R-21- 170

**RESOLUTION NO. _____**

**A RESOLUTION WAIVING FORMAL BIDDING REQUIREMENTS AND AUTHORIZING THE NORTH LITTLE ROCK ELECTRIC DEPARTMENT TO ENTER INTO A COLLECTION SERVICES AGREEMENT WITH ONLINE INFORMATION SERVICES, INC. FOR COLLECTION OF DEBT; AND FOR OTHER PURPOSES.**

WHEREAS, Ark. Code Ann. § 14-58-303 requires City purchases exceeding the amount of $35,000 to follow statutory procedures of local advertisement and opening of sealed bids which may only be waived in exceptional situations where bidding is deemed not feasible or practical; and

WHEREAS, due to the COVID-19 pandemic, the citizens of the City of North Little Rock ("the City") suffered employment and monetary losses and the North Little Rock Electric Department ("NLRED") temporarily paused debt collections to ease the burden; and

WHEREAS, ONLINE Information Services, Inc. ("ONLINE") is a North Carolina based company with nearly twenty-five years of experience specializing in credit reports and debt collections; and

WHEREAS, the City currently uses ONLINE for consumer credit reports, and ONLINE will be able to integrate both consumer credit checks and collection services in order to provide the most efficient service to NLRED for debt collection; and

WHEREAS, the losses caused by the pandemic have abated, and it is in the best interests of the City and its citizens to resume debt collections through the services offered by ONLINE.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That formal bidding is hereby waived in connection with collection services for the North Little Rock Electric Department through ONLINE Information Services, Inc.

SECTION 2: That the North Little Rock Electric Department is hereby authorized to enter into a Collection Services Agreement (substantially similar to Exhibit A) with ONLINE Information Services for a percentage of the debt collected.

SECTION 3: That the provisions of this Resolution are hereby declared to be severable, and if any section, phrase or provision shall be declared or held invalid, such invalidity shall not affect the remainder of the sections, phrases or provisions.

SECTION 4: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED:

APPROVED:

Mayor Terry C. Hartwick

SPONSOR:

Terry C. Hartwick

Mayor Terry C. Hartwick

ATTEST:

Diane Whitbey, City Clerk

APPROVED AS TO FORM:

Amy Beckman Fields, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/kt

FILED 9:35 A.M. _____ P.M.

By A. Fields

DATE 11-2-21

**Diane Whitbey, City Clerk and Collector**
**North Little Rock, Arkansas**

RECEIVED BY S. Ussery

EXHIBIT
tabbies
A

ON LINE
COLLECTIONS

# Collection Services Agreement

**This Collection Service Agreement** ("Agreement") is entered into by **ONLINE Information Services, Inc.,** hereafter referred to as "Collector", a North Carolina corporation, d/b/a ONLINE Collections and **North Little Rock Electric** hereafter referred to as "Creditor", a Arkansas corporation as of date signed by the Creditor.

WHEREAS, Creditor agrees to submit to Collector, each month, for collection certain claims, accounts or other evidences of Indebtedness (hereinafter called "Claims"), and

WHEREAS, Collector desires to provide Creditor with collection services and/or accounts receivable management services with respect to said Claims.

NOW THEREFORE, for and in consideration of the mutual covenants hereinafter set forth, it is mutually agreed by and between the parties hereto as follows:

1. **GENERAL.**
   - **A.** The Creditor may refer any Claims that exceed $50.00.
   - **B.** Creditor agrees that all activities of Collector shall be carried out in compliance with all applicable federal, state and local laws.
   - **C.** Creditor hereby warrants that all Claims forwarded to Collector will be valid and legally enforceable debts, and that Creditor will, both before and after forwarding said Claims, comply with all applicable federal, state and local laws with respect thereto.
   - **D.** Further, Creditor agrees to provide, whenever requested to do so by Collector: a written verification of a Claim: a copy of the judgment, if any, on which a Claim is based: the name and address of the person or entity to whom the debt was originally owed, if different from Creditor.

2. **RELATIONSHIP OF PARTIES.**
   - **A.** Collector agrees to employ those means necessary to represent Creditor in collecting all Claims referred for collection.
   - **B.** It is expressly understood that all Claims shall remain the property of Creditor and that Collector is acting as an independent contractor of Creditor for the recovery of Claims referred for the Services.

3. **REFERRAL OF CLAIMS**
   - **A.** Collector will receive all Claims placed for collection by electronic submission of a file to Collector's secure website or secure ftp site. Each Claim shall contain the name of guarantor, service address, dates of service, last known address, date of last payment, amount owed, social security number or federal tax identification number, phone number, and any additional information that may help locate the consumer.
   - **B.** Creditor warrants, in order to aid Collector in complying with the Telephone Consumer Protection Act (TCPA), with regards to phone numbers supplied to Collector by Creditor, that Creditor ☐ Has ☐ Does Not Have:
     - i. Express written consent from the consumer to contact them at the phone numbers supplied via an automatic dialing device and may utilize pre-recorded or artificial voice messages for the purposes of collecting amounts owed.
     - ii. Sample Express Written Consent Language:
       ***"You agree, in order for us to service your account or to collect any amounts you may owe, we may contact you by telephone at any telephone number associated with your account, including wireless telephone numbers, which could result in charges to you. We may also contact you by sending text messages or emails, using any email address you provide us. Methods of contact may include using pre-recorded or artificial voice messages and/or the use of an automatic dialing device, as applicable.***

       ***I/We have read this disclosure and agree that North Little Rock Electric may contact me/us as described above."***
   - **C.** Creditor agrees that all Claims referred to Collector will be referred for a period of 12 months from the date of referral and that this referral will automatically renew itself on each anniversary for a period not to exceed six years and eleven months from the date of service of the Claim.

