



SERVICE AGREEMENT

THIS AGREEMENT is between Mergers Marketing, Inc. d/b/a Background Screeners of America ("BSA") and _____ ("Client"), for whom background search services are provided through a professional relationship with _____ ("Consultant").

1. Services to be provided by BSA

This Agreement is entered into on _____ (Date).

Upon request and relying upon Client's representations that it has a legitimate purpose for information, BSA will provide background checks, verifications and other consumer reports to the Client when available. BSA will only furnish a report for a permissible purpose under the Fair Credit Reporting Act, 15 U.S.C. §1681 et seq. ("FCRA") and no other purpose.

A. BSA provides such services and products through and in association with professional background screening services and account representatives ("Consultants"). Fees and charges for the reports provided are exchanged between the Client and the Consultant. Although the Client has direct access to order and receive reports through the BSA web interface, all fees exchanged shall be between the Client and the Consultant.

B. Periodically and upon request, BSA will provide to Client copies of certifications, consumer consents, notices and summary of rights under the FCRA as well as other forms which BSA finds helpful in meeting its obligations under the FCRA and other applicable laws. Client acknowledges receipt of the Federal Trade Commission Notice of Consumer's Rights and Notice to Users.

2. Representations of Client When Ordering Reports

A. Client represents that it is an existing business with the legitimate need for verification and reports offered by BSA. The nature of Client's business is: _____. Client specifically represents that reports will only be obtained for its own one time use and it is the end user of the reports. It will not further distribute, sell, give or trade such information with any third party. Client will request and use reports for the following permissible purposes listed in this agreement.

B. Client may share reports with another entity for joint use. The FCRA permits end users of consumer reports to share the consumer report with another entity if Client and the other entity will use the report for the same transaction and for the same purpose. Examples include: a staffing company sharing a report with its customer with whom the consumer will be placed; a subcontractor sharing reports of its employees with the general contractor or owners of the project on which subcontractor is working. These examples are not exclusive, but demonstrate the acceptable "joint use" that is permitted. However, prior to sharing a consumer report, Client on behalf of BSA will determine and verify the identity of the joint user and that such joint user shares the same permissible purpose for use of the consumer report as does Client and the joint user will only use the consumer report for this one transaction with Client. This Agreement is a certification by Client that any joint user is a legitimate business and will use the report for the same permissible purpose Client represents to BSA when ordering the consumer report(s) on the individual consumer or as provided in Section 2 of this Agreement. Client agrees to indemnify and hold BSA harmless from any claims, liability or losses asserting that the joint use was improper in any way, violated the FCRA or otherwise, and additionally, if the joint user used the consumer reports for any reason than as represented by Client to BSA. Such indemnification includes all costs, expenses and reasonable attorney fees incurred by BSA.

Please Initial _____
Client

C. Client represents that prior to requesting a report for employment purposes (including contractors and volunteers), it will:

- (i) disclose to the individual who is the subject of the report that a consumer report or, as applicable, an investigative consumer report, may be obtained;
- (ii) Obtain the written consent of the individual allowing the obtaining of the consumer report. Client agrees that submission of an order is a certification that it has obtained the consent of the consumer;
- (iii) Provide to the individual a summary of the individual's rights required under the ("FCRA") and any applicable state law; and
- (iv) Not utilize any information in violation of any federal or state equal employment opportunity law or regulation.
- (v) provide a reasonable amount of time prior to taking adverse employment action against the individual who is the subject of the report, when such action will be based in whole or in part upon the information contained in the report furnished by BSA, the Client will, except as otherwise provided by law, advise the subject of the intent to take adverse action and provide a copy of the report to the individual and a description, in writing, of the individual's rights under the FCRA.
- (vi) Before taking adverse action based in whole or in part upon information contained in a report furnished by BSA, the Client shall:
 - (a) Provide notice of such action to the individual;
 - (b) Provide the name, address and telephone number of BSA; and
 - (c) Inform the individual that he/she is entitled to a free copy of the report and a right to dispute the record through BSA and that BSA is unable to provide the individual the specific reasons why the adverse action was taken by you.
- (vii) That it will comply with the FCRA and similar state laws, in regard to all reports, it will follow the requirements of the ("DPPA") and the various state laws implementing the DPPA in regard to motor vehicle reports.

D. Client represents that prior to requesting a report for residential screening purposes, it will:

- (i) Disclose to the individual who is the subject of the report that a consumer report or, as applicable, an investigative consumer report, may be obtained;
- (ii) Provide to the individual a summary of the individual's rights under the ("FCRA"); and
- (iii) Not utilize any information in violation of any federal, state or local equal housing law or regulation.
- (iv) Before taking adverse action e.g., rejecting, increasing rental rates, increasing deposit requirements, etc. against the subject of the report, based in whole or in part upon information contained in a report furnished by BSA, the Client shall:
 - (a) Provide notice of such action to the individual;
 - (b) Provide the name, address and telephone number of BSA;
 - (c) Inform the individual that he/she is entitled to a free copy of the report and a right to dispute the record through BSA and that BSA is unable to provide the individual the specific reasons why the adverse action was taken by you; and
 - (d) Provide a copy of the individual's rights under the FCRA.

