

THIS SERVICE AGREEMENT (“Agreement”) is entered into the as of date shown in the signature line below (“Effective Date”) by and between ACUTRAQ Background Screening, a company existing under the laws of Arkansas with an address of PO Box 766, Elkins Arkansas 72727, (“ACUTRAQ”), and the Company named and located as denoted in the description below (“Customer”).

1. SERVICES.

Customer will purchase and ACUTRAQ will provide the services described in the pricing table appended to this Agreement (“Pricing Table”) which has been entered into between Customer and ACUTRAQ under this Agreement (“Services”).

2. TERM AND TERMINATION.

Except as set forth herein, this Agreement will become effective on the Effective Date and will continue in full force and effect until it is terminated by either party pursuant to the terms contained herein, t. Either party may terminate this Agreement for convenience upon ten (10) days written notice to the other party.

Either party may terminate this Agreement if the other party materially breaches this Agreement and such breaching party fails to cure the breach or implement a plan of action that is mutually acceptable to the parties to cure such breach, within ten (10) days after receipt of written notice from the non-breaching party specifying in reasonable detail the nature of the breach. ACUTRAQ may immediately terminate this Agreement for misuse of the Services or information provided thereunder.

Upon the termination of this Agreement, the following shall apply: (a) the parties shall cooperate to effect an orderly, efficient, effective and expeditious termination of the activities hereunder; (b) ACUTRAQ shall return to Customer any and all Customer furnished items delivered by Customer to ACUTRAQ hereunder; (c) ACUTRAQ shall have no obligation to perform any services hereunder after the effective date of the termination; (d) Customer shall pay to ACUTRAQ any service fees or other amounts payable for the services performed hereunder prior to the effective date of the termination; and (e) the parties' respective rights and obligations under this paragraph, and the covenants contained in this Agreement which, by their terms, require performance by the parties after the expiration or termination of this Agreement shall survive and be enforceable notwithstanding the expiration or termination of this Agreement for any reason whatsoever.

3. CUSTOMER CERTIFICATIONS AND OBLIGATIONS.

Customer certifies that the information contained in the Services provided by ACUTRAQ will be used only for a one time use and for the following permissible purpose, as indicated below, and that it will not use the information contained in the Reports for any other purpose:

- For employment and/or volunteer purposes, including evaluating a consumer for employment, promotion, reassignment or retention as an employee and/or volunteer (FCRA § 604(a)(3)(B)).
- In accordance with the written instructions of the consumer to whom it relates. (FCRA § 604(a)(2)).
- For a legitimate business need for the information, in connection with a business transaction that is initiated by the consumer, such as for the purpose of tenant screening. (FCRA § 604(a)(3)(F)(i)).

Customer shall comply with all applicable state and federal laws regarding the use of the Services including the Fair Credit Reporting Act, (“FCRA”), and the Driver’s Privacy Protection Act (“DPPA”). Customer will not use information contained in the Services to discriminate unlawfully against consumer or otherwise misuse the information, as provided by any applicable federal or state equal opportunity laws or regulations. Customer is responsible for its own regulatory compliance and staying current with the applicable laws involved in the use of the Services.

Customer shall hold the Services in strict confidence and all information contained within the Services will be treated as Confidential Information. The Services shall be requested by and disclosed by Customer only to Customer’s designated and authorized employees having a need to know and only to the extent necessary to enable Customer to use the Services in accordance with this Agreement. Customer shall ensure that such designated and authorized employees shall not attempt to obtain any Services on themselves, associates, or any other person except in the exercise of their official duties.

When information Customer obtains from ACUTRAQ for employment purposes, Customer certifies that prior to obtaining or causing a “consumer report” and/or “investigative consumer report” to be obtained, a clear and conspicuous disclosure, in a document consisting *solely of the disclosure*, will be made in writing to the consumer explaining that a consumer report and/or investigative consumer report may be obtained. This disclosure will satisfy all requirements identified in Section 606(a)(1) of the FCRA, as well as any applicable state or local laws. The Customer shall obtain the consumer’s written authorization to procure the report. Customer shall maintain the signed authorization form for a period of six (6) years.

If applicable, Customer shall follow prescribed pre-adverse action procedures as prescribed in the FCRA and applicable state laws for reports that are being used for an employment purpose. This includes the requirement to provide a consumer with a copy of the Report and *A Summary of Your Rights under the Fair Credit Reporting Act* before taking any adverse action against the consumer, based in whole or in part, on the Services provided by ACUTRAQ. If Customer actually takes adverse action then after the appropriate waiting period, Customer will issue to the consumer notice of the adverse action taken, including the statutorily required notices identified in Sections 604 and 615 of the FCRA. For tenant screening purposes, if adverse action is taken, (denial, additional deposits, co-signer, etc.) Customer must inform the consumer of the nature of the adverse action and provide a copy of the *Summary of Consumer Rights*.

Customer further acknowledges that ACUTRAQ is not legal counsel and does not provide legal advice. It is important that Customer obtain and work closely with their own legal counsel to ensure that their overall screening program, including the use of the Services, complies with all applicable state and federal laws.

Customer certifies that if they order credit reports, they shall use such credit reports: (a) solely for the certified use(s); and (b) solely for their exclusive one-time use. Customer shall not request, obtain or use the credit reports for any other purpose including, but not limited to, for the purpose of selling, leasing, renting or otherwise providing information obtained under this Agreement to any other party, whether alone, in conjunction with Customer’s own data, or otherwise in any service which is derived from the credit reports. Customer represents it is not a private detective agency, investigative company, bail bondsman, credit or financial counselling firm, ‘credit repair clinic’ or a similar organization. Customer is aware those individuals involved in the improper requesting of consumer report information may be subject to criminal penalties of imprisonment up to one year and/or a fine of \$5,000 for each offense. 15 U.S.C. § 1681q

If the Services include motor vehicle information (“MVRs”), Customer shall be responsible for understanding and for staying current with all specific state forms, certificates of use or other documents or

agreements including any changes, supplements or amendments thereto imposed by the states (“Specific State Forms”) from which it will order MVRs. Customer certifies that it has executed and filed all applicable Specific State Forms required by individual states and agrees to supplement and execute additional Specific State Forms if reasonably requested to do so by ACUTRAQ.

