



COMMONWEALTH OF VIRGINIA
STANDARD CONTRACT

Contract No. UCPJMU5392

This contract entered into this 14th day of January 2019, by Todd, Bremer, & Lawson, Inc. hereinafter called the "Contractor" and Commonwealth of Virginia, James Madison University called the "Purchasing Agency".

WITNESSETH that the Contractor and the Purchasing Agency, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

SCOPE OF CONTRACT: The Contractor shall provide the services to the Purchasing Agency as set forth in the Contract Documents.

PERIOD OF PERFORMANCE: From January 14, 2019 through January 13, 2021 with three (3) two-year renewal options.

The contract documents shall consist of:

- (1) This signed form;
- (2) The following portions of the Request for Proposal LBS-997 dated June 22, 2018:
 - (a) The Statement of Needs;
 - (b) The General Terms and Conditions;
 - (c) The Special Terms and Conditions together with any negotiated modifications of those Special Conditions;
 - (d) Addendum No. One dated July 13, 2018;
 - (e) Addendum No. Two dated July 23, 2018;
 - (f) Addendum No. Three dated August 3, 2018;
 - (g) Addendum No. Four dated August 13, 2018.
- (3) The Contractor's Proposal dated August 16, 2018 and the following negotiated modification to the Proposal, all of which documents are incorporated herein.
 - (a) Negotiations Summary, dated January 7, 2019.

IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed intending to be bound thereby.

<p>CONTRACTOR:</p> <p>By: <u>M. Daniel Welborn, Jr.</u></p> <p>(Signature)</p> <p><u>MAX DANIEL WELBORN, JR.</u></p> <p>(Printed Name)</p> <p>Title: <u>VICE PRESIDENT</u></p>	<p>PURCHASING AGENCY:</p> <p>By: <u>Lee Anne Beatty Smith</u></p> <p>(Signature)</p> <p><u>Lee Anne Beatty Smith</u></p> <p>(Printed Name)</p> <p>Title: <u>Buyer Senior, JMU</u></p>
--	---



**RFP # LBS-997, Collection Services
Negotiation Summary for Todd, Bremer & Lawson, Inc.**

January 7, 2019

1. Contractor agrees that this Negotiation Summary modifies the Contractor's response to RFP# LBS-997.
2. Contractor's pricing schedule is as follows:
 - a. All Accounts regardless of type of account and/or placement (*to include judgment accounts*): 20% collection fee of total amount collected. This percentage shall not be increased for the life of the contract.
 - b. There shall be no litigation provided on accounts placed by VASCUPP institutions.
 - c. Contractor shall provide one (1) free 30-day pre-collect letter on all accounts placed. The pre-collect period is defined as a time period beginning upon placement of a VASCUPP account where the Contractor shall immediately send a demand letter to the debtor and payments received from debtor(s) during this time period shall not incur a collection fee by the Contractor.
 - d. The collection fee shall be the sole compensation paid for collection services. There shall be no additional charges allowed.
3. Contractor shall ensure that all checks and ACH debtor payments clear prior to remitting funds to the Purchasing Agency.
4. Contractor shall maintain the ability to report to a minimum of one (1) national credit bureau (*for non-Perkins placements*) and shall make all necessary corrections when an account is reported in error. Purchasing Agency's reserve the right to determine the minimum number of days and/or the minimum dollar amount for accounts that will be reported to a credit bureau.
5. Contractor shall allow the Purchasing Agency to determine the timeframe in which accounts that meet certain criteria are automatically returned to the Purchasing Agency.
6. Contractor shall provide debt collection services in accordance with the laws in the state where the debtor resides. At the Purchasing Agency's request, Contractor shall notify Purchasing Agency in the event that a debtor has a change of address to a state where collection fees are prohibited or restricted.
7. Contractor agrees that in the event the law requires an "agreement" between the debtor and Purchasing Agency in order to add collection costs, the Contractor shall accept the following as acceptable "agreements":
 - a. Express written agreement
 - b. Promissory note
 - c. Electronic signature



**RFP # LBS-997, Collection Services
Negotiation Summary for Todd, Bremer & Lawson, Inc.**

January 7, 2019

- d. Online acknowledgement (click thru)
 - e. Language posted online along with student handbooks and catalogs informing students of collections costs being added to debt collection.
8. Contractor acknowledges receipt of RFP-LBS-997 Addendums #1, #2, #3, and #4.
 9. Contractor agrees that each Purchasing Agency shall be treated as a separate client in terms of monies and data management.
 10. Contractor shall work with the Purchasing Agency's Billing Agent for Perkins Loan collections with all Perkins Loan debt remitted directly to the designated Billing Agent.

Letter of Transmittal

August 16, 2018

Ms. LeeAnne Beatty Smith
Buyer Senior
James Madison University
Procurement Services MSC 5720
Harrisonburg, Virginia 22807

Dear Ms. Smith,

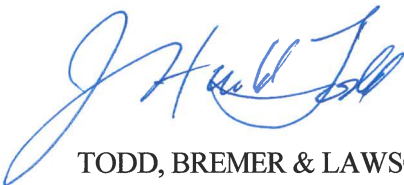
Thank you for allowing Todd, Bremer & Lawson, Inc. to submit the enclosed Request for Proposal ("RFP") to provide third-party collection services for delinquent obligations belonging to the James Madison University and other *VASCUPP* institutions. Todd, Bremer & Lawson has been in business since 1974 and specializes in third-party collections of delinquent educational obligations. We have a reputation of being able to collect delinquent obligations which other third-party collection agencies have deemed uncollectible. Todd, Bremer & Lawson is pleased to include a list of references which we hope you will have time to contact personally.

Niel Welborn will have the responsibility and authority for all James Madison University's and other *VASCUPP* institution's delinquent obligations. Additionally, *Gina Santoro*, the Firm's director of client services and *Cora Nicholson FACS Web™* specialist will serve as the liaison between Todd, Bremer & Lawson and James Madison University and other *VASCUPP* institutions. Together, *Niel, Gina*, and *Cora* will assist you with all your needs.

Knowing that communication is a critical part of doing business effectively, Todd, Bremer & Lawson is proud to offer James Madison University and other *VASCUPP* institutions a state-of-the-art internet interface in conjunction with *Ontario Systems® FACS Web™* component. This industry-leading Web-site was designed to make your job easier. Also, Todd, Bremer & Lawson's student-consumer payment portal makes it easier for your student-consumers to submit payments on their delinquent obligation for real-time processing twenty-four (24) a day, (7) days a week.

The signature below certifies the completeness, veracity, and accuracy of the information provided in the RFP. Todd, Bremer & Lawson agrees and understands the terms and conditions outlined in this RFP. Furthermore, Todd, Bremer & Lawson will accept financial responsibility for all travel expenses incurred for oral presentations and candidate interviews.

With kindest regards, I am



TODD, BREMER & LAWSON, INC.
J. Harold Todd
President

RFP# LBS-997

August 16, 2018

Produced Especially for James Madison University

Page 1 of 124

Table of Contents

LETTER OF TRANSMITTAL	1
TABLE OF CONTENTS.....	3
PROPOSAL COVER SHEET	5
ADDENDA.....	7
ADDENDUM NO. 1	7
ADDENDUM NO.2	9
ADDENDUM NO.3	11
ADDENDUM NO.4	13
EXECUTIVE SUMMARY	15
STATEMENT OF NEEDS.....	19
THE FIRM WILL NOT.....	28
THE FIRM'S APPROACH.....	31
OFFEROR DATA SHEET	91
SMALL BUSINESS SUBCONTRACTING PLAN	93
VASCUPP SALES	95
PRICING SCHEDULE.....	97
SAMPLE LETTERS.....	101
SAMPLE REPORTS	117

ADDITIONAL ATTACHMENTS
ATTESTATION AUDIT
GLB SAFEGUARD POLICY
FINANCIAL STATEMENT
DUNN & BRADSTREET REPORT
AASE 18/SOC 1 TYPE 2 AUDIT
SWaM CERTIFICATE
ORIGINAL RFP
BILLINGTREE PCI AUDIT

REQUEST FOR PROPOSAL

RFP# LBS-997

Issue Date: 6/22/18
Title: Collection Services
Issuing Agency: Commonwealth of Virginia
James Madison University
Procurement Services MSC 5720
752 Ott Street, Wine Price Building
First Floor, Suite 1023
Harrisonburg, VA 22807

Period of Contract: From Date of Award Through One Year (Renewable)

Sealed Proposals Will Be Received Until 2:00 PM on August 16, 2018 for Furnishing The Services Described Herein.

SEALED PROPOSALS MAY BE MAILED, EXPRESS MAILED, OR HAND DELIVERED DIRECTLY TO THE ISSUING AGENCY SHOWN ABOVE.

All Inquiries For Information And Clarification Should Be Directed To: LeeAnne Beatty Smith, Buyer Senior, Procurement Services, smith2LB@jmu.edu; 540-568-7523; (Fax) 540-568-7935 not later than five business days before the proposal closing date.

NOTE: THE SIGNED PROPOSAL AND ALL ATTACHMENTS SHALL BE RETURNED.

In compliance with this Request for Proposal and to all the conditions imposed herein, the undersigned offers and agrees to furnish the goods/services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation.

Name and Address of Firm:

Todd, Bremer & Lawson, Inc.

Post Office Box 36788

Rock Hill, SC 29732

By: 

(Signature in Ink)

Name: J. Harold Todd

(Please Print)

Date: August 16, 2018

Title: President

Web Address: www.tbandl.com

Phone: 1-800-849-6669

Email: Niel.welborn@tbandl.com

Fax #: 1-877-328-8242

ACKNOWLEDGE RECEIPT OF ADDENDUM: #1 _____ #2 _____ #3 _____ #4 _____ #5 _____ (please initial)

SMALL, WOMAN OR MINORITY OWNED BUSINESS:

✓ YES; ☐ NO; *IF YES* ⇒ ⇒ ✓ SMALL; ☐ WOMAN; ☐ MINORITY *IF MINORITY*: ☐ AA; ☐ HA; ☐ AsA; ☐ NW; ☐ Micro

Note: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, § 2.2-4343.1 or against an offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.



July 13, 2018

ADDENDUM NO. ONE

TO ALL OFFERORS:

REFERENCE: Request for Proposal No: **RFP# LBS-997**
RFP Issue Date: **June 22, 2018**
Commodity: **Collection Services**
RFP Closing On: **August 16, 2018 at 2:00 p.m. (Eastern)**

Please note the clarifications or change(s) made on this proposal:

Question: Who are the current vendors?

Answer: VASCUPP currently has contracts for collection services with Alltran Education, Inc, ConServe., Recovery Management Services, Inc., Todd, Bremer, & Lawson, and Williams & Fudge. The contractors used by individual VASCUPP institutions can be found within the *Background* section of the RFP.

Question: What are the rates of the current vendors?

Answer: Contract rates can be found within the contract documents located at www.vascupp.org

Question: An Attestation Audit is required. Due to the lack of Perkins placements in recent years, our firm has not performed this audit since 2014. Will our last audit report suffice? If awarded a contract we will resume obtaining this annual audit.

Answer: Contracted firms are required to provide a copy of the firm's Attestation Audit Letter annually to the VASCUPP institution(s). Refer to Question IV.C.10: Provide a copy of your firm's most recent federally required Student Financial Assistance compliance (attestation) audit letter.

Question: Are financials required to be submitted? If so, is the requirement reviewed or audited financials?

Answer: Refer to Section IV, C, Question #33.

Question: Within the Statement of Needs-Section A it states that "accounts shall be placed with a credit bureau within sixty (60) days of placement with the Contractor". Our firm credit reports at 90 days in order to provide the student with ample time to resolve their debt without credit impact. Will VASCUPP allow us to keep this at 90 days?

Answer: As stated in RFP# LBS-997: Contractor shall report to a minimum of one (1) national credit bureau each account referred by the VASCUPP institution, with the exception of Federal Perkins loans (*Federal Perkins loans are reported to the credit bureau by separate loan billing agents*). The accounts shall be placed with a credit bureau within sixty (60) days of placement

with the Contractor. Contractor will make the necessary corrections when an account is reported in error.

Question: Is the University aware of the new collection laws that took effect on July 1? Will this apply to institutional loans that the University may place for collection or possibly tuition accounts that may have a signed student financial services agreement in place?

Answer: We are aware of the new collection laws that took effect on July 1, 2018. As stated in the RFP, Contractors shall be responsible for providing collection services to the VASCUPP institution in accordance with all regulations and laws to include, but not limited to, the following:

- **Federal Regulations for Perkins loans**
- **Fair Debt Collection Practice Act**
- **Virginia Debt Collection Act (§ 2.2-4800 et seq.),**
- **Consumer Credit Protection Act**
- **National Defense Education Act of 1958, Title II,**
- **Public Health Service Act Titles VII and VIII,**
- **Gramm-Leach-Bliley Act**

Sincerely,

A handwritten signature in blue ink, appearing to read 'LeeAnne', is written over a horizontal line.

LeeAnne Beatty Smith, CPPB, VCA, CUPO
Buyer Senior, Contract Purchases
Phone: (540-568-7523)

PROCUREMENT SERVICES
MSC 5720
752 Ott Street
Wine-Price Building
Harrisonburg, VA 22807
540.568.7523 Phone



July 23, 2018

ADDENDUM NO. TWO

TO ALL OFFERORS:

REFERENCE: Request for Proposal No: **RFP# LBS-997**
RFP Issue Date: **June 22, 2018**
Commodity: **Collection Services**
RFP Closing On: **August 16, 2018 at 2:00 p.m. (Eastern)**

Please note the clarifications or change(s) made on this proposal:

Question: Why has VASCUPP decided to issue a RFP separate from the RFP currently being held by the Commonwealth of Virginia for statewide collection services?

Answer: **VASCUPP currently has their own contracts for collection services due to the unique needs of higher education institutions for this service. This RFP seeks to replace those contracts.**

Question: Which billing servicers do VASCUPP institutions use?

Answer: **Billing servicers are detailed in the Background Statement of RFP# LBS-997.**

Question: Does VASCUPP add collection costs to accounts? If so, please provide samples of student agreements/documentation that authorizes the addition of collection costs.

Answer: **VASCUPP schools communicate how collection costs are assessed through various mechanisms (i.e. website, catalogs, pre-collection letters, etc). If awarded a contract and contacted by an individual VASCUPP institution to provide collection services, the Contractor may request to see examples of how/where that particular institution notifies students of how collection costs are assessed.**

Question: Reference Part IV- Statement of Needs, Section C, Question #25 – Please provide more information on how VASCUPP wishes collection agencies to assist with FISAP. Are VASCUPP's current collection agencies providing this service?

Answer: **We are simply interested in knowing if there are services that offerors could provide to assist with FISAP. We do not believe these services are being provided currently.**

Question: Reference Part IV-Statement of Needs, Section C, Question #34- Three references are asked for here, at least five are sought on Attachment A. Is it ok to repeat references, or is the RFP seeking a total of 8+ distinct references?

Answer: **Statement of Needs, Section C, Question #34 asks that offerors provide three (3) references of higher education institutions where their firm currently provides collection services. References provided in Section C, #34 may be repeated in Attachment A if so desired.**

Question: Reference Part IV-Statement of Needs– Should proposals respond to Section IV. Statement of Needs in its entirety or only items listed in subsection C?

Answer: Offerors should respond to the questions in Section C. If the Offerors takes exception to any item in Section A or B this should be notated within their response.

Question: Reference Part V, Section A, #3.c – In lieu of labeling every paragraph of our response with the corresponding RFP requirement, will VASCUPP accept proposals that restate each response requirement in numerical order, immediately followed by our response? This, combined with a table of contents that cross references RFP requirements, will provide RFP evaluators with the most straightforward and easy to follow format.

Answer: Yes.

Question: Reference Part IV, Section A, #4 – How will scores for SWaM participation be calculated? Part VIII. Special Terms and Conditions, J. states that the Commonwealth has a goal of 42%. Is there a minimum percentage of the contract value that VASCUPP expects agencies to meet/subcontract?

Answer: Offerors that are SWaM certified by Virginia's Small Business and Supplier Diversity (SBSD) department on the day that the solicitation closes will receive the full 10 points; Offerors that submit a SWaM subcontractor plan (Attachment B) shall receive a percentage of the full 10 points based on the submitted SWaM subcontractor spend. Offerors are not required to be SWaM certified in order to submit a proposal.

Sincerely,



LeeAnne Beatty Smith, CPPB, VCA, CUPO
Buyer Senior, Contract Purchases
Phone: (540-568-7523)

PROCUREMENT SERVICES
MSC 5720
752 Ott Street
Wine-Price Building
Harrisonburg, VA 22807
540.568.7523 Phone



August 3, 2018

ADDENDUM NO. THREE

TO ALL OFFERORS:

REFERENCE: Request for Proposal No: **RFP# LBS-997**
RFP Issue Date: **June 22, 2018**
Commodity: **Collection Services**
RFP Closing On: **August 16, 2018 at 2:00 p.m. (Eastern)**

Please note the clarifications or change(s) made on this proposal:

Question: Reference Part IV Statement of Needs, Section C, Question # 30: Can you provide more information on what would constitute an "issue"? What is the level of information that you are looking for?

Answer: JMU defines an "issue" as any litigation. It is acceptable to provide dates, reasons, and resolution for each litigation issue within the previous five (5) years.

Question: Is it possible to obtain copies of the proposals form the last solicitation?

Answer: Successful proposals from previous VASCUPP institution solicitations are within the awarded contracts and may be viewed at www.vascupp.org . Unsuccessful proposals must be requested from the procurement department of the VASCUPP institution that issued the solicitation.

Sincerely,

LeeAnne Beatty Smith, CPPB, VCA, CUPO
Buyer Senior, Contract Purchases
Phone: (540-568-7523)

PROCUREMENT SERVICES
MSC 5720
752 Ott Street
Wine-Price Building
Harrisonburg, VA 22807
540.568.7523 Phone



August 13, 2018

ADDENDUM NO. FOUR

TO ALL OFFERORS:

REFERENCE:	Request for Proposal No:	RFP# LBS-997
	RFP Issue Date:	June 22, 2018
	Commodity:	Collection Services
	RFP Closing On:	August 16, 2018 at 2:00 p.m. (Eastern)
		August 21, 2018 at 2:00 p.m. (Eastern)

Please note the clarifications or change(s) made on this proposal:

The closing date and time has been extended to August 21, 2018 at 2:00 p.m. Eastern.

Question: Will each university supply the original Date of Default/Delinquency at time of placement in order to establish a valid Statute of Limitations?

Answer: State funded schools do not have a statute of limitation on their debts.

Question: Will collection costs be allowed and added to non-Perkins placements? If so, what authority does each university have to allow collection costs to be added to the amount placed?

Answer: Most VASCUPP schools add collection costs to non-Perkins placements and each school will communicate their process to selected Contractors. Authority is pursuant to Sec 2.2-4805 et seq., of the Code of Virginia, and in accordance with rules and regulations promulgated by the State Comptroller and Attorney General of the Commonwealth of Virginia.

Question: How will the collection costs to be imposed on an account be communicated by each university to us?

Answer: This is communicated at the time of placement.

Question: What are the schools' requirements regarding account retention?

Answer: This varies by university and will be communicated by the university to each new Contractor.

Question: Reference page 25, Letter J, Payment (d) of the RFP: This term and condition states that, "The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail...". Please clarify if this statement is referring to the consumer payments received and posted in our office or is the statement referring to payments made to the client by the agency.

Answer: This refers to payments made by the university (agency) to Contractors.

Question: Reference Part IV Section of Needs, Section C, Question # 17: Will the client accept a 14 day hold on payments to avoid returned payments?

Answer: Offerors should describe the process used in the event that Non-Sufficient Funds (NSF) check is returned from a debtor's payment.

Question: Reference Part IV Statement of Needs, Section C, Question # 15: Please define what is being referred to as "billing agent"?

Answer: The billing agent for each VASCUPP school is listed within the background statement.

Question: What are the collection fees currently being paid?

Answer: The current collection fees are specified within the current contracts, which can be found at www.vascupp.org.

Question: What are the settlement parameters (the % that can be forgiven) or does everything go through the VASCUPP schools?

Answer: As specified within the Statement of Needs, "The Contractor shall not settle any balance or agree to a compromise within the prior written agreement of the VASCUPP institution."

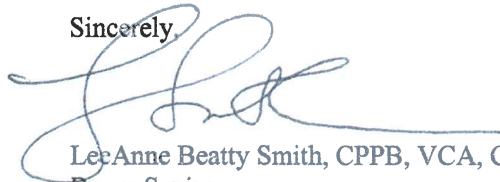
Question: How do we get the placements? Do the universities forward them?

Answer: VASCUPP institutions will deal directly with Contractor(s) after award and will forward any placements.

Question: How long do we keep the placements if we win the bid?

Answer: The length of the placement is determined by each VASCUPP institution.

Sincerely,



LeeAnne Beatty Smith, CPPB, VCA, CUPO
Buyer Senior

PROCUREMENT SERVICES
MSC 5720
752 Ott Street
Wine-Price Building
Harrisonburg, VA 22807
540.568.7523 Phone

Executive Summary

Todd, Bremer & Lawson (“the Firm”) has specialized exclusively in the third-party collection of delinquent obligations for colleges, universities, seminaries and private secondary schools in the United States for forty-four (44) years. The forty-four (44) years of third-party collection experience has made the Firm realize that every client (“business partner”) is different. Knowing the type of business partner will allow the Firm to interact efficiently. Each business partner is at a different point in the business model, and each business partner has a wide range of assets. The Firm’s business partner base extends across the United States to forty-three (43) states, with student-consumers in all fifty (50) states and fifty-seven (57) foreign countries.

Oral Presentation

The Firm does not want to answer any question in a way that it would preclude the Firm from consideration. The Firm agrees to give an oral presentation of the Firm’s solicitation to the *VASCUPP* institutions (“the creditor”) at a location designated by James Madison University. An oral presentation will provide an opportunity for the creditor to clarify and the Firm can elaborate on the solicitation but will in no way change the original tender. The creditor can schedule the Firm’s time and place of an oral presentation. Oral presentations are a preference of the creditor and the at the expense of the Firm.

Small, Women and Minority (SWaM) Vendor

In the Commonwealth of Virginia, small business means an independently owned and operated business which, together with affiliates, has two-hundred and fifty (250) or fewer employees, or average annual gross receipts of ten (10) million dollar or less averaged over the previous three (3) years. Todd, Bremer & Lawson (“the Firm”) NET average commission or contingency fees for the previous three (3) years is \$5,695,986.71, and the Firm employs thirty-six (36) associates. The Firm is a certified Small, Women and Minority (“SWaM”) vendors in the Commonwealth of Virginia. The Firm’s SWaM certification number is **673491**.

Todd, Bremer & Lawson Has the Resources to Devote to the Creditor

The Firm is not involved with contracts with the *United States Department of Treasury* or the *United States Department of Education* and the litigation issues surrounding the procurement process of the two (2) largest public contracts in the United States. As a result, the Firm has the capacity and resources to devote to the *VASCUPP* institutions.

Todd, Bremer & Lawson Specializes in Higher Education

The Firm is the oldest, privately held corporation, dedicated exclusively to third-party collection efforts of delinquent obligations for colleges, universities, seminaries and private secondary schools in the United States.

Todd, Bremer & Lawson Treats Everyone with Dignity and Respect

The Firm is committed to treating all student-consumers with dignity and respect.

Better Business Bureau “A+” Rating

The Firm’s rating with the *Better Business Bureau* (“BBB”) is an “A+.” BBB ratings represent the BBB’s opinion of how the Firm is likely to interact with *the VASCUPP institutions*. The Firm has been a member of the BBB since Tuesday, August 8, 2006.

Todd, Bremer & Lawson Maintains the Proper Relationship

The Firm invites the *VASCUPP* institutions to read the Firm’s *Google* reviews and compare the Firm’s 4.7 rating against all the other third-party collection agency providers.

Winners and Rankings for Best Places to Work in Collections 2017

insideARM.com’s announced the eleventh (11th) annual *Best Call Centers to Work For* program winners on Monday, June 4, 2018, as well as the rankings for all the categories. The Firm has earned a spot on the *Best Call Centers to Work For* list every year since 2013.

Todd, Bremer & Lawson Has Used the FACS® Platform Since 1986

On Friday, August 8, 1986, the Firm converted to the *Flexible Automated Collection System* (“FACS®”). During the last thirty-one (31) years, the Firm compliantly serviced 1,188,499 delinquent obligations totaling more than 1.5 billion dollars.

The Student-Consumer Can Communicate 24/7 in Real-Time

The *FACS Web*[™] component allows communication with the student-consumer when it is convenient with the student-consumer. The *FACS Web*[™] component will enable Internet access in real-time computing (“RTC”) twenty-four (24) hours a day and seven (7) days a week.

The Creditor Can View Data on FACS Web[™]

The *FACS Web*[™] component will allow Internet access in real-time computing (“RTC”) twenty-four (24) hours a day and seven (7) days a week to *the VASCUPP institutions* delinquent obligations through a secured login that controls access levels.

Todd, Bremer & Lawson Has Completed an SSAE 18 Audit

The *Gramm-Leach-Bliley Act* (“GLBA”), 15 US. C. § 6801, *et seq.* has no specific requirements for an SSAE 18/SOC 1 Type 2 audit. However, please be notified that the Firm engaged *Dixon Hughes Goodman LLP* to conduct an SSAE 18/SOC 1 Type 2 audit for the period of Saturday, July 1, 2017, to Sunday, December 31, 2017.

Todd, Bremer & Lawson Has Completed a Compliance Audit

Burkett, Burkett & Burkett, CPA, P.A.’s most recent attestation and compliance audit as required by the *title IV of Higher Education Act (“HEA”), 20 U.S.C. § 1071, et seq.* was dated Friday, June 30, 2018. The Firm inserted a copy of the Firm’s most recent attestation audit into a separate section of this solicitation.

Todd, Bremer & Lawson Has a Reputation of Financial Stability

There are no local, state or federal statutes or regulations requiring an audited financial statement. However, the Firm engaged *Burkett, Burkett & Burkett, CPA, P.A.* to conduct an audit of the Firm’s balance sheet as of Monday, June 30, 2018. Having audited financial statements speaks to the financial stability of any third-party collection agency provider. Todd, Bremer & Lawson (“the Firm”) inserted a copy of the Firm’s most recent audited financial statement into a separate section of this solicitation.

Todd, Bremer & Lawson Has \$2,000,000 of Cyber Liability Insurance

The Firm has \$2,000,000 of *cyber liability insurance*. *Cyber liability insurance* is an insurance product used to protect the Firm from Internet-based risks, and more generally from risks relating to information technology infrastructure and activities.

Todd, Bremer & Lawson Will Be a Grassroots Partner

In addition, as active members and participants of the *Higher Education Assistance Organization (“COHEAO”)* and *ACA International (“ACA”)*, the *Association of Credit and Collection Professionals*, the Firm works with the *VASCUPP institutions* to be a “grassroots partner” and contact local, state and federal lawmakers in an effort to shape critical decisions.

Todd, Bremer & Lawson Is Inherently More Compliant Than Others

The Firm is a third-party collection agency provider with thirty-seven (37) associates. Larger third-party collection agency providers may be fostering the concept that only the larger third-party collection agency providers can afford compliance departments, while ignoring the fact that small businesses are inherently more compliant than the larger ones, given the size and nature in which smaller third-party collection agency providers operate.

To add to the Firm’s reputation for exemplary customer service, a human voice will answer the telephone during regular business hours. This practice separates the Firm from the larger market participant (“LMP”) or other third-party collection agency providers with fifty (50) or more employees. The Firm has hired *Beverly Lewis (“Beverly”) Keely*, as the Firm’s primary receptionist to field incoming calls and direct them to the proper associate.

Statement of Needs

The VASCUPP institutions (JMU) seeks a Contractor that is an established industry leader in providing debt collection services that achieves the maximum recovery of debt for institutions of higher education. Specifically, the Contractor shall provide debt collection services for the following types of unpaid accounts: tuition and fees; student loans; returned checks; and miscellaneous receivable accounts.

Third-Party Collection Agency Services began in 1974

Todd, Bremer & Lawson ("the Firm"), incorporated on Monday, December 23, 1974, as Todd, Gregory & Associates, Inc., has been in business since **Friday, July 5, 1974**. The Firm specializes in the worldwide third-party collection efforts of delinquent obligations for colleges, universities, seminaries and private secondary schools. The Firm's client ("business partner") base extends across the United States to forty-three (43) states, with student-consumers in all fifty (50) states and fifty-seven (57) foreign countries. The Firm has specialized exclusively in the third-party collection of delinquent obligations for colleges, universities, seminaries and private secondary schools in the United States for forty-four (44) years. **TODD, BREMER & LAWSON, INC.** is the name in which the Firm has been doing business since Monday, March 29, 1976.

A. The Contractor shall be responsible for the following:

- Providing collection services to the VASCUPP institution in accordance with all regulations and laws to include, but not limited to, the following:
 - Federal Regulations for Perkins loans

HEA, 20 U.S.C. § 1070, et seq. Compliant

Todd, Bremer & Lawson ("the Firm"), pursuant to Federal Regulations, will comply with all applicable statutory provisions of or applicable to *title IV of the Higher Education Act ("HEA") 20, United States Code 1070, et seq.* and as set forth in 34 CFR §668.25(c).

- Fair Debt Collection Practice Act

FDCPA, 15 U.S.C. § 1692, et seq. Compliant

Todd, Bremer & Lawson ("the Firm") conforms to the appropriate State and Federal statutes that apply to third-party collection agencies. The Firm recognizes the authority of the Fair Debt Collection Practices Act ("FDCPA") 15 U.S.C. § 1692, et seq. to prohibit the Firm from engaging in unfair, deceptive, or abusive practices, including overcharging, harassment and disclosing student-consumer's delinquent obligations to third-parties. The Firms has included the Firm's procedures in complaining with the FDCPA into a separate section of this solicitation.

- Virginia Debt Collection Act (§ 2.2-4800 et seq.),

Virginia Debt Collection Act § 2.2-4800, et seq. Compliant

Todd, Bremer & Lawson (“the Firm”) recognizes the authority of the *Virginia Debt Collection Act § 2.2-4800, et seq.* as it relates to the accounting for, management and collection of all delinquent obligations due to the Commonwealth of Virginia.

- Consumer Credit Protection Act

TILA, 15 U.S.C. § 1601, et seq. Compliant

Since Todd, Bremer & Lawson (“the Firm”) is not a credit grantor or loan originator, most provisions of the Truth in Lending Act (“TILA”), 15 U.S.C. 1601, et seq. do not apply to the Firm’s operations. However, the Firm complies with the applicable portions of the TILA by only requesting amounts disclose to the student-consumer in TILA required disclosures or the underlying agreement between the *VASCUPP* institutions (“the creditor”) and the student-consumer. Alignment with TILA is ensured at the creditor’s onboarding process where the Firm imports interest, charges, and commission or contingency fees into the Flexible Automated Collection System (“FACS®”) for the accurate calculation of these charges.

- National Defense Education Act of 1958, Title II,

NDEA, 20 U.S.C. § 17, et seq. Compliant

Todd, Bremer & Lawson (“the Firm”), pursuant to Federal Regulations, will comply with all applicable statutory provisions of or applicable to *title II of the National Defense Education Act (“NDEA”), 20, U.S.C. 17, et seq.*

- Public Health Service Act Titles VII and VIII,

PHSA, 42 U.S.C. § 201, et seq. Compliant

Todd, Bremer & Lawson (“the Firm”), pursuant to Federal Regulations, will comply with all applicable statutory provisions of or applicable to *title VII and VIII of Public Health Service Act (“PHSA”), 42, U.S.C. 201, et seq.*

o Gramm-Leach-Bliley Act

GLBA, 15 U.S.C. § 6801, et seq. Compliant

Todd, Bremer & Lawson (“the Firm”) is very serious about ensuring that all of the Firm’s associates abide by the many facets of the *Gramm-Leach-Bliley Act (“GLB”), 15 U.S.C. § 6801, et seq.* Recognizing the very confidential nature of the third-party collection agency industry and the information the Firm handles, the Firm assigns top priority to its safeguard procedures. The Firm developed precautionary measures in conjunction with the requirements for all contractors of the *United States Department of Education (“DOE”), the Consumer Financial Protection Bureau (“CFPB”) and the Federal Trade Commission (“FTC”).* The Firm has included the Firm’s procedures in complying with the *GLB* into a separate section of this solicitation.

- Maintaining licenses as required by law, and in states necessary, to provide collection services.

The Firm Has a COA in Virginia

Todd, Bremer & Lawson (“the Firm”) has a Certificate of Authority (“COA”) in all fifty (50) states. The State Corporation Commission issued a COA in the Commonwealth of Virginia to the Firm. The Firm’s COA number is F176960-5. A certificate of authority is an authorization for the Firm to do business in a state other than the State of South Carolina.

The Firm Is Licensed in 6 Municipalities and 31 States

For Todd, Bremer & Lawson’s (“the Firm”), meeting the specific licensing requirements is a long, tedious and invasive process requiring the Firm to submit extensive license applications. The Firm has a license in six (6) municipalities and thirty-one (31) states where the right to collect and receive payment or solicit a client (“business partner”) from a college, university, seminary and private secondary school as required by local or state regulations. Every state does not have specific requirements for the licensing of third-party collection agency providers. **Virginia does not have a license requirement.**

The Firm Has a Statutory Bond in 28 States

Todd, Bremer & Lawson (“the Firm”) maintains statutory bonds in twenty-eight (28) states and municipalities for a total of \$585,000 as required by local or state statutes and regulations. **Virginia does not have a statutory bond requirement.**

- Undertaking the collection of all accounts referred by the VASCUPP institution without regard to the amount.

Minimum Balance Receive Maximum Effort

Todd, Bremer & Lawson is committed to full skip tracing and interstate communications, including telephone, mail or facsimile transmission, no matter the volume, balance or age of the delinquent obligation.

Todd, Bremer & Lawson (“the Firm”) believes that if the VASCUPP institutions (“the creditor”) has taken the time and effort necessary to transfer to the Firm’s stewardship a delinquent obligation for third-party collection efforts, it is important enough to receive the Firm’s complete attention. The Firm does not care whether the delinquent obligation is a primary, secondary, tertiary or beyond placement.

Therefore, the Firm is committed to full skip tracing and interstate communications, including telephone, mail or facsimile (“FAX”) transmission, no matter the volume, balance or age of the delinquent obligation referred to the Firm’s stewardship by the creditor for third-party collection efforts.

- Accepting cancellations, deferments, or postponements for any referred collection and Contractor agrees that no fees shall be charged to the VASCUPP institution in this event. The VASCUPP institution reserves the right to request the return of an account for any reason.

No Charge for Cancellations, Deferments or Forbearance

Todd, Bremer & Lawson (“the Firm”) will allow the VASCUPP institutions (“the creditor”) the right to close any and all delinquent obligations upon approval of any entitlement (i.e., deferment, forbearance or cancellation) if the entitlement results in the delinquent obligations becoming current and return it to the creditor without charge. Forbearance is usually a temporary postponement of payments. Regardless of when the college, university, or seminary makes the loan, forbearance is available for all loans made under the Federal Perkins Loan Program. The Firm will recalculate collection costs on any amounts still owed by the student-consumer if the entitlement does not bring the delinquent obligation current.

Allow the Right to Recall Any Delinquent Obligation without Charge

Todd, Bremer & Lawson (“the Firm”) will allow the VASCUPP institutions, the right to recall, in whole or in part, without charge any and all delinquent obligations in cases in which the creditor, deems that an error has occurred, or in all cases the creditor, believes it to be in the creditor’s best interest to recall the delinquent obligation.

- Maintaining detailed and accurate accounting ledgers of all collected and disbursed monies throughout the contract period and providing a detailed accounting report at any time upon request by the VASCUPP institution.

Invoice and Remittance Are Used to Reconcile

The *invoice* or *remittance* report serves as useful tools when reconciling the status of delinquent obligations under the stewardship of Todd, Bremer & Lawson (“the Firm”). The Firm provides an *invoice* or *remittance* report that identifies each delinquent obligation successfully collected, the date paid, current balance, the total paid to us or the VASCUPP institutions (“the creditor”) (“the Firm”), the commission or contingency fees or charge and the total due to the creditor for each delinquent obligation. The creditor can elect the billing cycle (i.e., daily, weekly, bi-monthly or monthly, et cetera) and any form of payment option. The *invoice* and *remittance* report summarizes collections received on each student-consumer’s delinquent obligation. The creditor can also elect to receive the *invoice* and *remittance* either **NET** or **GROSS** amount.

The Firm Provides the FACS Web™ Component with a Report Builder

There is some manipulation that the VASCUPP institutions (“the creditor”) may do with the standard or delivered reports in the FACS Web™ component. In addition to the standard or delivered reports, the *Flexible Automated Collection System* (“FACS®”) has a component called the *Report Writer®*, which enables the Firm to query any data field in the FACS® platform. The *Report Writer®* creates a dynamic, reusable report that displays information not available in a standard or delivered report.

- Providing a copy of the firm’s Attestation Audit Letter annually to the VASCUPP institution.

Another Way to Prove Financial Reliability

The financial reliability of Todd, Bremer & Lawson (“the Firm”) is identifiable through examination of its third-party servicer audit. Any reliable third-party collection agency provider must agree to comply with all the rules and regulations, where applicable, between the VASCUPP institutions (“the creditor”) and the Firm as required by the *United States Department of Education* (“DOE”) regulations pursuant to requirements contained in 34 CFR 668.25 (c) concerning compliance. Having an attestation audit speaks to the financial stability of a third-party collection agency provider. The Firm inserted a copy of the Firm’s most recent attestation audit into a separate section of this solicitation.

- Remitting to the VASCUPP institution each month the net total of funds collected (*after debtor check payments have cleared*) in the previous month, with the exception of the funds collected for Federal Perkins Loans. Federal Perkins Loan account collections shall be remitted directly to the billing agent designated by the VASCUPP institution. The VASCUPP institution agrees to remit collection fees to Contractor in the event payments are made directly to the institution or the Billing Agent.

The Creditor Can Elect the Billing Cycle

The VASCUPP institutions (“the creditor”) can elect the billing cycle (i.e., daily, weekly, bi-monthly or monthly, et cetera) and any form of payment preference. The creditor can also elect to receive the invoice and remittance either **NET or GROSS** amount of each collection. Todd, Bremer & Lawson (“the Firm”) will provide an invoice or remittance that clearly identifies each delinquent obligation successfully collected, the date paid, current balance, the total paid to the Firm or the creditor, the commission or contingency fees and the total due to the creditor for each delinquent obligation.

Direct Invoice and Remittance

A direct invoice and remittance report take into account that there are times when payments from student-consumer pay the VASCUPP institutions (“the creditor”) or the creditor’s third-party billing service provider. Payments received by the Firm can separate the creditor’s invoice and remittance report between those made directly to the creditor or the creditor’s third-party billing service provider and Todd, Bremer & Lawson (“the Firm”). The Firm clients (business partner) appreciate the fact that the Firm strives to make accounting simple. There is entirely no reason for the Firm to complicate the creditor’s process. One of the goals is to make a creditor’s job easier.

The Firm Can Provide a Separate NSF Invoice and Remittance

Todd, Bremer & Lawson (“the Firm”) can provide a separate non-sufficient fund (“NSF”) invoice or remittance through the Flexible Automated Collection System (“FACS®”). The VASCUPP institutions (“the creditor”) can elect to receive this type of invoice and remittance either **NET or GROSS** amount of each collection. A separate non-sufficient funds (“NSF”) invoice or remittance is uploaded and archived on the FACS Web™ component on a monthly basis. The non-sufficient funds (“NSF”) invoice and remittance are in a portable document format (“PDF”).

The Firm Will Be Remit to the Third-Party Billing Service Provider

Payments received by Todd, Bremer & Lawson (“the Firm”) can be remitted directly to the VASCUPP institution’s (“the creditor”) third-party billing service provider.

- Reporting to a minimum of one (1) national credit bureau each account referred by the VASCUPP institution, with the exception of Federal Perkins loans (*Federal Perkins loans are reported to the credit bureau by separate loan billing agents*). The accounts shall be placed with a credit bureau within sixty (60) days of placement with the Contractor. Contractor will make the necessary corrections when an account is reported in error.

Reporting Delinquent Obligations to Credit Bureaus

Todd, Bremer & Lawson (“the Firm”) can report to credit reporting agencies (“CRA”) if the VASCUPP institutions (“the creditor”) requests the Firm to do so (e.g., CBCInnovis, Equifax®, and TransUnion®). The Firm does not charge for credit reporting of delinquent obligations under the stewardship of the Firm.



Credit Reporting Can Be At the “System Level” or the “Client Level”

The *Flexible Automated Collection System* (“FACS®”) is set at the ‘system level’ to automatically report to the credit reporting agencies (“CRA”) any referred delinquent obligation in stewardship of Todd, Bremer & Lawson (“the Firm”) ninety (90) days from the date of referral if the principal balance is greater than \$250.00. **The Firm can set the “client level” at more stringent settings if required by the terms and conditions of the agreement.**

The Firm Reports Accurate and Complete Information to the CRA

Todd, Bremer & Lawson (“the Firm”) is a data furnisher. As such, the *Fair Credit Reporting Act* (“FCRA”), 15 U.S.C. § 1681, et seq. and *Fair Debt Collection Practices Act* (“FDCPA”), 15 U.S.C. § 1692, et seq., along with governmental agencies such as the *Consumer Financial Protection Bureau* (“CFPB”) and the *Federal Trade Commission* (“FTC”), impose many responsibilities on the Firm. The Firm’s accuracy and integrity policies address the steps the Firm takes to ensure the data we furnish to a credit reporting agency (“CRA”) is accurate and complete. The accuracy and integrity policies also supplement the policies regarding the Firm’s response to student-consumer disputes about the information the Firm furnishes to a CRA. These policies and procedures apply to all the Firm’s, associates, third-party vendors, consultants, part-time associates, service providers and any third-parties who participate in furnishing information about student-consumer delinquent obligations to the CRA.

- Designating a primary point of contact for the VASCUPP institution and provide a toll free phone number for debtors.

Niel Welborn Will Be Representing the Firm

Max Oniel (“Niel”) Welborn, Jr., Post Office Box 36788, Rock Hill, South Carolina, 29732-9360, is the person to receive notices and is authorized to make decisions and represent Todd, Bremer & Lawson’s (“the Firm”). Niel Welborn is the corporate vice president for the Firm. There are no limitations to the authority of Niel Welborn or any other corporate officer.

Executive-Level Respondent	Max Oniel (“Niel”) Welborn, Jr.
Telephone	800.849.6669
Cell	803.370.0181
e-Mail address	niel.welborn@tbandl.com
Address	P.O. Box 36788
City	Rock Hill
State	South Carolina
Zip	29732-93602

Inquiries will be handled in Niel’s Absence

Max Oniel (“Niel”) Welborn, Jr., will have the responsibility and authority for all the VASCUPP institution (“the creditor”) delinquent obligations. In Niel’s absence, Gina Romano (“Gina”) Santoro, the Firm’s director of client services, and Cora Elizabeth (“Cora”) Nicholson, FACS Web™ specialist, will serve as the liaison between Todd, Bremer & Lawson (“the Firm”) and the creditor. Contact both Gina and Cora can at 800.849.6669 during regular business hours. Gina’s cell phone is 803.280.4664, and Gina’s e-Mail is gina.santoro@tbandl.com, and Cora’s cell phone is 803.367.1794, and her e-Mail is cora.nicholson@tbandl.com. Each creditor can be assured access.

The Student-Consumer’s Toll-Free Number Is 877.427.6544

Todd, Bremer & Lawson (“the Firm”) has an established toll-free telephone number dedicated to outgoing and incoming calls to and from student-consumers. **The student-consumer’s toll-free number is 877.427.6544.** The Firm has had this toll-free number for student-consumer since Tuesday, August 3, 2010. This toll-free number appears on all written correspondence to the student-consumers. Clients (“business partner”) are encouraged to give this toll-free number to all student-consumers.

The Student-Consumer's e-Mail is account.help@tbandl.com

Todd, Bremer & Lawson ("the Firm") has established an e-Mail address dedicated to outgoing and in-coming e-Mails to and from student-consumers. The student-consumer e-Mail address is account.help@tbandl.com. This e-Mail appears on all written correspondence to the student-consumers. Clients ("business partner") are encouraged to give this e-Mail to all student-consumers.

- Maintaining a fidelity bond that names the Commonwealth of Virginia as the beneficiary in the amount of one hundred thousand (\$100,000) dollars throughout the term of the contract.

Professional Liability Insurance

Professional liability insurance (i.e., errors & omissions blanket bond) is a form of liability insurance. Professional liability insurance helps protect Todd, Bremer & Lawson ("the Firm") from bearing the full cost of defending against a negligence claim made by a client ("business partner") and damages awarded in such a civil lawsuit. The coverage focuses on alleged failure to perform, financial loss caused and, error or omission in the third-party collection efforts.

Law requires professional liability insurance in some areas for certain kinds of professional practice (e.g., third-party collection agency industry). The Firm agrees to obtain and maintain professional liability insurance of \$2,000,000, naming the VASCUPP institutions ("the creditor") as a beneficiary of The Great America Insurance. The Great America Insurance has an AM Best rating of A+.



- Submitting a report with each monthly remittance check that includes the following information at a minimum for each account:
 - Name of the debtor
 - Account number
 - Date of payment by the debtor
 - Payment amount
 - Total amount paid for collection services
 - Total amount paid to VASCUPP institution

The Creditor Can Elect the Billing Cycle

Todd, Bremer & Lawson (“the Firm”) will provide an *invoice* or *remittance* that clearly identifies each delinquent obligation successfully collected (i.e., student name, university identification number), the date paid, current balance, the total paid to the Firm or the *VASCUPP* institutions (“the creditor”), the commission or contingency fees and the total due the creditor for each delinquent obligation. The creditor can elect the billing cycle (i.e., daily, weekly, bi-monthly or monthly, et cetera) and any form of payment preference. The creditor can also choose to receive **the *invoice* and *remittance* either NET or GROSS** amount of each collection.

The Firm Will Not

- Have authority to file suit on any account referred by the VASCUPP institution.

The Firm Must Have Written Authorization to Begin Legal Action

Todd, Bremer & Lawson (“the Firm”) agrees that from time to time in the process of third-party collection efforts for the *VASCUPP* institutions (“the creditor”), legal action may be necessary to collect certain delinquent obligations. The Firm understands that the Firm does not have the authorization to commence legal action on any delinquent obligation.

- Settle any account balance or agree to a compromise without the prior written agreement of the VASCUPP institution.

The Firm Must Have Written Authorization to Accept a Discount

The *Equal Credit Opportunity Act* (“*ECOA*”), 15 U.S.C. § 1691, et seq. prohibits discrimination in credit transactions against student-consumers in protected classes. This discrimination need not be intentional to violate the *ECOA*; it is sufficient to create an effect that negatively impacts protected class student-consumers more than student-consumers from other groups. To be compliant with the *ECOA*, it is essential for Todd, Bremer & Lawson (“the Firm”) to request written authorization from the *VASCUPP* institutions (“the creditor”) to accept the discount.

- Share in funds collected by the VASCUPP institution as a result of exercising authority for the Commonwealth Debt right of set-off granted by the Code of Virginia. The VASCUPP institution will notify the Contractor of any set-off monies received.

Amounts Recovered as Tax Offsets, Setoffs or Warrant Holds

Todd, Bremer & Lawson (“the Firm”) will allow the VASCUPP institutions (“the creditor”) the right to recall without charge any delinquent obligations resolved as a result of exercising authority for the right of debt set-off granted by the tax refund intercept program or through a warrant hold. Any adjustments made to a delinquent obligation resulting from this intercept program will not cause a commission or contingency fee.

- Refer an account placed with the Contractor to another collection agency without prior approval by the VASCUPP institution.

The Firm Will Not Subcontract to a Third-Party Collection Agency

Todd, Bremer & Lawson (“the Firm”) will not refer a delinquent obligation referred to another third-party collection agency for third-party collection efforts.

- Perform services on an account that is subject to bankruptcy proceedings. The Contractor shall notify the VASCUPP institution immediately in writing of any bankruptcy notices.

Bankruptcy Will Be Handled with an Abundance of Care

Todd, Bremer & Lawson (“the Firm”) will handle bankruptcy with an abundance of care. Notice of any student-consumer bankruptcy filing will cause third-party collection efforts to stop immediately.

Delinquent Obligations Will Be Scrubbed Daily for Bankruptcy

Once a delinquent obligation is loaded into the *Flexible Automated Collection System* (“FACS®”) the delinquent obligation is scrubbed for bankrupt student-consumers. The FACS® platform blocks *Federal Debt Validation Letter* (“G-Notice”) from ever leaving Todd, Bremer & Lawson (“the Firm”) if bankruptcy is confirmed and the VASCUPP Institutions (“the creditor”). The Firm will notify the creditor through a cancel report. The Firm will return delinquent obligations that bankruptcy is confirmed, accompanied by a complete address, address for employment, bank or another source of income discovered by the Firm.

CBCInnovis® Confirm Bankruptcy Notices

Once a delinquent obligation is loaded into the *Flexible Automated Collection System* (“FACS®”) the delinquent obligation is scrubbed for bankrupt student-consumers. Daily the Firm sends an electronic file with all the delinquent obligations placed in stewardship to CBCInnovis®. The FACS® platform stores bankruptcy information in a user-defined window (#118). The FACS® platform sends an exception report to Shannon Todd (“Shannon”) Golightly, the Firm’s collection manager, for a manual review before the *Federal Debt Validation Letter* (“G-Notice”), is requested and sent to the student-consumer. A user-defined window is a customized group of fields to indicate additional information that the FACS® platform stores about a user.

The collector (“professional collection specialist”) can access a user-defined window when the Firm creates or maintain a user (e.g., create a user-defined window to include a user’s employment start date and enter the employment start date for a user in the user-defined window when the Firm creates the user). The FACS® platform blocks the G-Notice collection notice from ever leaving Todd, Bremer & Lawson (“the Firm”). The VASCUPP institutions (“the creditor”) receives a *cancel report*. *Cancel reports* are delivered monthly, quarterly, yearly or upon request by the creditor. The frequency of the cancel report is the creditor’s preference.

FACS® System User-Defined Window 118

Death / Bankrupt (118-BKDM)			
	Deceased:		Bankruptcy:
	Death Date:	10/16/08	Chapter:
			Filing Date:
			Bankruptcy Status:
			Case Number:
	Cease Date:		Discharge Date:

The Firm's Approach

C. Describe in detail your firm's approach to each of the following items. Failure to provide responses to the items below may result in rejection of the proposal.