D. Creditor agrees to place Claims with Collector no less frequently than monthly.
E. Creditor warrants that it will not refer to Collector any Claim which has previously been paid or settled; any Claim which has been discharged through bankruptcy; or any Claim where an identity theft or fraud report has been filed.
F. Creditor hereby certifies and warrants that it will notify, through a mutually approved method, Collector within 48 hours of Creditor's receipt of any Bankruptcy filing, death notices, fraud notifications, or consumer disputes pertaining to any Claims referred to Collector for collection services.
G. Collector agrees to cease any communication with a consumer if Creditor notifies Collector of a bankruptcy filing, death notice, fraud notification, or consumer dispute on a referred Claim.
H. Creditor agrees that any Claim referred to Collector will not be referred to any other Collector.
I. Collector agrees to acknowledge the receipt of Claims placed for recovery with Collector via an emailed report. It is understood and agreed that Creditor will review the Acknowledgement Report and correct any inaccuracies on these Claims within 7 days of the receipt of the report. In the event that no updates are received by Collector within 7 days, it is agreed that these Claims are correct and that any payments received by either party on these Claims shall be a commissionable event.
J. Creditor agrees that if a file is sent to Collector that contains mass numbers of inaccuracies, which can only be corrected by cancelling all of the Claims and reloading them in Collector's system, Creditor maybe charged a fee for the reloading the Claims.
K. Collector agrees to return to Creditor any Claims based on questionable circumstances.
L. Creditor agrees to notify, through a mutually approved method, Collector within 48 hours of Creditor's receipt of notification on any consumer which is being represented by legal counsel in regards to any Claim referred to Collector.
M. Creditor agrees that once Claims are placed with Collector, Collector is entitled to commissions as detailed in this agreement regardless of whether payment is made to Collector's office or directly to Creditor.
N. Creditor agrees to report all payments made to Creditor's office within 72 hours and Collector agrees to identify the payment as part of consumer's file within 24 hours of notification of reported payments.

4. **METHODS OF COLLECTION.**
A. Collector agrees to use effective and legal methods of collection.
B. Collector agrees to comply with its obligations under the Fair Debt Collections Practices Act, the Fair Credit Reporting Act, as well as any state specific laws regarding third party collection services.
C. Collector will attempt to skip trace (identify new location and contact information) on those Claims that have bad address or phone numbers.
D. Collector will utilize mailed notices and telephone calls to affect collection on Creditor's behalf.
E. Collector will utilize an automated dialer and messaging technology where allowed by law to contact affect collection on Creditor's Claims.
F. Collector is a data furnisher to national credit reporting agencies and all Claims not collected in full or in a secured payment plan (e.g. credit card, Electronic check, ACH draft or other commercially available methods) within 30 days of referral will be reported to the national credit reporting agencies.

5. **CREDIT REPORTING.** In the event that Creditor requires Collector to furnish information to a consumer credit reporting company, Creditor shall provide all information required for Collector to accurately furnish such information to the consumer credit reporting companies, including the accurate date of delinquency, account balance and other information that may be required pursuant to the Fair Credit Reporting Act or any regulation thereto, or the National Consumer Assistance Plan implemented by the three major consumer credit reporting companies. Creditor shall fully and completely indemnify and hold harmless Collector and pay all costs and expenses, including reasonable attorney's fees, and all damages or losses incurred by Collector as a result of any third party claim or lawsuit, or action by any consumer credit reporting companies or government entity, resulting directly or indirectly from the use of the information provided by Creditor which is subsequently furnished to any consumer credit reporting company on any Account. Upon termination and return of an Account on which payment has not been fully received and has not been settled, Collector shall request deletion of any information that it furnished to any Consumer Credit Reporting Company. Collector shall report all accounts on which it reached a settlement or on which payment in full was received during the time that the Account was placed with Collector for Services as a "Settled in Full" or "Paid in Full" account.

6. **DISPUTED CLAIMS.**
A. It is mutually agreed that Collector will receive disputes and other correspondence from consumers in regards to Creditor's Claims. These will include balance owed disputes, validity of Claim disputes, and fraud disputes.
B. Creditor agrees that it will aid Collector with respect to the Claims in its compliance with Collector's responsibilities as outlined in "OBLIGATIONS OF FURNISHERS UNDER THE FCRA", attached as Exhibit A.
C. From time to time, Collector will request additional information and/or proof on certain Claims that are disputed by consumers. Creditor agrees to provide Collector with the necessary documentation to show the validity of the Claim against the appropriate consumer, such proof includes a copy of the signed service agreement or the last bill in the consumer's name.
D. Creditor agrees to provide to Collector the additional information or proof within five (5) business days of Collector's electronic request.
E. Collector will accept the additional information or proof regarding disputed Claims through its secure website.