Customer hereby certifies that, under the Investigative consumer reporting Agencies Act (“ICRA”), California Civil Code Sections 1786 et seq., and the Consumer Credit Reporting Agencies Act (“CCRAA”), California Civil Code Sections 1785.1 et seq., if the Customer is located in the State of California, and/or the Customer’s request for and/or use of Services pertains to a California resident or worker, Customer will do the following:

- (i) When, at any time, Services are sought for employment purposes other than suspicion of wrongdoing or misconduct by the consumer who is the subject of the investigation, abide by the requirements of ICRA Section 1786.16(a) – (b).
- (ii) When, at any time, Information Products are sought for employment purposes other than suspicion of wrongdoing or misconduct by the consumer who is the subject of the investigation, provide a clear and conspicuous disclosure in writing to the consumer, which solely discloses: (1) that an investigative Information Products may be obtained; (2) the permissible purpose of the investigative Information Products; (3) that information on the consumer’s character, general reputation, personal characteristics and mode of living may be disclosed; and (4) the name, address, telephone number, and website of the Consumer Reporting Agency conducting the investigation; and (5) the nature and scope of the investigation requested, including a summary of the provisions of California Civil Code Section 1786.22.

4. ADDITIONAL RESPONSIBILITIES.

Customer will request credit scores only for Customer’s exclusive use. Customer may store the credit scores solely for Customer’s own use in furtherance of Customer’s original purpose for obtaining the credit scores. All credit scores provided hereunder will be held in strict confidence and may never be sold, licensed, copied, reused, disclosed, reproduced, revealed or made accessible, in whole or in part, to any person except (i) to those employees of Customer with a need to know and in the course of their employment; (ii) when accompanied by the corresponding reason codes, to the consumer who is the subject of the Score; or (iii) as required by law.

Customer is responsible for providing compliance with the Red Flag Rule <http://www.ftc.gov/bcp/edu/microsites/redflagrule>. Policy and procedures shall be 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. Customer will maintain documentation showing compliance with these certifications for a period of six (6) years or during the tenancy term, whichever is longer.

5. FEES AND PAYMENT.

Fees charged by ACUTRAQ are described in the Pricing Table. Customer shall make payment to ACUTRAQ within thirty (30) days of the date of ACUTRAQ’s invoice. Invoices not paid within fifteen (15) days of the applicable due date shall at the election of ACUTRAQ be charged a late fee of fifteen dollars (\$15) per month, plus all costs of collection, including reasonable attorneys' fees to enforce collection or the terms of this Agreement. Notwithstanding anything to the contrary herein, Customer acknowledges and agrees that ACUTRAQ may, in its sole discretion, suspend delivery of any affected services without notice if Customer fails to pay ACUTRAQ the services fees and until such time as payment has been received by ACUTRAQ.

Customer understands that the charges and rates specified in the Pricing Table may not include any amounts for taxes including without limitation any and all municipal, county, state or federal sales, excise, personal property, consumption, value-added or other taxes, but excluding any taxes upon the income of ACUTRAQ. To the extent such taxes are or may become due in connection with the services Customer agrees to pay such taxes. Customer further agrees to reimburse ACUTRAQ for any and all such taxes ACUTRAQ or any of its affiliates is required to pay to applicable taxing authorities on Customer's behalf.

All amounts payable under this Agreement are denominated in United States dollars, and Customer shall pay all such amounts in lawful money of the United States.

6. NOTICES.

Customer acknowledges receipt of the *Notice to Users of Consumer Reports: Obligations of Users under the Fair Credit Reporting Act* (attached as Exhibit X-1).

Customer acknowledges receipt of *A Summary of Your Rights under the Fair Credit Reporting Act*, a copy of which must be provided to Customer's personnel (attached as Exhibit X-2).

7. DISPOSAL OF CONFIDENTIAL INFORMATION.

Customer shall properly dispose of the information contained within the Services in a manner which will protect against unauthorized access or use thereof or any actions that would otherwise jeopardize the confidentiality of consumers' personal identification information ("PII") contained in the Services. This means having policies and procedures in place that require the burning, pulverizing, or shredding of papers containing personal information so that the information cannot practically be read or reconstructed. If such information is in electronic format, this includes having policies and procedures in place to destroy or erase such personal information, so it cannot practically be read or reconstructed.

8. AUDIT.

Customer understands and agrees that, in order to ensure compliance with applicable laws, regulations or rules, including regulatory agency requirements, obligations under its contracts with its data providers, and ACUTRAQ's internal policies, ACUTRAQ, or its designee, may conduct periodic reviews of Customer's use of the services provided by ACUTRAQ and may, upon reasonable notice and during Customer's regular business hours, review Customer's records, processes and procedures related to Customer's use, storage and disposal of those Services, PII and Confidential Information, including performing site visits at Customer's premises.

Customer shall cooperate fully in connection with any such review, including bearing its own internal costs of such process, and will allow, or obtain, access to such systems, and records as ACUTRAQ may reasonably require for such review. Customer agrees to respond to any such review inquiry within ten (10) business days, unless an expedited response is required by ACUTRAQ. Violations of this Agreement, applicable law, regulations or rules, or applicable policies, discovered in any review and/or audit by ACUTRAQ will be subject to immediate action including, but not limited to, suspension or termination of the services by ACUTRAQ as well as potential legal action, and/or referral to governmental regulatory agencies.

