



DATE: September 24, 2014

TO: Honorable Mayor and City Councilmembers

FROM: Financial Services Department

SUBJECT: **APPROVAL OF AN AGREEMENT FOR REVENUE COLLECTION SERVICES**

### **SYNOPSIS**

Staff recommends that the City Council approve a three-year Professional Services Agreement with States Recovery Systems, Inc. of Rancho Cordova in an amount based on percentages ranging from 17 to 30 percent of collections received for revenue collection services, and authorize the City Manager to execute the agreement.

### **BACKGROUND**

The City of Oceanside has used several companies over the years to assist with revenue collection for debts owed to the City. The companies used depended upon the type of debt and the department billing the service. Throughout the years, the companies were changed based upon competitive bid process.

In 2006 a request for proposal (RFP) was issued and American Capital Enterprises was awarded the contract and provided collection services on current debts until September 2010 and on previously assigned debts until February 2014. In March 2010 staff issued another RFP and a three-year contract was awarded to Sequoia Financial Services. The contract was extended by one year to September 2014. With the contract set to expire, another RFP was issued in June 2014.

### **ANALYSIS**

Because the current service provider had been in place for several years, staff prepared an RFP for revenue collection services on outstanding ambulance billing, parking citation, accounts receivable, harbor and utility billing debts. The intent was to reevaluate the current service levels, and assess the current market for opportunities.

Requests for proposals were sent to local, regional and national companies who had previously requested the opportunity to respond. In addition, staff contacted other companies who were identified via several research methods as providing revenue collection services.

Eight responses were received and evaluated based upon the criteria listed in the RFP. Three companies were invited to a meeting with City staff and asked to be prepared to cover several topics. States Recovery Systems rated the highest, and reference checks confirmed the competency, professionalism and service-oriented focus. States also offered the lowest commission rates on first placement services.

### **FISCAL IMPACT**

The fiscal impact will be a function of the amount collected, thus not definitive at this time. The commission rate for the majority of accounts is being reduced from the current 19 percent to 17 percent for primary assignments. Secondary assignment accounts are accounts that have been assigned to a former collection agency and will be transferred to the new agency. The commission rate on secondary assignment accounts is being increased from 29 percent to 30 percent. Secondary assignment accounts have a much lower probability of collection due to the fact that they have already been worked and have been outstanding for longer than one year.

Commission rates are as follows:

- Primary Assignments – Seventeen (17) percent of all revenue collected
- Primary Legal - Thirty (30) percent of all revenue collected
- Primary Interest Rate – Fifty (50) percent of all revenue collected
- Secondary Assignment – Thirty (30) percent of all revenue collected
- Franchise Tax Board Intercept – Twelve (12) percent of all revenue collected beginning with accounts submitted in 2015.

In FY 2013-14 the City received approximately \$160,900 from collection agency services. Based on historical information and commission rate changes, the City anticipates receiving approximately \$180,000 in FY 2014-15. The revenue is recorded in the fund for which the debt was owed.

### **COMMISSION OR COMMITTEE REPORT**

Does not apply.

### **CITY ATTORNEY'S ANALYSIS**

The referenced documents have been reviewed by the City Attorney and approved as to form.

**RECOMMENDATION**

Staff recommends that the City Council approve a three-year Professional Services Agreement with States Recovery Systems, Inc. of Rancho Cordova in an amount based on percentages ranging from 17 to 30 percent of collections received for revenue collection services, and authorize the City Manager to execute the agreement.

PREPARED BY:



Sheri Brown  
Financial Service Division Manager

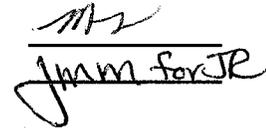
SUBMITTED BY:



Steven R. Jepsen  
City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Deputy City Manager  
James R. Riley, Financial Services Director



Exhibit/Attachments:

1. Professional Services Agreement
2. Response to Request for Proposal
3. Request for Proposal
4. Rating Sheet

**CITY OF OCEANSIDE****PROFESSIONAL SERVICES AGREEMENT****PROJECT: COLLECTION AGENCY AGREEMENT**

THIS AGREEMENT, dated \_\_\_\_\_ 2014 for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and STATES RECOVERY SYSTEMS, INC., hereinafter designated as "CONSULTANT."

**NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:**

1. **SCOPE OF WORK.** The project is more particularly described as follows: CONSULTANT will provide revenue collections services for the City of Oceanside. The collection services will be for debts owed to the CITY for various fees, services, violations, fines, permits, registrations, rentals, as outlined in the request for proposals. These services will be provided in accordance with the specifications/scope of work and instructions as outlined in the request for proposal, CONSULTANT's response and presentation document and are attached hereto and incorporated herein as Exhibits 1, 2 and 3 to the agreement.

The following items were negotiated upon notification that an agreement was being pursued with CONSULTANT. To the extent of a conflict between this Section 1 and Exhibits 1, 2 and 3, this Section prevails.

- 1.1 CONSULTANT agrees to provide copies of all Bankruptcy claims to the CITY within 5 business days from filing the claim with the court.
- 1.2 CONSULTANT agrees to review and recommend accounts to be -referred for litigation. This work will include preparing all the appropriate paperwork for presentation in court.
- 1.3 CONSULTANT agrees to work with the CITY to establish ACH transmission of payments.
- 1.4 On accounts where the CITY has obtained judgment prior to assigning the debt to the CONSULTANT, the contingency fee rate increase to 30% occurs at the time the judgment is assigned to CONSULTANT and legal action is started.
- 1.5 Upon request by the CITY, CONSULTANT will provide a reconciliation of bank account deposits to the remittance advices.

## Collection Agency Agreement

- 1.6 CONSULTANT agrees to prepare and submit satisfaction of judgment to the Court for every occurrence regardless if the judgment was obtained by the CITY or CONSULTANT.
- 1.7 CONSULTANT will provide the CITY with a copy of every satisfaction of judgment filed by the Court.
- 1.8 CONSULTANT will accept account assignments from third party vendors contracted by the CITY to provide billing services and send the CITY acknowledgement reports when accounts are received from these vendors.
- 1.9 CONSULTANT will provide all monthly reports by the tenth of each month for the previously ending month with the exception of the remittance report. The remittance report and monthly payment to the CITY will be remitted within 5 business days of each month for the previous month end.
2. **INDEPENDENT CONTRACTOR.** CONSULTANT'S relationship to the CITY shall be that of an independent contractor. CONSULTANT shall have no authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless specifically authorized in writing by the CITY. CONSULTANT shall be solely responsible for the performance of any of its employees, agents, or subcontractors under this Agreement. CONSULTANT shall report to the CITY any and all employees, agents, and consultants performing work in connection with this project, and all shall be subject to the approval of the CITY.
3. **WORKERS' COMPENSATION.** Pursuant to Labor Code section 1861, the CONSULTANT hereby certifies that the CONSULTANT is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and the CONSULTANT will comply with such provisions, and provide certification of such compliance as a part of this Agreement.
4. **LIABILITY INSURANCE.**
  - 4.1. CONSULTANT shall, throughout the duration of this Agreement maintain comprehensive general liability and property damage insurance, or commercial general liability insurance, covering all operations of CONSULTANT, its agents and employees, performed in connection with this Agreement including but not limited to premises and automobile.

## Collection Agency Agreement

4.2 CONSULTANT shall maintain liability insurance in the following minimum limits:

Comprehensive General Liability Insurance  
(bodily injury and property damage)

Combined Single Limit Per Occurrence	\$ 1,000,000
General Aggregate	\$ 2,000,000*

Commercial General Liability Insurance  
(bodily injury and property damage)

General limit per occurrence	\$ 1,000,000
General limit project specific aggregate	\$ 2,000,000

<u>Automobile Liability Insurance</u>	\$ 1,000,000
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\*General aggregate per year, or part thereof, with respect to losses or other acts or omissions of CONSULTANT under this Agreement.

4.3 If coverage is provided through a Commercial General Liability Insurance policy, a minimum of 50% of each of the aggregate limits shall remain available at all times. If over 50% of any aggregate limit has been paid or reserved, the CITY may require additional coverage to be purchased by the CONSULTANT to restore the required limits. The CONSULTANT shall also notify the CITY promptly of all losses or claims over \$25,000 resulting from work performed under this contract, or any loss or claim against the CONSULTANT resulting from any of the CONSULTANT'S work.

4.4 All insurance companies affording coverage to the CONSULTANT for the purposes of this Section shall add the CITY of Oceanside as "additional insured" under the designated insurance policy for all work performed under this agreement. Insurance coverage provided to the CITY as additional insured shall be primary insurance and other insurance maintained by the CITY of Oceanside, its officers, agents, and employees shall be excess only and not contributing with insurance provided pursuant to this Section.

4.5 All insurance companies affording coverage to the CONSULTANT pursuant to this agreement shall be insurance organizations admitted by the Insurance Commissioner of the State of California to transact business of insurance in the state or be rated as A-X or higher by A.M. Best.

4.6 CONSULTANT shall provide thirty (30) days written notice to the CITY should any policy required by this Agreement be cancelled before the expiration date. For

## Collection Agency Agreement

the purposes of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.

- 4.7 CONSULTANT shall provide evidence of compliance with the insurance requirements listed above by providing, at minimum, a Certificate of Insurance and applicable endorsements, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement.
- 4.8 CONSULTANT shall provide a substitute Certificate of Insurance no later than thirty (30) days prior to the policy expiration date. Failure by the CONSULTANT to provide such a substitution and extend the policy expiration date shall be considered a default by CONSULTANT and may subject the CONSULTANT to a suspension or termination of work under the Agreement.
- 4.9 Maintenance of insurance by the CONSULTANT as specified in this Agreement shall in no way be interpreted as relieving the CONSULTANT of any responsibility whatsoever and the CONSULTANT may carry, at its own expense, such additional insurance as it deems necessary.
5. **PROFESSIONAL ERRORS AND OMISSIONS INSURANCE.** Throughout the duration of this Agreement and four (4) years thereafter, the CONSULTANT shall maintain professional errors and omissions insurance for work performed in connection with this Agreement in the minimum amount of One Million Dollars (\$1,000,000.00).

CONSULTANT shall provide evidence of compliance with these insurance requirements by providing a Certificate of Insurance.

6. **CONSULTANT'S INDEMNIFICATION OF CITY.** To the greatest extent allowed by law, CONSULTANT shall indemnify and hold harmless the CITY and its officers, agents and employees against all claims for damages to persons or property arising out of the negligent acts, errors or omissions or wrongful acts or conduct of the CONSULTANT, or its employees, agents, subcontractors, or others in connection with the execution of the work covered by this Agreement, except for those claims arising from the willful misconduct, sole negligence or active negligence of the CITY, its officers, agents, or employees. CONSULTANT'S indemnification shall include any and all costs, expenses, attorneys' fees, expert fees and liability assessed against or incurred by the CITY, its officers, agents, or employees in defending against such claims or lawsuits, whether the same proceed to judgment or not. Further, CONSULTANT at its own expense shall, upon written request by the CITY, defend any such suit or action brought against the CITY, its officers, agents, or employees resulting or arising from the conduct, tortious acts or omissions of the CONSULTANT.

CONSULTANT'S indemnification of CITY shall not be limited by any prior or

## Collection Agency Agreement

subsequent declaration by the CONSULTANT.

7. **COMPENSATION.** CONSULTANT'S compensation for all work performed in accordance with this Agreement, shall be from amounts derived from the revenue collected. To the extent of a conflict between this Section 7 and CONSULTANT'S response to the CITY'S RFP (Exhibits 1, 2 & 3) this Section prevails. CONSULTANT to receive the following percentages of revenue collected:

Primary Assignments – Seventeen (17) percent of all revenue collected  
Primary Legal - Thirty (30) percent of all revenue collected  
Primary Interest Rate – Fifty (50) percent of all revenue collected  
Secondary Assignment – Thirty (30) percent of all revenue collected  
Franchise Tax Board Intercept – Twelve (12) percent of all revenue collected beginning with accounts submitted in 2015.

No work shall be performed by CONSULTANT in excess of the above percentages without prior written approval of the CITY. CONSULTANT shall obtain approval by the CITY prior to performing any work that results in incidental expenses to CITY.

8. **TIMING REQUIREMENTS.** Time is of the essence in the performance of work under this Agreement and the timing requirements shall be strictly adhered to unless otherwise modified in writing. All work shall be initiated in every detail to the satisfaction of the CITY by December 1, 2014. This agreement shall be in effect commencing on September 24, 2014 through September 24, 2017. This agreement may be extended in the sole discretion of the CITY, in one-year time increments, not to exceed a total of five (5) years. Any such extension shall be in a written amendment signed by both parties.
9. **ENTIRE AGREEMENT.** This Agreement comprises the entire integrated understanding between CITY and CONSULTANT concerning the work to be performed for this project and supersedes all prior negotiations, representations, or agreements.
10. **INTERPRETATION OF THE AGREEMENT.** The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to CITY.

The CONSULTANT shall be responsible for complying with all local, state, and federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions, which are

**Collection Agency Agreement**

otherwise lawful, shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

- 11. **AGREEMENT MODIFICATION.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.
- 12. **TERMINATION OF AGREEMENT.** Either party may terminate this Agreement by providing thirty (30) days written notice to the other party. If any portion of the work is terminated or abandoned by the CITY, then the CITY shall pay CONSULTANT for any work completed up to and including the date of termination or abandonment of this Agreement. The CITY shall be required to compensate CONSULTANT only for work performed in accordance with the Agreement up to and including the date of termination.
- 13. **SIGNATURES.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF, the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Professional Services Agreement to be executed by setting hereunto their signatures on the dates set forth below.

STATES RECOVERY SYSTEMS INC. CITY OF OCEANSIDE

By: Cindy Marley  
Name/Title  
**SENIOR VICE PRESIDENT**

By: \_\_\_\_\_  
City Manager

By: \_\_\_\_\_  
Name/Title

APPROVED AS TO FORM:  
John O'Mulla  
City Attorney

68-01160040  
Employer ID No.

**NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.**

**ACKNOWLEDGMENT**

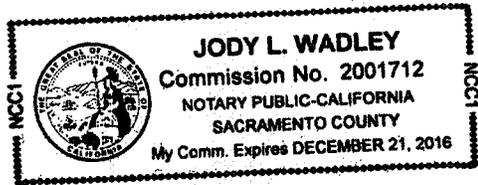
State of California  
County of SACRAMENTO )

On AUG 20, 2014 before me, JODY L. WADLEY, NOTARY PUBLIC  
(insert name and title of the officer)

personally appeared CINDY MARLER  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.



Signature Jody L. Wadley (Seal)

**Form 2: Business Associate Agreement**

**HIPAA BUSINESS ASSOCIATE AGREEMENT**

This Agreement ("Agreement") is entered into by and between **States Recovery Systems, Inc.** ("Business Associate") and the **City of Oceanside**, ("Covered Entity").

**RECITALS**

**WHEREAS**, Business Associate performs functions, activities, or services for, or on behalf of Covered Entity, and Business Associate receives, has access to, or creates Health Information in order to perform such functions, activities or services;

**WHEREAS**, Covered Entity and Business Associate pursuant to the Contract is in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("the HITECH Act"), and including but not limited to, the Standards for Privacy of Individually Identifiable Health Information, 45 Code of Federal Regulations Parts 160 and 164; and

**WHEREAS**, HIPAA requires Covered Entity to enter into a contract with Business Associate to provide for the protection of the privacy and security of Health Information, and HIPAA prohibits the disclosure to or use of Health Information by Business Associate if such a contract is not in place.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

**ARTICLE I  
DEFINITIONS**

1.1 "Breach" means any unauthorized access, acquisition, use or disclosure of PHI which compromises the security or privacy of that information.

1.2 "Disclose" and "Disclosure" mean, with respect to Health Information, the release, transfer, provision of access to, or divulging in any other manner of Health Information outside Business Associate's internal operations or to other than its employees.

1.3 "Electronic Protected Health Information - e-PHI" means any information that (a) relates to the past, present or future physical or mental health or condition of an individual; the provision of health care to an individual, or the past, present or future

payment for the provision of health care to an individual; (b) identifies the individual (or for which there is a reasonable basis for believing that the information can be used to identify the individual); and (c) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity that is held in an electronic format.

1.4 "Identity Theft" means any information that may be used, alone or in conjunction with any other information to identify a specific person.

1.5

1.6 "Protected Health Information - PHI" means information that (a) relates to the past, present or future physical or mental health or condition of an individual; the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual; (b) identifies the individual (or for which there is a reasonable basis for believing that the information can be used to identify the individual); and (c) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity.

1.7 "Privacy Regulations" means the Standards for Privacy of Covered Individually Identifiable Health Information, 45 Code of Federal Regulations Parts 160 and 164, promulgated under HIPAA.

1.8 "HITECH" means the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("the HITECH Act").

1.9 "Red Flag" means a pattern, practice, or specific activity that indicates the possible existence of identity theft"

1.10 "Red Flag Rules" means the Identity Theft Red Flag Rules promulgated under the Fair and Accurate Credit Transactions of 2003("Red Flag Rules") found at 16 C.F. R Part 681.

1.11 "Security Rules" means the requirements of the Security Regulations promulgated under the Health Insurance Portability and Accountability Act of 1996 (Security Rule) found at 45 CPR Part 164.

1.12 "Services" means the services provided by Business Associate pursuant to the Underlying Agreement(s), or if no such agreement(s) are in effect, the services Business Associate performs with respect to the Covered Entity.

1.13 "Underlying Agreement" means the services agreement executed by the Covered Entity and Business Associate, if any.

1.14 "Use" or "Uses" mean, with respect to Health Information, the sharing, employment, application, utilization, examination, or analysis of such Health Information within Business Associate's internal operations.

**ARTICLE II**  
**OBLIGATIONS OF BUSINESS ASSOCIATE**

2.1 Initial Effective Date of Performance. The obligations created under this Agreement shall become effective on September 24, 2014.

2.2 Permitted Uses and Disclosures of PHI. Business Associate is authorized to and shall:

a. Use and Disclose PHI as necessary to perform Services for, or on behalf of Covered Entity:

b. Use PHI to create aggregated or de-identified information (in accordance with the requirements of the Privacy Regulations);

c. Use or Disclose PHI (including aggregated or de-identified information) as otherwise directed by Covered Entity provided that Covered Entity shall not request Business Associate to Use or Disclose PHI in a manner that would not be permissible if done by Covered Entity. When using or disclosing PHI or when requesting PHI from the Covered Entity, Business Associate shall make reasonable efforts to limit PHI to the minimum necessary to accomplish the intended purpose of the use, disclosure, or request. Business Associate shall not Use PHI for any other purpose, except that if necessary, Business Associate may Use PHI for the proper management and administration of Business Associate or to carry out its legal responsibilities; provided that any Use or Disclosure described herein will not violate the Privacy Regulations or California law if done by Covered Entity. Except as otherwise limited in this Agreement, Business Associate may Disclose PHI for the proper management and administration of the Business Associate, provided that with respect to any such Disclosure either (a) the Disclosure is required by law (within the meaning of the Privacy Regulations) or (b) the Disclosure would not otherwise violate California law and Business Associate obtains reasonable written assurances from the person to whom the information is to be Disclosed that such person will hold the information in confidence and will not Use or further Disclose such information except as required by law or for the purpose(s) for which it was Disclosed by Business Associate to such person, and that such person will notify Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached. Business Associate agrees to a patient's right to an accounting of **all** disclosures from an electronic health record (HER). Business Associate agrees to a patient's right to request restrictions on the use of PHI when the service is paid for out of pocket and a request is made not to bill their health insurance. Business Associate agrees to a patient's right to obtain their PHI in an electronic format if it is stored in that manner.

2.3 Adequate Safeguards for PHI. Business Associate warrants that it shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of PHI in any manner other than as permitted by this Agreement.

a. Business Associates agrees to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of e-PHI that it creates, receives, maintains, or transmits on behalf of the Covered Entity if any.

b. Business Associate will ensure that any agent, including a subcontractor, to whom it provides e-PHI that was created, received, maintained, or transmitted on behalf of the Covered Entity, agrees to implement reasonable and appropriate safeguards to protect the confidentiality, security, and integrity of e-PHI.

c. Business Associate agrees to alert the Covered Entity of any security incident (as defined by HIPAA Security Rule) of which it becomes aware and the steps it has taken to mitigate any potential security compromise that may have occurred and to provide a report to the Covered Entity of any loss of data or other information system compromise as a result of the incident.

2.4 Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of PHI by Business Associate in violation of the requirements of this Agreement.