7. **ANNUAL RECONCILIATION OF CLAIMS.**
   A. Collector and Creditor agree that ensuring the accuracy of each other's data in regards to the Claims is a necessity in order to ensure compliance with the appropriate laws, including the Fair Debt Collections Practices Act as well as the Fair Credit Reporting Act.
   B. It is mutually agreed that on the anniversary of this Agreement Collector shall send electronically to Creditor a list of not less than 25 Claims and Creditor agrees to verify the accuracy of the Claim and report to Collector any missing transactions or updates on said Claims.
   C. Creditor agrees if, in Collector's determination, there are a significant number of Claims in the sample that do not match between the systems; Creditor agrees to perform a full Claim reconciliation between Creditor's and Collector's systems.

8. **CLAIM DATA RENTENTION.**
   A. ONLINE will use and retain the Creditor's Claim data only as long as is necessary to affect the Services or as required to comply with legal or regulatory obligations. When ONLINE no longer requires the Creditor's Claim data, which will generally be no more than seven years after the Date of Service of a Claim, ONLINE will remove it from its systems. If ONLINE keeps the data longer, it would be to satisfy legal or regulatory obligations and ONLINE's legal basis would be relevant law or regulations.
   B. Creditor agrees that ONLINE at the end of each year will purge data that it should no longer retain. This could include accounts that have reached their 7 year credit reporting life cycle, accounts cancelled and returned to Creditor based on Creditor's request, Claims cancelled due Creditor not responding to validation of Claim requests, Claim being included in bankruptcy, Claim belonging to a deceased consumer, or Claim identified as belonging to a litigious consumer.
   C. It is mutually agreed that once a Claim has been purged from ONLINE's system ONLINE will no longer maintain any record of the Claim in ONLINE's system, databases, backups of systems and databases, or in any archives.

9. **DISCOUNT OF CLAIMS**. Creditor ☐ Agrees / ☐ Does Not Agree to grant Collector authority to discount Claims on Creditor's behalf by _____% of the total amount of the claim. If Creditor does not grant Collector general discount authority Collector can only discount Claims for less than the amount owed with special, Claim by Claim, approval of Creditor. Said Approval may be given by telephone from Creditor's office.

10. **CLAIM ACCOUNTING**
   A. Collector shall have authority to receive payments from consumers in cash, check, money order, credit card, Electronic check, ACH draft or other acceptable payment forms and will have the authority to endorse checks, drafts, money orders or other negotiable instruments which are received from consumers.
   B. Collector agrees to place all monies collected on Creditor's behalf into a trust account.
   C. Collector agrees to furnish a monthly statement to Creditor each month detailing each payment received at Collector's office as well as all direct payments made to Creditor's office.
   D. Creditor agrees and acknowledges that Collector will, from time to time, accept Checks and Credit cards as a method of collection of debts owed Creditor. Furthermore, both parties agree and acknowledge that these instruments serve as provisional settlements, and are subject to revocation, charge-back, dispute, refund or dishonor by the issuing financial institution. In the event that these disputed or dishonored funds have been remitted to the Creditor, both parties agree that this debt shall revert to an "Unpaid" status and Creditor shall repay or refund the disputed or dishonored amount to Collector. Collector will add a debt owed, by the consumer, directly to Collector for any NSF fees or charge-back fees incurred by Collector. At which time, Collector will make its best effort to pursue the dishonored payment to recover the unpaid balance owed Creditor.

11. **COMMISSION ON CLAIMS.** It is mutually agreed that any payment received on a Claim once it has been referred to Collector for collections services, whether the payment is made to Collector's or to Creditor's offices, will be a commissionable payment. Except for:

   A. **RECONNECTION OF SERVICE. Definition.** A "RECONNECT" is defined as a Claim where the consumer has terminated service voluntarily or where services have been terminated by the utility/gas provider with the express intent, of the consumer, of reinstating service within 5 months from the date of disconnect. In order to qualify as a "RECONNECT", service must be reestablished at the exact same service address where utilities/gas were initially disconnected within 5 months from the date of disconnect. Any variation on this definition shall not qualify as a "RECONNECT".
      i. **Reconnect Commissionable Actions.**
         a. Any bad debt/collection Claim turned over to Collector that results in payment directly to Collector or any of its representatives as a result of any effort made by Collector shall be defined as a commissionable Claim and not a "RECONNECT". These efforts are defined as, but not limited to: letters, phone calls, voice messages, emails, scheduled payment plans or any combination of the above listed actions.
         b. Any bad debt/collection Claim turned over to Collector that results in payment directly to the utility/gas provider and which strictly conforms to the definition listed above shall be considered as a "RECONNECT". As such, the utility/gas provider may reserve the right to recall the Claim from Collector.
         c. No "Secondary Placement" Claims will be eligible for "RECONNECT" status.

