



ALLEY COLLECTION SERVICE, LLC

17431 North 71st Drive, Suite 104 Glendale, AZ 85308
(623) 931-4325, Fax (623) 934-4041
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Collection Pamphlet – City of San Luis

Prospectus Proposal for Collection Services

Contact Information

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Dear Prospective Client:

Valley Collection Service, LLC was established in Arizona in 1980 and has been servicing our customers in the West ever since. In the area of all medical, government utility, court and departmental (fire, ambulance, and police) collections, we have the trained personnel, management resources, operational capability, technical resources, years of experience, customized service, timely management reports, superior collection services and overall excellence that today's clients demand. As professionals, we rely on experience and knowledge to determine which procedure facilitates the best results. To better serve our diverse clients, we have bilingual staff members on duty at all times.

Our hands-on approach to the collection process facilitates efficient debt recovery. We accomplish a higher-than-average success rate by keeping our primary focus on providing unparalleled collection service to our clients, and treating both clients and individuals owing an account with the utmost respect. Prompt follow up and follow through top our list of priorities for each and every account.

We have a clean record with the Better Business Bureau (an A+ rating) and are proud that Valley Collection Service, LLC has never had a conviction for a criminal or civil offense let alone any court action of any kind against us. This is a rarity in the collections industry and allows us to provide a strong assurance that we represent our clients in the best possible way.

At Valley Collection Service, LLC we strive to add an emphasis to the relationship developed between ourselves and our clients. We will customize our collection and reporting efforts to ensure the least amount of time is expended by our client's employees. Our contingency rate is lower than most other collection agencies while our success rate is higher. We are confident that after you have read our brochure and contacted our references you will find we are the best collection agency to serve your needs. Please give me a call at 1-800-244-9665 if you any questions. I look forward to personally meeting with you to answer any additional questions and discuss how we can improve the revenue you generate.

Sincerely,

Scott A Maxam
Collections Manager/Member

Collections Statement

The primary focus of Valley Collection Service, LLC is to provide unparalleled collection service to our clients, and to treat our clients and debtors/defendants with respect. Our collection goal is to reach the debtor/defendant as quickly as possible and to obtain a payment agreement from them. We focus on prompt Follow-Up and Follow-Thru on each individual account to maximize collections for our clients.

Benefits of Using a Collection Agency

Using a collection agency to collect on your delinquent accounts is a cost effective tool to produce more revenue to our clients. This is achieved by Valley Collection Service, LLC processing payments, attaching to an individual's credit, and trying to locate individuals that owe our clients money.

We use multiple skip-searching databases along with the National Change of Address databases to locate individuals who have moved. We use a combination of several precise and up-to-date skip-tracing programs until all current data is found. Once data is collected from these different skip-tracing programs, we have clerks carefully screen all information looking for discrepancies along with comparing the information to the National Change of Address databases. When discrepancies are found, we follow-up to make sure that the most current and complete information is input into our database. After receiving this new information, we will immediately send another notice to the individual in an attempt to receive payment. The time that we spend on this is time we save our clients performing any collection activities and brings about increased revenue when we are able to find the individual and get them to pay their obligation.

Valley Collection Service, LLC has the ability to report to all three major credit bureaus and does so 35 days after an initial assignment validation letter has been sent to an individual. This is a useful tool to get payment in full from individuals that are either trying to make a purchase on credit or trying to rent something that requires a credit check.

Ethical Collections

While it is the focus of Valley Collection Service, LLC to maximize collections for the client, it is also very important for us to do this with an ethical approach. This approach has allowed us to maintain a clean record with the Better Business Bureau and a clear conscience. We also feel that it is a good business practice.

As part of a new hire's orientation, we require them to sign a Code of Ethics statement. We make sure that we revisit this policy periodically with all of our employees to guarantee that all of our collection activities are aligned with our behaviors.

CODE OF ETHICS FOR ALL EMPLOYEES

There are many state, local, and federal laws governing the proper procedure for collection of an outstanding debt. I understand that it is my obligation to follow each of those laws. To treat debtors, co-workers, and clients in the same manner in which I wish to be treated. To clearly, honestly and frankly document the steps taken in work that I have performed. I also understand that I have access to extremely confidential information and that it is my responsibility to respect and protect the privacy of debtors, defendants, clients and co-workers. When I am communicating with others, I must assure that I avoid the appearance of harassment, rudeness or non-cooperation. It is my goal to handle matters in such a way as to avoid complaints and conflicts. I understand that it is extremely important not to make professional legal recommendations and to only tell the debtor the honest facts about their account.