2.5 Reporting Non-Permitted Use or Disclosure. Business Associate shall report to Covered Entity each Use or Disclosure that is made by Business Associate, its employees, representatives, agents or subcontractors that is not specifically permitted by this Agreement of which Business Associate becomes aware, including breaches of unsecured PHI. The initial report shall be made by telephone call to the Covered Entity within forty-eight (48) hours from the time the Business Associate becomes aware of the non-permitted Use or Disclosure, followed by a written report to covered Entity no later than five (5) days from the date the Business Associate becomes aware of the non-permitted Use or Disclosure. Business Associate has the obligation to report any non compliance of HIPAA by the Covered Entity

2.6 Availability of Internal Practices, Books and Records. Business Associate agrees to make its internal practices, books and records relating to the Use and Disclosure of PHI available to the Secretary of the U.S. Department of Health and Human Services ("Secretary"), for purposes of determining Covered Entity's compliance with the Privacy Regulations.

2.7 Access to and Amendment of Health Information. Business Associate shall, to the extent Covered Entity determines that any PHI constitutes a "designated record set" under the Privacy Regulations, (a) make the PHI specified by Covered Entity available to Covered Entity or to the individual(s) identified by Covered Entity as being entitled to access and copy that PHI within 30 days of a request, and (b) make any amendments to PHI

that are requested by Covered Entity. Business Associate shall provide such access and make such amendments and incorporate such amendments within the time and in the manner specified by Covered Entity.

2.8 Accounting of Disclosures. Upon Covered Entity's request, Business Associate shall provide to Covered Entity an accounting of each Disclosure of PHI made by Business Associate or its employees, agents, representatives or subcontractors as required by the Privacy Regulations. For each Disclosure that requires an accounting under this Section 2.8, Business Associate shall track the information required by the Privacy Regulations, and shall securely maintain the information for six (6) years from the date of the Disclosure.

2.9 Use of Subcontractors and Agents. Business Associate shall require each of its agents and subcontractors that create, receive, maintain or transmit PHI from Business Associate to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Agreement with respect to such PHI.

2.10 Notification of Breach. As required by the American Recovery and Reinvestment Act of 2009; Title XIII of the ARRA; Health information Technology for Economic and Clinical Health Act Subtitle D section 13400 - 13424, Business Associate agrees to notify Covered Entity when a breach of PHI is discovered.

2.11 "Red Flag Rules" As required by the Identity Theft Red Flag Rules promulgated under the Fair and Accurate Credit Transactions of 2003("Red Flag Rules") found at 16 C.F. R Part 681, the Business Associate agrees to the following:

a. Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of e-PHI that it creates, receives, maintains, or transmits on behalf of the Covered Entity, if any.

b. Ensure that any agent, including a subcontractor, to whom it provides e-PHI that was created, received, maintained, or transmitted on behalf of the Covered Entity, agrees to implement reasonable and appropriate safeguards to protect the confidentiality, security, and integrity of e-PHI.

c. Alert the Covered Entity of any security incident (as defined by HIPAA Security Rule) of which it becomes aware and the steps it has taken to mitigate any potential security compromise that may have occurred and to provide a report to Covered Entity of any loss of data or other information system compromise as a result of the incident.

**ARTICLE III  
OBLIGATIONS OF COVERED ENTITY**

3.1 Privacy Notice. Covered Entity shall notify Business Associate of any limitation(s) in Covered Entity's notice of privacy practices to the extent such limitation(s) may affect Business Associate's Use or Disclosure of PHI.

3.2 Security. All PHI sent in an electronic format will be sent secured.

3.3 Notification of Breach. Covered Entity agrees to notify all parties involved by whatever means necessary in the event there is a breach of PHI.

**ARTICLE IV  
TERM AND TERMINATION**

4.1 Term. Subject to the provisions of Sections 4.2 and 4.3, the term of this Agreement shall be the term of the Underlying Agreement(s).

4.2 Termination for Cause. Upon Covered Entity's knowledge of a material breach of this Agreement by the Business Associate, Covered Entity shall either:

a. notify Business Associate of the breach in writing, and provide an opportunity to cure the breach or end the violation within ten (10) business days of such notification; provided that if Business Associate fails to cure the breach or end the violation within such time period to the satisfaction of Covered Entity, Covered Entity shall have the right to immediately terminate this Agreement and the Underlying Agreement(s) upon written notice to Business Associate;

b. upon written notice to Business Associate, immediately terminate this Agreement and the Underlying Agreement(s) if Covered Entity determines that such breach cannot be cured; or

c. if Covered Entity determines that neither termination nor cure is feasible, the Covered Entity shall report the violation to the Secretary.

4.3 Termination for Breach of Section 5.2. Covered Entity or Business Associate may terminate the Underlying Agreement(s) and this Agreement upon thirty (30) days written notice in the event (a) Business Associate does not promptly enter into negotiations to amend this Agreement when requested by Covered Entity pursuant to Section 5.2 or (b) Business Associate does not enter into an amendment to this Agreement providing assurances regarding the safeguarding of PHI that the Covered Entity, in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA.

4.4 Disposition of PHI Upon Termination or Expiration. Upon termination or expiration of this Agreement, Business Associate shall either return or destroy, in Covered Entity's sole discretion and in accordance with any instructions by Covered Entity, all PHI

in the possession or control of Business Associate and its agents and subcontractors. In such event, Business Associate shall retain no copies of such PHI. However, if the Business Associate determines that neither return nor destruction of PHI is feasible, Business Associate shall notify Covered Entity of the conditions that make return or destruction infeasible, and may retain PHI provided that Business Associate (a) continues to comply with the provisions of this Agreement for as long as it retains PHI, and (b) further limits Uses and Disclosures of PHI to those purposes that make the return or destruction of PHI infeasible.

## **ARTICLE V MISCELLANEOUS**

5.1 Indemnification. Notwithstanding anything to the contrary in the Underlying Agreement(s), at Business Associate's expense, Business Associate agrees to indemnify, defend and hold harmless Covered Entity and Covered Entity's employees, directors, officers, subcontractors or agents (the "Indemnitees") against all damages, losses, lost profits, fines, penalties, costs or expenses (including reasonable attorneys' fees) and all liability to third parties arising from any material breach of this Agreement by Business Associate or its employees, directors, officers, subcontractors, agents or other members of Business Associate's workforce. Business Associate's obligation to indemnify the Indemnitees shall survive the expiration or termination of this Agreement for any reason.

5.2 Amendment to Comply with Law. The parties acknowledge that state and federal laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA and other applicable laws relating to the security or confidentiality of PHI. The parties understand and agree that Covered Entity must receive satisfactory written assurance from Business Associate that Business Associate will adequately safeguard all PHI that it receives or creates on behalf of Covered Entity. Upon Covered Entity's request, Business Associate agrees to promptly enter into negotiations with Covered Entity, concerning the terms of any amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA or other applicable laws.

5.3 Relationship to Underlying Agreement(s) Provisions. In the event that a provision of this Agreement is contrary to a provision of an Underlying Agreement(s), the provision of this Agreement shall control. Otherwise, this Agreement shall be construed under, and in accordance with, the terms of such Underlying Agreement(s), and shall be considered an amendment of and supplement to such Underlying Agreement(s).

5.4 Modification of Agreement. No alteration, amendment, or modification of the terms of this Agreement shall be valid or effective unless in writing and signed by Business Associate and Covered Entity.

5.5 Non-Waiver. A failure of any party to enforce at any time any term, provision or condition of this Agreement, or to exercise any right or option herein, shall in no way operate as a waiver thereof, nor shall any single or partial exercise preclude any other right or option herein. In no way whatsoever shall a waiver of any term, provision or condition of this Agreement be valid unless in writing, signed by the waiving party, and only to the extent set forth in such writing.

5.6 Agreement Drafted By All Parties. This Agreement is the result of arm's length negotiations between the parties and shall be construed to have been drafted by all parties such that any ambiguities in this Agreement shall not be construed against either party.

5.7 Severability. If any provision of this Agreement is found to be invalid or unenforceable by any court, such provision shall be ineffective only to the extent that it is in contravention of applicable laws without invalidating the remaining provisions hereof.

5.8 Section Headings. The section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Agreement.

5.9 No Third Party Beneficiaries. There are no third party beneficiaries to this Agreement.

5.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and will become effective and binding upon the parties as of the effective date at such time as all the signatories hereto have signed a counterpart of this Agreement.

5.11 Notices. Any notices required or permitted to be given hereunder by either party to the other shall be given in writing: (1) by personal delivery; (2) by electronic facsimile with confirmation sent by United States first class registered or certified mail, postage prepaid, return receipt requested; (3) by bonded courier or by a nationally recognized overnight delivery service; or (4) by United States first class registered or certified mail, postage prepaid, return receipt requested, in each case, addressed to:

If to Business Associate:

**States Recovery Systems, Inc.  
2951 Sunrise Blvd., Suite 100  
Attn: Privacy Officer**

If to Covered Entity:

**City of Oceanside  
300 N Coast Highway  
Oceanside, CA  
Attn: Privacy Officer**

or to such other addresses as the parties may request in writing by notice given pursuant to this Section 5.12. Notices shall be deemed received on the earliest of personal delivery; upon delivery by electronic facsimile with confirmation from the transmitting machine that the transmission was completed; twenty-four (24) hours following deposit with a bonded courier or overnight delivery service; or seventy-two (72) hours following deposit in the U.S. Mail as required herein.

5.12 Applicable Law and Venue. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California (without regard to principles of conflicts of laws). The parties agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the state or federal (if permitted by law and a party elects to file an action in federal court) courts located in «WorkPhone»San Diego County. This choice of venue is intended by the parties to be mandatory and not permissive in nature, and to preclude the possibility of litigation between the parties with respect to, or arising out of, this Agreement in any jurisdiction other than that specified in this Section 5.12. Each party waives any right it may have to assert the doctrine of forum non-convenience or similar doctrine or to object to venue with respect to any proceeding brought in accordance with this Section 5.12.

5.13 Interpretation. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Regulations.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement effective as of the date stated above.

**COVERED ENTITY**

**BUSINESS ASSOCIATE**

By: \_\_\_\_\_  
Printed Name: Steven R. Jepsen  
Title: City Manager  
Dated: \_\_\_\_\_

By: Cindy Marler  
Printed Name: CINDY MARLER  
Title: SENIOR VICE PRESIDENT  
Dated: 8/20/14

# Response to Request for Proposal

## City of Oceanside Collection Agency Services



Submitted by:

Cindy Marler, Senior Vice President  
(916) 631-7085 x225  
Fax (916)329-1251  
[Cindy.Marler@statesrecovery.com](mailto:Cindy.Marler@statesrecovery.com)

States Recovery Systems, Inc.  
2951 Sunrise Blvd., Ste 100  
Rancho Cordova, CA 95742

Proposal Due:  
Thursday, July 17, 2014

July 15, 2014

Ref: City of Oceanside RFP

Subject: RFP for Collection Agency Services

Founded in 1988, States Recovery Systems, Inc. maintains years of industry experience coupled with our commitment to provide the highest level of customer service. This enables us to maximize the greatest rate of return for our clients, without compromising the integrity that our company was built on.

We are a competitive business, working hard to meet our clients' needs and exceed expectations. We continually evaluate and revise our operations, implementing improvements resulting in greater returns and competitive rates. Our collection program is tailored to fulfill the City's requirements as we incorporate your accounts quickly and easily into our existing portfolio.

States Recovery Systems, Inc.'s executive officers bring more than 40 years of experience and expertise to clients in multiple industries. Since 1999, States Recovery Systems, Inc. has provided superior recovery services for local municipalities throughout the State of California. Our specialized government team delivers our clients' outstanding returns while providing outstanding customer service. Our clients include the Cities of Redding, Rocklin, and Yuba City, California as well as the Amador Water Agency and River Pines Public Utility District. Our largest project presently is with the Sacramento Metropolitan Fire District, where our agency has successfully managed over 46,000 accounts and has recovered over \$2.1 million for the department.

States Recovery Systems, Inc. hereby confirms that we have read and will comply with all terms and conditions of the RFP, including any addenda.

We look forward to establishing a successful long-term partnership with the City of Oceanside.

Sincerely,

  
Cindy Marler  
Senior Vice President

## **Company Information**

States Recovery Systems, Inc. is a respected receivable management company with the industry experience and financial resources to focus the best people, systems, and capital on improving our clients' revenue cycle. We employ a best practices approach to managing our clients' accounts. We stand for honesty, integrity, and respect in our relationships with our employees, clients, debtors, and regulatory bodies.

States Recovery Systems, Inc. was organized as an S-Corporation in 1988 by John & Judy Yaklin. States Recovery Systems, Inc. has one office, located in Rancho Cordova, California. This is where your collection team will be located and supervised by our management staff. All of our collection efforts are performed at this location and we do not employ any sub-contractors or consultants. States Recovery Systems, Inc. currently employs a total of twenty-eight (28) employees, including a team of twenty-one (21) collectors. The corporate organizational charts, are included in *Attachment A*. Our contact information is as follows:

States Recovery Systems, Inc.

2951 Sunrise Blvd., Ste. 100, Rancho Cordova, CA 95742

Ph: (916)631-7085 (800)211-1435 Fax: (916)631-0542

[www.statesrecovery.com](http://www.statesrecovery.com)

Throughout our years of experience in working with public sector clients, our agency has maintained strict adherence to all federal & state government laws and regulations, and is continually kept abreast of any new laws that are introduced that may impact the collection industry. States Recovery Systems, Inc. and our Executive Managers have been active members of ACA International – The Association of Credit and Collection Professionals and the

California Association of Collectors (CAC) since 1988. Cindy Marler, Senior Vice President, has served as the Region 2 President for the

California Association of Collectors (CAC) and has served on the Budget Committee for 3 years. Cindy has chaired the Legislative Committee and the Political Action Committee (PAC) for 4 years. In performance of

these duties, Cindy has been recognized by her peers in the industry receiving the Legal and Legislative Award and the Legislative Advocacy Award in recognition of tireless service to the collection industry in the legislative process in the State of California in 2012 and 2013.



## **Staff Qualifications**

### **John Yaklin, President**

Mr. Yaklin has 45 years of collection experience and founded States Recovery Systems, Inc. in 1988. Prior to States Recovery Systems, Inc., John served in progressive managerial positions for GC Services during his twenty years of service with the company. Responsible for managing operations in Los Angeles, New Orleans, San Francisco, and Sacramento, he was a proven leader within the organization. In addition to his responsibilities as a Regional Manager for GC Services, he helped develop a comprehensive training

program for new collectors which were copyrighted in 1974. John was also directly involved in development of the GC Services Management Development Program which trained candidates for managerial careers in collections. Mr. Yaklin is a U.S. Army veteran who served as a Captain during the Vietnam War. Mr. Yaklin has received several prestigious awards from the California Association of Collectors for his years of service and dedication to his advancement of the collection industry including the Richard J. Bullock Award and the Gus Cohen "Hershey" Award.

**Cindy Marler, Senior Vice President**

Mrs. Marler has over 17 years of progressive collection and managerial experience with States Recovery Systems, Inc. She has extensive experience in managing first and third party collections, litigation, project management, process development, budgeting and operational analysis. Mrs. Marler is also responsible for the creation and maintenance of the Information Security Policy and internal compliance policy for the corporation. Mrs. Marler actively volunteers for the California Association of Collectors as the Legislative Chair for the State of California where she is responsible for reviewing pending legislation that directly impacts the collection industry within the state.

**Greg Wey, Vice President of Sales/Business Development**

Mr. Wey has over 28 years of collection industry experience and 1 year of tenure at States Recovery Systems, Inc. Prior to joining SRS, Mr. Wey held positions of progressive responsibility at several well-known national collection agencies. Mr. Wey brings strategic account management and sales expertise in multiple industry verticals and offers extensive experience in the development of both pre and post charge off recovery programs.

**Tom Amundson, Operations/Collections Manager**

Mr. Amundson has over 12 years of collection industry experience and 10 years of tenure with States Recovery Systems, Inc. He excels at driving portfolio performance, project management, dialer and scoring strategies and operational analysis. Mr. Amundson is an integral member of our implementation team and is responsible for overall management of portfolio projects.

**Doug Revilla, Compliance Officer**

Mr. Revilla has over 5 years of collection industry experience and 4 years of tenure with States Recovery Systems, Inc. He has held various industry positions including collector, team leader, sales executive, and client services manager. As the Compliance Officer, he is responsible for developing, implementing, and administering all aspects of the agency's compliance program and dispute/complaint resolution process. Mr. Revilla is a U.S. Marine Corps Veteran who served as a Staff Sergeant during Operations Iraqi Freedom & Enduring Freedom.

**Jody Wadley, Office Manager**

Mrs. Wadley has over 4 years of tenure with States Recovery Systems, Inc. and is responsible for the oversight of all accounting and trust remittances for the organization. As an Office Manager, she is responsible for processing new assignments, bankruptcy reporting, customized client reports, and electronic file processing.

Please see executive resumes as part of *Attachment B*. An overview of the project supervision is included in *Attachment C*.

## ***Work Plan***

States Recovery Systems, Inc. understands the needs of the City and has an established workflow system that will meet those needs. After the account is placed with our agency, addresses are validated, phone numbers are identified as landlines or cellular numbers under TCPA guidelines and all accounts are screened for deceased and bankruptcy information. We then send out the first notice, advising the consumer that the account has been placed for collection and their rights as governed by the Fair Debt Collections Practices Act (FDCPA). Within 24 hours of the account being placed into our agency, telephone attempts begin. In adherence to the FDCPA, contact attempts will be made no more than once daily and will be limited to three per week, unless additional contact is specifically requested by the consumer. Accounts that meet credit reporting criteria are electronically updated after fifty-five (55) days from assignment or as otherwise specified by the City. States Recovery Systems, Inc. employs a full time Compliance Officer who is responsible for monitoring of our formal dispute policy and compliance with the Fair Credit Reporting Act (FCRA) as well as all other state and federal laws.

At States Recovery Systems, Inc. accounts are not placed in an inactive status unless specific conditions dictate such as bankruptcy, death, or cease and desist. All accounts are worked thoroughly for resolution as long as the balance remains outstanding regardless of age, balance, or location of the debtor. Our experienced collection staff are specialists in negotiating assigned accounts while maintaining the highest standard of professionalism and strict adherence to our corporate Standard of Ethics. At SRS we believe in treating consumers with dignity and respect while exceeding the expectations of our clients we service.

## ***Dialing Campaigns***

Our in-house state-of-the-art automated and predictive dialing solutions are fully-integrated with our collection software. Currently it has 62x96 lines and has the capacity to expand. Our system offers text-to-speech technology with right party identifier abilities. Daily campaigns are scheduled in both predictive and messaging formats. Campaigns are scheduled by management and varied based on multiple factors including placement batches, time-zone, and balances. Our collection staff works on predictive campaigns for several hours a day while messaging is run simultaneously to ensure adequate call saturation on all inventories. States Recovery Systems, Inc. has also contracted with an outside predictive dialing vendor, Global Connect, which provides benchmark statistics to our internal dialing strategy. Campaigns are run periodically through this vendor and statistics are measured and analyzed internally.

## ***Modeling/Scoring***

As a leader in innovation, States Recovery Systems, Inc. uses a variety of modeling and scoring in determining work strategies. We continue to test, re-evaluate, and modify our modeling methods to ensure maximum effectiveness. By utilizing modeling, States Recovery Systems, Inc. is able to put the right account in front of the right collector. Furthermore, scoring gives the collector something tangible with which to base negotiation decisions. Our investment in these technologies and methods give States Recovery Systems, Inc. the advantage of making the best decisions possible.

A workflow chart has been included as ***Attachment D*** which outlines the work standards for assigned accounts including dialer strategies which encompass our in-house dialer.

***Coordination with the City***

States Recovery Systems, Inc. is committed to providing, cost-effective, and reliable collection services available to the City of Oceanside. Our Executive Staff are available to meet in person at commencement of the project to consult with City staff in addressing the City's requirements and objectives for this program. This consultative approach at inception aids in establishing a mutually beneficial partnership throughout the contract period. Moving forward, a dedicated Client Services Manager will be assigned to assist the City's staff in all facets of the project.

States Recovery Systems, Inc. offers a secure web-based client access portal which allows clients to upload new accounts, access performance reports, send secure updates regarding specific accounts, and audit remotely. This web portal is an internet based collection agency software management tool that provides our clients with easy, yet secure, real-time access to their account portfolio 24 hours a day, 7 days a week. Each client is provided with a secure login and password for user profiles that maintain access levels corresponding to the nature of their involvement on the portfolio. On-site training may be provided to the City upon request.

***Coordination with Customers***

Your customers will be provided numerous options to ease in the repayment of their obligation. We offer online payments, electronic payments including debit, credit card, payment by phone, bank wire, Western Union, and in-person payment options. By utilizing our secure website to make online payments, consumers may access their account information 24 hours a day, 7 days a week. Consumers may also request account specific information through electronic mail including payment receipt confirmation, balance or report a dispute regarding their account. States Recovery Systems, Inc. hours of operation are as follows:

Weekly Schedule	Hours
Monday-Tuesday	8:00 a.m. – 5:00 p.m. PST
Wednesday – Thursday	8:00 a.m. – 7:00 p.m. PST
Friday	8:00 a.m. – 5:00 p.m. PST
Saturday	7:00 a.m. – 11:00 a.m. PST

\*States Recovery Systems, Inc. observes the following National holidays: New Years Day, Labor Day, Memorial Day, 4<sup>th</sup> of July, Thanksgiving and Christmas.

