

## ***Professional Legal Services Agreement***

**I. Assignment of Responsible Attorney:** The Law Firm (hereinafter referred to as We, Us, Law Firm), in conjunction with a Responsible Attorney, agrees to provide Client (hereinafter referred to as Client, You, Your) services consistent with this agreement upon final approval of your case. While the Law Firm shares joint responsibility, your case will be managed by an assigned Responsible Attorney (hereinafter referred to as Attorney or Lawyer), who is licensed to practice law in the jurisdiction you reside in and a member in good standing with the local State Bar.

**II. Initial Assessment of Case:** You acknowledge that a non-attorney Case Analyst explained services in a way you understand and answered all your non-legal questions to your satisfaction. Based on your request for services and your Case Analyst's assessment, your case was recommended to the Law Firm. You participated in a comprehensive explanation and review of your 'Customized Blueprint for Success' consisting of your Program Summary defining your payment schedule, projected ranges of potential resolutions and pricing of service. During your review of the 'Important Things You Need to Know' check list, numerous disclosures were discussed such as derogatory effects to good credit and possible risks such as legal activity. The estimated term to complete service was discussed and scheduled based on the payment you selected and resolving accounts in the mid-range goal, on average. Higher averages may extend term and lower averages may shorten term. The time it will take to negotiate and resolve your accounts is directly related to the monthly payment you selected, the consistency of each payment, the actual amount of payments your make and supplemental deposits you make. Simply stated, the time it will take to effectively resolve each account will depend on how quickly you can save money and/or obtain funds and to what extent your creditors' cooperate.

**III. Actions Regarding Creditor Obligations is Your Sole Decision:** You acknowledge that no representative provided advice regarding the reduction or termination of payments to creditors and no actions have or will be taken to disrupt the contractual relationship between you and your creditors.

**IV. Recommendation to Service • Final Approval:** Final approval is subject to: A) Meeting all conditions of enrollment procedures, B) Attorney consultation and recommendation to service, C) Final review by the Compliance Department under the guidelines of the Attorney and Law Firm. Upon Attorney's acceptance of your case, an attorney-client relationship shall be established pursuant to the Scope of Representation as defined in this Agreement. All legal aspects of your case are under the supervision of your responsible attorney, and if case warrants, other licensed attorneys.

**V. Reassignment of Attorneys:** Should it become necessary to assign a different responsible attorney to your case, you will be provided reasonable notice. An introduction and consultation will be scheduled and upon mutual consent, service and schedule will continue uninterrupted. This agreement shall remain in full force and effect between all parties and their respective heirs and/or assigns, as applicable.

**VI. Administrative Oversight & Administrative Support:** Principle and Managing Attorneys provide administrative supervision and oversight of your case and may provide legal advice regarding federal consumer protection laws relevant to your case. Legal advice regarding state laws is provided by your Responsible Attorney or a lawyer licensed in your jurisdiction. Through a Strategic Alliance Agreement with the law firm, National Legal Support System and Client Support Services (herein referred to as Support), assists in fulfillment of various administrative duties such as clerical services, accounting, IT, data management, document processing, call-center support, etc. A portion of pricing is designated towards law related non-legal administrative services provided by Support. All legal aspects of your case are under the supervision of one or more licensed attorneys. Creditor negotiations are solely rendered by attorney and/or under the supervision of your Responsible Attorney. Communication with non-attorney support staff and legal assistants shall not be construed as legal advice. Only direct communication with a lawyer may be considered legal advice.

**VII. Mutual Evaluation Period:** In addition to the Rescission Period, we are pleased to provide you with a trial Evaluation. Either party may withdraw during the Evaluation without further obligation. The Evaluation Period ends upon mutual consent to proceed with service at conclusion of first attorney consultation.

### **VIII. Commencement of Service • Three-Day Right of Rescission**

Paid funds will be returned within ten (10) business days should you cancel this agreement within three (3) business days from the date of this agreement.

See separate cancel form for details. This contact becomes valid and all contractual obligations apply after the rescission period. <sup>(1)</sup>

#### **If No Accounts are In Legal Status :**

- Commencing Service:** Service begins promptly upon our receipt of your Application and all supporting documents, irrespective of first payment.
- Personal Meeting:** You agree to meet with an attorney or a law firm representative at a convenient location agreed to by both parties.  
A presentation and overview of the agreement will take place and an official closing may be completed at that time.
- Ensure this is Right:** Need more time to evaluate our service or your options? No legal account means no urgent legal reviews are required.  
Simply call support and ask to extend your rescission period. We'll be pleased to provide an additional seven days upon request. <sup>(1)</sup>

#### **If One or More of Your Accounts are in Legal Status Upon Enrollment or Become in Legal Status :**

- Commencing Service:** Copies of court documents, signed enrollment agreements and applicable retainer must be received prior to commencing service.  
Extension of three day rescission is not available for cases involving an account in litigation upon enrollment.
- Waiver of Meeting:** Court documents should be reviewed by Attorney and consultation with Attorney should be scheduled promptly.  
Should a personal meeting not be convenient for you, the service agreement may be sent by fax, email or completed on-line.
- Urgent Legal Care:** If you call upon us to render extensive or urgent legal services during rescission period and you cancel, legal fees will apply.