E. Client represents that, if it orders credit reports, it will have a policy and procedures in place to investigate any discrepancy in a consumer's address when notified by the credit bureau that the consumer's address, as submitted by the client, substantially varies from the address the credit bureau has on file for that consumer. Further, if client hires the consumer and in the ordinary course of its business it furnishes information to the credit bureau from which the report came, that it will advise the credit bureau of the address it has verified as accurate if that address is different from the one provided by the credit bureau.

F. In the case of ordering an investigative report (personal interviews), Client will disclose to the consumer the nature and scope of the investigation and advise the consumer that if he/she makes a written request

Please Initial _____
Client

within a reasonable time after receiving a disclosure that an investigative report is being obtained, Client will provide a complete and accurate disclosure in writing of the investigation and the requests therefore within five days of receiving such request.

G. Client will maintain documentation showing compliance with these certifications for a period of six (6) years or during the employment, tenancy, etc. of the subject, whichever is longer.

3. Compliance with Applicable Law

A. The laws relating to the furnishing and use of information are subject to change. It is the responsibility of Client to become knowledgeable in such laws and to comply with them. The failure to comply with the then current applicable law may result in a breach of this agreement, termination of service, civil and criminal liability. BSA does not undertake any obligation to advise Client of its legal obligations.

B. BSA does not act as legal counsel for Client. Client is responsible for retaining counsel to advise it regarding proper use of consumer reports; compliance with the FCRA, the Driver Privacy Protection Act, 18 U.S.C. §2721 et seq ("DPPA") and other applicable federal, state and local laws; and development of an appropriate screening program for Client's use of consumer reports.

C. Client agrees to promptly execute and return to BSA all documentation required, now or in the future, by any government agency or BSA to permit release of information or to ensure compliance with applicable laws or regulations. Such documentation shall become part of this agreement. The failure to return such documentation will result in Client being blocked from receiving the information related to the documentation, and, in some circumstances, all service may be terminated without additional notice.

D. Client consents to any reasonable request by BSA to audit records of the Client in person or by requesting copies of documents and to communicate with employees of the Client, with notice to Client, to determine the appropriateness of any present or past request(s) for information by Client. A failure to cooperate with an audit may result in the immediate termination or suspension of service.

4. Confidentiality of Information

A. Information provided by BSA to its Clients is considered confidential by law. Upon its receipt, Client shall treat the information as confidential. Such information shall be maintained in confidential files to which access is restricted. Only those employees who need such information to perform their job duties shall have access to the same. Client shall ensure that such employees shall not attempt to obtain any consumer reports on themselves, family, friends or associates except in the exercise of their official duties. Client shall supply to BSA the name and phone number of the contact person or persons with whom BSA may discuss the contents of reports furnished to Client. At the time that Client disposes of any report received it shall cause such to be destroyed by cross shredding, burning or electronic destruction as required by regulations issued by the Federal Trade Commission. . 16 CFR §682.1 et seq.

B. Client acknowledges that it will receive personal identifying information on the subjects of the reports it receives. Client shall maintain reasonable procedures to protect the information from unauthorized internal or external access. Client will also have security measures in place for protection in regards to receiving reports, usage and storage of information. Client shall, upon request, advise us of the status of Client's security measures. If Client experiences a breach of security regarding this information or discontinues any security measure, Client shall notify us within 24 business hours of the breach or discontinuance. With seven (7) business days of such an event, Client shall advise us what steps have been taken to protect the information from the reoccurrence of the breach or to restore protection of the information.

Please Initial

Client

5. Waiver and Release

A. Client acknowledges that BSA relies totally on the information furnished by others. BSA also relies on the information contained in the records of various governmental agencies for other reports. BSA is not responsible for inaccurate or false information received from others and sent to Client. Client agrees to assert no claim and waives liability against BSA for any inaccurate or false information included in any report unless BSA had actual knowledge of the error and failed to correct it if it had the legal ability to alter such information.

B. Client agrees to hold BSA harmless and will indemnify BSA from all claims and losses resulting from Client's breach of this Agreement or violation of any applicable law. BSA agrees to hold Client harmless for all claims and losses arising from BSA's violation of any applicable law. Such indemnifications include all costs and reasonable attorney fees incurred by the indemnified party.

C. If the party seeking indemnification proposes to settle any claim it believes is subject to indemnification, it must notify the indemnifying party of such settlement and the indemnifying party must approve such settlement. Such approval shall not be unreasonably withheld. The indemnifying party can also disapprove of such settlement on the basis that the claim is not within those claims or losses covered by the indemnification. If the indemnifying party accepts the request to indemnify, but disagrees with the settlement amount, the indemnifying party shall take over the defense of the claim.