***Management Reports***

States Recovery Systems, Inc. provides a multitude of electronic reports according to client preference. Below is a description of the type of reports we can provide. Reports may be created in a multitude of formats including but not limited to: PDF, Excel, or delimited. The following chart outlines each of the reports available and provides a brief description. Customized reports are available and may be designed to meet the specific needs of the City. Samples of these reports are provided in *Attachment E*.

## REPORTING OPTIONS

<b>Account Acknowledgement Report</b>	This report is provided within 24 hours of submission after new accounts are loaded into the database. The report outlines the name, account number, and the amount referred of each account listed within our agency and provides a check-and-balance to the client as to the number of accounts and dollar amounts referred.
<b>Monthly Trust Reconciliation</b>	This report shows the payment activity that occurred that month. It includes the name of the debtor, your account number, our account number, current balance, age of account (in months), date of the payment, whether it was paid to us, or directly to you, total commissions, and amount due to you. This report does not reflect the total inventory, just the accounts with payment activity.
<b>Actuary Report</b>	This report may be generated monthly, quarterly or annually. We also provide online access to this report so that you can view "real time" collection performance. It will display the number of accounts referred, amount listed, dollars collected, number of accounts paid in full, total active accounts, and a recovery factor expressed as a percentage, all broken down by the month the account was referred. This is a 12 month report which also gives a cumulative breakdown during that same period, as well as for the previous 2 years
<b>Client Status Report</b>	This report may be generated monthly, quarterly, annually, or upon request and gives a reconciliation of the inventory as a whole. This will include the status of each account including paid in full, cancelled inventory, and active inventory with the amount referred and current balance due.
<b>Credit Bureau Summary Report</b>	This report may be generated monthly at time of initial reporting as requested by the City.
<b>Paid in Full Report</b>	This report may be generated semi-monthly, monthly, or at time of scheduled remittance to the City.
<b>Annual Report</b>	This report is created annually to comply with the requirements of the City's fiscal year end.
<b>Customized Reports</b>	A multitude of customized reports may be created in various formats based on the City's requirements. Our collection software allows for easy customized reporting and exporting capabilities.

### ***Lettering***

As required by the Fair Debt Collection Practices Act (FDCPA), States Recovery Systems, Inc. sends an Initial Demand letter the first day we receive an account. We also send the required Post-Date Notifications, as applicable. However, letters do not effectively generate payment on their own. Our experience has shown that lettering is simply a way to enhance other collection efforts and is in no way a primary focus. Letter Samples are provided in ***Attachment F***.

### ***References***

Three (3) municipal agencies of which we currently provide similar collections services:

<b>Client Name</b>	<b>Sacramento Metropolitan Fire District</b>
<b>Contact Name</b>	Rhonda McFarlane, CFO
<b>Telephone &amp; FAX Number</b>	Office (916) 859-4520 Fax (916) 859-3716
<b>Street Address</b>	10545 Armstrong Ave., Suite 200, Mather, CA 95655
<b>Scope of collection efforts</b>	Collections for billings on emergency medical services, false alarms and fire inspection fees.

<b>Client Name</b>	<b>City of Redding</b>
<b>Contact Name</b>	Lisa Katsares
<b>Telephone &amp; FAX Number</b>	Office (530) 339-7252 Fax (916) 525-5095
<b>Street Address</b>	777 Cypress Ave., Redding, CA 96001
<b>Scope of collection efforts</b>	General collections including citations, false alarms, and utilities.

<b>Client Name</b>	<b>City of Yuba City</b>
<b>Contact Name</b>	Samantha Benzel
<b>Telephone &amp; FAX Number</b>	(530) 822-4622 Fax (530) 822-4694
<b>Street Address</b>	1201 Civic Center Blvd., Yuba City, CA 95993
<b>Scope of collection efforts</b>	General collections including citations, false alarms, and utilities.

### ***Licensing and Credit Reporting***

States Recovery Systems, Inc. is licensed and bonded in all 50 states, allowing our agency to work your entire portfolio and follow customers that may relocate. We maintain the required bonds and insurance coverages as defined by individual state laws. States Recovery Systems, Inc. reports to the three national credit reporting agencies, TransUnion, Experian and Equifax. As a reporting agency and a data furnisher, there is an increased focus on compliance and a strict adherence to the Fair Credit Reporting Act (FCRA). We will work closely with the City to develop a reporting strategy that ensures minimal risk and a streamlined process to work through consumer disputes as they arise.

### ***Cost Proposal***

Costs proposed by States Recovery Systems, Inc. as part of this RFP are **contingency only**. There are no up-front costs to the City.

<b>Primary Assignment Contingency Rate</b>	<b>17%</b>
<b>Primary Legal Contingency Rate</b>	<b>30%</b>
<b>Primary Contingency Interest Rate*</b>	<b>50%</b>
<b>Secondary Assignment Contingency Rate</b>	<b>30%</b>

\*Proposed interest shall be charged as applicable at the rate allowed by statute and collected *after* the principle amount referred is paid in full.

### ***Minimum Assignment Balance***

States Recovery Systems, Inc. has no minimum balance requirements in order to actively pursue regular collection accounts.

### ***Litigation Services***

States Recovery Systems, Inc. reviews accounts for litigation as part of the collections process. Our agency evaluates risk, develops assets, and makes recommendations to move forward with litigation only when warranted. If an account meets the criteria for legal action (minimum balance of \$1,000) it will be referred to the City for approval. Once a suit is filed, the contingency fee rate increases to 30%. All costs associated with litigation are advanced by States Recovery Systems, Inc. and written authorization is required from the City prior to the commencement of any legal action. Once approval is received, the account will be directly assigned to our in-house legal team. States Recovery Systems, Inc. maintains all legal accounts within our corporate office for post-judgment execution and utilizes collection remedies as assets are developed. This includes, but is not limited to, bank levies and wage garnishments.

### ***Account Management***

Account volumes vary for each collector based on product, balance, and work standards. Volumes currently range from 600-850 accounts per collector. Their desks are monitored and managed by the collection manager through daily workload reports, action code summaries, and file audits/reviews. None of our collection work is performed off shore.

### ***Automation Process***

The Collection Manager utilizes morning reports to review work flow for the day and make any adjustments needed. Our collection software automates processes for the collectors so accounts are presented in the daily queue by priority. Status codes are assigned to each account based on the outcome of each contact and accounts are calendared in the database for future follow up.

Additionally, the Collection Manager can forward individual

accounts or batches of accounts to collectors for immediate attention as needed. System generated reports are reviewed daily to ensure consistency and compliance with collection work efforts. Results are also analyzed daily by the Collection Manager and accounts are prioritized to maximize liquidation.

### ***Historical Collection Performance***

Historical collection percentages for our municipal clients are provided in *Attachment G*.

### ***The States Recovery Systems, Inc. Difference***

Every agency uses similar strategies and tactics to collect on bad debt. However, States Recovery Systems, Inc. sets ourselves apart by emphasizing the following aspects of our company that have enabled us to prosper in the industry for over 25 years.

- ***Performance:*** Consistently ranks among the top agencies in our field.
- ***Ease of Doing Business:*** Unlike larger agencies, we are nimble and responsive to our clients' needs and the changing landscapes of the economic world.
- ***Strong Leadership:*** Our senior management team has over 30 years of collection industry experience with knowledge in all industry verticals.
- ***Reputation as an Industry Leader:*** States Recovery Systems, Inc. is an industry leader of accounts receivable management services, as evidenced by our long-standing relationships with our clients. As importantly, States Recovery Systems, Inc. has a track record of integrity that matches our collection performance.
- ***Information Security:*** States Recovery Systems, Inc. is both PCI and SSAE-16 compliant, which is an extension of our commitment to information security. We adhere to strict standards for information security controls to safeguard client and consumer data. Our client web portal allows for secure, real-time 24 hour access to your account portfolio.
- ***Geographic Proximity:*** Located in Sacramento, States Recovery Systems, Inc. offers the dual benefits of understanding the demographics of the City and the ability to locate and collect nationwide.

### ***Adherence Statement***

States Recovery systems, Inc. has agreed to adhere to the thirty (30) itemized requirements as outlined in this Request for Proposal (RFP) for the City of Oceanside.

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SCHEDULE OF ATTACHMENTS

Corporate Organization Charts \_\_\_\_\_ Attachment A

Executive Resumes \_\_\_\_\_ Attachment B

Project Supervision Chart \_\_\_\_\_ Attachment C

Account Work Flow Chart \_\_\_\_\_ Attachment D

Sample Reports \_\_\_\_\_ Attachment E

Sample Letters \_\_\_\_\_ Attachment F

Client Performance Statistics \_\_\_\_\_ Attachment G



**States Recovery  
Systems, Inc.**

**John G. Yaklin**  
President

Attachment A:  
Executive Organizational Chart

**Judy Yaklin**  
Secretary/Treasurer

**Cindy Marler**  
Senior Vice President

**Greg Wey**  
VP of Sales and Business  
Development

**Douglas Revilla**  
Compliance Officer

**Tom Amundson**  
Operations Manager

**Jody Wadley**  
Office Manager

**Rajesh Ram**  
Assistant Collection Manager

# States Recovery Systems, Inc.

## Attachment A: Collection Division Organizational Chart

**Tom Amundson**  
Operations Manager

**Jack Hughes**  
PPA Collector

**Rajesh Ram**  
Assistant Collection Manager

**Lashonda Lands**  
Legal Collector

**Chris Wall**  
Collector

**Christine Buford**  
Collector

**Emily Lauhosa**  
Collector

**Alison Plumer**  
Collector

**Robert Chavez**  
Collector

**Charles Fields**  
Collector

**Karina Escobedo**  
Collector

**Eric Borders**  
Collector

**Shantel Williams**  
Collector

**Christi Sparks**  
Collector

**Casey Spin**  
Collector

**Kristen Merrell**  
Collector

**Dawn Beckworth**  
Collector

**Matt Cochran**  
Collector

**Chad Martindale**  
Collector

**Tim Clayton**  
Collector

**Devina Rubalcaba**  
Collector

**Shawnee Ewing**  
Lead Collector

**Nicole Doucette**  
Lead Collector





**JOHN G. YAKLIN**

---

**Professional Experience**

**States Recovery Systems, Inc., Rancho Cordova, CA**

**1988 - present**

*Founder and President*

A full-service Collection Agency servicing clients throughout California and the Nation. Agency specializes in debt collection for major banks, credit unions and other financial institutions. Agency currently has 40 employees. 2000 assignments totaled \$65 million. Revenue was \$1.6 million. Agency is active member of American Collectors Association, California Association of Collectors and National Federation of Independent Businesses.

**GC Services LTD Partnership-Sacramento, CA**

**1968 – 1988**

*Manager, Regional Collection Centers*

Nation's largest collection agency with offices throughout United States. Monitored operations in Los Angeles, New Orleans, San Francisco and Sacramento. Supervised from 20-80 employees per branch; hired and trained staff.

- Achieved collection budgets which averaged over \$150,000/month.
- Met required contributory profit goals which averaged over \$60,000/month while maintaining good client/debtor relations.
- Helped develop a comprehensive training manual for new collectors – copyrighted in 1974.
- One of a team, which wrote a management development program to train candidates for management in collections.
- Named company-wide manager of the year – 1976.

*Operations Manager*

Supervised up to 8 offices. Traveled to each office monthly to review operations, troubleshoot problems, train and develop management.

- Monthly collection budgets exceeded \$1 million.

**U. S. Army, Captain**

**1965-1968**

*Artillery Instructor/Battalion Training Instructor/Battery Executive Officer*  
*Viet Nam Veteran*

**Education and Awards**

**Texas A&M University, College Station, TX**

*Bachelor of Business Administration, Marketing*

**Gus Cohen "Hershey" Award Recipient**

**2005**

*California Association of Collectors*

*For the highest standard of unselfish giving of time and energy for the benefit of the collection industry and his fellow man*

**Richard J. Bullock Award Recipient**

**2000**

*California Association of Collectors*

*For Dedicated Service to the collection industry in the State of California*



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**CINDY MARLER**

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**Professional Experience****States Recovery Systems, Inc., Rancho Cordova, CA****1996 - present***Senior Vice President*

Currently serving on the Board of Directors for the organization and responsible for all areas of the organization in the absence of the President and/or Secretary/Treasurer. This includes general management of the Sales Department, Collections Department and the Clerical Department to ensure all areas of the organization are running smoothly and to maximum capacity and to realize maximum profitability while sustaining a moderate growth objective for the Company.

*Vice President of Operations*

Responsible for all areas of the organization in the absence of the President and/or Secretary/Treasurer. This includes general management of the Sales Department, Collections Department and the Clerical Department to ensure all areas of the organization are running smoothly and to maximum capacity and to realize maximum profitability while sustaining a moderate growth objective for the Company.

*General Manager*

Responsible for the day to day operation of the organization and management of all departments, managers and unit supervisors. Responsible for budgeting, managing profitability, staffing, development of the company Information Security Policy, Business Continuity Plan, and the new IIPP revisions. Handling all internal or external office audits, compliance, training and development of managers or other key personnel, client development and relationship building are also a key component.

*Operations Manager*

Responsible for oversight of the Human Resources Department, Clerical Department, and the Legal Department to ensure compliance, manage all staff within the department, manage client needs and expectations. Duties also included new client orientation and custom programming requirements involved in new client set up processes as well as monitoring the daily system requirements of the office and managing facilities. The Operations Manager was also responsible for project management of certain projects within the organization including policy revisions, mergers and acquisitions of existing clients, custom programming changes or set-up, and management of outsourcing projects at other collection call centers.

*Human Resource Manager/Clerical Supervisor/Legal Collector*

Handled all areas of human resources including payroll processing, benefit administration, 401(k) administration, new-hire orientation, terminations, performance evaluations, disciplinary action, and worker's compensation. Also supervised the clerical department which included managing work flow for all new business, bookkeeping and client services including client remittances, daily cash handling and reconciliation. Legal collector responsibilities included: managing a full file of pre and post-judgment accounts, skiptracing on post judgment accounts to determine assets to execute, negotiate with attorneys or consumers on advanced cases.

*Unit Supervisor*

Worked within Wells Fargo Bank, N.A. auto finance division supervising twelve (12) collectors and one assistant supervisor to manage a sub-prime portfolio of pre-charged off auto loans.

*Collector*

Worked within the Wells Fargo Bank, N.A. credit card division collecting on pre-charged off skip accounts.

**Education, Professional Certifications and Awards**

<b>Texas A&amp;M University, College Station, Texas</b>	<b>1996</b>
<i>Bachelor of Business Administration, Human Resource Management</i>	
<b>ACA International Training and Education</b>	<b>2002</b>
<i>Professional Practices Management System</i>	
<b>State of Alaska, Collection Agency Operator</b>	<b>current</b>
<b>State of Michigan, Collection Agency Manager License</b>	<b>current</b>
<b>State of Nevada, Qualified Collection Agency Manager</b>	<b>current</b>
<b>Legal and Legislative Award</b>	<b>2012</b>
<i>California Association of Collectors</i>	
<b>Legislative Advocacy Award</b>	<b>2013</b>
<i>California Association of Collectors</i>	




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**GREG WEY**


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**Professional Experience**
**States Recovery Systems, Inc., Rancho Cordova, CA**
**1/2013 - present**
*Vice President Sales/Business Development*

Solely responsible for prospecting and contracting new clients, while maintaining exceptional customer service levels to over 1,000 existing clients. Design and present various proposals and RFP's to prospective new clients.

**Audit Systems, Inc., Clearwater, FL**
**2/2002 - 10/2012**
*Executive Vice President - Business Development/COO*

Responsible for developing and executing sales strategy for mid-sized company poised for national expansion Implemented policies and procedures to successfully attain SAS 70 Type II and PCI compliance Expanded client mix to include banking institutions, medical/govt, consumer, and key telecommunications accounts Personal annual revenue \$3.5M with profit margins of 32%

**IntelliRisk Management Corporation, Dallas, TX**
**4/1999- 12/2001**
*Vice President - Business Development*

Member of the initial management team for roll-out and introduction of Allied Interstate's specialized DDA recovery programs to top financial institutions First year projected revenue stream of over \$1.5 million

*Director of National Consumer Accounts*

Introduced Credit Systems Inc. (CSI), a predominately commercial collection company to the retail, and consumer markets Successfully implemented traditional recovery and outsource programs in the bankcard, telecommunications and private label markets

**National Credit Services, Dallas, TX**
**11/1997 - 3/1999**
*Vice President - National Sales*

Directed and managed national sales, emphasizing outsource and loss recovery programs for the telecommunication, bankcard and retail industries Responsible for major account acquisition and retention Annual sales and revenue responsibility at \$485 million and \$11.5 million

**Payco General American Credits, Inc., Dallas, TX**
**1988 - 1997**
*Regional Vice President - National Sales (1994-1997)*

Personally responsible for major account acquisition and retention (Medical, Banking, Auto, Retail, Utility) throughout the North Central, South Central and areas of the Southeastern United States Annual sales and revenue at \$14.5 million and \$2.9 million respectively Assisted in the development and implementation of ongoing sales and strategic plans

*Regional Marketing Manager (1988-1994)*

Directed and managed the marketing and sales divisions for the states of Texas, Louisiana, Mississippi, Oklahoma and Arkansas Personally managed the Human/HCA contract in tri-

state area, interfacing with CBO's and individual facilities to ensure contract standards/compliance P&L responsibility for \$157 million and \$2.9 million annual sales and revenue Implemented and managed customer service department assisting clients within an eight state area Directed national sales and marketing efforts for the cellular communication industry (1991-1992)

**GC Services Corporation, San Francisco, CA**

**1984 - 1988**

*Regional Account Manager - Sales and Marketing*

Reported to the Vice President of the Western Region, having complete sales and marketing responsibility for Northern California Directed and managed the marketing and sales division for the State of Colorado Personal monthly sales averaged \$5 to \$7.2 million; monthly fee income averaged \$240,000 to \$310,000 Total sales volume and fee income accounted for 56% of Northwestern regional revenue and 24% of entire Western regional revenue Opened San Francisco marketing and sales office; increased total revenue volume by 150% within a nine-month period.

**Education**

*Bachelor of Arts - Education*

Marquette University, UOG



## **TOM AMUNDSON**

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### **Professional Experience**

**States Recovery Systems, Inc., Rancho Cordova, CA**

**12/2003 - present**

*Operations Manager*

Responsible for managing the collection staff of 15-20. Responsible for all aspects of Client relations as well as hiring, firing, reviews and audit of collectors. Main duties include monitoring collector's production through phone reports, account audits and collections; coaching on talk offs, identifying objections and overcoming them. Reviewing analytics on Client performance and facilitating alternate methods to increase company and Client performance. Reviewing and implementing additional policies and making improvements to existing.

*Sales Director*

Maintain relationships between States Recovery Systems, Inc. and its Clients. Make contact and build new relationships within the collections and credit industries. Facilitate the new Client implementation process. I have been the initial contact for Clients and our production staff. Implement policies and procedures to monitor performance at the Client, Collector and Sales levels. I report directly to the Sr. VP and the CEO/ President and am responsible for providing Sales Forecasts and Sales Actuaries on a monthly basis.

*Collection Manager*

Direct and facilitate collection efforts for a variety of Clients issuing credit on open book accounts, revolving accounts and installment accounts. Responsible for performance evaluations for all collection staff including up to 40 Collectors, 3+ Collection Leads and 3+ Collection Supervisors. In charge of interviewing, recruiting, hiring and firing of production employees. In close relation to HR investigate and facilitate corrective actions and claims of company policy and legal violations.

*Collection Supervisor*

Manage a team of 8 collectors on a commercial portfolio. Responsible for all aspects of Client relations as well as hiring, firing, reviews and audit of collectors. Main duties include monitoring collector's production through phone reports, account audits and collections; coaching on talk offs, identifying objections and overcoming them.

**OSI Collection Services, Inc., Rancho Cordova, CA**

**1/2000-12/2003**

*Collection Supervisor*

Supervise and oversee the daily work of 12-20 account representatives assigned to my team. By using workplace experience, collection industry knowledge and being committed to success motivate and lead high performance collection teams. Interviewed, select and retained only the best candidates for my team by understanding how each team member contributes to our overall success. Coach and mentor each associate, offering suggestions for improvement to ensure both individual and team success. Direct, plan, coordinate, and lead the work of others

### **Education**

**Sacramento City College, Sacramento, CA**



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## DOUG REVILLA

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### Professional Experience

#### States Recovery Systems, Inc., Rancho Cordova, CA

2/2010 - present

##### *Compliance Officer/Client Services Manager*

- Advises Management and collection staff of emerging compliance issues and consults and guides the agency in the establishment of controls to mitigate risks.
- Assesses and monitors the agency's internal controls to ensure compliance with all relevant laws and regulations.
- Issues corrective action notices to Management when compliance deficiencies are found and follows up to ensure appropriate corrective action is accomplished.
- Provides technical assistance to implement new or changed legal or regulatory requirements.
- Provides knowledge and technical expertise to Management for new and changed products.
- Provides interpretations and clarifications of regulations.
- Maintains compliance database of regulations, procedures, and monitoring activities.
- Responsible for administration of the Agency's dispute/complaint resolution process.
- Coordinate and provide support to the President, Vice President, and Operations Manager to ensure compliance in processes within the Agency including identification of compliance issues for continuing education of Management, collectors, and support staff.