## SECTION A: PACKAGED PROFESSIONAL LEGAL SERVICES &amp; FIXED PRICE LEGAL FEE

1. **Packaged Professional Legal Service:** A full assessment of your case and legal review to determine prudent strategies are integral in Attorney's representation. The following Packaged Legal Services are delivered and earned throughout initiation of service and by conclusion of attorney's case consultation: Consultation and Review of Services, Personal Strategy Session (PSS), Strategic Assessment, Legal Review, Document Review, Risk Assessment, Asset Management Review, Income Source Review, Banking Practices Review, Litigation Preparedness and Consultation.
2. **Fixed Rate of Packaged Professional Legal Service (Packaged Price):** The Fixed Rate Professional Package shall be defined in Plan Schedule and provides for ongoing attorney oversight. Hourly rates will not be tracked for billing purposes. If your current budget does not allow for full payment of Packaged Price, terms may be provided. As a convenience, installments will be added to savings schedule and drafted from reserve account. Balance should be paid as soon as possible. Installments may be accelerated by either party. Should you request a reduced payment, skip a payment or withdraw, installments and reserves take priority over resolution savings. Packaged Price is independent of creditor balances or completion of service. An account may not be removed once "final" List of Enrolled Accounts is approved by both parties. While the Packaged Legal Service includes representation for various matters that may arise (i.e. FDCPA violations against your rights), Attorney representation and notification to creditors for balance negotiations is a service exclusively covered under Debt Resolution Services, a separate result based service defined in Section B.
3. **Client Support Services • Monthly Administration:** The monthly administration price is included in your total monthly payment for administrative services provided by Support such as phone support, clerical services, accounting, file management, data processes and attorney schedule management, and are separate from the legal services provided by Attorney. In that terms often vary case-by-case, the monthly administration pricing is excluded in the estimated Total Target Goal, but we will seek to negotiate savings as best possible to cover all cost within target ranges.
4. **Set-up and Document Preparation Pricing (Set-up):** A one-time Set-up price is defined in your Plan Summary to help cover a fractional cost of setting up your account and prepare service agreements. Pricing is not included in the total target goal as the Set-up price should be paid independent from scheduled payments. If we include set-up price in your schedule due to your severe hardship, the Fixed Price installments will be rescheduled to pay the set-up pricing first. We will seek to negotiate savings as best possible to cover all cost within target ranges.
5. **Peace of Mind Premium Assurance Program (PAP):** Scheduled pricing is expected to cover total cost of service, but no one can predict if an account will require special legal handling, or should unexpected expenses or sudden loss of income occur. You can feel confident knowing we've got your back. Membership is included in your schedule and your payment will not increase. You are automatically enrolled unless you initial to opt-out. Benefits include: 1) Up to two-thirds discount off regular legal pricing should Out-of-Scope service be beneficial. 2) Waive set-up and scheduling charge should program need to be extended 3) Two additional hassle-free deferments plus additional deferments, if needed, at reduced rescheduling rates. 4) Catastrophic Event Assistance; Up to three payment modifications or skips should a qualified event occur, 5) Reduced pricing for final Settlement in Full (SIF) letter, if requested. Premiums are drafted annually based on eight dollars monthly. We will defer the first premium for six months and debit annually thereafter on anniversary date of agreement. Membership becomes effective after six consecutive program payments and once initial premium is debited. Attorney will seek to negotiate savings as best possible to cover all cost within target ranges. If you opt-out of PAP service in this agreement and later request PAP enrollment, the price is \$29 monthly paid retroactively from enrollment date.
6. **Special Services:** Additional charges may apply in the event: a) an item requires priority shipping, (ten dollar handling applies), b) you request services outside Scope of Service, c) you request a letter of acknowledgment to employers or others d) you request excessive consultations, e) you request copies of documents already provided to you, f) incidental or unexpected expenses or costs arise due to special needs or requests.
7. **Agreement to abide by our Policies and Procedures (Policies):** The Policies is an addendum to this agreement by reference and may be found at [www.nationallegalsystems.com/policies.htm](http://www.nationallegalsystems.com/policies.htm) (password: 'policies'). Policies are updated from time-to-time to stay current with the changing collection industry, creditor policies, government regulations, and to better define conditions of service and improvements in service. Your contractual pricing will not be affected. Pricing of incidentals, processing and Out-of-Scope services are subject to change. You agree to periodically review the Policies for updates and agree to abide by all Policies and Procedures, both in writing and described to you verbally.
8. **Agreement to Maintain Schedule • Payment & Schedule Modifications • No Pre-Payment Penalty:** You may add supplemental deposits to your reserve account at any time so resolutions can be reached quicker. Because we encourage you to accelerate your schedule, no pre-payment penalty or pre-payment discount will apply. However, you will save in monthly administration cost should all accounts payment of all accounts prior to scheduled end date. One skip payment and one deferment are allowed during enrollment after six consecutive payments have been made. If you request additional modifications, a rescheduling fee may apply subject to privileges if a member of Premium Assurance Program.