6. Misuse of Information

The FCRA prohibits the obtaining of information from a consumer reporting agency for an impermissible purpose. Further, those involved in such improper requesting may be subject to criminal penalties of imprisonment up to two years and/or a fine of \$5,000 for each offense 15 U.S.C. § 1681q. However such punishments are subject to change as the FCRA is amended. Further, the DPPA prohibits obtaining information under false pretenses and restricts the resale or redisclosure of personal information contained in state motor vehicle records. A violation of the DPPA may also result in criminal penalties. 18 U.S.C. § 2733(a). If a Client or one of its employees misrepresents to BSA the reason for a report or requests a report for an impermissible purpose, BSA may terminate service without notice in addition to other remedies available to BSA. Client understands that its misuse of or improper request for information may have a direct impact upon BSA and may cause it to be unable to obtain information for any of its clients resulting in substantial damages for which Client would be liable.

7. Non-Disclosure

Neither party shall, during the term of this Agreement, and any extension thereof and for reasonable time thereafter disclose to another or use, unless authorized by the disclosing party, any of the disclosing party's "Confidential Information". The purpose of this section, "Confidential Information" shall mean all the party's prospect list, client information, any customer records/information, employee list, financial data, business plans, business strategies, proprietary software and any other information of a party disclosed by one party to the other. Notwithstanding anything to the contrary contained in this Agreement, the receiving party shall not be precluded from: a) the use or disclosure of any Confidential Information which is currently known generally to the public or which subsequently has come into the public domain, other than by way of disclosure in violation of this Agreement; b) the use or disclosure of any Confidential Information that becomes available to the receiving party on a non-confidential basis from a source other than the disclosing party, provided that such source is not known by the receiving party to have a legal obligation prohibiting the disclosure of such information; or c) the use or disclosure of any Confidential Information that was developed independently by the receiving party, or d) the disclosure of the Confidential Information is required by law or legal process.

Please Initial

Client

8. Termination of Agreement

- A.** Client may terminate this Agreement at any time upon written notice to BSA. Client will remain liable for all charges made to its account prior to termination and will promptly pay all sums due on termination.
- B.** BSA may terminate this agreement by providing a Thirty (30) day written notice but upon the occurrence of the following events, BSA may, immediately and without notice terminate or suspend this Service Agreement:
- (i) Default in payment of charges for BSA Services;
 - (ii) Misuse of information contained in a BSA report;
 - (iii) Improper request for information;
 - (iv) Failure of Client to comply with or assist BSA in complying with the FCRA or any other applicable law;
 - (v) A material breach of this Agreement or violation of any law or regulation governing the request, use or release of the information in the reports by Client.
 - (vi) Unauthorized release of information in a consumer report to a third party or the reselling of any report.

9. Notice of Change in Client's Business

Client shall immediately notify BSA of any of the following events: change in ownership of the Client (over 50%); a merger, change in name or change in the nature of Client's business that in any way affects Client's right to request and receive consumer reports.

10. Miscellaneous Provisions

A. This Agreement constitutes the entire understanding between the parties and supersedes all previous agreements, negotiations and representations. This Agreement may only be modified in writing signed by both parties; however, subsequent representations by Client to show compliance with existing or future laws are effective when signed by Client and become a part of this Agreement. This Agreement is for the exclusive benefit of the parties hereto and no benefit is intended for any third party.

B. All communications and notices to be given under this Agreement will be made to the addresses, street and e-mail, and telephone numbers set forth herein. Each party will notify the other promptly of any change of address or telephone number.

C. This Agreement is intended to be subject to, and in compliance with, all applicable state and federal statutes and regulations. Insofar as this Agreement or any provision may subsequently be determined to be at variance or not in compliance with any such statute or regulation, it will be considered to be amended or modified to the extent necessary to make it comply, and BSA and Client hereby consent and agree to any such amendment or modification. Further, the invalidity of any one provision shall not affect the validity of the other provisions.

D. This Agreement is deemed to have become effective and to have been entered into upon its acceptance in the State of California by BSA. Therefore, this Agreement will be interpreted and enforced in accordance with the laws of the State of California, without reference to its conflict of laws.

E. BSA may make changes to the software or methods used to provide service to Client and Client must make any necessary changes to maintain working connection to the service at Client's sole cost.

11. Force Majeure

Neither Party is responsible for any events or circumstances beyond its control that prevent it from meeting its obligations, which include but are not limited to: war, terrorism, riots, embargos, strikes, disruptions in communications or acts of God.

Please Initial

Client

CLIENT INFORMATION (please enter below)

Client Name

Address 1

Address 2

City

State

Zip

x _____

Corp. Officer Signature

Printed Name:

Title:

Date:

The above agreement is executed in support and recognition of the customer relationship between Client, Background Screeners of America and the background screening services company listed below:

Internal Use Only

Consultant Name

Address 1

Address 2

City

State

Zip

Background Screeners of America
18344 Oxnard St. Suite 101
Tarzana, CA 91356

x _____

Corp. Officer Signature

Printed Name:

Title:

Date:

Please Initial

Client