##### *Sales Executive/Client Services Manager*

- Solely responsible for prospecting and contracting new clients, while maintaining exceptional customer service levels to over 350 existing clients.
- Design and present various proposals and RFP's to prospective new clients.
- Contracted 161 new clients, generating over \$5 million in new account placements.
- Act as a liaison between the collection staff and clients of States Recovery Systems, Inc. by contacting them to address collection related issues necessary to continuing collection efforts including verifying direct payments, requesting additional account documents, and requesting settlement authority.
- Assist the VP of Sales/Business Development in maintaining client relationships by serving as an internal point of contact for client requests, questions, and concerns and communicating the matters to Management as applicable.
- Develops a plan to resolve any pending issues between Agency and its clients.
- Completion of daily, weekly, and monthly support functions such as client status and performance reports, new business work flow and follow-up for new listings, and prepare monthly internal performance statistics for Senior Management.

##### *Collector/Team Lead*

- Responsible for the production and direction of daily activities of 6-20 employees.
- Performed monthly monitor reviews of each employee.
- Assisted collection manager with strategies, movement of accounts, and prep/distribution of client reports and batch collections.
- Assisted with dialer strategies and maintenance of the campaigns.
- Achieved individual goals and assisted staff to accomplish their individual goals, while attaining client performance goals.

- Assumed the responsibility of managing the unit during the collections manager's absence, while maintaining a positive and productive work environment.

**Comstock Holdings Inc., Elk Grove, CA**

**9/2009-1/2010**

*Collector*

- Responsible for researching and investigating delinquent accounts utilizing effective skip tracing techniques.
- Analyzed account and debt information to determine the best resolution.
- High percentage of payments secured and compromises offered where customers are in financial jeopardy.
- Handled negative interactions professionally.
- Negotiated settlements and payment arrangements, while adhering to quality standards and ensured proper and lawful interactions with consumers.
- Managed the stress of a busy collections call center.

**United States Marine Corps**

**1996 - 2006**

Rank: Staff Sergeant/E-6

Honorable Discharge

**Education**

**University of Phoenix, Sacramento, CA**

**1/13 - Present**

*Bachelor of Science, Business Management*

**Hawaii Pacific University, Honolulu, HI**

**6/1997 - 6/1998**

*Justice Administration*

**JODY WADLEY**

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**Professional Experience**

**States Recovery Systems, Inc., Rancho Cordova, CA**

**10/2009 - present**

*Office Manager/Executive Assistant*

Responsible for managing the clerical department. Main duties include payment processing, accounts payable and receivables, processing all new business and monitoring work flow throughout the department. Additionally responsible for all bankruptcy processing including claim filing and client notification, credit reporting processing, aiding the Compliance Office in dispute management processes. Client Services Management including new client implementation, initial client set up and continued client involvement as it pertains to all accounting functions and general account administrative monitoring. Additional responsibilities include assisting the Senior Vice President in an Executive Assistant capacity, time card and payroll assistant, or other assigned duties as required.

**Pacific Fresh Seafood., Sacramento, CA**

**11/1998 – 11/2009**

*Administrative Assistant*

Provide comprehensive administrative support, exercising excellent verbal and written communication skills. Responsibilities include, but not limited to: facilitation and management of new account information inclusive of credit information, bank deposits, accounts receivables and Accounts payable; customer account reconciliation and review inclusive invoice coding and collections; coordination of meetings and special events; coordination of domestic travel arrangements; processing of credit and debit memos; facilitation of delivery appointments; preparation and maintenance of various reports and procedures; switchboard management; meeting/greeting customers; processing mail; and management of the supply room.

**Jones Sand Company, Sacramento, CA**

**2/1996 – 11/1998**

*Weigh Master/Receptionist*

Provided primary support for the management of weighting and dispatching of trucks; created and maintained daily and monthly reports; reconciled trucking reports; maintained yard maintenance invoices; managed all incoming customer calls; and prepared customer job bids. Assisted with general typing and filing duties as required.

**Dan Good Distributing Company, Inc., Sacramento, CA**

**6/1994 – 2/1996**

*Secretary/Bookkeeper*

Acted as an issue resolution resource responsible for: Accounts Payable – matched vendor invoices to purchase orders; posted and paid vendor invoices; managed purchase order reconciliation and disbursement of funds; reconciled vendor statements. Accounts Receivable – verified and posted transactions to journals, ledgers, and other records; processed and calculated invoices, payments, or credits; applied customer payments, following established procedures for processing payments; researched and solved payment discrepancies; sorted and filed documents after posting. Additional responsibilities included payroll processing, collections, daily bank deposits, management of incoming phone calls, new account management, credit information processing, invoicing, and general filing

**Mervyn's, Sacramento, CA**

**6/1989-6/1994**

*Customer Service Team Member/Operational Impactor*

Delivered fast, friendly, and knowledgeable service to customers. Communicated clear, accurate, and thorough information to customers and fellow team members regarding merchandise, store, and departmental layout. Ensured guest service and POS (Point of Sale) functions met standards on continuous basis. Maintained confidentiality of all operating information.

**Anderson Brother's Pharmacy, Sacramento, CA**

**11/1987-6/1989**

*Clerk*

Worked in a multifunctional environment involved in all facets of customer relations. Worked, in coordination with associates, to manage complex transactions inclusive of Accounts Receivable postings and research of medical claim resolutions. Provided general clerical assistance and coordinated deliveries of stock merchandise.

**Education**

**Cosumnes River College, Sacramento, CA**

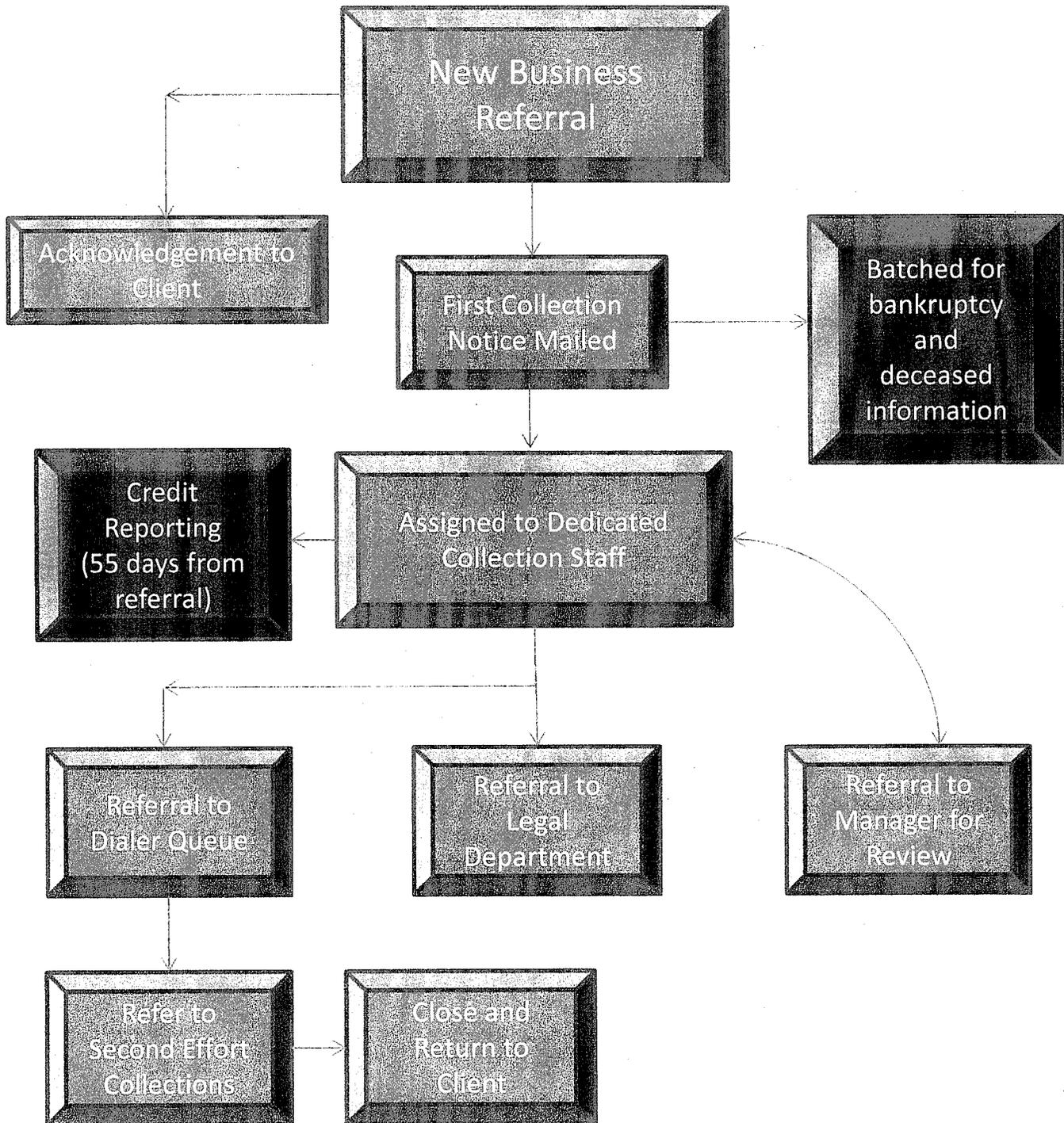
**Notary Public**



## PROJECT SUPERVISION CHART

Description of Task	Responsible Party
Contracts and Procurement	Cindy Marler, Senior Vice President
Implementation Team	Cindy Marler, Senior Vice President Tom Amundson, Operations Manger
Client Services	Doug Revilla, Compliance Officer/Client Services Manager
Accounting	Jody Wadley, Office Manager
Bankruptcy and Dispute Processing	Doug Revilla, Compliance Officer/Client Services Manager
New Assignments	Jody Wadley
Client Reporting	Doug Revilla, Compliance Officer/Client Services Manager
Collection Team Management	Tom Amundson, Operations Manager
Credit Bureau Reporting and Management	Tom Amundson, Operations Manager Doug Revilla, Compliance Officer/Client Services Manager
Information Security	Cindy Marler, Senior Vice President

# States Recovery Systems, Inc. Account Work Flow



STATES RECOVERY SYSTEMS, INC.  
 2951 SUNRISE BLVD, SUITE 100  
 P. O. BOX 2860  
 RANCHO CORDOVA, CA. 95741  
 916-631-7085

Attachment E

SAMPLE CLIENT 1000 01/01/12  
 123 MAIN ST PAGE 1  
 SACRAMENTO, CA 95825

THE FOLLOWING ACCOUNTS ARE ASSIGNED TO OUR COLLECTION MANAGEMENT SYSTEM.

YOUR ACCOUNT #	ACCOUNT NAME	FOR	AMOUNT	OUR ACCT#	AGE MO'S
1118179	ADAMS, DANIEL		\$ 2129.85	2612566	4
1118179	ANDREWS, SANDRA		\$ 1708.07	2612566	4
1118179	AUSTIN, JERRY		\$ 351.84	2612566	4
1118179	BAKER, KAI		\$ 1536.07	2612566	4
1118179	BAKER, WILLIAM		\$ 1400.00	2612566	4
1118179	CARTER, JAMES		\$ 155.00	2612566	4
1118179	CARTER, JOHN		\$ 2209.63	2612566	4
1118179	DOUGLAS, EDWARD		\$ 1599.57	2612566	4
1118179	EDWARDS, JOHN		\$ 137.07	2612566	4
1118179	ELLIS, STEVEN		\$ 100.00	2612566	4
1118179	ESTHER, JILL		\$ 1849.59	2612566	4
1118179	EVANS, DOUG		\$ 93.02	2612566	4
1118179	FISHER, AMY		\$ 1606.70	2612566	4
1118179	PHAN, THO		\$ 2053.33	2612566	4
1118179	SMITH, ALAN		\$ 1454.07	2612566	4
1118179	SMITH, NICOLE K		\$ 150.00	2612566	4
1118179	SMITH, RALPH		\$ 175.00	2612566	4
1118179	SMITH, RICHARD		\$ 2235.44	2612566	4

18 ACCOUNTS ASSIGNED AVERAGE BALANCE IS \$ 1163.57 AVE AGE --> 4

THANK YOU for the opportunity to be of service to you.

These accounts will receive our prompt attention.

Very truly yours,

CUSTOMER SERVICE

\*\*\*\*\*  
 \*TO AVOID DUPLICATION OF EFFORT AND POSSIBLE VIOLATION\*  
 \*OF THE FAIR DEBT COLLECTION PRACTICES ACT, PLEASE \*  
 \*REFER ANY DEBTOR TO US SHOULD THEY CONTACT YOU. \*  
 \*PLEASE REPORT ALL DIRECT PAYMENTS PROMPTLY. \*  
 \*\*\*\*\*

STATES RECOVERY SYSTEMS, INC.  
 2951 SUNRISE BLVD., SUITE 100  
 P.O.BOX 2860  
 RANCHO CORDOVA, CA 95741  
 (916) 631-7085

SAMPLE CLIENT 1234 -G-15  
 #211800000074  
 2951 SUNRISE BLVD., SUITE 100  
 RANCHO CORDOVA, CA 95741

TRUST INVOICE  
 DATE: NOV 6 2009  
 PAGE 1

DEBTOR NAME	OUR	BAL	DATE	S/C	PAID	PAID	TOTAL	DUE
YOUR ACCT #	ACCT#	AGE	PMT		US	YOU	COMM	YOU
SERVICE FOR			INT/OTH					
TUTTLE, LUCIE		1387.00	110209		50.00	7.50		42.50
1234657980	2563759		2					
WILLOUGHBY, PAMELA S		1892.50	110309			50.00	7.50	42.50
9876543211	2155486		1					
WOOD, LANA L		655.91	110209		150.00		22.50	127.50
3514867590	3216547		1					
ZUMMO, BETTINA M		320.91	110609		5.00		.75	4.25
9563547513	6543217		2					
CURRENT TOTALS					205.00	50.00	48.25	206.75

LAST NEW BUSINESS LISTING: 101409 AGING IN MONTHS

UNDER	1\$	200.00
	2\$	55.00
	3\$	0.00
	4\$	0.00
	5\$	0.00
	6 & OVER\$	0.00

TOTAL AMOUNT COLLECTED \$ 255.00  
 COLLECTION FEES \$ 48.25  
 ATTACHED IS CHECK #90568 \$ 206.75



STATES RECOVERY SYSTEMS, INC.  
2951 SUNRISE BLVD, SUITE 100  
P. O. BOX 2860  
RANCHO CORDOVA, CA. 95741  
916-631-7085

DEBTOR STATUS REPORT PREPARED FOR :

SAMPLE CLIENT  
123 MAIN ST  
ATTN: LINDA SMITH  
FAIR OAKS, CA 95628

## STATES RECOVERY SYSTEMS, INC.

JAN 1, 2012 16:24:31

PREPARED FOR : SAMPLE CLIENT

PAGE 1

CLIENT # 1000

YOUR ACCOUNT #	NAME	SPOUSE	DOR	AMT REF	REMARKS
OUR ACCOUNT #	FOR/REMARKS	OC	DLP	BALANCE	
91800034688	SMITH, PETRA		03-01-12	999.00	DISPUTED
2629158		00-20		999.00	
80-302948-5	SMITH, NICHOLAS M	S SMITH	04-12-12	544.41	SKIP ACCOUNT
2640824		00-26		544.41	
80-302948-5	BAKER, KAI	HARRY	03-01-12	19552.20	GOOD LEAD
2629152		00-21		19552.20	
91700705130	CALIFORNIA IN-HOME CARE		03-01-12	453.36	SKIP ACCOUNT
2629154		00-26		453.36	
80000434440	SMITH, NICOLE K	TYLER	04-12-12	2306.46	CURRENT PROMISE
2640830		00-83	06-06-12	1981.46	
80000813973	JOHNSON, TRACY		03-01-12	4564.10	GOOD PHONE
2629156		00-20		4564.10	
99700090949	DM CONSTRUCTION		03-01-12	176.86	SKIP ACCOUNT
2629153		00-VC		176.86	
80000148313	SMITH, KATHLEEN M		03-01-12	285.00	GOOD PHONE
2629157		00-83		285.00	
6051413	NICHOLSON INC	C NICHOLSON	04-12-12	490.72	GOOD PHONE
2640029		00-26		490.72	

SUMMARY INFORMATION AND TOTALS  
FIRST REPUBLIC BANK

TOTAL REFERRED	9	\$	29372.11
TOTAL BALANCE		\$	29047.11

MUNICIPALITY FULL REFUGI

Prepared for:  
The City of Oceanside

Client Acct#	SRS Account	Last Name	First Name	Date of Referral	Date of Last Payment	Amount Referred	Balance	Status Code
123456	251000	SMITH	STEPHANIE	6/24/2013	6/9/2014	\$986.26	\$0.00	PIF
123457	251000	LOPEZ	RALPH	7/22/2013	6/16/2014	\$368.86	\$0.00	PIF
123458	251000	ALLEN	MARIA	9/20/2013	6/3/2014	\$468.77	\$0.00	PIF
123459	251000	JONES	CHRIS	9/28/2013	6/9/2014	\$332.35	\$0.00	PIF
123460	251000	LEWIS	DEB	9/28/2013	6/9/2014	\$259.86	\$0.00	PIF
123461	251000	CLARK	JOHN	10/23/2013	6/23/2014	\$83.70	\$0.00	PIF
123462	251000	HART	ERIC	11/22/2013	6/6/2014	\$414.47	\$0.00	PIF
123463	251000	SMITH	BETH	12/4/2013	6/30/2014	\$293.80	\$0.00	PIF
123464	251000	COOK	HEATHER	12/4/2013	6/17/2014	\$160.20	\$0.00	PIF
123465	251000	SCOTT	ERIN	12/4/2013	6/11/2014	\$430.64	\$0.00	PIF
123466	251000	WHITE	JAKE	12/16/2013	6/17/2014	\$196.74	\$0.00	PIF
123467	251000	DRAKE	JESS	12/23/2013	6/25/2014	\$241.30	\$0.00	PIF
123468	251000	FORD	ROB	1/15/2014	6/10/2014	\$111.08	\$0.00	PIF
123469	251000	LEWIS	JUDY	1/23/2014	6/20/2014	\$436.82	\$0.00	PIF
123470	251000	SCOTT	KATE	2/13/2014	6/12/2014	\$57.14	\$0.00	PIF
123471	251000	NGUYEN	LAURA	2/21/2014	6/30/2014	\$70.84	\$0.00	PIF
123472	251000	HICKS	FRANK	3/3/2014	6/2/2014	\$64.47	\$0.00	PIF
123473	251000	GRIFFIN	MARK	3/31/2014	6/17/2014	\$207.57	\$0.00	PIF
123474	251000	LANE	JULIE	3/31/2014	6/2/2014	\$168.08	\$0.00	PIF
123475	251000	LOPEZ	HALLIE	3/31/2014	6/6/2014	\$620.75	\$0.00	PIF
123476	251000	GARCIA	FRANK	3/31/2014	6/3/2014	\$99.70	\$0.00	PIF
123477	251000	BARNES	MARIA	3/31/2014	6/9/2014	\$32.82	\$0.00	PIF
123478	251000	ANDERSON	KRIS	4/22/2014	6/17/2014	\$234.61	\$0.00	PIF