Please do not email or ask your Attorney or Case Manager questions regarding your schedule or payments: Specially trained Banking Specialists are available to answer all questions regarding your schedule and to assist you with all payment or schedule issues. Requests for any change in payment or schedule must be addressed directly with a Banking Department Specialist. Requests not addressed to a Banking Specialist may cause a delay or may not be processed. Although you may contact your payment processor to stop a payment, we highly suggest contacting us. Stopping a payment without contacting us may interfere with a settlement and may void a settlement agreement and may be cause for dismissal.

**Deferment or Schedule Inquiries:** Call or Email [Banking@nationallegal.com](mailto:Banking@nationallegal.com). (Delaying a draft or moving a payment a few days out.)

**Need to Skip Payment?**

CALL 800.728.5285. A skip payment may not be requested by email. Please speak with a Banking Specialist.



## Scope of Services

9. Hourly rates DO NOT apply when enrolled into Fixed Price Packaged Legal Service Program and schedule is reasonably maintained.

| Within Scope of Service: Covered under Packaged Legal Service   | Hourly Rate | Packaged Legal Services * |
|---|-------------|---------------------------|
| Attorney consultation, case review and assessment, asset and income review, banking and bank account review.  | \$396       | Included in Service       |
| Documents review, documents processing, legal reviews and legal memos. Legal advice regarding consumer rights, debtor rights.   | \$396       | Included in Service       |
| FDCPA Enforcement: Demand for compensation for damages to you by collection company if your debtor rights have been violated.   | \$396       | Included in Service       |
| Federal Consumer Protection Laws Legal Advice: (FDCPA, FCRA, OASI, ERISA, Etc.).  | \$396       | Included in Service       |
| High-level experienced Legal Assistant, Negotiator, Case Analyst, Case Manager, Administration, Banking and Accounting  | \$295       | Included in Service       |
| Legal Assistant, Non-Attorney Document Processor, General Support Staff,  | \$185       | Included in Service       |
| <b>In the event an account becomes the subject of a law suit:</b>   |             |                           |
| <b>Within Scope of Service: Covered provided your schedule is reasonably maintained.</b>  |             |                           |
| Attorney consultation to discuss specific law suit resolution strategies. The one-time consultation price includes services below.  | \$396       | Included in Above Pricing |
| Preliminary legal review of documents and legal memo by processing attorney: Summons and Complaint, Stipulations, Motions, etc.   | \$396       | Included in Above Pricing |
| Review of legal document by state licensed Responsible Attorney: Legal review, Case Assessment and Full Legal Memo.   | \$396       | Included in Above Pricing |
| Attorney consultation, legal strategy and deployment, guidance and instructions on response to court if recommended or required.  | \$396       | Included in Above Pricing |
| <b>Out of Scope Legal Services: Although seldom required, you can feel confident knowing the following services are available if needed.</b>  |             |                           |
| <b>Premium Assurance Member's Pricing. Special pricing is about one-third less than typical legal cost.</b>   |             |                           |
| Court appearance and/or filing answer as Attorney of Record (at client's request and Attorney recommendation)   | \$396       | 40% to 60% Off            |
| Pre-Trial Legal Services: Lawyer Drafted Answer to Summons and Complaint (Pro Se), <sup>(2)</sup> Communication with plaintiff law firm   | \$396       | \$100-195                 |
| Post Judgment Legal Services: Draft Pro Se Motions and Legal Documents: Disposition of Property, Motion to Dismiss, Specialty correspondence to plaintiff's attorney, review interrogatories drafted by client, pursue resolution or release of a bank levy, wage garnishment, release of real estate lien, pursue other release, other out of scope of services. | \$396       | \$150 - \$250             |
| Letter of Acknowledgment of Enrollment to Employer or 3 <sup>rd</sup> party. Personalized Letter for Security Clearance available upon request.   | \$396       | \$150 - \$250             |
| Schedule modification: Defer, lower or skip payment. Optional Final Disposition Letter (SIF) after a settlement is paid upon request.   | \$275       | \$ 35 - \$175             |
| <b>A consultation will occur prior to commencing any Supplemental Service. Out of Scope Service, if needed, may be drafted from reserves, if approved.</b>  |             |                           |

\* Discount Out-of-Scope pricing above is based on enrollment into Premium Assurance Program. Attorney or accounting will provide pricing of out of scope services if you are not a PAP member.

Pricing of Fixed Priced Packaged Legal Service is based on full and consistent installment payments. Out of Scope services are priced and subsidized in conjunction with timely payments of the Legal Package Fee.

We reserve the right to adjust legal fees commensurate with the services rendered in the event you call upon us to render extensive legal service, fail to meet contractual obligations, or withdraw early.