1. Describe in detail the types of accounts for which your company performs and provides debt collection services.

The Firm Collects for a Variety of Types of Delinquent Obligations

Todd, Bremer & Lawson ("the Firm") provides third-party collections for various types of delinquent obligations that may be placed to the stewardship of the Firm by the *VASCUPP* institutions ("the creditor"). These delinquent obligations are general in nature and may include but are not limited to: Federal Perkins loans, National Direct Student loans, National Defense Student loans, Health Profession Student loans, Nursing Student loans, Loans for Disadvantaged Students or Nurse Faculty loans, institutional loans, student account receivables and other types of delinquent obligations (e.g., overpaid benefits, library fees, salary overpayments, utility charges, returned checks, damage fees, conference and hotel charges, pharmacy and medical charges, veterinary charges, dental charges, and parking violations for governmental entities et cetera).

The Firm is set apart from other third-party collection agency providers with extensive experience from many different vertical markets. The Firm trains collectors ("professional collection specialist") in the third-party collection of, student account receivables, state receivables, state utility charges, various state healthcare accounts, and local and state parking violations.

2. Describe the standard methodologies employed to maximize the collection of account receivables. Include the minimum number of telephone calls to debtors and the maximum number of telephone calls to debtors.

Third-Party Collection Attempts

Provisions to satisfy and monitor due diligence efforts will be modified to fulfill the terms and conditions of the *VASCUPP* institution ("the creditor"). The *Fair Debt Collection Practices Act* ("FDCPA"), 15 U.S.C. § 1692, et seq. defines collection attempts as interstate communications, including telephone, mail or facsimile ("FAX") transmission. There are other ways to characterize collection attempts. First, the Firm loads a delinquent obligation into the *Flexible Automated Collection System* ("FACS®"). Then the delinquent obligations are scrubbed for bankruptcies, deaths and litigious student-consumers.

Todd, Bremer & Lawson (“the Firm”) verifies information reported through the *National Change of Address* (“NCOA®”). The Firm scores delinquent obligations through the *National Student Clearinghouse*® for a “probability score.” Rather than having a separate skip tracing department, Todd, Bremer & Lawson (“the Firm”) has found it abundantly more effective to allow the collector (“professional collection specialist”) to skip trace delinquent obligations in stewardship with the Firm. The Firm can report to credit reporting agencies (“CRA”) if the creditor requests the Firm to do so (e.g., *CBCInnovis*, *Equifax*®, and *TransUnion*®). The *Guaranteed Contacts*® (“GC”) can run a particular dialing campaign just on the creditor’s delinquent obligations, and the delivery of letter campaigns has always formed a significant and growing service for many third-party collection agency providers.

Data Scrubbing

Data scrubbing is the process of amending delinquent obligations, and scrubbing identifies much regarding the student-consumer. “Scrub” is a technical term the Firm uses to describe searching electronic files of student-consumers. When the Firm “scrubs,” the Firm sends electronic files to a third-party vendor to identify student-consumers for bankruptcies, deaths and litigious student-consumers.

Agency Ties

An “agency tie” occurs when *Flexible Automated Collection System* (“FACS®”) delinquent obligations for the same student-consumer are tied and are in different phases of the collection process. Agency ties most often happen when a new delinquent obligation is in stewardship with Todd, Bremer & Lawson (“the Firm”) and belongs to the same student-consumer having another delinquent obligation deep within the third-party collection process. The *FACS*® platform automatically identifies multiple delinquent obligations for the same student-consumer and ties these delinquent obligations together when the delinquent obligations are assigned.

Probability Score

Scoring gives Todd, Bremer & Lawson (“the Firm”) a better idea on how to assist the student-consumer and which delinquent obligations are most likely to pay. Credit is not part of a “probability score” at the Firm. Therefore, there is no anxiety about a *Fair Credit Reporting Act* (“FCRA”), 15 U.S.C. § 1681, *et seq.* or *Equal Credit Opportunity Act* (“ECOA”), 15 U.S.C. § 1691, *et seq.* violation. The Firm assigns a medal to each delinquent obligations (i.e., platinum, gold, silver or bronze).

If the *VASCUPP* institution (“creditor”) wants to make sure that their third-party collection agency provider can accurately and efficiently manage their portfolio, the creditor must be sure that their third-party collection agency provider has a mathematical process for understanding which delinquent obligations to call the most. Scoring delinquent obligations by medal and probability better allow the Firm to manage the netback to the creditor.

FACS® System User Defined Window 123

TBL Score		(123-TBLS)	
General		W 123	
Date Last Attend:	05/08/2014	TBL Medal Score:	2-Gold
Semester Start:	6		
Listed on NSCH		Client report NSCH:	
School Attended:	Auburn University		

Manual and Batch Skip Tracing

There is a debate on which is the most efficient way to skip trace a delinquent obligation. The old school method is to have a collector (“professional collection specialist”) manually skip trace a delinquent obligation using resources and tools provided by Todd, Bremer & Lawson (“the Firm”). The new school method that has been around for a while now is batch skip tracing. The reality is that manually skip trace and batch skip tracing provide value to the overall objective which is finding the student-consumer, generating a right-party contact, and collecting the delinquent obligation.

Manual Skip Tracing

When done correctly, manual skip tracing can be the most effective method, although not the most efficient. Manual skip tracing and having eyes on each delinquent obligation will result in a successful strategy producing the desired or intended result. The Firm believes that with the understanding that the professional collection specialist is well trained, skilled and knows what the professional collection specialist are doing. Manual skip tracing is an art form in a sense, and it takes a well-trained eye to know what to look for and just as importantly what to avoid.

Professional collection specialists need to be intuitive and use their judgment based on what the professional collection specialist feel instinctive. Several web-based platform sites offer the ability to manual skip trace although more third-party collection agencies are switching to batching. The Firm allows professional collection specialist access to four (4) web-based platforms (e.g., *LexisNexis®*, *TLOxp*, *CBCInnovis®* and *National Student Clearinghouse®*) so each professional collection specialist can leverage multiple resources when searching for student-consumers. The Firm cannot express the importance of implementing a significant training program for professional collection specialists using such platforms. From experience, just turning a professional collection specialist loose with skip tracing tools and telling the professional collection specialists to find the student-consumer is the least efficient, and efficient method. The Firm takes the time to develop training that covers skip tracing from A to Z and ensures the training is practical and once it unleashes the information on the professional collection specialists and watches the results.

Unique Approach to Skip Tracing

Rather than having a separate skip tracing department, the Firm has found it abundantly more useful to allow the professional collection specialist to skip trace delinquent obligations in stewardship with the Firm. At other larger market participant (“LMP”) or other third-party collection agency provider with more than fifty (50) employees the professional collection specialists and skip tracers have to share the commission or contingency fee. The Firm’s answer, however, is to spend more money training professional collection specialists and to provide the necessary resources to locate a student-consumer.

Batch Skip Tracing

While manual skip tracing may be the most effective method of skip tracing, batch skip tracing is the most efficient. The objective with batch skip tracing is to achieve maximum productivity with minimum wasted effort or expense. Maximum productivity is precisely what batch skip tracing does. In the time it takes a professional collection specialist to skip trace twenty-five (25) delinquent obligations manually, batch skip tracing can skip trace thousands upon thousands of records. During the onboarding process of setup with *LexisNexis®*, *NCOALink®*, and *AEC*, the Firm will work with batch skip tracing companies, to set up the most efficient method to provide the desired results. Batch skip tracing companies takes the Firm’s manual skip tracing training strategy and recreate manual skip tracing through the batch skip tracing process. While batch skip tracing cannot replace a set of natural eyes looking at each delinquent obligation, in collections the Firm works in a risk-versus-reward business, and it can be a right business decision when the reward outweighs the risk. Batch skip tracing has come so far over the years as well. One (1) of the significant testaments to this is that the reporting capabilities genuinely help the Firm mix and match the Firm’s overall strategy to garner the best results.

The Firm Blends Skip Tracing

The ultimate question is which better, manual skip tracing or batch skip is tracing. There are specific criteria the Firm considers when determining which method to use such as small balance, low score, and wrong demographics. The Firm wants to use batch skip tracing because, again, the risk may not be worth the reward and the Firm does not want to spend much time on delinquent obligations that are going to provide little or no return. On the flip side, higher balance, higher score, and better demographics would perhaps warrant both batch and manual skip tracing if the batching doesn’t produce the desired result. In the end, it is essential to find the right strategy that fits. The right approach can only be discovered by testing while using a champion/challenger strategy and ultimately going with the method or methods that will bring back the most significant return to the *VASCUPP* institution (“the creditor”).

First Outbound Telephone Communication

Neither the *Fair Debt Collection Practices Act* (“*FDCPA*”), 15 U.S.C. § 1692, *et seq.* or the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (“*UDAAP*”), 12 U.S.C. §§ 5481, 5531 & 5536(a), *et seq* tell Todd, Bremer & Lawson (“the Firm”) exactly how many calls in any period constitute a violation of the regulations. In general, calls placed repeatedly or continuously to any person or place of a student-consumer’s employment may give rise to disciplinary action under *FDCPA* or *UDAAP*.

Without the prior consent of the student-consumer given directly to the collector (“professional collection specialist”), the Firm will not call a student-consumer will be called more than ten (10) times per day and in total, no more than thirty (30) times per week and in total, no more than thirty (30) times per month in connection with any particular delinquent obligation. Student-consumers has the right under the *FDCPA* to limit the number of acceptable calls by providing notice to the professional collection specialist that other times and places are inconvenient. The *Flexible Automated Collection System* (“*FACS®*”) notates these restrictions so that these restrictions are reviewed before the professional collection specialist placing another call to the student-consumer.

Without the prior consent of the person given directly to the professional collection specialist the duration of time that must pass between calls to a student-consumer must be a minimum of four (4) hours. If the Firm has more than one (1) active delinquent obligation in the *FACS®* platform for a student-consumer, the restrictions on call frequency stated will apply to the delinquent obligations as an aggregate. This means if the Firm has four (4) active delinquent obligations in *FACS®* platform for a student-consumer, no person associated with the delinquent obligations will be called more than ten (10) times per day and in total, nor more than thirty (30) times per week and in total no more than thirty (30) times per month in connection with the collection of all four (4) delinquent obligations.

The Firm limits for any professional collection specialist of the Firm from calling a student-consumer at a place of employment without first having made a minimum of four (4) calls to the student-consumer’s residential phone number or cellular phone number. The Firm also prohibits the professional collection specialist from leaving a message for a student-consumer at a place of employment. It is also forbidden for any professional collection specialist of the Firm to contact the student-consumer at their place of work if the professional collection specialist knows or has reason to know that the student-consumer’s employer prohibits the student-consumer from receiving such communication.

Minimum Number and the Maximum Number of Telephone Calls

Compliantly it is impossible to predict the minimum number and the maximum number of telephone calls to student-consumer because some states impose particular restrictions on third-party collection agency providers when calling student-consumers in connection with the collection of a delinquent obligation. The following state laws provide particular limits on calling frequency.

- Arkansas-Must call the place of abode before calling the place of employment.
- Massachusetts-Initiating two (2) conversations per week. Voicemail is a communication unless the communication is in response to a request made by the student-consumer. An attempted call in which a collector (“professional collection specialist”) reaches a voicemail but does not leave a message constitutes a “communication.”
- Massachusetts-No calls to the place of employment.
- New Hampshire-One (1) phone call per month to the place of work.
- New York-Two (2) conversations per week. Voicemail is considered a communication.

- North Carolina-No calls to the place of employment unless there is no home or cell number.
- Oregon-Only calls a student-consumer's at the place of work only once per week.
- Vermont-No calls to the place of employment.
- Washington-Only three (3) communications in any form per week unless responding to a communication from the student-consumer.
- Washington-Only one (1) communication per week to the place of employment unless responding to a communication from the student-consumer.
- West Virginia-Only ten (10) conversations per week and a maximum of thirty (30) calls per month.

3. Describe any differences in your firm's processes for 1st placement recovery services vs 2nd placement recovery services.

The *Guaranteed Contacts*® (“GC”)

The *Guaranteed Contacts*® (“GC”) is a **manual call device** solution used by the Todd, Bremer & Lawson (“the Firm”) to segregate delinquent obligations and present special types of delinquent obligations in a work queue and utilize **special dialing campaign**. Delinquent obligations that have a low probability score (i.e., silver and bronze) are presented to the professional collection specialists in a separate work queue for special dialing campaigns. The Firm makes calls on these delinquent obligations in an attempt to be more than compliant with the terms and conditions of all agreements. GC will run a special dialing campaign just on the VASCUPP institutions (“the creditor”) delinquent obligations.

Pool Dialing

Delinquent obligations that have a low probability score (i.e., silver and bronze) are presented to the collectors (“professional collection specialist”) in a separate work queue for dialing campaigns. Most second placement delinquent obligations tend to score lower than first placement delinquent obligations (i.e., silver and bronze). The Firm runs separate dialing campaigns on these delinquent obligations in an attempt to be more than compliant with the terms and conditions of all agreements. The *Guaranteed Contacts*® (“GC”) can run a special dialing campaign just on James Madison University (“the creditor”) delinquent obligations.

4. Describe communication process with debtors. Provide examples of templates used.

Customer Service Approach to Verification

Todd, Bremer & Lawson's ("the Firm") verification policies necessitate that all student-consumers and authorized third-parties will be required to verify two (2) descriptors before any associate at the call center can discuss a delinquent obligation. On every inbound and outbound call, the Firm's professional collection specialists are required first to ask the student-consumer or authorized third-party to provide at least two (2) descriptors (e.g., address, birth date or Social Security number). If the student-consumer or authorized third-party is unable or unwilling to verify the accuracy of the descriptors on file, the collector ("professional collection specialist") will thank the student-consumer or third-party for their time, inform the student-consumer or third-party it will not be possible to communicate and ask the student-consumer or third-party if there is any message they would like to share with the Firm.

Phone Script Templates Used In Collection Practices

Mini-Miranda Disclosure Policies

The *Fair Debt Collection Practices Act* ("FDCPA"), 15 U.S.C. § 1692, *et seq.* requires that the full mini-Miranda warning only in the initial communication. However, it is a Todd, Bremer & Lawson ("the Firm") practice to state the mini-Miranda on all collection contacts with the student-consumer or authorized third-parties. This script template is the only version of the full mini-Miranda to be given.

This communication is from a debt collector. This is an attempt to collect a debt and any information obtained will be used for that purpose. [End of Script]

Verification Policy

On every inbound and outbound call, the Firm's collectors ("professional collection specialist") are required first to ask the student-consumer or authorized third-party to provide at least two (2) descriptors (e.g., address, birth date or social security number). This script template avoids third-party disclosure prohibited by the *Fair Debt Collection Practices Act* ("FDCPA"), 15 U.S.C. § 1692, *et seq.* and identity theft under the *Fair and Accurate Credit Transactions Act* ("FACTA"), 15 U.S.C. § 1681, *et seq.* and *Fair Credit Reporting Act* ("FCRA"): 15 U.S.C. § 1681, *et seq.*

(Student-consumer's name), my name is (collector name), and I'm with Todd, Bremer & Lawson, Inc. (Student-consumer's name), I have you at (name of the street), could you confirm your street number? (Student-consumer's name), could you confirm your date of birth or the last four (4) digits of your social security number? [End of Script]

Place of Employment Communication Policy

The *Fair Debt Collection Practices Act* (“FDCPA”), 15 U.S.C. § 1692, *et seq.* contains essential prohibitions against disclosure of debt to third-parties. To comply with these requirements, Todd, Bremer, & Lawson does not leave voicemail messages for student-consumers at their place of employment or with third-parties. When calling a place of employment, the collector (“professional collection specialist”) uses the script template below to ensure that the professional collection specialist does not disclose to a third-party and only after verifying the student-consumer’s identity at the student-consumer’s place of employment.

Hello, may I speak with (student-consumer’s name).

(Student-consumer’s name), my name is (collector name), and I’m with Todd, Bremer & Lawson, Inc. (Student-consumer’s name), I have you at (name of the street), could you confirm your street number? (Student-consumer’s name), could you confirm your date of birth or the last four (4) digits of your social security number? Thank you (student-consumer’s name). I have a personal business matter to discuss with you, but I understand your workplace records your calls. We value your privacy and prefer not to address this issue on a line that might be monitored by anyone but you. Is there a number we can call to reach you at home or a mobile number?

Do I have your consent to discuss this matter on this line?

Thank you (student-consumer’s name). This communication is from a debt collector. This is an attempt to collect a debt and any information obtained will be used for that purpose. Please be aware that we record my calls. [End of Script]

Outbound Communication Policy

The *Fair Debt Collection Practices Act* (“FDCPA”), 15 U.S.C. § 1692, *et seq.* requires that when calling a student-consumer, the script template below is used to ensure the professional collection specialist does not disclose to a third-party. The professional collection specialist uses the script template below to guarantee the professional collection specialist has verified the student-consumer’s identity on all outbound calls.

Hello, may I speak with (student-consumer’s name).

(Student-consumer’s name), my name is (collector name), and I’m with Todd, Bremer & Lawson, Inc. (Student-consumer’s name), I have you at (name of the street), could you confirm your street number? (Student-consumer’s name), could you confirm your date of birth or the last four (4) digits of your social security number? Thank you (student-consumer’s name). This communication is from a debt collector. This is an attempt to collect a debt and any information obtained will be used for that purpose. Please be aware that we record my calls. I’m calling you today concerning your delinquent obligation with the VASCUPP institutions (“the creditor”). [End of Script]

Inbound Communication Policy

The *Fair Debt Collection Practices Act* (“FDCPA”), 15 U.S.C. § 1692, *et seq.* requires that when a collector (“professional collection specialist”) receives an inbound call, the script template below is used to ensure the professional collection specialist does not disclose to a third-party. The below script template used for all incoming calls.

Todd, Bremer & Lawson, Inc. this is (collector name) how can I help you? Whom am I speaking with today?

Thank you (student-consumer’s name). I have you at (name of the street), could you confirm your street number? (Student-consumer’s name), could you confirm your date of birth or the last four (4) digits of your social security number? This communication is from a debt collector. This is an attempt to collect a debt and any information obtained will be used for that purpose. Please be aware that we record my calls. Please, how may I help you? [End of Script]

Leaving Voice Mail Messages Policies

The *Fair Debt Collection Practices Act* (“FDCPA”), 15 U.S.C. § 1692, *et seq.* as interpreted in *Zortman. J.C. Christensen & Associates* developed criteria that govern how to leave a voicemail for a right party. *Consumer Financial Protection Bureau* (“CFPB”) has looked favorably on this language to avoid third-party disclosure in voicemails. The professional collection specialist uses the following script template after adequately identifying the student-consumer.

This is a message from (collector name) at Todd, Bremer & Lawson, Inc. This is a call from a debt collector. Please call 877.427.65.44 (extension). [End of Script]

Payment Processing of a Single Check over the Phone Policy

The *National Automated Clearing House Association* (“NACHA”) governs payment processing and other state statutes and regulations. These requirements ensure that the professional collection specialist makes adequate authorizations, disclosures, and confirmations in every transaction, particularly electronic transactions. The professional collection specialist follows the script template below when taking a single check over the phone.

The last four (4) digits of this bank account number are (four (4) digit number). Is this information correct? As of today’s date, (month, day, year), you understand this is a one (1) time payment authorization giving us permission to create a check and present it for payment. Your approval is valid and to remain in effect unless you (student-consumer’s name), notify Todd, Bremer & Lawson, Inc. of its cancellation by calling us at 877.427.6544. You also understand you may call Todd, Bremer & Lawson, Inc. at 877.427.6544 during regular business hours if you have any questions. [End of Script]

Payment Processing of a Recurring Check over the Phone Policy

The National Automated Clearing House Association (“NACHA”) governs payment processing and other state statutes and regulations. These requirements ensure that the professional collection specialist makes adequate authorizations, disclosures, and confirmations in every transaction, particularly electronic transactions. The professional collection specialist uses the below script template when taking a recurring check over the phone.

The last four (4) digits of this bank account number are (four (4) digit number). Is this information correct? As of today’s date, (month, day, year), you understand this authorization for payment is for a recurring series of check payments. This payment authorization is valid and to remain in effect unless you (student-consumer’s name), notify Todd, Bremer & Lawson, Inc. of its cancellation by calling us at 877.427.6544 or issue a stop payment of the check with your bank. You also understand you may call Todd, Bremer & Lawson, Inc. at 877.427.65.44 during regular business hours if you have any questions. [End of Script]

Cease and Desist Policies

Refusal to pay is the equivalent of a cease and desist request under the *Fair Debt Collection Practices Act* (“FDCPA”), 15 U.S.C. § 1692, *et seq.* If a student-consumer refuses to pay, Todd, Bremer & Lawson (“the Firm”) must cease communications.

Are you saying that you refuse to pay this valid debt (student-consumer’s name)?

Well then, I will inform you now that you will receive no further communication from Todd, Bremer & Lawson, Inc. about this debt. However, I will also tell you that the VASCUPP institutions (“the creditor”) may choose to continue collection activity. Thank you and have a good day. [End of Script]

Skip Tracing and Location Information Policy

Locating consumers, or skip tracing, is an essential function for collection agents. There are significant considerations, however, for skip tracing in a manner compliant with the *Fair Debt Collection Practices Act* (“FDCPA”), 15 U.S.C. § 1692, *et seq.*, *Fair Credit Reporting Act* (“FCRA”): 15 U.S.C. § 1681, *et seq.* and other state statutes and regulations. Todd, Bremer & Lawson’s (“the Firm”) associates may communicate with third-parties to obtain location information of a student-consumer but under no circumstances will an associate ask for anything other than these three (3) things.

Hello, my name is (collector name). I am trying to locate (student-consumer’s name).

Do you know (student-consumer’s name) home address? Do you know (student-consumer’s name) home telephone number? Do you know (student-consumer’s name) place of employment? [End of Script]

Outbound Electronic Communications Policy

Electronic communications such as e-Mails, text messages, instant messages and the like, qualify as communications under the *Fair Debt Collection Practices Act* ("FDCPA"), 15 U.S.C. § 1692, *et seq.* Todd, Bremer, & Lawson ("the Firm") must obtain express consent from student-consumer or authorized third-party to communicate with student-consumer or authorized third-party using an e-Mail. The professional collection specialist uses the below script template when getting permission to communicate with a student-consumer through e-Mail.

Do you solely access this e-Mail? Do I have your express consent to communicate with you concerning your account through e-Mail? What is the e-Mail address? We value your privacy, and to protect your privacy Todd, Bremer & Lawson, Inc. cannot communicate with you through an e-Mail address at your place of employment.

Permission to Speak With a Third-Party Policy

(Student-consumer's name). For me to release any account information to a 3rd party, I will need you to provide me your relationship with this individual and their first and last name. We will document your account; however, you can remove the third-party consent at any time by contacting Todd, Bremer and Lawson, Inc. at 877.427.6544.

When Consumer Asks For the Creditor to Be Notified

(Student-consumer's name), we value your privacy, and to protect your privacy Todd, Bremer & Lawson, Inc. has a Web-site at "tblpaynow.com" where you can see your payment history and the current balance. It is essential that you allow two (2) business days for your account to update on Todd, Bremer and Lawson, Inc.'s Web-site. You should be able to view your account at 8:00 AM two (2) days from today. You will need a unique access code that has been randomly assigned to you by our system, and it is (student-consumer's access code).

You must contact the office that can release the financial hold. Ask that the creditor, (name of the university), review the Web-site. Please understand that the creditor, (name of the university), can confirm the payment you just made on Todd, Bremer & Lawson, Inc.'s Web-site two (2) days prior. It is the creditor's, (name of the university), discretion to remove any hold. The (name of the university) will advise you at that time of any hold.

Also, please keep in mind (student-consumer's name), if you have other balances owed to the creditor (name of the university) that Todd, Bremer & Lawson, Inc. is not aware of, the creditor, (name of the university), may not release the hold.

If you have further questions and any concerns regarding the information showing on Todd, Bremer & Lawson, Inc.'s Web-site, you may contact me personally at 877.427.6544.

When Consumer Asks For a Receipt

(Student-consumer's name), we value your privacy, and to protect your privacy Todd, Bremer & Lawson, Inc. has a Web-site at tblpaynow.com where you can see your payment history and the current balance. It is essential that you allow two (2) business days for the payment to post on Todd, Bremer & Lawson, Inc.'s Web-site. At that time your balance will reflect a zero balance and you can print a copy of this screen for your records. You should be able to view your account at 8:00 AM two (2) days from today. You will need a unique access code that has been randomly assigned to you by our system, and it is (student-consumer's access code).

If you have further questions and any concerns regarding the information showing on Todd, Bremer & Lawson, Inc.'s Web-site, you may contact me personally at 877.427.6544.

5. Describe in detail the proposed approach (work plan) for performing and providing collection services and for communicating with the VASCUPP institution in regards.

The Firm Treats Everyone with Dignity and Respect

Todd, Bremer & Lawson ("the Firm") is committed to treating all student-consumers with dignity and respect. The Firm's collectors ("professional collection specialist") understand and comply with all local, state and federal statutes or regulations concerning communications with student-consumers in connection with the third-party collection by interstate communications, including telephone, mail or facsimile ("FAX") transmission of a delinquent obligation. The *Fair Debt Collection Practices Act* ("FDCPA"), 15 U.S.C. § 1692 *et seq.* requires every professional collection specialist to give their full name and identify themselves as an associate of **TODD, BREMER & LAWSON, INC.** in every third-party communication.

Professional Collection Specialists Are Subject to 3 Strikes

Todd, Bremer & Lawson ("the Firm") holds the collector ("professional collection specialist") to the highest standards of compliance and professionalism. The Firm ties call audits to progressive discipline, and any pattern of poor performance leads directly to correction or termination. If the professional collection specialist misses the target quality assurance goal, that professional collection specialist will receive a strike. The Firm terminates professional collection specialist if the professional collection specialist receives three (3) strikes in a rolling twelve (12) consecutive calendar month period.

The Proposed Approach (*Work Plan*)

Key Dates	Implementation Stage	Responsible Party
Day 1	Execution of Agreement.	The creditor.
Day 1	Identification of task.	Project manager and, compliance manager
Day 1	Create a client master.	Sales and service manager and compliance manager.
Day 2	Transfer of universal file.	Enable™ product specialist.
Day 2	Review of universal file.	The creditor.
Day 2	Raw data transfer from client.	The creditor.
Day 2	Test data.	Enable™ product specialist.
Day 2	Load data.	Enable™ product specialist.
Day 3	Acknowledgement is loaded into FACS Web™ component.	FACS® platform.
Day 3	Scrub for bankruptcies.	Director information technology and CBCInnovis®. First collection attempt
Day 3	Scrub for death.	Director information technology and CBCInnovis®. Second collection attempt.
Day 3	Scrub for litigious student-consumers.	Director information technology and LexisNexis®. Third collection attempt.
Day 4	Request the <i>Federal Debt Validation Letters</i> (“G-Notice”)	Enable™ product specialist. Fourth collection attempt.
Day 4	Data Transfer to RENKIM	Enable™ product specialist.
Day 4	Request for the change of address (“NOCA”).	RENKIM Corp.
Day 4	First collection attempt.	RENKIM Corp.
Day 4	Validation period begins.	Collection manager.
Day 34	Validation period ends.	Collection manager.
Day 34	Probability scoring.	Collector (“professional collection specialist”). Fifth collection attempt.
Day 34	Pool dialing begins.	Collector (“professional collection specialist”). Sixth collection attempt.

Day 90	Credit reporting begins.	Compliance manager. Next collection attempt.
Day 210	Delinquent obligations are circulated.	Collection manager.
Day 335	Request for additional time to resolve the delinquent	Collector (“professional collection specialist”) and project manager.
Day 365	Delinquent obligations are closed on the FACS®	FACS® platform.

Time Frames to Perform the Identified Tasks

Day 1 - Purchase order is issued, and Firm sends all insurance to the new client (“business partner”).

Day 1 - Sales and service manager and compliance manager completes client master based on the terms and conditions of the agreement and the compliance manager sets-up the client master along with Window #1-26, 28, 32-35, 39, 44, 48, 100, 101, 113-116 and 200 on the *Flexible Automated Collection System* (“FACS®”).

Day 2 - *Enable*™ product specialist e-Mails universal file format to the business partner for their review.

Day 2 - Business partner decides if the business partner wants to use the universal file format or introduce the business partner’s file format. The business partner chooses the file format.

Day 2 - Business partner returns raw data to *Enable*™ product specialist.

Day 2 – The *Enable*™ product specialist tests the raw data and loads the raw data into the FACS® after the test.

Day 2 - The Firm agrees to provide the business partner a *New Business Client Acknowledgment* for third-party collection efforts within three (3) business days following the initial referral.

Day 3 - An electronic file with all the delinquent obligations placed each day is sent to *CBCInnovis*® at 7:10 PM Eastern Standard Time (“EST”) to scrub for bankruptcies. Todd, Bremer & Lawson (“the Firm”) electronically reclaims the file at 7:45 PM EST.

Day 3 – The Firm sends an electronic file with all the delinquent obligations placed each day to *CBCInnovis*® at 7:10 PM Eastern Standard Time (“EST”) to scrub for deaths. An electronic file with all the delinquent obligations placed each day is sent to *CBCInnovis*® at 7:10 PM Eastern Standard Time (“EST”). The file returns at 7:45 PM EST and the Firm electronically reclaims the file.

Day 3 - An electronic file with all the delinquent obligations placed each day is sent to *CBCInnovis®* at 7:10 PM Eastern Standard Time (“EST”) to scrub for litigious student-consumers. An electronic file with all the delinquent obligations placed each day is sent to *LexisNexis®* at 7:50 PM Eastern Standard Time (“EST”). The file returns at 8:15 PM EST and the Firm electronically reclaims the file.

Day 4 - *Enable™* product specialist will request the *Federal Debt Validation Letters* (“G-Notice”) for each delinquent obligation. The Firm sends a file electronically to *RENKIM Corp.*

Day 4 - *RENKIM Corp.* electronically checks the National Change of Address (“NOCA”) database for a new address on each delinquent obligation and sends the PL95 letter to the student-consumer.

Day 4 – When *RENKIM Corp.* mails the *G-Notice*, the very first third-party collection effort occurs. After the mailing, the delinquent obligation remains in a passive third-party collection mode for thirty (30) days to allow the student-consumer time to dispute the delinquent obligation or part thereof.

Day 4 - *Fair Debt Collection Practices Act* (“FDCPA”), 15 U.S.C. § 1692, *et seq.* establishes a collector’s (“professional collection specialist”) right to pursue third-party collection efforts within the thirty (30) day validation period. Any third-party collection efforts and communication during the thirty (30) day period may not “overshadow” or be inconsistent with the disclosure of the student-consumers right to dispute the delinquent obligation or request the name and address of the business partner.

Day 4 through 34 - The Firm’s receptionist can identify that the student-consumer is still within the thirty (30) day validation period. A specially trained professional collection specialist for the Firm handles calls from student-consumers who are still within the thirty (30) day validation period and is prepared to take every precaution not to “overshadow” the validation notice the student-consumer received in *the PL95* collection notice.

During the validation period, the Firm may be limited by local and state statutes and regulations if the student-consumer refuses to pay or disputes the validity of the delinquent obligation or any portion thereof.

Return mail received during the validation period is assigned to a professional collection specialist’s to integrate full skip tracing, third-party collection notices and telephone procedures.

Day 34 - Validation period ends.

Day 34 - The Firm scores delinquent obligations through the *National Student Clearinghouse®* for a “probability score.” Scoring gives the Firm a better idea on how to assist the student-consumer and which delinquent obligations are most likely to pay. There is no anxiety of a *Fair Credit Reporting Act* (“FCRA”), 15 U.S.C. § 1681, *et seq.* or *Equal Credit Opportunity Act* (“ECOA”), 15 U.S.C. § 1691, *et seq.* violation.

Day 34 - The *Guaranteed Contacts*® (“GC”) is a manual call device solution used by the Firm to segregate phone numbers automatically and present particular types of delinquent obligations in a unique pool dialing campaign. Silver and bronze accounts are assigned to pool dialing. Platinum and gold delinquent obligations are attached directly to a professional collection specialist route.

Day 90 - Credit reporting begins.

Day 210 - If the professional collection specialist currently working with the student-consumer is unable to collect the balance of the delinquent obligation within a reasonable amount of time, the collection manager circulates the delinquent obligation to another professional collection specialist. Sometimes a different voice or approach can make a difference of whether or not third-party collection efforts are successful or unsuccessful.

Day 335 - If the professional collection specialist needs thirty (30), sixty (60) or ninety (90) additional days, the professional collection specialist must request the business partner through the project manager.

Day 34 through 365 - The professional collection specialists’ attempts to contact all platinum and gold delinquent obligations following Todd, Bremer & Lawson (“the Firm”) is work standard policy and procedure and the details of the business partner's contract. Also, the professional collection specialist pool dials all silver and bronze accounts in the James Madison University’s (“the creditor”) campaign pool.

Day 365 - The *FACS*® platform automatically closes all delinquent obligations and loads a closing report into the *FACS Web*™ product.

TCPA, 47 U.S.C. § 227 et seq. Compliant

The *Guaranteed Contacts*® (“GC”) *Manual One* platform is an integrated dialing solution for the *Flexible Automated Collection System* (“*FACS*®”). The *GC Manual One* platform receives one (1) number at a time from the *FACS*® platform, and it places a single call at a time, based on the collector’s (“professional collection specialist”) input. The *GC Manual One* solution cannot store or produce numbers and dial those numbers at random, in sequential order or to dial a number from Cache` without direct human intervention. In other words, Todd, Bremer & Lawson (“the Firm”) can only use the *GC Manual One* solution to place manually dialed calls. The Firm does not use an automated telephone dialing system (“ATDS”).

Communication Is Accurate, Timely and Courteous

Todd, Bremer & Lawson (“the Firm”) will encounter student-consumers who may not be prepared to hear from a professional collection specialist. The Firm is committed to treating student-consumers with dignity and respect. While this will almost go without saying, the Firm has documented in the Firm’s policies that the Firm intends all student-consumers to be treated as well as possible to ensure that no student-consumer is harassed, abused or otherwise mistreated.

The Firm Has Established Toll-Free Numbers for the Creditor

Business partners are asked NOT to give these toll-free numbers to student-consumers.

Todd, Bremer & Lawson (“the Firm”) has an established toll-free telephone number that for the *VASCUPP* institutions (“the creditor”). The creditor’s toll-free number is 800.849.6669. The Firm has had this toll-free number for clients (“business partner”) since Wednesday, April 1, 1998. The Firm has an established toll-free facsimile (“FAX”) transmission number that for a business partner. The business partner’s toll-free facsimile (“FAX”) transmission number is 877.328.8242. These toll-free numbers are for the utilization of the business partner only. Business partners are asked **NOT** to give these toll-free numbers to student-consumers.

A Human Voice Will Answer the Telephone during Business Hours

A human voice will answer the telephone during regular business hours. This practice separates the Firm from the larger market participant (“LMP”) or other third-party collection agency providers with fifty (50) or more employees. The Firm has hired a dedicated receptionist for client’s (“business partner”) to field incoming calls and direct them to the proper associate.

VASCUPP Institutions Will Classified As a Major Business Partner

Todd, Bremer & Lawson (“the Firm”) projects that the *VASCUPP* institutions (“the creditor”) will be among the top of all clients (“business partner”) in both volume and scope of work should the Firm be fortunate enough to be engaged to provide third-party collection agency services. For this reasons, *Max Oniel* (“*Niel*”) *Welborn*, vice president for the Firm, will handle the day to day operation of the creditor personally. *Niel Welborn* is the major business partner representative which means that *Niel* is personally in charge of all multi-campus institutions systems in the United States.

The Creditor May Contact Any of the Assisting Parties

In the absence of *Max Oniel* (“*Niel*”) *Welborn, Jr.*, vice president of the Firm, the *VASCUPP* institutions (“the creditor”) may contact any assisting parties. Todd, Bremer & Lawson (“the Firm”) will not shield any associate from the creditor. All clients (“business partner”), have direct access to any associate including all collectors (“professional collections specialist”).

6. Provide an example of the remittance report that will be included within each payment to the VASCUPP institution.

Invoice and Remittance Report

Todd, Bremer & Lawson, INC. POST OFFICE BOX 36788 ROCK HILL, SOUTH CAROLINA 29732 Toll Free - 800-849-6669 Local - 803-323-5200 Fax - 803-323-5211 INVOICE #999999 FACS WEB University 1 University Drive Anywhere, SC 47405				STATEMENT OF COLLECTIONS James Madison University ACTIVITY FROM: 05/21/2018 ACTIVITY THRU: 07/20/2018 STATEMENT DATE: AUGUST 1, 2018 TOTAL COLLECTIONS:			
Date	Transaction	Code	Amount Paid To Agency	Amount Paid To You	Total Due Agency	Amount Due to You	
05/29/16	Adams, Eve 250222339 \$220.85	31	\$150.00		\$34.50	\$150.00	
06/01/16	Epting, Laura 249769901 \$100.00	31		\$311.46	\$71.64		
06/02/16	Farmer, Ben 123660077	34		\$100.00	\$23.00		
6/15/16	White, Thomas 555773300	34	\$567.50		\$130.53	\$567.50	
CODES 30 PAYMENT IN FULL 31 PARTIAL PAYMENT 32 FORWARDED RECEIVED 33 FULL PAYMENT W/ INTEREST 34 FINAL PAYMENT 35 SETTLEMENT IN FULL 36 LEGAL PARTIAL PAYMENT 37 LEGAL FINAL PAYMENT 50 DEBIT ADJUSTMENT 52 COURT COST 53 ATTY. FEES 54 LIST FEES 55 BAD ADDRESS FEE 56 LETTER FEE 58 OTHER 60 CREDIT ADJUSTMENT 61 YOUR CHECK RECEIVED 64 RECEIVED CLN'T COLL. COSTS N = NSF CHECK C = POSTING ERROR				OUR CHECK ENCLOSED FOR \$717.50 PLEASE REMIT TO TODD, BREMER & LAWSON TOTAL PAID TO US \$717.50 TOTAL PAID TO YOU \$411.46 OUR FEE OR CHARGE \$375.28 TOTAL DUE YOU \$717.50			
				SUB-TOTAL AMOUNT DUE YOU(+) → \$717.50 SUB-TOTAL AMOUNT DUE YOU(-) → \$0.00			

7. Describe how cancelled, postponed, or deferred accounts will be handled.

The Firm Will Compliantly Direct Deferments, Cancellations

The collector (“professional collection specialist”) reviews the *VASCUPP* institutions (“the creditor”) deferment, cancellation, forbearance guidelines with the student-consumer. Forbearance is usually a temporary postponement of payments. Regardless of when the college, university, or seminary makes the loan, forbearance is available for all loans made under the Federal Perkins Loan Program. Under a deferment, cancellation, forbearance, the creditor should have the right to determine what constitutes reasonable. In the absence of the creditor’s deferment, cancellation, forbearance guidelines, Todd, Bremer & Lawson (“the Firm”) will determine reasonable guidelines for a deferment, cancellation or forbearance.

The Firm Will Assist Student-Consumer in Completion of All Forms

Todd, Bremer & Lawson (“the Firm”) will assist the student-consumer in locating the forms for deferment, cancellation, forbearance and loan consolidation. Collectors (“professional collection specialist”) will attempt to guide the student-consumer in making application for these entitlements online. The willingness of the student-consumer to complete these benefits online will determine if the professional collection specialist will send the necessary forms directly to the student-consumer postal address.

The Firm Will Close Upon Approval of Cancellation

Todd, Bremer & Lawson (“the Firm”) will allow the *VASCUPP* institutions (“the creditor”) the right to close any Federal Perkins loans upon approval of a deferment, cancellation or forbearance if the entitlement results in the Federal Perkins loan becoming current and return it to the creditor without charge.

8. Specify all options/methods of placing accounts (e.g., paper, email, fax, secure website, etc.)

The Creditor Can Electronically Place Delinquent Obligations

The *FACS Web*[™] component allows twenty-four (24) hours a day and seven (7) days a week Internet referral of delinquent obligations through a secured login that controls access levels. In order to avoid the “black hole” syndrome found at larger market participants (“LMP”) or other third-party collection agency providers with more than fifty (50) employees, Todd, Bremer & Lawson (“the Firm”) has developed a way that all the Firm’s clients (“business partner”) can follow simple procedures for electronically referring new delinquent obligations to the Firm’s stewardship through a secure portal. Accessing the main options menu in the *FACS Web*[™] component, the creditor can upload a file.

Secure Data Transmission

Todd, Bremer & Lawson's ("the Firm") *FACS Web*™ portal allows a client ("business partner") restricted access to the *Flexible Automated Collection System* ("FACS®"). A Secure Socket Layer ("SSL") protects all information transmitted through the *FACS Web*™ component.

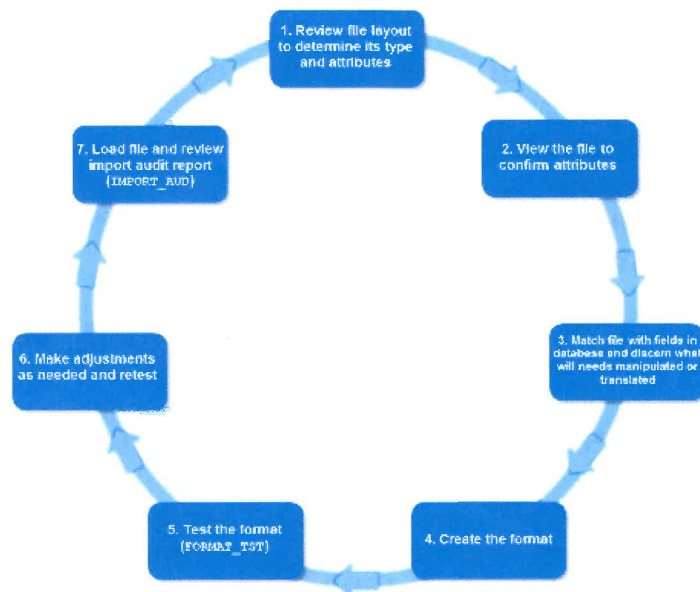
Inbound sessions from an external source are only allowed through a VPN session with approved associates and third-party vendors. There are no unencrypted sessions permitted into the *FACS*® platform. All incoming data transmissions are protected by 256 bit AES encryption, and 2048 bit Secure Socket Layer ("SSL") protects all incoming data transmission. The Firm does not allow unsecured connection to the *FACS*® platform from any entity on the Internet.

A secure portal protects the outbound transmission of electronic protected information ("PEI"). Protected electronic information ("PEI") refers to personally identifiable information ("PII"), protected health information ("PHI") and other electronic protected information. Authorized associates are responsible for uploading files to the *FACS Web*™ portal, including business partner specific login and password delivered through an e-Mail providing a link to the *FACS Web*™ portal.

The Firm Can Supply and Receive In Compatible Electronic Form

Enable™ allows Todd, Bremer & Lawson ("the Firm") to create file formats for the *Flexible Automated Collection System* ("FACS®") database. The Firm can use the formats to load into and report out of the *FACS*® platform so that the Firm can exchange data with the *VASCUPP* institutions ("the creditor").

Enable™ consists of several features including record formats. A record format is a structure that the *FACS*® platform uses to interpret a record for import to and export from the *FACS*® database.



The Firm uses a record format to specify how fields exist in a file layout. The Firm can create an import record format and create an export record format to fit the creditor's business needs.

The *FACS®* platform can retrieve new referral, payment, or demographic data from a flat file with *Enable™*. When the Firm processes the *Enable™* import format, the *FACS®* platform places new referral and payment files in a batch so that the Firm can verify the data before permanently adding the information to the *FACS®* database and updates demographic data directly in the *FACS®* database.

The *FACS®* Platform Accepts Up to 50 Fields of Information

The *Flexible Automated Collection System* ("*FACS®*") can accept the stewardship of Federal Perkins loans, National Direct Student loans, National Defense Student loans, Health Profession Student loans, Nursing Student loans, Loans for Disadvantaged Students or Nurse Faculty loans, institutional loans, student account receivables and other types of delinquent obligations information electronically that list student name, university identification number ("UIN"), social security number, last known address and phone number, loan program code, loan number, the total amount due and the last payment date. The *FACS®* platform can receive up to fifty (50) fields of electronic information.

The Creditor Can Manually Place Individual Delinquent Obligations

The *FACS Web™* component allows clients ("business partner") of the Firm to manually refer the stewardship of individual delinquent obligations directly into the *Flexible Automated Collection System* ("*FACS®*") through the Internet in real-time computing ("RTC") twenty-four (24) hours a day and seven (7) days a week. Manually referral can be accomplished by accessing the main options menu and clicking on "Enter Accounts." Simply enter the required and optional data elements into the screen and click on "add account."

The Firm Can Handle Hardcopy Placements

Martha Elizabeth ("*Beth*") *Gettys* is an associate at Todd, Bremer & Lawson ("the Firm") and is specifically assigned the tasks of data entry into the *Flexible Automated Collection System* ("*FACS®*") to allow hardcopy placements. When *Beth* enters new delinquent obligations, the *FACS®* platform does not need to separate batches by the client ("business partner"). If *Beth Gettys* enters delinquent obligations belonging to different business partners in one (1) batch, the *FACS®* platform prints a separate acknowledgment for each business partner. When a business partner lists large numbers of delinquent obligations, *Beth* can enter the delinquent obligations into a single batch. If all the batches are selected together, the *FACS®* platform combines delinquent obligations belonging to the same business partner into one (1) acknowledgment. There are no restrictions on the delinquent obligations that the Firm can enter together in a new business batch. As a practical limit, *Beth Gettys* introduces about 200 delinquent obligations per batch.

The Firm Enters All Delinquent Obligations within 24 Hours

The *Flexible Automated Collection System* (“FACS®”) sends the *Federal Debt Validation Letters* (“G-Notice”) to each student-consumer daily or a night job sends an electronic file to *RENKIM Corp.* that contains the delinquent obligations loaded into the FACS® platform the previous day. *RENKIM Corp.* checks the student-consumer’s address against the *National Change of Address* (“NCOA®”) database. *RENKIM Corp.* delivers the G-Notice to an actual address twenty-four (24) hours of receipt of stewardship.

Every Business Batch Is Balanced, Approved, and Acknowledged

There are no restrictions on the number of delinquent obligations that the Firm can enter in a new business batch. Consider, however, the number of delinquent obligations that can be conveniently balanced in a batch. The more delinquent obligations entered into a batch, the harder the batch becomes to balance. The fewer delinquent obligations entered into a batch, the more batches *Martha Elizabeth* (“Beth”) Gettys has to balance, approve, and acknowledge. Also, if many small batches are being approved by the *Flexible Automated Collection System* (“FACS®”) at one time, the FACS® platform may become slow. As a practical limit, *Beth Gettys* enters about 200 delinquent obligations per batch.

9. Describe your firm’s process for remaining compliant with all current laws and regulations.

Compliance Professionals Forum

The Compliance Professionals Forum is an initiative of *insideARM*, a digital media company that specializes in providing context, insight, and practical information to the complex third-party collection agency industry. *The Compliance Professionals Forum* initiatives bring a range of stakeholders to the table in an open environment to inform, to build a culture of compliance, to address the third-party collection agency industry challenges, and to make profitable connections.

The ACA Daily

The *ACA Daily* is *ACA International’s* daily newsletter for members and professionals in the accounts receivable management industry. The *ACA Daily* features news on *ACA International’s* advocacy efforts, events, and educational seminars, coverage of regulatory and legislative actions in Washington, D.C. and more.

SearchPoint Library

The *ACA International* also provides compliance updates featured in the *ACA International's SearchPoint* library for *ACA International* members. The members-only *SearchPoint* library is a valuable resource filled with documents that put essential compliance information. *ACA International* members and *ACA MAP* attorneys visited the *SearchPoint* library 45,000 times in 2017. *ACA International* members can locate *SearchPoint* documents by keyword(s) or document number.

Todd, Bremer & Lawson Participates in the Hub

Todd, Bremer & Lawson ("the Firm") participates in *ACA International's* members-only community forum. The *Hub* allows members of *ACA International* to pose questions, solicit and offer advice, benefit from the experience of peers, and contribute to the ongoing conversation about issues of concern to *ACA International* members. The *Hub* is an unmoderated forum. The content maintained on the *Hub* is intended for the exclusive use of the members *ACA International* in protecting and advancing individual and collective credit and collection industry interests, consistent with mission and values of *ACA International*.

The Collector Magazine

ACA International's award-winning *Collector* magazine, the credit and collection industry's premier publication, gives readers in-depth coverage of critical issues. With more than seventy-five (75) years of journalism excellence, the *Collector* magazine reaches a large community of executives and decision-makers in a variety of market niches within the credit and collection industry. The *Collector* magazine articles are regularly promoted across social media feeds, drawing in readers from a variety of sources. The *Collector* magazine welcomes article contributions and suggestions from *ACA International* members on current credit and collection industry issues.

The Torch

The *Torch* is *Coalition of Higher Education Assistance Organization's* ("COHEAO") highly acclaimed newsletter, providing informative and timely updates to the membership concerning important regulatory and legislative issues affecting higher education. The bi-monthly publication is e-Mailed to *COHEAO* members and is also available for viewing online.

All Employees Are Tested Daily by KnowledgeLink™

There are many third-party collection agency providers challenged with the placing of a thoroughly trained and qualified collector (“professional collection specialist”) on the phone. KnowledgeLink™ is a knowledge retention tool that helps the Firm’s professional collection specialists exceed the compliance training expectations of every creditor. On a daily bases, KnowledgeLink™ presents a small number of question to each professional collection specialist. KnowledgeLink™ draws topics sets from a library of content that the Firm wishes to train associates on *Fair Debt Collection Practices Act* (“FDCPA”), 15 U.S.C. § 1692, *et seq.*, *title IV Higher Education Act* (“HEA”), 20 U.S.C. § 1071, *et seq.* and the Firm’s compliance policies.

10. Provide a copy of your firm’s most recent federally required Student Financial Assistance compliance (*attestation*) audit letter.

Todd, Bremer & Lawson Has Completed a Compliance Audit

Burkett, Burkett & Burkett, CPA, P.A.’s most recent attestation and compliance audit as required by the *title IV of Higher Education Act* (“HEA”), 20 U.S.C. § 1071, *et seq.* was dated Saturday, June 30, 2018. The attestation and compliance contained an unqualified opinion, which means “without reservation or unconditionally” and confirmed that the Todd, Bremer & Lawson complied with the *Guide for Audits of Proprietary Schools* and for *Compliance Attestation Engagements of Third-Party Servicers Administering Title IV Programs*. The Firm inserted a copy of the Firm’s most recent attestation audit into a separate section of this solicitation.

11. Discuss your firm’s compliance with the Federal Fair Debt Collection Practices Act (*FDCPA*). Specify any areas of previous non-compliance and corrective actions taken.

The Firm Has Procedures to Comply With the *FDCPA*

Todd, Bremer & Lawson (“the Firm”) employs experienced collectors (“professional collection specialist”) and technological controls that assist the collector (“professional collection specialist”) in making communications that comply with the *Fair Debt Collection Practices Act* (“*FDCPA*”) 15 U.S.C. § 1692, *et seq.*

The Firm is committed to treating all student-consumers with dignity and respect.