Collection Methods

Within 24 hours of receiving debtor information:

- Information provided by the client about the debtor is recorded into our computer system. We accept accounts in any method that is easiest for our clients and will pay for any upgrades to make our systems compatible
- Address and phone numbers are immediately verified through our National Change of Address databases. Skip-traces are performed where needed.
- An initial written notice as required by the Fair Debt Collection Practices Act (FDCPA) guidelines is sent out to the debtor and recorded into our system.

After 10 business days:

- A phone call may be placed to a debtor if we have not received communication within 7 days of the initial notice being mailed.

After 35 calendar days:

- If a payment arrangement has not been made, the collection account is reported to the credit bureaus per FDCPA regulations.
- A second notice is sent to the debtor regarding the account.
- We will continue to make efforts to reach the debtor by a series of notices and phone calls to the debtor until a satisfactory payment arrangement has been made.
- Each debtor is contacted by phone at a minimum of once every thirty days until adequate payment has been achieved and the account has been closed.

Standard Collection Activities Performed:

- Dispute and Problem Resolution
- Running Skip-tracing programs to locate current address information
- Updating Credit Histories
- Providing our Clients timely reports of payments made

- Assisting debtors in developing a plan to successfully meet their financial obligations
- Written and telephonic communication with debtors

Notices and Phone Calls

At Valley Collection Service, LLC, we have a series of notices and phone scripts of various degrees of urgency to have a debtor pay their outstanding account. Our attorneys have reviewed each notice and phone script to ensure that we are compliant with all collection laws. Copies of our notices and phone scripts can be provided upon request.

Payments

We will notify at a mutually agreed upon time frame. All payments received are immediately deposited into our Client trust account. Payment reports accompany remittance of payment at the agreed upon frequency and are sent to the client no later than the 15th of the following month.

When speaking to the debtors and also as evidenced on our notices, we inform the debtors that our preferred method of payment is money orders or cashiers checks. This is to mitigate the risk of multiple NSF or credit card charge backs. We also accept payment by credit card, check by phone, cash, wire transfers, and personal checks. Payments in full can be done by all methods, but we let the debtor know of any delayed time frames that occur from non-guaranteed fund payment. The delay for credit reporting is two business days for credit card payments and up to two weeks for personal checks.

Account Transfer

Accounts are assigned to Valley Collection Service, LLC at the discretion of our Clients. We can accept the transfer of the accounts in whatever manner our client prefers. The most common way that we receive accounts is through email spreadsheets, but we also receive them via fax or U.S. mail. We would agree to pick up accounts from any office within a 10 mile radius, upon request. As another service that we provide to our clients, upon request, we can have Valley Collection Service, LLC employees come to your office to make copies of the accounts to be turned over. This personal effort is one way that we feel that we differentiate ourselves from the typical collection agency and allows your employees to spend their valuable time on other job functions.

Security and Confidentiality

Valley Collection Service, LLC treats all information as confidential and uses information only as necessary for the proper discharge of its obligations and protection of their rights. Under no circumstances is any customer information given or sold to a third party.

Our offices are well secured at night to protect the information that has been entrusted to us. Client information is stored on a secure network drive that resides in a secured room. Only authorized personnel can access the secured server. Valid user and password protection secure access to the network drive.

Compliance

We are fully licensed, bonded, and insured in all states that we conduct business. As a collection company it is essential to our existence to be compliant with all applicable provisions of the Fair Debt Collection Practices Act, along with all other Federal, State and Local Collection laws. Through our membership in the national chapter of the American Collector's Association, the leading authority of ethical collections in our industry, we are made aware of changes in the consumer and collection agency laws long before they become effective. We also have on retainer an attorney who specializes in debt collection and advises us on changes in laws applicable to our industry.

Computer programs are updated for any such changes in law, as are our employee manuals. Well-trained and ethically sound employees are at the core of our business. Extensive background checks are performed on all of our employees. Each employee is given a training manual and is tested on the material. We retest our staff every 3-6 months to ensure optimal knowledge of collection laws and techniques, in order to maintain strict compliance to all local, state and federal guidelines. Employees are only allowed to make telephone contact with debtors after they have passed the required exams. In addition, employees are required to take continuing education through attendance at various American Collectors Association seminars and teleconferences. Employees are then tested on their understanding of the Acts and amendments to the Acts.

Technology

At Valley Collection Service, LLC we strive to stay on the cutting edge of technology to ensure that we are maximizing our collection efforts for our clients. Our collection software was custom made for our company to ensure prompt follow-up and follow thru with any individual who has an account with us. Updates are performed to stay current with all collection law. Our IT Director is on call with the company 24/7 to ensure that our systems are running smoothly for both ourselves and our clients. If there are any compatibility issues between our systems and our clients, our IT director will make us compatible to our client with all costs of this borne by Valley Collection Service, LLC.