9. PASSWORDS.

ACUTRAQ will initially provide Customer with one-time customer login username(s) and password(s) for personnel who are authorized to obtain the Services. Customer is aware that customer passwords will expire

every ninety-day period. At any time, Customer may contact ACUTRAQ to request changes to any username(s) or password(s) by ACUTRAQ. Customer solely is responsible for and will be billed for all Services purchased using the usernames assigned to it. If Customer learns or suspects that unauthorized use of its account is taking place, or if the user's (employee) employment is terminated by Customer, then Customer shall immediately notify ACUTRAQ in writing and ACUTRAQ will replace the username and password

10. SECURITY.

In addition to maintaining reasonable procedures to assure compliance with the FCRA and the confidentiality of PII contained in the Services, each party shall implement commercially available and reasonable security procedures and safeguards to prevent the unauthorized disclosure of Confidential Information and to maintain the confidentiality and the security of such information. Customer is aware and has read ACUTRAQ's Access Security Requirements, attached hereto as Exhibit A and agrees to comply with such requirements, as they may be modified by ACUTRAQ from time-to-time; to give all employees a copy prior to providing them authority to order or other access to ACUTRAQ Services; and to provide such employees with updates when available.

11. WEBSITE.

Subject to the terms and conditions contained in this Agreement, ACUTRAQ grants to Customer a nontransferable, nonexclusive license to access ACUTRAQ's website solely for the purpose of retrieving Services and Services related information from ACUTRAQ. Customer understands and agrees that its use of the Services is subject to restrictions imposed by ACUTRAQ's data suppliers, this Agreement, and federal and state laws. Customer shall comply with all such restrictions, whether such notice is provided in writing or given online, and such restrictions are incorporated herein by reference.

Customer acknowledges and agrees that ACUTRAQ alone owns all rights, title, and interest in its website and its internet-based system, including all intellectual property rights embodied therein. ACUTRAQ reserves its entire copyright, trademark, trade secret and other intellectual property rights in and to its website. No title to or ownership of any copyright, trademark, trade secret or other intellectual property right in such website is transferred to Customer under this Agreement. The Services delivered by ACUTRAQ to Customer under this Agreement are delivered subject to any copyright, trademark, trade secret and other proprietary rights of ACUTRAQ.

12. DISCLAIMER.

THE WEBSITE AND THE SERVICES ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS AND ACUTRAQ AND ITS DATA PROVIDERS MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED WITH RESPECT TO THE WEBSITE, THE SERVICES OR THE DATA UNDERLYING THE SERVICES INCLUDING GUARANTEES OR WARRANTIES FOR ACCURACY, TIMELINESS, COMPLETENESS, AND NON-INFRINGEMENT. IN ADDITION, NEITHER ACUTRAQ NOR ITS DATA PROVIDERS SHALL BEAR ANY LIABILITY FOR ANY ERROR, OMISSION OR DEFECT IN ITS WEBSITE, THE SERVICES OR THE UNDERLYING DATA INCLUDING ANY INABILITY TO USE THE WEBSITE OR ANY LOSS OF DATA AND MAKES NO WARRANTY, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, REGARDING THESE ITEMS, THEIR PERFORMANCE OR SUITABILITY FOR CUSTOMER'S INTENDED USE, INCLUDING, WITHOUT LIMITATION, NO IMPLIED WARRANTY OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.

CUSTOMER ACKNOWLEDGES AND AGREES THAT ANY BACKGROUND SCREENING CRITERIA EMBODIED IN THE REPORTS HAVE BEEN DEVELOPED, ESTABLISHED BY OR APPROVED BY

CUSTOMER AND THAT ACUTRAQ BEARS NO RESPONSIBILITY FOR ESTABLISHING OR MAKING ANY DECISIONS BASED ON SUCH SCREENING CRITERIA.

13. INDEMNIFICATION AND LIMITATION OF LIABILITY.

Indemnification. Customer shall indemnify, defend and hold harmless ACUTRAQ, its data vendors, suppliers, officers and employees from and against any and all loss, cost, expense, claim, or liability (including, but not limited to reasonable costs of litigation and attorneys' fees) arising from any claim or action brought by a third person that arises out of or is related to Customer's use of the Services and its underlying data.

Limitation of Liability. ACUTRAQ AND ITS DATA PROVIDERS SHALL NOT BE LIABLE TO CUSTOMER, OR ANY THIRD PERSON TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, FOR INDIRECT, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, MULTIPLE, INCIDENTAL, OR SPECIAL DAMAGES (INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOST REVENUES, LOST PROFITS, LOST SAVINGS, COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, BUSINESS INTERRUPTION, OR LOSS OF BUSINESS INFORMATION), EVEN IF SUCH PARTY HAS BEEN APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING. ACUTRAQ'S LIABILITY HEREUNDER IS LIMITED TO LOWER OF (i) THE SUM OF FIVE HUNDRED DOLLARS (\$500.00 US) PER REPORT DISTRIBUTED BY ACUTRAQ HEREUNDER THAT PROXIMATELY CAUSED, OR ALLEGEDLY PROXIMATELY CAUSED, THE COST OR DAMAGE ALLEGEDLY SUFFERED BY CUSTOMER OR (ii) AN AGGREGATE AMOUNT NOT TO EXCEED TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00 US). THE REMEDIES SET FORTH IN THIS PARAGRAPH AND TERMINATION OF THIS AGREEMENT PURSUANT TO THE TERMS HEREOF ARE CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES FOR CLAIMS OR DAMAGES ARISING OUT OF OR RELATING IN ANY WAY TO THIS AGREEMENT, THE SERVICES OR THE UNDERLYING DATA DELIVERED BY ACUTRAQ HEREUNDER.

14. FORCE MAJEURE.

ACUTRAQ shall not be liable for, or be considered to be in breach or default on account of, any delay or failure to perform any services due to any cause or condition beyond its reasonable control (including, but not limited to, any: fire, storm, flood, wind and acts of God or the elements; breakdown of or damage to any equipment, facilities or other property; unavailability of materials, supplies, equipment, transportation, services and other necessary items; and any act or omission of Customer).