During all inbound and outbound calls from the student-consumer, the collector (“professional collection specialist”) must disclose the mini-Miranda statement at the outset of the call. “This communication is from a debt collector. This is an attempt to collect a debt and any information obtained will be used for that purpose.” No other version of the mini-Miranda to be given.

The Firm requires every professional collection specialist to give their full name and identify themselves as an associate of **TODD, BREMER & LAWSON, INC.** in every third-party communication.

Walter Keith (“Keith”) Martens, Esq., Todd, Bremer & Lawson’s (“the Firm”) outside general counsel, of Hamilton Marten, LLC of Rock Hill, South Carolina reviews collection notices, forms, and the Firm’s Web-site.

The Firm trains and tests all associates on the prohibitions and requirements of the *FDCPA* daily through *KnowledgeLink*™.

The Firm’s verification policies necessitate that all student-consumers and authorized third-parties will be required to verify two (2) descriptors before any associate at the call center can discuss a delinquent obligation.

The Firm ties call audits to progressive discipline, and any pattern of poor performance leads directly to correction or termination. The Firm terminates professional collection specialists if the professional collection specialist receives three (3) strikes in a rolling twelve (12) consecutive calendar month period.

Without the prior consent of the student-consumer given directly to the professional collection specialist or the express permission of a court of competent jurisdiction, no student-consumer will be called more than ten (10) times per day and in total, no more than thirty (30) times per week in connection with any delinquent obligation.

The Firm collects delinquent obligation from a variety of populations some of which include student-consumers who do not speak English. The most commonly spoken second language of these student-consumers is Spanish. The Firm seeks to accommodate the needs of student-consumers who speak Spanish as the student-consumers primary language.

Without the prior consent of the student-consumer given directly to the professional collection specialist, or the express permission of a court of competent jurisdiction, or as reasonably necessary to effectuate a post-judgment judicial remedy, a professional collection specialist may not communicate, in connection with the third-party collection of any delinquent obligation, with any person other than the student-consumer, the student-consumer’s attorney, a credit reporting agency (“CRA”) if otherwise permitted by law, the creditor, the attorney of the creditor, or the attorney of the professional collection specialist.

Skip tracing is a method used by the professional collection specialists to acquire information related to the location of a student-consumer. Location information is limited to the student-consumer’s home address, the student-consumer’s home telephone number or the student-consumer’s place of employment. Under no circumstances will a professional collection specialist ask for anything other than these three (3) things.

Todd, Bremer & Lawson Is Inherently More Compliant

Small businesses are inherently more compliant than the larger ones, given the size and nature in which smaller third-party collection agency providers operate.

According to the *ACA International* (“ACA”), the *Association of Credit and Collection Professionals* and Ernst & Young study of the *Impact of Third-Party Debt Collection on the National and State Economies*, eighty-seven (87) percent of third-party

collection agency providers have fewer than fifty (50) employees. Todd, Bremer & Lawson (“the Firm”) is a third-party collection agency provider with thirty-seven (37) associates. Larger third-party collection agency providers may be fostering the concept that only the larger third-party collection agency providers can afford compliance departments, while ignoring the fact that small businesses are inherently more compliant than the larger ones, given the size and nature in which smaller third-party collection agency providers operate.

Gaps of Non-Compliance in 2010

Todd, Bremer & Lawson (“the Firm”) is not aware of any areas of previous non-compliance. Compliance with requirements set forth by the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (“UDAAP”), 12 U.S.C. §§ 5481, 5531 & 5536(a), *et seq.* was the top priority for Todd, Bremer & Lawson (“the Firm”) since UDAAP passed on Wednesday, July 21, 2010. The Firm understood the importance of the underlying student-consumer protection statutes and regulations and strived daily to treat all student-consumers with dignity and respect. It is safe to say that the Firm had policies and procedures in place, but the Firm needed a more formal and comprehensive compliance plan that included a compliance management system (“CMS”).

Ontario Systems® acted as the Firm’s Compliance Partner

On Monday, September 1, 2014, Todd, Bremer & Lawson (“the Firm”) took counteractive measures and engaged *Ontario Systems®* as the Firm’s outsourced compliance partner, in pursuit of a student-consumer friendly compliance management system focusing on student-consumer fairness and compliance effectiveness.

Ontario Systems® provided the experience and expertise to formalize the Firm’s policies and procedures, implement a more robust compliance management system (“CMS”), and supervise vendor and service provider oversight, and renovate ongoing training programs. *Ontario Systems®* suite of compliance services, led by industry expert *Rozanne Andersen, Esq.*, facilitated the comprehensive compliance plan. *Ontario Systems®* completed this consultation on December 31, 2017.

12. The Contractor shall comply with the Gramm-Leach Bliley Act by implementing and maintaining appropriate safeguards to protect and prevent unauthorized release of student, faculty, and staff nonpublic information. Nonpublic information is defined as social security numbers, or financial transactions, bank, credit, and tax information. Provide a copy of your firm's Gramm-Leach-Bliley Act Safeguard Policy and describe how your firm maintains best industry practices as it relates to compliance with this act.

The Firm Has Procedures to Comply With GLBA

Todd, Bremer & Lawson ("the Firm") maintains privacy and security safeguards consistent with the *United States Department of Education* ("DOE"), the *Consumer Financial Protection Bureau* ("CFPB") and the *Federal Trade Commission* ("FTC") security standards related to the *Gramm-Leach-Bliley Act* ("GLB"), 15 U.S.C. § 6801, *et seq.*

Encryption - *The Flexible Automated Collection System* ("FACS®") encrypts data at rest.

Penetration Testing - *Dixon Hughes Goodman LLP* is performing an annual audit. The Firm logs results of such examinations and nonconformities reported to management for immediate resolution.

Improvements to Security - *Dixon Hughes Goodman LLP* reviews and revises records of the FACS® platform activity such as audit logs, access reports, and security incident tracking reports and makes recommendations for changes and improvements.

Document/Data Destruction - Upon termination of a client ("business partner") engagement for any reason, the Firm will comply with any document or data destruction requirements, data retrieval or data return policy as provided in the terms and conditions of each agreement.

Protection of PEI - The Firm will ensure protected electronic information ("PEI") relating to the student-consumer bank account information, and PEI is masked upon receipt and stored appropriately and per the Firm's document retention policies, and the Red Flags Policy.

Internet Access and Communications - The Firm will ensure professional collection specialists and terminals in the call center will restrict access to the Internet and prevent outgoing e-Mail communications and block instant messaging or other social media communication processes.

Access to the Internet. - A Web-filter will control access to the Internet.

Training - Information security training will be conducted for all new associates before new associates access the call center or the FACS® platform. The Firm holds security training for current associates on an annual basis.

13. Specify if your firm rules on the Code of Virginia for collection fee regulations or the codes of the residing state of the debtor.

The Firm Will Compliantly Collect Collection Cost

Todd, Bremer & Lawson (“the Firm”) will compliantly collect delinquent obligations for the *VASCUPP* institutions (“the creditor”). To the extent that it is possible, the Firm will enforce the regulations for collecting collection cost in the states where such a practice is allowed. The state statutes and regulations in North Carolina are made to protect the student-consumers in North Carolina and not James Madison University in the Commonwealth of Virginia. There are several states that either restrict (e.g., Connecticut, Georgia) or prohibit (e.g., California, West Virginia) the addition of collection cost.

The Firm has a nightly systematic process in place that identifies student-consumers that have changed an address to states that restrict or prohibit the addition of collection costs. Once determined, the collection costs are removed from the student-consumer's account. The states that currently restrict the addition of collection costs are California, Colorado, Idaho and West Virginia. Generally, the regulations governing the collection of federally backed student loans such as the *Federal Family Education Loan (“FFEL”) Programs* preempt state collection statutes and regulations.

The Firm offers the following solutions to the addition of collection cost.

- The Firm will allow the creditor, the right to recall, in whole or in part, without charge all delinquent obligations in cases in which the creditor and the Firm, cannot legally add collection cost, or
- The Firm will collect the delinquent obligation without a commission or contingency fee.

No third-party collection agency provider can compliantly add and collect collection cost in all fifty (50) states. To do so would be the same as ignoring call restrictions in Massachusetts, statutes of limitations (“SOL”) regulations in Wisconsin, limitations on contacting a spouse in South Carolina, and restrictions of calling a student-consumer at their place of employment (“POE”) in North Carolina.

Oral Presentation

Todd, Bremer & Lawson (“the Firm”) does not want to answer any question in a way that it would preclude the Firm from consideration. The Firm agrees to give an oral presentation of the Firm’s solicitation to the *VASCUPP* institutions (“the creditor”) at a location designated by James Madison University. An oral presentation will provide an opportunity for the creditor to clarify and the Firm can elaborate on the solicitation but will in no way change the original tender. The creditor can schedule the Firm’s time and place of an oral presentation. Oral presentations are a preference of the creditor and the at the expense of the Firm.

14. Describe your firm's process for reporting referred accounts (with the exception of Federal Perkins Loans) to national credit bureau(s). Describe the process for making necessary corrections when an account is reported in error.

The Metro 2® Credit Reporting Process

The Metro 2® credit reporting process follows the standard determined by credit reporting agencies ("CRA") when reporting student-consumer delinquent obligation to a CRA. This credit reporting process assists Todd, Bremer & Lawson ("the Firm") in meeting the requirements of the Fair Credit Reporting Act ("FCRA"), 15 U.S.C. § 1681, et seq., and the Equal Credit Opportunity Act ("ECOA"), 15 U.S.C. § 1691, et seq.

The Firm uses the Metro 2® credit reporting process to use a Metro 2® credit reporting file that conforms to credit report industry standards. For example, the Firm manipulates a Metro 2® credit reporting file to report student-consumer delinquent obligation to a CRA by using criteria outlined in the FCRA, close a record from a CRA, produce an audit trail of the credit report actions taken on the histories, research reporting issues (i.e., audit trail entries).

Before the Firm uses the Metro 2® credit reporting process, the Firm plans the credit reporting process; receives written authorization from the creditor to report all delinquent obligations; sets the credit reporting options, sets the default credit reporting fields on the Firm; and sets the credit reporting fields on the creditor.

The Metro 2® credit reporting process consists of selecting delinquent obligations. The FACS® platform elects delinquent obligations in the Metro 2® credit reporting process to add delinquent obligations to Metro 2® credit reporting file that the Firm sends to a CRA. The FACS® platform creates a Metro 2® credit reporting file and updates the file weekly.

During the Metro 2® credit reporting process, the Firm can verify the file format to review the accuracy of the data in the file that the Firm sends to a CRA. The Firm reverses the data when the Firm determines that problems exist with the information or the file format. Moreover, the Firm resets a paid-in-full delinquent obligation for selection during the next credit reporting process.

e-OSCAR®

e-OSCAR® is a Web-based, Metro 2® compliant, automated system that enables Todd, Bremer & Lawson ("the Firm") and credit reporting agencies ("CRA") (i.e., CBCInnovis, Equifax®, and TransUnion®) to create and respond to student-consumer credit disputes. The Firm is a member of e-OSCAR®, and the Firm has a dedicated associate, **Shannon Todd ("Shannon") Golightly**, the Firm's collection manager, who handles all credit disputes.

15. Describe how your firm will work with Billing Agents that are responsible for Perkins Loan Payments.

Heartland ECSI™

Heartland ECSI™ provides campus-based loan servicing for colleges and universities in support of the Federal Perkins loans, National Direct Student loans, National Defense Student loans, Health Profession Student loans, Nursing Student loans, Loans for Disadvantaged Students or Nurse Faculty loans, institutional loans, student account receivables and other types of delinquent obligations. Todd, Bremer & Lawson's ("the Firm") is online with *Heartland ECSI™*.

University Accounting Service

University Accounting Service ("UAS") is a full-service third-party billing service provider of accounts receivable management services focused exclusively on the needs of colleges, universities, and private loan providers. Todd, Bremer & Lawson's ("the Firm") is online with *UAS*.

UNISA, Inc.©

UNISA, Inc.© is a third-party billing service provider dedicated to the Higher Education marketplace. Serving the needs of public, private, non-profit, and for-profit colleges have been the focus of *UNISA, Inc.©* business for over thirty-five years 35 years. Campus-based loan receivables including the Federal Perkins Loan Program have been *UNISA, Inc.'s©* primary business. However, as the needs of *UNISA, Inc.©* customers have expanded they have met that demand by designing and servicing private education loans, institutional loan programs, tuition payment plans, and managing student account receivables.

Enable™ Allows Universal Interface and Reconciliation

Enable™ allows Todd, Bremer & Lawson ("the Firm") to receive and reconcile referrals from the *VASCUPP* institution's ("the creditor") and *Heartland/ECSI™'s* or *University Accounting Service ("UAS")* database electronically. Interface and reconciliation is the process of ensuring that a batch of placements or referrals from the creditor's database or *Heartland/ECSI™'s* database loads into the *Flexible Automated Collection System ("FACS®")* seamlessly. *Enable™* accomplishes reconciliation by making sure the balances match before the acceptance of the delinquent obligations into the *FACS®* platform. The *Enable™* product can reconcile or interface with any database.

The Firm Will Forward *Invoice* or *Remittance* to the Billing Servicers

Todd, Bremer & Lawson ("the Firm") forwards **NET** or **GROSS** *invoice* or *remittance* on Federal Perkins loans directly to *Heartland/ECSI™*, *University Accounting Service ("UAS")* or *UNISA, Inc.* for the *VASCUPP* institutions ("the creditor") as required by the terms and conditions of each agreement.

16. Describe your firm's cash-handling procedures and controls.

Cash Handling, Flow and Management Procedures

Internal control procedures that ensure funds are correctly and promptly recorded and deposited to the appropriate client trust depository account is governed by the *Electronic Fund Transfer Act* ("EFTA"), 15 U.S.C.1693, et seq., the *National Automated Clearing House Association* ("NACHA"), the *Payment Card Industry Data Security Standard* ("PCI-DSS") and various other local, state and federal statutes and regulations. The Firm adheres to these requirements to ensure the Firm makes adequate authorizations, disclosures, and confirmations in every transaction, particularly electronic transactions.

Todd, Bremer & Lawson ("the Firm") will accept payments made in person. *Beverly Lewis* ("Beverly") Keely, the Firm's receptionist, will ask the student-consumer to sign in at the front desk for identification purposes and provide the student-consumer making the payment with a receipt which identifies the delinquent obligation. The receipt identifies the student-consumer identified and the date, amount and method of payment (e.g., cash or check). The receipt also includes the check number if the student-consumer pays by check.

Beverly Keely will place the payment and a copy of the receipt provided to the student-consumer making payment in an envelope and will secure the envelope in a locked drawer at the front desk and will notify *Jean Wrenn* ("Jean") Roach, the Firm's accountant, of the payment. *Jean Roach* will be responsible for picking up the payment and processing the amount in the same manner as checks, and other repayment instruments.

Daily the Firm processes checks and other repayment instruments received in the mail. *Beth Troyan* ("Beth") Zamorski, the Firm's controller, will monitor the process of receipting payments. *Shannon Todd* ("Shannon") Golightly, the Firm's collection manager, is involved in the receipt process so that the Firm avoids additional correspondence with student-consumers who have promised to pay.

When the Firm receives payments by mail or in person, *Beth Zamorski* takes possession of each instrument. The instruments collected and separated by the collector ("professional collection specialists"). The Firm runs a tape in duplicate for each professional collection specialist, totaling each professional collection specialist's payments. A batch tape is run totaling all payments for the day.

Shannon Golightly who verifies the negotiable instrument, verifies information on the negotiable instrument, segregates all postdated checks for separate processing, notes any payments to be split among multiple delinquent obligations for the same student-consumer, returns the payments to *Beth Zamorski*, returns to the student-consumer any conditionally endorsed negotiable instruments; and gives envelopes and any included written information to each professional collection specialist.

Jean Roach compares the payments from the professional collection specialist to the previously-run tapes; enters each payment into the Flexible Automated Collection System (“FACS®”) posting it to the appropriate student-consumer’s delinquent obligation; makes corrections manually if the Firm discovers errors, such as insignificant overpayments or underpayments; prepares a listing of all negotiable instruments received that day and processes and totals payments.

The following states have specific requirements when setting up payment arrangements.

- In the State of Maine, the professional collection specialist must provide a written copy of the payment schedule to the student-consumer within ten (10) business days of entering into the payment schedule. The student-consumer need not make a payment on the payment schedule until the written copy is received.
- In the State of New York the professional collection specialist within five (5) business days of agreeing to a delinquent obligation payment schedule, a professional collection specialist must provide the student-consumer with a written confirmation of the delinquent obligation payment schedule.

Professional collection specialist may accept a one (1) time, pre-authorized demand draft (“PADD”) as payment for a delinquent obligation under *Electronic Signatures in Global and National Commerce (“E-Sign Act”), 15 U.S.C. § 7001, et seq.* A verbal authorization for a PADD payment is sufficient. The Firm records all calls.

17. Describe in detail your firm’s process in the event a Non-Sufficient Funds (NSF) check is returned from a debtor’s payment.

The Firm Will Not Accept More Than One (1) NSF Notice

Should the same student-consumer have more than one (1) non-sufficient funds (“NSF”) check, the responsible collector (“professional collections specialist”) will require that subsequent payments be made by certified check or money order, until a pattern of satisfactory payments can be re-established.

Check Hold

Todd, Bremer & Lawson (“the Firm”) can hold all payments made by checks and other payment instruments for an upon agreed number of days to ensure the checks and other payment instruments will clear the student-consumer’s bank account before transmitting a payment to the *VASCUPP* institution (“the creditor”). The *Flexible Automated Collection System (“FACS®”)* can be set with a “check hold” at the “client level” before automatically invoicing and remitting payments to the creditor. The Firm can hold all payment instruments made for any number of upon agreed days to “protect” the face value of all payment instruments and safeguarding the Firm and the creditor against non-sufficient funds (“NSF”).

18. Describe your process of pursuing collections on accounts that are disputed by either the debtor or the debtor's attorney.

The Firm Will Provide "Verification of the Debt" Upon Request

The written request for more information is called "verification of the debt." Under the *Fair Debt Collection Practices Act* ("FDCPA") 15 U.S.C. § 1692, *et seq.*, if Todd, Bremer & Lawson ("the Firm") receives such a written request from a student-consumer during the thirty (30) day validation notice period, the Firm is under a legal duty to immediately stop all third-party collection efforts on the delinquent obligation and either close the delinquent obligation or mail verification of the delinquent obligation to the student-consumer. The Firm goes beyond the requirements of the FDCPA. So upon receipt of any written or oral request for verification from a student-consumer within or outside of the thirty (30) day validation notice period, the Firm will immediately stop all third-party collection efforts on the delinquent obligation and either close the delinquent obligation or mail verification of the delinquent obligation to the student-consumer.

Verbal Cease and Desist

Upon learning a student-consumer wishes Todd, Bremer & Lawson ("the Firm") to stop either verbal or written third-party collection activities concerning a delinquent obligation or some delinquent obligations. The collector ("professional collection specialist") will transfer the delinquent obligation to disposition 3600 "Cease Communications" which will flag the delinquent obligation as disputed with the credit reporting agencies ("CRA") and will place the delinquent obligation on administrative hold to prevent further third-party collection activity. The professional collection specialist will document the source of the request and the stated reason for the request in the screen notes. The Firm will honor the verbal request; however, the professional collection specialist will ask the student-consumer to put the request in writing and either mail or facsimile ("FAX") the cease and desist to the call center. The delinquent obligation will be closed and returned to the VASCUPP institutions ("the creditor").

Written Cease and Desist

If Todd, Bremer & Lawson's ("the Firm") receives written refusal to pay through mail or facsimile ("FAX") transmission or Todd, Bremer & Lawson's ("the Firm") Web-site, the collector ("professional collection specialist") will scan the written communication and the envelope, or create a copy of the e-Mail or Web-site communication and store such documentation in the DISQ™ product. Also, the professional collection specialist will transfer the delinquent obligation to 3600 "Cease Communications" disposition which will flag the delinquent obligation as disputed with the credit reporting agencies ("CRA") and will place the delinquent obligation on administrative hold to prevent further third-party collection activity. The professional collection specialist will document the source of the request and the stated reason for the request in the delinquent obligation screen notes. The delinquent obligation will be closed and returned to the VASCUPP institutions ("the creditor").

19. Describe in detail the administrative services and support services (to include automated support/collection software) provided.

The Creditor's Access to *FACS Web™*

The *FACS Web™* component enables the *VASCUPP* institutions (“the creditor”) to access receivables management information through the Internet. The *FACS Web™* component makes it easy to develop Web-enabled applications that can access the *Flexible Automated Collection System* (“*FACS®*”), developed by *Ontario Systems®*.

The creditor can access delinquent obligations and reports through a secure login. The Creditor can view and optionally update delinquent obligation information, run reports and enter delinquent obligations and payments in batch updates.

The Creditor Can View Data on *FACS Web™*

The *FACS Web™* component will allow Internet access in real-time computing (“RTC”) twenty-four (24) hours a day and seven (7) days a week to the *VASCUPP* institution’s (“the creditor”) delinquent obligations through a secured login that controls access levels. The creditor can look up delinquent obligations by any four (4) identifiers (e.g., university identification number (“UIN”), social security number, *FACS®* platform account number, first name and last name). The creditor can view demographics, notes and have access to see balances and payment histories. The hard-coded reports that are available through *Microsoft® Excel*.

Information Page on *FACS Web™* For the Creditor

Options Main Log Out Contact Information Privacy Statement Help Main Options Account Information Enter Accounts Change Password File Transfer Reports View Reports Client Statistics Client Month-Batch Daily Payments Inventory Placements Page Options Payments Account Notes Edit Account Add a Note <small>Problems? aebisupport@bmail.com Phone 317-421-6944</small>	Search By <input type="text" value="Name"/> <input type="button" value="Log In"/> <input type="button" value="Get Account"/> Account Information Agency Number <input type="text" value="244155"/> Name <input type="text" value="Buzz Lightyear"/> Address <input type="text" value="1235 Test Street"/> <input type="text" value="Sherman SC 06784"/> Phone <input type="text" value="123-45-6789"/> Social Security Number <input type="text" value="123-45-6789"/> Client Reference Number <input type="text" value="PER 24 32323"/> Client Number <input type="text" value="5000"/> Client Name <input type="text" value="FACS WEB PK1"/> Service Date <input type="text" value="08/28/04"/> Placement Date <input type="text" value="08/28/04"/> Responsible Party Information Name <input type="text" value="Alexander Lightyear"/> Phone <input type="text" value="123-45-6789"/> Social Security Number <input type="text" value="123-45-6789"/> Employment Information Place of Employment <input type="text" value=""/> Address <input type="text" value=""/> Spouse Information Name <input type="text" value="test test"/> Address <input type="text" value=""/> Co-maker Information Name <input type="text" value="Sheila Buffett"/> Address <input type="text" value="560 S Test Street"/> <input type="text" value="Rock Hill SC 29732"/> Account Status and Balance Status <input type="text" value="3005"/> Unable to Make Payment Now Original Balance <input type="text" value="\$1,354.39"/> Current Balance <input type="text" value="\$621.70"/> Total Number of Accounts <input type="text" value="1"/> Total Balance <input type="text" value="\$621.70"/>
--	---

The *FACS Web*TM Component Can Produce a Payment History

The *FACS Web*TM component will allow Internet access in real-time computing (“RTC”) twenty-four (24) hours a day and seven (7) days a week to the *VASCUPP* institution’s (“the creditor”) delinquent obligations through a secured login that controls access levels. The creditor gets a payment history of each delinquent obligations by any four (4) identifiers (e.g., university identification number (“UIN”), social security number, *FACS*® platform account number, first name and last name.

Payment History Page on *FACS Web*TM For the Creditor

244166 - Buzz Lightyear								
Agency #	Name	Client	Client Ref. #	Pmt Date	Pmt Reference	Pmt Type	Pmt Amount	Comments
244166	Lightyear, Buzz	2000 - FACS WEB	PER 24 32323					
				090608	TEST	CK	\$2.46-	
				102008	TEST	CK	\$400.00-	
				021709	TEST	CK	\$20.00-	
				021709	TEST	COR	\$400.00	
				021709	TEST	CK	\$400.00-	
				051211	29447923	EFT	\$55.00-	
				051611	29564826	EFT	\$60.00-	
				111811	TEST	CK	\$100.00-	
				111811	TEST	NSF	\$100.00	
				021612	300324651	CC	\$1.00-	
				030712	306230420	CC	\$1.00-	
				030612	37998056	EFT	\$100.00-	
				100112	TEST SLSD	DP	\$200.00-	
				021113	413573859	CC	\$1.00-	
				021113	414318731	CC	\$1.00-	
				082713	*IRS-\$100.00	DP	\$125.00-	
				011014	1234	CK	\$100.00-	
				011114	1235	CK	\$60.00-	
				011514	1234	NSF	\$100.00	
				081114	671402069	CC	\$1.00-	
				082515	919043122	CC	\$52.50-	
				082615	51524858	EFT	\$50.00-	
				082615	51524870	EFT	\$100.00-	
				082915	51524875	EFT	\$125.00-	
				042516	TEST	CC	\$10.00-	
				072216	CW 1	CK	\$100.00-	

Full Screen Notes Can Be Viewed on *FACS Web*TM by the Creditor

This window displays a full screen of account notes (for example, combined system notes and conversation notes) so that the *VASCUPP* institution (“the creditor”) can search all the notes on the delinquent obligation for a specific string of characters. This window contains notes that a collector (“professional collection specialist”) creates and notes that the *Flexible Automated Collection System* (“*FACS*®”) creates (e.g., the *FACS*® platform creates a note on the delinquent obligation when a professional collection specialist changes the delinquency date on the account).

Conversation Notes That Can Be Viewed On *FACS Web™*

244166 - Buzz Lightyear			
20	10/07/11	3:43P	(gc) Inbound call from 803-487-1808
20	10/07/11	3:44P	(gc) Inbound call from 803-487-1808
55	10/07/11	3:57P	Transferred from 67 to BC1
BC1	10/10/11	3:08P	Account Viewed by Collector
BC1	10/10/11	3:19P	Account Viewed by Collector
BC1	10/10/11	3:28P	Account Viewed by Collector
20	10/13/11	8:44	(gc) Inbound call from 803-487-1808
20	10/13/11	8:49	(gc) Inbound call from 803-487-1808
42	11/18/11	2:05P	3250 LEAVE WORD sys CK
42	11/18/11	2:07P	Stopped 0 letters et STPLTRDISP index 7158378
42	11/18/11	2:07P	3001 NEW INFORMATION sys NSF
52	12/14/11	5:37P	(gc) Inbound call from 803-487-1808
49	12/15/11	8:38	Interest assessed thru 01/15/2012 - \$1.80 added.
42	12/29/11	9:19	lr #2 1
55	12/29/11	9:51	Transferred from BC1 to 12
12	12/29/11	9:52	Manually Dialed Number 8034871808
12	12/29/11	10:18	Manually Dialed Number 8034871808
76	12/29/11	12:47P	ls #2 1
REN	12/30/11	1:10P	enDI RENKIM changed DBADD1 from 500 Main Street to 500 Main
REN	12/30/11	1:10P	St
RFM	12/30/11	1:10P	enDI RENKIM changed DRZTP from 12345 to

The Creditor Can Make a Note on *FACS Web™*

The *VASCUPP* institution (“the creditor”) can access information and make a note or enter information that immediately can be updated in the *FACS Web™* component in real-time computing (“RTC”) twenty-four (24) hours a day and seven (7) days a week. Changes are tracked through appropriate audit trails and reflected in delinquent obligation notes.

A Note Page on *FACS Web™* for the Creditor

244166 - Buzz Lightyear
Paid \$20 to school 7/17/15
Add a Note

Day or Days Payment History on *FACS Web™* For the Creditor

The *VASCUPP* institution (“the creditor”) can view payments for all student-consumers received by Todd, Bremer & Lawson (“the Firm”) for a particular day or days. The report could be a lengthy report. Each creditor will have a list of payments for each type of delinquent obligation. The following information is displayed: the name of the student-consumer, the student-consumer’s account number, the amount the student-consumer paid, the type of payment, and the date the student-consumer paid. Each report is in a printable hard-coded format and also available in a *Microsoft® Excel* or comma-separated values (“CSV”) spreadsheet. The creditor can use the *FACS Web™* component to view and print reports in real-time computing (“RTC”) twenty-four (24) hours a day and seven (7) days a week.

Report of All Daily Payments Made on *FACS Web™* For the Creditor

Select Report Criteria	
Client	5000 - FACS WEB PK1
Beginning Date	
Ending Date	
Run Report	



Report Criteria	
Client	5000 - FACS WEB PK1
Payments Made	01/01/2008 thru 12/31/2012

Page 1

Agency #	Name	Client Ref. #	Payment Type	Date	Amount
244168	Buzz Lightyear	PER 24 32323	CK	021709	\$20.00 -
244168	Buzz Lightyear	PER 24 32323	COR	021709	\$400.00 -
244168	Buzz Lightyear	PER 24 32323	CK	021709	\$400.00 -
244170	Sleeping Beauty	PERK 24 62626	CC	021709	\$100.00 -
244170	Sleeping Beauty	PERK 24 62626	COR	021709	\$100.00 -
244170	Sleeping Beauty	PERK 24 62626	CC	021709	\$100.00 -
244170	Sleeping Beauty	PERK 24 62626	COR	021709	\$100.00 -
244170	Sleeping Beauty	PERK 24 62626	CC	021709	\$100.00 -
244170	Sleeping Beauty	PERK 24 62626	CC	021709	\$100.00 -
244170	Sleeping Beauty	PERK 24 62626	CK	021709	\$100.00 -
244170	Sleeping Beauty	PERK 24 62626	CC	021809	\$50.00 -
244170	Sleeping Beauty	PERK 24 62626	CC	021809	\$50.00 -
244168	Buzz Lightyear	PER 24 32323	EFT	051211	\$55.00 -
244168	Buzz Lightyear	PER 24 32323	EFT	051611	\$50.00 -
244168	Buzz Lightyear	PER 24 32323	CK	111811	\$100.00 -
244168	Buzz Lightyear	PER 24 32323	NSF	111811	\$100.00 -
244168	Buzz Lightyear	PER 24 32323	DBJ	111811	\$289.20 -
244168	Buzz Lightyear	PER 24 32323	CC	021812	\$1.00 -
244168	Buzz Lightyear	PER 24 32323	CC	030712	\$1.00 -
244168	Buzz Lightyear	PER 24 32323	EFT	030812	\$100.00 -
244168	Buzz Lightyear	PER 24 32323	DP	100112	\$200.00 -

The Firm Maintains *FACS Web™* for the Student-Consumer

The *FACS Web™* component is an add-on component that Todd, Bremer & Lawson (“the Firm”) purchased for the student-consumer that provides access for the student-consumer by using the Internet. A student-consumer can use the *FACS Web™* component to create a *FACS Web™* account for a student-consumer so that the student-consumer can view and update *FACS Web™* account information. A student-consumer can also use the *FACS Web™* component to submit a payment or payment promise based on payment arrangement tables and pay arrangement options that the Firm defines. The *FACS Web™* component provides real-time access for the student-consumer twenty-four (24) hours a day and seven (7) days a week.

FACS Web™ Login Page for the Student-Consumer on *FACS Web™*

The screenshot displays the login interface for Todd, Bremer & Lawson, Inc. The header features the company logo on the left and the text "Todd, Bremer & Lawson, Inc. Online Account Management" on the right. A left sidebar contains a "Main Options" menu with links for "Forgot Password", "Contact Information", and "Privacy Statement". The main content area is divided into two sections: "Login" and "Create New Account". The "Login" section includes input fields for "Account" (containing "D-1-244166") and "Password" (masked with "*****"), followed by a "Log In" button. The "Create New Account" section includes an "Access Code" input field and a "Continue" button.

The Student-Consumer Can View Data on *FACS Web™*

The *FACS Web™* component allows real-time computing (“RTC”) Internet access to student-consumers through a secured login that controls access levels. Student-consumers can view demographics and have access to see their balances, payment histories through the *FACS Web™* component with RTC access twenty-four (24) hours a day and seven (7) days a week.

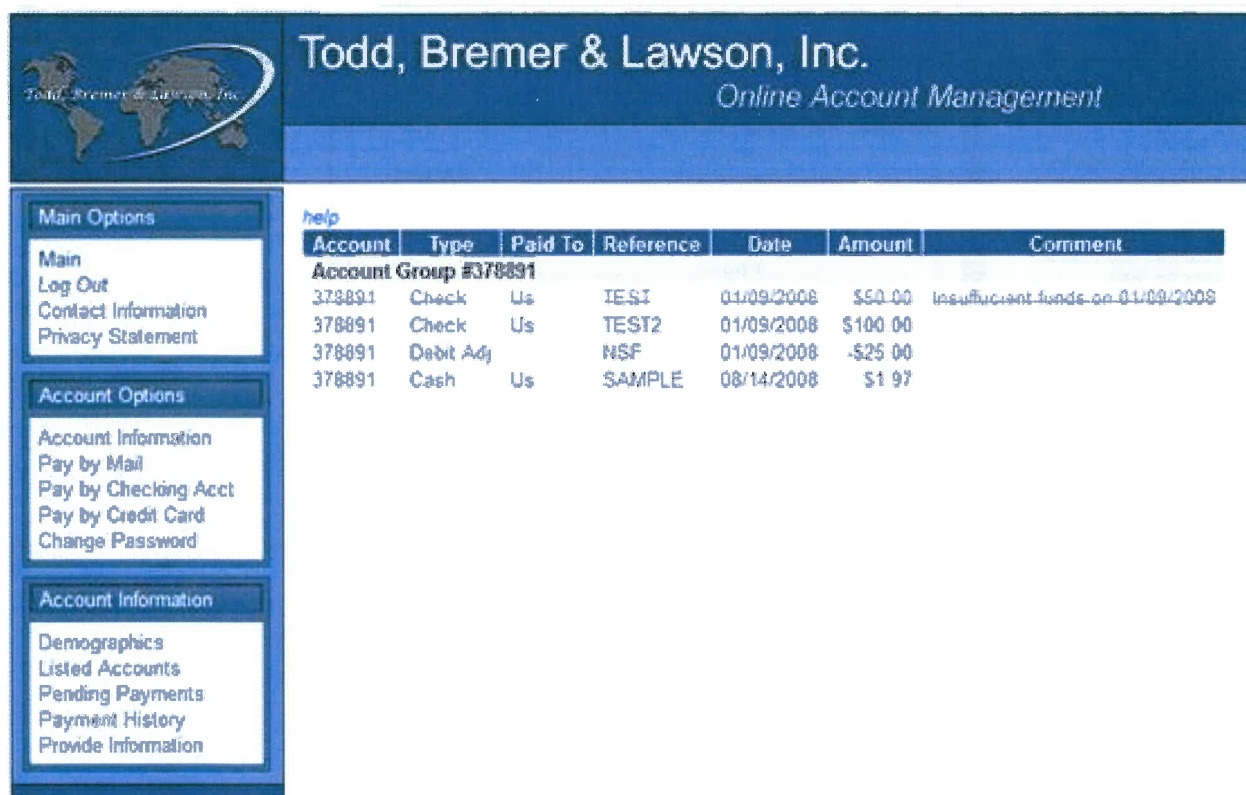
Student-Consumer Information Page on *FACS Web™*

Todd, Bremer & Lawson, Inc. Online Account Management																									
<p>Main Options</p> <p>Main Log Out Contact Information Privacy Statement</p> <p>Account Options</p> <p>Account Information Pay by Mail Pay by Checking Acct Pay by Credit Card Change Password</p> <p>Account Information</p> <p>Demographics Listed Accounts Pending Payments Payment History Provide Information</p>	<p>help</p> <p>Account Information</p> <table border="1"> <tr> <td>Name</td> <td>Buzz Lightyear</td> </tr> <tr> <td>Current Balance</td> <td>\$742.95</td> </tr> <tr> <td>Pending Payments</td> <td>\$1.00</td> </tr> <tr> <td>Payable Balance</td> <td>\$741.95</td> </tr> <tr> <td>Social Security #</td> <td>123-45-6789</td> </tr> <tr> <td>Phone</td> <td></td> </tr> <tr> <td>Address 1</td> <td></td> </tr> <tr> <td>Address 2</td> <td></td> </tr> <tr> <td>City / State / Zip</td> <td>Portland, SC 97229</td> </tr> </table> <p>help</p> <p>Employment Information</p> <table border="1"> <tr> <td>Place of Employment</td> <td>Test Company</td> </tr> <tr> <td>Address</td> <td>1234 Test Lane</td> </tr> <tr> <td>City / State / Zip</td> <td>Test, SC 29732</td> </tr> </table>	Name	Buzz Lightyear	Current Balance	\$742.95	Pending Payments	\$1.00	Payable Balance	\$741.95	Social Security #	123-45-6789	Phone		Address 1		Address 2		City / State / Zip	Portland, SC 97229	Place of Employment	Test Company	Address	1234 Test Lane	City / State / Zip	Test, SC 29732
Name	Buzz Lightyear																								
Current Balance	\$742.95																								
Pending Payments	\$1.00																								
Payable Balance	\$741.95																								
Social Security #	123-45-6789																								
Phone																									
Address 1																									
Address 2																									
City / State / Zip	Portland, SC 97229																								
Place of Employment	Test Company																								
Address	1234 Test Lane																								
City / State / Zip	Test, SC 29732																								

Payment History Page on *FACS Web™* For the Student-Consumer

The student-consumer can view a payment history page for a particular delinquent obligation. The following information is displayed: the name of the student-consumer, the student-consumer's account number, the amount the student-consumer paid, the type of payment, and the date the student-consumer paid. The student-consumer can use the *FACS Web™* component to view and payment history page in real-time computing ("RTC") twenty-four (24) hours a day and seven (7) days a week.

Student-Consumer Payment History Page on *FACS Web™*




The screenshot displays the 'Payment History' page for a student-consumer. The interface includes a navigation menu on the left with sections for 'Main Options', 'Account Options', and 'Account Information'. The main content area shows a table of payment history for 'Account Group #378891'.

Account	Type	Paid To	Reference	Date	Amount	Comment
Account Group #378891						
378891	Check	Us	TEST1	01/09/2008	\$50.00	insufficient funds on 01/09/2008
378891	Check	Us	TEST2	01/09/2008	\$100.00	
378891	Debit Adj		NSF	01/09/2008	-\$25.00	
378891	Cash	Us	SAMPLE	08/14/2008	\$1.97	

Student-Consumer Can Make a Payment on *FACS Web™*

The *FACS Web™* component allows Internet access to student-consumers through a secured login that controls access levels. Student-consumers create payment arrangements based on defined payment arrangement tables while using common payment instruments (e.g., MasterCard, Visa, Discover or personal checking accounts). The *FACS Web™* component payment portal provides real-time access twenty-four (24) hours a day and seven (7) days a week.

Student-Consumer Payment Pending Page on *FACS Web™*



Todd, Bremer & Lawson, Inc.
Online Account Management

Main Options
Main
Log Out
Contact Information
Privacy Statement

Account Options
Account Information
Pay by Mail
Pay by Checking Acct
Pay by Credit Card
Change Password

Account Information
Demographics
Listed Accounts
Pending Payments
Payment History
Provide Information


[help](#)

Account	Type	Paid To	Reference	Date	Amount	Comment
Account Group #244166						
244166	Mastercard	Us	CC 1	09/10/2012	\$1.00	Unapplied

Payment through a Checking Account

The student-consumer can use the *FACS Web*TM component to make a checking account payment on the *Flexible Automated Collection System* (“*FACS*®”) database through a secured Internet login by using the *FACS Web*TM access code found on every collection notice sent by Todd, Bremer & Lawson (“the Firm”). The *FACS Web*TM component payment portal provides real-time access twenty-four (24) hours a day and seven (7) days a week. The Firm does NOT assess a convenience fee or payment processing fee.

Student-Consumer Payment by Checking Account on *FACS Web*TM



Todd, Bremer & Lawson, Inc.
Online Account Management

Main Options
[Main](#)
[Log Out](#)
[Contact Information](#)
[Privacy Statement](#)

Account Options
[Account Information](#)
[Pay by Mail](#)
[Pay by Checking Acct](#)
[Pay by Credit Card](#)
[Change Password](#)

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

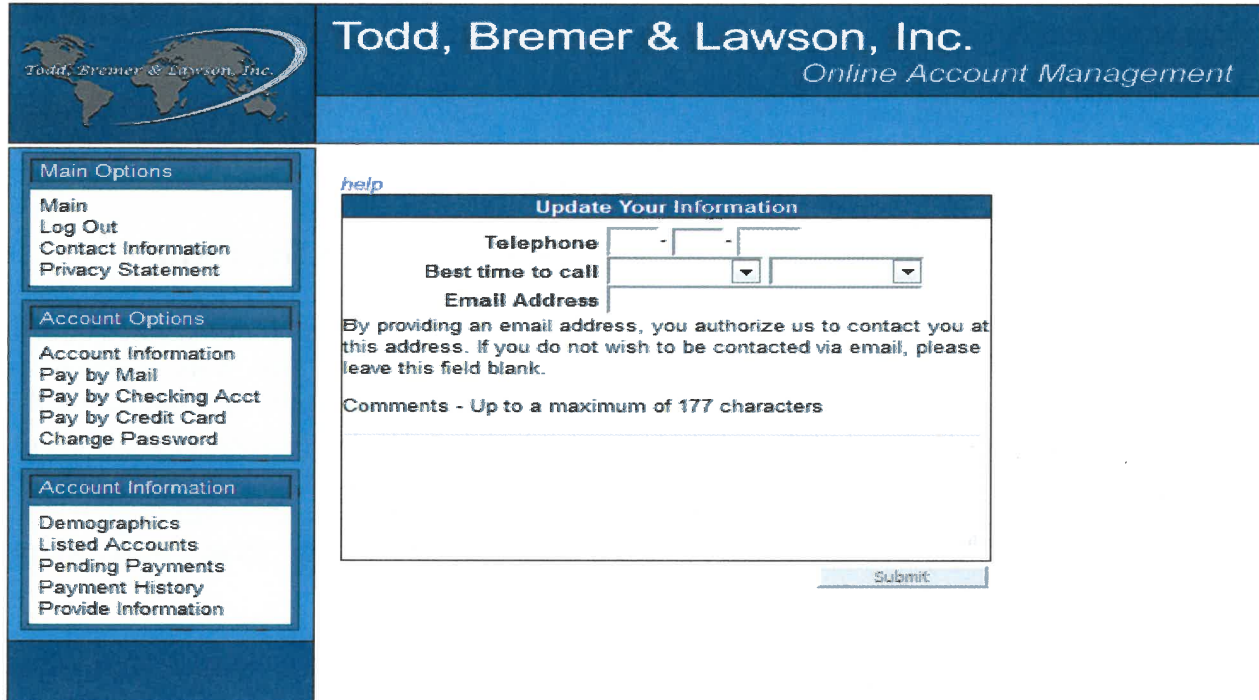
[help](#)

Account	Name	Creditor	Creditor's #	Current Balance
Account Group #244166				
244166	Buzz Lightyear	Sample Univ PK Loan	PER 24 32323	\$742.95
Group Balance				\$742.95
Pending Payments				-\$1.00
Pending Balance				\$741.95
Convenience Fee				-\$0.00
Payment				Make Payment
Grand Total				
Total Current Balance				\$742.95
Total Pending Payments				-\$1.00
Total Pending Balance				\$741.95

Student-Consumer Can Make a Note on *FACS Web™*

Student-consumers can access real-time computing (“RTC”) information and enter information that immediately can be updated in the *Flexible Automated Collection System* (“FACS®”). Changes are tracked through appropriate audit trails and reflected in collection screen notes. Student-consumers can make a note in the collection history through the *FACS Web™* component in RTC, twenty-four (24) hours a day and seven (7) days a week.

Provide a Comment Page on *FACS Web™*



Todd, Bremer & Lawson, Inc.
Online Account Management

[help](#)

Update Your Information

Telephone - -

Best time to call

Email Address

By providing an email address, you authorize us to contact you at this address. If you do not wish to be contacted via email, please leave this field blank.

Comments - Up to a maximum of 177 characters

Main Options
Main
Log Out
Contact Information
Privacy Statement

Account Options
Account Information
Pay by Mail
Pay by Checking Acct
Pay by Credit Card
Change Password

Account Information
Demographics
Listed Accounts
Pending Payments
Payment History
Provide Information

20. Describe the process and timeline for returning unpaid accounts to the VASCUPP institution.

Closing Is Set At the “System Level” or the “Client Level”

The *Flexible Automated Collection System* (“FACS®”) is set at the “system level” to surrender and return all delinquent obligations, twelve (12) consecutive calendar months after the referral date or last payment whichever comes last providing that there has been neither payment nor promise of payment. The FACS® platform will allow the Firm to set the “client level” to close and return delinquent obligations to meet the terms and conditions of any agreement. *Title IV Higher Education Act* (“HEA”), 20 U.S.C. § 1071, *et seq.* require that Federal Perkins loans, National Direct Student loans and National Defense Student loans close in twelve (12) months.

21. Describe how your firm would handle the transition from another Contractor to your firm. Identify issues to be addressed and describe the steps your firm would take to minimize the impact on the VASCUPP institution.

The Transition from the Current Service Provider to the Firm

Max Oniel (“Niel”) Welborn, Jr., Todd, Bremer & Lawson’s (“the Firm”) vice president, and Sheila Johnson (“Sheila”) Welborn, the Firm’s compliance manager, will work together to compliantly complete the terms and conditions of the VASCUPP institution’s (“the creditor”) agreement. Together Niel Welborn and Sheila Welborn will define the purpose of the creditor relative to the compliant third-party collection of delinquent obligations and protection of the creditor’s image with all student-consumers. The analysis includes understanding where previous efforts on the creditor’s behalf succeeded and identifying those areas where improvement is needed.

At the same time, Niel and Sheila will implement new strategies were needed to meet and exceed objectives as set by the creditor in the areas of recovery, reporting, ease of use and client service while maintaining a client (“business partner”) first model. However, defining areas that the Firm can work with the creditor produce a cost-effective way of doing business other than the current model.

As such, the creditor will benefit from uninterrupted service and a saving of time and resources. Niel and Sheila cater every implementation plan to the need of each business partner in the creditor’s wheelhouse. The implementation from the planning stage through the delivery of the *Federal Debt Validation Letter* (“G-Notice”) will take less than thirty (30) days.

22. Describe in detail all reports that will be provided to the VASCUPP institution and the frequency for providing them. Submit a sample of each standard report.

FACS® Platform Standard or Delivered Reports

The *Flexible Automated Collection System* (“FACS®”), developed by *Ontario Systems®*, provides many standard or delivered reports that are available to the VASCUPP institutions (“the creditor”). Todd, Bremer, & Lawson (“the Firm”) attempts to accommodate all specific requests by each client (“business partner”). Each delinquent obligation program will receive an individualized set of reports and billing statements. The following are the FACS® platform’s standard or delivered reports.

Fiscal Year Report

The FACS® platform has robust reporting functionality. The Firm will furnish a *Fiscal Year Report* or sometimes called an *Inventory of Accounts Report* as of year-end Thursday, August 31, 2017, and every August 31 after that. The *Fiscal Year Report* provides a year-end update on each delinquent obligation the Firm is currently working.

The *Fiscal Year Report* is also available to the creditor anytime through the *FACS Web™* component. This report is in a printable hard-coded format, or available in a *Microsoft® Excel* spreadsheet. *Fiscal Year Report* can be sorted and filtered by almost any data point.

Inventory of Accounts Report

Monthly, quarterly or yearly, the Firm can mail an *Inventory of Accounts* through the FACS® platform. The *Inventory of Accounts* provides a routine update on each student-consumer the Firm is currently working. The *Inventory of Accounts Report* is available through a date range of days, weeks, months and years. The *Inventory of Accounts* can be listed alphabetically by student-consumer’s name or numerically by student-consumer’s account number or university identification number (“UIN”).

This report is in a printable format and also available in a *Microsoft® Excel* spreadsheet through the *FACS Web™* component.

Cancel Report

A twelve (12) month *Cancel Report* can be mailed monthly or quarterly. The twelve (12) month *Cancel Report* that identifies student-consumers on which the Firm has exhausted the Firm’s efforts. Also included in this report will be the reasons the Firm has ceased collection efforts.

The *Cancel Report* is available in an *SAP® Crystal Report*.

Detailed Invoice and Remittance Reports

Todd, Bremer & Lawson (“the Firm”), does not require any specific remittance method (e.g., **NET** or **GROSS**). Invoicing is available at the creditor’s request (i.e., daily, weekly, bi-monthly or monthly et cetera).

The *FACS Web*[™] component archives the *Detailed Invoice* and *Remittance Reports*, and these reports are in a printable format.

Client Analysis by Month Batch Report

Monthly or quarterly, the Firm can mail a *Client Month Batch Report* through the *FACS*[®] platform. The *Client Month Batch Report* is available through a date range of days, weeks, months and years. The *Client Month Batch Report* provides a routine update and analysis for clients (“business partner”) the Firm is currently working.

This report is in a printable format and also available in a *Microsoft*[®] *Excel* spreadsheet through the *FACS Web*[™] component.

Client Statistics Report

The *Client Statistics Report* is also available to the creditor monthly, quarterly or yearly through *FACS*[®] platform. The *Client Statistics Report* is available through a date range of month and year.

This report is in a printable format and also available in a *Microsoft*[®] *Excel* spreadsheet through the *FACS Web*[™] component.

New Address Correction Report

Monthly or quarterly, the Firm can furnish the creditor an *Address Correction Report* listing all new, bad, and changed addresses of student-consumers referred for collection. This report will include changes in name, Social Security number, address and phone number.

The *Address Correction Report* is available in an *SAP*[®] *Crystal Report*.

23. Describe how different types of accounts will be classified for reporting purposes.

Each Program Will Receive Individualized Set of Reports

Todd, Bremer & Lawson (“the Firm”) will provide an individual set of reports that are not only separated by fund type (e.g., all Federal Perkins loans, National Direct Student loans, National Defense Student loans, Health Profession Student loans, Nursing Student loans, Loans for Disadvantaged Students or Nurse Faculty loans, institutional loans, student account receivables and other types of delinquent obligations (e.g., overpaid benefits, library fees, salary overpayments, utility charges, returned checks, damage fees, conference and hotel charges, pharmacy and medical charges, veterinary charges, dental charges, and parking violations, et cetera), but also by primary, secondary, tertiary or beyond placement. These individual set of reports can be sent to multiple campus locations and on a consolidated level.