NLC management is sensitive to your financial hardship. We will be flexible with payment of cost of service if your request is reasonable, provided you have exercised good communication and have been cooperative.

Scheduled installments, performance pricing and out of scope legal fees not paid within 60 days of due date is subject to a 1.50% per month service charge of the total balance due unless approved, re-scheduled and honored.

## CHOICE OF BANKING • DEDICATED BANK ACCOUNT

10. **FDIC Insured Dedicated Bank Account • Independent Processor & Custodian Recommendation:** Opening an FDIC Insured Dedicated Bank Account (aka Reserve Account) through a recommended independent processor is highly suggested. Upon receipt of Account Authorization, Processor, as Custodian of your account, will open a non-interest bearing Dedicated Bank Account under your name and social security number and will process transactions you have authorized. Processor will provide Monthly E-Statements to you by Email and secure internet access to your account. Please contact Processor for assistance with E-Statements and internet login information. The bank account serves to hold accumulated funds for eventual payments to creditors and so processor can debit and account for charges as set forth in pricing schedule. Per your verbal or written authorization for Processor to disburse settlement payment(s), funds are usually sent by two-day or next-day delivery for tracking and delivery confirmation. A courier fee will apply pursuant to Processor's schedule. Funds in reserves are your sole property, less fees due. You may close your account at any time. Upon completion of service or early withdrawal, you authorize us to notify processor of balance due us and processor is authorized to debit the amount owed to us and refund the net reserves to you. Any paper check you remit may be processed by EFT.
11. **Sharing Your Dedicated Bank Account Data:** It is not a contractual requirement that you authorize your Custodian to share your dedicated account information with us. However, to effectively render service, accurate, timely reserve balance information is necessary. Therefore, at minimal, you agree to provide us with monthly E-Statements. You may designate anyone you choose to provide this information to us including your Custodian. We highly recommend that you designate and authorize your Custodian as your agent to provide us with periodic E-Statements and banking data. If you choose not to authorize your Custodian to provide us E-Statements, you must write us and inform us how you intend to provide us with balance information. This must include a statement that you will manage all associated responsibilities and you accept any and all potential adverse consequences. Providing us authority to instruct your Processor on your behalf to disburse settlement payments is not a contractual requirement. If you prefer to contact your Custodian directly to provide payment instructions, kindly inform us so we can note your file. Your Custodian provides online access and reports for all transactions (deposits, disbursement to creditors, legal and service fees, bank fees). Your reserve account is your bank account, not the law firm's account. It is your responsibility to regularly log on to your bank account to review and obtain account activity reports.
12. **Monthly Dedicated Bank Account Fee:** A separate monthly bank account fee shall apply each month pursuant to Processor's fee schedule. The current monthly bank fee is defined in your schedule, subject to change per Processor's policies. Bank Fee is included in your monthly payment, but is independent of estimated Total Target Goal. As with any bank account, there are fees associated with maintaining a bank account. (see Processor's separate Dedicated Account Agreement and Fee Schedule)
13. **Selecting your Personal Bank Account as your Reserve Account • Creditor Set-Off:** If you do not use a Dedicated Bank Account, you accept all risks. Additionally, a monthly manual bookkeeping fee will apply. (call for cost) You must be readily available to obtain a bank check and arrange for courier delivery of payments. You bear the responsibility of disbursing all payments in accordance with all settlement agreements as well as updating us with your monthly bank balance and providing other information we request:  
Set-Off: If you bank with a financial institution that you owe money to, the lender may apply deposits held at the bank to account(s) in default.