15. NOTICE.

Except as otherwise agreed to in writing by the parties, any notice required or authorized by this Agreement to be given by one party to the other party shall be sent either: (i) electronically by email; (ii) by overnight or 3rd day mail; or (iii) by facsimile transmission with confirmed receipt to the other party at the address or, as appropriate, facsimile number, and marked for the attention of such person as specified in this Agreement. Any notice sent electronically by email shall be deemed to have been received by the other party upon delivery to the email address specified in this Agreement.

16. CONFIDENTIALITY.

The term "Confidential Information" shall mean this Agreement and all data, trade secrets, business information and other information of any kind whatsoever that one party hereto discloses, in writing, orally, visually or in any other medium to the other party hereto or to which recipient obtains access and that relates to the disclosing

party. Each of the parties, as recipients, hereby agree that they shall not disclose Confidential Information of the disclosing party to any third party during or after the term of this Agreement, other than on a “need to know” basis and then only to recipient’s employees, provided that such persons are subject to a written confidentiality agreement that shall be no less restrictive than the provisions of this Section. Recipients shall not use or disclose Confidential Information of the disclosing party for any purpose other than to carry out this Agreement.

Nothing in this Section will prohibit or limit the receiving party’s use of information if: (i) at the time of disclosure hereunder such information is generally available to the public; (ii) after disclosure hereunder such information becomes generally available to the public, except through breach of this Agreement by the receiving party; (iii) the receiving party can demonstrate such information was in its possession prior to the time of disclosure by the disclosing party; (iv) the information becomes available to the receiving party from a third party which is not legally prohibited from disclosing such information; (v) the receiving party can demonstrate the information was developed by or for it independently without the use of such information; or (vi) disclosure is required under applicable law or regulation or pursuant to a court order or court proceeding, provided that the receiving party promptly notifies the other party of such request or requirement so that such party may seek an appropriate protective order or waive compliance with this Agreement.

17. CHOICE OF LAW AND VENUE.

This Agreement will be governed by, and construed and interpreted according to, the substantive laws of the State of Arkansas, without reference to conflicts of laws principles, and applicable United States federal laws. The U.S. federal courts and Arkansas state courts sitting in the jurisdiction of Washington County, Arkansas, United States of America, shall have sole and exclusive jurisdiction over any claims or disputes brought by ACUTRAQ or Customer which may arise out of or in connection with this Agreement. ACUTRAQ and Customer each consent to such forum and waive any and all objections to jurisdiction that they may have under the laws of the State of Arkansas or the United States.

18. CONFLICTS.

In the event of a conflict between the provisions of an exhibit or the Pricing Table, the provisions of this Agreement will control. Provided, however, that the provisions of this Agreement will be so construed to give effect to the applicable provisions of the exhibit or Pricing Table to the fullest extent possible.

19. INDEPENDENT CONTRACTOR.

ACUTRAQ shall be and act as an independent contractor (and not as the agent or representative of Customer) in the performance of this Agreement. This Agreement shall not be interpreted or construed as: (i) creating or evidencing any association, joint venture, partnership or franchise between the parties, (ii) imposing any partnership or franchisor obligation or liability on either party or (iii) prohibiting or restricting ACUTRAQ’s performance of any services for any third party.

20. AMENDMENT.

This Agreement may be amended, modified, or supplemented only by a writing that refers explicitly to this Agreement and that is signed by authorized representatives on behalf of each party.

21. WAIVER.

No waiver will be implied from conduct or failure to timely enforce any rights. No waiver will be effective unless in writing, signed on behalf of the party against which the waiver is asserted. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other subsequent breach or condition, whether of like or different nature.

22. SEVERABILITY.

If any part of this Agreement is found invalid or unenforceable, that part will be enforced to the maximum extent permitted by law and the remainder of this Agreement will remain fully in force.

23. ENTIRE AGREEMENT; PURPOSE AND EFFECT OF AGREEMENT.

This Agreement, together with any Service Attachment's or Exhibits, constitutes the final and entire agreement between the parties relating to its subject matter and supersedes any and all prior or contemporaneous letters, memoranda, representations, discussions, negotiations, understandings and agreements, whether written or oral, with respect to such subject matter, all of the same being merged herein. The Service Attachments and Exhibits (if any) attached hereto are incorporated herein by reference.

24. ASSIGNMENT AND CHANGE OF OWNERSHIP.

ACUTRAQ may without the consent of Customer sell, transfer, or assign this Agreement in the event of a sale of substantially all of its assets or the change of control of its equity. Customer may not sell, transfer, assign or otherwise dispose of any of its rights or obligations under this Agreement to any other person, without the express written consent of ACUTRAQ. Customer shall notify ACUTRAQ of any of the following events: change in ownership; merger; change in business name or change in the nature of business; change in user names for obtaining consumer reports; or other changes that in any way affects the Customer's right to request and receive consumer reports.

25. COUNTERPARTS.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute a single instrument.

26. HEADINGS.

The descriptive headings contained herein are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement through their duly authorized representatives effective as of the Effective Date.