24. Describe your company's ability to customize reports and reporting timelines at the VASCUPP institution's request.

Ad-Hoc Reports Are Available through the FACS® Platform

Ad-hoc is a Latin phrase meaning “for this.” In English, it signifies a solution designed for a specific problem or not adaptable for other purposes. In addition to Todd, Bremer & Lawson’s (“the Firm”) standard or delivered reports and file transfer reports, the *Flexible Automated Collection System* (“FACS®”) has a component called the *Report Writer®* product, which enables the Firm to query any data field in the FACS® platform. The Firm can provide any ad-hoc or customized reports that the VASCUPP institutions (“the creditor”) may require. Also, the Firm can provide reports in paper or electronic formats. In electronic format, reports are in portable document format (“PDF”) or *Microsoft® Excel* or comma-separated value (“CSV”) spreadsheet. As part of the Firm’s aggressive implementation plan for all new clients (“business partner”), the Firm provides ad-hoc or customized reports at no additional cost to the creditor.

25. Describe how your firm can assist VASCUPP institutions with the Fiscal Operations Report and Application to Participate (FISAP).

The Firm Is Open to Discussions of How to Assist the Creditor

Todd, Bremer & Lawson (“the Firm”) is on a “need to know” bases with all the Firm’s clients (“business partner”). The term “**need to know**,” when used, describes the restriction of data which is considered very sensitive. Under need-to-know limits, even if the Firm has all the necessary official approvals (e.g., security clearance) to access specific information, the Firm would not be given access to such information, or read-only, unless the Firm has a particular *need to know*; that is, access to the data must be necessary for the Firm to conduct third-party collection agency activities. As with most security mechanisms, the aim is to make it difficult for unauthorized access to occur, without inconveniencing legitimate access.

Heartland ECSI™, *University Accounting Service (“UAS”)* and *UNISA©, Inc.* is the book of record for the reports needed to assist the VASCUPP institutions (“the creditor”) with the *Fiscal Operations Report and Application to Participate (“FISAP”)* because the third-party billing service provider would contain all the relevant numbers. As a third-party collection agency provider, the Firm only deals with a small subset of the Federal Perkins loans that anyone creditor includes on the *FISAP*.

Todd, Bremer & Lawson (“the Firm”) is open to discussions of how the Firm can assist the creditor with the *FISAP*.

26. Describe your firm's ability and qualifications to provide international collection services.

International Collections and the *FDCPA*

The *Federal Trade Commission* ("*FTC*") contends that a third-party collection agency based in the United States, which collects delinquent obligations owed by student-consumers residing outside the United States, is governed by the *Fair Debt Collection Practices Act* ("*FDCPA*"), 15 U.S.C. § 1692, *et seq.* because the professional collection specialist is using the mail or telephone, which is interstate means, to collect a delinquent obligation.

The time a professional collection specialist is permitted to telephone a student-consumer oversees to collect delinquent obligations, is governed by § 805(a) (1), which states a professional collection specialist may not communicate with a student-consumer about a delinquent obligations at "any unusual time or place or a time or place known or which should be known to be inconvenient to the student-consumer".

In the absence of such knowledge, a professional collection specialist may assume calling before 8:00 AM and after 9:00 PM where the student-consumer resides is inconvenient. A professional collection specialist telephoning a student-consumer must take into account the time zone in which the student-consumer lives.

The Firm Will Maintain Knowledge of All Multi-National Laws

Todd, Bremer & Lawson's ("the Firm") will ensure and warrant that its personnel will continually maintain knowledge of all multi-national laws and regulations governing the collection of student- consumers' delinquent obligations throughout the terms of the resulting engagement.

Professional Collection Specialists Are Multi-Lingual

Todd, Bremer & Lawson ("the Firm") collects delinquent obligations from a variety of populations some of which include student-consumers who do not speak English as student-consumer's primary language. The most commonly spoken second language of these student-consumers is Spanish. The Firm provides inbound callers with a readily available option to speak with a Spanish speaking collector ("professional collection specialist"). Student-consumers who request to speak with a Spanish speaking professional collection specialist will be routed to the Spanish speaking professional collection specialist's queue. The Firm has verbal student-consumer communication policies in place, and these policies are available to the *VASCUPP* institution ("the creditor") upon request.

The Firm Had 325 International Placements in 2017

Todd, Bremer & Lawson ("the Firm") has 325 delinquent obligations in collection from fifty (50) foreign countries for a total of \$1,233,635.92 in 2017. The Firm's recovery rate for these delinquent obligations two (2) percent thus far because some of these delinquent obligations have not yet matured and the Firm has stewardship of some of the delinquent obligations.

27. Provide the names of any professional organization that your firm belongs to.

The Firm Became a Member of *ACA International* in 1981

Todd, Bremer & Lawson (“the Firm”) is a member of *ACA International* (“ACA”), the *Association of Credit and Collection Professionals*. The South Carolina Collectors Association (“SCCA”) approved membership and ACA International membership on Monday, June 1, 1981. The Firm’s company member number is # 10098312.

The Firm Became a Member of *COHEAO* in 1990

Todd, Bremer & Lawson (“the Firm”) is a member of the *Higher Education Assistance Organization* (“COHEAO”). The Firm first became a member of COHEAO on Tuesday, January 2, 1990.

The Firm Became a Member of *CPF* in 2016

Todd, Bremer & Lawson (“the Firm”) is a member of the *Compliance Professional Form* (“CPF”). The Firm first became a member of CPF on Tuesday, November 29, 2016. CPF is a membership organization for anyone tasked with managing student-consumer debt. CPF offers practical, timely answers to the Firm’s toughest compliance questions.

The Firm Became a Member of *Better Business Bureau* in 1998

Todd, Bremer & Lawson (“the Firm”) is a member of the *Better Business Bureau* (“BBB”). The Firm first became a member of the BBB on Tuesday, April 28, 1998.

The Firm Is a Sponsor of *FOCUS*

Todd, Bremer & Lawson (“the Firm”) was a sponsor of Fall *FOCUS* in Richmond, Virginia which was hosted by Virginia State University and Spring *FOCUS* in Lexington, Virginia which was hosted by Virginia Military Institute.

The Firm will again sponsor Fall FOCUS on **November 13 -14, 2018 at The Hotel Roanoke & Conference Center in Roanoke, VA.**

The Firm has been a regular sponsor of *FOCUS* since Wednesday, April 24, 2015. *Max Oniel* (“Niel”) Welborn, Jr., the Firm’s regional service and sales manager for the Eastern Time Zone (“EST”) for the Firm, serves as the Firm’s point of contact for all *FOCUS* events.

28. Specify if your firm has been purchased/merged within the last five years. Specify any plans to purchase or merge with another company.

Todd, Bremer & Lawson Has Never Been For Sale

Todd, Bremer & Lawson (“the Firm”) avows that it is not currently for sale or involved in any transaction to expand or to become acquired by another third-party collection or any other business entity. The Firm has never been in any reorganization, acquisition, or merger.

29. Specify if your firm has been cited for any audit exceptions within the last five years. If so, provide dates, reasons, and resolution for each exception.

The Firm Has Been Cited For Any Attestation Audits Exceptions

The Todd, Bremer & Lawson (“the Firm”) has the financial resources available to assure the *VACSUPP* institutions that the Firm can meet an aggressive implementation plan. The Firm has not ever had a finding or questioned cost concerning the Federal Perkins Loan Program to be reported pursuant the *Guide for Audits of Proprietary Schools* and for *Compliance Attestation Engagements of Third-Party Servicers Administering Title IV Programs*. The *United States Department of Education* (“DOE”) and the third-party audit firm *Burkett, Burkett & Burkett, CPAs, P.A.* has found the Firm’s services to be compliant with *Federal Family Educational Rights and Privacy Act* (“FERPA”), 20 U.S.C. 1232g, *et seq.* and *title IV Higher Education Act* (“HEA”), 20 U.S.C. § 1071, *et seq.* and as outlined in 34 CFR §668.25(c) since 1996. The Firm inserted a copy of the Firm’s most recent attestation audit into a separate section of this solicitation.

30. Specify if your firm has had or has any litigation issues. If so, provide dates, reasons, and resolution for each issue.

The Facts and Circumstances of Pending Litigation

Todd, Bremer & Lawson (“the Firm”) is currently defending a lawsuit in *United States District Court, District of Oregon, Portland Division* based upon alleged violations of *Fair Debt Collection Practices Act* (“FDCPA”), 15 U.S.C. § 1692, *et seq.*, captioned *Bowman vs. Todd Bremer & Lawson, Inc.* While the Firm intends to defend the pending lawsuit vigorously, litigation is inherently subject to many uncertainties. *Robert E. Sabido, Esq.*, the Firm’s attorney in Portland, Oregon, has recommended that the Firm not provide substantive comment on the litigation, or express any opinion concerning the likely outcome of the case.

It is noteworthy, however, that the *ACA International Judicial Committee* moved to approve *Industry Advancement Funds* up to \$25,000 to help defray the Firm's expenses (e.g., attorney fees and costs) associated with defending against the *FDCPA* claim the student-consumer filed against the Firm in Oregon. The *ACA International Judicial Committee* move to approve *Industry Advancement Funds* for the Firm is a positive signal for all third-party collection agency providers in the United States.

The Firm has had no other litigation or proceeding whereby, during the past three (3) years, a court has ruled against the Firm in any matter related to the professional activities of the Firm.

31. Describe your business structure to include the relationship between any parent company and subsidiaries. Specify any business relationships with loan billing agents.

Legal Name, Address, and Form of Business

Todd, Bremer & Lawson ("the Firm") is an S corporation and owned by *James Harold ("Hal") Todd* of 1529 Jack White Drive, Rock Hill, South Carolina, 29732-7702. On Thursday, December 1, 2005, Todd, Bremer & Lawson ("the Firm") relocated to 560 South Herlong, Rock Hill, South Carolina, 29732-9360.

Sole Stockholder

James Harold ("Hal") Todd resides at 1529 Jack White Drive, Rock Hill, South Carolina, 29732-7702 and *Hal Todd* is the sole owner of an S corporation named Todd, Bremer & Lawson ("the Firm"). No parties have a financial interest in the Firm nor does the Firm have a financial interest in any other organization.

The Firm's Relationship with a Third-Party Billing Service Provider

Todd, Bremer & Lawson ("the Firm") does not own or control a third-party billing service provider nor is the Firm owned or controlled by a third-party billing servicer. The Firm is not owned or controlled by the same corporation, partnership, association, or individual that owns or controls a third-party billing service provider. *Title IV Higher Education Act ("HEA")*, 20 U.S.C. § 1071, et seq. and as outlined in 34 CFR §674.48(e) will not allow such relationships.

32. Describe your firm's qualifications and experience in providing collection services to institutes of higher education. Provide the contact information and qualifications of the person who will be the primary point of contact to VASCUPP institutions.

A Brief Description of Todd, Bremer & Lawson

Todd, Bremer & Lawson was incorporated on December 23, 1974.

Todd, Bremer & Lawson ("the Firm") incorporated on Monday, December 23, 1974, is located in Rock Hill, South Carolina. The Firm is a third-party collection agency provider with thirty-seven (37) associates. According to the *ACA International* ("ACA"), the *Association of Credit and Collection Professionals* and *Ernst & Young's* study of the *Impact of Third-Party Debt Collection on the National and State Economies*, eighty-seven (87) percent of third-party collection agency providers have fewer than fifty (50) employees. On Monday, December 16, 1974, Winthrop University, located just down the street from the Firm's offices on 339 East Main Street, Rock Hill, South Carolina, 29731-5371, referred to the stewardship of the Firm its first National Defense Student loans. The Firm's business partner base extends to the United States to forty-three (43) states with student-consumers in all fifty (50) states and fifty-seven (57) sovereign countries. The Firm has the associates and forty-two (42) years of experience implementing third-party collection efforts for colleges, universities, seminaries and private secondary schools.

The Vice President for Todd, Bremer & Lawson

Max Oniel ("Niel") *Welborn, Jr.* is the vice president for Todd, Bremer & Lawson ("the Firm"), a third-party collection agency provider that specializes in assisting colleges, universities, seminaries and private secondary schools with the recovery of delinquent obligations and student loans. *Niel* joined the Firm on Monday, April 2, 1990. *Niel* has been an officer of the Firm since Monday, December 1, 2003.

The Firm's Associates Hold Leadership Positions Nationally

Nationally, *Max Oniel* ("Niel") *Welborn, Jr.*, the Firm's vice president, is a member of the "Committee of 100" for *ACA International* ("ACA"), the *Association of Credit and Collection Professionals* and has been selected to serve on the *Judicial Committee* of *ACA International* beginning Tuesday, August 1, 2017, and *Lori Hartung* serves as vice president of *Coalition of Higher Education Assistance Organization* ("COHEAO"). *Lori Hartung* is the regional service and sales manager for the Central Time Zone ("CST") for Todd, Bremer & Lawson ("the Firm").

33. Provide an overview of your firm's financial status to include financial statements, bank references, Dun & Bradstreet or equivalent rating, and any other information that is relevant to your firm's financial stability and solvency.

The Firm Has Resources Needed For an Aggressive Implementation

Todd, Bremer & Lawson has an A+ rating with the Better Business Bureau.

Todd, Bremer & Lawson ("the Firm"), the winners of *insideARM.com*'s eleventh (11th) annual *Best Call Centers to Work For*, has the financial resources available to assure each creditor that the Firm can meet an aggressive implementation plan. The Firm demonstrates this with an A+ rating with the *Better Business Bureau* ("BBB"), twenty-two (22) years of attestation and compliance. *James Harold* ("Hal") *Todd* has also brought together people (e.g., *Lori Hartung*, *Rachelle Marie* ("Rachelle") *Melloch*, *Jeffrey Kirk* ("Kirk") *McCracken* and *Max Oniel* ("Niel") *Welborn, Jr*) to accomplish the terms and conditions of this agreement. All twenty-two (22) years attestation and compliance audits and twenty (20) years of audited financial statements are available to the creditor upon request.

Burkett, Burkett & Burkett, CPAs, P.A. Has Conducted an Audit

Although the *title IV of Higher Education Act* ("HEA"), 20 U.S.C. § 1071, *et seq.* has no specific requirements for an audited financial statement, please be notified that the Firm engaged *Burkett, Burkett & Burkett, CPAs, P.A.* to conduct an audit of the Firm's balance sheet as of Sunday, July 1, 2018, and the related statements of income and cash flows for the year then ended. Having audited financial statements speaks to the financial stability of any third-party collection agency provider. Todd, Bremer & Lawson ("the Firm") inserted a copy of the Firm's most recent audited financial statement into a separate section of this solicitation.

Wells Fargo & Company

Todd, Bremer & Lawson ("the Firm") maintains its client trust depository accounts with *Wells Fargo & Company*. *Wells Fargo & Company* operates over 6,200 banking centers in almost every state; this is one of the reasons that the Firm selected *Wells Fargo & Company* for its banking relationship. *Wells Fargo & Company* holds every client trust depository account and the Firm's operational account.

Todd, Bremer & Lawson's Business Credit Profile

Todd, Bremer & Lawson's ("the Firm") business credit profile is like the Firm business "resume." It contains critical information that the *VASCUPP* institutions ("the creditor") would use when deciding whether to do business with the Firm and on what terms.



Decide with Confidence

The Firm reviews the *Dunn & Bradstreet* credit report periodically. The Firm might have a thriving and profitable business, but often what matters more is the documentation in the credit report that the creditor receives on the Firm. Most of the Firm's clients ("business partner") want a complete and unbiased view of who the Firm is, and its commercial information. The Firm's credit scores and reports will give the creditor a fast, objective measurement of the Firm credit risk. The Firm's *Dunn & Bradstreet* number is 00 824 7348. Todd, Bremer & Lawson ("the Firm") inserted a copy of the Firm's *Dunn & Bradstreet* credit report into a separate section of this solicitation.

34. Provide three (3) references of higher education institutions where your firm currently provides collection services. Each reference should include name of the institution, a brief summary of the scope, mailing address, and the name and contact information of a primary contact person.

The Firm Has Many Cooperative Agreements in the United States

Cooperative agreements ("i.e., piggy-back agreement") issued by a university allow other universities to use the contract (i.e., to "piggy-back" on the terms and conditions of the agreement). Cooperative or piggy-back agreements represent the most direct cooperative purchasing resource, especially for smaller campuses. However, the cooperative or piggy-back agreement can be a benefit for larger campuses by saving administrative costs and by creating pressure for lower prices. Todd, Bremer & Lawson ("the Firm") understands James Madison University and other *VASCUPP* institutions consist of eleven (11) campuses and each creditor may have many departments or campuses that would be interested in utilizing the Firm proposed under this Request for Proposal ("RFP"). The Firm has many such cooperative or piggy-back agreements in the United States in the states of Georgia, Florida, Maine, Minnesota, Montana, Oregon, South Carolina, Virginia and the Attorney General's Office in North Carolina, the Rhode Island Department of Administration, the Board of Regents at Texas A&M University and the Wisconsin Department of Administration.

Pacific Standard Time ("PST") Zone Reference

College/University	Oregon State University
Executive-Level Reference	Mr. Jon Bickler
Position	Student Debt Manager
Telephone No.	541.737.0639
Address	PO Box 1086, Corvallis, Oregon, 97339-1086
FAX No.	541.737.4099
e-mail address	jon.bickler@oregonstate.edu
Award Date	May 2, 2008
Student Population	28,856

Mountain Standard Time ("MST") Zone Reference

College/University	Utah State University
Executive-Level Reference	Mr. Brent Sorenson
Position	Bursar Third Party Manager
Telephone No.	435.797.1426
Address	2400 Old Main Hill, Logan, Utah 84322-2400
FAX No.	435.797.0367
e-mail address	brentsorenson.usu.edu
Award Date	March 16, 2009
Student Population	27,662

Central Standard Time ("CST") Zone Reference

College/University	Texas A&M University – College Station
Executive-Level Reference	Ms. Peggy Carey
Position	Director of Student Business Services
Telephone No.	979.862.5714
Address	6001 TAMU, College Station, Texas 77843-6001
FAX No.	979.845.8126
e-mail address	p_carey@tamu.edu
Award Date	December 28, 1994
Student Population	62,185

Central Standard Time ("CST") Zone Reference

College/University	University of Alabama
Executive-Level Reference	Tony Bordeaux
Position	Director of Student Accounting Services
Telephone No.	205.348.8292
Address	P. O. Box 870120, Tuscaloosa, AL, 35487-0120
FAX No.	205.348.8426
e-mail address	tbordeaux@fa.ua.edu
Award Date	July 29, 2003
Student Population	38,563

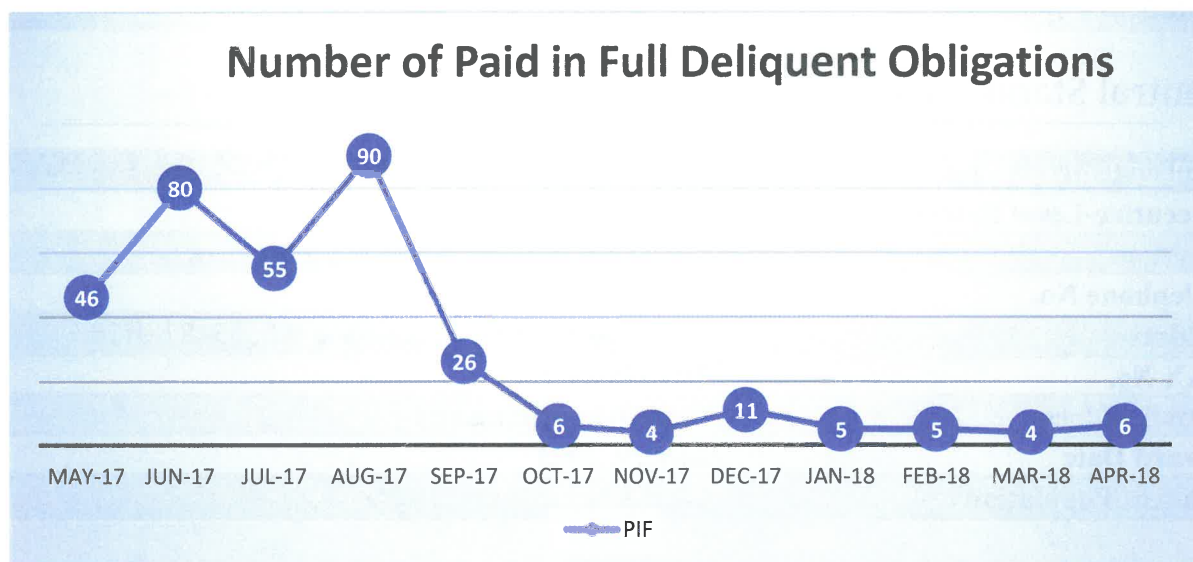
Eastern Standard Time (“EST”) Zone Reference

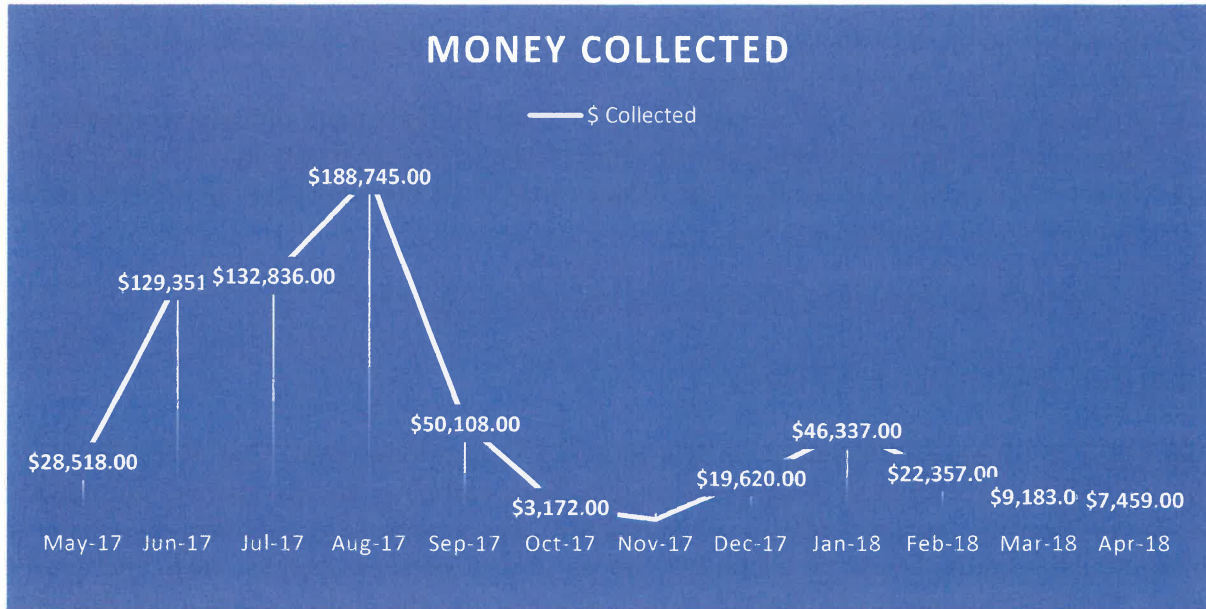
College/University	NC State University
Executive-Level Reference	Ms. Martha Andre
Position	Coordinator of Student Accounts
Telephone No.	919.515.9507
Address	P.O. Box 7524, Raleigh, North Carolina 27695-7524
FAX No.	919.515.1164
e-mail address	martha_andre@ncsu.edu
Award Date	May 4, 2007
Student Population	33,989

35. Discuss the success rate of your firm in collecting outstanding debt and the length of time to collect accounts, including quantitative data. Provide an explanation for how calculations were determined.

Data for May, 2017 through April, 2018

The below graphs discuss the success rate of Todd, Bremer & Lawson (“the Firm”) in collecting delinquent obligations and the length of time to collect delinquent obligations for May 2017 through April 2018 for one of the Firm’s largest clients (“business partner”). The graphs follows a batch of placement made in May, of 2018 and how many delinquent obligation paid the account in full and the amount of dollars collected on these placements.





36. Describe your firm's ability to work with and accommodate the different needs of various VASCUPP institutions (*remittance timelines, inactive account returns, payment processes, etc*).

Ad-Hoc Reports and Custom Programming at No Additional Fee

Todd, Bremer & Lawson's ("the Firm") commission or contingency fee includes ad-hoc reports, standard or delivered reports, and the custom programming required by the VASCUPP institutions ("the creditor"). The creditor will not pay an extra hourly charge for ad-hoc reports, standard or delivered reports, or custom programming. As part of the Firm's aggressive implementation plan for all new business partners ("client") the Firm provides at no additional cost to the creditor:

- customize reports to meet the creditor's needs;
- create a client account number according to the terms and conditions of the agreement;
- create a *FACS Web™* component account number; and
- create file formats for the *Flexible Automated Collection System ("FACS®")* database.

The Firm will provide additional customization at the "client level" for each business partner:

- to create interest controls that determine how the *FACS®* platform assesses interest;
- to customize credit reporting to the credit reporting agencies ("CRA");
- to send an *invoice* or *remittance* that identifies each delinquent obligation;
- to elect the billing cycle (i.e., weekly, bi-monthly or monthly, et cetera);
- to allow any form of payment preference;
- to set the automation of closing delinquent obligations;
- to set a check hold if the release date is higher than the *invoice* or *remittance* ending date;
- to sets collection cost;
- to set daily collection cost on interest;

- to set a fee distribution table;
- to burst out to the file transfer folder a *Microsoft® Excel* spreadsheet of the *Cancel Report* in *FACS Web™* component;
- to set at the ‘system level’ to surrender and return all delinquent obligations, twelve (12) consecutive calendar months after the referral date or last payment; and
- to set at the client level to adjust the balance so that the intercept program will not cause a commission or contingency fee.

37. Describe all methods for processing payments from debtors.

Accepted Payment Methods

In an effort to eliminate objections on the part of a student-consumer, The Todd, Bremer & Lawson (“the Firm”) offers an array of payment options including but not necessarily limited to *Automatic Clearing House (“ACH”)*, wire transfer, credit cards (e.g., *MasterCard*, *Visa*, and *Discover*), debit cards, check by telephone, money orders, personal checks, cash, and certified check. Student-consumers can deposit money directly into the Firm’s client trust depository account, making that payment option free and convenient for the student-consumer at any branch of *Wells Fargo & Company* in the United States. The decision to charge a convenience fee is a significant one. The Firm does NOT assess a convenience fee or payment processing fee.

38. Provide the following if the proposed solution processes card holder data or redirects to a separate payment site:

- i. Up-to-date, signed documentation that the proposed solution and firm is compliant with all PCI-DSS requirements.

Firm’s Credit and Debit Card Solution Falls outside *PCI-DSS* Scope

Todd, Bremer, and Lawson (“the Firm”) utilizes *Payazr Portal Plus* by *BillingTree™* to accept all credit cards (e.g., *MasterCard*, *Visa*, and *Discover*), and debit card payments for student-consumers. The student-consumer enters all single and recurring payments in the payment portal maintained by *BillingTree™*. There is no payment credit card and debit card data handled, processed, or stored by the Firm’s *Flexible Automated Collection System (“FACS®”)* or the Firm’s personnel. *BillingTree™* is *PCI-DSS Level 1 Compliant* as evidenced by the *Attestation of Compliance (“AOC”)* included in this Request for Proposal (“RFP”).

- ii. Documentation of your firm's most recent PCI system scan and the signature page from your Attestation of Compliance (AOC).

The Firm Does Not Store Debit Card or Credit Card Payment Data

Todd, Bremer & Lawson ("the Firm") does not have a *PCI-DSS* system scan or an *Attestation of Compliance* ("AOC") as the Firm does not collect or store any credit card and debit card payment data on the *Flexible Automated Collection System* ("FACS®") or within the Firm's office.

The Firm Conducts Regular Internal Security Tests

Todd, Bremer, & Lawson ("the Firm") performs vulnerability scans every three (3) months and penetration testing every twelve (12) months which contain reviews of access to sensitive data by internal and external sources. *Dixon Hughes Goodman, LLP* ("Dixon Hughes Goodman") executes the security vulnerability scans and penetration testing for the Firm. *Dixon Hughes Goodman* is a privately held accounting firm specializing in audits, reviews and compilations; information technology audits services, attestation services, and *SOC* services. *Dixon Hughes Goodman* also provides information technology advisory services and risk advisory services for call centers and other facilities requiring large-scale computer technology. *Dixon Hughes Goodman* is headquartered in Charlotte, North Carolina and has offices in twelve (12) other states. *Dixon Hughes Goodman* serves customers in such industries as education, financial services and government contracting and professional services.

- iii. If your firm and/or the proposed solution is not *PCI-DSS* compliant, explain why your firm/solution falls outside *PCI-DSS* scope and provide the most recent *SOC 1* or *SSAE-16* report.

BillingTree™ Is *PCI-DSS* Compliant

BillingTree™ has developed ways to make it compliant for third-party collection agency providers to process payment instruments (e.g., *MasterCard*, *Visa*, and *Discover*, and debit card payments). The *Payazr Portal Plus* by *BillingTree™* simplifies the process of receiving and applying for payments through *Payazr Portal Plus* integrated approach. There is no payment credit card and debit card data handled, processed, or stored by the Firm's *Flexible Automated Collection System* ("FACS®") or the Firm's personnel. Because of this integrated functionality, *BillingTree™* is *Payment Card Industry Data Security Standard* ("*PCI-DSS*") 3.2 compliant.

Todd, Bremer & Lawson Has Completed an SSAE 18 Audit

Todd, Bremer & Lawson engaged Dixon Hughes Goodman LLP to conduct an SSAE 18/SOC 1 Type 2 audit for the period of July 1, 2017, to December 31, 2017.

The *Gramm-Leach-Bliley Act* (“GLBA”), 15 U.S.C. § 6801, *et seq.* has no specific requirements for an SSAE 18/SOC 1 Type 2 audit. However, please be notified that Todd, Bremer & Lawson (“the Firm”) engaged Dixon Hughes Goodman LLP to conduct an SSAE 18/SOC 1 Type 2 audit for the period of Saturday, July 1, 2017, to Sunday, December 31, 2017. An SSAE 18/SOC 1 Type 2 audit adds a historical element. The SSAE 18/SOC 1 Type 2 standard requires a minimum of six (6) months of operation of the controls for an SSAE 18/SOC 1 Type 2 audit.

Many third-party collection agency providers that followed SAS 70 have now shifted to an SSAE 18/SOC 1 Type 2 audit. The Firm is savvy to the ability to use the SSAE 18/SOC 1 Type 2 audit to show that the Firm is more qualified. Also, the Firm encourages prospective end-users to make having an SSAE 18/SOC 1 Type 2 audit standard part of any new vendor selection criteria. Most prospective end-users know that public corporations in the United States fall under the *Sarbanes-Oxley Act* (“SOX”), 15 U.S.C. §7262, *et seq.* However, there are also many provisions of SOX that apply to a privately held third-party collection agency provider like the Firm.



ATTACHMENT A

OFFEROR DATA SHEET

TO BE COMPLETED BY OFFEROR

1. **QUALIFICATIONS OF OFFEROR:** Offerors must have the capability and capacity in all respects to fully satisfy the contractual requirements.
2. **YEARS IN BUSINESS:** Indicate the length of time you have been in business providing these types of goods and services.

Years 44 Months 1

3. **REFERENCES:** Indicate below a listing of at least five (5) organizations, either commercial or governmental/educational, that your agency is servicing. Include the name and address of the person the purchasing agency has your permission to contact.

CLIENT	LENGTH OF SERVICE	ADDRESS	CONTACT PERSON/PHONE #
Oregon State University	10 Years	PO Box 1086 Corvallis, Oregon 97339-1086	Jon Bickler 541-737-0639
Utah State University	9 Years	2400 Old Main Hill Logan, Utah 84322-2400	Brent Sorenson 435-797-1426
Texas A&M University- College Station	23 Years	6001 TAMU College Station, TX 78843-6001	Peggy Carey 979-862-5714
University of Alabama	15 Years	PO Box 870120 Tuscaloosa, AL 35487-0120	Tony Bordeaux 205-348-8292
North Carolina State University	11 Years	PO Box 7524 Raleigh, NC 27695-7524	Martha Andre 919-515-9507

4. List full names and addresses of Offeror and any branch offices which may be responsible for administering the contract.

Todd, Bremer & Lawson, Inc
Post Office Box 36788
Rock Hill, SC 29732

5. **RELATIONSHIP WITH THE COMMONWEALTH OF VIRGINIA:** Is any member of the firm an employee of the Commonwealth of Virginia who has a personal interest in this contract pursuant to the [CODE OF VIRGINIA](#), SECTION 2.2-3100 – 3131?

[] YES [☒] NO

IF YES, EXPLAIN: _____

ATTACHMENT B

Small, Women and Minority-owned Businesses (SWaM) Utilization Plan

Offeror Name: Todd, Bremer & Lawson, Inc. **Preparer Name:** Niel Welborn

Date: August 16, 2018

Is your firm a **Small Business Enterprise** certified by the Department of Small Business and Supplier Diversity (SBSD)? Yes ☒ No ☐

If yes, certification number: 673491 Certification date: June 11, 2018

Is your firm a **Woman-owned Business Enterprise** certified by the Department of Small Business and Supplier Diversity (SBSD)? Yes ☐ No ☒

If yes, certification number: _____ Certification date: _____

Is your firm a **Minority-Owned Business Enterprise** certified by the Department of Small Business and Supplier Diversity (SBSD)? Yes ☐ No ☒

If yes, certification number: _____ Certification date: _____

Is your firm a **Micro Business** certified by the Department of Small Business and Supplier Diversity (SBSD)? Yes ☐ No ☒

If yes, certification number: _____ Certification date: _____

Instructions: *Populate the table below to show your firm's plans for utilization of small, women-owned and minority-owned business enterprises in the performance of the contract. Describe plans to utilize SWaMs businesses as part of joint ventures, partnerships, subcontractors, suppliers, etc.*

Small Business: "Small business " means a business, independently owned or operated by one or more persons who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, which, together with affiliates, has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years.

Woman-Owned Business Enterprise: A business concern which is at least 51 percent owned by one or more women who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership or limited liability company or other entity, at least 51 percent of the equity ownership interest in which is owned by one or more women, and whose management and daily business operations are controlled by one or more of such individuals. **For purposes of the SWaM Program, all certified women-owned businesses are also a small business enterprise.**

Minority-Owned Business Enterprise: A business concern which is at least 51 percent owned by one or more minorities or in the case of a corporation, partnership or limited liability company or other entity, at least 51 percent of the equity ownership interest in which is owned by one or more minorities and whose management and daily business operations are controlled by one or more of such individuals. **For purposes of the SWaM Program, all certified minority-owned businesses are also a small business enterprise.**

Micro Business is a certified Small Business under the SWaM Program and has no more than twenty-five (25) employees AND no more than \$3 million in average annual revenue over the three-year period prior to their certification.

All small, women, and minority owned businesses must be certified by the Commonwealth of Virginia Department of Small Business and Supplier Diversity (SBSD) to be counted in the SWaM program. Certification applications are available through SBSD at 800-223-0671 in Virginia, 804-786-6585 outside Virginia, or online at <http://www.sbsd.virginia.gov/> (Customer Service).

RETURN OF THIS PAGE IS REQUIRED

ATTACHMENT B (CNT'D)
Small, Women and Minority-owned Businesses (SWaM) Utilization Plan

Procurement Name and Number: RFP# LBS-997 Collection Services

Date Form Completed: August 16, 2018

Listing of Sub-Contractors, to include, Small, Woman Owned and Minority Owned Businesses
for this Proposal and Subsequent Contract

Offeror / Proposer:

Todd, Bremer & Lawson, Inc.

Firm

Post Office Box 36788 Rock Hill, SC 29732

Address

Niel Welborn

Contact Person/No.

Sub-Contractor's Name and Address	Contact Person & Phone Number	SBSD Certification Number	Services or Materials Provided	Total Subcontractor Contract Amount (to include change orders)	Total Dollars Paid Subcontractor to date (to be submitted with request for payment from JMU)

(Form shall be submitted with proposal and if awarded, again with submission of each request for payment)

RETURN OF THIS PAGE IS REQUIRED

Sales with Each VASCUPP Member

Identify the amount of sales your company had during the last twelve months with each VASCUPP Member Institution. A list of VASCUPP Members can be found at: www.VASCUPP.org.

University of Virginia

Account Type	Amount Placed	Total Amount Collected	Recovery Rate	Fees	Total Paid to University
Perkins 1st	\$42,632.91	\$27,362.41	64.18%	\$5,496.47	\$21,865.94
Perkins 2nd	\$169,439.85	\$42,049.00	24.82%	\$4,440.09	\$37,608.91
Nursing 1st	\$1,716.29	\$424.69	24.74%	\$84.94	\$339.75
Nursing 2nd	\$8,225.24	\$0.00	0.00%	\$0.00	\$0.00
Institutional 1st	\$2,509.20	\$2,100.00	83.69%	\$419.98	\$1,680.02
Institutional 2nd	\$13,707.39	\$40.00	0.29%	\$8.00	\$32.00
AR 1st	\$118,008.82	\$37,793.52	32.03%	\$7,601.00	\$30,192.52
AR 2nd	\$10,249.00	\$300.00	2.93%	\$69.00	\$231.00
Miscellaneous	\$55,718.31	\$2,053.75	3.69%	\$410.76	\$1,642.99

George Mason University

Account Type	Amount Placed	Total Amount Collected	Recovery Rate	Fees	Total Paid to University
Perkins 1st	\$258,486.82	\$178,447.12	69.04%	\$41,033.62	\$137,413.50
Tuition 1st	\$3,753,578.12	\$1,729,731.93	46.08%	\$397,555.68	\$1,332,176.25
Miscellaneous	\$19,611.58	\$7,940.54	40.49%	\$1,826.34	\$6,114.20

James Madison University

Account Type	Amount Placed	Total Amount Collected	Recovery Rate	Fees	Total Paid to University
Perkins 1st	\$32,712.78	\$12,750.31	38.98%	\$2,932.55	\$9,817.76
Perkins 2nd	\$20,236.00	\$17,047.00	84.24%	\$5,535.95	\$11,511.05
Tuition 1st	\$145,614.13	\$51,874.78	35.62%	\$11,831.31	\$40,043.47
Tuition 2nd	\$99,277.85	\$11,815.51	11.90%	\$2,717.57	\$9,097.94

Longwood University

Account Type	Amount Placed	Total Amount Collected	Recovery Rate	Fees	Total Paid to University
Perkins 1st	\$346,364.00	\$178,232.00	51.46%	\$64,342.02	\$257,368.07
Tuition 1st	\$7,552,448.58	\$3,068,945.65	40.64%	\$614,350.04	\$2,454,595.61

Old Dominion University

Account Type	Amount Placed	Total Amount Collected	Recovery Rate	Fees	Total Paid to University
Perkins 1st	\$346,364.00	\$178,232.00	51.46%	\$64,342.02	\$257,368.07
Tuition 1st	\$7,552,448.58	\$3,068,945.65	40.64%	\$614,350.04	\$2,454,595.61

Virginia Military Institute

Account Type	Amount Placed	Total Amount Collected	Recovery Rate	Fees	Total Paid to University
Perkins 1st	\$8,513.60	\$0.00	0.00%	\$0.00	\$0.00
Tuition 1st	\$2,562.69	\$296.09	11.55%	\$68.09	\$228.00

The College of William and Mary

Account Type	Amount Placed	Total Amount Collected	Recovery Rate	Fees	Total Paid to University
Perkins 1st	\$52,810.77	\$41,878.00	79.30%	\$15,180.28	\$26,697.72
Perkins 3rd	\$6,547.80	\$1,121.05	17.12%	\$257.84	\$863.21
Tuition 1st	\$74,521.14	\$53,276.00	71.49%	\$9,168.31	\$44,107.69

Pricing Schedule

X. PRICING SCHEDULE

1. Contractor shall provide a Total Fixed Collection Fee (% of Collected Amount), which shall include all costs associated with providing collection services. There shall be no additional charges allowed. The Total Fixed Collection Fee shall apply to collections on all accounts regardless of type of account or placement.

Contingency Fee for First, Second and Subsequent Placements

Todd, Bremer & Lawson ("the Firm" proposes that the commission or contingency fees on first, second or tertiary stewardship of delinquent obligations will be twenty (20) percent. The Firm applies a twenty (20) percent commission or contingency fees only on the money collected.

The Contingency Fee Quoted Will Be the Sole Consideration

The commission or contingency fee quoted will be the sole consideration paid to Todd, Bremer & Lawson ("the Firm"). The VASCUPP institutions ("the creditor") will not be liable for any expense incurred on the establishment and management of a trust account.

The Firm Does Not Charge Convenience Fees of Any Form

The decision to charge a convenience fee is a significant one. Many clients ("business partner") prohibit Todd, Bremer & Lawson ("the Firm") from charging a convenience fee. Local, state and federal statutes and regulations control the Firm's right to charge a convenience fee. Convenience fees may only be charged if permitted by state statutes and regulations and evidenced by an agreement. The *Fair Debt Collection Practices Act* ("FDCPA"), 15 U.S.C. § 1692, *et seq.* prohibits the practice to collect or attempt to collect any amount (e.g., interest, fee, charge or expense) incidental to the principal obligation unless authorized by the agreement creating the delinquent obligation or permitted by law. The Firm does **NOT** assess a convenience fee or payment processing fee.

2. Provide any additional incentives/cost reductions offered if multiple VASCUPP institutions utilize a resulting contract with your firm.

The Firm Has Offered a Most Competitive Total Fixed Collection Fee

Todd, Bremer & Lawson (“the Firm”) does not provide any additional incentives or cost reductions offered if multiple VASCUPP institutions utilize a resulting contract with the Firm. However, the Firm does provide at no additional cost the following.

- The Firm will provide the creditor with pre-paid FedEx® shipping labels and envelopes with which to give the Firm critical correspondence, and payments.
- The Firm does not charge periodic asset audits to decide if the student-consumer has newly acquired assets.
- The Firm does not charge for credit reporting of delinquent obligations in the stewardship of the Firm.
- The Firm does not charge for a user group training workshop on the campus of the creditor.
- The Firm does not charge for FACS Web™ product training.
- The Firm does not charge for death verification of delinquent obligations in the stewardship of the Firm.
- The Firm does not charge for bankruptcy verification of delinquent obligations in the stewardship of the Firm.
- The Firm will close any, and all delinquent obligations upon approval of any entitlement (i.e., deferment, forbearance or cancellation) and return it to the creditor without charge.

Netback

The rapid rise of student-consumer delinquent obligations has brought a greater focus on commission or contingency fees and collection results. More and more, the larger market participant (“LMP”) or other third-party collection agency providers with fifty (50) or more employees are competing for a share of the VASCUPP institutions (“the creditor”) delinquent obligations. The competition will naturally tend to drive down commission or contingency fees as third-party collection agency providers with less experience attempt to penetrate a new market. Is this, however, good for the creditor that employs a third-party collection agency provider whose focus should be primarily colleges, universities, seminaries and private secondary schools?

“Netback” is the best measure of the creditor’s return on delinquent obligations. Netback looks at the net dollars returned after the accounting for the commission or contingency fee charged and the percentage of recovery by any third-party collection agency provider.

The best way to look at netback is the following illustration. Two (2) third-party collection agency providers receive \$100,000.00 of business from the creditor. Acronym Agency, Inc. charges eighteen (18) percent and Todd, Bremer & Lawson (“the Firm”) charges twenty (20) percent. Acronym Agency, Inc. recovers fifteen (15) percent of the \$100,000.00 or \$15,000.00. After deducting eighteen (18) percent in commission or contingency fees, the creditor’s netback will be \$12,300.00. If the Firm recovers seventeen (17) percent or \$17,000.00 and deducts twenty (20) percent in commission or contingency fees, the creditor’s netback will be \$13,600.00. In this example, an increase in recoveries resulted in a greater amount netted back to the creditor regardless of the increase in the commission or contingency fee.

Simply put, changes in the recovery rate have a significantly more significant impact on the dollars netted back to the VASCUPP institutions (“the creditor”) than do the commission or contingency fee charged by the Firm.

SAMPLE LETTERS

Collection Notice Review Program

The *VASCUPP* institutions ("the creditor") will have the right to review and modify the content of any collection notice, e-Mail and telephone protocol before Todd, Bremer & Lawson's ("the Firm") use in the performance of the terms and conditions of the agreement.

The Firm selected Walter Keith ("Keith") Martens, Esq., as the Firm's outside general counsel and third-party collection notice review attorney. Keith Martens is a member of *ACA International Member Attorney Program* ("MAP"). Mr. Martens has reviewed all the Firm's collection notices, forms and Web-site for compliance with the *Fair Debt Collection Practices Act* ("FDCPA") 15 U.S.C. § 1692, et seq.



Several local (e.g., the City of Buffalo, City of New York and Washington, DC) and state statutes (e.g., Arizona, Maine and Nevada) also impose specific text requirements for third-party collection notices. Keith Martens, the Firm's outside general counsel, reviews the Firm's collection notice for compliance with all local and state statutes.

June 15, 2018

Buzz Lightyear
1235 Test Street
Auburn, Maine 12345-6789

Collection Notice #2

Creditor: James Madison University Tuition and Fee

Total Amount Due: \$567.52

This account has been listed with our office for collection.

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

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 that you dispute the validity of this debt or any portion thereof, this office will obtain verification of this debt or obtain a copy of a judgment and mail you a copy of such judgment or verification. If you request of this office 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.

Principal	\$	500.00
Interest		0.00
Fees		1.90
Late Charge		0.00
Additional Interest & Fees		15.62

Total \$ 567.52

You may pay online by visiting www.tbldpaynow.com and clicking "I Agree" using access code: 1.813995.418.

You may email us at account.help@tbandl.com and place the words "Account Help" followed by your account number in the subject line. Please note that we will be unable to respond to a work email address.

TODD, BREMER & LAWSON, INC.

Bill Collector

There is a \$30.00 charge for returned transactions.

June 15, 2018

Buzz Lightyear
1235 Test Street
Auburn, Maine 12345-6789

Collection Notice #3

Creditor: James Madison University Tuition and Fee

Total Amount Due: \$567.52

We have not received a reply from our previous letter to satisfy your outstanding balance. To avoid further contact, please make arrangements to pay in full.

You may call our office or if you would like to make payment by mail, please include the bottom portion of this letter with your payment to ensure proper credit to your account. You may also pay online by visiting www.tbldaynow.com and clicking "I Agree" using your access code listed above. You may email us at account.help@tbandl.com and place the words "Account Help" followed by your account number in the subject line. Please know that we will not be able to respond to a work email address.

There is a \$30.00 charge for returned transactions.

TODD, BREMER & LAWSON, INC.

Bill Collector

Toll Free: 877.427.6544 ext. 1234 followed by the *

As of the date of this letter, you owe \$567.52. Because of interest, late charges and other charges that may vary from day to day, the amount due on the day you pay may be greater.

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

PLEASE RETURN THIS PORTION WITH YOUR REMITTANCE

TBL# 244166/BC1 Buzz Lightyear
Best Number for Contact: ☐ Home ☐ Cell
You may contact me by telephone and leave voicemail messages. Yes ☐ No ☐

June 15, 2018

Buzz Lightyear
1235 Test Street
Auburn, Maine 12345-6789

Collection Notice #4

Creditor: James Madison University Tuition and Fee

Loans Total Amount Due: \$567.52

We have not received a reply from the two previous letters that we have sent you. If there is some reason this payment cannot be made, please contact us so that we can make acceptable payment arrangements. Perhaps we can work out a payment schedule that would be realistic for your present circumstances.

You may call our office or if you would like to make payment by mail, please include the bottom portion of this letter with your payment to ensure proper credit to your account. You may also pay online by visiting www.tbldaynow.com and clicking "I Agree" using your access code listed above. You may email us at account.help@tbandl.com and place the words "Account Help" followed by your account number in the subject line. Please know that we will not be able to respond to a work email address.

There is a \$30.00 charge for returned transactions.

TODD, BREMER & LAWSON, INC.

Bill Collector

Toll Free: 877.427.6544 ext. 1234 followed by the *

As of the date of this letter, you owe \$567.52. Because of interest, late charges and other charges that may vary from day to day, the amount due on the day you pay may be greater.

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

PLEASE RETURN THIS PORTION WITH YOUR REMITTANCE

TBL# 244166/BC1 Buzz Lightyear

Best Number for Contact: ☐ Home ☐ Cell

You may contact me by telephone and leave voicemail messages. ☐ Yes ☐ No

June 15, 2018

Buzz Lightyear
1235 Test Street
Auburn, Maine 12345-6789

Collection Notice #5

Creditor: James Madison University Tuition and Fee

Total Amount Due: \$567.52

We still have no response from our previous correspondence. Your account is now seriously past due. If you have difficulty paying the amount now, please call me at 877-427-6544 to discuss your repayment options.

You may call our office or if you would like to make payment by mail, please include the bottom portion of this letter with your payment to ensure proper credit to your account. You may also pay online by visiting www.tbldaynow.com and clicking "I Agree" using your access code listed above. You may email us at account.help@tbandl.com and place the words "Account Help" followed by your account number in the subject line. Please know that we will not be able to respond to a work email address.

There is a \$30.00 charge for returned transactions.

TODD, BREMER & LAWSON, INC.

Bill Collector

Toll Free: 877-427-6544 ext. 1234 followed by the *

As of the date of this letter, you owe \$567.52. Because of interest, late charges and other charges that may vary from day to day, the amount due on the day you pay may be greater.

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

.....
PLEASE RETURN THIS PORTION WITH YOUR REMITTANCE

TBL# 244166/BC1 Buzz Lightyear

Best Number for Contact: ☐ Home ☐ Cell

You may contact me by telephone and leave voicemail messages. ☐ Yes ☐ No

June 15, 2018

Buzz Lightyear
1235 Test Street
Auburn, Maine 12345-6789

Collection Notice #6

Creditor: James Madison University Tuition and Fee

Total Amount Due: \$567.52

We have been unable to reach you after several attempts. We wish to resolve this account with you, but we cannot discuss the options available to you unless you contact our office. We have helped many borrowers resolve their accounts with affordable payment plans. Please call me at 877-427-6544 to discuss your repayment options.

You may call our office or if you would like to make payment by mail, please include the bottom portion of this letter with your payment to ensure proper credit to your account. You may also pay online by visiting www.tbldaynow.com and clicking "I Agree" using your access code listed above. You may email us at account.help@tbandl.com and place the words "Account Help" followed by your account number in the subject line. Please know that we will not be able to respond to a work email address.

There is a \$30.00 charge for returned transactions.

TODD, BREMER & LAWSON, INC.

Bill Collector

Toll Free: 877-427-6544 ext. 1234 followed by the *

As of the date of this letter, you owe \$567.52. Because of interest, late charges and other charges that may vary from day to day, the amount due on the day you pay may be greater.

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

.....

PLEASE RETURN THIS PORTION WITH YOUR REMITTANCE

TBL# 244166/BC1 Buzz Lightyear

Best Number for Contact: ☐ Home ☐ Cell

You may contact me by telephone and leave voicemail messages. ☐ Yes ☐ No

June 15, 2018

Buzz Lightyear
1235 Test Street
Auburn, Maine 12345-6789

Collection Notice #40

Creditor: James Madison University Tuition and Fee

Amount Due: \$ 567.52

The Higher Education Amendments of 1998 created a loan rehabilitation program for Federal Perkins Loans. Completion of the loan rehabilitation program provides you with the following benefits:

Removal of derogatory credit history from your credit bureau file.