## SECTION B: DEBT RESOLUTION LEGAL SERVICE • PERFORMANCE BASED PRICING

14. **Balance Negotiations:** We do not charge advance fees for our efforts to negotiate a balance reduction on non-legal accounts. The guidance provided through the Packaged Legal Services sets the tenor, position and foundation for effective resolutions. However, to effectively utilize the debt resolution strategies, sufficient funds must accumulate to initiate a good faith offer with a creditor, which may take quite a number of months. As funds become available, your Attorney will evaluate when to contact each creditor or collection firm. Funds do not disburse to any creditor except as a result of reaching an approved written resolution. Payments you make to a creditor not in connection with a resolution are outside the target goal.
15. **Extended Terms:** Your goal is to complete service in three years or less which may be achieved by making average monthly program payments of two percent or more of starting balance. A schedule over three years is based on your request for a lower payment due to your severe hardship. Schedules over three years tend to increase risks of litigation and will take longer to achieve resolutions due to slower accumulation of funds. You agree to make supplemental deposits when affordable and increase payments should or when income improves or expenses reduce.
16. **Performance Pricing:** Attorney will perform a legal review of each written resolution to ensure it meets our high standards. The contractual performance fee will be earned on a per-account basis. Half the performance rate shall be earned by law firm contingent upon performance of a favorable result of an account. Half shall be designated as earned by Support for its clerical services related to servicing the account during enrollment, notwithstanding completion of service or a resolution. A thirty-five dollar processing fee will apply for each resolution payment. We will defer drafting our performance fee until settlement is paid or at least one payment is paid to creditor. If you request we negotiate a payment plan in lieu of a discounted settlement, the full performance rate applies. Payment plans are not accounted for in your program and will impact results.
17. **Advantage Plus • Target Goals:** Pricing of services are specified amounts or rates, whereas creditor goals are estimated averages. The total mid-range goal is estimated to be about two-thirds of your starting balances, with about two-thirds of the total mid-range goal projected for resolutions and about one-third estimated to cover pricing. Our goal is to resolve each account as low as possible so we both benefit. When an account is resolved for less than half, you will benefit from two-thirds of the savings under half of starting balance and we will earn the other third. Subject to each resolution and your case, usually half of our bonus is drafted at the time of each resolution, with the remainder of bonuses drafted near or at close of file. The full bonus shall be drafted on legal accounts and small balances. If a balance is eliminated or payment of an account becomes optional, bonus will be based on full savings of starting balance plus an additional five-percent exceptional performance incentive shall be earned.
18. **100% Balance Elimination • Discharge of a Balance:** In some cases, an account may be discharged or eliminated through various means such as:  
A) Prevailing in a legal defense, cross claim, or other maneuvers, B) An account becomes time-barred, C) A creditor issues a 1099 prior to an account being resolved, D) An account cannot be located, or creditor deems account as uncollectible, discontinues collection or refuses payment. These are favorable outcomes and are a result of our work product and strategies. Legal guidance will have been provided in connection with the account and valuable time will have been extended to service the account to bring about favorable results. While a written agreement is typically secured from creditors to affirm resolution, various legal defenses or opportunities may become available making pursuit of a settlement optional, resulting in exceptional saving, notwithstanding a written agreement with creditor. Should you benefit from one of the foregoing events, you may elect not to pursue settlement. A five-percent exceptional performance incentive will apply plus the performance rate. Should collection of the account be pursued later, we will assist at no additional cost, except expenses incurred, providing all contractual fees have been satisfied. Leaving your program early without payment of remaining accounts may become a viable, valuable option for you. Should settlement of remaining accounts become optional, Attorney will discuss your options. If you chose not to pursue settlement and elect to leave service benefitting in substantial savings, the remaining scheduled monthly administration fees shall be earned. Balance of fees due will be drafted from reserves. If reserves are not sufficient to cover total balance due, monthly drafts will continue and will be applied to balance until paid unless other arrangements are made.
19. **No Self-Settlements • Non-Circumvent Agreement • Attorney Work Product:** You agree not to discuss settlement with any collector or accept any offer without our consent. You unconditionally agree that all settlement offers made to you, directly or indirectly, written or verbal, are expressly the work product of the Law Firm from beginning of service and for ninety-days after withdrawal. Should you accept a settlement outside of the service, you unconditionally acknowledge that a result fee will apply regardless of the circumstances even if you or another party negotiate the settlement, or a) you accept an offer mailed directly to you, b) we involve you in a three-party conversation with a collector, c) we coach and instruct you to speak with a collector to negotiate an account without our representative on the call, d) any event that leads to settlement or a favorable result. Federal law requires collectors to inform you that "any information obtained will be used for the purpose of collecting the debt" (business accounts excluded). While you have a right to speak with any collector, you are not obligated under the Mini-Miranda laws. Additionally, you may inadvertently waive your attorney-client privilege of confidentiality, which may impede our efforts to resolve an account and increase settlement amount and overall cost to you.
20. **List of Accounts • No Secured Accounts:** The final List of Accounts is incorporated herein by reference. You agree to provide accurate names of creditors, original account numbers, current balances, a written statement for each account, and if applicable, collection agency name, collection notices and legal documents upon enrollment and update us with same throughout service. If you do not have a written statement for an account, you accept any related issues that arise as we will rely on the information and estimate you provide. Failure to disclose all debts owed, co-guarantors, authorized users, or collateral is a breach of this agreement. All unsecured debts over \$1000 shall be listed, unless otherwise approved. If you owe a secured loan to an enrolled creditor, the collateral may be seized if you default on either loan if the security agreement contains a Cross Collateral Claus, residential mortgages excluded. Should an account be erroneously listed that is later found to be secured, or should we approve a secured account to be listed by exception, you unconditionally accept all risks of seizure and forfeiture of secured collateral.