B. **ACCOUNTS REFERRED IN ERROR.**

i. It is agree that Collector shall send via electronic mail to the designated contact at Creditor a listing of Claims (Acknowledgement) that are referred for collection service within 24 hours of the Claims being loaded in to Collector's system.

ii. Creditor agrees to review the Acknowledgement and within seven days notify Collector of any Claims which may have been referred in error.

iii. Collector agrees to cancel any Claim upon notification of Creditor within the seven days.

iv. If Creditor fails to notify Collector within seven days that any Claim was referred in error then any payments made on the referred Claims will be commissionable.

12. **COMPENSATION AND INVOICING**

A. Creditor agrees to pay the rate of 35% for all Claims collected whose Date of Service and Date of Referral to Collector are less than, or equal to, 12 months (Primary Placement).

B. Creditor agrees to pay the following rate of **35%** for all Claims collected whose Date of Service and Date of Referral to Collector are greater than 12 months (Secondary Placement).

C. Creditor understands that if Creditor does not have Express Consent on their Claims as outlined in Section 3.B. of the Agreement, Collector will add 2% to the rates in 12.A. and 12.B. above.

D. Creditor acknowledges that the contingency rates above are based upon the age of Claims at the time of referral and/or volume representations made by Creditor during the negotiation of this agreement. In the event that Creditor fails to meet the age of Claim and/or volume expectations, Collector reserves the right to adjust its charges to Creditor with a 30 day notice to Creditor prior to it going into effect.

E. Creditor agrees that Collector will remit each month a check for monies collected at Collector's offices, minus any commissions due to Collector.

F. Creditor agrees that the contingency rates are based on Creditor setting up and paying their monthly invoice via an automated payment method, either credit card or ACH.

G. All billing is processed monthly between the 1st and the 5th for the previous month's services.

H. Creditor agrees that Creditor has 20 days from the invoice date to dispute any charges appearing on the invoice.

I. Collector will process the automated payment and deliver to Creditor an invoice marked "Paid in Full".

J. All invoices will be delivered via electronic mail to the email addresses designated by Creditor.

K. Creditor agrees that, if their automated payment method is declined, Collector may charge a Non-Sufficient Funds fee, not to exceed $25.00.

L. A service charge of 2% of the unpaid balance will be charged on all accounts not paid by the 1st day of the month following the invoice date.

M. Services will be immediately terminated when account reaches 60 days past due. Services will not be reinstated until the full outstanding balance is paid in full and a valid automated payment method is setup with Collector.

N. If account remains unpaid for 90 days the account will be referred to collections and/or legal proceedings initiated. Creditor agrees to pay Collector's cost and expenses, including reasonable attorney fees, to recover any unpaid balance owed by Creditor.

O. Creditor will be solely responsible for all federal, state and local taxes levied or assessed in connection with Collector's performance of the Services, other than income taxes assessed with respect to Collector's taxable net income, for which income taxes Collector will be solely responsible.

13. **INSURANCE.** Collector agrees to carry Liability Insurance.

14. **WARRANTIES.** Subject to Section 19 "Excusable Delays" hereof, Collector warrants to Creditor that Collector will use lawful and industry accepted methods to provide the Services. THE WARRANTY IN THE FIRST SENTENCE OF THIS PARAGRAPH IS THE ONLY WARRANTY COLLECTOR HAS GIVEN CREDITOR WITH RESPECT TO THE SERVICES AND SUCH WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, COLLECTOR MIGHT HAVE GIVEN CREDITOR WITH RESPECT THERETO, INCLUDING, FOR EXAMPLE AND WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

15. Limitation of Liability. Creditor acknowledges that Collector provides the Services based on information supplied to Collector by Creditor. Creditor acknowledges that the Services are provided by human beings which are not infallible. Creditor also acknowledges that the fees Collector charges Creditor for the Services are based upon Collector's expectation that the risk of any loss or injury that may be incurred by use of the Services will be borne by Creditor and not Collector. Creditor therefore agrees that it is responsible for determining that the Services are in accordance with Collector's obligations under this Agreement. If Creditor reasonably determines that the Services do not meet Collector's obligations under this Agreement, Creditor shall so notify Collector in writing within ten (10) days after receipt of the Services in question. Creditor's failure to so notify Collector shall mean that Creditor accepts the Services as is, and Collector shall have no liability whatsoever for the Services. Unless Collector disputes Creditor's Claim, Collector shall, at its option, either re-perform the Services in question or issue Creditor a credit for the amount Creditor paid for the nonconforming Services. This re-performance or credit constitutes Creditor's sole remedy and Collector's maximum liability for any breach of this Agreement by Collector. If,

notwithstanding the above, liability is imposed on Collector, then Creditor agrees that Collector's total liability for any or all of Creditor's losses or injuries from Collector's acts or omissions under this Agreement, regardless of the nature of the legal or equitable right claimed to have been violated, shall not exceed the amount paid by Creditor to Collector under this Agreement during the six month period preceding the alleged breach by Collector of this Agreement. Creditor covenants that it will not sue Collector for any amount greater than permitted by this Agreement. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, UNDER NO CIRCUMSTANCES WILL COLLECTOR HAVE ANY OBLIGATION OR LIABILITY TO CREDITOR HEREUNDER FOR ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES INCURRED BY THE CREDITOR (INCLUDING DAMAGES FOR LOST BUSINESS, LOST PROFITS OR DAMAGES TO BUSINESS REPUTATION), REGARDLESS OF HOW SUCH DAMAGES ARISE AND REGARDLESS OF WHETHER OR NOT THE CREDITOR WAS ADVISED SUCH DAMAGES MIGHT ARISE.