Prepared for:  
The City of OceanSIDE

Client Acct#	Last Name	First Name	Date of Referral	St Address #1	St Address #2	City	State and Zip	Account Status	Special Comment	Compliance Code	Consumer Info Indicator	Date of Delinquency
12345-XXXX	ADAMS	JERRY L	3/26/2013	123 ANYWHERE LANE		SACRAMENTO	CA 95901-6811	DA				1/11/2011
12345-XXXX	ABEL	JANE	5/15/2014	124 ANYWHERE LANE		LAS VEGAS	NV 89508-4029	93				11/21/2013
12345-XXXX	ABRAMIS	GREG	10/6/2011	125 ANYWHERE LANE		SACRAMENTO	CA 93006-7326	93				3/3/2010
12345-XXXX	ADAMS	GEORGE	2/28/2012	126 ANYWHERE LANE		SACRAMENTO	CA 95650	DA				10/22/2009
12345-XXXX	ALFARO	OSCAR	10/15/2009	127 ANYWHERE LANE		SACRAMENTO	CA 93444-7903	93				7/24/2009
12345-XXXX	ALLEN	MARY	12/5/2013	128 ANYWHERE LANE		SANDY	UT 84335-1633	93				6/20/2013
12345-XXXX	ALVAREZ	LUIS	5/15/2014	129 ANYWHERE LANE		SACRAMENTO	CA 94601-3101	93				8/23/2013
12345-XXXX	ANDREASEN	JOHN	11/8/2011	130 ANYWHERE LANE		LAS VEGAS	NV 89031-1367	93				8/24/2011
12345-XXXX	ANG	IVAN	5/15/2014	131 ANYWHERE LANE		LAS VEGAS	NV 89512-2496	93				2/3/2014
12345-XXXX	ARELLANO	CHRIS	11/9/2009	132 ANYWHERE LANE		SACRAMENTO	IN 46748-9371	93				7/28/2009
12345-XXXX	ARMSTRONG	DALE	2/7/2012	133 ANYWHERE LANE		SANDY	UT 84780-1631	93				1/3/2010
12345-XXXX	AUSTIN	GEORGE H	2/7/2012	134 ANYWHERE LANE		SACRAMENTO	CA 93230-1504	93				6/15/2009
12345-XXXX	AVALOS	ADAM	8/5/2013	135 ANYWHERE LANE		SACRAMENTO	CA 90650	93				11/17/2011
12345-XXXX	AVILA	TIM	4/14/2014	136 ANYWHERE LANE		SACRAMENTO	CA 95628-5126	62 AU				12/3/2013
12345-XXXX	BAG	SANDY	8/30/2013	137 ANYWHERE LANE		SACRAMENTO	CA 91107-1361	93				3/5/2012
12345-XXXX	BAKER	JOHN B	10/23/2013	138 ANYWHERE LANE		LAS VEGAS	NV 89445-4132	62				7/9/2013
12345-XXXX	BARAJAS	VICTOR H	3/7/2013	139 ANYWHERE LANE		LAS VEGAS	NV 89436-3725	93				6/1/2011
12345-XXXX	BARAJAS	MARY	5/15/2014	140 ANYWHERE LANE		SACRAMENTO	CA 94581-1224	93				10/15/2013
12345-XXXX	BARKMAN	MICHAEL	3/7/2013	141 ANYWHERE LANE		LAS VEGAS	NV 89508-6855	93				3/1/2011
12345-XXXX	BAUMGARDNER	MICHAEL	3/7/2013	142 ANYWHERE LANE		LAS VEGAS	NV 89052-6557	93				2/4/2011
12345-XXXX	BEADY	CHRISTY	8/5/2013	143 ANYWHERE LANE		SACRAMENTO	CA 93725-1438	93				10/14/2011
12345-XXXX	BEAUDRY	JAMES A	3/23/2012	144 ANYWHERE LANE		SACRAMENTO	CA 95311-9574	93				6/25/2009
12345-XXXX	BERGE	ISSAC	2/14/2013	145 ANYWHERE LANE		LAS VEGAS	NV 89403-6398	93				3/29/2010
12345-XXXX	BERKEY	JOHN	8/5/2013	146 ANYWHERE LANE		SACRAMENTO	CA 9203771121	93			B	10/13/2010
12345-XXXX	BERNARD	GABE	2/8/2012	147 ANYWHERE LANE		SACRAMENTO	CA 94503	93				5/31/2009
12345-XXXX	BESSER	TIM	4/3/2013	148 ANYWHERE LANE		SACRAMENTO	CA 95973-9730	93				3/1/2011
12345-XXXX	BETHEL	KATY	2/8/2012	149 ANYWHERE LANE		SACRAMENTO	CA 93232-2612	93				8/21/2009
12345-XXXX	BONE	WARREN	5/15/2014	150 ANYWHERE LANE		LAS VEGAS	NV 89431-1372	93				1/30/2014
12345-XXXX	BOYD	DOUG	8/30/2013	151 ANYWHERE LANE		SACRAMENTO	CA 95824-3717	93				4/10/2012
12345-XXXX	BOYD JR	MARY	3/6/2013	152 ANYWHERE LANE		LAS VEGAS	NV 89508-2512	93				6/22/2010
12345-XXXX	BROWLEY	BOB	1/30/2014	153 ANYWHERE LANE		SANDY	UT 84741-3657	93				3/13/2013
12345-XXXX	BROOKS	BERT	5/16/2014	154 ANYWHERE LANE		SACRAMENTO	CA 94565-6334	93				2/20/2014
12345-XXXX	BUGS	ROB	5/16/2014	155 ANYWHERE LANE		LAS VEGAS	NV 89108-2606	93				10/8/2013
12345-XXXX	BURGESS	PAUL	5/16/2014	156 ANYWHERE LANE		SACRAMENTO	CA 94561-1673	93				12/18/2013
12345-XXXX	BUSHMAN	DON	2/21/2013	157 ANYWHERE LANE		BOISE	ID 83709-1420	93				9/7/2010
12345-XXXX	BUTTERWORTH	WILL	3/23/2013	158 ANYWHERE LANE		SACRAMENTO	CA 94590-7820	93				5/31/2012
12345-XXXX	CAMPBELL	GINA	7/17/2012	159 ANYWHERE LANE		LAS VEGAS	NV 89129-4035	DA				5/29/2012
12345-XXXX	CAMPBELL	KRIS	5/16/2014	160 ANYWHERE LANE		SACRAMENTO	ID 835220401	93				10/7/2013

P.O. Box 2860  
Rancho Cordova, CA 95741-2860



PERSONAL AND CONFIDENTIAL

Address Service Requested

m57 m56



THOMAS TEST m6-001a  
301 ANYROAD ST  
APT 3B  
ANYTOWN, CA 33333-7364

**States Recovery Systems, Inc.**

P.O. Box 2860  
2951 Sunrise Blvd., Suite 100  
Rancho Cordova, CA 95742-7201  
800-211-1435

Hours: 8am - 8pm Monday - Thursday PST  
8am - 5pm Friday PST  
8am - 12pm Saturday PST

January 28, 2011

RE: m25

PRINCIPAL: \$ m13  
INTEREST: \$m58  
OTHER CHARGES: \$ m15  
TOTAL: \$ m28

ACCT#: m6 PIN#: m27

This letter is to inform you that your past due account with the creditor listed above has been assigned to this agency for collection of the balance in full.

This matter requires your prompt attention. This office will exhaust all reasonable collection efforts to recover this debt.

You are hereby notified that a negative credit report reflecting on your credit may be submitted to a credit reporting agency if you fail to fulfill the terms of your obligation. No information will be reported to a credit reporting agency prior to 50 days from the date of this letter.

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of this debt or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days from receiving this notice, this office will: obtain verification of the debt or obtain a copy of a judgment and mail you a copy of such judgment or verification. If you request in writing within 30 days after receiving this notice, this office will provide you with the name and address of the original creditor, if different from the current creditor.

To make payment arrangements, please contact an account representative at 800-211-1435. You may also make your payment on-line by visiting our website at [WWW.STATESRECOVERY.COM](http://WWW.STATESRECOVERY.COM). You will need your account # and pin # to access your account information.

Sincerely,  
States Recovery Systems, Inc.

This communication is from a debt collector. This is an attempt to collect a debt. Any information obtained will be used for that purpose.

Payment of a debt by a check which is dishonored will be assessed a fee as authorized by state law.

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

NOTICIA: VEA AL REVERSO PARA INFORMACION IMPORTANTE

JL00.STA001a.2.09/23/97A.0048 2

For proper credit please return this portion of the letter with your payment.

ENCLOSED IS MY CHECK/MONEY ORDER FOR PAYMENT IN FULL

PAYMENT BY CREDIT CARD TYPE:  

**MAKE YOUR PAYMENT ON-LINE AT  
[WWW.STATESRECOVERY.COM](http://WWW.STATESRECOVERY.COM)**

Cardholder Name: \_\_\_\_\_ Credit Card #: \_\_\_\_\_

Expiration Date: \_\_\_\_\_ / \_\_\_\_\_ Security Code (3 digit code on back of card): \_\_\_\_\_

Amount to Charge: \$ \_\_\_\_\_ Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_



Account # m6  
SRS, INC.  
PO BOX 2860  
RANCHO CORDOVA, CA 95741-2860

THOMAS TEST  
301 ANYROAD ST  
APT 3B  
ANYTOWN, CA 33333-7364

RE: m25  
AMOUNT: \$m28

**ADDITIONAL INFORMATION FOR CALIFORNIA RESIDENTS:**

THE STATE ROSENTHAL FAIR DEBT COLLECTION PRACTICES ACT AND THE FEDERAL FAIR DEBT COLLECTION PRACTICES ACT REQUIRE THAT, EXCEPT UNDER UNUSUAL CIRCUMSTANCES, COLLECTORS MAY NOT CONTACT YOU BEFORE 8 A.M. OR AFTER 9 P.M. THEY MAY NOT HARASS YOU BY USING THREATS OF VIOLENCE OR ARREST OR BY USING OBSCENE LANGUAGE. COLLECTORS MAY NOT USE FALSE OR MISLEADING STATEMENTS OR CALL YOU AT WORK IF THEY KNOW OR HAVE REASON TO KNOW THAT YOU MAY NOT RECEIVE PERSONAL CALLS AT WORK. FOR THE MOST PART, COLLECTORS MAY NOT TELL ANOTHER PERSON, OTHER THAN YOUR ATTORNEY OR SPOUSE, ABOUT YOUR DEBT. COLLECTORS MAY CONTACT ANOTHER PERSON TO CONFIRM YOUR LOCATION OR ENFORCE A JUDGMENT. FOR MORE INFORMATION ABOUT DEBT COLLECTION ACTIVITIES, YOU MAY CONTACT THE FEDERAL TRADE COMMISSION AT 1-877-FTC-HELP OR [www.ftc.gov](http://www.ftc.gov).

THE ROSENTHAL ACT, CALIFORNIA CIVIL CODE SECTION 1788.21, ALSO REQUIRES THAT YOU NOTIFY YOUR CREDITOR OF YOUR CHANGE OF NAME, ADDRESS, OR EMPLOYMENT FOR ANY EXISTING CONSUMER CREDIT.

LA LEY ESTATAL DE CALIFORNIA ROSENTHAL Y LA LEY DE COBRANZA IMPARICAL DE DEUDAS (FDCPA) REQUIEREN QUE, SALVO CIRCUNSTANCIAS EXCEPCIONALES, COBRADORES NO PUEDEN HACER CONTACTO CON USTED ANTES DE LAS 8 DE LA MAÑANA Y DESPUÉS DE LAS 9 DE LA NOCHE. ELLOS NO PUEDEN MOLESTARLE USANDO AMENAZAS DE VIOLENCIA O DE ARRESTO O USANDO PALABRAS OBSCENAS. LOS COBRADORES NO PUEDEN USAR INFORMACIÓN FALSA O ENGAÑOSA O CONTACTARLE EN SU TRABAJO SI ELLOS SABEN O TIENEN RAZÓN DE SABER QUE UD. NO PUEDE RECIBIR LLAMADAS PERSONALES EN EL TRABAJO. GENERALMENTE, LOS COBRADORES NO PUEDEN HABLAR CON NADIEN, APARTE DE SU ABOGADO O SU ESPOSO/ESPOSA, SOBRE SU DEUDA. LOS COBRADORES PUEDEN HABLAR CON OTRA PERSONA PARA CONFIRMAR SU DIRECCIÓN O HACER CUMPLIR UNA SENTENCIA. PARA MAS INFORMACIÓN SOBRE LAS ACTIVIDADES DE COBRANZA, UD. PUEDE LLAMAR GRATIS AL 1-877-FTC-HELP (1-877-382-4357); O PUEDE VISITAR [www.ftc.gov](http://www.ftc.gov).

SI UD. TIENE DEUDAS LA LEY ESTATAL DE CALIFORNIA ROSENTHAL, CALIFORNIA CIVIL CODE SECTION 1788.21, TAMBIEN REQUJERE QUE USTED NOTIFIQUE A SU ACCREEDOR SI UD. CAMBIA SU NOMBRE, SU DIRECCIÓN, O SU EMPLEO.

THIS IS SAMPLE LETTER # 113

STATES RECOVERY SYSTEMS, INC.  
2951 SUNRISE BLVD, SUITE 100  
P. O. BOX 2860  
RANCHO CORDOVA, CA 95742  
916-631-7085 FAX: 916-631-0542 HOURS: MON - FRI 8AM TO 8PM PST

00048819 - 01 - 113

APR 15, 2010

JOHN DEBTOR  
2951 SUNRISE BLVD  
STE 100  
RANCHO CORDOVA, CA 95741

REFERENCE: STATES RECOVERY SYSTEMS, INC.  
ACCOUNT: 5424-1802-0866-1818

AMOUNT: \$1500.00  
INTEREST: \$9660.26  
TOTAL: \$11165.26

DEAR JOHN DEBTOR,

Per our recent phone conversation you have agreed to pay  
\$500.00 no later than 04/30/10.

If you have any questions please contact this office.

This communication is from a debt collector. This is an  
attempt to collect a debt. Any information obtained will  
be used for that purpose.

Sincerely,

States Recovery Systems, Inc.

Payment of a debt by a check which is dishonored will be  
assessed a fee as authorized by state law.



P.O. Box 2860  
Rancho Cordova, CA 95741-2860



PERSONAL AND CONFIDENTIAL

Address Service Requested

m57 m56



THOMAS TEST m6-183  
301 ANYROAD ST  
APT 3B  
ANYTOWN, CA 33333-7364

**States Recovery Systems, Inc.**

P.O. Box 2860  
2951 Sunrise Blvd., Suite 100  
Rancho Cordova, CA 95742-7201  
800-211-1435

Hours: 8am - 8pm Monday - Thursday PST  
8am - 5pm Friday PST  
8am - 12pm Saturday PST

May 25, 2010

IN ACCORDANCE WITH  
SECTION 808 ITEM 2 OF THE  
FEDERAL FAIR DEBT COLLECTION PRACTICES ACT  
YOU ARE HEREBY NOTIFIED

THAT YOUR POST DATED CHECK FOR PAYMENT ON YOUR ACCOUNT WILL BE PRESENTED TO YOUR BANK FOR PAYMENT ON THE DATE THEREON.

YOUR COOPERATION IN ASSURING PAYMENT OF THIS CHECK IS APPRECIATED.

VERY TRULY YOURS,  
States Recovery Systems, Inc.

This communication is from a debt collector. This is an attempt to collect a debt. Any information obtained will be used for that purpose.

Payment of a debt by a check which is dishonored will be assessed a fee as authorized by state law.

A consumer has the right to request in writing that a debt collector or collection agency cease further communication with the consumer. A written request to cease communication will not prohibit the debt collector or collection agency from taking any other action authorized by law to collect the debt.

P.O. Box 2860  
Rancho Cordova, CA 95741-2860



PERSONAL AND CONFIDENTIAL

Address Service Requested

m57 m56



THOMAS TEST m6-125  
301 ANYROAD ST  
APT 3B  
ANYTOWN, VA 33333-7364

**States Recovery Systems, Inc.**

P.O. Box 2860  
2951 Sunrise Blvd., Suite 100  
Rancho Cordova, CA 95742-7201  
800-211-1435

Hours: 8am - 8pm Monday - Thursday PST  
8am - 5pm Friday PST  
8am - 12pm Saturday PST

April 15, 2010

RE: **m22**

PRINCIPAL:	\$	m13
INTEREST:	\$	m14
ACCRUED INTEREST:	\$	m19
OTHER CHARGES:	\$	m15
<b>TOTAL:</b>	<b>\$</b>	<b>m20</b>

ACCT#: **m6** PIN#: **m27**

A PAYMENT AGREEMENT MADE -- MUST BE PAID

Permission to pay this indebtedness on a partial-payment basis was an accommodation to you and a courtesy by us.

Because you failed to keep your agreement we must now demand payment of the balance. Additional collection efforts can be avoided if your delinquent account is brought up to date.

You may also make your payment on-line by visiting our website at [WWW.STATESRECOVERY.COM](http://WWW.STATESRECOVERY.COM). You will need your account # and pin # to access your account information.

We anticipate your prompt and favorable response.

Sincerely,  
States Recovery Systems, Inc.

This communication is from a debt collector. This is an attempt to collect a debt. Any information obtained will be used for that purpose.

Payment of a debt by a check which is dishonored will be assessed a fee as authorized by state law.

JL00.STA125.2.09/23/97A.0048 3

For proper credit please return this portion of the letter with your payment.

ENCLOSED IS MY CHECK/MONEY ORDER FOR PAYMENT IN FULL

PAYMENT BY CREDIT CARD TYPE:  

**MAKE YOUR PAYMENT ON-LINE AT**  
**[WWW.STATESRECOVERY.COM](http://WWW.STATESRECOVERY.COM)**

Cardholder Name: \_\_\_\_\_ Credit Card #: \_\_\_\_\_

Expiration Date: \_\_\_\_/\_\_\_\_/\_\_\_\_ Security Code (3 digit code on back of card): \_\_\_\_\_

Amount to Charge: \$ \_\_\_\_\_ Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_



Account # m6  
SRS, INC.  
PO BOX 2860  
RANCHO CORDOVA, CA 95741-2860

THOMAS TEST  
301 ANYROAD ST  
APT 3B  
ANYTOWN, VA 33333-7364

**m22**  
AMOUNT: \$m20

THIS IS SAMPLE LETTER # 200

STATES RECOVERY SYSTEMS, INC.  
2951 SUNRISE BLVD, SUITE 100  
P. O. BOX 2860  
RANCHO CORDOVA, CA 95742  
916-631-7085 FAX: 916-631-0542 HOURS: MON - FRI 8AM TO 8PM PST

00048819 - 01 - 200

DATE: APR 15, 2010

JOHN DEBTOR  
2951 SUNRISE BLVD  
STE 100  
RANCHO CORDOVA, CA 95741

PRODUCT: STATES RECOVERY SYSTEMS, INC.  
ACCOUNT#: 5424-1802-0866-1818  
CLIENT: STATES RECOVERY SYSTEMS, INC.

To whom it may concern:

This letter is to advise you that the referenced account is paid in full and there is no remaining balance owed to this agency on your debt to STATES RECOVERY SYSTEMS, INC. .

If your payment was made by a personal check this notice will be valid only if your check clears your bank.

This communication is from a debt collector. This is an attempt to collect a debt. Any information obtained will be used for that purpose.

Sincerely,

States Recovery Systems, Inc.

Payment of a debt by a check which is dishonored will be assessed a fee as authorized by state law.

THIS IS SAMPLE LETTER # 554

STATES RECOVERY SYSTEMS, INC.  
2951 SUNRISE BLVD, SUITE 100  
P. O. BOX 2860  
RANCHO CORDOVA, CA 95742  
916-631-7085 FAX: 916-631-0542 HOURS: 8 AM TO 8PM MON-FRI PST

00048819 - 01 - 554 DATE: APR 15, 2010

JOHN DEBTOR  
2951 SUNRISE BLVD  
STE 100  
RANCHO CORDOVA, CA 95741

REFERENCE: STATES RECOVERY SYSTEMS, INC.  
ACCOUNT: 5424-1802-0866-1818

PRINCIPAL: \$1500.00 INTEREST: \$9660.26  
TOTAL: \$11165.26

DEAR JOHN DEBTOR,

Your account with STATES RECOVERY SYSTEMS, INC. in the amount of \$11165.26 has been approved for settlement in the amount of \$50.00.

This amount must be paid in cash, cashier's check, or money order by 11/19/98 and will constitute full and final satisfaction of the debt when there is a final settlement to States Recovery Systems, Inc.

This offer to settle this claim as stated above shall become null and void one day after the above due date and the full amount of the obligation will remain due and owing. If for any reason the payment arrangement is not honored or final settlement given the full amount will be owing.

Our client referenced above may be required by law to report this settlement to one or more taxing authorities. Our client makes no representation about tax consequences that this settlement may have or any reporting requirements which may be imposed on our client. You should consult independent tax counsel of your own choosing if you desire advice about any tax consequences which may result from this settlement.

Sincerely,  
States Recovery Systems, Inc.

This communication is from a debt collector. This is an attempt to collect a debt. Any information obtained will be used for that purpose.

Payment of a debt by a check which is dishonored will be assessed a fee as authorized by state law.

THIS IS SAMPLE LETTER # 556

STATES RECOVERY SYSTEMS, INC.  
2951 SUNRISE BLVD, SUITE 100  
P. O. BOX 2860  
RANCHO CORDOVA, CA 95742  
916-631-7085 FAX: 916-631-0542 HOURS: MON - FRI 8 AM TO 8PM PST

00048819 - 01 - 556

DATE: APR 15, 2010

JOHN DEBTOR  
2951 SUNRISE BLVD  
STE 100  
RANCHO CORDOVA, CA 95741

PRODUCT: STATES RECOVERY SYSTEMS, INC.  
ACCOUNT#: 5424-1802-0866-1818

PRINCIPAL :\$1500.00  
INTEREST :\$9660.26  
OTHER CHGS :\$ 5.00  
TOTAL: :\$11165.26

DEAR JOHN DEBTOR,

Recently you advised us that you disputed the validity of this debt.