21. **Agreement to Forward Direct Creditor Solicitation Offers:** You agree to forward all written offers to us and notify us of any verbal offers. Our strategies are designed to elicit creditors to solicit favorable settlement offers to you. Therefore, we expect that you will receive written settlement offers directly from creditors and collectors. We rely on reviewing all settlement solicitations you receive to continually evaluate your case and adjust strategies as needed. If we pursue a settlement solicitation, we will attempt to improve the offer. If the offer cannot be improved or the offer is deemed favorable and you accept the solicitation offer, the full contractual resolution rate will apply. If you received any settlement offers prior to enrollment, you acknowledge that acceptance was not feasible at the time and past offers have no bearing on future offers or results.
22. **Debt Resolution Provisions • Payment Processing:** We will generally contact you to discuss acceptance of all favorable offers. However, due to the dynamics involved in the resolution process, you hereby provide us advance approval to negotiate and secure a resolution letter for half or less of a creditor's claim (i.e. 50%, 40%, 30%, 25% of claim) if reserves are available or should become available per your reserve schedule. Your advanced approval does not authorize us to instruct processor to disburse payment unless you have provided us a recent verbal authorization to do so. Therefore, you are required to maintain regular communication with us in order to provide continual feedback and to provide us consent to notify processor to pay a resolution when applicable. The objective is to average less than half of total starting balances. Therefore, contacting you to discuss offers over half would be burdensome to both parties. Therefore, we mutually agree that we will not notify you of offers over half, unless an offer over half should be considered, which you agree not to unreasonably decline. If we inform you of an offer at or below the target goal and funds are available in reserves or should have been available based on original schedule and you decline, we may deem our obligation to that account complete and a service charge equal to the full performance rate may apply. A service charge of half the resolution rate will apply if we agree to re-negotiate. If you place urgency upon us or a creditor to resolve an account(s), you accept potential consequences of a high resolution.
23. **Collection Activity & Calls • Validation of Debts • Authorization to Refer:** Each time an account is transferred to a third party, you must promptly send us a copy of the collection letter. The letter will be reviewed for action, if any. Until Attorney elects to notify a creditor of representation, we will prepare a Validation of Debt letter (VOD) and send to you for your signature. You agree to mail VOD's by certified mail and send us copies of the return receipts for your file. Should you send by regular mail or do not send us a copy of proof the collector received your VOD, we may not be able to take certain actions against collectors on your behalf or defend your rights under various consumer protection laws, which may affect settlements.
24. **Open Communication and Cooperation:** Open communication between us is essential. While we prefer communicating by email, some matters will require a personal conversation with you. You agree to provide us with as many means of communication available to you, including cell, home, work phone number, and email, as applicable. You agree not to restrict the means we select to communicate with you, unless you have a valid disability or calls to your workplace are restricted. You agree to consider your program and our service a high priority. You agree to take our calls and/or set aside time to discuss your case during our normal business hours when we request. We each agree to be accommodating and respectful of each other's time.
25. **Creditor Notification of Attorney Representation:** Accounts will be strategically selected by your attorney as your case evolves. It may be many months before attorney representation is disclosed to creditors. Collection calls will continue until we contact all collection firms. Please call support for guidance. We do not contact original creditors unless funds are available, timing is right, and strategically prudent. However, should a situation arise that requires our immediate involvement, we will intercede as warranted. We will inform you when you may refer collection calls to us. Referring a creditor or collector to us without account specific approval is a breach of this agreement. If you receive a collection call or collection letters AFTER we notify them of our representation, contact us immediately so we may assess the case for possible violations against your legal rights.

## SECTION C: GENERAL DISCLOSURES AND RISKS

26. **Accrual of Interest:** Account balances may increase until each account is resolved and paid. We will put forth our best efforts to negotiate accrued interest once funds are available to initiate offers. Creditors' claim(s) may include collection fees and in the event of litigation, may include legal fees and court costs. Your failure to save adequate funds in a timely manner, a creditor's refusal to settle, legal proceedings, termination of monthly payments to your creditors and/or your early termination of service may result in increased balances and your financial hardship may be elevated.
27. **Negative Effects to Credit:** Missed loan/credit card payments and/or your decision to terminate payments to creditors will result in derogatory credit and will affect your ability to secure credit, certain types of employment and may adversely affect open accounts and lines of credit not in program. You have evaluated your need for credit and accept all consequences. Homeowners considering refinancing should do so prior to enrollment. You acknowledge that derogatory credit will occur, with or without utilizing our service, due to your financial condition and is not a result of engaging our services. Service does not include credit repair or our intervention with creditors or reporting agencies. Please contact your creditors or collection firms directly or file a dispute with the Credit Bureau. If your employer requires that you resolve your debt through a professional organization, NLC makes no guarantees that your employer will assent to the resolution process you have chosen.
28. **Risk of Legal Proceedings:** Regardless if your case involves litigation or not, strategic advanced planning and deliberation with your lawyer regarding potential litigation is judicious. Engaging our service may not prevent a creditor from commencing litigation. Accordingly, Scope of Service includes litigation preparedness. Your lawyer will make recommendations based on your situation and provide guidance regarding your legal rights in connection with potential litigation. Lawsuits are generally resolved through settlement of the underlying debt. Depending on your particular case and your state laws, litigation may include creditors' efforts to garnish wages, levy bank accounts or attach property and you may be called upon to pay the full claim, plus accrued interest, penalties and collection fees. (See Scope of Representation on last page)
29. **Discharge of Debt and Tax Consequences:** The discharge of indebtedness may be considered taxable income. Debt forgiveness equal to or greater than \$600 may be reported to Internal Revenue Service. Seek the advice of a tax professional. (Refer to IRS Form 982 for exclusions.)