16. **Intellectual Property.** Creditor acknowledges that Collector has expended substantial time, effort and funds to create and deliver the Services. The Services and any proprietary methods or mechanisms are and will continue to be Collector's exclusive property. Nothing contained in this Agreement shall be deemed to convey to Creditor or to any other party any right, title or interest, including any patent, copyright or other proprietary right, in or to the Services. Creditor will not use or permit its employees, agents and subcontractors to use, the trademarks, service marks, logos, names, or any other of Collector's or its affiliates' proprietary designations, whether registered or unregistered, without Collector's prior written consent. Under no circumstances will Creditor attempt in any manner, directly or indirectly, to discover or reverse engineer any confidential and proprietary criteria developed or used by Collector.

17. **Non-Solicit Clause.** During the term of this agreement and for a period of 1 year subsequent to the termination of this agreement, neither party shall (i). solicit, or encourage any organization directly or indirectly controlled by its management, Board, or shareholders, to solicit, any employee of the opposing party or any of its subsidiaries to leave the employ of the opposing party or any of its subsidiaries, (ii) solicit for employment, hire or engage as an independent contractor, or permit any organization directly or indirectly controlled by its management, Board, or shareholders, to solicit for employment, hire or engage as an independent contractor, any person who was employed by the opposing party or any of its subsidiaries at any time during the term of the Employee's employment with the other party or any of its subsidiaries; provided, that this clause shall not apply to any individual whose employment with the opposing party or any of its subsidiaries has been terminated for a period of one year or longer.

18. **Waiver.** Either party may at any time waive compliance by the other with any covenant or condition contained in this Agreement, but only by written instrument signed by the party waiving such compliance. No such waiver, however, shall be deemed to constitute the waiver of any such covenant or condition in any other circumstance or the waiver of any other covenant or condition.

19. **Successors and Assigns.** This Agreement will be binding upon and will inure to the benefit of the parties hereto and their respective heirs, representatives, successors and permitted assignees. This Agreement may not be assigned, transferred, shared or divided in whole or in part by Creditor without prior written consent; such consent shall not be unreasonably withheld.

20. **Excusable Delays.** Neither party shall be liable for any delay or failure in its performance under this Agreement (other than for payment obligations hereunder) if and to the extent that such delay or failure is caused by events beyond the reasonable control of the party including, without limitation, acts of God or public enemies, labor disputes, equipment malfunctions, computer downtime, software defects, material or component shortages, supplier failures, embargoes, rationing, acts of local, state or national governments or public agencies, utility or communication failures or delays, fire, earthquakes, flood, epidemics, riots and strikes.

21. **Dispute Resolution.** The parties will resolve any dispute arising out of or relating to this Agreement informally through the courts.

22. **Continuance of Business.** In the event that Creditor's business is sold, it is the Creditor's obligation to notify Collector, in writing, within 72 business hours of the effective date of the transaction.

23. **Notifications.** Creditor and Collector agree that any notifications to the other as it pertains to this Agreement shall be sent to the following contacts.

ONLINE Information Services, Inc.
J.W. Blair, President
P.O. Box 1489
Winterville, NC 28590

North Little Rock Electric

_____
(Contact Name)
PO Box 936
North Little Rock, AR
72114

24. **Severability.** This Agreement shall be deemed to be severable and, if any provision is determined to be void or unenforceable, then that provision will be deemed severed and the remainder of the Agreement will remain in effect.

25. **TERMINATION OF AGREEMENT.**

**A.** This Agreement is for a period of one year, and upon agreement of the parties, may be extended for four (4) additional one (1) year terms, unless either party notifies the other in writing at least 60 days prior to the expiration of said agreement. Following the first anniversary this agreement may be terminated by either party with a sixty-day written notice.

**B.** Notwithstanding the foregoing, if Creditor is delinquent in the payment of charges, violates applicable law or violates a material term of this Agreement, Collector may, at its election, discontinue providing the Services to Creditor and terminate this Agreement immediately by written notice to the Creditor.

**C.** Notwithstanding anything to the contrary in this Agreement, if the continued provision of the Services or any affected component thereof becomes impossible, impractical, or undesirable due to a change in applicable federal, state, or local laws or regulations, as determined by Collector in its reasonable judgment, Collector may either (a) cease to provide the Services or any affected component thereof within, or pertaining to persons residing within, the affected jurisdiction, or (b) establish new prices which apply to Collector's Services or any affected component thereof when provided or delivered within, or pertaining to persons residing within, the affected jurisdiction, which prices will be reasonably calculated to cover the costs incurred by Collector in complying with the applicable laws or regulations and will become effective on the date specified in such notice unless Creditor objects in writing, in which case Collector may exercise its rights under clause (1) above. Collector will attempt to provide written notice of its actions as far in advance of the effective date as reasonably possible under the circumstances.