Accordingly, we suspended our collection efforts and asked our client to provide documentation supporting the balance owed.

Attached find the documentation provided by our client that substantiates the obligation that is assigned for collection.

We need to protect the interests of our client. Accordingly we are resuming our collection efforts and ask for prompt payment of the above debt.

This communication is from a debt collector. This is an attempt to collect a debt. Any information obtained will be used for that purpose.

Sincerely,

States Recovery Systems, Inc.

Payment of a debt by a check which is dishonored will be assessed a fee as authorized by state law.

<b>Sacramento Metro Fire District Ambulance Billing</b>			
	<b>Month-to-Date</b>	<b>Year-to-Date</b>	<b>Totals</b>
<b># of Accounts</b>	464	5,684	46,540
<b>Dollars Listed</b>	\$618,161	\$7,189,830	\$55,129,650
<b>Average Balance</b>	\$1,332	\$1,264	\$1,184
<b># of Payments Collected</b>	148	1,634	10,655
<b>Dollars Collected</b>	\$19,950	\$296,502	\$2,183,971
<b>Performance %</b>			4.0%
<b>Last New Business Date</b>	7/3/14		
<b>Original Set Up Date</b>	9/27/05		

<b>City of Redding Utility Billing</b>			
	<b>Month-to-Date</b>	<b>Year-to-Date</b>	<b>Totals</b>
<b># of Accounts</b>	48	616	5,083
<b>Dollars Listed</b>	\$14,368	\$202,063	\$1,597,623
<b>Average Balance</b>	\$299	\$328	\$314
<b># of Payments Collected</b>	33	474	2,430
<b>Dollars Collected</b>	\$5,048	\$82,113	\$423,832
<b>Performance %</b>			26.5%
<b>Last New Business Date</b>	7/10/14		
<b>Original Set Up Date</b>	2/4/11		

City of Redding Miscellaneous			
	Month-to-Date	Year-to-Date	Totals
<b># of Accounts</b>	0	234	1,525
<b>Dollars Listed</b>	0	\$72,358	\$435,046
<b>Average Balance</b>	0	\$309	\$285
<b># of Payments Collected</b>	4	74	346
<b>Dollars Collected</b>	\$163	\$4,771	\$33,607
<b>Performance %</b>			7.7%
<b>Last New Business Date</b>	6/25/14		
<b>Original Set Up Date</b>	3/2/11		

City of Rocklin Miscellaneous			
	Month-to-Date	Year-to-Date	Totals
<b># of Accounts</b>	0	33	331
<b>Dollars Listed</b>	0	\$9,509	\$105,262
<b>Average Balance</b>	0	\$288	\$318
<b># of Payments Collected</b>	0	11	94
<b>Dollars Collected</b>	0	\$3,360	\$17,159
<b>Performance %</b>			16.3%
<b>Last New Business Date</b>	6/30/14		
<b>Original Set Up Date</b>	11/12/08		

City of Rocklin Recreation Dept. (Kids Junction)			
	Month-to-Date	Year-to-Date	Totals
<b># of Accounts</b>	0	7	162
<b>Dollars Listed</b>	0	\$2,141	\$47,286
<b>Average Balance</b>	0	\$305	\$291
<b># of Payments Collected</b>	0	10	124
<b>Dollars Collected</b>	0	\$377	\$13,672
<b>Performance %</b>			28.9%
<b>Last New Business Date</b>	4/25/14		
<b>Original Set Up Date</b>	8/17/08		

City of Yuba City Utility Billing			
	Month-to-Date	Year-to-Date	Totals
<b># of Accounts</b>	9	121	700
<b>Dollars Listed</b>	\$1,575	\$34,394	\$151,064
<b>Average Balance</b>	\$175	\$284	\$215
<b># of Payments Collected</b>	6	54	299
<b>Dollars Collected</b>	\$1,219	\$9,417	\$43,654
<b>Performance %</b>			28.9%
<b>Last New Business Date</b>	7/2/14		
<b>Original Set Up Date</b>	5/16/12		

<b>City of Yuba City Miscellaneous</b>			
	<b>Month-to-Date</b>	<b>Year-to-Date</b>	<b>Totals</b>
<b># of Accounts</b>	0	0	59
<b>Dollars Listed</b>	0	0	\$4,570
<b>Average Balance</b>	0	0	\$77
<b># of Payments Collected</b>	0	1	20
<b>Dollars Collected</b>	0	\$67	\$1,463
<b>Performance %</b>			32.0%
<b>Last New Business Date</b>	5/6/13		
<b>Original Set Up Date</b>	5/16/12		

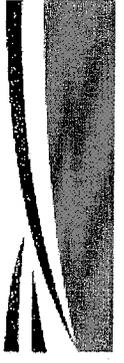
<b>Amador Water Agency Utility Billing</b>			
	<b>Month-to-Date</b>	<b>Year-to-Date</b>	<b>Totals</b>
<b># of Accounts</b>	0	19	61
<b>Dollars Listed</b>	0	\$22,500	\$40,588
<b>Average Balance</b>	0	\$1,184	\$665
<b># of Payments Collected</b>	0	17	22
<b>Dollars Collected</b>	0	\$2,588	\$4,469
<b>Performance %</b>			11.0%
<b>Last New Business Date</b>	6/19/14		
<b>Original Set Up Date</b>	7/23/13		

# City of Oceanside

Proposal for Collection Agency Services



States Recovery  
SYSTEMS, INC.



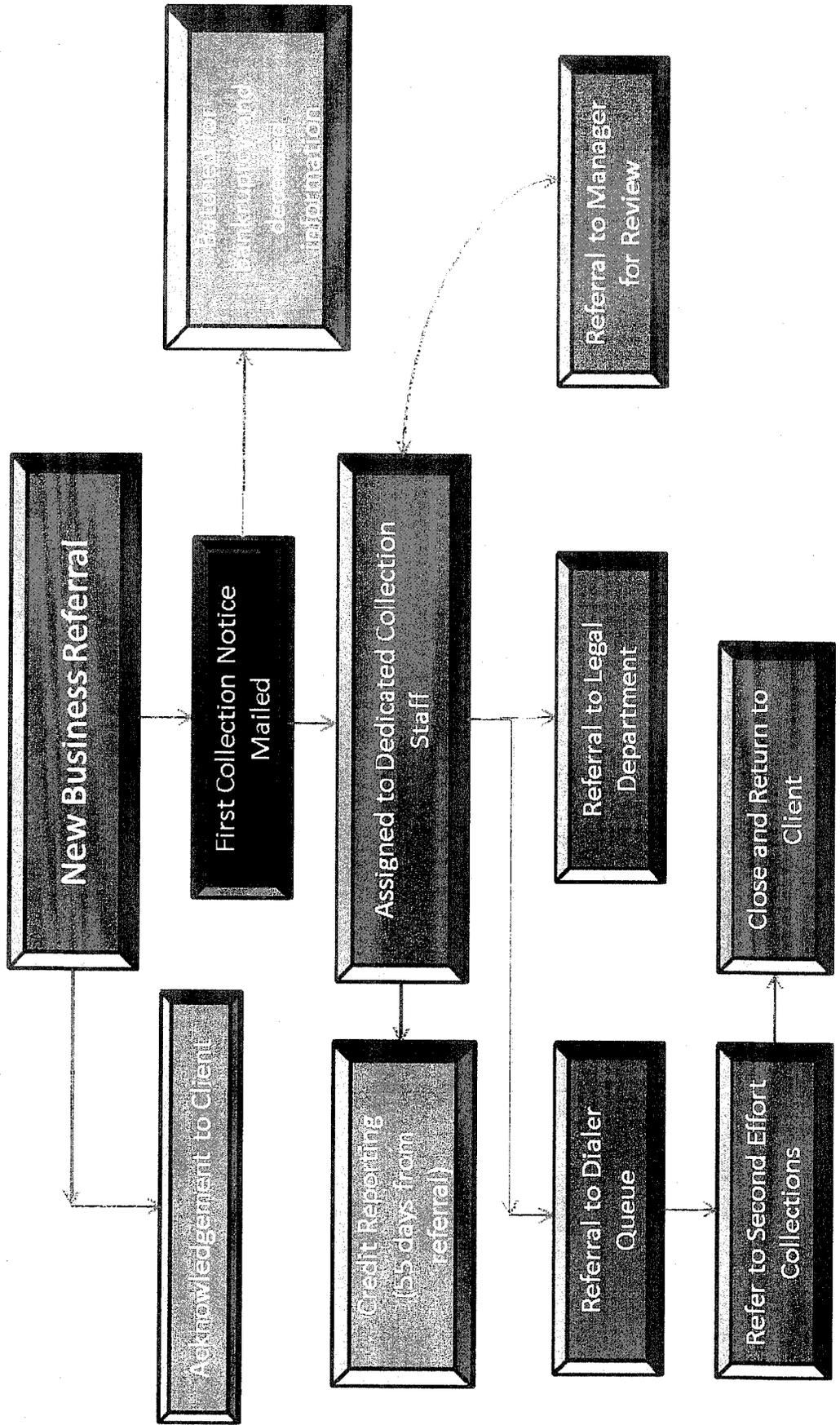


# States Recovery Systems, Inc.

- Over 26 Years of Proven Success (1988-2014)
- Headquartered in Rancho Cordova, CA
- Nationally Licensed
- SSAE-16 Audited
- FDICPA, FCRA, & PCI Compliant
- Credit Bureau Reporting Capabilities
- Quality Assurance Program
- Professional and ethical approach to recovery



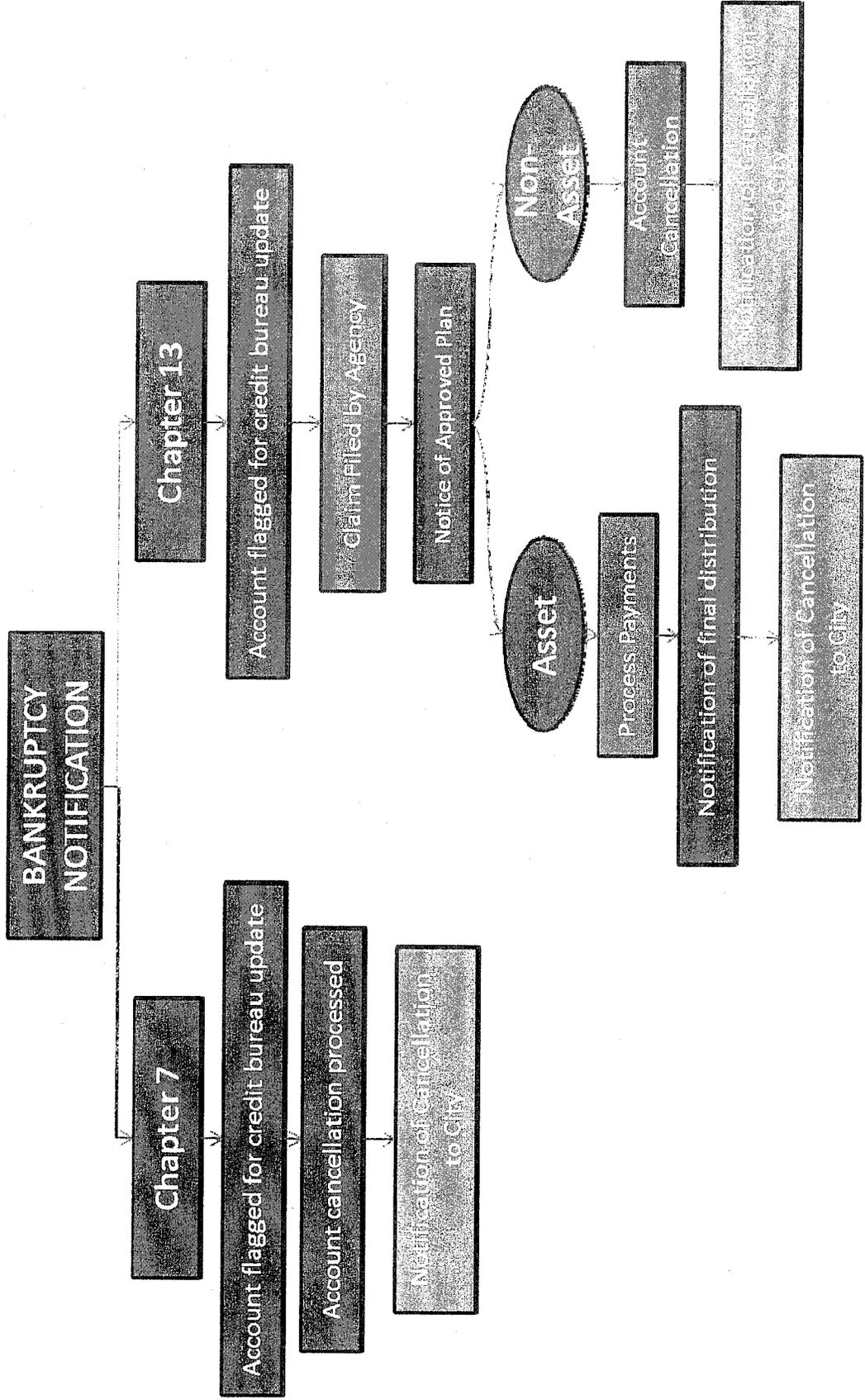
# Collection Flow Chart



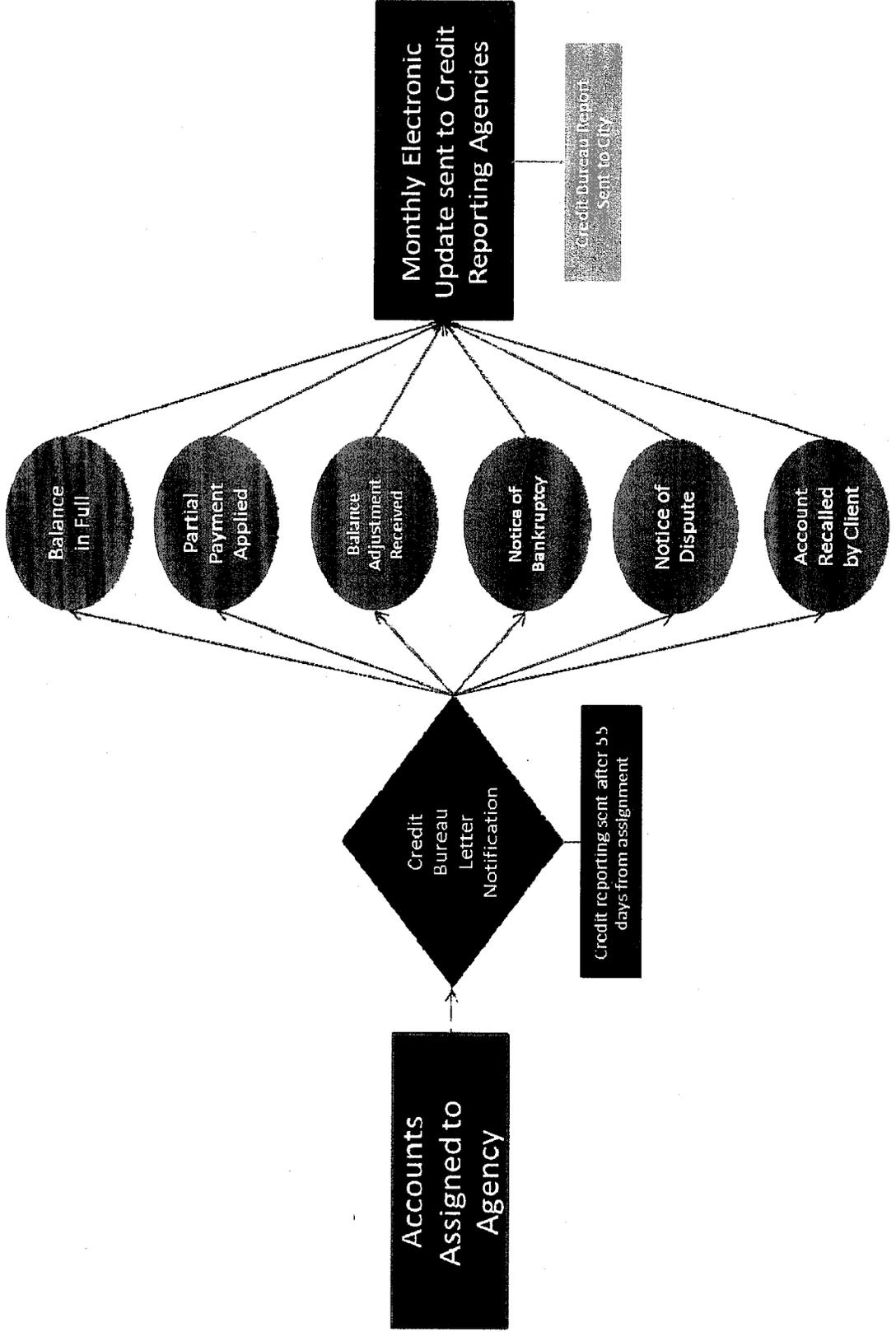
# Skiptracing

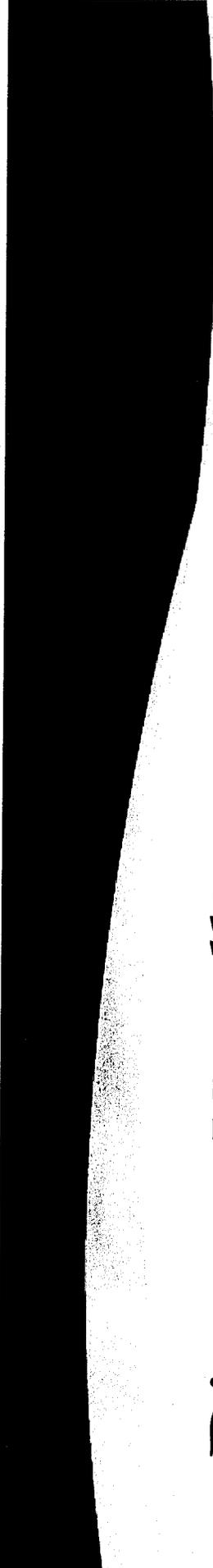
TOOLS	PROCESS	DESCRIPTION
ACCURINT	Electronic	Collectors have full access to States Recovery Systems, Inc.'s subscription to ACCURINT, a database that allows advanced person search based on the customer's name. ACCURINT locates neighbors, associates and relatives, phone numbers including cell phone, business addresses, & home phone numbers.
Corporation/Business Records	Electronic	Collector requests the customer's telephone number using the customer's employer address and/or a listing of employers with common or similar names.
Court clerks	Manual	Collectors contact the local court system to determine if the customer has a public and criminal record, license, or business affiliations.
Directory Assistance	Electronic/Manual	Collectors use the White Pages to find current addresses or phone #'s using the customer's last name.
Internet Search Engines	Electronic	Collectors use search engines such as <a href="http://www.google.com">www.google.com</a> , <a href="http://www.yahoo.com">www.yahoo.com</a> , <a href="http://www.savvysearch.com">www.savvysearch.com</a> , <a href="http://www.searchbug.com">www.searchbug.com</a> and others to locate information about customers.
Place of employment or business	Manual	Collectors contact a customer's former place of employment to retrieve current employment data.
Professional and social organizations	Electronic/Manual	Collectors contact state professional licensing boards to obtain the customer's current address or telephone number based upon annual renewal lists.
Review of account documents	Manual	Collectors are taught to thoroughly review all account documents to ensure information is never overlooked.
Tax Assessor /Landlords	Electronic/Manual	Used to locate the customer's address & assets
Surname Search	Electronic	Collectors search by last name or initial within a user specified region such as ZIP, city, county, or state.
National Credit Bureau	Electronic	Collectors search through the customer's credit report to retrieve place of employment, co-signers, references, additional addresses, schools, and most recent purchases.
Teletrack & other 3rd Party Databases	Electronic/Manual	States Recovery Systems scrubs accounts against several vendor databases, acquiring phone numbers, place of business, address and other location information.