Customer:
By: _____
Name: _____
Title: _____
Date: _____

ACUTRAQ
By: _____
Name: _____
Title: _____
Date: _____

Addresses for Notices

Address: _____

City: _____
State: _____
ATTN: _____
Telephone: _____
Email: _____
Fax: _____

Address: _____

City: _____
State: _____
ATTN: _____
Telephone: _____
Email: _____
Fax: _____

Table of Exhibits

- Exhibit X-1: *Notice to Users of Consumer Reports: Obligations of Users under the Fair Credit Reporting Act*
- Exhibit X-2: *Summary of Your Rights under the Fair Credit Reporting Act*

Exhibit A: Access Security Requirements

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

- You must protect your ACUTRAQ USER ID and password so that only key personnel employed by your company know this sensitive information. Unauthorized persons should never have knowledge of your password. Do not post this information in any manner within your facility. If a person who knows the password leaves your company or no longer needs to have it due to a change in duties, the password should be changed immediately.
- Do not share passwords with co-workers, friends, or family.
- Do not discuss your ACUTRAQ USER ID and password by telephone with any unknown caller, even if the caller claims to be an employee of ACUTRAQ.
- Restrict the ability to obtain reports to a few key personnel.
- After normal business hours, be sure to turn off and lock all devices or systems used to obtain report information.
- Secure hard copies and/or electronic files of consumer reports within your facility so that unauthorized persons cannot easily access them.
- Shred or destroy all hard copy consumer reports when no longer needed.
- Make all employees aware that your company can access credit, and other report information only for the permissible purposes listed in the Permissible Purpose Information section of your membership application.
- You or your employees may not access their own reports. Nor should you or your employees access the report of a family member or friend unless it is in connection with a credit transaction or for some other permissible purpose.
- Do not send sensitive data through email, such as consumer's SSN, account numbers, actual credit reports, etc. unless data is encrypted.
- In the event of a compromised system, notify ACUTRAQ immediately and take necessary steps to ensure no other credit reports are accessed using comprised system.

Record Retention: The Federal Equal Opportunities Act states that a creditor/employer must preserve all written or recorded information connected with an application for five (5) years. In keeping with the ECOA, ACUTRAQ requires that you retain the credit/employment application and, if applicable, a lease/employment contract for a period of not less than 5 years. When conducting an investigation, particularly following a consumer complaint that your company impermissibly accessed their credit report, ACUTRAQ will contact you and will request a copy of the original application signed by the consumer or, if applicable, a copy of the lease/employment contract.

“Under Section 621 (a) (2) (A) of the FCRA, any person that violates any of the provisions of the FCRA may be liable for a civil penalty of not more than \$2,500 per violation and/or 2 years in prison.”

Exhibit X-1: Notice to Users of Consumer Reports: Obligations of Users under the Fair Credit Reporting Act

All users of consumer reports 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 USERS OF CONSUMER REPORTS:
OBLIGATIONS OF USERS UNDER THE FCRA**

The Fair Credit Reporting Act (FCRA), 15 U.S.C. §1681-1681y, requires that this notice be provided to inform users of consumer reports of their legal obligations. State law may impose additional requirements. The text of the FCRA is set forth in full at the Bureau of Consumer Financial Protection's website at www.consumerfinance.gov/learnmore. At the end of this document is a list of United States Code citations for the FCRA. Other information about user duties is also available at the Bureau's website. **Users must consult the relevant provisions of the FCRA for details about their obligations under the FCRA.**

The first section of this summary sets forth the responsibilities imposed by the FCRA on all users of consumer reports. The subsequent sections discuss the duties of users of reports that contain specific types of information, or that are used for certain purposes, and the legal consequences of violations. If you are a furnisher of information to a consumer reporting agency (CRA), you have additional obligations and will receive a separate notice from the CRA describing your duties as a furnisher.

I. OBLIGATIONS OF ALL USERS OF CONSUMER REPORTS

A. Users Must Have a Permissible Purpose

Congress has limited the use of consumer reports to protect consumers' privacy. All users must have a permissible purpose under the FCRA to obtain a consumer report. Section 604 contains a list of the permissible purposes under the law. These are:

- As ordered by a court or a federal grand jury subpoena. Section 604(a)(1)
- As instructed by the consumer in writing. Section 604(a)(2)
- For the extension of credit as a result of an application from a consumer, or the review or collection of a consumer's account. Section 604(a)(3)(A)
- For employment purposes, including hiring and promotion decisions, where the consumer has given written permission. Sections 604(a)(3)(B) and 604(b)

- For the underwriting of insurance as a result of an application from a consumer. Section 604(a)(3)(C)
- When there is a legitimate business need, in connection with a business transaction that is initiated by the consumer. Section 604(a)(3)(F)(i)
- To review a consumer's account to determine whether the consumer continues to meet the terms of the account. Section 604(a)(3)(F)(ii)
- To determine a consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status. Section 604(a)(3)(D)
- For use by a potential investor or servicer, or current insurer, in a valuation or assessment of the credit or prepayment risks associated with an existing credit obligation. Section 604(a)(3)(E)

Sections 604(a)(4) and 604(a)(5)

In addition, creditors and insurers may obtain certain consumer report information for the purpose of making “prescreened” unsolicited offers of credit or insurance. Section 604(c). The particular obligations of users of “prescreened” information are described in Section VII below.

B. Users Must Provide Certifications

Section 604(f) prohibits any person from obtaining a consumer report from a consumer reporting agency (CRA) unless the person has certified to the CRA the permissible purpose(s) for which the report is being obtained and certifies that the report will not be used for any other purpose.

C. Users Must Notify Consumers When Adverse Actions Are Taken

The term “adverse action” is defined very broadly by Section 603. “Adverse actions” include all business, credit, and employment actions affecting consumers that can be considered to have a negative impact as defined by Section 603(k) of the FCRA – such as denying or canceling credit or insurance, or denying employment or promotion. No adverse action occurs in a credit transaction where the creditor makes a counteroffer that is accepted by the consumer.

1. Adverse Actions Based on Information Obtained From a CRA

If a user takes any type of adverse action as defined by the FCRA that is based at least in part on information contained in a consumer report, Section 615(a) requires the user to notify the consumer. The notification may be done in writing, orally, or by electronic means. It must include the following:

- The name, address, and telephone number of the CRA (including a toll-free telephone number, if it is a nationwide CRA) that provided the report.
- A statement that the CRA did not make the adverse decision and is not able to explain why the decision was made.
- A statement setting forth the consumer’s right to obtain a free disclosure of the consumer’s file from the CRA if the consumer makes a request within 60 days.
- A statement setting forth the consumer’s right to dispute directly with the CRA the accuracy or completeness of any information provided by the CRA.