**D.** Notwithstanding any other provision to the contrary in this Agreement, Creditor shall have the right to terminate this Agreement with thirty (30) days notice, and without penalty as a result of: (1) non-appropriation of funds sufficient to prevent the Credtior from either meeting its obligations under this Agreement or to fulfill its obligations under this Agreement; (2) if the Creditor's duties, programs or responsibilities are modified or materially altered; or if there is a change in law. The Creditor shall provice Contractor with written notice of termination pursuant to this section.

**E.** **No Damages or Indemnification for Termination.** Neither party shall be liable to the other party for any costs or damages of any kind, including direct, special, exemplary, punitive, indirect, incidental or consequential damages, or for indemnification, solely on account of the lawful termination of this Agreement, even if informed of the possibility of such damages.

26. **Contract in Entirety; Law.** This Agreement sets forth the entire understanding and agreement between Collector and Creditor concerning the Services, and supersedes any prior or contemporaneous oral or written agreements or representations. It may be modified only by a written amendment executed by both parties. This Agreement shall be interpreted in accordance with the laws of the State of North Carolina. The parties further agree that proper jurisdiction and venue for any cause of action arising from this Agreement shall be vested in either the Circuit Court of Pulaski County, Arkansas or the U. S. District Court for the Eastern District of Arkansas, Western Division.

27. **Effective Date.** This Agreement is effective beginning on the date signed by the Creditor._____

***Signature Page to Follow***

**IN WITNESS WHEREOF**, the parties' authorized representatives have executed this Agreement on the date indicated below.

Creditor: **North Little Rock Electric**

Signature: _____

Print Name: _____

Title: _____

Email: _____

Date: _____

Federal Tax ID: _____

**Address of Principal Business Office:**

120 Main St.
North Little Rock, AR
72114

**Mailing Address (If Different):**

PO Box 936
North Little Rock, AR
72114

**ONLINE Information Services, Inc.**
**dba/ ONLINE Collections**

By: _____

Date: _____

Address: PO Box 1489
Winterville, NC 28590
www.ONLINECollections.com

Telephone: (866) 630-6400

Approved as to form:

City of North Little Rock, Arkansas

*Amy Beckman Fields, City Attorney*

*By:* _____
*Deputy City Attorney*

_____
*Date*

# Exhibit "A"

**All furnishers of information to consumer reporting agencies must comply with all applicable regulations. Information about applicable regulations currently in effect can be found at the Consumer Financial Protection Bureau's website, www.consumerfinance.gov/learnmore.**

**NOTICE TO FURNISHERS OF INFORMATION:**
**OBLIGATIONS OF FURNISHERS UNDER THE FCRA**

The federal Fair Credit Reporting Act (FCRA), 15 U.S.C. § 1681-1681y, imposes responsibilities on all persons who furnish information to consumer reporting agencies (CRAs). These responsibilities are found in Section 623 of the FCRA, 15 U.S.C. § 1681s-2. State law may impose additional requirements on furnishers. All furnishers of information to CRAs should become familiar with the applicable laws and may want to consult with their counsel to ensure that they are in compliance. The text of the FCRA is available at the website of the Consumer Financial Protection Bureau (CFPB): www.consumerfinance.gov/learnmore. A list of the sections of the FCRA cross-referenced to the U.S. Code is at the end of this document. Section 623 imposes the following duties upon furnishers:

**Accuracy Guidelines**
The FCRA requires furnishers to comply with federal guidelines and regulations dealing with the accuracy of information provided to CRAs by furnishers. Federal regulations and guidelines are available at www.consumerfinance.gov/learnmore. Section 623(e).

**General Prohibition on Reporting Inaccurate Information**
The FCRA prohibits information furnishers from providing information to a CRA that they know or have reasonable cause to believe is inaccurate. However, the furnisher is not subject to this general prohibition if it clearly and conspicuously specifies an address to which consumers may write to notify the furnisher that certain information is inaccurate. Sections 623(a)(1)(A) and (a)(1)(C).

**Duty to Correct and Update Information**
If at any time a person who regularly and in the ordinary course of business furnishes information to one or more CRAs determines that the information provided is not complete or accurate, the furnisher must promptly provide complete and accurate information to the CRA. In addition, the furnisher must notify all CRAs that received the information of any corrections, and must thereafter report only the complete and accurate information. Section 623(a)(2).

**Duties After Notice of Dispute from Consumer**
If a consumer notifies a furnisher, at an address specified by the furnisher for such notices, that specific information is inaccurate, and the information is, in fact, inaccurate, the furnisher must thereafter report the correct information to CRAs. Section 623(a)(1)(B).

If a consumer notifies a furnisher that the consumer disputes the completeness or accuracy of any information reported by the furnisher, the furnisher may not subsequently report that information to a CRA without providing notice of the dispute. Section 623(a)(3).