# Bankruptcy Processing



# Credit Reporting Process



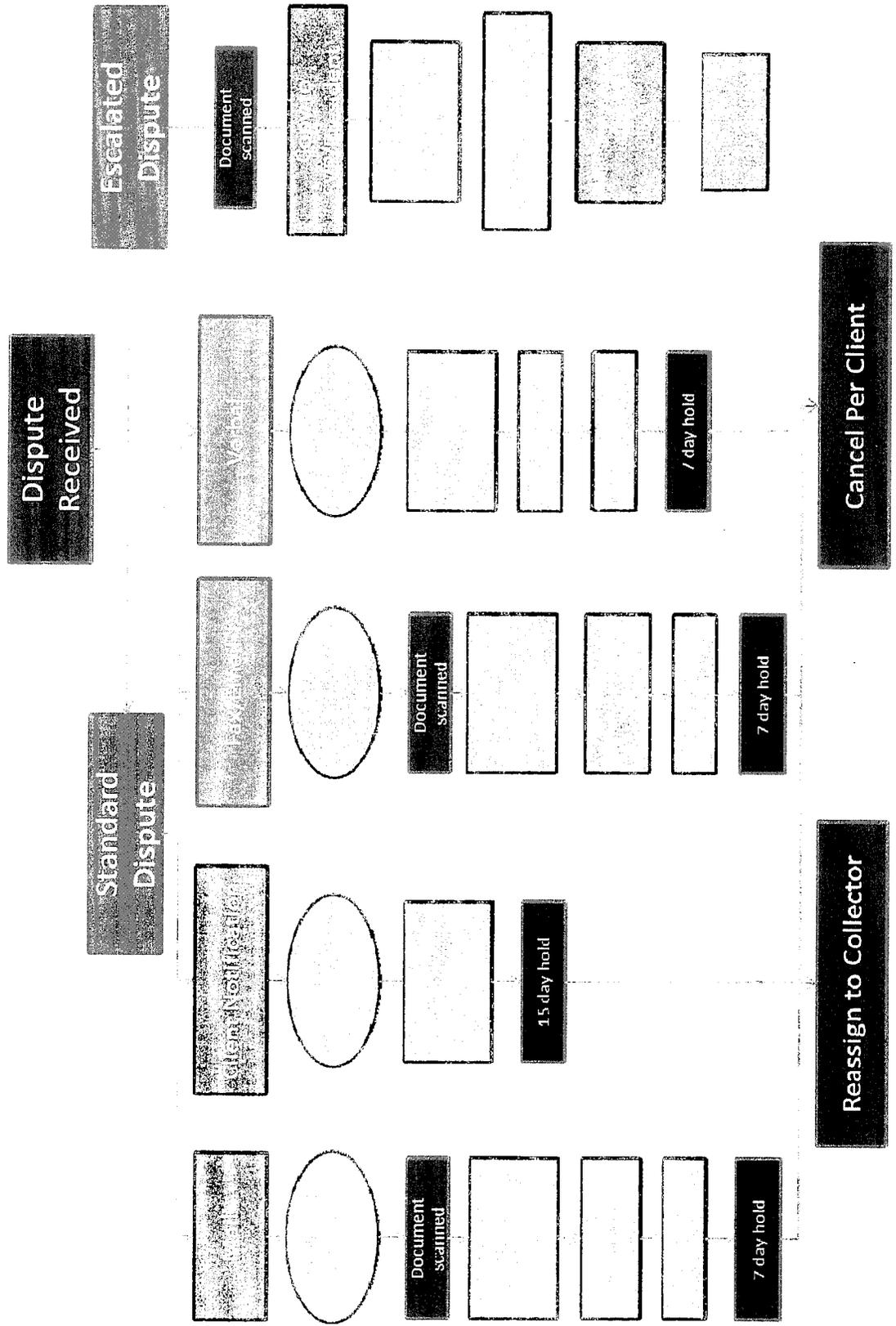


# Dispute Handling

## Compliance Management Program

- Dedicated Compliance Officer
- Assigned processes based on type of dispute
  - *Standard dispute*– request sent to City daily, or as designated by City, for itemization of account
  - *Escalated dispute* (BBB, Attorney General, CFPB) – copy of dispute provided to City within 24 hours of receipt, account validation requested and response generated by Compliance Officer within 72 hours

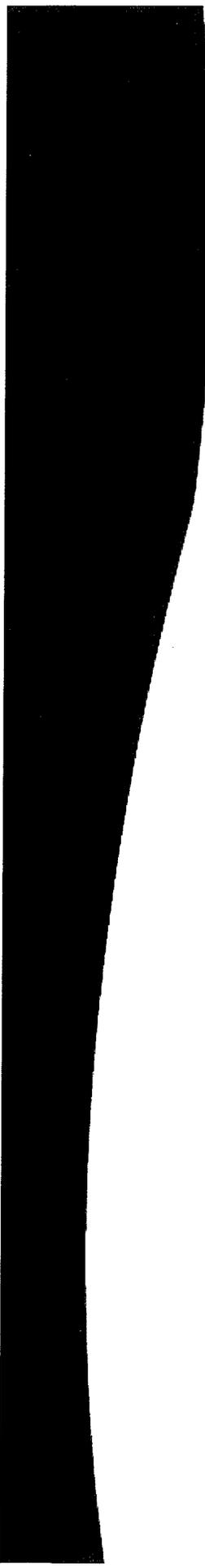
# Dispute Handling Process



# Cancellation/Recall Process

Notices of cancellation are accepted verbally or by email to: [clientservices@statesrecovery.com](mailto:clientservices@statesrecovery.com)

- Notices shall include the reason for recall or cancellation such as:
  - assigned in error
  - paid prior to assignment
  - bankruptcy
  - deceased
  - notice of escalated dispute
- Confirmation is returned by email
- All cancellations are included on the monthly cancellation report provided to the City



# Communication

## Coordination with the City

- Dedicated Client Services Manager
- Same-day response time to requests
- 24 by 7 access to remote client access portal
  - Secure, web-based
  - Real-time reporting

## Coordination with Customers

- 24 by 7 access to online payment portal
- Call center operations include evenings, weekends and some holidays
- Specialized collection representatives assigned to accounts, trained on the City's portfolio

# Communication

clientservices.caacs.com

States Recovery  
A Professional Collection Agency

STATES RECOVERY SYSTEMS, INC.

Welcome, Cindy Marler  
Hello Logout

Main Menu

- Account Information**
  - Account Inquiry
  - Client Exp. Queue
  - Inventory
- Client Information**
  - Client Reports
  - Client Statistics
- Data Entry**
  - Account Placement
  - Fee Upload
  - Feeing Accounts
- Administration**
  - Change Pass word
  - Contact Client Support

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# Account Submission

States Recovery Systems, Inc. accepts new accounts in all types of formats including:

- Manual placement
- Secure FTP batch assignments in all delimited formats (CSV, Text, Tab, Space) and fixed-length files
- Standard Excel

Assignments may be transmitted to States Recovery Systems, Inc. by:

- Secure FTP connection
- Electronically through email
- Uploaded through our secure client web portal

# Payment Processing

## Internal Processing

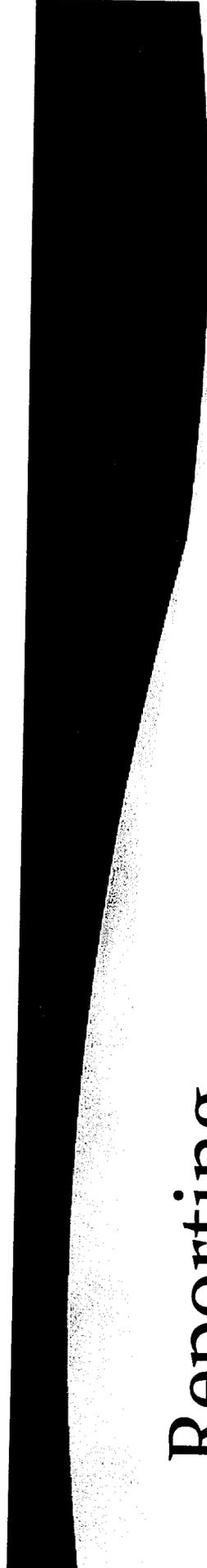
- All payments are posted daily in a secure, limited access processing department, containing a secure vault for checks or other negotiable items
- The payment processing department is equipped with security cameras, providing 24 by 7 surveillance
- All client funds are deposited daily into a dedicated Customer Trust Account
- Dual controls are in place for intake of daily mail, payment processing, reconciliation and auditing of all customer payments
- SRS is PCI compliant and accepts VISA and Mastercard payments internally and through our secure web portal

## Customer Payment Options

- Check or Check-By-Phone
- Credit Card
- Western Union
- Walk-in
- Secure Web Portal for online payments 24 hours a day, 7 days a week
- Payment direct to the City with real-time notification capabilities

# Reporting

<p><b>Account Acknowledgement Report</b></p>	<p>This report is provided within 24 hours of submission after new accounts are loaded into the database. The report outlines the name, account number, and the amount referred of each account listed within our agency and provides a check-and-balance to the client as to the number of accounts and dollar amounts referred.</p>
<p><b>Monthly Trust Reconciliation</b></p>	<p>This report shows the payment activity that occurred that month. It includes the name of the debtor, your account number, our account number, current balance, age of account (in months), date of the payment, whether it was paid to us or directly to you, total commissions, and amount due to you. This report does not reflect the total inventory, just the accounts with payment activity.</p>
<p><b>Actuary Report</b></p>	<p>This report may be generated monthly, quarterly or annually. We also provide online access to this report so that you can view "real time" collection performance. It will display the number of accounts referred, amount listed, dollars collected, number of accounts paid in full, total active accounts, and a recovery factor expressed as a percentage, all broken down by the month the account was referred. This is a 12 month report which also gives a cumulative breakdown during that same period, as well as for the previous 2 years</p>
<p><b>Client Status Report</b></p>	<p>This report may be generated monthly, quarterly, annually, or upon request and gives a reconciliation of the inventory as a whole. This will include the status of each account including paid in full, cancelled inventory, and active inventory with the amount referred and current balance due.</p>
<p><b>Credit Bureau Summary Report</b></p>	<p>This report may be generated monthly at time of initial reporting as requested by the City.</p>
<p><b>Paid in Full Report</b></p>	<p>This report may be generated semi-monthly, monthly, or at time of scheduled remittance to the City.</p>
<p><b>Annual Report</b></p>	<p>This report is created annually to comply with the requirements of the City's fiscal year end.</p>
<p><b>Customized Reports</b></p>	<p>A multitude of customized reports may be created in various formats based on the City's requirements. Our collection software allows for easy customized reporting and exporting capabilities.</p>



# Reporting

## Reporting Format

- All detailed reports can be created in searchable format and provided electronically or by any method requested by the City
- Formats include but are not limited to:
  - PDF
  - Standard Excel (.xlsx)
  - Delimited files - CSV, Text, Tab, Space
  - Fixed Length

## Method of Transmission

- Email
- Secure FTP
- Secure client web portal

# Litigation

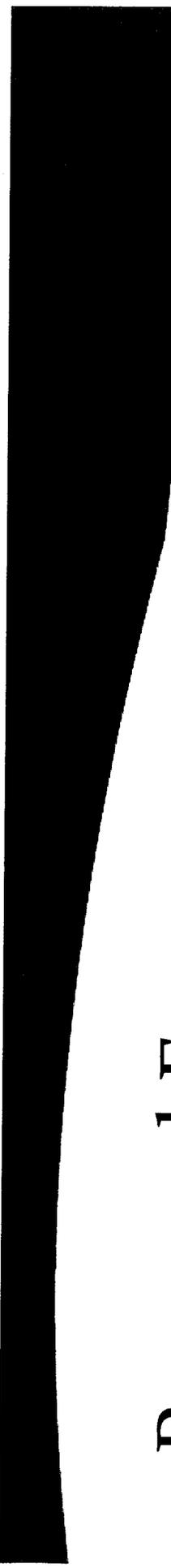
States Recovery Systems, Inc. offers litigation services including

- Post-judgment execution of assigned judgments
  - The proposed primary and/or secondary contingency fee applies to all assigned small claims judgments unless or until post-judgment court costs are advanced by Agency in conjunction with post-judgment execution including garnishment of wages, bank levies, or other remedies.
- Litigation of qualified accounts in Superior Court
  - Collection agencies are barred from bringing an action in small claims pursuant to CCP §116.420
  - Written authorization is required by the City prior to any legal action
  - Proposed legal commission rate will only apply after the suit is submitted to the court for filing
  - Balances must be above \$1,000 in assigned principle balance
  - No verified disputes exist
  - Previous contact must have been established with the consumer
  - All court costs and attorney fees are advanced by Agency

# FTB Intercept Program

States Recovery Systems, Inc. is prepared to assist the City in the FTB Interagency Intercept Collection Program by:

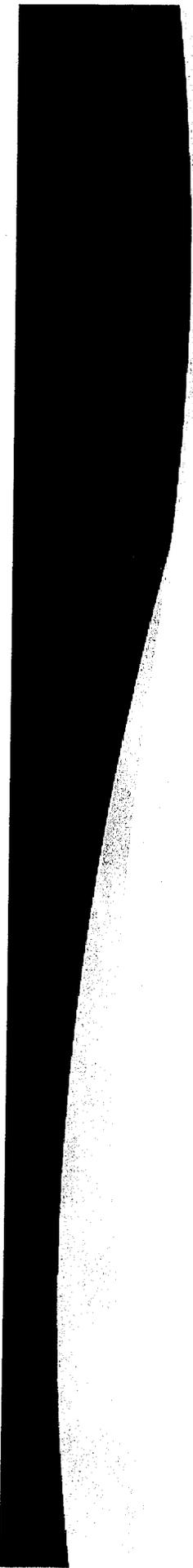
- Aiding in the submission of the FTB 2282 PC Initial Request to Participate or FTB 2280 Intent to Participate as applicable in conjunction with the required filing deadlines
- Mailing the Notice to Taxpayers to all qualifying accounts
- Facilitating the exchange of files through SWIFT, including the submission of the annual file and the modified account file
- Providing updates on submitted accounts if bankruptcy information or payments have been received
- Updating and adjusting all account balances upon notification from the City of offsets received



# Proposed Fees

<i>Primary Assignment Contingency Rate</i>	<b>17%</b>
<i>Primary Legal Contingency Rate</i>	<b>30%</b>
<i>Primary Contingency Interest Rate*</i>	<b>50%</b>
<i>Secondary Assignment Contingency Rate</i>	<b>30%</b>

\* Proposed interest shall be charged as applicable at the rate allowed by statute and collected *after* the principle amount referred is paid in full.



## The States Recovery Systems, Inc. Difference

- *Performance*
- *Ease of Doing Business*
- *Strong Leadership*
- *Reputation as an Industry Leader*
- *Financial Stability*
- *Geographic Proximity*

Thank you for your interest in  
**States Recovery Systems, Inc.**

Cindy Marler

Senior Vice President

[Cindy.Marler@statesrecovery.com](mailto:Cindy.Marler@statesrecovery.com)

(916) 631-7085 ext. 225

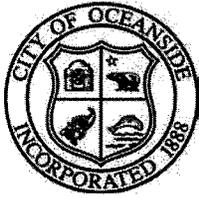
(800) 211-1435 ext. 225

[www.statesrecovery.com](http://www.statesrecovery.com)

States Recovery



SYSTEMS, INC.



# CITY OF OCEANSIDE

## REQUEST FOR PROPOSAL

### RFP

## COLLECTION AGENCY SERVICES

**Proposal Issue Date  
June 20, 2014**

**Proposal Submittal Due Date  
July 17, 2014  
3:00 P.M.**

*Proposals delivered after the deadline, to the wrong location, or with insufficient postage will be rejected and returned unopened.*

**SEND PROPOSALS TO:**

**City of Oceanside  
Financial Services Department  
300 North Coast Highway  
Oceanside, CA 92054  
ATTN: Emiko Munoz**

**City of Oceanside  
Request for Proposal: Collection Agency Services**

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I.	Background Information
II.	Specifications/Scope of Service
III.	Instructions and Information
Appendix A	Listing of City Revenue Sources
Appendix B	Sample Agreement
Appendix C	Vendor Registration Packet

## I. BACKGROUND INFORMATION

### A. General

The City of Oceanside, California, is located 35 miles north of the City of San Diego on the southern California coast and provides a full range of municipal services. The City serves an area of 42 square miles with a culturally diverse population of over 180,000. We can be found on the web at: [www.ci.oceanside.ca.us](http://www.ci.oceanside.ca.us).

The City incorporated in 1888, and has a Council/Manager form of government. The City Council consists of a Mayor and four Council Members. The City's fiscal year begins on July 1 and ends on June 30. The general fund operating budget for the City is in excess of \$101 million with approximately 990 full-time employees.

The City provides the full range of services normally associated with a municipality including police, fire, parks and recreation, library, planning and zoning, building and engineering, water and sewer services, various maintenance services and administration. Solid waste collection is provided through a contract agreement with a refuse collection service provider.

## II. SPECIFICATIONS/SCOPE OF SERVICE

The City of Oceanside (the "City") is soliciting proposals from qualified firms and agencies to provide full-service revenue collection for unpaid and delinquent accounts receivable. The City desires to enter into an agreement for professional services with a qualified firm or agency who can demonstrate competency and experience in providing Collection Services. We seek an experienced and effective Contractor that minimizes City costs, works effectively with debtors, maximizes the use of available technology, provides excellent client service, and performs thorough and complete collections. The unpaid and delinquent accounts receivable may include, but is not limited to:

- Collection on delinquent water, refuse, and sewer accounts where customers have balances owing on their City utility bills.
- Collection on miscellaneous delinquent accounts receivable items where customers have not paid for services or charges from the City.
- Collection on delinquent ambulance billing accounts where customers have not paid for services and charges performed by the City's ambulance units.
- Collection on delinquent parking citations where registered owners of vehicles have not paid for a citation(s) issued due to a parking violation within the City limits.
- Collection on delinquent harbor related charges where boat owners or guests at the City's harbor have not paid for services or charges.

A committee will evaluate proposals submitted. During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from firms submitting proposals. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. By submitting a proposal, the firm is providing a guarantee to the City that, if chosen, they will be able to provide the proposed services during the period of time discussed in this Request for Proposal ("RFP"). There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. The City has a standard two-party contract agreement; to which adherence is assumed unless specific objections are noted in the proposal by the candidate firm. The standard agreement is attached (Appendix B). Please note the insurance requirement in the agreement. The successful firm will also be required to obtain a City of Oceanside Business License.

The following terms, conditions, and specification are not negotiable. Any bid that attempts to change the City's terms, conditions, or specifications will be

rejected. Questions regarding this solicitation must be in writing and should be directed to Emiko Munoz, Customer Service Supervisor Fax (760) 435-3892 or email finance-collections@ci.oceanside.ca.us. No phone calls will be accepted.

#### **A. Specific Requirements**

1. The Agency should outline in the proposal the recommended collection efforts to be employed by the Agency for the various types of accounts assigned to it (letter writing, account assignment, etc.). If the Agency has recommendations regarding the proper and legal manner to notify customers of an account assignment, please clearly indicate any cost alternatives in your proposal.
2. Agency shall provide in the proposal, detailed steps that will be taken once the account is received from the City, and the number of contacts and procedures that will be taken (please distinguish the steps to be taken for each type of collection method recommended).
3. City shall provide documentation to Agency for each account, including name, any available customer information, last known address, account number, and balance due.
4. City shall submit delinquent accounts for collection via hard copy, e-mail, electronic file or in writing. Delinquent accounts will be assigned to the Agency on a monthly basis. Agency shall provide acknowledgement within 10 days of account placement via the same method that the account was submitted.
5. Agency should indicate whether the City will have access to the Agency's database via web link or other methods in order to determine the progress of the collection efforts.
6. Agency should indicate how they will instruct consumers to submit payments (either to the Agency or the City) depending on the collection method utilized.
7. Agency shall discuss their recommended use of skip tracing on delinquent accounts. Agency to provide specific tools used to conduct skip tracing.
8. Agency shall indicate policy on when delinquent accounts will be reported to the three major credit bureaus. Reporting must be done in accordance with all federal, state and local laws, including but not limited to the Fair Debt Collections Practices Act, the Federal Equal Credit Opportunity Act, and the Consumer Credit Protection Act. The City will retain the right to cancel accounts and/or remove items from credit reporting agencies without being subject to collection agency fees. The Agency shall provide a copy of the credit bureau notification to the City.