2. Adverse Actions Based on Information Obtained From Third Parties Who Are Not Consumer Reporting Agencies

If a person denies (or increases the charge for) credit for personal, family, or household purposes based either wholly or partly upon information from a person other than a CRA, and the information is the type of consumer information covered by the FCRA, Section 615(b)(1) requires that the user clearly and accurately disclose to the consumer his or her right to be told

the nature of the information that was relied upon if the consumer makes a written request within 60 days of notification. The user must provide the disclosure within a reasonable period of time following the consumer's written request.

3. Adverse Actions Based on Information Obtained From Affiliates

If a person takes an adverse action involving insurance, employment, or a credit transaction initiated by the consumer, based on information of the type covered by the FCRA, and this information was obtained from an entity affiliated with the user of the information by common ownership or control, Section 615(b)(2) requires the user to notify the consumer of the adverse action. The notice must inform the consumer that he or she may obtain a disclosure of the nature of the information relied upon by making a written request within 60 days of receiving the adverse action notice. If the consumer makes such a request, the user must disclose the nature of the information not later than 30 days after receiving the request. If consumer report information is shared among affiliates and then used for an adverse action, the user must make an adverse action disclosure as set forth in I.C.1 above.

D. Users Have Obligations When Fraud and Active Duty Military Alerts are in Files

When a consumer has placed a fraud alert, including one relating to identify theft, or an active duty military alert with a nationwide consumer reporting agency as defined in Section 603(p) and resellers, Section 605A(h) imposes limitations on users of reports obtained from the consumer reporting agency in certain circumstances, including the establishment of a new credit plan and the issuance of additional credit cards. For initial fraud alerts and active duty alerts, the user must have reasonable policies and procedures in place to form a belief that the user knows the identity of the applicant or contact the consumer at a telephone number specified by the consumer; in the case of extended fraud alerts, the user must contact the consumer in accordance with the contact information provided in the consumer's alert.

E. Users Have Obligations When Notified of an Address Discrepancy

Section 605(h) requires nationwide CRAs, as defined in Section 603(p), to notify users that request reports when the address for a consumer provided by the user in requesting the report is substantially different from the addresses in the consumer's file. When this occurs, users must comply with regulations specifying the procedures to be followed. Federal regulations are available at www.consumerfinance.gov/learnmore.

F. Users Have Obligations When Disposing of Records

Section 628 requires that all users of consumer report information have in place procedures to properly dispose of records containing this information. Federal regulations have been issued that cover disposal.

II. CREDITORS MUST MAKE ADDITIONAL DISCLOSURES

If a person uses a consumer report in connection with an application for, or a grant, extension, or provision of, credit to a consumer on material terms that are materially less favorable

than the most favorable terms available to a substantial proportion of consumers from or through that person, based in whole or in part on a consumer report, the person must provide a risk-based pricing notice to the consumer in accordance with regulations prescribed by the Consumer Financial Protection Bureau.

Section 609(g) requires a disclosure by all persons that make or arrange loans secured by residential real property (one to four units) and that use credit scores. These persons must provide credit scores and other information about credit scores to applicants, including the disclosure set forth in Section 609(g)(1)(D) (“Notice to the Home Loan Applicant”).

III. OBLIGATIONS OF USERS WHEN CONSUMER REPORTS ARE OBTAINED FOR EMPLOYMENT PURPOSES

A. Employment Other Than in the Trucking Industry

If the information from a CRA is used for employment purposes, the user has specific duties, which are set forth in Section 604(b) of the FCRA. The user must:

- Make a clear and conspicuous written disclosure to the consumer before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained.
- Obtain from the consumer prior written authorization. Authorization to access reports during the term of employment may be obtained at the time of employment.
- Certify to the CRA that the above steps have been followed, that the information being obtained will not be used in violation of any federal or state equal opportunity law or regulation, and that, if any adverse action is to be taken based on the consumer report, a copy of the report and a summary of the consumer’s rights will be provided to the consumer
- **Before** taking an adverse action, the user must provide a copy of the report to the consumer as well as the summary of consumer’s rights. (The user should receive this summary from the CRA.) A Section 615(a) adverse action notice should be sent after the adverse action is taken

An adverse action notice also is required in employment situations if credit information (other than transactions and experience data) obtained from an affiliate is used to deny employment. Section 615(b)(2)

The procedures for investigative consumer reports and employee misconduct investigations are set forth below.

B. Employment in the Trucking Industry

Special rules apply for truck drivers where the only interaction between the consumer and the potential employer is by mail, telephone, or computer. In this case, the consumer may provide consent orally or electronically, and an adverse action may be made orally, in writing, or

electronically. The consumer may obtain a copy of any report relied upon by the trucking company by contacting the company.

IV. OBLIGATIONS WHEN INVESTIGATIVE CONSUMER REPORTS ARE USED

Investigative consumer reports are a special type of consumer report in which information about a consumer's character, general reputation, personal characteristics, and mode of living is obtained through personal interviews by an entity or person that is a consumer reporting agency. Consumers who are the subjects of such reports are given special rights under the FCRA. If a user intends to obtain an investigative consumer report, Section 606 requires the following:

- The user must disclose to the consumer that an investigative consumer report may be obtained. This must be done in a written disclosure that is mailed, or otherwise delivered, to the consumer at some time before or not later than three days after the date on which the report was first requested. The disclosure must include a statement informing the consumer of his or her right to request additional disclosures of the nature and scope of the investigation as described below, and the summary of consumer rights required by Section 609 of the FCRA. (The summary of consumer rights will be provided by the CRA that conducts the investigation.)
- The user must certify to the CRA that the disclosures set forth above have been made and that the user will make the disclosure described below.
- Upon the written request of a consumer made within a reasonable period of time after the disclosures required above, the user must make a complete disclosure of the nature and scope of the investigation. This must be made in a written statement that is mailed or otherwise delivered, to the consumer no later than five days after the date on which the request was received from the consumer or the report was first requested, whichever is later in time.