## SECTION D: MUTUALITY OF OBLIGATIONS

30. **Integration • Severability • Amendments:** Enrollment Documents, Policies and Procedures and all future communications are integrated into this agreement and constitute the complete agreement and supersede prior agreements, verbal and written. Applicant is sole client if a co-party is involved. Co-Party allows Applicant to handle their accounts. We reserve the right to amend this agreement as may be required by state or federal laws or as we elect. Should any provision be held to be invalid or unenforceable, remaining provisions shall remain in effect.
31. **Indemnification:** You agree that any collection activity, demands, or lawsuits are unrelated to our services and would occur regardless because you are or will be in default. You agree to indemnify, defend and hold harmless the Law Firm, its agents and assigns from and against any and all claims, actions or damages taken by creditors, whether or not listed on List of Accounts, in enforcement of judgments or any other debt collection activities, legal or otherwise, or any other action by any creditor or third party, from and against any and all claims or actions including, but not exclusive of: garnishments, levies, wage assignment, repossessions made by or through any third party, consequences as a result of derogatory credit reporting, third party charges against your bank account, fees or penalties charged by creditors, including but not limited to creditors of Client arising, directly or indirectly, out of: any act of omission by Client, its agents, successors and assigns, including, but not limited to failure by Client to comply with its obligations, hereunder, any act or omission by a third party or creditor's negligence associated with the terms of any resolution. The Firm, its agents and/or assigns, will be liable to Client only for the damages arising directly from intentional misconduct or gross negligence in the performance of this Agreement. This entire Indemnification clause and acknowledgments shall survive the termination of this Agreement.
32. **Dispute Resolution • Arbitration • Choice of Law:** Each party agrees to enter into good faith discussions and if needed, allow up to 180 days to seek resolution prior to either party filing a formal complaint. Any dispute that cannot be resolved between the parties after 180 days must be resolved by binding arbitration that replaces the right to go to court before a judge or a jury which may limit each party's rights to discovery and appeal. This agreement shall be submitted for binding arbitration in accordance with the rules of the American Arbitration Association. Neither party may bring a class action suit or other representative action in court, nor bring any claim in arbitration as a class action or other representative action. The laws of the State of DE shall govern this agreement and arbitration proceedings may occur by teleconference for convenience. Each party agrees to share in the Arbitrator fee. Judgment upon the decision of the Arbitrator may be entered into any court having jurisdiction. The prevailing party shall be entitled to recover reasonable legal fees and costs, including Attorney's fees. Should you enter into a payment plan outside of the original schedule or we reschedule legal fees to accommodate your finances and you default, we reserve the right to bring legal action to enforce the agreement.
33. **Summary of Conditions: You Agree To:** Reasonably maintain your schedule, Notify us in advance of a payment issue, Forward all collection letters and legal notices to us promptly, Provide full original account numbers to us, Return documents promptly. Independent of resolutions or completion of service: Provide accurate and truthful information, Honor contractual pricing obligations, Call if confused or concerned, Comply with Policies and Procedures **You Agree Not To:** Settle any account on your own, Discuss settlement with a collector, Restrict our means to communicate with you, Interfere with our processes or our contractual or legal obligations, become confrontational or place unreasonable demands upon us. Treat staff inappropriately or use verbal or written offensive or disrespectful language. **We Both Agree to:** Be cooperative and respectful, Return calls and emails to each other promptly, Be reasonably available during our normal business hours for discussions, Do our best.
34. **Close of File Process:** Upon withdrawal by either party or completion of service, processor will refund your reserve balance within a reasonable time, less fees due. Withdrawal from service must be done by calling so we may discuss your account status and offer helpful information. An account review and audit will be scheduled. Due to the complexities of each case and the extensive time involved to complete a close file audit, the audit will commence within ten business days and shall be completed within the following ten business days. A \$150 close file and audit charge will be debited from reserve account plus balance due, if any, upon completion or close of account. An accounting will be provided at conclusion of audit. We will refund any erroneous overcharges identified or draft final balance due us to the extent reserve balance is available. Processor will return all net reserve balance to you by check via US Mail unless you instruct us or Processor otherwise. Should reserves be insufficient to cover any balance due us, terms will be offered so you may affordably pay any balance due us. Should you breach a condition of this agreement, we may withdraw and any balance due us shall become payable in full immediately and at our discretion, hourly rates may be applied in lieu of fixed pricing. Our forbearance of any breach does not constitute our waiver of any condition. Should you relocate to a state we do not service or should regulations require termination of service, we may withdraw and fees are not refundable. Should you move without notifying us, become estranged, or terminate, contractual pricing survives termination of this agreement. If you do not respond to our correspondence or communicate with us for ninety-days or more, we may deem you have chosen to withdraw and a final audit will be conducted. We will debit reserves for balance due us to the extent available and invoice any shortage. Hourly rates may apply for efforts to locate you or an account. In the event you become deceased while enrolled, you authorize a final draft of balance due us from your reserves and remaining net balance will be sent to your estate or next of kin or as directed by administrator of your estate. Completion of service is vital. Should you have difficulty maintaining your schedule, we encourage you to work with us to benefit from our services as early withdrawal may increase your hardship to manage a balance due us. Early withdrawal will disrupt our long term strategies and increased balances may also elevate your hardship. You unconditionally agree not to bring any suits or claims against us and acknowledge that no basis regarding results will be valid because adequate reserve funds did not accrue.
35. **Premium Assurance Program Opt-Out Option (PAP):** My initials below acknowledge that I wish to "opt-out" of the Premium Assurance Program. If I opt out, I will not receive any benefits provided under the PAP. Should I request a skip, deferred or temporary reduced payment, a rescheduling fee at normal rates will apply. If I request out of scope services, I am not entitled to special PAP pricing. If I choose to opt-in at a later time, I will pay the higher price at that time, retroactively. DO NOT initial to the right if you want the benefits of the Premium Assurance Program:



36. **Sharing of Client Information with Third Parties • Attorney Sharing of Data:** The sharing of information with third parties is necessary to carry out service and fulfill our obligations. Attorney may share data to: 1) negotiate a claim, 2) bring an action or demand against a creditor or creditor's agent, 3) seek optimal opportunities to resolve accounts which may include providing your social security number to third party reporting services and debt matching services in an effort to identify collection firms that may be handling your accounts, 4) communicate with third parties that you request such as a potential employer, landlord, or potential lender, etc. There are no guarantees that sharing your data will benefit you. You expressly authorize Attorney to share your information as Attorney deems fit and the sharing of this information is not privileged.
37. **Consent to Limited Scope of Representation:** You hereby appoint assigned attorney as your Attorney and true and lawful agent in your stead. Your lawyer is not your lawyer for any other purpose other than to: a) advise you regarding your unsecured debt, b) review collection correspondence, c) explain your legal rights under state and federal consumer protection laws, d) analyze your information and share select information with third parties as Attorney deems fit, e) discuss feasible options based on your circumstances, f) put forth his or her best efforts to negotiate a resolution of claims as funds become available f) perform legal research, if needed g) review relevant legal documents and court documents and h) provide guidance on legal and court procedures if applicable. Accounts in legal status at the time of application or a non-legal account that later becomes legal requires special Attorney approval and may be excluded from service. Your lawyer will use his or her best efforts to negotiate a resolution on approved legal accounts, however, notification of Attorney representation to plaintiff's attorney is at the discretion of your attorney. Negotiations may not commence until funds are available to offer an equitable settlement or you direct Attorney to negotiate monthly installments towards full claim. Service is not available in all states and is void where prohibited.
38. **Scope of Representation does not include:** Ongoing assessments and strategic guidance is the foundation of our service and your success. In the event a debt collection law suit is filed, effective results are seldom achieved through the court system. There are times, however, that a response to a court is recommended or required. In such event, your attorney will provide guidance so you may draft an appropriate response. Service does not include your attorney drafting or preparing the response. You may, however, ask your attorney to draft the response for you. If your attorney agrees, out of scope pricing will apply. Scope of Representation does not include: Representation as "Attorney of Record", physical appearance in a court, or interceding in matters such as attempts to garnish wages, levy bank accounts or attach property, etc. Should your lawyer agree to: A) Prepare a response or draft any legal document, B) Appear in court, or C) Intercede in out of scope matters, pricing will be discussed. Should you call upon us for assistance with a pressing out of scope matter, and due to the urgency of the matter we swiftly render services absent a verbal or written price agreement, hourly rates apply. Fees are not transferable to other services offered by law firm. While your contractual pricing survives termination of this agreement, each party mutually consents that upon completion of service or withdrawal, attorney representation shall conclude and both National Legal Center and your responsible attorney's withdrawal shall be deemed to be in effect.
39. **Accounts in Legal Status at Initiation of Service • Initial Attorney Consultation:** While we prefer to meet in person prior to commencing a schedule, if you are dealing with a legal account prompt answers to address your legal concerns are important. It is vital to have an experienced lawyer assess your options as soon as possible. A personal meeting may be arranged if travel is convenient for you. However, to expedite service, provided that one or more account is in litigation, you may submit all enrollment documents by fax, email or on-line and a personal meeting may be waived. You agree to visit your local courthouse to obtain all court documents prior to attorney consultation and at other times, if instructed by attorney. You must provide ALL court documents as soon as possible, but no less than three (3) days prior to consultation with attorney. The minimum charge per legal account is based on a minimum of twelve hours of legal service, plus other applicable service cost. However, hourly rates will be waived due to Fixed Priced Packaged schedule, providing your schedule is reasonably maintained and you comply with conditions of service.