9. For accounts that are assigned to the Agency, all customer contact, including notices, mailing, itemizations, small claims, bankruptcy filings, and miscellaneous requests and inquiries, is the sole responsibility of the Agency. The Agency will be fully responsible for maintaining accurate records of all correspondence, documents, accounting records, transactions and other relative evidence. Agency will also be solely responsible for any and all costs incurred in and associated with the collection of debts referred to it by the City. Agency is responsible to inform City of Bankruptcy notices and filing claims. Permission is needed from the City to proceed with small claim filing.
10. Agency shall make a minimum of two written or telephone contacts for each account (unless the account clears sooner) within forty-five (45) days of receipt of account.
11. Agency shall have the ability to submit as agent of the City to Franchise Tax Board ("FTB") all qualifying delinquent accounts, and track, monitor and report to the City the results of the submission. Any payments received from the State for Franchise Tax Board intercept are not subject to Agency Commission.
12. Agency shall collect and deposit payments from customers and, on no less than a monthly basis, submit a check to the City for all monies collected, less collection fees, along with a report including the account name and number, amount collected, and collection fees.
13. Agency shall provide to the City a monthly report on the status of each account including; City account number, customer name, the amount received, the charges waived, the balance due and date of last payment, and the actions taken on the account. Report shall be in a searchable format. Agency should immediately advise the City of any account that is paid in full or deemed uncollectible. If an account is deemed uncollectible, information regarding this determination must be provided to the City.
14. Agency shall provide to the City monthly financial summary reports including total accounts receivable assigned, totals for receipts, totals for cancelled or returned accounts, net accounts receivable open and collection percentage.
15. Agency shall provide to the City an annual financial summary report as of June 30 (City's fiscal year end) including totals for receipts, net accounts receivable, total accounts receivable and collection percentage. This report should be submitted to the City no later than July 30<sup>th</sup> of each year.
16. Agency shall guarantee the confidentiality, security and safety of all files, documents, and information provided by the City, except as to disclosure required by federal and state laws and regulations.
17. Agency will exercise its best ethical, prudent, lawful and professional efforts to secure collections on all accounts referred by the City. Collections

activities shall comply with all federal, state and local laws, including but not limited to the Federal Fair Debt Collection Practices Act.

18. Agency will process all customer payments in accordance with applicable Payment Card Industry (PCI) security requirements.
19. In accordance with the Fair and Accurate Credit Transaction (FACT) Act of 2003 (Red Flag Rules), the vendor must have an identity theft prevention program in place.
20. Agency shall be HIPPA (Health Insurance and Portability and Accountability Act of 1996) compliant and maintain compliance throughout the term of the contract.
21. Agency shall meet with City staff upon execution of contract to discuss all the goals of the relationship, the services to be provided and other topics relevant to performing collections on behalf of the City. The Agency shall assign a representative or contact person to the City. Furthermore, Agency shall meet with City staff on a quarterly basis (or as-needed if issues arise) to discuss all services and how the Agency and City can work together to further reduce debt owed. The City will provide overall guidance on the conduct of the collection service, as it reflects upon the City's policies and reputation. The Agency will agree to employ courteous business procedures to the end of maintaining the City's goodwill. The Agency shall also provide updates to the City on changes in federal and state laws related to credit and collections.
22. The City reserves the right to add additional accounts receivable collection items to the existing contract. Agency agrees pricing will be the same for any additional receivables.
23. At any time, all records of the Agency pertaining to the City shall be subject to inspection, review, or audit by City, state or federal officials, during the contract period and for seven (7) years after the termination of the contract.
24. Agency shall not assign or subcontract any portion of this agreement or transfer or assign any claim, pursuant to this contract, without the written consent of the City.
25. Agency shall make contacts with delinquent accounts under the name of the Agency and not the City of Oceanside.
26. The Agency agrees to maintain a City of Oceanside business license for the duration of the contract.
27. Any settlement of principal or charges shall be agreed upon in writing between the Agency and the City, prior to acceptance.

28. Currently, the first \$12.50 of every parking citation is forwarded to the State and County, this portion of the debt will not be subject to any collection agency fees. Any future increases to parking citation fees imposed by the State and County shall also not be subject to any collection agency fees.
29. The City reserves the right to terminate the contract at any time by providing thirty day written notice for convenience or cause.
30. In the event of contract termination or the bankruptcy/dissolution of the agency, all accounts and documentation relating to City accounts shall be returned to the City, regardless of status or payment arrangements made with consumers.

### III. INSTRUCTIONS AND INFORMATION

**A. Vendor Information (submittals):**

Please submit seven (7) hard copies of your proposal to the City of Oceanside. No proposals exceeding five (5) pages will be accepted (excluding attachments). The successful bidder will be asked to sign a contract. For informational purposes a sample agreement has been included with this RFP. Do not execute the contract at this time.

Timeframe for selection and implementation is as follows:

<p>July 8, 2014          July 17, 2014          July 18 – August 4, 2014          August 12 - 14 , 2014          August 18, 2014          September 24, 2014</p>	<p>Deadline for questions          Proposals due          Evaluation of Proposals          Interviews of Firms          Final selection of vendor          Present to Council &amp; Contract Execution</p>
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**The proposal must contain the following specific information:**

1. Letter of transmittal signed by an individual authorized to bind the proposing entity stating the Agency has read and will comply with all terms and conditions of the RFP.
2. General information about the firm, including the size of the organization, location of offices, years in business, organizational chart, name of owners and principal parties, number and position titles of staff. Information regarding any collection associations of which the Agency and its staff are members should be included. Contact information including website address.
3. Qualifications of staff proposed for the assignment, their position in the firm, and types and amount of equivalent collection experience. Be sure to include any municipal agencies they have worked with and

their level of involvement. A description of how overall supervision will be provided should be included (this can be included as part of an attachment).

4. A description of the methodology that would be followed in carrying out the Agency's responsibilities. Clearly describe all collection services you propose to provide to the City. As a part of the description, identify the responsibilities of the City and the responsibilities of the Agency. Also describe the coordination required between customer, the City, and the Agency if an account is assigned. Please provide any additional information or suggestions that will aid in the City's selection process.
5. Provide sample copies of the type of reports the City could expect to receive from the Agency for each major source of revenue (previously listed). Provide time frame when City could expect to receive the report. Each report should be clearly marked as to the type of information the particular report is trying to convey (this can be included as part of an attachment). A monthly report on the amount assigned, the amount collected, the amount returned and the overall collection rate is required.
6. Provide sample letters to be sent to delinquent accounts. Be sure to indicate what collection method each letter pertains to (this can be included as part of an attachment).
7. A list of the municipal agencies your Agency has worked with during the past three years. Provide the following information for three collection projects which are similar in size and scope to the project requested by this proposal:
  - a. Name, address and telephone of the agency
  - b. Time period for the project
  - c. Brief description of the scope of the collection efforts
  - d. Recommended collection procedures
  - e. Person to contact for a reference
8. A statement as to the ability of the Agency to make collections in all fifty states and the Agency's ability to file reports with all three national credit bureaus.
9. Clearly describe and outline your fees for the services. Be sure to differentiate the fees between the various collection methods being proposed. The cost proposal should be provided in table form, with costs for each task, each key area of focus, and any maximum costs.
10. A statement of the dollar amount of an account under which your Agency will not actively pursue regular collection and/or legal action.

11. Provide overall information to show the average number of days required by your Agency to complete a collection and forward the monies to your customer. In addition, list historical collection percentages achieved by your Agency for the various sources of revenue listed in the RFP, as well as the ratio of employees to total number of collection accounts your Agency is responsible for.
12. A statement of the services your Agency feels differentiates you from other agencies.
13. The selected consultant will be required to sign a contract in a form similar to that presented in Appendix B. Any anticipated changes should be outlined in the proposal. Additionally, any concerns regarding the contract should be included.
14. Provide a statement indicating adherence to the 30 itemized requirements. The statement should note if there are any requirements that can not be met along with an explanation of why the requirement can not be met.

**B. Evaluation Criteria**

A review committee will judge the merit of Proposals received in accordance with the general criteria defined herein. Failure of proposers to provide in their Proposal any information requested in this RFP may result in disqualification of the Proposal. The sole objective of the review committee will be to select the Proposal that is most responsive to the City's needs.

1. Proposed collection methods and approach in completing the work (primary determinant).
2. Adequacy and completeness of the Proposal with regard to the specified information.
3. Demonstrated competence and professional qualifications necessary for satisfactory performance of the work required by the City.
4. Recent experience in successfully performing similar services.
5. Background and related experience of the specific individuals to be assigned to this project.
6. The total cost will be considered in the analysis, but cost will not be used as the sole consideration.

As reflected above, contract award will not be based solely on price, but on a combination of factors as determined to be in the best interest of the City. After evaluating the proposals and discussing them further with the finalists or the tentatively selected contractor, the City reserves the right to

further negotiate the proposed work and/or method and amount of compensation.

**C. Scope Changes, Additions and Deletions**

All changes in proposal documents shall be through written addendum and furnished to all Proposers. Verbal information obtained otherwise will NOT be considered in the award process.

**D. Rejection of Proposals:**

The City of Oceanside reserves the right to reject any or all Proposals and to waive informalities and minor irregularities in Proposals received and to accept any portion of Proposal or all items of Proposal if deemed in the best interest of the City to do so. Proposals received after the deadline will not be considered.

**E. Proprietary Information:**

Any restrictions on the use of data contained within a Proposal must be clearly stated in the Proposal itself. Proprietary information submitted in response to this RFP will be handled in accordance with applicable City Procurement Regulations and the California Public Records Act.

**F. Response Materials Ownership:**

All materials submitted regarding this RFP become the property of the City. Responses may be reviewed by any person at Proposal opening time and after final selection has been made. The City has the right to use any or all collection ideas presented in reply to this request, subject to the limitations outlined in Proprietary Information above. Disqualification of a proposer does not eliminate this right.

**G. Incurring Costs:**

The City is not liable for any cost incurred by Proposers prior to issuance of an agreement, contract or purchase order.

**H. Acceptance of Proposal Content:**

The contents of the Proposal of the successful Proposer will become contractual obligations if contractual agreements action ensues. Failure of the successful Proposer to accept these obligations in a purchase agreement, purchase order, contract, delivery order or similar acquisition instrument may result in cancellation of the award and such Proposer may be removed from future solicitations.

**I. Presentation:**

All proposals shall be prepared in a comprehensive manner as to content; however, no necessity exists for expensive binders or promotional material. All costs, including travel and expenses, incurred in the preparation of this proposal shall be borne solely by the proposing firm.

## LISTING OF CITY REVENUE SOURCES

- Collection on delinquent water, refuse, and sewer accounts where former customers have balances owing on their City utility bills.

The City bills approximately 43,000 utility customers monthly, with total billings of approximately \$70 million annually. Projected number of accounts to be sent to the Agency annually are 600, totaling approximately \$180,000.

- Collection on miscellaneous delinquent accounts receivable items where customers have not paid for services or charges from the City.

The City has several sources of miscellaneous receivables including:

- Driving under the influence (DUI) billings
- Reimbursement of emergency services
- Library fine billings
- Unreturned library item billings
- Property damage billings
- Employee loans
- False alarm billings
- Administration citation billings
- Water testing
- Construction Certificates
- Lost/Stolen Construction Meters
- Retiree & Cobra Benefits
- Returned checks
- Building Permits
- Inspection Fees
- Mobile Home Registration Fees

The City projects approximately 600 miscellaneous accounts will need collection services annually, totaling approximately \$150,000

- Collection on delinquent ambulance billing accounts where customers have not paid for services and charges performed by the City's paramedic units; billed thru a 3<sup>rd</sup> party agency

The City bills approximately 8,700 ambulance customers annually, with total billings of approximately \$8.9 million. Projected accounts to be sent to the Agency annually are 2,500, totaling approximately \$1,000,000.

- Collection on delinquent parking citations where registered owners of vehicles have not paid for a citation(s) issued due to a parking violation within the City limits; billed thru a 3<sup>rd</sup> party agency.

The City issues approximately 48,000-68,000 parking citations annually, with total billings of approximately \$2.9 million. Projected accounts to be sent to the Agency annually are 5,300, totaling approximately \$700,000.

- Collection on delinquent harbor related charges where boat owners or guests at the City's harbor have not paid for services or charges.

The City bills approximately 1000 harbor renters monthly, with total billings of approximately \$4.8 million annually. Projected number of accounts to be sent to the Agency annually are 25, totaling approximately \$12,000.

CITY OF OCEANSIDE

**PROFESSIONAL SERVICES AGREEMENT**

**PROJECT: (PROJECT NAME & NUMBER)**

THIS AGREEMENT, dated \_\_\_\_\_, 20\_\_ for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and \_\_\_\_\_, hereinafter designated as "CONSULTANT."

**NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:**

1. **SCOPE OF WORK.** The project is more particularly described as follows: [ insert a brief description of the work to be done ].
2. **INDEPENDENT CONTRACTOR.** CONSULTANT'S relationship to the CITY shall be that of an independent contractor. CONSULTANT shall have no authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless specifically authorized in writing by the City Engineer. The CONSULTANT shall not be authorized to communicate directly with, nor in any way direct the actions of, any bidder or the construction contractor for this project without the prior written authorization by the City Engineer. CONSULTANT shall be solely responsible for the performance of any of its employees, agents, or subcontractors under this Agreement. CONSULTANT shall report to the CITY any and all employees, agents, and consultants performing work in connection with this project, and all shall be subject to the approval of the CITY.
3. **WORKERS' COMPENSATION.** Pursuant to Labor Code section 1861, the CONSULTANT hereby certifies that the CONSULTANT is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and the CONSULTANT will comply with such provisions, and provide certification of such compliance as a part of this Agreement.
4. **LIABILITY INSURANCE.**
  - 4.1. CONSULTANT shall, throughout the duration of this Agreement maintain comprehensive general liability and property damage insurance, or commercial

general liability insurance, covering all operations of CONSULTANT, its agents and employees, performed in connection with this Agreement including but not limited to premises and automobile.

**4.2** CONSULTANT shall maintain liability insurance in the following minimum limits:

Comprehensive General Liability Insurance  
(bodily injury and property damage)

Combined Single Limit Per Occurrence	\$ 1,000,000
General Aggregate	\$ 2,000,000*

Commercial General Liability Insurance  
(bodily injury and property damage)

General limit per occurrence	\$ 1,000,000
General limit project specific aggregate	\$ 2,000,000

<u>Automobile Liability Insurance</u>	\$ 1,000,000
---------------------------------------	--------------

\*General aggregate per year, or part thereof, with respect to losses or other acts or omissions of CONSULTANT under this Agreement.

**4.3** If coverage is provided through a Commercial General Liability Insurance policy, a minimum of 50% of each of the aggregate limits shall remain available at all times. If over 50% of any aggregate limit has been paid or reserved, the CITY may require additional coverage to be purchased by the CONSULTANT to restore the required limits. The CONSULTANT shall also notify the CITY'S Project Manager promptly of all losses or claims over \$25,000 resulting from work performed under this contract, or any loss or claim against the CONSULTANT resulting from any of the CONSULTANT'S work.

**4.4** All insurance companies affording coverage to the CONSULTANT for the purposes of this Section shall add the City of Oceanside as "additional insured" under the designated insurance policy for all work performed under this agreement. Insurance coverage provided to the City as additional insured shall be primary insurance and other insurance maintained by the City of Oceanside, its officers, agents, and employees shall be excess only and not contributing with insurance provided pursuant to this Section.

**4.5** All insurance companies affording coverage to the CONSULTANT pursuant to this agreement shall be insurance organizations admitted by the Insurance Commissioner of the State of California to transact business of insurance in the state or be rated as A-X or higher by A.M. Best.

- 4.6 CONSULTANT shall provide thirty (30) days written notice to the CITY should any policy required by this Agreement be cancelled before the expiration date. For the purposes of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.
- 4.7 CONSULTANT shall provide evidence of compliance with the insurance requirements listed above by providing, at minimum, a Certificate of Insurance and applicable endorsements, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement.
- 4.8 CONSULTANT shall provide a substitute Certificate of Insurance no later than thirty (30) days prior to the policy expiration date. Failure by the CONSULTANT to provide such a substitution and extend the policy expiration date shall be considered a default by CONSULTANT and may subject the CONSULTANT to a suspension or termination of work under the Agreement.
- 4.9 Maintenance of insurance by the CONSULTANT as specified in this Agreement shall in no way be interpreted as relieving the CONSULTANT of any responsibility whatsoever and the CONSULTANT may carry, at its own expense, such additional insurance as it deems necessary.
5. **PROFESSIONAL ERRORS AND OMISSIONS INSURANCE.** Throughout the duration of this Agreement and four (4) years thereafter, the CONSULTANT shall maintain professional errors and omissions insurance for work performed in connection with this Agreement in the minimum amount of One Million Dollars (\$1,000,000.00).

CONSULTANT shall provide evidence of compliance with these insurance requirements by providing a Certificate of Insurance.

6. **CONSULTANT'S INDEMNIFICATION OF CITY.** To the greatest extent allowed by law (including, without limitation, California Civil Code section 2782.8), CONSULTANT shall indemnify and hold harmless the CITY and its officers, agents and employees against all claims for damages to persons or property arising out of CONSULTANT'S work, including the negligent acts, errors or omissions or wrongful acts or conduct of the CONSULTANT, or its employees, agents, subcontractors, or others in connection with the execution of the work covered by this Agreement, except for those claims arising from the willful misconduct, sole negligence or active negligence of the CITY, its officers, agents, or employees. CONSULTANT'S indemnification shall include any and all costs, expenses, attorneys' fees, expert fees and liability assessed against or incurred by the CITY, its officers, agents, or employees in defending against such claims or lawsuits, whether the same proceed to judgment or not. Further, CONSULTANT at its own expense shall, upon written request by the CITY, defend any such suit or action brought against the CITY, its officers, agents, or employees founded upon, resulting or arising from the conduct, tortious acts or omissions of the CONSULTANT.

CONSULTANT'S indemnification of CITY shall not be limited by any prior or subsequent declaration by the CONSULTANT.

7. **OWNERSHIP OF DOCUMENTS.** All plans and specifications, including details, computations and other documents, prepared or provided by the CONSULTANT under this Agreement shall be the property of the CITY. The CITY agrees to hold the CONSULTANT free and harmless from any claim arising from any use, other than the purpose intended, of the plans and specifications and all preliminary sketches, schematics, preliminary plans, architectural perspective renderings, working drawings, including details, computation and other documents, prepared or provided by the CONSULTANT. CONSULTANT may retain a copy of all material produced under this Agreement for the purpose of documenting CONSULTANT's participation in this project.

8. **COMPENSATION.** CONSULTANT'S compensation for all work performed in accordance with this Agreement, shall not exceed the total contract price of \$\_\_\_\_\_

No work shall be performed by CONSULTANT in excess of the total contract price without prior written approval of the City Engineer. CONSULTANT shall obtain approval by the City Engineer prior to performing any work that results in incidental expenses to CITY.

9. **TIMING REQUIREMENTS.** Time is of the essence in the performance of work under this Agreement and the timing requirements shall be strictly adhered to unless otherwise modified in writing. All work shall be completed in every detail to the satisfaction of the Engineer within [number of working or calendar days] [project manager may insert a phased timing requirement instead of time certain, if desired].

10. **ENTIRE AGREEMENT.** This Agreement comprises the entire integrated understanding between CITY and CONSULTANT concerning the work to be performed for this project and supersedes all prior negotiations, representations, or agreements.

11. **INTERPRETATION OF THE AGREEMENT.** The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to CITY.

The CONSULTANT shall be responsible for complying with all local, state, and federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions, which are otherwise lawful, shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

12. **AGREEMENT MODIFICATION.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.
  
13. **TERMINATION OF AGREEMENT.** Either party may terminate this Agreement by providing thirty (30) days written notice to the other party. If any portion of the work is terminated or abandoned by the CITY, then the CITY shall pay CONSULTANT for any work completed up to and including the date of termination or abandonment of this Agreement. The CITY shall be required to compensate CONSULTANT only for work performed in accordance with the Agreement up to and including the date of termination.
  
14. **SIGNATURES.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF, the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Professional Services Agreement to be executed by setting hereunto their signatures on the dates set forth below.

[NAME OF CONSULTANT]  
 By: \_\_\_\_\_  
 Name/Title

CITY OF OCEANSIDE  
 By: \_\_\_\_\_  
 City Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
 Name/Title

APPROVED AS TO FORM:  
 \_\_\_\_\_  
 City Attorney

Date: \_\_\_\_\_

\_\_\_\_\_  
 Employer ID No.

**NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.**



CITY OF OCEANSIDE  
COLLECTION AGENCY RFP PRESENTATION RATING FORM

	Financial Credit Network	States Recovery	Linebarger Goggan Blair & Sampson, LLP	Total Point Value
<b>Rater 1</b>	80	93	52	20
<b>Rater 2</b>	84	93	50	15
<b>Rater 3</b>	65	84		10
<b>Rater 4</b>	86	95	50	15
<b>Rater 5</b>	78	86	48	30
<b>Rater 6</b>	93	86	71	10
<b>TOTAL Points</b>	486	537	271	
<b>Overall Average Points</b>	81	89.5	54.2	<b>Total</b> 100

EVALUATION CRITERIA

Evaluation Item	Total Point Value
Presentation	20
References	15
Unique Abilities	10
Expertise	15
Ability to Perform Work	30
Cost and Pricing	10
<b>Total</b>	<b>100</b>

The Interview Panel will evaluate the proposals. Rating and evaluation forms prepared by Panel members will not be revealed to the proposers. The scores in the rating form do not indicate a "winning score" and the highest score is not guaranteed selection. The final decision is at the discretion of the City and is based on the scores, reference checks, negotiated pricing, and further analysis of the proposals including any risks associated with selecting any proposal.

**FIRM RANKING**

1. States Recovery
2. Financial Credit Network
3. Linebarger Goggan Blair & Sampson, LLP.