Reinstate eligibility to receive additional Title IV monies.

Restoration of any remaining deferment or cancellation benefits. In order to rehabilitate your Federal Perkins Loan, you must:

Request participation in the loan rehabilitation program.

Make nine (9) on-time, consecutive monthly payments in the amount of \$000 by the 15 of each month.

To request participation in this program, sign the agreement below and return a signed copy, together with your first payment in the enclosed envelope. Please also keep a copy of this letter for your own records.

TODD, BREMER & LAWSON, INC.

Bill Collector

Toll Free: 877-427-6544 ext. 1234 followed by the *

I wish to rehabilitate my Federal Perkins Loan and promise to make nine (9) consecutive monthly payments in the amount of \$250.00.

Signature

Date

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

There is a \$30.00 charge for returned transactions.

June 15, 2018

Buzz Lightyear
1235 Test Street
Auburn, Maine 12345-6789

Collection Notice #102

Creditor: James Madison University Tuition and Fee

Total Amount Due: \$567.52

A copy of the information you requested is enclosed.

Principal	\$	500.00
Interest		0.00
Fees		1.90
Late Charge		0.00
Total		\$ 567.52

You may call our office or if you would like to make payment by mail, please include the bottom portion of this letter with your payment to ensure proper credit to your account. You may also pay online by visiting www.tbldaynow.com and clicking "I Agree" using access code: 1.813995.418. You may email us at account.help@tbandl.com and place the words "Account Help" followed by your account number in the subject line. Please note that we will be unable to respond to a work email address.

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

TODD, BREMER & LAWSON, INC.

Bill Collector

Toll Free: 877-427-6544 ext. 1234 followed by the *

Please Return This Portion with Your Remittance

TBL# 244166/BC1 Buzz Lightyear
Best Number For Contact: ☐ Home ☐ Work ☐ Cell ☐

You may contact me by telephone and leave voicemail messages. ☐ Yes ☐ No

There is a \$30.00 charge for returned transactions.

June 15, 2018

Buzz Lightyear
1235 Test Street
Auburn, Maine 12345-6789

Collection Notice #119

Creditor: James Madison University Tuition and Fee

As we discussed, I have enclosed the Authorization for Release of Information form for you to complete. This form will allow Todd, Bremer and Lawson, Inc. to communicate with the Department of Education's consolidation servicer to ensure a timely completion of your Federal loan consolidation application.

Please sign the authorization form and return it to our office in the enclosed envelope. If you would like to expedite this process, you may also email the signed form to loanconsolidation@tbandl.com or fax it to my attention. Our fax number is 803-323-5211.

TODD, BREMER & LAWSON, INC.

Bill Collector

Toll Free: 877-427-6544 ext. 1234 followed by the *

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

Enclosures

June 15, 2018

Alexander Lightyear
1235 Test Street
Auburn, Maine 12345-6789

Collection Notice #120

Creditor: James Madison University Tuition and Fee

Loans Balance: \$ 720.74

After many unsuccessful attempts to contact you, we are writing regarding the defaulted status of your Federal student loan. If you are currently unemployed or have recently experienced a financial hardship, you are more than likely eligible to have your defaulted Federal loan consolidated under the U.S. Department of Education's new "income driven" repayment plan.

Once your application has been processed, your defaulted Federal loan will return to a current status, you may then have your rights as a borrower reinstated restoring your eligibility for future financial aid. You will also be able to obtain your transcripts as long as you do not have any other outstanding debts with our client.

Please feel free to contact my office if you need any additional information or assistance filing this application with the U.S. Department of Education. If you are unable to discuss your options during business hours, you may email me directly using loanconsolidation@tbandl.com. Please put your name and account number in the subject line of the email.

If you choose to file your application on studentloans.gov without our assistance, please let our office know of your filing so that we can advise our client of your efforts to clear the defaulted status of your Federal loan.

TODD, BREMER & LAWSON, INC.

Bill Collector

Toll Free: 877-427-6544 ext. 1234 followed by the *

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

June 15, 2018

Buzz Lightyear
1235 Test Street
Auburn, Maine 12345-6789

Collection Notice #121

Creditor: James Madison University Tuition and Fee

Loans Balance: \$0.00

Enclosed please find the U.S. Department of Education's student loan consolidation application we recently discussed. After researching your current situation, you are eligible to have your defaulted Federal Perks loan(s) consolidated and removed from default under the U.S. Department of Education's new "income driven" repayment plan.

Since your Federal loan(s) is currently in a default status, you are required to provide income information with your application. You may document your income by providing us a copy of your most recent paystub(s) within the last 60 days or a copy of your most recently filed tax return IRS 1040. If you are currently unemployed or receive only untaxed income, you are not required to supply any documentation.

Once the application has been processed, you may then have your rights as a borrower reinstated, restoring your eligibility for future financial aid and you may also be able to obtain your transcripts as long as you do not have any other outstanding debts with our client.

Please feel free to contact my office if you need any additional information or assistance completing this application with the U.S. Department of Education.

TODD, BREMER & LAWSON, INC.

Bill Collector

Toll Free: 877-427-6544 ext. 1234 followed by the *

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

June 15, 2018

Buzz Lightyear
1235 Test Street
Auburn, Maine 12345-6789

Collection Notice #133

Creditor: James Madison University Tuition and Fee

TOTAL AMOUNT DUE: \$567.52

If you are currently experiencing financial difficulties and unable to pay the entire balance of your defaulted Federal Perkins Loan, please consider two (2) programs offered by the U.S. Department of Education which will return your defaulted Federal Perkins Loan to a current status.

Consolidation process generally takes forty-five (45) days. Once completed, payments are based on a borrower's annual Adjusted Gross Incomes (AGI), loan balance and family size. The Income Contingent Repayment plan (ICR) gives borrowers the flexibility to meet their obligations without causing them financial hardship.

Rehabilitation process is achieved by making nine (9) consecutive monthly payments on a defaulted Federal Perkins Loan. Payment amounts will be determined by FACS WEB University.

Once you have completed one (1) of the programs listed above, you then have your rights as a borrower reinstated. This may also restore eligibility for deferments, additional financial aid and allow one access to transcripts as long as you do not have any other debts at FACS WEB University.

If you would like to further discuss these options or would like us to send you the proper documentation for completion, please do not hesitate to contact me directly.

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

TODD, BREMER & LAWSON, INC.

Bill Collector

Toll Free: 877-427-6544 ext. 1234 followed by the *

June 15, 2018

Buzz Lightyear
1235 Test Street
Auburn, Maine 12345-6789

Collection Notice #320

Creditor: James Madison University Tuition and Fee

Total Amount Due: \$2,324.29

PAST DUE NOTICE

You have broken your promise to pay \$100.00 on your account.

Unless this payment is received in ten (10) days, our acceptance of partial payment is void and we will be forced to demand payment in full.

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

TODD, BREMER & LAWSON, INC.

S.T. Ashley
Toll Free: 1-855-217-9239
Please dial phone extension 232

PLEASE RETURN THIS PORTION WITH YOUR REMITTANCE

TBL # 18906/32 Doe, John
Home # __ Work # __ Cell # __

There is a \$30.00 charge for returned checks.

If you wish to pay online, please go to <https://www.tbldaynow.com>. Your User ID-Access Code is 1959410 and your password is 18906.

June 15, 2018

Alexander Lightyear
1235 Test Street
Auburn, Maine 12345-6789

Collection Notice #810

Creditor: Creditor: James Madison University Tuition and Fee

Current Balance: \$720.74

This is to serve notice that a previously authorized electronic transaction for \$100.00 is to be processed on June 25, 2018. If you have any questions, please call our office.

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

There is a \$30.00 charge for returned transactions.

TODD, BREMER & LAWSON, INC.

Bill Collector

Toll Free: 877-427-6544 ext. 1234 followed by the *

June 15, 2018

Buzz Lightyear
1235 Test Street
Auburn, Maine 12345-6789

Collection Notice #910

Creditor: James Madison University Tuition and Fee

Current Balance: \$567.52

This is to serve notice that the previously submitted check for \$100.00 is to be deposited on October 1, 2016. If the above noted payment date falls on a weekend or holiday, the payment may be executed on the next business day.

If you have any questions, please call our office.

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

There is a \$30.00 charge for returned transactions.

TODD, BREMER & LAWSON, INC.

Bill Collector

ROBUST REPORTING

Fiscal Year Report

Todd, Bremer & Lawson, INC.					Fiscal Year Report		
POST OFFICE BOX 36788 ROCK HILL, SOUTH CAROLINA 29732					James Madison University		
Toll Free - 800-849-6669 Local - 803-323-5200 Fax - 803-323-5211					Activity for 6/15/2018		
Account Number	Name	Date Listed	Amount Listed	Date Last Pay	Total Pay / Adj	Balance	Account Status
251138989	Adams, Laura	01/09/16	\$250.00			\$250.00	Attempting Contact
255990000	Bailey, Jack	03/12/14	\$1,800.00	05/05/16	\$1,200.00	\$600.00	Pay Arrangements
444231234	Conner, Chet	04/01/15	\$1,000.00	05/02/16	\$200.00	\$800.00	Repayment
335661111	Jackson, Bill	07/02/16	\$180.00	03/16/16	\$180.00	\$0.00	Paid in Full
555997777	Simpson, Tia	01/26/16	\$215.00			\$215.00	Letter Sent, No Phone
5 Accounts Totaled on this Report			\$3,445.00		\$1,580.00	\$1,865.00	

Fiscal Year Report

The *FACS*® platform has robust reporting functionality. The Firm will furnish a *Fiscal Year Report* or sometimes called an *Inventory of Accounts Report* as of year-end Thursday, August 31, 2017, and every August 31 after that. The *Fiscal Year Report* provides a year-end update on each delinquent obligation the Firm is currently working.

The *Fiscal Year Report* is also available to the creditor anytime through the *FACS Web*™ component. This report is in a printable hard-coded format, or available in a *Microsoft*® *Excel* spreadsheet. *Fiscal Year Report* can be sorted and filtered by almost any data point.

Inventory of Accounts Report

Todd, Bremer & Lawson, INC.					Status/Inventory of Accounts Report		
POST OFFICE BOX 36788 ROCK HILL, SOUTH CAROLINA 29732					James Madison University		
Toll Free - 800-849-6669 Local - 803-323-5200 Fax - 803-323-5211					Activity for 6/15/2018		
Account Number	Name	Date Listed	Amount Listed	Date Last Pay	Total Pay / Adj	Balance	Account Status
251138989	Adams, Laura	01/09/16	\$250.00			\$250.00	Attempting Contact
255990000	Bailey, Jack	03/12/14	\$1,800.00	05/05/16	\$1,200.00	\$600.00	Pay Arrangements
444231234	Conner, Chet	04/01/15	\$1,000.00	05/02/16	\$200.00	\$800.00	Repayment
335661111	Jackson, Bill	07/02/16	\$180.00	03/16/16	\$180.00	\$0.00	Paid in Full
555997777	Simpson, Tia	01/26/16	\$215.00			\$215.00	Letter Sent, No Phone
5 Accounts Totaled on this Report			\$3,445.00		\$1,580.00	\$1,865.00	

Inventory of Accounts Report

Monthly, quarterly or yearly, the Firm can mail an *Inventory of Accounts* through the *FACS*® platform. The *Inventory of Accounts* provides a routine update on each student-consumer the Firm is currently working. The *Inventory of Accounts Report* is available through a date range of days, weeks, months and years. The *Inventory of Accounts* can be listed alphabetically by student-consumer's name or numerically by student-consumer's account number or university identification number ("UIN").

This report is in a printable format and also available in a *Microsoft*® *Excel* spreadsheet through the *FACS Web*™ component.

Cancel Report

Todd, Bremer & Lawson, INC.

POST OFFICE BOX 36788 ROCK HILL, SOUTH CAROLINA 29732

Toll Free - 800-849-6669 Local - 803-323-5200 Fax - 803-323-5211

Cancel Report

James Madison University

Activity for 6/15/2018

<u>Client Account Number</u>	<u>Name</u>	<u>Date Listed</u>	<u>Balance</u>	<u>Reason Uncollectable</u>
12345678900	Blake, Terry	01/01/2015	\$1,000.00	Bankrupt
12345679900	Conner, Sara	01/01/2015	\$1,200.00	Refuses to Pay
12345670900	Jones, Charles	01/01/2015	\$500.00	Deceased
Total: 3		Total: \$2,700.00		

Cancel Report

A twelve (12) month *Cancel Report* can be mailed monthly or quarterly. The twelve (12) month *Cancel Report* that identifies student-consumers on which the Firm has exhausted the Firm's efforts. Also included in this report will be the reasons the Firm has ceased collection efforts.

The *Cancel Report* is available in an SAP® *Crystal Report*.

Invoice and Remittance Report

Todd, Bremer & Lawson, INC.

POST OFFICE BOX 36788 ROCK HILL, SOUTH CAROLINA 29732
Toll Free - 800-849-6669 Local - 803-323-5200 Fax - 803-323-5211
INVOICE #999999
FACS WEB University
1 University Drive
Anywhere, SC 47405

STATEMENT OF COLLECTIONS

James Madison University
ACTIVITY FROM: 05/21/2018
ACTIVITY THRU: 07/20/2018

STATEMENT DATE: AUGUST 1, 2018

TOTAL COLLECTIONS:

Date	Transaction	Code	Amount Paid To Agency	Amount Paid To You	Total Due Agency	Amount Due to You
05/29/16	Adams, Eve 250222339 \$220.85	31	\$150.00		\$34.50	\$150.00
06/01/16	Epting, Laura 249769901 \$100.00	31		\$311.46	\$71.64	
06/02/16	Farmer, Ben 123660077	34		\$100.00	\$23.00	
6/15/16	White, Thomas 555773300	34	\$567.50		\$130.53	\$567.50

CODES

30 PAYMENT IN FULL
31 PARTIAL PAYMENT
32 FORWARDED RECEIVED
33 FULL PAYMENT
W/ INTEREST
34 FINAL PAYMENT
35 SETTLEMENT IN FULL
36 LEGAL PARTIAL
PAYMENT
37 LEGAL FINAL PAYMENT
50 DEBIT ADJUSTMENT
52 COURT COST
53 ATTY. FEES
54 LIST FEES
55 BAD ADDRESS FEE
56 LETTER FEE
58 OTHER
60 CREDIT ADJUSTMENT
61 YOUR CHECK RECEIVED
64 RECEIVED CLN'T
COLL. COSTS
N = NSF CHECK
C = POSTING ERROR

OUR CHECK
ENCLOSED FOR

\$717.50

SUB-TOTAL AMOUNT DUE YOU(+) → \$717.50
SUB-TOTAL AMOUNT DUE YOU(-) → \$0.00

PLEASE REMIT TO
TODD, BREMER & LAWSON

TOTAL PAID TO US	TOTAL PAID TO YOU	OUR FEE OR CHARGE	TOTAL DUE YOU
\$375.28	\$717.50	\$411.46	\$375.28
			\$717.50

Detailed Invoice and Remittance Reports

Todd, Bremer & Lawson ("the Firm"), does not require any specific remittance method (e.g., **NET** or **GROSS**). Invoicing is available at the creditor's request (i.e., daily, weekly, bi-monthly or monthly et cetera). The *FACS Web*™ component archives the *Detailed Invoice* and *Remittance Reports*, and these reports are in a printable format.

RFP# LBS-997

August 16, 2018

Produced Especially for James Madison University

Page 120 of 124

Client Acknowledgment

Todd, Bremer & Lawson, INC.

POST OFFICE BOX 36788 ROCK HILL, SOUTH CAROLINA 29732

Toll Free - 800-849-6669 Local - 803-323-5200 Fax - 803-323-5211

Acknowledgement of Accounts

James Madison University

Date Listed: June 15, 2018

<u>Account Number</u>	<u>Name</u>	<u>Principal</u>	<u>Interest</u>	<u>Late Fee</u>	<u>Coll Cost</u>	<u>Client Cost</u>	<u>Total</u>
20000	Avery, Brenda	\$386.25	\$0.00	\$0.00	\$128.75	\$0.00	\$515.00
20001	Hill, Charles	\$420.00	\$0.00	\$0.00	\$140.00	\$0.00	\$560.00
20002	Wright, Anna	\$562.50	\$0.00	\$0.00	\$187.50	\$0.00	\$750.00
			\$0.00	\$0.00		\$0.00	
Total Count: 3	Total:	\$1,368.75	\$0.00	\$0.00	\$456.25	\$0.00	\$1,825.00

Client Analysis by Month Batch Report

Monthly or quarterly, the Firm can mail a *Client Month Batch Report* through the *FACS®* platform. The *Client Month Batch Report* is available through a date range of days, weeks, months and years. The *Client Month Batch Report* provides a routine update and analysis for clients ("business partner") the Firm is currently working.

This report is in a printable format and also available in a *Microsoft® Excel* spreadsheet through the *FACS Web™* component.

Client Analysis by Month Batch Report

Todd, Bremer & Lawson, INC.

TOTAL OF ALL COLLECTION CLIENTS

Client Collection Summary

5000 James Madison University-Tuition and Fees

FOR June 15, 2018

	MTD	#	YTD	#	TD	#
COLLECTED	633096.83	1048	4597198.27	5830	146734321.38	364651
PRE-COL (2000)	2640.85	0%	58132.94	1%	2693762.27	2%
REGULAR (3000)	630050.21	100%	4537286.26	99%	140458664.84	96%
PRE-LEG (4000)	0.00	0%	0.00	0%	97.26	0%
ATTY (5000)	405.77	0%	1779.07	0%	1745637.73	1%
FORWARD (6000)	0.00	0%	0.00	0%	0.00	0%
NET FEES	171891.92	27%	1226574.91	27%	42691823.90	29%
PAID DIRECT	240858.07	121	2377442.56	1484	48844657.91	85530
NSF	9332.33	23	29180.05	99	3146922.09	7356
CANCELED (RETURN)	301894.79	1361	7180526.43	3190	270488948.89	200840
ACCOUNTS LISTED	2404086.83	1348	9450505.26	5467	436344474.43	309513
CRBAL LISTED	0.00	0	0.00	0	0.00	
AVERAGE LISTING	1783.45		1728.65		1409.78	
LIST FEES ASSESSED	0.00	0	0.00	0	0.00	0
BAD ADDRESSES		472		1838		90918
COURT COSTS						
PAID BY AGENCY	0.00		0.00		0.00	
COLL-AGENCY'S	0.00		0.00		1653.32	
PAID BY CLIENT	0.00		0.00		0.00	
COLL-CLIENT'S	0.00		0.00		368.19	

Client Analysis by Month Batch Report

Monthly or quarterly, the Firm can mail a *Client Month Batch Report* through the *FACS®* platform. The *Client Month Batch Report* is available through a date range of days, weeks, months and years. The *Client Month Batch Report* provides a routine update and analysis for clients ("business partner") the Firm is currently working. This report is in a printable format and also available in a *Microsoft® Excel* spreadsheet through the *FACS Web™* component.

New Address Correction Report

Todd, Bremer & Lawson, INC.

POST OFFICE BOX 36788 ROCK HILL, SOUTH CAROLINA 29732

Toll Free - 800-849-6669 Local - 803-323-5200 Fax - 803-323-5211

Cancel Report

James Madison University

Activity for 6/15/2018

<u>Client Account Number</u>	<u>Name</u>	<u>Address</u>	<u>Phone</u>
208001436	Avery, Brenda	4039 E. Wilburn Markleville, IN 44663	
310833336	Gadberry, Bill	3416 Frederick Ln Seattle, WA 98101	704-555-1213
713248686	Hill, Charles	3492 Smith St. Wooster, MA 14623	

New Address Correction Report

Monthly or quarterly, the Firm can furnish the creditor an *Address Correction Report* listing all new, bad, and changed addresses of student-consumers referred for collection. This report will include changes in name, Social Security number, address and phone number.

This report is in a printable format and also available in a *Microsoft® Excel* spreadsheet through the *FACS Web™* component.

TODD, BREMER & LAWSON, INC.
ROCK HILL, SOUTH CAROLINA

COMPLIANCE ATTESTATION EXAMINATION
OF THE TITLE IV STUDENT FINANCIAL ASSISTANCE PROGRAMS

FEDERAL PERKINS LOAN PROGRAM

FOR THE YEAR ENDED DECEMBER 31, 2017

BURKETT BURKETT & BURKETT
CERTIFIED PUBLIC ACCOUNTANTS, P.A.



INDEPENDENT ACCOUNTANT'S REPORT

To the Management of
Todd Bremer and Lawson, Inc.
Rock Hill, South Carolina

REPORT ON COMPLIANCE FOR STUDENT FINANCIAL ASSISTANCE PROGRAMS

We have examined management of Todd Bremer and Lawson, Inc.'s assertions that,

- Management has complied with all criteria effective during the attest period January 1 through December 31, 2017, as appropriate, for the Perkins Loan Program attest objectives included in Chapter 4, Section C of the *Guide for Audits of Proprietary Schools and for Compliance Attestation Engagements of Third-party Servicers Administering Title IV Programs* as applicable to its clients.
- Management has complied with all criteria effective during the attestation period January 1 through December 31, 2017, as appropriate, for the Servicer Eligibility attest objectives listed in Chapter 4, Section C of the *Guide for Audits of Proprietary Schools and for Compliance Attestation Engagements of Third-party Servicers Administering Title IV Programs*.
- Management has established systems with Internal Control which assure compliance with attestation objectives included in Chapter 4, Section C of the *Guide for Audits of Proprietary Schools and for Compliance Attestation Engagements of Third-party Servicers Administering Title IV Programs* for those services which it provided for the attest period January 1 through December 31, 2017.

Todd, Bremer & Lawson, Inc. is responsible for its assertions. Our responsibility is to express an opinion concerning management's assertions based on our examination.

Our examination was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States; the *Guide for Audits of Proprietary Schools and for Compliance Attestation Engagements of Third-party Servicers Administering Title IV Programs*, issued by the U.S. Department of Education, Office of the Inspector General, September 2016; and attestation standards established by the American Institute of Certified Public Accountants. Those standards and the Guide require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, management's assertions that

- Management has complied with all criteria effective during the attest period January 1 through December 31, 2017, as appropriate, for the Perkins Loan Program attest objectives included in Chapter 4, Section C of the *Guide for Audits of Proprietary Schools and for Compliance Attestation Engagements of Third-party Servicers Administering Title IV Programs* as applicable to its clients.
- Management has complied with all criteria effective during the attestation period January 1 through December 31, 2017, as appropriate, for the Servicer Eligibility attest objectives listed in Chapter 4, Section C of the *Guide for Audits of Proprietary Schools and for Compliance Attestation Engagements of Third-party Servicers Administering Title IV Programs*.
- Management has established systems with Internal Control which assure compliance with attestation objectives included in Chapter 4, Section C of the *Guide for Audits of Proprietary Schools and for Compliance Attestation Engagements of Third-party Servicers Administering Title IV Programs* for those services which it provided for the attest period January 1 through December 31, 2017;

is fairly stated, in all material respects.

The purpose of this report on compliance is to meet the applicable requirements defined in the *Guide for Audits of Proprietary Schools and for Compliance Attestation Engagements of Third-party Servicers Administering Title IV Programs* and is not suitable for any other purposes.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of Todd Bremer and Lawson, Inc. is responsible for establishing and maintaining effective internal control over compliance concerning its assertion referred to above. In planning and performing our audit of compliance, we considered Todd Bremer and Lawson, Inc.'s internal control over compliance with the compliance requirements to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for SFA programs and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Todd Bremer and Lawson, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a compliance requirement applicable to SFA programs on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement applicable to SFA programs will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance requirements of applicable SFA programs that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Burkett Burkett & Burkett

BURKETT BURKETT & BURKETT
Certified Public Accountants, P.A.
Rock Hill, South Carolina

June 30, 2018

TODD, BREMER & LAWSON, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

There were no findings or questioned costs concerning the Federal Perkins Loan Program Collections to be reported pursuant the *Guide for Audits of Proprietary Schools and for Compliance Attestation Engagements of Third-Party Servicers Administering Title IV Programs* [September 2016].

TODD, BREMER, & LAWSON, INC.
ACCOUNTANT'S COMMENTS ON THE RESOLUTION OF PRIOR ATTESTATION
FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

There were no prior findings in the immediate prior compliance attestation engagement report issued in accordance with the *Audit Guide: Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers [January 2000]*.

SERVICER INFORMATION SHEET

TODD, BREMER & LAWSON, INC.
Post Office Box 36788
Rock Hill, SC 29732-0512
Telephone No.: (803) 323-5200
Fax No.: (803) 323-5211
President: J. Harold Todd
Contact Person & Title: Beth Zamorski, Controller

Firm's Name: Burkett, Burkett & Burkett, CPAs, P.A.
Partner In Charge: Harvey Heise, CPA
Address: 128 East Main Street, Suite 201
Rock Hill, SC 29730
Lead Auditor: William Drinnon, CPA
Email Address: wdrinnon@burkettcpas.com
Telephone No.: (803) 325-1660
Fax No.: (803) 325-1665
Last Compliance Attestation: Report Date June 30, 2017 for the period January 1 to December 31, 2016

Current Engagement Period: January 1 to December 31, 2017
Current Dates of Field Work: May 22 to June 29, 2018

DIVISION OF DUTIES FOR COMPLIANCE REQUIREMENTS

The servicer is only involved in one relevant area; therefore, all others are being excluded.

<u>Compliance Requirement</u>	<u>Performed by School</u>	<u>Performed by Todd, Bremer & Lawson, Inc.</u>	<u>Explanation of Divided Responsibility</u>
7. Perkins Loan Program			
A. Approving and maintaining deferment, loan cancellation, and discharge for death or disability documentation	X		
B. Perkins master promissory notes	X		
C. Loan status and loan balances in NSLDS	X		
D. Deferment of loan payments	X		
E. Billing and collections	X	X	The servicer performs 100% of the collections once the borrower is placed by the school with the servicer. The servicer does not provide any billing services for the school.
F. Liquidation	X		

GLBA, Information Security Policy

The Gramm-Leach-Bliley Act (GLBA) requires financial institutions to enact security and privacy protections for consumers' personally identifiable information (PII) and non-public information (NPI). The GLBA privacy rule does not apply to all third-party collection agencies, but may apply to debt purchasers who collect their own debts. Some important considerations include:

- Is the company a debt purchaser? Debt purchasers who (1) purchase accounts from other creditors; (2) locate consumers themselves; and (3) attempt to collect the debt must provide GLBA privacy rule disclosures. These disclosures must explain to consumers how the information held by the company will be shared with other companies. The disclosures must be provided at the time the relationship with the consumer is established (when the consumer is located and collection activity is commenced) and again on an annual basis. See Federal Trade Commission (FTC) guidelines for model privacy notice disclosures.
- If privacy notices are required, is providing such information to third parties avoided, and if so, how is it avoided? FDCPA restrictions on third party disclosures may still apply to required GLBA disclosures. Therefore, it is important to limit sharing any information related to the debt with parties other than credit reporting agencies (CRAs). Doing so may violate the FDCPA and including such notices in a GLBA privacy disclosure may be used as evidence of the FDCPA violation.
- Does the company include the GLBA annual privacy notice with any other required collection notice to the consumer? If so, has the manner of delivery and the contents of the notice been approved by outside legal counsel [MAP attorney]?
- Does the company have clear policies and procedures in place to protect the security of consumer PII? The GLBA safeguards rule requires:
 - A company employee designated to oversee the company's data security program
 - An assessment of internal and external risks to data security
 - Implementation of risk controls to improve data security
 - Oversight of service providers who interact with PII or NPI
 - Regular review, monitoring, and revision of the security program.

Are steps to train staff and improve data security well documented and maintained? An effective security program must be documented to demonstrate compliance.

Edit this model form to meet the legal, business and compliance needs of your organization.

Disclaimer: By accessing or using this set or series of model policy and procedure forms ("Content") you represent and agree, on behalf of yourself and any organization on whose behalf you access or use the Content, to the following:

You have either purchased the Content yourself or are employed by the organization that purchased the Content and agree on behalf of yourself and your employer, Ontario Systems is not a law firm; the Content is not presented as legal advice, you may not rely on it as legal advice and you must seek the advice of independent legal counsel when adapting this Content to your operation. The Content is provided as is and not intended for any specific organization or particular purpose and must be tailored to the needs of the person or organization using the Content. By using the Contents in any way, whether or not authorized, the user assumes all risk and hereby releases Ontario Systems from any liability associated with the Content. The Content is protected by copyright and may not be copied or distributed without Ontario Systems' express, written permission.

Policy

Policy Type: Security, PCI, and GLBA
Doc Title: GLBA/Information Security
Doc Number: 7.2
Page Count: 3



1. Purpose

The purpose of this policy is to protect personally identifiable information (PII), protected health information (PHI) and other electronic protected information (herein all collectively referred to as Protected Electronic Information (PEI)).

2. Scope

Todd, Bremer & Lawson, Inc. is committed to preventing, detecting, containing and correcting security violations relating to PEI.

3. General

Todd, Bremer & Lawson, Inc. receives, stores, transmits and uses PEI at rest and in transit. Through its system controls, policies, procedures and training program, Todd, Bremer & Lawson, Inc. seeks to prevent, detect, contain and correct security violations.

4. Procedure

Encryption - The collection software encrypts data at rest.

Penetration Testing - An annual audit will be performed by a third party security vendor. The results of such audits will be logged and nonconformities reported to management for immediate resolution.

Improvements to Security - The third party security vendor shall further review and revise records of information system activity such as audit logs, access reports and security incident tracking reports and make recommendations for changes and improvements to such affected systems, policies, procedures and records for final approval and adoption by executive management and the Board of Directors.

Document/Data Destruction - Upon termination of a client engagement for any reason, Todd, Bremer & Lawson, Inc. shall comply with any document or data destruction requirements, data retrieval or data return policy as provided in the contract between the client and Todd, Bremer & Lawson, Inc., HIPAA if applicable and any other applicable data security or copyright requirements.

Protection of PEI - The IT Department will ensure PEI relating to consumer bank account information, credit card information, debit card information and other similar account information is masked upon receipt and stored appropriately and in accordance with Todd, Bremer & Lawson, Inc.'s document retention policies, PCI requirements and our Red Flags Policy. The IT Department will also ensure such information does not populate/fully display on the collectors' account screen or alternatively only the last 4 digits of any such PEI is displayed on the collectors' account screen. Full access to PEI will be granted to only those individuals in the company who have passed the highest level of security screening and have been authorized by the board of directors or governing body of Todd, Bremer & Lawson, Inc.

The IT Department will implement security measures sufficient to reduce risks and vulnerabilities to a reasonable and appropriate level to comply with the HIPAA security rule and Todd, Bremer & Lawson, Inc.'s Red Flags Rule Policy.

Internet Access and Communications - The IT Department will ensure collectors and terminals available to any non-management personnel on the collection floor shall restrict access to the Internet and prevent outgoing email communications, outgoing meeting invitations through, for example, Outlook, and block instant messaging or other social media communication processes.

Management will apply appropriate sanctions up to and including termination against any employee, client, vendor or service provider who fails to comply with the security policies and procedures of Todd, Bremer & Lawson, Inc. (e.g. clean desk policy, communication device usage policy, outbound communication policy, building security policy, etc.).

Access to Internet - Access to the internet will be controlled by a web filter.

Todd, Bremer & Lawson, Inc. reserves the right to interpret this policy. Employees who are suspected of violating this policy will be provided with one warning after which time permission to use Todd, Bremer & Lawson, Inc.'s computers will be denied and other remedial action may be taken depending upon the severity of the situation and the circumstances surrounding the misuse of Todd, Bremer & Lawson, Inc.'s computers.

Training - Information security training shall be conducted for all new employees before new employees gain access to the collection floor or the company's collection system. Security training for current employees of Todd, Bremer & Lawson, Inc. shall be held on an annual basis.

A record shall be maintained of the date of the training, the employee(s) who completed the training and a copy of the training materials in the company's document retention system in accordance with the document retention policy.

Upon termination of employment at Todd, Bremer & Lawson, Inc., all access to Todd, Bremer & Lawson, Inc.'s communications systems, phone systems, security systems, building access, software applications and other proprietary information shall be immediately terminated.

Todd, Bremer & Lawson, Inc. will ensure its employees maintain confidentiality of PEI through implementation of the clean desk policy, communication device policy, building security policy, visitor access policy and such other information security related policies identified by the company from time to time.

5. Responsibilities

Roles / Process Area	Responsibilities
IT	Conduct periodic audits of protection procedures and controls. Periodically test the sufficiency of the organization's protection procedures and controls.
Compliance	Conduct role based information security training for all new employees and annual training for current employees

6. References and Related Documents

Document Number (if applicable)	Title
7.2	GLBA Safeguards Policy

7.4	Red Flags Policy
7.1	Clean Desk Policy
1.13	Outbound Communication Policy
7.1	Building Security Policy
7.1	Visitor Access Policy
6.2	Payment Processing

7. Disciplinary and Remedial Action

In collaboration with HR, any violation of this policy will subject the employee to progressive remedial action, including immediate termination.

8. Record Retention

The human resources department shall note any confirmed violation of this policy by any employee in the employee's personnel record.

Records pertaining to this policy will be retained in the appropriate form and for the duration required under state and/or federal law, by the human resources department.

9. Review History

Date	Reviewed by	Description of Update

10. Governance

Approving Body: Officers of the Corporation	
Approval:	Date: 5/22/2017

TODD, BREMER & LAWSON, INC.

AUDITED FINANCIAL STATEMENTS

For the year ended June 30, 2018

TODD, BREMER & LAWSON, INC.

TABLE OF CONTENTS

	Page
Independent Auditor's Report	3
FINANCIAL STATEMENTS:	
Balance Sheet	5
Income Statement	6
Statement of Cash Flows	7
Notes to Financial Statements	8



INDEPENDENT AUDITOR'S REPORT

Mr. J. Harold Todd
Todd, Bremer & Lawson, Inc.
Rock Hill, South Carolina

We have audited the accompanying financial statements of Todd, Bremer & Lawson, Inc. (a South Carolina Corporation), which comprise the balance sheet as of June 30, 2018, and the related statement of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Todd, Bremer & Lawson, Inc. as of June 30, 2018, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Burkett Burkett & Burkett

Burkett Burkett & Burkett
Certified Public Accountants, P.A.
Rock Hill, South Carolina

August 13, 2018

TODD, BREMER & LAWSON, INC.
BALANCE SHEET
June 30, 2018

ASSETS

CURRENT ASSETS

Cash and cash equivalents:

Cash	\$ 116,920
Cash - held in trust	662,928
Total cash and cash equivalents	<u>779,848</u>

Accounts receivable:

Trade accounts receivable	466,812
Less: Allowance for doubtful accounts	<u>(14,004)</u>
Total accounts receivable, net	<u>452,808</u>

Total current assets	<u>1,232,656</u>
----------------------	------------------

NONCURRENT ASSETS

Property and equipment, net	112,748
Other assets	<u>3,500</u>
Total noncurrent Assets	116,248

TOTAL ASSETS	<u><u>\$ 1,348,904</u></u>
--------------	----------------------------

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts payable - clients	\$ 652,080
Accounts payable - trade	59,897
Payable to related party	47,522
Line of credit	99,872
Other current liabilities	<u>136,553</u>
Total current liabilities	<u>995,924</u>

STOCKHOLDER'S EQUITY

Common stock - \$1 par value; 100,000 shares authorized, 1,800 issued and outstanding	1,800
Paid in capital	25,000
Retained earnings	<u>326,180</u>
Total stockholder's equity	<u>352,980</u>

TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	<u><u>\$ 1,348,904</u></u>
--	----------------------------

See the accompanying notes which are an integral part of these financial statements

TODD, BREMER & LAWSON, INC.
INCOME STATEMENT
For the year ended June 30, 2018

Revenue	\$ 4,891,928
Operating expenses	
Salaries and commissions	3,489,711
Bonus	12,727
401(k) contributions	92,560
Advertising	400
Automobile expenses	59,569
Bank & credit card fees	211,375
Compliance management	24,978
Computer supplies and maintenance	12,385
Conferences and meetings	32,635
Contributions	1,117
Collection tools	92,368
Depreciation and amortization	19,563
Dues and subscriptions	27,455
Insurance	222,949
Interest	5,042
Maintenance contracts	78,661
Marketing	24,553
Meals, travel, and entertainment	121,520
Miscellaneous expense	2,301
Office expenses & postage	184,679
Small equipment purchases	2,597
Professional fees	160,072
Rent	60,000
Taxes, licenses and fees	261,680
Telephone	102,021
Utilities	8,976
Total operating expenses	<u>5,311,894</u>
Income (Loss) from operations	<u>(419,966)</u>
NET INCOME (LOSS)	\$ (419,966)
RETAINED EARNINGS, BEGINNING OF YEAR	776,903
LESS: SHAREHOLDER DISTRIBUTIONS	<u>(30,757)</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 326,180</u>

See the accompanying notes which are an integral part of these statements.

TODD, BREMER & LAWSON, INC.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2018

OPERATING ACTIVITIES

Net income (loss)	\$ (419,966)
Adjustments to reconcile net income (loss) to net cash provided (used) by operations:	
Depreciation	19,563
(Increase) decrease in operational assets:	
Trade accounts receivable	154,649
Increase (decrease) in operational liabilities:	
Accounts payable - clients	(58,840)
Accounts payable - trade	57,887
Payable to related party	47,522
Other current liabilities	63,643
Net cash provided (used) by operating activities	<u>(135,542)</u>

FINANCING ACTIVITIES

Proceeds from line of credit	60,000
Principal payments on line of credit	(31,818)
Distributions to shareholder	<u>(30,757)</u>

Net cash provided (used) by financing activities (2,575)

Net increase (decrease) in cash and cash equivalents (138,117)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 917,965

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 779,848

Supplementary Information:

Interest paid during the year \$ 5,042

See the accompanying notes which are an integral part of these statements.

TODD, BREMER & LAWSON, INC.
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Todd, Bremer & Lawson, Inc. (the Company), located in Rock Hill, South Carolina, is engaged in the practice of providing collection services to colleges and universities; select medical, dental, and veterinary practices; and other entities requiring such services.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers all liquid investments with an original maturity of three months or less to be cash equivalents. Cash collected from the Company's clients' debtors are held and restricted in trust accounts.

Trade Accounts Receivable

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

Property and Equipment

Additions to property and equipment are carried at cost. Maintenance and repair costs and minor replacements not resulting in betterment are charged to expense when incurred. Depreciation is recorded using straight-line and accelerated methods over the estimated useful lives of the assets.

Income Taxes

The stockholder has elected to be taxed as an S Corporation for federal and state income tax purposes. The income of the Company will be reported and taxed on the individual shareholder's income tax return.

The Corporation's income tax returns are subject to review and examination by federal and state authorities. As of June 30, 2018, the corporation's federal and state tax returns remain open for examination for the last three years.

TODD, BREMER & LAWSON, INC.
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising

The Company expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place.

NOTE 2 – CASH AND CASH EQUIVALENTS

Concentrations in Credit Risk

Todd, Bremer & Lawson, Inc., maintains various bank accounts at one bank. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At certain times during the year, the balances in these accounts have exceeded the federally insured limits. The Company believes that there is no significant risk with respect to these deposits. At June 30, 2018, the Company's uninsured cash balances total \$530,419.

Compliance

The Company is required under various state laws and certain client contract provisions to retain monies collected from debtors on behalf of its clients in trust accounts. Therefore, the monies are considered restricted cash. The Company tracks balances collected on behalf of its clients that approximate one month's worth of collected holdings in an offset liability account, Accounts Payable – Clients. Compliance and contract provisions vary by client, however, the trust account balances should remain greater than or equal to the amount in the Accounts Payable – Client at any given point in time. At June 30, 2018, the trust accounts were more than the required balance reflected in the Accounts Payable – Client account by \$10,849.

TODD, BREMER & LAWSON, INC.
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2018

NOTE 3 – ACCOUNTS RECEIVABLE

The Company extends credit to its clients. One client's accounts receivable balance totaling \$143,937 approximated 31% of the Company's total accounts receivable at June 30, 2018. The client made \$54,932 in payments towards the balance subsequent to year end.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Computer equipment	\$ 230,590
Office equipment	14,551
Furniture and fixtures	177,064
Leasehold improvements	72,243
Automobiles	<u>54,025</u>
	548,473
Less accumulated depreciation	<u>(435,725)</u>
	<u>\$ 112,748</u>

Depreciation expense for the year ended June 30, 2018 was \$19,563.

NOTE 5 - REVOLVING LINES OF CREDIT

The Company maintains an unsecured bank line of credit with Wells Fargo in the amount of \$100,000 with interest payable monthly at a variable interest rate. The credit facility is guaranteed personally by the Company's owner. The Company's outstanding debt on this line of credit was \$99,872 at June 30, 2018.

NOTE 6 - RETIREMENT PLAN

The Company provides a retirement plan for its employees in the form of an IRC 401(k) plan, held by MassMutual. Under the plan, all employees who have completed one (1) full year of service are eligible at the next entry date. While participation is not mandatory, contributions by employees to the plan are generally limited to the lesser of 100% of wages or \$18,000 plus a \$6,000 catch-up provision for employees ages 50 and older, for a total of \$24,000 per employee. Combined employer and employee contributions are limited to \$53,000 (\$59,000 including catch-up) per employee. The Company's contribution for the year was \$92,560.

TODD, BREMER & LAWSON, INC.
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2018

NOTE 7 – RELATED PARTIES

Palmetto Place of Rock Hill, SC, LLC owns the executive office building that houses Todd, Bremer & Lawson, Inc.'s headquarters. Palmetto Place of Rock Hill, SC, LLC is owned in part by two of the officers of Todd Bremer & Lawson, Inc.

Todd, Bremer & Lawson, Inc. is in an operating lease with Palmetto Place of Rock Hill, SC, LLC for the purpose of renting the building for its operational activities. The lease is on a month to month basis. The total rent expense for the year was \$60,000. As a convenience to the related parties' cash processes, Palmetto Place's management has agreed to allow Todd, Bremer & Lawson to pay the annual property taxes on its behalf each year. In lieu of cash payments, rent expense is offset against the related party receivable until it is paid down. Also, from time to time, Palmetto Place's management may advance funds to the Company for operational purposes in the form of cash or delayed payments of rent. Based on the 2018 effect of these processes, the balance owed to Palmetto Place of Rock Hill, SC, LLC at June 30, 2018 is \$47,522. Also during the year, Palmetto Place agreed to reduce Todd, Bremer, & Lawson, Inc.'s occupancy cost by reimbursing it for certain tenant expenses such as utilities, maintenance, and repairs. Palmetto Place reimbursed the Company in the amount of \$32,394 for these tenant occupancy costs.

Old Black Dog, LLC is a corporate aircraft owned partly by one of the officers of Todd Bremer & Lawson, Inc. The aircraft is rented occasionally by Todd Bremer & Lawson, Inc., for business travel. There were no transactions between the two entities during the year.

NOTE 8 – CONTINGENCIES

In September 2017 a putative class action was filed against the Company in the United States District Court for the District of Oregon. The Plaintiff alleges that the Company has attempted to collect percentage-based collection costs from her, allegedly in violation of Oregon state all. Plaintiff alleges that she represents a class of similarly-situated individuals, and seeks to recover actual and statutory damages, as well as attorney's fees and costs.

The Company has tendered defense for this action to its liability insurance carrier. In turn, the carrier has retained Oregon counsel to defend the law suit. Under the terms of the Company's insurance policy, the carrier has primary authority to direct the defense of the case and primary authority to evaluate and consider settlement proposals.

TODD, BREMER & LAWSON, INC.
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2018

NOTE 8 – CONTINGENCIES (CONT'D)

To date, the Company has satisfied in defense cost its deductible under the terms of the Company's liability insurance policy.

At the date of the issuance of the financial statements, the defense remains ongoing and a likelihood of an unfavorable outcome is undeterminable; therefore, there is no estimate of a possible loss.

NOTE 9 – SUBSEQUENT EVENTS

The organization has considered subsequent events through August 13, 2018, the date of the issuance, in preparing the financial statements and notes hereto.

Todd, Bremer & Lawson, Inc. DUNS: 00-824-7348

Business Information Report

Company Information

560 S Herlong Ave Rock Hill
Rock Hill, SC 29732

This is a **single location** location.

Website www.tbndl.com

Telephone (803) 323-5200

Chief Executive: DIRECTOR(S): THE OFFICER(S)
and Beth Zamorski, Shannon
Golightly, Max O. Welborn, James H
Todd.

Stock Symbol: NA

Year Started 1974

Employees 33

Financial Statement

Sales NA

Net Worth NA

History: NA

Financial Condition: NA

Financing: NA

SIC: 7322

Line of Business: Adjustment/collection services

Corporate Family:

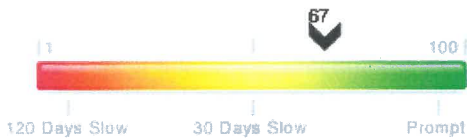
This business is a single location of the corporate family.

Scores

PAYDEX®

67 ▼

18 days beyond terms



Based on up to 24 months of trade.

D&B PAYDEX® Key



High risk of late payment
(average 30 to 120 days beyond terms)



Medium risk of late payment
(average 30 days or less beyond terms)



Low risk of late payment
(average prompt to 30+ days sooner)

Credit Limit Recommendation

Risk Category
Low

Conservative Credit Limit
\$25k
Aggressive Credit Limit

\$45k



D&B Rating ®

Rating
1R3

Number of employees: **1R** indicates 10 or more employees
Composite Credit Appraisal: **3** is fair

The credit rating was assigned based on D&B's assessment of the company's financial ratios and its cash flow. For more information, see the D&B Rating Key.

Below is an overview of the company's rating history since 01/01/1991

D&B Rating	Date Applied
1R3	2017-10-02
1R2	2009-11-11
1R3	2000-07-13
--	1996-05-14
ER6	1991-01-01

The Summary Analysis section reflects information in D&B's file as of April 27, 2018

D&B Viability Rating

3

Viability Score



Compared to ALL US Businesses within the D&B Database:

- Level of Risk: **Low Risk**
- Businesses ranked 3 have a probability of becoming no longer viable: **3%**
- Percentage of businesses ranked 3: **15%**
- Across all US businesses, the average probability of becoming no longer viable: **14%**

2

Portfolio Comparison

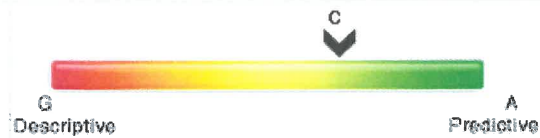


Compared to ALL US Businesses within the D&B Database:

- Model Segment: **Established Trade Payments**
- Level of Risk: **Low Risk**
- Businesses ranked 2 within this model segment have a probability of becoming no longer viable: **3%**
- Percentage of businesses ranked 2 within this model segment: **16%**
- Within this model segment, the average probability of becoming no longer viable: **5%**

C

Data Depth Indicator



Data Depth Indicator:

Rich Firmographics
 Extensive Commercial Trading Activity
 No Financial Attributes

I

Company Profile

Financial Data	Trade Payments	Company Size	Years in Business
Not Available	Available (3+Trade)	Medium	Established

Compared to ALL US Businesses within the D&B Database:

- Financial Data: **Not Available**
- Trade Payments: **Available: 3+Trade**
- Company Size: **Medium: Employees: 10-49 or Sales: \$100K-\$499K**
- Years in Business: **Established: 5+**

History & Operations

History

The following information was reported: **02/09/2018**

Officer(s):
 MAX O. WELBORN, V PRES

DIRECTOR(S):
 THE OFFICER(S) and Beth Zamorski, Shannon Golightly, Max O. Welborn, James H Todd.

The South Carolina Secretary of State's business registrations file showed that Todd, Bremer & Lawson, Inc was registered as a corporation on December 23, 1974.

Business started Jul 1974 by J Harold Todd and L T Gregory. 100% of capital stock is owned by J Harold Todd.

MAX O'WELBORN born 1953. 2004-present active here. 1991-2004 active here as a Marketing Director.

J HAROLD TODD born 1944. 1974-present active here.

Business address has changed from 325 W Oakland Ave, Rock Hill, SC, 29731 to 325 Oakland Ave, Rock Hill, SC, 29730.

Business address has changed from Address Unknown, Rock Hill, SC, 29730 to 325 W Oakland Ave, Rock Hill, SC, 29730.

Business address has changed from 325 W Oakland Ave, Rock Hill, SC, 29730 to 560 S Herlong Ave, Rock Hill, SC, 29732.

Business address has changed from 560 S Herlong Ave, Rock Hill, SC, 29732 to 560 S Herlong Ave Rock Hill, Rock Hill, SC, 29732.

Business address has changed from 560 S Herlong Ave , Rock Hill, SC, 29732 to 560 S Herlong Ave Rock Hill, Rock Hill, SC, 29732.

Operations

02/09/2018

Description:
 Provides adjustment or collection services, specializing in collection services (100%).

Terms are commission basis and billed monthly. Sells to commercial concerns including doctors and colleges.
 Territory : United States.

Nonseasonal.

Employees: 33 which includes officer(s) and 2 part-time.

Facilities: Leases 8,600 sq. ft. on one floor of 3 story brick building.

SIC & NAICS

SIC:

Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific to a company's operations than if we use the standard 4-digit code. The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.

7322 9902 Collection agency, except real estate

NAICS:

561440 Collection Agencies

Payments

PAYDEX®

The D&B PAYDEX® is a unique, dollar weighted indicator of payment performance based on up to 29 payment experiences as reported to D&B by trade references.

3 Month PAYDEX®

42 ▲

When weighted by dollar amount, payments to suppliers average 54 days beyond terms.

Based on payments collected over the last 3 months

24 Month PAYDEX®

67 ▼

When weighted by dollar amount, payments to suppliers average 18 days beyond terms.

Based on payments collected over the last 24 months

When dollar amounts are not considered, then approximately 70 of the company's payments are within terms.

- High risk of late payment (average 30 to 120 days beyond terms)
- Medium risk of late payment (average 30 days or less beyond terms)
- Low risk of late payment (average prompt to 30+ days sooner)

Payments Summary

Total (Last 24 Months): 29

	Total Received	Total Dollar Amount	Largest High Credit Payment summary	Within Terms	Days Slow			
					31	30-80	81-90	90
Top Industries								
Management services	1	\$5,000.00	\$5,000.00	100%	0	0	0	0
Misc business service	1	\$2,500.00	\$2,500.00	0%	0	100	0	0
Short-trm busn credit	1	\$250.00	\$250.00	50%	50	0	0	0
Reg misc coml sector	1	\$250.00	\$250.00	100%	0	0	0	0
Gravure printing	1	\$250.00	\$250.00	100%	0	0	0	0
Other Categories								
Cash experiences	23	\$3,850	\$750	--	--	--	--	--
Unknown	1	\$50	\$50	--	--	--	--	--
Unfavorable comments	0	\$0	\$0	--	--	--	--	--
Placed for collections with D&B:	0	\$0	\$0	--	--	--	--	--
Other	0	N/A	\$0	--	--	--	--	--
Total in D&B's file	29	\$12,150	\$5,000	--	--	--	--	--
The highest Now Owes on file is \$250								
The highest Past Due on file is \$0								
There are 29 payment experience(s) in D&Bs file for the most recent 24 months, with 5 experience(s) reported during the last three month period.								