Furnishers must comply with federal regulations that identify when an information furnisher must investigate a dispute made directly to the furnisher by a consumer. Under these regulations, furnishers must complete an investigation within 30 days (or 45 days, if the consumer later provides relevant additional information) unless the dispute is frivolous or irrelevant or comes from a "credit repair organization." Section 623(a)(8). Federal regulations are available at www.consumerfinance.gov/learnmore. Section 623(a)(8).

**Duties After Notice of Dispute from Consumer Reporting Agency**
If a CRA notifies a furnisher that a consumer disputes the completeness or accuracy of information provided by the furnisher, the furnisher has a duty to follow certain procedures. The furnisher must:

- € Conduct an investigation and review all relevant information provided by the CRA, including information given to the CRA by the consumer. Sections 623(b)(1)(A) and (b)(1)(B).
- € Report the results to the CRA that referred the dispute, and, if the investigation establishes that the information was, in fact, incomplete or inaccurate, report the results to all CRAs to which the furnisher provided the information that compile and maintain files on a nationwide basis. Sections 623(b)(1)(C) and (b)(1)(D).
- € Complete the above steps within 30 days from the date the CRA receives the dispute (or 45 days, if the consumer later provides relevant additional information to the CRA). Section 623(b)(2).
- € Promptly modify or delete the information, or block its reporting. Section 623(b)(1)(E).

**Duty to Report Voluntary Closing of Credit Accounts**
If a consumer voluntarily closes a credit account, any person who regularly and in the ordinary course of business furnished information to one or more CRAs must report this fact when it provides information to CRAs for the time period in which the account was closed. Section 623(a)(4).

**Duty to Report Dates of Delinquencies**
If a furnisher reports information concerning a delinquent account placed for collection, charged to profit or loss, or subject to any similar action, the furnisher must, within 90 days after reporting the information, provide the CRA with the month and the year of the commencement of the delinquency that immediately preceded the action, so that the agency will know how long to keep the information in the consumer's file. Section 623(a)(5).

Any person, such as a debt Collector, that has acquired or is responsible for collecting delinquent accounts and that reports information to CRAs may comply with the requirements of Section 623(a)(5) (until there is a consumer dispute) by reporting the same delinquency date previously reported by the Creditor. If the Creditor did not report this date, they may comply with the FCRA by establishing reasonable procedures to obtain and report delinquency dates, or, if a delinquency date cannot be reasonably obtained, by following reasonable procedures to ensure that the date reported precedes the date when the account was placed for collection, charged to profit or loss, or subjected to any similar action. Section 623(a)(5).

**Duties of Financial Institutions When Reporting Negative Information**
Financial institutions that furnish information to "nationwide" consumer reporting agencies, as defined in Section 603(p), must notify consumers in writing if they may furnish or have furnished negative information to a CRA. Section 623(a)(7). The CFPB has prescribed model disclosures, 12 CFR Part 1022, App. B.

**Duties When Furnishing Medical Information**
A furnisher whose primary business is providing medical services, products, or devices (and such furnisher's agents or assignees) is a medical information furnisher for the purposes of the FCRA and must notify all CRAs to which it reports of this fact. Section 623(a)(9). This notice will enable CRAs to comply with their duties under Section 604(g) when reporting medical information.

**Duties when ID Theft Occurs**
All furnishers must have in place reasonable procedures to respond to notifications from CRAs that information furnished is the result of identity theft, and to prevent refurnishing the information in the future. A furnisher may not furnish information that a consumer has identified as resulting from identity theft unless the furnisher subsequently knows or is informed by the consumer that the information is correct. Section 623(a)(6). If a furnisher learns that it has furnished inaccurate information due to identity theft, it must notify each CRA of the correct information and must thereafter report only complete and accurate information. Section 623(a)(2). When any furnisher of information is notified pursuant to the procedures set forth in Section 605B that a debt has resulted from identity theft, the furnisher may not sell, transfer, or place for collection the debt except in certain limited circumstances. Section 615(f).

**The CFPB's website, www.consumerfinance.gov/learnmore, 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 615 15 U.S.C. 1681m
Section 603 15 U.S.C. 1681a Section 616 15 U.S.C. 1681n
Section 604 15 U.S.C. 1681b Section 617 15 U.S.C. 1681o
Section 605 15 U.S.C. 1681c Section 618 15 U.S.C. 1681p
Section 605A 15 U.S.C. 1681c-A Section 619 15 U.S.C. 1681q
Section 605B 15 U.S.C. 1681c-B Section 620 15 U.S.C. 1681r
Section 606 15 U.S.C. 1681d Section 621 15 U.S.C. 1681s
Section 607 15 U.S.C. 1681e Section 622 15 U.S.C. 1681s-1
Section 608 15 U.S.C. 1681f Section 623 15 U.S.C. 1681s-2
Section 609 15 U.S.C. 1681g Section 624 15 U.S.C. 1681t
Section 610 15 U.S.C. 1681h Section 625 15 U.S.C. 1681u
Section 611 15 U.S.C. 1681i Section 626 15 U.S.C. 1681v
Section 612 15 U.S.C. 1681j Section 627 15 U.S.C. 1681w
Section 613 15 U.S.C. 1681k Section 628 15 U.S.C. 1681x
Section 614 15 U.S.C. 1681l Section 629 15 U.S.C. 1681y

# New Collections Client Setup

Client Name: North Little Rock Electric

Office Address: 120 Main St.
North Little Rock, AR 72114

Mailing Address: PO Box 936
North Little Rock, AR 72114

Account Executive: Shane Burger

Commission Rate: 35% on Claims <= 1 year from DOS to DOR

35% on Claims > 1 year from DOS to DOR

Placement Type (Please circle): Primary Secondary Tertiary

Discount Authorization: Y/N _____%

Client Has Express Consent for Telephone Contact: Y / N

☐ Client has provided a sample of their contract/agreement/Terms & Conditions showing consumers provide express consent. See Attached.

