports**

**§ 607. Compliance Procedures**

**§ 615. Requirement on users of consumer reports**

**§ 616. Civil liability for willful noncompliance**

**§ 617. Civil liability for negligent noncompliance**

**§ 619. Obtaining information under false pretenses**

**§ 621. Administrative Enforcement**

**§ 623. Responsibilities of Furnishers of Information to Consumer Reporting Agencies**

Each of these sections is of direct consequence to users who obtain reports on consumers. As directed by the law, credit reports may be issued only if they are to be used for extending credit, review or collection of an account, employment purposes, underwriting insurance or in connection with some other legitimate business transaction such as in investment, partnership, and other lawful and permissible uses. It is imperative that you identify each request for a report to be used for employment purposes when such report is ordered. Additional state laws may also impact your usage of reports for employment purposes.

The businesses listed below cannot be provided credit information in keeping with the Fair Credit Reporting Act (FCRA) and the policies of Accudata Credit Systems LLC.

*Adult entertainment service of any kind, Attorney or law offices (except collection attorneys or reports furnished for employment purposes per the FCRA), Bail bondsman, Check cashing, Credit counseling, Credit repair clinic or any type of company involved in credit repair activity, Dating service, Financial counseling, Genealogical or heir research firm, Law firm (except collection attorneys or reports furnished for employment purposes per the FCRA), Massage service, Company that locates missing children, Pawn shop, Private detectives, detective agencies or investigative companies, Individual seeking information for their private use, Company that handles third party repossession, Company or individual involved in spiritual counseling, Subscriptions (magazines, book clubs, record clubs, and other similar businesses.), Tattoo service, Company seeking Information in connection with time shares, Insurance claims*

Accudata Credit Systems LLC strongly endorse the letter and spirit of the Federal Fair Credit Reporting Act. We believe that this law and similar state laws recognize and preserve the delicate balance between the rights of the consumer and the legitimate needs of commerce. In addition to the Federal Fair Credit Reporting Act, other federal and state laws addressing such topics as computer crime and unauthorized access to protected databases have also been enacted. As a prospective user of consumer reports, we expect that you and your staff will comply with all relevant federal statutes and the statutes and regulations of the states in which you operate. Subscriber certifies it will not resell information obtained from Accudata Credit Systems LLC, Equifax, Experian and/or Trans Union.

By signing this form I (we) acknowledge agreement to abide by the FCRA and all other applicable laws.

**Signature:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

## EMPLOYMENT SCREENING DISCLOSURE

The undersigned ("Subscriber") has entered into an agreement with Accudata Credit Systems LLC ("Provider") pursuant to which Subscriber may order certain consumer information through Provider. Subscriber would like the ability to obtain consumer information ("Repository Information") from Trans Union LLC, Equifax Credit Information Services if and when available (or their contractual affiliates) through Provider separately or as part of or in combination with other consumer information. Provider obtains Repository Information and other consumer information through multiple sources, and passes through such information to Subscribers. As a condition to permitting Provider to provide Subscriber with Repository Information and other consumer information (together, "Credit Reports"), Provider requires Subscriber to enter into this agreement and, Subscriber agrees to do so in order to obtain such information through Provider. Subscriber agrees to the following:

- A. Subscriber agrees not to resell or otherwise distribute any Credit Reports to any third party except as required by law.
- B. Subscriber represents that until it notifies Provider otherwise in writing, Subscriber is not a private detective, detective agency, investigative company, bail bondsman, attorney or law firm, credit or financial counseling firm, "credit repair clinic" (each, a "Restricted Company"), and that Subscriber will be the sole Subscriber of all Credit Reports.
- C. Subscriber understands its obligations under the federal Fair Credit Reporting Act ("FCRA"), the Americans With Disabilities Act ("ADA"), and applicable state laws in ordering and using Credit Reports for employment and other purposes, will comply with all such obligations, and will be responsible for its own regulatory compliance. Subscriber has received a copy of the Federal Trade Commission's "**Notice to Users of Consumer Reports: Obligations of Users Under the FCRA**".
- D. Subscriber certifies that it will order Credit Reports solely for employment purposes and for no other purpose unless Subscriber specifically notifies Provider that Subscriber intends to use Credit Reports for another purpose. In such case, Subscriber certifies that it will use the Credit Report solely for the other permissible purpose indicated in its order and for no other purpose.
- E. In connection with ordering Credit Reports for **employment purposes**, Subscriber agrees:
  - 1. Subscriber certifies that each time it orders Credit Reports for employment purposes:
    - (a) Subscriber is ordering Credit Reports solely for employment purposes, and will not use the Credit Reports for any other purpose.
    - (b) Prior to ordering Credit Reports, (i) Subscriber has given a clear and conspicuous disclosure to the Consumer, in a document that consists solely of the disclosure, that Subscriber is obtaining a consumer report on the Consumer for employment purposes, and, (ii) the Consumer has authorized Subscriber in writing to obtain the report for such purposes.
    - (c) Prior to taking any adverse action based in whole or in part on such Credit Report, Subscriber will provide the Consumer with a copy of the Credit Report, and a description in writing of the rights of the Consumer under the FCRA in the form published by the Federal Trade Commission, a copy of which has been provided to Subscriber.
    - (d) Subscriber will not use any Credit Report in violation of any federal or state equal opportunity law or regulation; order any workers' compensation information on a Consumer unless Subscriber has made a conditional offer of employment to the Consumer; or use such information in violation of the FCRA, ADA, or any applicable state law.
  - 2. When Subscriber is ordering Credit Reports for employment screening purposes, all permissible purpose requirements and FCRA regulations will apply as described in Section E.1(a-d)
  - 3. Subscriber will retain the consumer authorizations described in Section E.1(b) above for at least two (2) years, and will make available copies or originals of any or all such authorizations as may be requested from time to time by Provider. Prior to destroying any such authorization, Subscriber will notify Provider and give Provider a reasonable opportunity to obtain the authorization at their expense.
  - 4. If Repository Information that is used for employment purposes contains matters of public record that are likely to have adverse effect upon the consumer's ability to obtain employment, Provider reserves the right to notify the consumer that public record information is being reported to Subscriber and to provide Subscriber's name and address to the consumer.
- F. Subscriber will verify the identities of the subjects of all Credit Reports, obtain the permission of each Consumer to obtain the Credit Reports when required under applicable federal and state laws in the form required under such laws, provide all notices and disclosures required under such laws, refer Consumers to Provider for all inquiries regarding Credit Reports, and permit Provider to audit Subscriber's procedures related to this agreement.
- G. **SERVICES PROVIDED:** Accudata Credit Systems LLC agrees to furnish to Subscriber personal identifier record (SSN), employment references, civil and criminal records, motor vehicle records, credit records, education and credential verification, workers' compensation claim history and other background information ("consumer report") on job applicants/employees, as requested by the Subscriber. Accudata Credit Systems LLC will use its best efforts to deliver the consumer reports requested in an expeditious manner, however, Accudata Credit Systems LLC shall have no obligation or liability to Subscriber for any delay or failure to deliver consumer reports caused by the parties providing data or information to Accudata Credit Systems LLC or by any other third-party. Accudata Credit Systems LLC is a federally regulated Consumer Reporting Agency as defined by the Fair Credit Reporting Act for the purpose of providing pre-employment screening information in accordance with all applicable guidelines and confidentiality as stipulated within applicable statutes.
- H. **DISCLAIMER OF WARRANTY/LIMITATION OF LIABILITY:** The consumer report obtained by Accudata Credit Systems LLC is derived from databases and records that have been created and maintained by various government agencies, private companies, and other contributors that are not under the control of Accudata Credit Systems LLC. Responsibility for the accuracy of the information contained in the consumer report and these databases and records rests solely in the contributor. The Subscriber waives any and all claim or claims against Accudata Credit Systems LLC arising out of or related to the accuracy of the consumer report, databases and records.

Signature: \_\_\_\_\_ Print Name: \_\_\_\_\_