Payments Details

Total (Last 24 Months): 29

Date	Paying Record	High Credit	Now Owes	Past Due	Selling Terms	Last sale w/f (Mo.)
03/2018	Ppt-Slow 30	\$250	\$250	\$0	--	1 mo
03/2018	Slow 60	\$2,500	\$0	\$0	--	6-12 mos
03/2018	(003)	\$250	\$0	\$0	Cash account	6-12 mos
02/2018	(004)	\$250	--	--	Cash account	1 mo
02/2018	(005)	\$100	--	--	Cash account	1 mo
12/2017	(006)	\$50	--	--	--	1 mo
12/2017	(007)	\$50	--	--	Cash account	1 mo
12/2017	(008)	\$50	--	--	Cash account	6-12 mos
10/2017	(009)	\$50	--	--	Cash account	1 mo
09/2017	Ppt	\$250	\$0	\$0	--	6-12 mos
09/2017	(011)	\$500	--	--	Cash account	2-3 mos
08/2017	Ppt	\$5,000	\$0	\$0	--	6-12 mos
08/2017	(013)	\$750	--	--	Cash account	1 mo
08/2017	(014)	\$750	--	--	Cash account	1 mo
08/2017	(015)	\$100	--	--	Cash account	1 mo
08/2017	(016)	\$50	--	--	Cash account	6-12 mos
08/2017	(017)	\$50	--	--	Cash account	6-12 mos
06/2017	(018)	\$50	--	--	--	2-3 mos
04/2017	(019)	\$100	--	--	Cash account	1 mo
04/2017	(020)	\$50	--	--	Cash account	1 mo
04/2017	(021)	\$50	--	--	Cash account	1 mo
03/2017	(022)	\$50	--	--	Cash account	1 mo
10/2016	(023)	\$250	--	--	--	1 mo
09/2016	(024)	\$250	--	--	Cash account	1 mo
09/2016	(025)	\$100	--	--	Cash account	6-12 mos
07/2016	(026)	\$100	--	--	Cash account	6-12 mos
07/2016	(027)	\$50	--	--	Cash account	6-12 mos
06/2016	(028)	\$50	--	--	Cash account	1 mo
05/2016	(029)	\$50	--	--	Cash account	6-12 mos

Payments Detail Key: ■ 30 or more days beyond terms

Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

Banking and Finance

Statement Update

Key Business Ratios from D&B

Invalid License (800). Please contact SoftwareFX Support

- [This Company](#)

Key Financial Comparisons

	(\$)	(\$)	(\$)
This Company's Operating Results Year Over Year			
Net Sales	NA	NA	NA
Gross Profit	NA	NA	NA
Net Profit	NA	NA	NA
Dividends / Withdrawals	NA	NA	NA
Working Capital	NA	NA	NA
This Company's Assets Year Over Year			
Cash	NA	NA	NA
Accounts Receivable	NA	NA	NA
Notes Receivable	NA	NA	NA
Inventories	NA	NA	NA
Other Current	NA	NA	NA
Total Current	NA	NA	NA
Fixed Assets	NA	NA	NA
Other Non Current	NA	NA	NA
Total Assets	NA	NA	NA
This Company's Liabilities Year Over Year			
Accounts Payable	NA	NA	NA
Bank Loan	NA	NA	NA
Notes Payable	NA	NA	NA
Other Current Liabilities	NA	NA	NA
Total Current Liabilities	NA	NA	NA
Other Long Term and Short Term Liabilities	NA	NA	NA
Deferred Credit	NA	NA	NA
Net Worth	NA	NA	NA
Total Liabilities and Net Worth	NA	NA	NA



We currently do not have any recent financial statements on file for your business. Submitting financial statements can help improve your D&B scores. To submit a financial statement, please call customer service at 800-333-0505.

Key Business Ratios

	This Company	Industry Median	Industry Quartile
Solvency			
Quick Ratio	NA	NA	NA
Current Ratio	NA	NA	NA
Current Liabilities to Net Worth	NA	NA	NA
Current Liabilities to Inventory	NA	NA	NA
Total Current	NA	NA	NA
Fixed Assets to Net Worth	NA	NA	NA
Efficiency			
Collection Period	NA	NA	NA
Inventory Turn Over	NA	NA	NA
Sales to NWC	NA	NA	NA
Acct Pay to Sales	NA	NA	NA
Profitability			
Return on Sales	NA	NA	NA
Return on Assets	NA	NA	NA
Return on NetWorth	NA	NA	NA

Public Filings

Summary

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	# of Records	Most Recent Filing Date
Bankruptcy Proceedings	0	-
Judgments	0	-
Liens	0	-
Suits	0	-
UCCs	0	-

The following Public Filing data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

Judgments

We currently don't have enough data to display this section

Liens

We currently don't have enough data to display this section

Suits

We currently don't have enough data to display this section

UCC Filings

We currently don't have enough data to display this section

Government Activity

Summary

Borrower (Dir/Guar): NO

Administrative Debt: NO

Contractor: NO

Grantee: NO

**Party excluded
from federal program(s):** NO

Possible Candidate:

Labor Surplus Area: N/A

Small Business: YES (2018)

8(A) Firm: N/A

The public record items contained herein may have been paid, terminated, vacated, or released prior to today's date

The public record items contained herein may have been paid, terminated, vacated or released prior to today's date.

Special Events

10/19/2017

Business address has changed from 560 S Herlong Ave , Rock Hill, SC, 29732 to 560 S Herlong Ave Rock Hill, Rock Hill, SC, 29732.

Corporate Linkage

Parent

Company Name	DUNS #	City, State
TODD, BREMER & LAWSON, INC.	00-824-7348	ROCK HILL, SOUTH CAROLINA



Todd, Bremer & Lawson, Inc.

Report on Todd, Bremer & Lawson, Inc.'s Description of Its
General Computer Control Environment and on the Suitability
of the Design and Operating Effectiveness of Its Controls
(SSAE 18/SOC 1 Type 2)

For the period July 1, 2017 to December 31, 2017

Section One:	Independent Service Auditor's Report.....	1
Section Two:	Management's Assertion	4
Section Three:	Description of the Information Technology General Computer Control Environment Provided by Todd, Bremer & Lawson, Inc.	
	Overview of Operations	8
	Relevant Aspects of the Overall Control Environment	9
	Disclosure of Relevant Information	18
	Complementary Subservice Organization Controls	18
	Control Considerations for User Organizations and their Auditors	19
Section Four:	Description of Todd Bremer & Lawson's Control Objectives and Related Controls and the Independent Service Auditor's Description and Test of Controls Results	
	Objectives of Our Examination and Testing of Operating Effectiveness	21
	Control Objectives, Related Controls and Tests of Operating Effectiveness....	22
	Control Environment	22
	Application Changes	23
	Infrastructure, Hardware, and Operating Software Changes	25
	Physical Access	27
	Logical Access	29
	Network Operations and Monitoring	34
	Data Transmissions	35
	Environmental	38
	Backup and Recovery	39

Section One:
Independent Service Auditor's Report

Independent Service Auditor's Report

February 28, 2018

To: Management of Todd, Bremer & Lawson, Inc.
Rock Hill, South Carolina

Scope

We have examined Todd, Bremer & Lawson, Inc.'s ("TB&L") description of its information technology general computer control system entitled "Description of the Information Technology General Computer Control Environment" for processing user entities' transactions throughout the period July 1, 2017 to December 31, 2017 (description), and the suitability of the design and operating effectiveness of the controls included in the description to achieve the related control objectives stated in the description, based on the criteria identified in "TB&L's Assertion" (assertion). The controls and control objectives included in the description are those that management of TB&L believes are likely to be relevant to user entities' internal control over financial reporting, and the description does not include those aspects of the system that are not likely to be relevant to user entities' internal control over financial reporting.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of TB&L's controls are suitably designed and operating effectively, along with related controls at the service organization. Our examination did not extend to such complementary user entity controls and we have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

TB&L utilizes a subservice organization for system security monitoring. The description in Section Three includes only the control objectives and related controls of TB&L and excludes the control objectives and related controls of the subservice organization. The description also indicates that certain control objectives specified by TB&L can be achieved only if complementary subservice organization controls assumed in the design of TB&L's controls are suitably designed and operating effectively, along with the related controls at TB&L. Our examination did not extend to controls of the subservice organization used by TB&L and we have not evaluated the suitability of the design or operating effectiveness of such subservice organization controls.

Service Organization's Responsibilities

In Section Two of the report, TB&L has provided an assertion about the fairness of the presentation of the description and suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description. TB&L is responsible for preparing the description and its assertion, including the completeness, accuracy, and method of presentation of the description and the assertion, providing the services covered by the description, specifying the control objectives and stating them in the description, identifying the risks that threaten the achievement of the control objectives, selecting the criteria stated in the assertion, and designing, implementing, and documenting controls that are suitably designed and operating effectively to achieve the related control objectives stated in the description.

Service Auditor's Responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on our examination.

Our engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan all and perform our examination to obtain reasonable assurance about whether, in all material respects, based on the criteria in management's assertion, the description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the description throughout the period July 1, 2017 to December 31, 2017. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of controls involves:

- performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on the criteria in management's assertion.
- assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description.
- testing the operating effectiveness of those controls that management considers necessary to provide reasonable assurance that the related control objectives stated in the description were achieved.
- evaluating the overall presentation of the description, suitability of the control objectives stated in the description, and suitability of the criteria specified by the service organization in its assertion.

Inherent Limitations

The description is prepared to meet the common needs of a broad range of user entities and their auditors who audit and report on user entities' financial statements and may not, therefore, include every aspect of the system that each individual user entity may consider important in its own particular environment. Because of their nature, controls at a service organization may not prevent, or detect and correct, all misstatements in processing or reporting transactions. Also, the projection to the future of any evaluation of the fairness of the presentation of the description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives, is subject to the risk that controls at a service organization may become ineffective.

Description of Tests of Controls

The specific controls tested, and the nature, timing, and results of those tests are listed in Section Four.

Opinion

In our opinion, in all material respects, based on the criteria described in TB&L's assertion in Section Two of this report:

- a) the description fairly presents the information technology general computer control environment that was designed and implemented throughout the period July 1, 2017 to December 31, 2017.

- b) the controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period July 1, 2017 to December 31, 2017, and the subservice organization and user entities applied the complementary controls assumed in the design of TB&L's controls throughout the period July 1, 2017 to December 31, 2017;
- c) the controls operated effectively to provide reasonable assurance that the control objectives stated in the description were achieved throughout the period July 1, 2017 to December 31, 2017 if complementary subservice organization and user entity controls assumed in the design of TB&L's controls operated effectively throughout the period July 1, 2017 to December 31, 2017.

Restricted Use

This report, including the description of tests of controls and results thereof in Section Four, is intended solely for the information and use of TB&L, user entities of its information technology general computer control environment during some or all of the period July 1, 2017 to December 31, 2017, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information including information about controls implemented by user entities themselves, when assessing the risks of material misstatements of user entities' financial statements. This report is not intended to be and should not be used by anyone other than these specified parties.

Dixon Hughes Goodman LLP

Dixon Hughes Goodman
Charlotte, North Carolina

Section Two: Management's Assertion

Todd, Bremer & Lawson, Inc. – Management's Assertion

We have prepared the description of Todd, Bremer & Lawson, Inc.'s ("TB&L" or the "Company") information technology general computer control system entitled "Description of the Information Technology General Computer Control Environment" for processing user entity transactions throughout the period July 1, 2017 to December 31, 2017 (description) for user entities of the system during some or all of the period of July 1, 2017 to December 31, 2017, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by user entities of the system themselves when assessing the risks of material misstatements of user entities' financial statements.

TB&L utilizes a subservice organization for system security monitoring. The description in Section Three includes only the control objectives and related controls of TB&L and excludes the control objectives and related controls of the subservice organizations. The description also indicates that certain control objectives specified in the description can be achieved only if complementary subservice organization controls assumed in the design of our controls are suitably designed and operating effectively, along with the related controls at TB&L. The description does not extend to controls of the subservice organizations.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of TB&L's controls are suitably designed and operating effectively, along with related controls at the service organization. The description does not extend to controls of the user entities.

We confirm, to the best of our knowledge and belief, that:

1. The description fairly presents the Information Technology General Computer Control Environment made available to user entities of the system during some or all of the period July 1, 2017 to December 31, 2017 for processing user entities' transactions as it relates to controls that are likely to be relevant to user entities' internal control over financial reporting. The criteria we used in making this assertion were that the description:
 - a. Presents how the system made available to user entities of the system was designed and implemented to process relevant user entity transactions, including, if applicable:
 - i. The types of services provided including, as appropriate, the classes of transactions processed.
 - ii. The procedures, within both automated and manual systems, by which services are provided, including, as appropriate, procedures by which transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to the reports and other information prepared for user entities of the system.
 - iii. The information used in the performance of the procedures, including, if applicable, related accounting records, whether electronic or manual, and supporting information involved in initiating, authorizing, recording, processing, and reporting transactions; this includes the correction of incorrect information and how

- information is transferred to the reports and other information prepared for user entities.
 - iv. How the system captures significant events and conditions other than transactions.
 - v. The process used to prepare reports or other information for user entities.
 - vi. The services performed by a subservice organization, if any, including whether the carve-out method or the inclusive method has been used in relation to them.
 - vii. The specified control objectives and controls designed to achieve those objectives including, as applicable, complementary user entity controls and complementary subservice organization controls assumed in the design of the controls.
 - viii. Other aspects of our control environment, risk assessment process, information and communication systems (including the related business processes), control activities, and monitoring controls that are relevant to the services provided.
- b. Includes relevant details of changes to the system during the period covered by the description.
 - c. Does not omit or distort information relevant to the system, while acknowledging that the description is prepared to meet the common needs of a broad range of user entities and their user auditors and may not, therefore, include every aspect of the system that each individual user entity of the system and its auditor may consider important in its own particular environment.
2. The controls related to the control objectives stated in the description were suitably designed and operated effectively throughout the period July 1, 2017 to December 31, 2017 to achieve those control objectives if subservice organizations and user entities applied the complementary controls assumed in the design of TB&L's System's controls throughout the period July 1, 2017 to December 31, 2017. The criteria we used in making this assertion were that:
- a. The risks that threaten the achievement of the control objectives stated in the description have been identified by management of TB&L;
 - b. The controls identified in the description would, if operating effectively, provide reasonable assurance that those risks would not prevent the control objectives stated in the Description from being achieved; and
 - c. The controls were consistently applied as designed, including whether manual controls were applied by individuals who have the appropriate competence and authority.

Todd, Bremer & Lawson, Inc.

Section Three:
Description of the Information Technology
General Computer Control Environment
Provided by Todd Bremer & Lawson, Inc.

Overview of Operations

Company Background

Todd, Bremer & Lawson, Inc. ("TB&L"), headquartered in Rock Hill, South Carolina, was established in 1974 to specialize exclusively in providing educational collection services. TB&L's unique collection services approach includes not only the collection of funds but also advising borrowers of the proper steps to take in filing the various deferments and cancellations, routinely updating information, and providing management skills necessary to assist the administration of institutions of higher learning. Today, TB&L serves over three hundred (300) higher education institutions nationwide, performs third-party collection services in multiple states, and has the distinction of being the oldest, privately-held collection firm dedicated exclusively to the collection of past due receivables for colleges and universities in the United States.

Information Systems Overview

TB&L's Local Area Network and telecommunications devices reside in a computer room located in the corporate office in Rock Hill, South Carolina. The network is a multiple LAN server environment, consisting of the domain controller, an application server housing the Flexible Automated Collection System (FACS), a telecommunications server, a web server for the company's external email website, a server housing our log collection application and a server housing applications for internal use. All of these servers are operating on either Windows Server 2008 R2 platform or Server 2012. An imaging server that supports the FACS application runs on Windows 7. All workstations on the network operate on either the Windows 7, Windows 8, or Windows 10 platforms. A Windows 2012 R2 terminal server is used to manage and service twenty-four (24) thin client terminals located onsite.

TB&L has implemented controls and security measures to protect its network including intrusion prevention and monitoring, Virtual Private Network (VPN) tunneling, and network traffic routing through the use of a SonicWall NSA 2600 firewall. In addition to the firewall, a Barracuda web filter appliance is used to help protect the network. IT Management also utilizes built-in service alerts and network management software to monitor network security and availability. Antivirus protection is installed, monitored, and updated on critical servers and desktops to protect data from malicious code and viruses.

Processing Environment

The Flexible Automated Collection System (FACS) application is TB&L's recovery and collection software package that was developed by a third party software provider. The FACS system captures and retains all collection comments, calculates interest on a daily basis, and assesses monthly late fees. The system allows for online / real-time information and offers clients more than one hundred (100) standard reports along with customized reporting as needed.

TB&L is a licensed user of the FACS software and does not have access to the source code. Local FACS changes are limited to event tactic, workstation, releases, and global parameter changes. This report on controls placed in operation addresses only general information technology controls associated with the operation of the Flexible Automated Collection System (FACS) application.

Relevant Aspects of the Overall Control Environment

A company's internal control environment reflects the overall attitude, awareness, and actions of management, the Board of Directors and others concerning the importance of controls and the emphasis given to controls in the company's policies, procedures, methods and organizational structure.

Control Objective 1 – Control Environment

Controls provide reasonable assurance that management creates an environment that encourages integrity and ethical behavior through corporate policies and procedures, defined organizational structure, hiring practices, and segregation of duties.

Ethics and Conduct

Ethical and behavioral standards have been established, communicated, and reinforced through normal management activities and documented policies and procedures. Corporate control activities include the following:

- Organizational policy statements are documented and communicate management's intended values and behavioral standards.
- Employee policies and procedures contain organizational policy statements to which all employees are required to adhere.
- TB&L abides by the American Collectors Association (ACA) International Code of Ethics, which covers relationships with business partners, attorneys, student consumers, and the ACA International Rules and Regulations.
- Employees are required to sign an acknowledgement form when they are hired indicating they have read the Employee Manual and understand their responsibility for adhering to the established policies and procedures.
- Employees must sign an Acceptable Use of Computers and Networks Agreement form when they are hired indicating they understand and agree to abide by the information technology standards required by TB&L.
- Job descriptions are documented and in place to provide guidance on expected duties and responsibilities.
- Todd, Bremer, and Lawson maintains a series of insurance policies and bonds to protect against dishonest acts and to meet state requirements where applicable:
 - Errors and omission insurance is carried for the protection of business partners from violations of the FDCA, FCRA, and other state regulations.
 - Commercial crime insurance (employee dishonesty bond) is maintained for the protection of business partners from commercial crime exposure including employee theft.
 - Statutory bonds are maintained in twenty-eight (28) states where specific amounts are required by statute.

Organizational values and behavioral standards are communicated to all personnel through policy statements and guidelines. Policies and procedures are in place for handling confidential information and

complying with applicable laws, regulations, and corporate requirements. Each employee is instructed to report any suspected violation or exception to these policies by other employees or clients.

Organizational Structure

TB&L is organized to manage its services and internal operations so that client and internal needs are met and external compliance is achieved. Formal organization charts have been developed indicating the functions and reporting lines. The organization is hierarchical, which is conducive to control through segregation of responsibilities. Written job descriptions have been developed for positions and describe the duties and responsibilities of personnel.

TB&L organizationally segregates duties between the following principle areas:

- Information Technology – Information Technology Systems Support and Information Technology Infrastructure Support
- Finance – Billing, Account Maintenance, Accounts Receivable, Accounts Payable, Payroll, Purchasing, and Financial Reporting
- Collections – Collection Service to Consumers
- Client Services – Client Support and Service and Account Management
- Sales and Marketing – New Business, Client Support and Service, Account Management
- Compliance - Collection Compliance and Legal Matters

Technology activities are managed by the Director of Information Technology. Within the Information Technology Department, the Director of Information Technology has the responsibility for the company's network, file servers, various business and end-user applications, e-mail system, printers, and provisioning access to applications.

Human Resources Policies and Procedures

Human resource policies and procedures are documented and made available to employees to guide daily activities. This documentation provides guidance in the areas of employment practices, employee conduct, hours of operation, compensation, confidentiality, attendance, benefits, and training. Hiring decisions are based on various factors, including educational background, prior relevant experience, past accomplishments, and evidence of integrity and ethical behavior.

At the time of employment, employees receive an orientation to company policies, benefits, and procedures. Personnel receive on-the-job training from their immediate supervisor. The nature and length of training depends on the individual's position, experience, job requirements, and educational background.

Management

Management is responsible for directing and controlling operations and establishing, communicating, and monitoring adherence to policies and procedures. The company's leaders insist upon the integrity and sound ethical values of personnel. Organizational principles and behavioral standards are communicated to personnel through policy statements and codes of conduct contained in the Employee Manual.

Risk Assessment

Management is responsible for identifying, analyzing and managing risks that could adversely affect business operations. Management evaluates risk and develops risk mitigation strategies within its various functional departments on an ongoing basis to identify, analyze, and manage risks that could adversely affect operations. Management and the Director of Compliance monitor various regulatory requirements that impact their client base, including the Fair Debt Collection Practices Act (FDCPA), Telephone Consumer Protection Act (TCPA), Department of Education, Gramm-Leach-Bliley Act (GLBA), and guidelines provided by the American Collectors Association (ACA). Events and changes that potentially impact operations are evaluated immediately to determine their impact on the company's risk profile and to services provided to clients. Management's involvement in daily operations allows them to learn about risks related to managed services through direct personnel involvement with employees and outside parties. Insurance policies covering errors and employee dishonesty theft coverage are in place to protect against operational risks.

Monitoring

Regular discussions are held with managers of various departments surrounding the status of service delivery or other matters that impact client service. Management monitors compliance with established policies, plans, procedures, laws, and regulations to which the company is subject. Daily activities are monitored to determine impact to the control environment to consider whether controls are operating as intended and that control activities are modified appropriately for changing conditions. Continuous monitoring activities are in place to assess the quality of internal control over time. Corrective actions are initiated through company meetings, department meetings, client conference calls, and informal notifications as needed.

The Information Technology group monitors system performance daily and meets formally as needed to discuss projects, issues, and changes that affect the company's ongoing business operations. Meetings cover any IT related considerations including performing preventative maintenance, tracking performance, and identifying potential areas of concern. Additionally, these activities assist management in decision-making and support the company's efforts to provide continuity of business operations. Automated system application controls, client service levels, and account administration are also monitored.

Information and Communication

To help align TB&L's business strategies and goals with operating performance, management is committed to maintaining effective communication with all personnel. Regular organizational communications and status updates are distributed to employees via email. Management utilizes a number of communication channels to convey messages to employees in the form of emails, announcements, and meetings. A formal Information Technology Security Policy document is in place, which covers user provisioning of access, user ID and password requirements, system administration, user reporting, and incident response procedures. Policies and procedures are maintained on an internal website and are available to all employees. The policies are reviewed and approved by management annually and include the following:

- Information Technology Security Policy
- Acceptable Use Policy

- Remote Network Access Policy
- Change Management Policy
- Patch Management Policy
- Data Backup Policy

Management is involved in day-to-day operations and provides personnel with an understanding of their individual roles and responsibilities pertaining to internal controls. Communication activities are made electronically, verbally, and through the actions of management.

Control Objective 2 – Application Changes

Controls provide reasonable assurance that applications being developed and/or changes to existing applications are documented, tested, and properly approved prior to implementation.

A formal change management policy is in place to guide employees in requesting, approving, and implementing changes to applications. The policy governs application changes and parameter changes for the Flexible Automated Collection System (FACS) such as event tactic changes, workstation changes, releases, and global parameter changes.

A tracking application is utilized to document application change requests. The application allows management to document, manage, and monitor parameter changes for FACS. Change requests can be initiated and submitted to the Director of Information Technology. Within the tracking application, the requestor enters a description of the change request to include any non-technical information, user / business impact level considerations, and an estimated duration for implementation. Once a change request ticket has been submitted, the ticket is reviewed, categorized, assigned, and managed by the Director of Information Technology. Priorities for changes are determined through the following impact ratings:

Impact Type	Definition
High Impact	Major impact on service (if a problem occurs). Highly visible and affects a large number of users. Requires major coordination across Business, Application, and System Groups.
Medium Impact	Will impact a number of end users and requires a service disruption. Requires an effort to back out and coordination of the outage.
Low Impact	Transparent and minimal in risk and impact. Does not require a service disruption.

Testing procedures are required to be documented by the requestor for all system-wide parameter changes, upgrades, and releases. The requestor submits the testing procedures as part of the original

change request ticket. Testing is performed by IT and end user personnel when changes impact their area. Testing of system-wide parameter changes, upgrades, and releases is performed during non-business hours. Results of the testing are then attached to the change request ticket and reviewed by either the requestor's manager or the Director of Information Technology. All digital sign-offs are visible within the application's ticket viewer. If the approved change is considered "Low Impact", the Director of Information Technology will implement the change within one business day. For all "High" and "Medium" impact changes, changes are submitted to the Change Management Committee for final approval during the change management meeting.

A change management meeting is held as required based on the nature of the changes to discuss any technical / business impacts, justifications, and contingency plans regarding developed changes. FACS parameter changes also are approved by the Committee. The Change Management Committee is made up of the CEO, Controller, Director of Information Technology, Vice President of Sales, and the Compliance Manager. If needed, the Committee will request that change requestors and affected parties attend the meeting prior to making final approvals and scheduling the change. All non-emergency changes are scheduled during times that minimally impact TB&L's end users.

Scheduled changes and any impacts to affected end users are communicated via email prior to implementation. The Director of Information Technology or authorized vendor implements the change only after the implementation is approved and all affected parties have been informed.

Following implementation, the status of the change is communicated to the Change Management Committee as needed in the next change management meeting. Upon successful completion, the change ticket is closed within the tracking application and any additional documentation for the change is attached to the change request ticket.

Emergency Changes

Emergency change procedures follow the same criteria outlined in the change management policy noted above. Implementation of urgent fixes to FACS or updates to the production platforms is conducted by the Director of Information Technology. All emergency changes are documented subsequently in a change request ticket in order to verify the approval and completeness of the emergency change. These are presented to the Change Control Committee at the next meeting.

Control Objective 3 – Infrastructure, Hardware, and Operating Software Changes

Controls provide reasonable assurance that configuration changes, patches, and upgrades to systems and infrastructure are documented, tested, and properly approved prior to implementation.

Software and infrastructure changes follow the same change management criteria as described above for application and FACS changes in Control Objective 2. Policies and procedures are in place to govern changes to network hardware and software and server operating software changes including:

- network infrastructure installations, discontinuances, upgrades, relocations
- hardware installations, removals, upgrades, relocations

- configuration of infrastructure components and hardware.

Patch Management

Critical security patches for operating system and infrastructure application software are applied immediately following a release by the software vendor. The implementation of critical security patches is performed by the Director of Information Technology. Documentation of critical security patches follows the standard change management policies, requiring the submission of a change request ticket.

Non-critical patches for operating systems and infrastructure application software are applied through automated updates to workstations and monthly to the servers. The application of non-critical patches is performed by the Director of Information Technology. Documentation of non-critical patches follows the standard change management policies, requiring the submission of a change request ticket.

Emergency Changes

Emergency changes for operating system and infrastructure changes follow the same change management criteria as described above in Control Objective 2.

Control Objective 4 – Physical Access

Controls provide reasonable assurance that physical access to computer equipment, storage media, and documentation is granted to properly authorized individuals.

Physical security policies and procedures are documented within the Information Technology Security Policies. The corporate office and computer room are secured using a combination of key-locks and a cipher code lock. The cipher code is changed when an employee is terminated. The building's main entrance (visitor's entrance) to the corporate office is staffed by a receptionist during business hours. Visitors are required to be escorted at all times while on the premises unless on an approved vendor list. The building's main entrance is locked during non-business hours and on weekends, while all other building access is always locked. The entrance to the computer room is locked and secured at all times with limited access to only authorized personnel. A security alarm system with multiple motion sensors is used to secure the corporate office during non-business hours and weekends. Only key employees are given the code for the alarm system. Video cameras are in place to monitor all entrances to the building. Video camera images are maintained for forty-five (45) days and available for review by management as needed. The DVR that retains surveillance camera images is secured in the computer room.

Control Objective 5 – Logical Access

Controls provide reasonable assurance that logical access to programs and data is restricted to authorized individuals.

Policies and Procedures

Formalized information security policies and procedures are in place to guide employees regarding necessary precautions and procedures to secure and protect information. The policies cover a number of security-related topics including user ID and password standards and procedures, system security guidelines, harmful code, system administration authority, remote access, virus protection, electronic access logs, acceptable use, email and audit. IT management periodically reviews and approves these policies and procedures and makes adjustments as new systems and technologies are implemented. Users are required to acknowledge that they have received, understand, and accept the Electronic Mail Policy and the Acceptable Use of Computers and Networks policy by signing an acknowledgement form upon hire.

Network Administration

Users must have an authorized ID and password to access the internal Windows network. Network passwords are required to be a minimum length of eight (8) characters, expire every ninety (90) days, and are required to meet complexity requirements. The number of unique new passwords that have to be associated with a user account before an old password can be reused is set to four (4). Windows administrator accounts are limited to authorized personnel only. Windows server auditing configurations are enabled for key event logs and security logs. Windows event logs are archived by Alert Logic for review as needed.

FACS Application Administration

FACS application access is assigned to approved individuals and requires a unique user ID and password for authentication. The FACS account password is required to be a minimum length of six (6) characters, expire every ninety (90) days, and must include at least one uppercase character and cannot contain three or more consecutive repeating characters. The number of unique new passwords that have to be associated with a user account before an old password can be reused is set to four (4). FACS accounts are locked out after three (3) invalid login attempts and will remain locked until the system administrator unlocks the account.

FACS security is controlled through role-based security that controls menu-level access to application functionality. Individuals are assigned menu level access based on established roles and profiles in the application. User profiles include administrator, client service, collector, collection manager, data entry, manager, receptionist, night processing, sales and accounting. FACS administrator accounts utilized to add and delete user access are limited to authorized personnel.

Network Devices

Logical access to the centralized management firewall and intrusion prevention application is limited to the Director of Information Technology. A unique user ID and password is required for access to the firewall console. Passwords are required to be changed every ninety (90) days on these applications.

Access Administration / User Provisioning

Procedures exist for granting access to new personnel, changing access, and revoking access across all platforms. Management utilizes a new employee access form for new hires to document the request for network, application, and other access rights. Approval is required by the Director of Information Technology and the manager requesting the access rights. A separate request form is utilized to document changes to application and network access rights and requires approvals from the Director of Information Technology and the approving manager.

A termination employee access form is utilized to document the removal of system access for the terminated employee. The termination form is given to the IT Department on the same day the employee gives notice of termination. Approval is required by the Director of Information Technology and the approving Manager requesting removal of the system access rights.

Only authorized application and network administrators have the authority to set up, maintain, and delete user access. Each user is assigned network and application permissions based on user job requirements. Each individual accessing the network and applications are assigned a unique user ID and password. Periodic reviews of network and FACS application assigned permissions are conducted by management to determine if user access is commensurate with job responsibilities.

Remote Access Security

Policies and procedures related to remote access are documented and periodically updated by management. Remote access to company resources is controlled through the use of a Virtual Private Network (VPN), which requires a user ID and password for authentication through the firewall device. A formal process is in place to add remote users after receipt of a request form and approval by the Director of Information Technology and the approving Manager. Vendor remote access is limited to only three (3) authorized vendors. Vendors are approved by management when they are initially granted remote access. The vendors have access through VPN a secure web portal to limited portions of the network and certain applications based on their support role and requirements. Each time vendor access is initiated, the access is logged and reviewed by management.

Anti-Virus Protection

An enterprise antivirus software suite is utilized to protect computers and servers from virus attack. Every server and desktop has anti-virus software installed. Virus scans are performed automatically through the software on a daily basis. The virus software checks for new virus definitions every three (3) hours, downloads any new updates to the host server, and automatically distributes the latest virus definition files to servers, desktops, and laptops on the network. Virus status is checked weekly by the Director of Information Technology to determine if servers and desktops have the latest virus definitions applied.

Control Objective 6 – Network Operations and Monitoring

Controls provide reasonable assurance that the network is protected from unauthorized access and service outages.

An up-to-date network system diagram is maintained that identifies internal and external access points, precise device locations, and firewall and router information. A firewall and intrusion prevention application is in place to protect the internal network from unauthorized access. Firewalls and IPS events are archived and reviewed regularly by Alert Logic. Firewall updates and modifications are performed by authorized personnel and documented utilizing a formal change management process. Individuals with the ability to modify firewall configurations have been limited to authorized personnel.

Firewall changes are completed following the standard change management procedures and guidelines described previously. Modifications to the firewall configurations are documented and approved by management within the tracking application.

Control Objective 7 – Data Transmissions

Controls provide reasonable assurance that data transmissions between TB&L and its clients are accurate, secure, and complete.

Client data is transmitted through a web portal. The web portal is used for clients to upload collection data and review reports. Clients are assigned a unique account for accessing the web portal and clients can only access their own data. Client authentication with the web portal is conducted using a unique user ID and password. Unique user IDs are required for individual users of the web portal, and passwords must have a minimum length of six (6) characters, and at least one upper case letter, one lower case letter, and one number. Data communication between the web portal application and client systems is secured using Secure Socket Layer (SSL) encryption via digital certificate upon login.

Control Objective 8 – Environmental

Controls provide reasonable assurance that administrative and operational procedures are established within the computer room to protect resources from environmental threats.

Environmental systems and protection devices have been installed in the computer room to protect hardware from threats associated with fire, water, humidity, and loss of power or surges. A fire detection and 4004R Sapphire Gas release system has been installed to protect hardware, network, and telecommunications equipment from fire damage within the computer room. The fire detection and suppression system is tested annually. In addition, a hand-held fire extinguisher is located outside the computer room door. A dedicated cooling system has been installed within the computer room and is fitted with a climate control system to regulate temperature and humidity of the room. Four (4) Uninterruptible Power Supply (UPS) units and a natural gas emergency generator provide a continuous power supply to hardware, network, and telecommunications equipment. The generator is tested weekly and serviced annually. There is only one entrance to the computer room and there are no windows present.

Control Objective 9 – Backup and Recovery

Controls provide reasonable assurance of timely backups of critical files, off-site backup storage and regular off-site rotation of backup files.

Policies and procedures are in place to provide guidance regarding the data backup and offsite storage process. Backup schedules are maintained and reviewed regularly to document file retention guidelines and describe the schedule for rotating files and the length of time files should be stored off-site. Full backups of the FACS server, terminal and data servers, domain controller, and other application servers are performed daily. Alert notification through Symantec Backup Exec is sent to the Director of Information Technology to indicate whether backups completed successfully or not. The backups are saved on a network-attached storage device maintained within the secured server room. Backups are conducted daily and maintained on-site in the server room. Full backups are rotated offsite on a weekly basis to a third party storage facility.

All backup drives are encrypted before being sent offsite. The restoration of backup data is performed on a quarterly basis to verify that the backup schemes in place are functioning properly and data can be recovered from backup drives. Quarterly backup and recovery testing is documented in a request ticket.

Disclosure of Relevant Information

Changes to the Service Organization's system during the period covered by the description

No significant changes to the systems included in this report occurred during the reporting period.

Using the Work of Internal Audit

The service auditor did not utilize the work of the Internal Audit function in preparing the report.

Complementary Subservice Organization Controls

Todd, Bremer & Lawson Inc.'s controls related to its System cover only a portion of overall internal control for each user entity of TB&L. It is not feasible for the control objectives related to the system to be achieved solely by TB&L. Therefore, each user entity's internal control over financial reporting must be evaluated in conjunction with TB&L's controls and the related tests and results described in Section Four of this report, taking into account the related complementary subservice organization controls expected to be implemented at the subservice organization as described below.

Complementary Subservice Organization Controls (CSOCs)	Related Control Objective(s)
Alert Logic: Alert Logic provides archiving and monitoring services for the firewall, IPS, and Windows security events.	

Alert Logic, Inc. is responsible for network and security monitoring of critical systems within the Information Technology environment.	CO-05 CO-06
---	----------------

Control Considerations for User Organizations and Their Auditors

TB&L's controls related to its system cover only a portion of overall internal control for each user entity. It is not feasible for the control objectives related to the system to be achieved solely by TB&L. Therefore, each user entity's internal control over financial reporting should be evaluated in conjunction with TB&L's controls and the related tests and results described in Section Four of this report, taking into account the related complementary user entity controls identified under each control objective, where applicable. In order for user entities to rely on the controls reported on herein, each user entity must evaluate its own internal control to determine whether the identified complementary user entity controls have been implemented and are operating effectively.

Complementary User Entity Controls (CUECs)	Related Control Objective(s)
General Information Security Controls	
User organizations are responsible for ensuring the confidentiality of any user IDs and passwords assigned to them for use with TB&L systems.	CO-05
User organizations are responsible for immediately notifying TB&L of additions, deletions, and changes to users with authorized logical access when user administration is delegated to TB&L.	CO-05
User organizations are responsible for immediately notifying TB&L of any actual or suspected information security breaches, including compromised user accounts.	CO-05 CO-06

Section Four:
Description of Todd Bremer & Lawson's
Control Objectives and Related Controls and
the Independent Service Auditor's Description
and Test of Controls Results

Information Provided by the Independent Service Auditor

This report, when combined with an understanding of the controls at user entities, is intended to assist auditors in planning the audit of user entities' financial statements or user entities' internal control over financial reporting and in assessing control risk for assertions in user entities' financial statements that may be affected by controls at TB&L.

Our examination was limited to the control objectives and related controls specified by TB&L in Sections Three and Four of the report, and did not extend to controls in effect at user entities.

It is the responsibility of each user entity and its independent auditor to evaluate this information in conjunction with the evaluation of internal control over financial reporting at the user entity in order to assess total internal control. If internal control is not effective at user entities, TB&L's controls may not compensate for such weaknesses.

TB&L's internal control represents the collective effect of various factors on establishing or enhancing the effectiveness of the controls specified by TB&L. In planning the nature, timing, and extent of our testing of the controls to achieve the control objectives specified by TB&L, we considered aspects of TB&L's control environment, risk assessment process, monitoring activities, and information and communications.

The following table clarifies certain terms used in this section to describe the nature of the tests performed:

Test	Description
Inquiry	Inquiry of appropriate personnel and corroboration with management
Observation	Observation of the application, performance, or existence of the control
Inspection	Inspection of documents and reports indicating performance of the control
Reperformance	Reperformance of the control

In addition, as required by paragraph .35 of ATC section 205, Examination Engagements (AICPA, Professional Standards), and paragraph .30 of ATC section 320, when using information produced (or provided) by the service organization, we evaluated whether the information was sufficiently reliable for our purposes by obtaining evidence about the accuracy and completeness of such information and evaluating whether the information was sufficiently precise and detailed for our purposes.

The following matrices describe TB&L's controls and the testing performed to determine whether TB&L's controls were suitably designed and were operating effectively throughout the period to achieve the control objectives specified in this report.

Control Objectives, Related Controls and Tests of Operating Effectiveness

The following matrices describe TB&L's controls and the testing performed to determine whether TB&L's controls were suitably designed and were operating effectively throughout the period to achieve the control objectives specified in this report.

Control Environment

Control Objective 1		
Controls provide reasonable assurance that management creates an environment that encourages integrity and ethical behavior through corporate policies and procedures, defined organizational structure, hiring practices, and segregation of duties.		
Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
Organization and Management Controls		
Personnel policies and procedures are documented in the Employee Manual, which is available to all employees.	Inspected Employee Manual to determine if policies and procedures were documented and available to employees.	No Exceptions Noted.
Current job descriptions exist that describe primary job functions and responsibilities within the company.	Selected a sample of employees to determine if job descriptions were in place outlining employee's responsibilities.	No Exceptions Noted.
Todd, Bremer, and Lawson is organized into separate functional areas to provide segregation of duties.	Inspected organizational chart to determine if functions are clearly defined, duties are segregated, reporting structures are standardized, and that the documentation is current.	No Exceptions Noted.
Employee background checks are performed on prospective candidates prior to employment.	Selected a sample of employees and inspected personnel files to determine if documentation of background check was completed.	No Exceptions Noted.

Application Changes

Control Objective 2		
Controls provide reasonable assurance that applications being developed and/or changes to existing applications are documented, tested, and properly approved prior to implementation.		
Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
Change Management Policies and Procedures – FACS Application		
A change management policy is documented that defines requirements and responsibility of the overall change management process.	Performed inquiry with personnel to determine if change management policy is utilized to control the change management process.	No Exceptions Noted.
	Inspected change management policies and procedures to determine if the change management process was documented, included roles and responsibilities, appropriate authorization of changes, testing of changes, and segregation of duties.	No Exceptions Noted.
Change, Documentation, Approval, Testing, and Access – FACS Application		
Documentation of application system changes are categorized and consistently performed according to defined change procedures.	Inspected a sample of FACS changes that were made to the production application environment and obtained the supporting requests and documentation to determine if sampled changes were documented in the change management application.	No Exceptions Noted.
Application system changes are authorized and approved by appropriate personnel according to defined change procedures.	Inspected a sample of FACS changes to determine if changes were approved by management and the manager approving the request was not the user submitting the change request.	No Exceptions Noted.
Application system changes are tested prior to migration into production systems according to defined change procedures.	Inspected a sample of FACS changes to determine if changes were tested prior to migration to production systems.	No Exceptions Noted.

Section Four: Information Provided by the Independent Service Auditor

Control Objective 2 (Continued)

Controls provide reasonable assurance that applications being developed and/or changes to existing applications are documented, tested, and properly approved prior to implementation.

Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
Access to implement application changes into the production environment is appropriately restricted and segregated from access to the development environment.	Inspected access listing to determine if access to implement FACS application upgrades and changes is restricted to authorized personnel.	No Exceptions Noted.
Emergency Changes – Applications		
Tools and processes, including documentation and approvals, are in place to direct migration of an emergency change into the production environment. All emergency changes are implemented by authorized personnel.	Inspected a sample of emergency changes to determine if unanticipated changes are subject to formal change management procedures.	No Exceptions Noted.
Change Windows – Applications		
End users are notified of scheduled changes prior to implementation.	Inspected email notifications sent to end users regarding scheduled changes to determine if end users are notified of scheduled changes prior to implementation.	No Exceptions Noted.

Section Four: Information Provided by the Independent Service Auditor

Infrastructure, Hardware, and Operating Software Changes

Control Objective 3

Controls provide reasonable assurance that configuration changes, patches, and upgrades to systems and infrastructure are documented, tested, and properly approved prior to implementation.

Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
Change Management Policies and Procedures – System Software		
A change management policy is documented that defines requirements and responsibility of the overall change management process.	Performed corroborative inquiry with personnel to determine if change management policy is utilized to control the change management process.	No Exceptions Noted.
	Inspected change management policies and procedures to determine if the change management process was documented, included roles and responsibilities, appropriate authorization of changes, testing of changes, and segregation of duties.	No Exceptions Noted.
Change, Documentation, Approval, Testing, and Access – System Software		
Documentation of operating system and hardware changes are categorized and consistently performed according to defined change procedures.	Inspected a sample of operating system and hardware changes that were made to the production environment and obtained the supporting requests and documentation to determine if sampled changes were documented in the change management application.	No Exceptions Noted.
Operating system and hardware changes are authorized and approved by appropriate personnel according to defined change procedures.	Inspected a sample of operating system and hardware changes to determine if changes were approved by management and the manager approving the request was not the user submitting the change request.	No Exceptions Noted.
Operating system and hardware changes are tested prior to migration into production systems according to defined change procedures.	Inspected a sample of operating system and hardware changes to determine if changes were tested prior to migration to production systems.	No Exceptions Noted.

Section Four: Information Provided by the Independent Service Auditor

Control Objective 3 (Continued)

Controls provide reasonable assurance that configuration changes, patches, and upgrades to systems and infrastructure are documented, tested, and properly approved prior to implementation.

Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
Access to the production environment that allows migration of Windows changes is limited to authorized personnel.	Inspect network access listing to determine if access to implement application upgrades and changes to Windows applications is restricted to authorized personnel.	No Exceptions Noted.
Windows operating system patches and hotfixes are categorized and consistently performed including the completion of required supporting documentation, testing, authorization, and approval by appropriate personnel.	Selected a sample of Windows patches, hotfixes, and updates and obtained the supporting requests and documentation. Confirmed that the sampled changes were documented, authorized, tested, and approved by appropriate personnel before migration into production.	No Exceptions Noted.
Emergency Changes – System Software		
Tools and processes, including documentation and approvals, are in place to direct migration of an emergency change into the production environment. All emergency changes are implemented by authorized personnel.	Inspected a sample of emergency changes to determine if unanticipated changes are subject to formal change management procedures.	No Exceptions Noted.
Change Windows – System Software		
End users are notified of scheduled changes prior to implementation.	Inspected email notifications sent to end users regarding scheduled changes to determine if end users are notified of scheduled changes prior to implementation.	No Exceptions Noted.

Physical Access

Control Objective 4		
Controls provide reasonable assurance that physical access to computer equipment, storage media, and documentation is granted to properly authorized individuals.		
Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
Policies and Procedures		
Physical security policies and procedures are complete, appropriate and enforced.	Inquired of personnel to determine controls in place over physical access to computer equipment, storage media, and documentation.	No Exceptions Noted.
Policies and procedures related to physical security are documented and periodically updated.	Inspected physical security policies and procedures to determine if policies are documented, updated periodically, and approved by management.	No Exceptions Noted.
Corporate Office Building		
Access to the corporate office building is monitored using video cameras.	Observed video camera systems, ensuring monitoring of all entrances to the building. Confirmed video camera images are archived for review by management.	No Exceptions Noted.
Access to the corporate office building is restricted to authorized personnel and requires appropriate authentication via combination of key-locks and a cipher code lock.	Observed that external doors were secure and functioning properly during non-business hours.	No Exceptions Noted.
Access to the corporate office building is restricted to authorized personnel and requires appropriate authentication via combination of key-locks and a cipher code lock.	Observed physical locks and badge readers located at key entrances to the office building.	No Exceptions Noted.
Access to the corporate office building is restricted to authorized personnel and requires appropriate authentication via combination of key-locks and a cipher code lock.	Inspected the listing of users with badge access to the facility to determine if access is revoked when employees are terminated.	No Exceptions Noted.

Section Four: Information Provided by the Independent Service Auditor

Control Objective 4 (Continued)

Controls provide reasonable assurance that physical access to computer equipment, storage media, and documentation is granted to properly authorized individuals.

Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
Visitors to the corporate office must sign-in with the office receptionist.	Observed the receptionist monitoring visitor access to the facilities.	No Exceptions Noted.
	Inspected a sample of visitor logs to determine if visitor access is recorded in logs and the required information was documented.	No Exceptions Noted.
Server Room		
Access to the computer room is secured using a physical key locking system.	Observed that telecommunications equipment and servers are in a secure area that requires physical key access.	No Exceptions Noted.
Access to the computer room is limited only to authorized personnel.	Inspected the key listing to determine if users with computer room access were appropriate based on employee job responsibilities.	No Exceptions Noted.

Logical Access

Control Objective 5 Controls provide reasonable assurance that logical access to programs and data is restricted to authorized individuals.		
Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
Policies and Procedures		
Established security-related policies and procedures are in place that define logical security standards used to secure and protect information.	Inquired of personnel who are responsible for security administrator tasks to determine if security administration procedures and policies were documented.	No Exceptions Noted.
An information security policy exists and is regularly reviewed and approved by management.	Inspected Information Security Policy to determine if the policy was documented, periodically updated, and approved by management.	No Exceptions Noted.
Users are required to acknowledge that they have received, understand and accept relevant IT policies, standards and procedures by signing acknowledgement form upon hire.	Selected a list of current employees from the Human Resources employee listing to determine if Acceptable Use Policy documents were signed by personnel indicating acknowledgment of IT policies. Inspected initial logon page to determine if information technology terms of use and conditions disclaimer is noted when employees login.	No Exceptions Noted.
Network and Application Settings and Administration		
Network authentication password parameters meet established policies (password minimum length and complexity, expiration, account lockout).	Inspected network password and account configuration settings to determine if authentication parameters conform to the Information Security Policy.	No Exceptions Noted.
FACS authentication password parameters meet established policies (password minimum length and complexity, expiration, account lockout).	Inspected FACS password and account configuration settings to determine if authentication parameters conform to the Information Security Policy.	No Exceptions Noted.

Section Four: Information Provided by the Independent Service Auditor

Control Objective 5 (Continued)

Controls provide reasonable assurance that logical access to programs and data is restricted to authorized individuals.

Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
Role and profile-based access control functionality is enabled within FACS to limit access to information to particular users based upon role within the organization.	Inspected the FACS application configuration to determine menu-level and application functionality is broken down by user roles.	No Exceptions Noted.
	Inspected FACS user access listing and inquired of management to determine if access to FACS application is provisioned based upon role within the organization.	No Exceptions Noted.
FACS application administrator accounts with the ability to add and delete user accounts are limited to authorized personnel.	Inspected the listing of FACS administrator accounts and employee records from Human Resources to determine only authorized personnel have access to administrator functionality in the FACS application.	No Exceptions Noted.
A firewall and intrusion prevention application is in place to prevent unauthorized access to the corporate network from untrusted networks.	Review firewall placement, implementation, and configuration history of SonicWall appliance and application to ensure network-based access control is in place.	No Exceptions Noted.
Access to the firewall and intrusion prevention application is limited to authorized IT personnel only using unique user credentials. Passwords are required to be changed every ninety (90) days.	Obtained a list of user accounts from the SonicWall firewall and intrusion prevention application and reviewed with management to ensure only authorized personnel have access. Confirmed password history demonstrates password changes occur every ninety (90) days.	No Exceptions Noted.

Control Objective 5 (Continued)

Controls provide reasonable assurance that logical access to programs and data is restricted to authorized individuals.

Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
Unique network IDs are utilized. Any generic account IDs are identified and appropriate.	Inspected the network access listing to determine if only unique IDs exist on the network. Inquired of management regarding generic IDs to determine their purpose and if they are appropriate.	No Exceptions Noted.
Unique FACS IDs are utilized. Any generic account IDs are identified and appropriate.	Inspected FACS application access listing to determine if only unique IDs exist in the application. Inquired of management regarding generic IDs to determine their purpose and if they are appropriate.	No Exceptions Noted.
Network administrator accounts are limited to personnel approved by management.	Inspected user IDs in the Windows network application that were assigned the administrator attribute to determine if access is commensurate with job responsibilities.	No Exceptions Noted.
Procedures exist for granting access to new personnel across all platforms. Access for new users requires management approval.	Obtained listing of new hires for the audit period from Human Resources and selected a sample of users. Inspected New User Request Form to determine if access was authorized by management.	No Exceptions Noted.
Procedures exist for changing access for existing personnel across all platforms. Change of access requires management approval.	Obtain listing of employee access changes for the audit period from Human Resources and selected a sample of users. Inspected the Modify User Request Form to determine if access was authorized by management.	No Exceptions Noted.
Procedures exist for revoking access of terminated employees.	Obtained an employee termination list from Human Resources and selected a sample of terminated users from the report. Inspected Remove User Request Form to determine if termination request was authorized by management. Performed a system query of the network and FACS applications to determine if all terminated users were removed from the system or that their access was disabled.	No Exceptions Noted.

Section Four: Information Provided by the Independent Service Auditor

Control Objective 5 (Continued)

Controls provide reasonable assurance that logical access to programs and data is restricted to authorized individuals.

Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
Periodic reviews of network and FACS access permissions are conducted by management.	Inspected user access review conducted for the FACS application and Windows Domain (network) to determine if periodic access reviews were documented by management.	No Exceptions Noted.
Windows server auditing settings are enabled and event logs are archived.	Inspected configuration settings on a sample of Windows servers to determine if auditing was enabled for security logs and key events. Observed Windows server event logs to determine if logs are maintained and archived.	No Exceptions Noted.
Remote Access Security		
A remote access policy exists and is regularly reviewed and approved by management.	Inspected the Remote Access Policy to determine if the policy is documented, periodically updated, and approved by management	No Exceptions Noted.
Use of VPN services is limited to corporate personnel, controlled through a formal process to add remote users.	Inspected documentation for new remote VPN users to determine if New User Request Forms were in place, documenting management's approval of user's remote access.	No Exceptions Noted.
A VPN is used to create encrypted private communications when remotely accessing network resources.	Observed the remote login process to determine if VPN access requires a user ID and password to gain access.	No Exceptions Noted.
Remote access to information technology resources is controlled through the use of VPN.	Inspected the list of remote VPN users to determine which users have remote access. For all users that have been granted remote access, determined if personnel are active employees authorized to have remote access.	No Exceptions Noted.

Control Objective 5 (Continued)

Controls provide reasonable assurance that logical access to programs and data is restricted to authorized individuals.

Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
Vendor remote access is made available only after requesting initial access be enabled by management. Notifications are received by IT personnel when vendor access is initiated.	Inspected remote user listing within the remote access software and firewall configurations to determine if remote vendor access is limited to certain network privileges based upon support role. Inspected a sample of notifications generated to determine if IT personnel are notified when vendor access attempts occur.	No Exceptions Noted.
Anti-Virus Protection		
Antivirus software is installed to protect desktops and servers from viruses.	Inspected a sample of selected servers and desktop computers to determine if anti-virus software is installed.	No Exceptions Noted.
Antivirus software is configured to automatically scan for viruses on a regular basis.	Inspected antivirus configuration settings to determine antivirus software automatically scans for viruses on a regular basis.	No Exceptions Noted.
Antivirus software is configured to automatically update virus definitions.	Inspected antivirus configuration settings to determine if updates are set to automatically update computers and servers with current virus signatures.	No Exceptions Noted.

Section Four: Information Provided by the Independent Service Auditor

Network Operations and Monitoring

Control Objective 6

Controls provide reasonable assurance that the network is protected from unauthorized access and service outages.

Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
Firewall Configuration and Monitoring		
A firewall is in place and maintained to control access to the network.	Inspected the network diagram outlining network topology to determine if a firewall is implemented to protect information resources from external threats.	No Exceptions Noted.
	Observed the firewall within the computer room to determine if the network security device exists and is physically secured.	No Exceptions Noted.
Access to make modifications to the firewall configurations is restricted to authorized personnel.	Inspected access to the firewall and inquired of management to determine if access to make modifications to the firewall configurations is restricted to appropriate personnel.	No Exceptions Noted.
Firewall and IPS activity is logged and monitored.	Inspected configuration settings within the firewall to determine if firewall and IPS activity is appropriately logged and retained for review. Inspected management's weekly documented review to determine if weekly review responsibilities are assigned and completed.	No Exceptions Noted.
Modifications to the firewall configurations are documented and approved by management following the established change management procedures.	Selected a sample of change orders to determine if firewall configuration changes are requested and documented via the change management application.	No Exceptions Noted.

Data Transmissions

Control Objective 7		
Controls provide reasonable assurance that data transmissions between TB&L and its clients are accurate, secure, and complete.		
Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
Network Communications Architecture		
Data transmissions architecture is designed to provide complete, accurate, and secure data transmissions between TB&L and its clients.	Inquired with management to determine if network architecture is designed to support complete, accurate, and secure transmissions.	No Exceptions Noted.
Management maintains a data encryption standard that provides guidance on company standards for sending and receiving sensitive information.	Inspected the data encryption standards to determine if management maintains a data encryption standard that provides guidance on standards for sending and receiving sensitive data.	No Exceptions Noted.
Redundant communication infrastructure is utilized in the event of a device failure and is tested on a periodic basis.	Inspected Internet routers and network diagram to determine if redundant paths are in place and tested on a periodic basis by management.	No Exceptions Noted.
Web Portal		
Client registration and setup for access to the FACS client web portal is required in order to receive a user ID and password.	Inquired of management to determine if clients are required to register with TB&L to receive a client portal account.	No Exceptions Noted.
Unique client user ID and password are required to access the FACS client portal.	Inspected the client portal site to determine if users are required to enter a unique user ID and password for access.	No Exceptions Noted.
FACS web portal administrator access is limited to only authorized personnel.	Inspected users that were assigned administrator access to determine if the attributes appeared appropriate based on individual job responsibilities.	No Exceptions Noted.

Section Four: Information Provided by the Independent Service Auditor

Control Objective 7 (continued)

Controls provide reasonable assurance that data transmissions between TB&L and its clients are accurate, secure, and complete.

Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
FACS client portal authentication password parameters meet established policies (password minimum length and complexity, expiration, account lockout).	Inspected FACS client portal password and account configurations settings to determine if authentication parameters conform to defined standard setting requirements.	No Exceptions Noted.
Data transfer / transmission sessions between the FACS web portal and the client's web browser is secured to maintain the confidentiality and integrity of web communication with clients.	Established a remote client session with the TB&L.com web portal to determine if Secure Socket Layer (SSL) is utilized to secure web communications.	No Exceptions Noted.
Remote Access Security		
A remote access policy exists and is regularly reviewed and approved by management.	Inspected the Remote Access Policy to determine if the policy is documented, periodically updated, and approved by management.	No Exceptions Noted.
Use of VPN services is limited to corporate personnel and assigned through a formal process to add remote users.	Inspected documentation for new remote VPN users to determine if user access request forms are in place documenting management's approval of user's remote access.	No Exceptions Noted.
A VPN is used to create encrypted private communications when remotely accessing network resources.	Observed the remote login process to determine if VPN access requires a user ID and password to gain access.	No Exceptions Noted.

Control Objective 7 (Continued)

Controls provide reasonable assurance that data transmissions between TB&L and its clients are accurate, secure, and complete.

Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
Remote access to resources is controlled through the use of VPN.	Inspected the list of remote VPN users to determine which users have remote access. For all users that have been granted remote access, determined if personnel are active employees authorized to have remote access.	No Exceptions Noted.
Vendor remote access is made available only after requesting initial access be enabled by management. Notifications are received by IT personnel when vendor access is initiated.	Inspected remote user listing within the VPN software to determine if remote vendor access is limited to certain hours and needs to be initially enabled by management. Inspected a sample of notifications generated to determine if IT personnel are notified when vendor access attempts occur.	No Exceptions Noted.

Environmental

Control Objective 8

Control provide reasonable assurance that administrative and operational procedures are established within the computer room to protect resources from environmental threats.

Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
Computer operations facilities have environmental controls in place for the safety and protection of the computer equipment, storage media, and program documentation.	Inquired of computer operations personnel to determine if facilities were designed to protect physical assets.	No Exceptions Noted.
Adequate temperature within the computer room is maintained by a separate air conditioning unit.	Observed the computer room to determine if a separate air conditioning unit is in place to keep infrastructure equipment at recommended temperatures levels.	No Exceptions Noted.
UPS devices are in place to filter electrical spikes, contain lightening, and provide battery backup.	Observed the computer room to determine if the computer operations facilities are equipped with UPS devices.	No Exceptions Noted.
A natural gas generator is present to provide continuous power in the event of an electrical failure. The generator is tested weekly and serviced annually.	Observed the facilities to determine if a gas generator was in place.	No Exceptions Noted.
The generator is tested weekly and serviced annually.	Inspected the testing and service records of the generator to determine if it is tested weekly and serviced annually. Observed a regularly scheduled test of the generator.	No Exceptions Noted.
The computer room is protected by a fire detection and suppression system.	Observed the computer room to determine if the computer room was equipped with a fire detection and suppression system.	No Exceptions Noted.
Fire detection and suppression equipment is maintained according to the vendor's maintenance schedule.	Inspected documentation from the fire detection and suppression management company to determine if annual maintenance was performed on the fire protection equipment.	No Exceptions Noted.

Backup and Recovery

Control Objective 9

Controls provide reasonable assurance of timely backups of critical files, off-site backup storage and regular off-site rotation of backup files.

Controls Specified by Todd, Bremer & Lawson, Inc.	Tests of Operating Effectiveness Performed	Test Results
Backup and Restores		
Documented backup media policies and procedures exist, are defined and enforced.	Inquired with personnel to confirm our understanding regarding the backup process.	No Exceptions Noted.
Documented backup media policies and procedures exist, are defined and enforced.	Inspected backup policies and procedures to determine if procedures are documented and periodically approved by management.	No Exceptions Noted.
Backup logs are inspected to confirm key server and application backup files are created daily and retained according to policy.	Inspected a sample of automated backup logs dated between 7/1 and 12/31 to determine if daily backups are being conducted and properly retained.	No Exceptions Noted.
Backup files are rotated off-site regularly to an environmentally and physically secure location.	Inspected a sample of reports demonstrating movement of backups to the off-site storage location to determine if backups were appropriately rotated offsite.	No Exceptions Noted.
Backup media is tested and restored quarterly to ensure reliability and quality of the backup media.	Inspected a sample of restoration log events from the backup application to determine if backup media is tested and restored on a quarterly basis.	No Exceptions Noted.



Directory Listing

Certification Type

NIGP

NAICS

City

ZIP Code

All ▼ contains ▼ Todd, Bremer

Q

Match found 1

Sort by: Company name

Show entries: 5

Applied Filters

Reset filters ▼

Todd, Bremer & Lawson, Inc.
Beth Zamorski
P.O. Box 36788
Rock Hill, SC 29732
Phone: (803) 323-5200
Fax: (803) 323-5204
beth.zamorski@tbandl.com
(mailto:beth.zamorski@tbandl.com)
www.TBandL.com
(http://www.TBandL.com)

Certification Number: 673491

SWaM Certification Type:
Small Start Date: 06-11-2018
SWaM Expiration Date: 06-11-2023
NIGP/Description:
94633 Collection Services,
Financial Debt

Pcard: N



Payment Card Industry (PCI) Data Security Standard

Attestation of Compliance for Onsite Assessments – Service Providers

Version 3.2

April 2016

Section 1: Assessment Information

Instructions for Submission

This Attestation of Compliance must be completed as a declaration of the results of the service provider's assessment with the *Payment Card Industry Data Security Standard Requirements and Security Assessment Procedures (PCI DSS)*. Complete all sections: The service provider is responsible for ensuring that each section is completed by the relevant parties, as applicable. Contact the requesting payment brand for reporting and submission procedures.

Part 1. Service Provider and Qualified Security Assessor Information

Part 1a. Service Provider Organization Information

Company Name:	BillingTree		DBA (doing business as):	BillingTree		
Contact Name:	Melissa Kirk		Title:	CIO		
Telephone:	602-443-5900		E-mail:	mkirk@mybillingtree.com		
Business Address:	2800 North 44 th St.		City:	Phoenix		
State/Province:	AZ	Country:	USA		Zip:	85008
URL:	www.mybillingtree.com					

Part 1b. Qualified Security Assessor Company Information (if applicable)

Company Name:	Megaplanit, LLC				
Lead QSA Contact Name:	Anthony Petruso	Title:	Director of Compliance		
Telephone:	480-696-6536	E-mail:	apetruso@megaplanit.com		
Business Address:	8700 E. Vista Bonita #200	City:	Scottsdale		
State/Province:	AZ	Country:	USA	Zip:	85255
URL:	www.megaplanit.com				

Part 2. Executive Summary

Part 2a. Scope Verification

Services that were INCLUDED in the scope of the PCI DSS Assessment (check all that apply):

Name of service(s) assessed:		Payrazr
Type of service(s) assessed:		
Hosting Provider: <input type="checkbox"/> Applications / software <input type="checkbox"/> Hardware <input type="checkbox"/> Infrastructure / Network <input type="checkbox"/> Physical space (co-location) <input type="checkbox"/> Storage <input type="checkbox"/> Web <input type="checkbox"/> Security services <input type="checkbox"/> 3-D Secure Hosting Provider <input type="checkbox"/> Shared Hosting Provider <input type="checkbox"/> Other Hosting (specify):	Managed Services (specify): <input type="checkbox"/> Systems security services <input type="checkbox"/> IT support <input type="checkbox"/> Physical security <input type="checkbox"/> Terminal Management System <input type="checkbox"/> Other services (specify):	Payment Processing: <input type="checkbox"/> POS / card present <input checked="" type="checkbox"/> Internet / e-commerce <input type="checkbox"/> MOTO / Call Center <input type="checkbox"/> ATM <input type="checkbox"/> Other processing (specify):
<input type="checkbox"/> Account Management	<input type="checkbox"/> Fraud and Chargeback	<input checked="" type="checkbox"/> Payment Gateway/Switch
<input type="checkbox"/> Back-Office Services	<input type="checkbox"/> Issuer Processing	<input type="checkbox"/> Prepaid Services
<input type="checkbox"/> Billing Management	<input type="checkbox"/> Loyalty Programs	<input type="checkbox"/> Records Management
<input type="checkbox"/> Clearing and Settlement	<input type="checkbox"/> Merchant Services	<input type="checkbox"/> Tax/Government Payments
<input type="checkbox"/> Network Provider		
<input type="checkbox"/> Others (specify):		

Note: These categories are provided for assistance only, and are not intended to limit or predetermine an entity's service description. If you feel these categories don't apply to your service, complete "Others." If you're unsure whether a category could apply to your service, consult with the applicable payment brand.

Part 2a. Scope Verification (continued)

Services that are provided by the service provider but were NOT INCLUDED in the scope of the PCI DSS Assessment (check all that apply):

Name of service(s) not assessed: N/A all services assessed

Type of service(s) not assessed:

Hosting Provider:

- ☐ Applications / software
- ☐ Hardware
- ☐ Infrastructure / Network
- ☐ Physical space (co-location)
- ☐ Storage
- ☐ Web
- ☐ Security services
- ☐ 3-D Secure Hosting Provider
- ☐ Shared Hosting Provider
- ☐ Other Hosting (specify):

Managed Services (specify):

- ☐ Systems security services
- ☐ IT support
- ☐ Physical security
- ☐ Terminal Management System
- ☐ Other services (specify):

Payment Processing:

- ☐ POS / card present
- ☐ Internet / e-commerce
- ☐ MOTO / Call Center
- ☐ ATM
- ☐ Other processing (specify):

☐ Account Management

☐ Fraud and Chargeback

☐ Payment Gateway/Switch

☐ Back-Office Services

☐ Issuer Processing

☐ Prepaid Services

☐ Billing Management

☐ Loyalty Programs

☐ Records Management

☐ Clearing and Settlement

☐ Merchant Services

☐ Tax/Government Payments

☐ Network Provider

☐ Others (specify):

Provide a brief explanation why any checked services were not included in the assessment:

N/A

Part 2b. Description of Payment Card Business

Describe how and in what capacity your business stores, processes, and/or transmits cardholder data.

BillingTree develops and supports a proprietary web-based payment form and payment gateway, accessible via secure API and/or web-based user interface. All transactions are performed over the internet as Card Not Present transactions.

Describe how and in what capacity your business is otherwise involved in or has the ability to impact the security of cardholder data.

BillingTree develops and supports a software application which collects and processes credit card data.

Part 2c. Locations

List types of facilities (for example, retail outlets, corporate offices, data centers, call centers, etc.) and a summary of locations included in the PCI DSS review.

Type of facility:	Number of facilities of this type	Location(s) of facility (city, country):
<i>Example: Retail outlets</i>	3	<i>Boston, MA, USA</i>
BillingTree corporate HQ	1	Phoenix, AZ USA
IO Datacenter	1	Phoenix, AZ USA

IO Datacenter	1	New Jersey, USA

Part 2d. Payment Applications

Does the organization use one or more Payment Applications? ☐ Yes ☐ No

Provide the following information regarding the Payment Applications your organization uses:

Payment Application Name	Version Number	Application Vendor	Is application PA-DSS Listed?	PA-DSS Listing Expiry date (if applicable)
PayRazr	N/A	BillingTree	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	N/A
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	

Part 2e. Description of Environment

Provide a **high-level** description of the environment covered by this assessment.

For example:

- *Connections into and out of the cardholder data environment (CDE).*
- *Critical system components within the CDE, such as POS devices, databases, web servers, etc., and any other necessary payment components, as applicable.*

The assessment covered BillingTree's corporate environment as well as the production environment which is hosted in IO Datacenter. The assessment covered all the web servers, networking gear, administrative management of systems and networks, the development of the payrazr application as well as security services which support the in-scope environment.

Does your business use network segmentation to affect the scope of your PCI DSS environment?

(Refer to "Network Segmentation" section of PCI DSS for guidance on network segmentation)

☒ Yes ☐ No

Part 2f. Third-Party Service Providers

Does your company have a relationship with a Qualified Integrator & Reseller (QIR) for the purpose of the services being validated?

☐ Yes ☒ No

If Yes:

Name of QIR Company:

QIR Individual Name:

Description of services provided by QIR:

Does your company have a relationship with one or more third-party service providers (for example, Qualified Integrator Resellers (QIR), gateways, payment processors, payment service providers (PSP), web-hosting companies, airline booking agents, loyalty program agents, etc.) for the purpose of the services being validated?

☒ Yes ☐ No

If Yes:

Name of service provider:	Description of services provided:
Merchant e-Solutions	Payment Processing
TSYS	Payment Processing
Vantiv	Payment Processing
WorldPay	Payment Processing
USAePay	Payment Processing

Note: Requirement 12.8 applies to all entities in this list.

Part 2g. Summary of Requirements Tested

For each PCI DSS Requirement, select one of the following:

- **Full** – The requirement and all sub-requirements of that requirement were assessed, and no sub-requirements were marked as “Not Tested” or “Not Applicable” in the ROC.
- **Partial** – One or more sub-requirements of that requirement were marked as “Not Tested” or “Not Applicable” in the ROC.
- **None** – All sub-requirements of that requirement were marked as “Not Tested” and/or “Not Applicable” in the ROC.

For all requirements identified as either “Partial” or “None,” provide details in the “Justification for Approach” column, including:

- Details of specific sub-requirements that were marked as either “Not Tested” and/or “Not Applicable” in the ROC
- Reason why sub-requirement(s) were not tested or not applicable

Note: One table to be completed for each service covered by this AOC. Additional copies of this section are available on the PCI SSC website.

Name of Service Assessed:		Payrazr		
PCI DSS Requirement	Details of Requirements Assessed			
	Full	Partial	None	Justification for Approach <small>(Required for all “Partial” and “None” responses. Identify which sub-requirements were not tested and the reason.)</small>
Requirement 1:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Requirement 2:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2.1 No wireless in scope. 2.6 BillingTree is not a shared hosting provider.
Requirement 3:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Requirement 4:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4.2 BillingTree does not allow the sharing of credit card data over end user messaging technologies.
Requirement 5:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5.1.2 No linux systems are in place at BillingTree
Requirement 6:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Requirement 7:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Requirement 8:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Requirement 9:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BillingTree does not have any payment terminals or removable media. Additionally they do not have credit cards stored on flat files.
Requirement 10:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Requirement 11:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Requirement 12:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Appendix A1:	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BillingTree is not a shared hosting provider.

Appendix A2:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No POS devices in scope
--------------	--------------------------	-------------------------------------	--------------------------	--------------------------------

Section 2: Report on Compliance

This Attestation of Compliance reflects the results of an onsite assessment, which is documented in an accompanying Report on Compliance (ROC).

The assessment documented in this attestation and in the ROC was completed on:	4/30/2018	
Have compensating controls been used to meet any requirement in the ROC?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Were any requirements in the ROC identified as being not applicable (N/A)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Were any requirements not tested?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Were any requirements in the ROC unable to be met due to a legal constraint?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Section 3: Validation and Attestation Details

Part 3. PCI DSS Validation

This AOC is based on results noted in the ROC dated **4/30/2018**.

Based on the results documented in the ROC noted above, the signatories identified in Parts 3b-3d, as applicable, assert(s) the following compliance status for the entity identified in Part 2 of this document (**check one**):

<input checked="" type="checkbox"/>	<p>Compliant: All sections of the PCI DSS ROC are complete, all questions answered affirmatively, resulting in an overall COMPLIANT rating; thereby <i>BillingTree</i> has demonstrated full compliance with the PCI DSS.</p>						
<input type="checkbox"/>	<p>Non-Compliant: Not all sections of the PCI DSS ROC are complete, or not all questions are answered affirmatively, resulting in an overall NON-COMPLIANT rating, thereby (<i>Service Provider Company Name</i>) has not demonstrated full compliance with the PCI DSS.</p> <p>Target Date for Compliance:</p> <p>An entity submitting this form with a status of Non-Compliant may be required to complete the Action Plan in Part 4 of this document. <i>Check with the payment brand(s) before completing Part 4.</i></p>						
<input type="checkbox"/>	<p>Compliant but with Legal exception: One or more requirements are marked "Not in Place" due to a legal restriction that prevents the requirement from being met. This option requires additional review from acquirer or payment brand.</p> <p><i>If checked, complete the following:</i></p> <table border="1"> <thead> <tr> <th>Affected Requirement</th> <th>Details of how legal constraint prevents requirement being met</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Affected Requirement	Details of how legal constraint prevents requirement being met				
Affected Requirement	Details of how legal constraint prevents requirement being met						

Part 3a. Acknowledgement of Status

Signatory(s) confirms:

(Check all that apply)

<input checked="" type="checkbox"/>	The ROC was completed according to the <i>PCI DSS Requirements and Security Assessment Procedures</i> , Version 3.2, and was completed according to the instructions therein.
<input checked="" type="checkbox"/>	All information within the above-referenced ROC and in this attestation fairly represents the results of my assessment in all material respects.
<input type="checkbox"/>	I have confirmed with my payment application vendor that my payment system does not store sensitive authentication data after authorization.
<input checked="" type="checkbox"/>	I have read the PCI DSS and I recognize that I must maintain PCI DSS compliance, as applicable to my environment, at all times.
<input checked="" type="checkbox"/>	If my environment changes, I recognize I must reassess my environment and implement any additional PCI DSS requirements that apply.

Part 3a. Acknowledgement of Status (continued)

- | | |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | No evidence of full track data ¹ , CAV2, CVC2, CID, or CVV2 data ² , or PIN data ³ storage after transaction authorization was found on ANY system reviewed during this assessment. |
| <input checked="" type="checkbox"/> | ASV scans are being completed by the PCI SSC Approved Scanning Vendor <i>Saint</i> |

Part 3b. Service Provider Attestation

MELISSA KIRK
MELISSA KIRK (May 10, 2018)

Signature of Service Provider Executive Officer ↑	Date: May 10, 2018
Service Provider Executive Officer Name: MELISSA KIRK	Title: CIO

Part 3c. Qualified Security Assessor (QSA) Acknowledgement (if applicable)

If a QSA was involved or assisted with this assessment, describe the role performed:	The QSA confirmed the scope, audited all aspects of BillingTree's CDE against PCI-DSS V3.2
--	--

Signature of Duly Authorized Officer of QSA Company ↑	Date:
Duly Authorized Officer Name:	QSA Company:

Part 3d. Internal Security Assessor (ISA) Involvement (if applicable)

If an ISA(s) was involved or assisted with this assessment, identify the ISA personnel and describe the role performed:	N/A
---	-----

¹ Data encoded in the magnetic stripe or equivalent data on a chip used for authorization during a card-present transaction. Entities may not retain full track data after transaction authorization. The only elements of track data that may be retained are primary account number (PAN), expiration date, and cardholder name.

² The three- or four-digit value printed by the signature panel or on the face of a payment card used to verify card-not-present transactions.

³ Personal identification number entered by cardholder during a card-present transaction, and/or encrypted PIN block present within the transaction message.

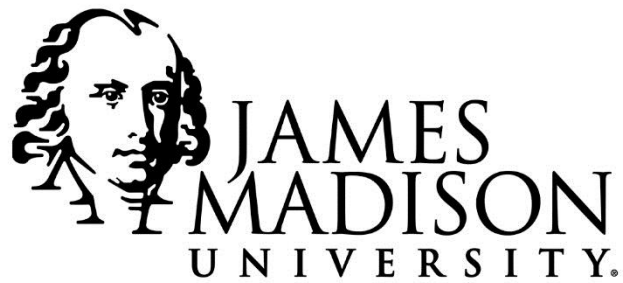
Part 4. Action Plan for Non-Compliant Requirements

Select the appropriate response for "Compliant to PCI DSS Requirements" for each requirement. If you answer "No" to any of the requirements, you may be required to provide the date your Company expects to be compliant with the requirement and a brief description of the actions being taken to meet the requirement.

Check with the applicable payment brand(s) before completing Part 4.

PCI DSS Requirement	Description of Requirement	Compliant to PCI DSS Requirements (Select One)		Remediation Date and Actions (If "NO" selected for any Requirement)
		YES	NO	
1	Install and maintain a firewall configuration to protect cardholder data	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2	Do not use vendor-supplied defaults for system passwords and other security parameters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
3	Protect stored cardholder data	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4	Encrypt transmission of cardholder data across open, public networks	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
5	Protect all systems against malware and regularly update anti-virus software or programs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
6	Develop and maintain secure systems and applications	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
7	Restrict access to cardholder data by business need to know	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
8	Identify and authenticate access to system components	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
9	Restrict physical access to cardholder data	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
10	Track and monitor all access to network resources and cardholder data	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
11	Regularly test security systems and processes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
12	Maintain a policy that addresses information security for all personnel	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Appendix A1	Additional PCI DSS Requirements for Shared Hosting Providers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Appendix A2	Additional PCI DSS Requirements for Entities using SSL/early TLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	



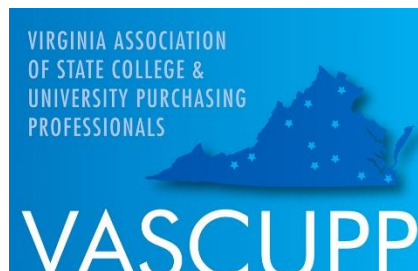


Request for Proposal

RFP# LBS-997

Collection Services

6/22/18



REQUEST FOR PROPOSAL

RFP# LBS-997

Issue Date: 6/22/18
Title: Collection Services
Issuing Agency: Commonwealth of Virginia
James Madison University
Procurement Services MSC 5720
752 Ott Street, Wine Price Building
First Floor, Suite 1023
Harrisonburg, VA 22807

Period of Contract: From Date of Award Through One Year (Renewable)

Sealed Proposals Will Be Received Until 2:00 PM on August 16, 2018 for Furnishing The Services Described Herein.

SEALED PROPOSALS MAY BE MAILED, EXPRESS MAILED, OR HAND DELIVERED DIRECTLY TO THE ISSUING AGENCY SHOWN ABOVE.

All Inquiries For Information And Clarification Should Be Directed To: LeeAnne Beatty Smith, Buyer Senior, Procurement Services, smith2LB@jmu.edu; 540-568-7523; (Fax) 540-568-7935 not later than five business days before the proposal closing date.

NOTE: THE SIGNED PROPOSAL AND ALL ATTACHMENTS SHALL BE RETURNED.

In compliance with this Request for Proposal and to all the conditions imposed herein, the undersigned offers and agrees to furnish the goods/services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation.

Name and Address of Firm:

By: _____

(Signature in Ink)

Name: _____

(Please Print)

Date: _____

Title: _____

Web Address: _____

Phone: _____

Email: _____

Fax #: _____

ACKNOWLEDGE RECEIPT OF ADDENDUM: #1_____ #2_____ #3_____ #4_____ #5_____ (please initial)

SMALL, WOMAN OR MINORITY OWNED BUSINESS:

☐ YES; ☐ NO; *IF YES* ⇒ ☐ SMALL; ☐ WOMAN; ☐ MINORITY *IF MINORITY*: ☐ AA; ☐ HA; ☐ AsA; ☐ NW; ☐ Micro

Note: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, § 2.2-4343.1 or against an offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

REQUEST FOR PROPOSAL

RFP # LBS-997

TABLE OF CONTENTS

I.	PURPOSE	Page	1
II.	BACKGROUND	Pages	1-14
III.	SMALL, WOMAN-OWNED, AND MINORITY PARTICIPATION	Page	14
IV.	STATEMENT OF NEEDS	Pages	15-19
V.	PROPOSAL PREPARATION AND SUBMISSION	Page	19-21
VI.	EVALUATION AND AWARD CRITERIA	Page	22
VII.	GENERAL TERMS AND CONDITIONS	Page	23-29
VIII.	SPECIAL TERMS AND CONDITIONS	Page	29-35
IX.	METHOD OF PAYMENT	Page	36
X.	PRICING SCHEDULE	Page	36
XI.	ATTACHMENTS	Page	36
	A. Offeror Data Sheet		
	B. SWaM Utilization Plan		
	C. Sample of Standard Contract		

I. PURPOSE

The purpose of this Request for Proposal (RFP) is to solicit sealed proposals from qualified sources to enter into a contract to provide Collection Services on an as needed basis at any of the eleven (11) institutions of higher education known as the Virginia Association of State and College and University Purchasing Professionals (“VASCUPP”). Initial contract shall be for two (2) year with an option to renew for three (3) additional two-year periods.

II. BACKGROUND

A. VASCUPP Background:

The mission of the Virginia Association of State College and University Purchasing Professionals (“VASCUPP”) is:

- to recognize and effectively use the common procurement principles, knowledge, experience, challenges, support and resources of all decentralized higher education member institutions;
- to be a united group with common goals of addressing the complexities of the Commonwealth of Virginia procurement processes;
- enhance the ability of each individual member institution to effectively provide efficient and responsive customer service in facilitating the purchase of goods and services for their Institution; and
- to support diversified vendor advocacy to enhance the capability of each member institution in seeking open competition for the highest valued products and services.

More information about each VASCUPP member institution can be located at the following website: <https://vascupp.org>.

B. George Mason University (“GMU”) Background

George Mason University (“GMU”) is setting the gold standard for the modern, public university. Its dynamic culture and innovative academic programs prepare Mason’s hard-working students for 21st century careers. Its commitment to teaching excellence combines with cutting-edge research that enriches the academic experience and is literally changing the world. Mason is affordable, yet offers high value. Ideally located in the National Capital region, students enjoy terrific cultural experiences and access to the most sought-after internships and employers in the country.

GMU’s prime location just outside Washington, D.C. makes Mason the destination for students from all over the world. As the largest public research university in Virginia, Mason offers all the experiences of a large research institution, yet embodies a community approach as close work with students both inside and outside the classroom is a priority. The GMU student body represents more than 130 countries and has more than 34,000 students on campus, creating an organically diverse environment. More information can be found at <https://www2.gmu.edu/>.

GMU’s office of Account and Loan Management works with revenue departments to guide collection efforts and assist as necessary; receive referrals for collection; and handle the collection efforts. Revenue departments are asked to refer accounts that remain unpaid for greater than 59 days to the Account and Loan Management Office for additional processing.

GMU contracts with a billing agent, Heartland/ECSI, for Federal Perkins Loan payments. GMU's current collection service providers interface with Heartland/ECSI (*at no additional cost to the University*) in collection of Federal Perkins Loan accounts. GMU's current collection service providers are Williams & Fudge and Todd, Bremer & Lawson.

The total aggregate amount turned over for collection by GMU during previous calendar years:

		Amount Placed	Amount Collected
2013			
Perkins	1st Placement	\$236,064.63	\$177,320.92
Perkins	2nd Placement	\$68,141.68	\$17,565.02
Tuition/Instit./AR	1st Placement	\$4,627,460.22	\$2,697,330.63
Miscellaneous		\$11,233.00	\$5,471.00
2014			
Perkins	1st Placement	\$261,324.00	\$195,255.00
Perkins	2nd Placement	\$88,106.74	\$14,428.27
Tuition/Instit./AR	1st Placement	\$3,657,746.00	\$2,545,223.00
Tuition/Instit./AR	2nd Placement	\$1,008,055.98	\$75,196.30
Miscellaneous		\$41,303.00	\$10,668.00
2015			
Perkins	1st Placement	\$178,242.46	\$135,042.73
Perkins	2nd Placement	\$80,613.19	\$11,361.63
Tuition/Instit./AR	1st Placement	\$1,762,095.39	\$992,258.64
Tuition/Instit./AR	2nd Placement	\$123,498.78	\$35,673.74
Miscellaneous		\$30,455.00	\$20,687.00
2016			
Perkins	1st Placement	\$185,179.21	\$111,916.82
Perkins	2nd Placement	\$50,227.08	\$18,243.15
Tuition/Instit./AR	1st Placement	\$1,836,714.00	\$1,355,788.00
Tuition/Instit./AR	2nd Placement	\$1,278,707.31	\$10,231.57
Miscellaneous		\$14,487.00	\$3,740.00
2017			
Perkins	1st Placement	\$258,486.82	\$178,447.12
Perkins	2nd Placement	\$117,135.18	\$16,954.36
Tuition/Instit./AR	1st Placement	\$3,753,578.12	\$1,729,731.93
Tuition/Instit./AR	2nd Placement	\$12,724.67	\$0.00
Miscellaneous		\$19,611.58	\$7,940.54

C. James Madison University ("JMU") Background

James Madison University ("JMU") is a comprehensive public institution in Harrisonburg, Virginia with an enrollment of approximately 22,000 students and more than 3,000 faculty and staff. There are over 600 individual departments on campus that support seven (7) academic divisions. The University offers over 120 majors, minors, and concentrations. Further information about the University can be found at the following website: www.jmu.edu.

The University Business Office (“UBO”) at JMU is committed to quality customer service in order to prepare students to be financially responsible, to provide support and payment options for their families, and to protect the assets of the university with accurate and timely financial procedures.

The UBO is responsible for managing collections of student loan accounts. When student account payments are past due the UBO will attempt to contact the student by mailing two (2) letters to the home address and making two (2) phone calls. Once an account is 60 days past due, the delinquent balance is subject to transfer to a collection agency. Once accounts are placed with a collection agency, account holders must make repayment directly to the collection agency, and the account holder is responsible for the additional fees associated with collection efforts on Perkins loans.

JMU contracts with a billing agent, Heartland ECSI, for Federal Perkins loan payments. JMU’s current collection service providers interface with Heartland ECSI (*at no additional cost to the University*) in collection of Federal Perkins Loan Accounts. JMU’s current collection service providers are Williams & Fudge and Todd, Bremer & Lawson.

The total aggregate amount turned over for collection by JMU during previous calendar years:

		Amount Placed	Amount Collected
2013			
Perkins	1st Placement	\$102,550	\$58,469.83
Perkins	2nd Placement	\$3,544.05	\$450.00
Perkins	3rd Placement	\$5,816.00	\$5,816.00
Tuition/Instit./AR	1st Placement	\$151,971.29	\$62,956.60
Tuition/Instit./AR	2nd Placement	\$72,690.48	\$24,385.61
2014			
Perkins	1st Placement	\$57,172.17	\$29,540.40
Perkins	2nd Placement	\$14,116.00	\$5,935.00
Perkins	3rd Placement	\$668.00	\$550.00
Tuition/Instit./AR	1st Placement	\$175,840.45	\$97,072.07
Tuition/Instit./AR	2nd Placement	\$60,557.20	\$7,888.54
2015			
Perkins	1st Placement	\$57,527.50	\$31,879.46
Perkins	2nd Placement	\$10,262.83	\$8,362.94
Tuition/Instit./AR	1st Placement	\$422,283.42	\$136,761.50
Tuition/Instit./AR	2nd Placement	\$73,310.65	\$8,688.95
2016			
Perkins	1st Placement	\$73,337.21	\$39,186.68
Perkins	2nd Placement	\$43,554.19	\$8,136.53
Tuition/Instit./AR	1st Placement	\$416,971.75	\$156,646.45
Tuition/Instit./AR	2nd Placement	\$225,551.50	\$15,217.74
2017			
Perkins	1st Placement	\$41,889.72	\$15,237.59
Perkins	2nd Placement	\$38,395.69	\$22,178.34
Tuition/Instit./AR	1st Placement	\$300,932.51	\$101,448.91
Tuition/Instit./AR	2nd Placement	\$212,211.42	\$23,224.21

D. Longwood University Background

Founded in 1839 as the Farmville Female Seminary Association, Longwood's history has been one of constant growth and evolution. The institution had a series of names over its early history, becoming Longwood College in 1949, turning fully co-ed in 1976, and in 2002, becoming Longwood University. Longwood is a public 4-year institution offering more than 100 majors, minors and concentrations in the arts and sciences, business, education, and nursing. Graduate programs include business, communication sciences and disorders, education, English, and sociology. Longwood's current enrollment is 5,096 students from 25 states and 20 foreign countries. For more information about Longwood University, please visit the University's website at <http://www.longwood.edu>.

The Bursar's Office at Longwood is committed to quality customer service in order to prepare students to be financially responsible, to provide support and payment options for their families, and to protect the assets of the university with accurate and timely financial procedures. The Bursar's Office is responsible for managing collections of student's accounts and any other miscellaneous debt as well as any past due Longwood University Federal Perkins loans.

At the end of each semester, the Bursar's Office sends a paper Pre-Collection letter to the home address of all past due account holders. Additional emails are sent to all past due students encouraging them to pay without transfer to a collection agency. If no response, an attempt is made to connect with a phone call.

If all attempts fail, the delinquent balance is subject to transfer to a collection agency inclusive of the Office of the Attorney General. Once accounts are placed with a collection agency, account holders must make repayment directly to the collection agency and the account holder is responsible for the additional fees associated with collection efforts. The accounts may be reported to the credit bureau(s) and listed with the Virginia Department of Taxation for inclusion in the Debt Set-off Program.

Longwood University contracts with a billing agent, Heartland ECSI, for Federal Perkins loan payments. Longwood's current collection service providers interface with Heartland ECSI (*at no additional cost to the University*) in collection of Federal Perkins Loan Accounts.

Longwood participates in the Early Intervention Program with Heartland ECSI at a cost of \$10 per debtor to send four additional (7 total) past due notices, and 6 (7 total) additional phone calls. Longwood opts to auto-place 1st placement Perkins loans at 120 days past due.

Longwood University's current collection service providers are Todd, Bremer & Lawson, Williams & Fudge, Alltran, Recovery Management Services and ConServe. LU chooses to rotate all accounts auto returned to the university after 12 months of inactivity to our other agencies to maximize recovery.

The total aggregate amount turned over for collection by Longwood during previous calendar years:

		Amount Placed	Amount Collected
2014			
Perkins	1st Placement	\$75,960.00	\$57,229.00

Perkins	2nd Placement	\$57,603.02	\$9,169.17
Tuition/Instit./AR	1st Placement	\$110,928.25	\$43,983.01
Tuition/Instit./AR	2nd Placement	\$610,898.38	\$50,158.73
2015			
Perkins	1st Placement	\$84,590.00	\$60,574.00
Perkins	2nd Placement	\$56,620.15	\$17,447.95
Tuition/Instit./AR	1st Placement	\$121,132.03	\$40,817.25
Tuition/Instit./AR	2nd Placement	\$482,789.38	\$31,771.65
2016			
Perkins	1st Placement	\$77,054.61	\$48,544.93
Perkins	2nd Placement	\$42,470.29	\$18,356.73
Tuition/Instit./AR	1st Placement	\$18,337.00	50.00
Tuition/Instit./AR	2nd Placement	\$212,495.35	\$74,095.07
2017			
Perkins	1st Placement	\$88,156.27	\$55,341.64
Perkins	2nd Placement	\$44,764.99	\$2,876.58
Tuition/Instit./AR	1st Placement	\$11,088.00	\$0.00
Tuition/Instit./AR	2nd Placement	\$271,742.46	\$47,128.65

E. Old Dominion University (“ODU”) Background

Old Dominion University (“ODU”) is a state-assisted institution in Norfolk, Virginia, part of the metropolitan and historic Hampton Roads area with a population of 1.6 million people. Currently, university enrollment exceeds 24,000 students, including over 700 international students from 88 countries. Within eight colleges, ODU offers 70 baccalaureate programs, 54 master’s degree programs, 42 doctoral programs, and two education specialist programs. Additional information about Old Dominion University may be found at www.odu.edu.

The University pursues debt in accordance with the guidelines set forth by the Commonwealth of Virginia in the Virginia Debt Collection Act. Virginia State law requires that the university make every attempt to collect past due amounts owed to state agencies. If, after 120 days, full payment of a debt has not been received, the student account is placed with the University's collection agency, which is currently Todd, Bremer & Lawson.

The total aggregate amount turned over for collection by ODU during previous calendar years:

		Amount Placed	Amount Collected
2013			
Perkins Loan	1st Placement	\$371,442.00	\$296,605.00
Perkins Loan	2nd Placement	\$158,473.81	\$41,946.05
Institutional/AR	1st Placement	\$4,542,560.56	\$2,280,102.20
Library	1st Placement	\$17,315.35	\$2,326.87

2014			
Perkins Loan	1st Placement	\$408,361.00	\$337,446.00
Perkins Loan	2nd Placement	\$74,638.75	\$29,619.20
Institutional/AR	1st Placement	\$5,585,657.65	\$2,752,899.01
Library	1st Placement	\$20,374.13	\$6,063.78
2015			
Perkins Loan	1st Placement	\$342,931.00	\$266,655.00
Perkins Loan	2nd Placement	\$36,964.01	\$20,535.40
Institutional/AR	1st Placement	\$5,626,912.58	\$2,811,367.48
Library	1st Placement	\$16,789.63	\$6,677.49
2016			
Perkins Loan	1st Placement	\$770,156.00	\$300,538.00
Perkins Loan	2nd Placement	\$176,632.49	\$43,209.23
Institutional/AR	1st Placement	\$7,408,882.49	\$3,772,050.37
Institutional/AR	2nd Placement	\$32,471.39	\$6,689.39
Library	1st Placement	\$11,049.90	\$4,713.16
2017			
Perkins Loan	1st Placement	\$346,364.00	\$178,232.00
Perkins Loan	2nd Placement	\$705,907.74	\$15,119.84
Institutional/AR	1st Placement	\$7,552,448.58	\$3,068,945.65

F. Radford University (“RU”) Background

Radford University (RU) is a comprehensive public university of 9,400 students that has received national recognition for many of its undergraduate and graduate academic programs, as well as its sustainability initiatives. Radford University serves the Commonwealth of Virginia and the nation through a wide range of academic, cultural, human service and research programs. Well known for its strong faculty/student bonds, innovative use of technology in the learning environment and vibrant student life on a beautiful 204-acre American classical campus, Radford University offers students many opportunities to get involved and succeed in and out of the classroom. The University offers 67 degree programs in 38 disciplines and three certificates at the undergraduate level; 22 master's programs in 17 disciplines and three doctoral programs at the graduate level; 13 post-baccalaureate certificates and one post-master's certificate. A Division I member of the NCAA and Big South Athletic Conference, Radford University competes in 16 men's and women's varsity athletics. With over 270 clubs and organizations, Radford University offers many opportunities for student engagement, leadership development and community service. Total enrollment is 9,401. Undergraduate enrollment is 8,453 and graduate enrollment is 948. Learn more at www.radford.edu.

The Office of the Bursar at RU is committed to providing excellent customer service to students, parents and the campus community by providing a variety of services including the billing and collection of tuition and fee payments, administration of university payments plans, and the disbursement of financial aid funds.

The Office of the Bursar is responsible for overseeing the collection of all delinquent student accounts and institutional loans. When a student account becomes delinquent, the Office of the Bursar will send monthly billing statements to the student. Additionally, up to two (2) delinquency letters are sent to the student to inform them of their outstanding indebtedness. Once an account is 60 days past due, the delinquent balance is eligible to be transferred to a state-approved collections agency. If accounts are placed with a collection agency, account

holders must submit their payment(s) directly to the collection agency and also pay the additional fees associated with the increased collection efforts.

RU has contracted the billing services of Heartland ECSI, for its Federal Perkins Loan Program. This partnership encompasses loan payments, collection services, interface with Heartland ECSI, and collection agency placements. RU currently utilizes the collection services of ConServe and Williams & Fudge.

The total aggregate amount turned over for collection by RU during previous calendar years:

		Amount Placed	Amount Collected
2013			
Perkins	1st Placement	\$157,287.30	\$72,169.91
Tuition/Instit./AR	1st Placement	\$77,463.93	\$26,705.56
Tuition/Instit./AR	2nd Placement	\$48,173.58	\$10,745.50
Nursing/HPSL	1st Placement	\$21,739.53	\$7,931.16
2014			
Perkins	1st Placement	\$55,594.76	\$28,321.15
Tuition/Instit./AR	2nd Placement	\$91,169.74	\$31,877.58
2015			
Perkins	1st Placement	\$439,278.44	\$119,065.86
Tuition/Instit./AR	1st Placement	\$164,560.18	\$44,229.39
Tuition/Instit./AR	2nd Placement	\$67,194.88	\$7,344.50
2016			
Perkins	1st Placement	\$239,165.05	\$111,898.26
Perkins	2nd Placement	\$33,388.00	\$0.00
Tuition/Instit./AR	1st Placement	\$221,698.07	\$65,393.57
2017			
Perkins	1st Placement	\$316,340.56	\$154,537.21
Perkins	2nd Placement	\$90,934.00	\$17,793.00
Tuition/Instit./AR	1st Placement	\$267,705.22	\$52,436.82
Tuition/Instit./AR	2nd Placement	\$62,655.80	\$3,642.84
Nursing/HPSL	1st Placement	\$12,603.63	\$4,871.68

G. University of Mary Washington (“UMW”) Background

The University of Mary Washington (UMW) is a premier, selective, coeducational, public institution located in Fredericksburg, VA within an hour’s drive of both Washington, D.C., and Richmond, VA. We have approximately 4,000 undergraduate students from about 34 states and many foreign countries. Further information about the University can be found at the following website: www.umw.edu.

The Office of Student Accounts is dedicated to providing all customers with excellent service, in a friendly and timely manner while maintaining internal controls to ensure transactions are accurately processed and records are properly maintained. The Office of Student Accounts is responsible for: the assessment and billing of tuition, housing fees, dining charges, and other University fees; invoicing third-party payers; processing refunds to eligible students; and handling all inquiries concerning tuition transactions. As an agency of the Commonwealth of Virginia, UMW has a public obligation to ensure that all expenditures are essential and reasonable and to ensure all revenues due are timely collected

in support of the mission of the University.

When student account payments are past due the Office of Student Accounts will attempt to contact the student by emails, phone calls and if the balance still goes unpaid, two (2) letters are mailed to the home address. Once an account is 60 days past due, the delinquent balance is subject to transfer to a private collection agency or the Attorney General's Office for collection, as well as credit bureau reporting. Once accounts are placed with a collection agency, account holders must make repayment directly to the collection agency. The University will recover all collection fees and attorney's fees from delinquent debtors. UMW's current collection service providers are Williams & Fudge, ConServe and The Office of Attorney General.

		Amount Placed	Amount Collected
2013			
Perkins	1st Placement	\$59,141.76	\$25,522.29
Tuition/Instit./AR	1st Placement	\$329,815.53	\$155,780.36
Tuition/Instit./AR	2nd Placement	\$6,346.43	\$0.00
2014			
Perkins	1st Placement	\$68,701.52	\$65,612.04
Tuition/Instit./AR	1st Placement	\$504,797.49	\$206,752.51
Tuition/Instit./AR	2nd Placement	\$137,672.94	\$11,997.33
2015			
Perkins	1st Placement	\$26,794.09	\$13,503.60
Tuition/Instit./AR	1st Placement	\$81,398.71	\$36,928.79
Tuition/Instit./AR	2nd Placement	\$25,988.66	\$0.00
2016			
Perkins	1st Placement	\$133,190.99	\$26,073.00
Perkins	2nd Placement	\$9,776.00	\$0.00
Tuition/Instit./AR	1st Placement	\$108,614.71	\$50,871.55
Tuition/Instit./AR	2nd Placement	\$166,261.62	\$3,541.27
2017			
Perkins	1st Placement	\$33,729.54	\$13,543.22
Perkins	2nd Placement	\$84,909.98	\$19,295.25
Tuition/Instit./AR	1st Placement	\$93,581.32	\$40,337.80
Tuition/Instit./AR	2nd Placement	\$32,390.10	\$2,234.10

H. University of Virginia ("UVA") Background

The total aggregate amount turned over for collection by UVA during previous calendar years:

		Amount Placed	Amount Collected
2013			
Perkins	1st Placement	\$65,124.71	\$61,342.70
Perkins	2nd Placement	\$147,236.06	\$9,002.30
Perkins	3rd Placement	\$170,131.00	\$31,118.00
Tuition/Instit./AR	1st Placement	\$1,352,927.88	\$126,713.50

Tuition/Instit./AR	2nd Placement	\$130,033.90	\$10,229.37
Tuition/Instit./AR	3rd Placement	\$32,841.03	\$1,565.00
Nursing/HPSL	1st Placement	\$6,998.57	\$2,716.74
Nursing/HPSL	2nd Placement	\$5,820.99	\$0.00
2014			
Perkins	1st Placement	\$41,975.52	\$21,804.38
Perkins	2nd Placement	\$303,060.32	\$74,395.48
Perkins	3rd Placement	\$19,358.00	\$4,585.00
Tuition/Instit./AR	1st Placement	\$435,634.39	\$69,668.44
Tuition/Instit./AR	2nd Placement	\$365,196.25	\$2,606.03
Tuition/Instit./AR	3rd Placement	\$360,085.22	\$1,507.70
Nursing/HPSL	1st Placement	\$2,164.40	\$950.00
Nursing/HPSL	2nd Placement	\$23,262.33	\$7,615.40
Nursing/HPSL	3rd Placement	\$9,329.31	\$3,423.71
2015			
Perkins	1st Placement	\$44,143.29	\$27,677.96
Perkins	2nd Placement	\$91,929.64	\$32,793.94
Perkins	3rd Placement	\$19,358.00	\$15,748.88
Tuition/Instit./AR	1st Placement	\$411,990.05	\$91,504.41
Tuition/Instit./AR	2nd Placement	\$489,878.41	\$64,098.82
Tuition/Instit./AR	3rd Placement	\$9,857.00	\$0.00
Nursing/HPSL	1st Placement	\$788.89	\$669.00
Nursing/HPSL	2nd Placement	\$3,274.57	\$2,152.10
2016			
Perkins	1st Placement	\$68,211.44	\$35,372.41
Perkins	2nd Placement	\$72,228.27	\$22,586.26
Tuition/Instit./AR	1st Placement	\$338,958.43	\$55,244.70
Tuition/Instit./AR	2nd Placement	\$239,867.49	\$7,940.14
Tuition/Instit./AR	3rd Placement	\$398,002.64	\$4,486.00
Nursing/HPSL	1st Placement	\$4,306.25	\$2,177.17
Nursing/HPSL	2nd Placement	\$1,355.00	\$1,000.00
2017			
Perkins	1st Placement	\$55,474.40	\$34,112.16
Perkins	2nd Placement	\$207,917.19	\$60,020.45
Tuition/Instit./AR	1st Placement	\$466,678.25	\$72,150.33
Tuition/Instit./AR	2nd Placement	\$204,982.26	\$10,348.69
Nursing/HPSL	1st Placement	\$2,025.29	\$733.69
Nursing/HPSL	2nd Placement	\$12,615.33	\$0.00

I. Virginia Commonwealth University (“VCU”) Background

Located on two downtown campuses in Richmond, VCU enrolls more than 31,000 students in 216 certificate and degree programs in the arts, sciences and humanities. Sixty-nine of the programs are unique in Virginia, and 28 graduate and professional programs are ranked among the best in the nation in U.S. News & World Report’s “America’s Best Graduate Schools,” including the No. 1 ranked sculpture and nurse anesthesia programs. As one of the nation’s top research universities, VCU attracts more than \$255 million a year in sponsored research funding.