V. SPECIAL PROCEDURES FOR EMPLOYEE INVESTIGATIONS

Section 603(x) provides special procedures for investigations of suspected misconduct by an employee or for compliance with Federal, state or local laws and regulations or the rules of a self-regulatory organization, and compliance with written policies of the employer. These investigations are not treated as consumer reports so long as the employer or its agent complies with the procedures set forth in Section 603(x), and a summary describing the nature and scope of the inquiry is made to the employee if an adverse action is taken based on the investigation.

VI. OBLIGATIONS OF USERS OF MEDICAL INFORMATION

Section 604(g) limits the use of medical information obtained from consumer reporting agencies (other than payment information that appears in a coded form that does not identify the medical provider). If the information is to be used for an insurance transaction, the consumer must give consent to the user of the report or the information must be coded. If the report is to be used for employment purposes – or in connection with a credit transaction (except as provided

in regulations issued by the banking and credit union regulators) – the consumer must provide specific written consent and the medical information must be relevant. Any user who receives medical information shall not disclose the information to any other person (except where necessary to carry out the purpose for which the information was disclosed, or a permitted by statute, regulation, or order).

VII. OBLIGATIONS OF USERS OF “PRESCREENED” LISTS

The FCRA permits creditors and insurers to obtain limited consumer report information for use in connection with unsolicited offers of credit or insurance under certain circumstances. Sections 603(1), 604(c), 604(e), and 615(d). This practice is known as “prescreening” and typically involves obtaining a list of consumers from a CRA who meet certain pre-established criteria. If any person intends to use prescreened lists, that person must (1) before the offer is made, establish the criteria that will be relied upon to make the offer and grant credit or insurance, and (2) maintain such criteria on file for a three-year period beginning on the date on which the offer is made to each consumer. In addition, any user must provide with each written solicitation a clear and conspicuous statement that:

- Information contained in a consumer’s CRA file was used in connection with the transaction.
- The consumer received the offer because he or she satisfied the criteria for credit worthiness or insurability used to screen for the offer.
- Credit or insurance may not be extended if, after the consumer responds, it is determined that the consumer does not meet the criteria used for screening or any applicable criteria bearing on credit worthiness or insurability, or the consumer does not furnish required collateral.
- The consumer may prohibit the use of information in his or her file in connection with future prescreened offers of credit or insurance by contacting the notification system established by the CRA that provided the report. The statement must include the address and toll-free telephone number of the appropriate notification system.

In addition, the Consumer Financial Protection Bureau has established the format, type size, and manner of the disclosure required by Section 615(d), with which users must comply. The relevant regulation is 12 CFR 1022.54.

VIII. OBLIGATIONS OF RESELLERS

A. Disclosure and Certification Requirements

Section 607(e) requires any person who obtains a consumer report for resale to take the following steps:

- Disclose the identity of the end-user to the source CRA.
- Identify to the source CRA each permissible purpose for which the report will be furnished

to the end-user.

- Establish and follow reasonable procedures to ensure that reports are resold only for permissible purposes, including procedures to obtain:
 - (1) the identify of all end-users;
 - (2) certifications from all users of each purpose for which reports will be used; and
 - (3) certifications that reports will not be used for any purpose other than the purpose(s) specified to the reseller. Resellers must make reasonable efforts to verify this information before selling the report.

B. Reinvestigations by Resellers

Under Section 611(f), if a consumer disputes the accuracy or completeness of information in a report prepared by a reseller, the reseller must determine whether this is a result of an action or omission on its part and, if so, correct or delete the information. If not, the reseller must send the dispute to the source CRA for reinvestigation. When any CRA notifies the reseller of the results of an investigation, the reseller must immediately convey the information to the consumer.

C. Fraud Alerts and Resellers

Section 605A(f) requires resellers who receive fraud alerts or active duty alerts from another consumer reporting agency to include these in their reports.

IX. LIABILITY FOR VIOLATIONS OF THE FCRA

Failure to comply with the FCRA can result in state government or federal government enforcement actions, as well as private lawsuits. Sections 616, 617, and 621. In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution. Section 619.

The Bureau of Consumer Financial Protection’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 603	15 U.S.C. 1681a
Section 604	15 U.S.C. 1681b
Section 605	15 U.S.C. 1681c
Section 605A	15 U.S.C. 1681c-A
Section 605B	15 U.S.C. 1681c-B
Section 606	15 U.S.C. 1681d

Section 607	15 U.S.C. 1681e
Section 608	15 U.S.C. 1681f
Section 609	15 U.S.C. 1681g
Section 610	15 U.S.C. 1681h
Section 611	15 U.S.C. 1681i
Section 612	15 U.S.C. 1681j
Section 613	15 U.S.C. 1681k
Section 614	15 U.S.C. 1681l
Section 615	15 U.S.C. 1681m
Section 616	15 U.S.C. 1681n
Section 617	15 U.S.C. 1681o
Section 618	15 U.S.C. 1681p
Section 619	15 U.S.C. 1681q
Section 620	15 U.S.C. 1681r
Section 621	15 U.S.C. 1681s
Section 622	15 U.S.C. 1681s-1
Section 623	15 U.S.C. 1681s-2
Section 624	15 U.S.C. 1681t
Section 625	15 U.S.C. 1681u
Section 626	15 U.S.C. 1681v
Section 627	15 U.S.C. 1681w
Section 628	15 U.S.C. 1681x
Section 629	15U.S.C.1681y

Exhibit XX-2: A Summary of Your Rights under the Fair Credit Reporting Act

Para informacion en espanol, visite www.consumerfinance.gov/learnmore o escribe a la Consumer Financial Protection Bureau, 1700 G Street, N.W., Washington, DC 20552.