Invoice Type (Please circle): Net Gross

Type(s) of Claims to be referred: (Please circle all that apply)

| | | | |
|---|---|---|---|
| Electric | Gas | Cable | Water |
| Residential Telephone | Wireless Telephone | Internet | |
| Commercial Telephone | Damages | Other:_____ | |

Does client need separate accounts setup for the different types of Claims? Y / N

Referral Method:

Manual Entry via Website: Y / N
Collections File Upload: Y / N
SFTP Transfer: Y / N

Payment Reporting Method:

Manual Entry via Website: Y / N
Collections File Upload: Y / N
SFTP Transfer: Y / N

**Internal Use Only:** Special Instructions:

_____
_____
_____
_____

**SECURITY:**

ONLINE requires clients to utilize Collector's IP Address Restriction security feature. This prevents someone from obtaining user credentials and accessing information from outside your company's physical location.

IP Address: _____ (for single IP Address)
IP Address Range: _____ - _____
(For larger organizations that have been assigned a block of IP Addresses)

# WEBSITE USER SETUP

Please list the users you want to have access to the ONLINE Collections Website

| **User Full Name** | **User Email Address** | **User Name** | **User Level**<br>Admin,Supervisor,User |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

# Client Contacts

**Administrative Contact:**
(Contact for High Level Issues)
☐ Receive Billing
☐ Receive Acknowledgement

Name:_____
Title:_____
PH:_____
FX:_____
Email:_____

**Validation Contact:**
(Contact for daily issues)
☐ Receive Billing
☐ Receive Acknowledgement

Name:_____
Title:_____
PH:_____
FX:_____
Email:_____

**Accounts Payable Contact:**
(Responsible for Accounts Payable)
☐ Receive Billing
☐ Receive Acknowledgement

Name:_____
Title:_____
PH:_____
FX:_____
Email:_____

**Technical Contact:**
(Responsible for Sending Accounts)
☐ Receive Billing
☐ Receive Acknowledgement

Name:_____
Title:_____
PH:_____
FX:_____
Email:_____

**Balance Checks Contact:**
(Verify Balances on accounts)
☐ Receive Billing
☐ Receive Acknowledgement

Name:_____
Title:_____
PH:_____
FX:_____
Email:_____

ON LINE
INFORMATION SERVICES

# Recurring Monthly Payment Authorization Form

Schedule your payments to be automatically deducted from your bank account, or charged to your Visa, MasterCard, American Express or Discover Card. Just complete and sign this form to get started!

**Here's How Recurring Payments Work:**
You authorize regularly scheduled charges to your checking/savings account or credit card. You will be charged each billing period for the total amount due for that period. A paid in full invoice will be emailed to you and the charge will appear on your bank or credit card statement. You agree that no prior-notification will be provided. If the payment date changes, you will receive notice from us at least 10 days prior to the payment being collected.

## Please complete the information below:

I _____ authorize ONLINE Information Services, Inc. on behalf of _____ _____ (Company) to charge/debit our account indicated below on the 5th business day of each month for payment of our ONLINE Information Services invoices.

Billing Address _____ Phone# _____

City, State, Zip _____ Email _____

### Checking/ Savings Account

☐ Checking ☐ Savings

Name on Acct _____

Bank Name _____

Account Number _____

Bank Routing # _____

Bank City/State _____

### Credit Card

☐ Visa ☐ MasterCard

☐ Amex ☐ Discover

Cardholder Name _____

Account Number _____

Exp. Date _____

CVV (3 digit number on back of card) _____

SIGNATURE _____ DATE _____

I understand that this authorization will remain in effect until I cancel it in writing, and I agree to notify ONLINE in writing of any changes in my account information or termination of this authorization at least 15 days prior to the next billing date. If the above noted payment dates fall on a weekend or holiday, I understand that the payments may be executed on the next business day. For ACH debits to my checking/savings account, I understand that because these are electronic transactions, these funds may be withdrawn from my account as soon as the above noted periodic transaction dates. In the case of an ACH Transaction being rejected for Non-Sufficient Funds (NSF) I understand that ONLINE may at its discretion attempt to process the charge again within 30 days, and agree to an additional $25.00 charge for each attempt returned NSF which will be initiated as a separate transaction from the authorized recurring payment. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law. I certify that I am an authorized user of this credit card/bank account and will not dispute the scheduled transactions with my bank or credit card company; provided the transactions correspond to the terms indicated in this authorization form.