Differentiation

We are confident that we stand above the typical collection agency. Our integrity and professionalism stand out. Additionally, our exceptional recovery for our clients certainly sets us apart from our competition. There are few collection agencies with our experience, and not a single one of them has our history of persistency when it comes to collecting outstanding accounts receivables. When we get an account, we follow-through until the money is collected.

Additionally, our service-with-results philosophy includes:

- Answering inquiries the same day they are received.
- Skip-tracing to locate debtors.
- Updating credit histories and delinquency reporting to credit bureaus.
- Adhering to the highest standards of professional customer service.
- Keeping open lines of communication.

- Maintaining accurate historical and transactional databases that are always available to our clients.
- Taking legal action only after client approval.
- Treating debtors with the utmost respect.
- Bilingual professional staff.
- State-of-the-art collection software system..
- Address correction software and National Change of Address database access.
- Consulting and advisory services.
- Custom reporting.
- Excellent compliance record with state regulatory authorities.
- Same day paid-in-full notification to clients.

Contingency Fee

Valley Collection Service, LLC works on a contingency fee of **20%**. Our clients may add this amount to the balance so 100% of the monies owed to our client are paid to our client if you have the appropriate ordinance in place to allow this fee to be assessed to the customer . There are no start-up fees or hidden costs associated with any of our collection activities.

References

References Available Upon Request

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Conditions for accepting accounts from the City of San Luis hereinafter referred to as the "client" to Valley Collection Service, LLC hereinafter referred to as the "agency".

Accounts will be accepted for collections for any amount as long as the most recent date of prior payment or of service is within the statutory period. Accounts may be accepted through any medium, including computer disk, e-mail, computer printout, manually prepared records or other computer technology.

The commission fee is 20% on all collections made, regardless of the amount of the account whether paid to VCS or the CLIENT. This amount can be added on to the amount assigned to the agency with the approval of the client.

The Agency shall implement through collection, procedures to achieve a maximum recovery of debt. These procedures shall include telephone calls, mail efforts and skip tracing procedures whenever necessary. Information concerning a delinquent debtor may be released to a credit bureau or other third parties, unless such release would be contrary to the privacy rights of certain debtors as expressed in the federal and state laws.

Legal action can be taken when all other collection efforts fail. Such action will be taken on accounts over \$2,500.00 only. **HOWEVER, SUCH ACTION WILL BE TAKEN ONLY UPON RECEIPT OF WRITTEN AUTHORIZATION FROM THE CLIENT IN EACH SPECIFIC INSTANCE.**

In the event of legal action being authorized, the Court costs (i.e.), the filing fee, and service or process for the suit are advanced by the Agency and will be deducted from the favorable judgment awarded by the Court. Attorney's fee will be paid by the Agency and, if collected, will be retained by the Agency after the recoupment of the costs, principal and Agency contingency fee.

However, should the Court rule in favor of the debtor because the creditor (client) failed to appear at the hearing to prove a claim against the debtor, any legal fee incurred by the Agency shall be paid by the client.

In the event agency does not file suit within 120 days of suit authorization, the Client, at its sole option, may recall the account from the Agency and Agency shall cease further collection action on the account.

The Agency is an independent contractor under this agreement and shall be liable for its own actions and those of its employees in connection with this agreement. The Agency agrees to hold the **City of San Luis** its officials and employees, harmless from Agency's negligence, errors or omissions or those of its employees, and agrees to defend and indemnify the **City of San Luis** its officials and employees for the same.

The Agency will provide, each month, a computerized report showing the amount collected on each debt during the previous month. A check for the amount due the client will be transmitted at that time.

The Agency will refer to the client any written appeal received from a debtor and will withhold further Collection efforts on that account until a written response is provided by the client.

Accounts are assigned to the Agency for the duration of the credit-reporting period. Accounts may be canceled after that period if the Agency is given 60 days notice in writing, except when the account is being paid, in the process of being paid, or has been authorized for legal action.

Once the account is turned over for collection, our agency is due its commission regardless of when the account was paid

ALL PAYMENTS MUST BE REPORTED TO VALLEY COLLECTION SERVICE PROMPTLY. ANY BILL SENT TO CLIENT FOR COMMISSION DUE MUST BE PAID TO THE AGENCY WITHIN 30 DAYS AFTER RECEIPT.

I HAVE READ THE ABOVE AND AGREE TO THE RATES AND CONDITIONS:

SIGNED _____ **DATE** _____

CLIENT NAME AND PHONE _____

CLIENT ADDRESS _____

VALLEY COLLECTION SERVICE, LLC _____ **DATE** _____