A Summary of Your Rights Under the Fair Credit Reporting Act

The federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Here is a summary of your major rights under the FCRA. **For more information, including information about additional rights, go to www.consumerfinance.gov/learnmore or write to: Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552.**

- **You must be told if information in your file has been used against you.** Anyone who uses a credit report or another type of consumer report to deny your application for credit, insurance, or employment – or to take another adverse action against you – must tell you, and must give you the name, address, and phone number of the agency that provided the information.

- **You have the right to know what is in your file.** You may request and obtain all the information about you in the files of a consumer reporting agency (your “file disclosure”). You will be required to provide proper identification, which may include your Social Security number. In many cases, the disclosure will be free. You are entitled to a free file disclosure if:
 - a person has taken adverse action against you because of information in your credit report;
 - you are the victim of identity theft and place a fraud alert in your file;
 - your file contains inaccurate information as a result of fraud;
 - you are on public assistance;
 - you are unemployed but expect to apply for employment within 60 days.

In addition, all consumers are entitled to one free disclosure every 12 months upon request from each nationwide credit bureau and from nationwide specialty consumer reporting agencies. See www.consumerfinance.gov/learnmore for additional information.

- **You have the right to ask for a credit score.** Credit scores are numerical summaries of your credit-worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores used in residential real property loans, but you will have to pay for it. In some mortgage transactions, you will receive credit score information for free from the mortgage lender.

- **You have the right to dispute incomplete or inaccurate information.** If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous. See www.consumerfinance.gov/learnmore for an explanation of dispute procedures.
- **Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.** Inaccurate, incomplete or unverifiable information must be removed or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.
- **Consumer reporting agencies may not report outdated negative information.** In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.
- **Access to your file is limited.** A consumer reporting agency may provide information about you only to people with a valid need – usually to consider an application with a creditor, insurer, employer, landlord, or other business. The FCRA specifies those with a valid need for access.
- **You must give your consent for reports to be provided to employers.** A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to www.consumerfinance.gov/learnmore.
- **You may limit “prescreened” offers of credit and insurance you get based on information in your credit report.** Unsolicited “prescreened” offers for credit and insurance must include a toll-free phone number you can call if you choose to remove your name and address from the lists these offers are based on. You may opt-out with the nationwide credit bureaus at 1-888-5-OPTOUT (1-888-567-8688).
- **You may seek damages from violators.** If a consumer reporting agency, or, in some cases, a user of consumer reports or a furnisher of information to a consumer reporting agency violates the FCRA, you may be able to sue in state or federal court.
- **Identity theft victims and active duty military personnel have additional rights.** For more information, visit www.consumerfinance.gov/learnmore.

States may enforce the FCRA, and many states have their own consumer reporting laws. In some cases, you may have more rights under state law. For more information, contact your state or local consumer protection agency or your state Attorney General. For information about your federal rights, contact:

TYPE OF BUSINESS:	CONTACT:
<p>1.a. Banks, savings associations, and credit unions with total assets of over \$10 billion and their affiliates.</p> <p>b. Such affiliates that are not banks, savings associations, or credit unions also should list, in addition to the CFPB:</p>	<p>a. Consumer Financial Protection Bureau 1700 G Street NW Washington, DC 20552</p> <p>b. Federal Trade Commission: Consumer Response Center – FCRA Washington, DC 20580 (877) 382-4357</p>
<p>2. To the extent not included in item 1 above:</p> <p>a. National banks, federal savings associations, and federal branches and federal agencies of foreign banks</p> <p>b. State member banks, branches and agencies of foreign banks (other than federal branches, federal agencies, and Insured State Branches of Foreign Banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act</p> <p>c. Nonmember Insured Banks, Insured State Branches of Foreign Banks, and insured state savings associations</p> <p>d. Federal Credit Unions</p>	<p>a. Office of the Comptroller of the Currency Customer Assistance Group 1301 McKinney Street, Suite 3450 Houston, TX 77010-9050</p> <p>b. Federal Reserve Consumer Help Center P.O. Box 1200 Minneapolis, MN 55480</p> <p>c. FDIC Consumer Response Center 1100 Walnut Street, Box #11 Kansas City, MO 64106</p> <p>d. National Credit Union Administration Office of Consumer Protection (OCP) Division of Consumer Compliance and Outreach (DCCO) 1775 Duke Street Alexandria, VA 22314</p>
<p>3. Air carriers</p>	<p>Asst. General Counsel for Aviation Enforcement & Proceedings Aviation Consumer Protection Division Department of Transportation 1200 New Jersey Ave, S.E. Washington, DC 20590</p>
<p>4. Creditors Subject to Surface Transportation Board</p>	<p>Office of Proceedings, Surface Transportation Board Department of Transportation 395 E Street, S.W. Washington, DC 20423</p>
<p>5. Creditors Subject to Packers and Stockyards Act, 1921</p>	<p>Nearest Packers and Stockyards Administration area supervisor</p>
<p>6. Small Business Investment Companies</p>	<p>Associate Deputy Administrator for Capital Access United States Small Business Administration 409 Third Street, SW, 8th Floor Washington, DC 20416</p>
<p>7. Brokers and Dealers</p>	<p>Securities and Exchange Commission 100 F St NE Washington, DC 20549</p>
<p>8. Federal Land Banks, Federal Land Bank Associations, Federal Intermediate Credit Banks, and Production Credit Associations</p>	<p>Farm Credit Administration 1501 Farm Credit Drive McLean, VA 22102-5090</p>
<p>9. Retailers, Finance Companies, and All Other Creditors Not Listed Above</p>	<p>FTC Regional Office for region in which the creditor operates <u>or</u> Federal Trade Commission: Consumer Response Center – FCRA Washington, DC 20580 (877) 382-4357</p>