VCU Medical Center is one of the nation's leading and Central Virginia's only academic medical center. It includes the 865-bed MCV Hospitals and outpatient clinics, MCV Physicians - a practice of more than 600-physician-faculty, and the health sciences schools of VCU.

VCU is an urban leader, forging ties with business, industry and government in such innovative projects as the collocation of the schools of Business and Engineering, the da Vinci Center for Innovation in Product Design and Development and the Virginia BioTechnology Research Park.

The university and its medical center are the largest-single employer in the Richmond area, with more than 18,650 employees, including almost 2,000 full-time instructional faculty, and many of them nationally and internationally recognized in their fields. VCU's direct economic impact to Virginia is estimated to be \$3.6 billion in annual spending that supports 43,705 jobs.

VCU's Student Accounting Department begins notifying students who have a balance for the current semester by email notification after 30 days has occurred and continues to send a billing statement to the student electronically generally every 30 days during the semester. A final written notice is sent to their permanent address along with an electronic notice after the semester ends. If all collection attempts fail, the outstanding balance is referred to the VCU Collections Unit.

The VCU Collections Unit sends two (2) written notices to the address provided by Student Accounting and if no response, VCU litigates on the student's account and lists the student's tuition and fees balance with the Virginia Department of Taxation for inclusion in the Debt Set-off Program. VCU contracts with a billing agent, Heartland ECSI, for Federal Perkins loans, Medical Profession Loans and University loans. VCU's current collection service providers interface with Heartland ECSI (*at no additional cost to the University*) in collection of these loans. VCU's current collection service providers are Williams & Fudge, Alltran and ConServe.

The total aggregate amount turned over for collection by VCU during previous calendar years:

		Amount Placed	Amount Collected
2013			
Perkins	1st Placement	\$879,139.38	\$289,733.62
2014			
Perkins	1 st Placement	\$414,823.19	\$224,080.12
Nursing HPSL	2 nd Placement	\$5,167.48	\$0.00
2015			
Perkins	1st Placement	\$327,228.37	\$217,069.74
2016			
Perkins	1st Placement	\$126,425.30	\$65,514.33
Perkins	2nd Placement	\$119,003.72	\$119,003.72
Nursing/HPSL	2 nd Placement	\$35,991.38	\$0.00
2017			
Perkins	1st Placement	\$8,186.34	\$7,224.84
Perkins	2nd Placement	\$162,206.68	\$106,727.71

J. Virginia Military Institute (“VMI”) Background

Virginia Military Institute (“VMI”) is a wholly undergraduate public institution in Lexington, Virginia with an enrollment of approximately 1700 students and more than 600 faculty and staff. The Institute has 15 academic departments that offer 48 majors, minors, and concentrations. Further information about the Institute can be found at the following website: www.vmi.edu/about/.

The Comptroller’s Office at VMI is committed to quality customer service in order to prepare students to be financially responsible, to provide support and payment options for their families, and to protect the assets of the institute with accurate and timely financial procedures.

The Comptroller’s Office is responsible for managing collections of student accounts, as well as Perkins loan accounts. When student account payments are past due the Comptroller’s Office will attempt to contact the student by mailing three (3) letters to the home address and making one (1) phone call. Once an account is 60 days past due, the delinquent balance is subject to transfer to a collection agency. Once accounts are placed with a collection agency, account holders must make repayment directly with to the collection agency, and the account holder is responsible for the additional fees associated with collection efforts on cadet accounts.

VMI contracts with a billing agent, Heartland ECSI, for Federal Perkins loan payments. VMI’s current collection service providers interface with Heartland ECSI (*at no additional cost to the University*) in collection of Federal Perkins Loan Accounts. VMI’s current collection service providers are Williams & Fudge and Todd, Bremer & Lawson.

The total aggregate amount turned over for collection by VMI during previous calendar years:

		Amount Placed	Amount Collected
2013			
Perkins	1st Placement	\$141,463.98	\$77,616.65
Tuition/Inst./AR	1st Placement	\$16,009.72	\$1,740.98
2014			
Perkins	1st Placement	\$75,721.41	\$56,605.08
Tuition/Inst./AR	1st Placement	\$18,260.84	\$2,027.25
2015			
Perkins	1st Placement	\$93,130.24	\$64,877.41
Tuition/Inst./AR	1st Placement	\$5,186.64	\$3,679.44
2016			
Perkins	1st Placement	\$33,367.34	\$17,693.50
Tuition/Inst./AR	1st Placement	\$5,421.13	\$1,907.45
2017			
Perkins	1st Placement	\$27,520.23	\$0.00
Tuition/Inst./AR	1st Placement	\$8,073.91	\$296.09

K. Virginia Polytechnic Institute and State University (“Virginia Tech”) Background

Virginia Polytechnic Institute and State University (“Virginia Tech”) is located in Blacksburg, Virginia, approximately 40 miles southwest of Roanoke, Virginia, the major commercial hub of the area. In addition to the university’s main campus in Blacksburg, major off campus locations include twelve agriculture experiment research stations, the Marion duPont Scott Equine Medical Center and graduate centers in Roanoke and Fairfax, Virginia. Regularly scheduled air service is provided at the Roanoke Regional Airport.

Dedicated to its motto, Ut Prosim (That I May Serve), Virginia Tech takes a hands-on, engaging approach to education, preparing scholars to be leaders in their fields and communities. As the Commonwealth’s most comprehensive university and its leading research institution, Virginia Tech offers 240 undergraduate degree programs to more than 31,000 students and manages a research portfolio of nearly \$513 million. The university fulfills its land-grant mission of transforming knowledge to practice through technological leadership and by fueling economic growth and job creation locally, regionally, and across Virginia

The Office of the University Bursar (OUB) at Virginia Tech is responsible for managing the collections of student loan accounts. When a student loan account is past due OUB attempts to contact the student twice before sending the account to collection. The student is sent an email and a letter. At approximately 90 days past due the past due balance is sent to a collection agency. The account will remain in collection for one year or until it is brought up to date, whichever comes first. The account holder is responsible for the additional fees associated with collection efforts.

Virginia Tech contracts with a billing agent, Heartland ECSI for student loan account payments. Virginia Tech’s current collection service providers interface with Heartland ECSI (*at no cost to the University*) in the collection of student loan accounts. Currently, Williams & Fudge and Alltran are collection service providers for Virginia Tech.

The Office of the University Bursar is also responsible for collection of all AR account receivables. This includes AR, Vet Med, Equine Medical Center, Center for Family Services, VT Electric, and Parking service. The clients are sent past due emails at 30 and 60 days with a final demand letter at 60+ days. This advises of the collection date and the collection fees associated with the collection agency. If no payments are made the accounts are coded for collections within a 60-90 day time frame depending on the original charge. Departmental charges are billed and contacted by the origination department prior to being sent to OUB for collection purposes.

The total aggregate amount turned over for collection by Virginia Tech during previous calendar years:

		Amount Placed	Amount Collected
2013			
Perkins	1st Placement	\$24,490.84	\$13,902.29
Tuition/Instit./AR	1st Placement	\$1,372,395.30	\$459,517.76
Tuition/Instit./AR	2nd Placement	\$81,591.45	\$5,475.81
2014			
Perkins	1st Placement	\$35,643.94	\$18,995.12
Tuition/Instit./AR	1st Placement	\$1,125,704.82	\$457,585.29

Nursing/HPSL	1st Placement	\$1,151.93	\$1,151.93
Tuition/Instit./AR	2nd Placement	\$59,305.63	\$7,095.86
2015			
Perkins	1st Placement	\$66,286.11	\$21,475.20
Perkins	2nd Placement	\$8,528.49	\$6,460.67
Tuition/Instit./AR	1st Placement	\$876,646.16	\$271,335.72
Tuition/Instit./AR	2nd Placement	\$91,148.85	\$16,332.65
Nursing/HPSL	1st Placement	\$614.50	\$614.50
2016			
Perkins	1st Placement	\$49,560.19	\$26,758.83
Perkins	2nd Placement	\$27,318.22	\$10,249.15
Tuition/Instit./AR	1st Placement	\$1,168,907.12	\$357,684.83
Tuition/Instit./AR	2nd Placement	\$149,586.89	\$16,238.13
Nursing/HPSL	1st Placement	\$2,103.03	\$2,103.03
2017			
Perkins	1st Placement	\$26,767.82	\$20,440.40
Perkins	2nd Placement	\$7,305.81	\$2,576.72
Tuition/Instit./AR	1st Placement	\$1,129,330.03	\$243,128.63
Tuition/Instit./AR	2nd Placement	\$55,809.50	\$19,332.78
Nursing/HPSL	1st Placement	\$450.23	\$0.00

L. The College of William & Mary (“W&M”) Background

The College of William & Mary (“W&M”) is the second oldest institution of higher learning in America and the first to become a university. W&M has 6,285 undergraduates, 2,455 graduate students, 687 full-time faculty members with more than 40 undergraduate degree programs and more than 40 graduate and professional degree programs. Degrees conferred include: B.A., B.B.A., B.S., Ed.D., J.D., LL.M., M.A., M.A.C., M.B.A., M.Ed., M.P.P., M.S., M.S.B.A., Ph.D. See www.wm.edu for more details on W&M.

The Bursar’s Office at W&M is committed to quality customer service in order to prepare students to be financially responsible, to provide support and payment options for their families, and to protect the assets of the university with accurate and timely financial procedures.

The Bursar’s Office is responsible for student accounting, cashiering and receivables and collections activities for the college. The office manages billings, collections, deposits and accounts for the revenue. When account payments are past due the Bursar’s Office, after 2-3 previous mailings, will attempt to contact the student by mailing a final demand letter to the mailing address on file and other attempts are made to contact by phone and/or email. Once an account is 60 days past due, the delinquent balance is subject to transfer to a collection agency. Once accounts are placed with a collection agency, account holders must make repayment directly to the collection agency, and the account holder is responsible for the additional fees associated with collection efforts on any outstanding debt owed the college and also on Perkins loans.

W&M contracts with a billing agent, Heartland ECSI, for Federal Perkins loan payments. W&M’s current collection service providers interface with Heartland ECSI (*at no additional cost to the University*) in collection of Federal Perkins Loan Accounts. W&M’s current collection service providers are Todd, Bremer, & Lawson and Alltran.

The total aggregate amount turned over for collection by W&M during previous calendar years:

		Amount Placed	Amount Collected
2013			
Perkins	1st Placement	\$15,916.03	\$12,146.00
Perkins	2nd Placement	\$15,624.49	\$3,227.26
Perkins	3rd Placement	\$0.00	\$0.00
Tuition/Instit./AR	1st Placement	\$31,902.56	\$23,353.99
Tuition/Instit./AR	2nd Placement	\$31,648.53	\$0.00
2014			
Perkins	1st Placement	\$35,801.15	\$22,751.33
Perkins	2nd Placement	\$11,487.22	\$0.00
Perkins	3rd Placement	\$7,500.06	\$0.00
Tuition/Instit./AR	1st Placement	\$48,961.37	\$36,265.98
Tuition/Instit./AR	2nd Placement	\$9,217.52	\$113.16
2015			
Perkins	1st Placement	\$53,685.13	\$28,816.87
Perkins	2nd Placement	\$224.47	\$0.00
Tuition/Instit./AR	1st Placement	\$51,783.63	\$40,212.70
Tuition/Instit./AR	2nd Placement	\$2,243.16	\$2,152.91
2016			
Perkins	1st Placement	\$52,810.77	\$41,878.00
Perkins	2nd Placement	\$4,649.82	\$0.00
Perkins	3rd Placement	\$6,547.80	\$1,121.05
Tuition/Instit./AR	1st Placement	\$74,521.14	\$53,276.00
Tuition/Instit./AR	2nd Placement	\$6,063.82	\$0.00
2017			
Perkins	1st Placement	\$52,451.00	\$31,639.00
Perkins	2nd Placement	\$4,449.68	\$0.00
Perkins	3rd Placement	\$2,536.45	\$0.00
Tuition/Instit./AR	1st Placement	\$62,453.32	\$53,069.33
Tuition/Instit./AR	2nd Placement	\$7,689.29	\$1,685.96

III. SMALL, WOMAN-OWNED AND MINORITY PARTICIPATION

It is the policy of the Commonwealth of Virginia to contribute to the establishment, preservation, and strengthening of small businesses and businesses owned by women and minorities, and to encourage their participation in State procurement activities. The Commonwealth encourages contractors to provide for the participation of small businesses and businesses owned by women and minorities through partnerships, joint ventures, subcontracts, and other contractual opportunities. Attachment B contains information on reporting spend data with subcontractors.

IV. STATEMENT OF NEEDS

James Madison University (JMU) seeks a Contractor that is an established industry leader in providing debt collection services that achieves the maximum recovery of debt for institutions of higher education. Specifically, the Contractor shall provide debt collection services for the following types of unpaid accounts: tuition and fees; student loans; returned checks; and miscellaneous receivable accounts.

A. The Contractor **shall be responsible for the following:**

- Providing collection services to the VASCUPP institution in accordance with all regulations and laws to include, but not limited to, the following:
 - Federal Regulations for Perkins loans
 - Fair Debt Collection Practice Act
 - Virginia Debt Collection Act (§ 2.2-4800 et seq.),
 - Consumer Credit Protection Act
 - National Defense Education Act of 1958, Title II,
 - Public Health Service Act Titles VII and VIII,
 - Gramm-Leach-Bliley Act
- Maintaining licenses as required by law, and in states necessary, to provide collection services.
- Undertaking the collection of all accounts referred by the VASCUPP institution without regard to the amount.
- Accepting cancellations, deferments, or postponements for any referred collection and Contractor agrees that no fees shall be charged to the VASCUPP institution in this event. The VASCUPP institution reserves the right to request the return of an account for any reason.
- Maintaining detailed and accurate accounting ledgers of all collected and disbursed monies throughout the contract period and providing a detailed accounting report at any time upon request by the VASCUPP institution.
- Providing a copy of the firm's Attestation Audit Letter annually to the VASCUPP institution.
- Remitting to the VASCUPP institution each month the net total of funds collected (*after debtor check payments have cleared*) in the previous month, with the exception of the funds collected for Federal Perkins Loans. Federal Perkins Loan account collections shall be remitted directly to the billing agent designated by the VASCUPP institution. The VASCUPP institution agrees to remit collection fees to Contractor in the event payments are made directly to the institution or the Billing Agent.
- Reporting to a minimum of one (1) national credit bureau each account referred by the VASCUPP institution, with the exception of Federal Perkins loans (*Federal Perkins loans are reported to the credit bureau by separate loan billing agents*). The accounts shall be placed with a credit bureau within sixty (60) days of placement with the Contractor. Contractor will make the necessary corrections when an account is reported in error.

- Designating a primary point of contact for the VASCUPP institution and provide a toll free phone number for debtors.
- Maintaining a fidelity bond that names the Commonwealth of Virginia as the beneficiary in the amount of one hundred thousand (\$100,000) dollars throughout the term of the contract.
- Submitting a report with each monthly remittance check that includes the following information at a minimum for each account:
 - Name of the debtor
 - Account number
 - Date of payment by the debtor
 - Payment amount
 - Total amount paid for collection services
 - Total amount paid to VASCUPP institution

B. The Contractor shall not:

- Have authority to file suit on any account referred by the VASCUPP institution.
- Settle any account balance or agree to a compromise without the prior written agreement of the VASCUPP institution.
- Share in funds collected by the VASCUPP institution as a result of exercising authority for the Commonwealth Debt right of set-off granted by the Code of Virginia. The VASCUPP institution will notify the Contractor of any set-off monies received.
- Refer an account placed with the Contractor to another collection agency without prior approval by the VASCUPP institution.
- Perform services on an account that is subject to bankruptcy proceedings. The Contractor shall notify the VASCUPP institution immediately in writing of any bankruptcy notices.

C. Describe in detail your firm's approach to each of the following items. Failure to provide responses to the items below may result in rejection of the proposal.

1. Describe in detail the types of accounts for which your company performs and provides debt collection services.
2. Describe the standard methodologies employed to maximize the collection of account receivables. Include the minimum number of telephone calls to debtors and the maximum number of telephone calls to debtors.
3. Describe any differences in your firm's processes for 1st placement recovery services vs 2nd placement recovery services.
4. Describe communication process with debtors. Provide examples of templates used.
5. Describe in detail the proposed approach (*work plan*) for performing and providing collection services and for communicating with the VASCUPP institution in regards.

6. Provide an example of the remittance report that will be included within each payment to the VASCUPP institution.
7. Describe how cancelled, postponed, or deferred accounts will be handled.
8. Specify all options/methods of placing accounts (*e.g., paper, email, fax, secure website, etc.*)
9. Describe your firm's process for remaining compliant with all current laws and regulations.
10. Provide a copy of your firm's most recent federally required Student Financial Assistance compliance (*attestation*) audit letter.
11. Discuss your firm's compliance with the Federal Fair Debt Collection Practices Act (*FDCPA*). Specify any areas of previous non-compliance and corrective actions taken.
12. The Contractor shall comply with the Gramm-Leach Bliley Act by implementing and maintaining appropriate safeguards to protect and prevent unauthorized release of student, faculty, and staff nonpublic information. Nonpublic information is defined as social security numbers, or financial transactions, bank, credit, and tax information. Provide a copy of your firm's Gramm-Leach-Bliley Act Safeguard Policy and describe how your firm maintains best industry practices as it relates to compliance with this act.
13. Specify if your firm rules on the Code of Virginia for collection fee regulations or the codes of the residing state of the debtor.
14. Describe your firm's process for reporting referred accounts (*with the exception of Federal Perkins Loans*) to national credit bureau(s). Describe the process for making necessary corrections when an account is reported in error.
15. Describe how your firm will work with Billing Agents that are responsible for Perkins Loan Payments.
16. Describe your firm's cash-handling procedures and controls.
17. Describe in detail your firm's process in the event a Non-Sufficient Funds (NSF) check is returned from a debtor's payment.
18. Describe your process of pursuing collections on accounts that are disputed by either the debtor or the debtor's attorney.
19. Describe in detail the administrative services and support services (*to include automated support/collection software*) provided.
20. Describe the process and timeline for returning unpaid accounts to the VASCUPP institution.
21. Describe how your firm would handle the transition from another Contractor to your firm. Identify issues to be addressed and describe the steps your firm would take to minimize the impact on the VASCUPP institution.

22. Describe in detail all reports that will be provided to the VASCUPP institution and the frequency for providing them. Submit a sample of each standard report.
23. Describe how different types of accounts will be classified for reporting purposes.
24. Describe your company's ability to customize reports and reporting timelines at the VASCUPP institution's request.
25. Describe how your firm can assist VASCUPP institutions with the Fiscal Operations Report and Application to Participate (FISAP).
26. Describe your firm's ability and qualifications to provide international collection services.
27. Provide the names of any professional organization that your firm belongs to.
28. Specify if your firm has been purchased/merged within the last five years. Specify any plans to purchase or merge with another company.
29. Specify if your firm has been cited for any audit exceptions within the last five years. If so, provide dates, reasons, and resolution for each exception.
30. Specify if your firm has had or has any litigation issues. If so, provide dates, reasons, and resolution for each issue.
31. Describe your business structure to include the relationship between any parent company and subsidiaries. Specify any business relationships with loan billing agents.
32. Describe your firm's qualifications and experience in providing collection services to institutes of higher education. Provide the contact information and qualifications of the person who will be the primary point of contact to VASCUPP institutions.
33. Provide an overview of your firm's financial status to include financial statements, bank references, Dun & Bradstreet or equivalent rating, and any other information that is relevant to your firm's financial stability and solvency.
34. Provide three (3) references of higher education institutions where your firm currently provides collection services. Each reference should include name of the institution, a brief summary of the scope, mailing address, and the name and contact information of a primary contact person.
35. Discuss the success rate of your firm in collecting outstanding debt and the length of time to collect accounts, including quantitative data. Provide an explanation for how calculations were determined.
36. Describe your firm's ability to work with and accommodate the different needs of various VASCUPP institutions (*remittance timelines, inactive account returns, payment processes, etc*).
37. Describe all methods for processing payments from debtors.

38. Provide the following if the proposed solution processes card holder data or redirects to a separate payment site:
- a. Up-to-date, signed documentation that the proposed solution and firm is compliant with all PCI-DSS requirements.
 - b. Documentation of your firm's most recent PCI system scan and the signature page from your Attestation of Compliance (AOC).
 - c. If your firm and/or the proposed solution is not PCI-DSS compliant, explain why your firm/solution falls outside PCI-DSS scope and provide the most recent SOC 1 or SSAE-16 report.

V. PROPOSAL PREPARATION AND SUBMISSION

A. GENERAL INSTRUCTIONS

To ensure timely and adequate consideration of your proposal, offerors are to limit all contact, whether verbal or written, pertaining to this RFP to the James Madison University Procurement Office for the duration of this Proposal process. Failure to do so may jeopardize further consideration of Offeror's proposal.

1. RFP Response: In order to be considered for selection, the **Offeror shall submit a complete response to this RFP**; and shall submit to the issuing Purchasing Agency:
 - a. **One (1) original and five (5) copies** of the entire proposal, INCLUDING ALL ATTACHMENTS. Any proprietary information should be clearly marked in accordance with 3.f. below.
 - b. **One (1) electronic copy in WORD format or searchable PDF (*CD or flash drive*)** of the entire proposal, INCLUDING ALL ATTACHMENTS. Any proprietary information should be clearly marked in accordance with 3.f. below.
 - c. Should the proposal contain **proprietary information**, provide **one (1) redacted hard copy** of the proposal and all attachments with **proprietary portions removed or blacked out**. This copy should be clearly marked "*Redacted Copy*" on the front cover. The classification of an entire proposal document, line item prices, and/or total proposal prices as proprietary or trade secrets is not acceptable. JMU shall not be responsible for the Contractor's failure to exclude proprietary information from this redacted copy.

No other distribution of the proposal shall be made by the Offeror.

2. The version of the solicitation issued by JMU Procurement Services, as amended by an addenda, is the mandatory controlling version of the document. Any modification of, or additions to, the solicitation by the Offeror shall not modify the official version of the solicitation issued by JMU Procurement services unless accepted in writing by the University. Such modifications or additions to the solicitation by the Offeror may be cause for rejection of the proposal; however, JMU reserves the right to decide, on a case-by-case basis in its sole discretion, whether to reject such a proposal. If the modification or additions are not identified until after the award of the contract, the controlling version of

the solicitation document shall still be the official state form issued by Procurement Services.

3. Proposal Preparation

- a. Proposals shall be signed by an authorized representative of the Offeror. All information requested should be submitted. Failure to submit all information requested may result in the purchasing agency requiring prompt submissions of missing information and/or giving a lowered evaluation of the proposal. Proposals which are substantially incomplete or lack key information may be rejected by the purchasing agency. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.
- b. Proposals shall be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.
- c. Proposals should be organized in the order in which the requirements are presented in the RFP. All pages of the proposal should be numbered. Each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. It is also helpful to cite the paragraph number, sub letter, and repeat the text of the requirement as it appears in the RFP. If a response covers more than one page, the paragraph number and sub letter should be repeated at the top of the next page. The proposal should contain a table of contents which cross references the RFP requirements. Information which the offeror desires to present that does not fall within any of the requirements of the RFP should be inserted at the appropriate place or be attached at the end of the proposal and designated as additional material. Proposals that are not organized in this manner risk elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed.
- d. As used in this RFP, the terms “must”, “shall”, “should” and “may” identify the criticality of requirements. “Must” and “shall” identify requirements whose absence will have a major negative impact on the suitability of the proposed solution. Items labeled as “should” or “may” are highly desirable, although their absence will not have a large impact and would be useful, but are not necessary. Depending on the overall response to the RFP, some individual “must” and “shall” items may not be fully satisfied, but it is the intent to satisfy most, if not all, “must” and “shall” requirements. The inability of an offeror to satisfy a “must” or “shall” requirement does not automatically remove that offeror from consideration; however, it may seriously affect the overall rating of the offeror’s proposal.
- e. Each copy of the proposal should be bound or contained in a single volume where practical. All documentation submitted with the proposal should be contained in that single volume.

- f. Ownership of all data, materials and documentation originated and prepared for the State pursuant to the RFP shall belong exclusively to the State and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by the offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the offeror must invoke the protection of Section 2.2-4342F of the Code of Virginia, in writing, either before or at the time the data is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret materials submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and will result in rejection and return of the proposal.
4. Oral Presentation: Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to James Madison University. This provides an opportunity for the Offeror to clarify or elaborate on the proposal. This is a fact-finding and explanation session only and does not include negotiation. James Madison University will schedule the time and location of these presentations. Oral presentations are an option of the University and may or may not be conducted. Therefore, proposals should be complete.

B. SPECIFIC PROPOSAL INSTRUCTIONS

Proposals should be as thorough and detailed as possible so that James Madison University may properly evaluate your capabilities to provide the required services. Offerors are required to submit the following items as a complete proposal:

1. Return RFP cover sheet and all addenda acknowledgements, if any, signed and filled out as required.
2. Responses to Section IV. Statement of Needs of this RFP.
3. Offeror Data Sheet, included as *Attachment A* to this RFP.
4. Small Business Subcontracting Plan, included as *Attachment B* to this RFP. Offeror shall provide a Small Business Subcontracting plan which summarizes the planned utilization of Department of Small Business and Supplier Diversity (SBSD)-certified small businesses which include businesses owned by women and minorities, when they have received Department of Small Business and Supplier Diversity (SBSD) small business certification, under the contract to be awarded as a result of this solicitation. This is a requirement for all prime contracts in excess of \$100,000 unless no subcontracting opportunities exist.
5. Identify the amount of sales your company had during the last twelve months with each VASCUPP Member Institution. A list of VASCUPP Members can be found at: www.VASCUPP.org.
6. Proposed Cost. See Section X. Pricing Schedule of this Request for Proposal.

VI. EVALUATION AND AWARD CRITERIA

A. EVALUATION CRITERIA

Proposals shall be evaluated by James Madison University using the following criteria:

	Points
1. Quality of products/services offered and suitability for intended purposes	20
2. Qualifications and experience of Offeror in providing the goods/services	25
3. Specific plans or methodology to be used to perform the services	25
4. Participation of Small, Women-Owned, & Minority (SWaM) Businesses	10
5. Cost	20
	<hr/> 100

- B. AWARD TO MULTIPLE OFFERORS: Selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposals, including price, if so stated in the Request for Proposals. Negotiations shall be conducted with the offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each offeror so selected, the agency shall select the offeror which, in its opinion, has made the best proposal, and shall award the contract to that offeror. The Commonwealth reserves the right to make multiple awards as a result of this solicitation. The Commonwealth may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous. Should the Commonwealth determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the contractor's proposal as negotiated.
- C. AWARD OF CONTRACT: Award of a contract to perform services as described in this RFP does not obligate VASCUPP schools to use the contract and individual VASCUPP institutions will have the option of utilizing or not utilizing a particular contractor that has been awarded a contract.

VII. GENERAL TERMS AND CONDITIONS

- A. PURCHASING MANUAL: This solicitation is subject to the provisions of the Commonwealth of Virginia's Purchasing Manual for Institutions of Higher Education and Their Vendors and any revisions thereto, which are hereby incorporated into this contract in their entirety. A copy of the manual is available for review at the purchasing office. In addition, the manual may be accessed electronically at <http://www.jmu.edu/procurement> or a copy can be obtained by calling Procurement Services at (540) 568-3145.
- B. APPLICABLE LAWS AND COURTS: This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The Contractor shall comply with applicable federal, state and local laws and regulations.
- C. ANTI-DISCRIMINATION: By submitting their proposals, offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and §10 of the Rules Governing Procurement, Chapter 2, Exhibit J, Attachment 1 (available for review at <http://www.jmu.edu/procurement>). If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*§6 of the Rules Governing Procurement*).

In every contract over \$10,000 the provisions in 1. and 2. below apply:

- 1. During the performance of this contract, the contractor agrees as follows:
 - a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
 - c. Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for the purpose of meeting these requirements.
- 2. The contractor will include the provisions of 1. Above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

- D. ETHICS IN PUBLIC CONTRACTING: By submitting their proposals, offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.
- E. IMMIGRATION REFORM AND CONTROL ACT OF 1986: By entering into a written contract with the Commonwealth of Virginia, the Contractor certifies that the Contractor does not, and shall not during the performance of the contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.
- F. DEBARMENT STATUS: By submitting their proposals, offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.
- G. ANTITRUST: By entering into a contract, the contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.
- H. MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS RFPs: Failure to submit a proposal on the official state form provided for that purpose may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.
- I. CLARIFICATION OF TERMS: If any prospective offeror has questions about the specifications or other solicitation documents, the prospective offeror should contact the buyer whose name appears on the face of the solicitation no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the buyer.
- J. PAYMENT:
1. To Prime Contractor:
 - a. Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
 - b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.

- c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed.
 - d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
 - e. Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (*Rules Governing Procurement, Chapter 2, Exhibit J, Attachment 1 § 53; available for review at <http://www.jmu.edu/procurement>*).
2. To Subcontractors:
- a. A contractor awarded a contract under this solicitation is hereby obligated:
 - (1) To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
 - (2) To notify the agency and the subcontractors, in writing, of the contractor's intention to withhold payment and the reason.
 - b. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.
3. Each prime contractor who wins an award in which provision of a SWAM procurement plan is a payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWAM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.
4. The Commonwealth of Virginia encourages contractors and subcontractors to accept electronic and credit card payments.

- K. PRECEDENCE OF TERMS: Paragraphs A through J of these General Terms and Conditions and the Commonwealth of Virginia Purchasing Manual for Institutions of Higher Education and their Vendors, shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.
- L. QUALIFICATIONS OF OFFERORS: The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the offeror to perform the services/furnish the goods and the offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect offeror's physical facilities prior to award to satisfy questions regarding the offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such offeror fails to satisfy the Commonwealth that such offeror is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.
- M. TESTING AND INSPECTION: The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.
- N. ASSIGNMENT OF CONTRACT: A contract shall not be assignable by the contractor in whole or in part without the written consent of the Commonwealth.
- O. CHANGES TO THE CONTRACT: Changes can be made to the contract in any of the following ways:
1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
 2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:
 - a. By mutual agreement between the parties in writing; or
 - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the contractor's records and/or to determine the correct number of units independently; or
 - c. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty

(30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia Purchasing Manual for Institutions of Higher Education and their Vendors. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.

- P. DEFAULT: In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.
- Q. INSURANCE: By signing and submitting a proposal under this solicitation, the offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with § 25 of the Rules Governing Procurement – Chapter 2, Exhibit J, Attachment 1, and 65.2-800 et. Seq. of the Code of Virginia (available for review at <http://www.jmu.edu/procurement>) The offeror further certifies that the contractor and any subcontractors will maintain these insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:

1. Workers' Compensation: Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirement under the Code of Virginia during the course of the contract shall be in noncompliance with the contract.
 2. Employer's Liability: \$100,000
 3. Commercial General Liability: \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
 4. Automobile Liability: \$1,000,000 combined single limit. *(Required only if a motor vehicle not owned by the Commonwealth is to be used in the contract. Contractor must assure that the required coverage is maintained by the Contractor (or third party owner of such motor vehicle.)*
- R. ANNOUNCEMENT OF AWARD: Upon the award or the announcement of the decision to award a contract over \$50,000, as a result of this solicitation, the purchasing agency will publicly post such notice on the DGS/DPS eVA web site (www.eva.virginia.gov) for a minimum of 10 days.

- S. DRUG-FREE WORKPLACE: During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

- T. NONDISCRIMINATION OF CONTRACTORS: An offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

- U. eVA BUSINESS TO GOVERNMENT VENDOR REGISTRATION, CONTRACTS, AND ORDERS: The eVA Internet electronic procurement solution, website portal www.eVA.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet eprocurement solution by completing the free eVA Vendor Registration. All offerors must register in eVA and pay the Vendor Transaction Fees specified below; failure to register will result in the proposal being rejected. Vendor transaction fees are determined by the date the original purchase order is issued and the current fees are as follows:

Vendor transaction fees are determined by the date the original purchase order is issued and the current fees are as follows:

1. For orders issued July 1, 2014 and after, the Vendor Transaction Fee is:
 - a. Department of Small Business and Supplier Diversity (SBSD) certified Small Businesses: 1% capped at \$500 per order.
 - b. Businesses that are not Department of Small Business and Supplier Diversity (SBSD) certified Small Businesses: 1% capped at \$1,500 per order.

2. For orders issued prior to July 1, 2014 the vendor transaction fees can be found at www.eVA.virginia.gov.
 3. The specified vendor transaction fee will be invoiced by the Commonwealth of Virginia Department of General Services approximately 60 days after the corresponding purchase order is issued and payable 30 days after the invoice date. Any adjustments (increases/decreases) will be handled through purchase order changes.
- V. **AVAILABILITY OF FUNDS**: It is understood and agreed between the parties herein that the Commonwealth of Virginia shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.
- W. **PRICING CURRENCY**: Unless stated otherwise in the solicitation, offerors shall state offered prices in U.S. dollars.
- X. **E-VERIFY REQUIREMENT OF ANY CONTRACTOR**: Any employer with more than an average of 50 employees for the previous 12 months entering into a contract in excess of \$50,000 with James Madison University to perform work or provide services pursuant to such contract shall register and participate in the E-Verify program to verify information and work authorization of its newly hired employees performing work pursuant to any awarded contract.
- Y. **TAXES**: Sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this contract shall usually be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.

VIII. SPECIAL TERMS AND CONDITIONS

- A. **AUDIT**: The Contractor hereby agrees to retain all books, records, systems, and other documents relative to this contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The Commonwealth of Virginia, its authorized agents, and/or State auditors shall have full access to and the right to examine any of said materials during said period.
- B. **CANCELLATION OF CONTRACT**: James Madison University reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days written notice to the contractor. In the event the initial contract period is for more than 12 months, the resulting contract may be terminated by either party, without penalty, after the initial 12 months of the contract period upon 60 days written notice to the other party. Any contract cancellation notice shall not relieve the contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.
- C. **IDENTIFICATION OF PROPOSAL ENVELOPE**: The signed proposal should be returned in a separate envelope or package, sealed and identified as follows:

From:	<hr/>		
	Name of Offeror	Due Date	Time
	<hr/>		
	Street or Box No.	RFP #	
	<hr/>		
	City, State, Zip Code	RFP Title	
	<hr/>		

Name of Purchasing Officer: _____

The envelope should be addressed as directed on the title page of the solicitation.

The Offeror takes the risk that if the envelope is not marked as described above, it may be inadvertently opened and the information compromised, which may cause the proposal to be disqualified. Proposals may be hand-delivered to the designated location in the office issuing the solicitation. No other correspondence or other proposals should be placed in the envelope.

- D. **LATE PROPOSALS:** To be considered for selection, proposals must be received by the issuing office by the designated date and hour. The official time used in the receipt of proposals is that time on the automatic time stamp machine in the issuing office. Proposals received in the issuing office after the date and hour designated are automatically non responsive and will not be considered. The University is not responsible for delays in the delivery of mail by the U.S. Postal Service, private couriers, or the intra university mail system. It is the sole responsibility of the Offeror to ensure that its proposal reaches the issuing office by the designated date and hour.
- E. **UNDERSTANDING OF REQUIREMENTS:** It is the responsibility of each offeror to inquire about and clarify any requirements of this solicitation that is not understood. The University will not be bound by oral explanations as to the meaning of specifications or language contained in this solicitation. Therefore, all inquiries deemed to be substantive in nature must be in writing and submitted to the responsible buyer in the Procurement Services Office. Offerors must ensure that written inquiries reach the buyer at least five (5) days prior to the time set for receipt of offerors proposals. A copy of all queries and the respective response will be provided in the form of an addendum to all offerors who have indicated an interest in responding to this solicitation. Your signature on your Offer certifies that you fully understand all facets of this solicitation. These questions may be sent by Fax to 540/ 568-7936 or 540/568-7935.
- F. **RENEWAL OF CONTRACT:** This contract may be renewed by the Commonwealth for a period of three (3) successive two year periods under the terms and conditions of the original contract except as stated in 1. and 2. below. Price increases may be negotiated only at the time of renewal. Written notice of the Commonwealth's intention to renew shall be given approximately 90 days prior to the expiration date of each contract period.
1. If the Commonwealth elects to exercise the option to renew the contract for an additional one-year period, the contract price(s) for the additional one year shall not exceed the contract price(s) of the original contract increased/decreased by no more than the percentage increase/decrease of the other services category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.
 2. If during any subsequent renewal periods, the Commonwealth elects to exercise the option to renew the contract, the contract price(s) for the subsequent renewal period shall not exceed the contract price(s) of the previous renewal period increased/decreased by more than the percentage increase/decrease of the other services category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.

- G. SUBMISSION OF INVOICES: All invoices shall be submitted within sixty days of contract term expiration for the initial contract period as well as for each subsequent contract renewal period. Any invoices submitted after the sixty day period will not be processed for payment.
- H. OPERATING VEHICLES ON JAMES MADISON UNIVERSITY CAMPUS: Operating vehicles on sidewalks, plazas, and areas heavily used by pedestrians is prohibited. In the unlikely event a driver should find it necessary to drive on James Madison University sidewalks, plazas, and areas heavily used by pedestrians, the driver must yield to pedestrians. For a complete list of parking regulations, please go to www.jmu.edu/parking; or to acquire a service representative parking permit, contact Parking Services at 540.568.3300. The safety of our students, faculty and staff is of paramount importance to us. Accordingly, violators may be charged.
- I. COOPERATIVE PURCHASING / USE OF AGREEMENT BY THIRD PARTIES: It is the intent of this solicitation and resulting contract(s) to allow for cooperative procurement. Accordingly, any public body, (to include government/state agencies, political subdivisions, etc.), cooperative purchasing organizations, public or private health or educational institutions or any University related foundation and affiliated corporations may access any resulting contract if authorized by the Contractor.

Participation in this cooperative procurement is strictly voluntary. If authorized by the Contractor(s), the resultant contract(s) will be extended to the entities indicated above to purchase goods and services in accordance with contract terms. As a separate contractual relationship, the participating entity will place its own orders directly with the Contractor(s) and shall fully and independently administer its use of the contract(s) to include contractual disputes, invoicing and payments without direct administration from the James Madison University. No modification of this contract or execution of a separate agreement is required to participate; however, the participating entity and the Contractor may modify the terms and conditions of this contract to accommodate specific governing laws, regulations, policies, and business goals required by the participating entity. Any such modification will apply solely between the participating entity and the Contractor.

The Contractor will notify the University in writing of any such entities accessing this contract. The Contractor will provide semi-annual usage reports for all entities accessing the contract. The University shall not be held liable for any costs or damages incurred by any other participating entity as a result of any authorization by the Contractor to extend the contract. It is understood and agreed that the University is not responsible for the acts or omissions of any entity and will not be considered in default of the contract no matter the circumstances.

Use of this contract(s) does not preclude any participating entity from using other contracts or competitive processes as needed.

- J. SMALL BUSINESS SUBCONTRACTING AND EVIDENCE OF COMPLIANCE:
1. It is the goal of the Commonwealth that 42% of its purchases are made from small businesses. This includes discretionary spending in prime contracts and subcontracts. All potential offerors are required to submit a Small Business Subcontracting Plan. Unless the offeror is registered as a Department of Small Business and Supplier Diversity (SBSD)-certified small business and where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the contractor is encouraged to offer such subcontracting opportunities to SBSD-certified small businesses. This shall not exclude SBSD-certified women-owned and minority-owned businesses when they have received

SBSD small business certification. No offeror or subcontractor shall be considered a Small Business, a Women-Owned Business or a Minority-Owned Business unless certified as such by the Department of Small Business and Supplier Diversity (SBSD) by the due date for receipt of proposals. If small business subcontractors are used, the prime contractor agrees to report the use of small business subcontractors by providing the purchasing office at a minimum the following information: name of small business with the SBSD certification number or FEIN, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product/service provided. **This information shall be submitted to: JMU Office of Procurement Services, Attn: SWAM Subcontracting Compliance, MSC 5720, Harrisonburg, VA 22807.**

2. Each prime contractor who wins an award in which provision of a small business subcontracting plan is a condition of the award, shall deliver to the contracting agency or institution with every request for payment, evidence of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the small business subcontracting plan. **This information shall be submitted to: JMU Office of Procurement Services, SWAM Subcontracting Compliance, MSC 5720, Harrisonburg, VA 22807.** When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office at a minimum the following information: name of firm with the Department of Small Business and Supplier Diversity (SBSD) certification number or FEIN number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product or service provided. Payment(s) may be withheld until compliance with the plan is received and confirmed by the agency or institution. The agency or institution reserves the right to pursue other appropriate remedies to include, but not be limited to, termination for default.
3. Each prime contractor who wins an award valued over \$200,000 shall deliver to the contracting agency or institution with every request for payment, information on use of subcontractors that are not Department of Small Business and Supplier Diversity (SBSD)-certified small businesses. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office at a minimum the following information: name of firm, phone number, FEIN number, total dollar amount subcontracted, and type of product or service provided. **This information shall be submitted to: JMU Office of Procurement Services, Attn: SWAM Subcontracting Compliance, MSC 5720, Harrisonburg, VA 22807.**

- K. AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH: A contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the Code of Virginia or as otherwise required by law. Any business entity described above that enters into a contract with a public body shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. A public body may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.
- L. PUBLIC POSTING OF COOPERATIVE CONTRACTS: James Madison University maintains a web-based contracts database with a public gateway access. Any resulting cooperative contract/s to this solicitation will be posted to the publicly accessible website. Contents identified as proprietary information will not be made public.

- M. CRIMINAL BACKGROUND CHECKS OF PERSONNEL ASSIGNED BY CONTRACTOR TO PERFORM WORK ON JMU PROPERTY: The Contractor shall obtain criminal background checks on all of their contracted employees who will be assigned to perform services on James Madison University property. The results of the background checks will be directed solely to the Contractor. The Contractor bears responsibility for confirming to the University contract administrator that the background checks have been completed prior to work being performed by their employees or subcontractors. The Contractor shall only assign to work on the University campus those individuals whom it deems qualified and permissible based on the results of completed background checks. Notwithstanding any other provision herein, and to ensure the safety of students, faculty, staff and facilities, James Madison University reserves the right to approve or disapprove any contract employee that will work on JMU property. Disapproval by the University will solely apply to JMU property and should have no bearing on the Contractor's employment of an individual outside of James Madison University.
- N. INDEMNIFICATION: Contractor agrees to indemnify, defend and hold harmless the Commonwealth of Virginia, its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or caused by the use of any materials, goods, or equipment of any kind or nature furnished by the contractor/any services of any kind or nature furnished by the contractor, provided that such liability is not attributable to the sole negligence of the using agency or to failure of the using agency to use the materials, goods, or equipment in the manner already and permanently described by the contractor on the materials, goods or equipment delivered.
- O. ADDITIONAL GOODS AND SERVICES: The University may acquire other goods or services that the supplier provides than those specifically solicited. The University reserves the right, subject to mutual agreement, for the Contractor to provide additional goods and/or services under the same pricing, terms, and conditions and to make modifications or enhancements to the existing goods and services. Such additional goods and services may include other products, components, accessories, subsystems, or related services that are newly introduced during the term of this Agreement. Such additional goods and services will be provided to the University at favored nations pricing, terms, and conditions.
- P. ADVERTISING: In the event a contract is awarded for supplies, equipment, or services resulting from this proposal, no indication of such sales or services to James Madison University will be used in product literature or advertising without the express written consent of the University. The contractor shall not state in any of its advertising or product literature that James Madison University has purchased or uses any of its products or services, and the contractor shall not include James Madison University in any client list in advertising and promotional materials without the express written consent of the University.
- Q. PRIME CONTRACTOR RESPONSIBILITIES: The contractor shall be responsible for completely supervising and directing the work under this contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under this contract shall be responsible to the prime contractor. The contractor agrees that he is as fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.
- R. SUBCONTRACTS: No portion of the work shall be subcontracted without prior written consent of the purchasing agency. In the event that the contractor desires to subcontract some part of the work specified herein, the contractor shall furnish the purchasing agency the names,

qualifications and experience of their proposed subcontractors. The contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the contract.

- S. CONFIDENTIALITY OF PERSONALLY IDENTIFIABLE INFORMATION: The contractor assures that information and data obtained as to personal facts and circumstances related to faculty, staff, students, and affiliates will be collected and held confidential, during and following the term of this agreement, and will not be divulged without the individual's and the agency's written consent and only in accordance with federal law or the Code of Virginia. This shall include FTI, which is a term of art and consists of federal tax returns and return information (*and information derived from it*) that is in contractor/agency possession or control which is covered by the confidentiality protections of the Internal Revenue Code (*IRC*) and subject to the IRC 6103(p)(4) safeguarding requirements including IRS oversight. FTI is categorized as sensitive but unclassified information and may contain personally identifiable information (*PII*). Contractors who utilize, access, or store personally identifiable information as part of the performance of a contract are required to safeguard this information and immediately notify the agency of any breach or suspected breach in the security of such information. Contractors shall allow the agency to both participate in the investigation of incidents and exercise control over decisions regarding external reporting. Contractors and their employees working on this project may be required to sign a confidentiality statement.
- T. CONTINUITY OF SERVICES:
- a) The Contractor recognizes that the services under this contract are vital to the Agency and must be continued without interruption and that, upon contract expiration, a successor, either the Agency or another contractor, may continue them. The Contractor agrees:
 - (i) To exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor;
 - (ii) To make all Agency owned facilities, equipment, and data available to any successor at an appropriate time prior to the expiration of the contract to facilitate transition to successor; and
 - (iii) That the Agency Contracting Officer shall have final authority to resolve disputes related to the transition of the contract from the Contractor to its successor.
 - b) The Contractor shall, upon written notice from the Contract Officer, furnish phase-in/phase-out services for up to ninety (90) days after this contract expires and shall negotiate in good faith a plan with the successor to execute the phase-in/phase-out services. This plan shall be subject to the Contract Officer's approval.
 - c) The Contractor shall be reimbursed for all reasonable, pre-approved phase-in/phase-out costs (i.e., costs incurred within the agreed period after contract expiration that result from phase-in, phase-out operations) and a fee (profit) not to exceed a pro rata portion of the fee (profit) under this contract. All phase-in/phase-out work fees must be approved by the Contract Officer in writing prior to commencement of said work.
- U. PCI DSS COMPLIANCE: James Madison University requires that the contractor shall at all times maintain compliance with the most current Payment Card Industry Data Security Standards (PCI DSS). The contractor will be required to provide written confirmation of compliance. Contractor acknowledges responsibility for the security of cardholder data as defined within the PCI DSS. Contractor acknowledges and agrees that cardholder data may only be used for completing the contracted services as described in the full text of this

document, or as required by the PCI DSS, or as required by applicable law. In the event of a breach or intrusion or otherwise unauthorized access to cardholder data stored at or for the contractor, contractor shall immediately notify the Assistant Vice President for Finance at: (540) 568-6433, MSC 5719, Harrisonburg, VA 22807 (fax (540) 568-3346) to allow the proper PCI DSS compliant breach notification process to commence. The contractor shall provide appropriate payment card companies, acquiring financial institutions and their respective designees access to the contractor's facilities and all pertinent records to conduct a review of the contractor's compliance with the PCI DSS requirements.

In the event of a breach or intrusion the contractor acknowledges any/all costs related to breach or intrusion or unauthorized access to cardholder data entrusted to the contractor deemed to be the fault of the contractor shall be the liability of the contractor. Vendor agrees to assume responsibility for informing all such individuals in accordance with applicable law and to indemnify and hold harmless the Commonwealth of Virginia, James Madison University and its officers and employees from and against any claims, damages or other harm related to such breach.

- V. STANDARDS OF CONDUCT: Contractor and Contractor's personnel shall exercise a particularly high level of discipline, safety and cooperation at all times while performing work on behalf of the University. The Contractor shall be responsible for controlling employee conduct, for assuring that its employees are not boisterous or rude, and assuring that they are not engaging in any destructive or criminal activity.
- W. BLANKET FIDELITY BOND: Contractor shall maintain a blanket fidelity bond obtained from an insurance company licensed to conduct fidelity business in the home state of the Contractor and which has earned an A.M. Best Company, Inc. rating of A or better, as reflected in their most current publication, covering all personnel under contract to the Commonwealth of Virginia, with a penalty amount of not less than **\$100,000** naming the Commonwealth of Virginia as co-obligee. Certificate of such protection must be presented to the purchasing agency prior to the start of the service showing name of surety, limit and type of coverage, term of coverage, co-obligee provision and name and address of licensed Virginia insurance agent. The Contractor agrees to maintain such bond until one year after the completion of the contract.
- X. INSURANCE, MONEY AND SECURITIES: Contractor shall maintain a Broad Form Money and Securities Insurance Policy obtained from an insurance company licensed to conduct crime insurance business in the home state of the contractor and which has earned an A.M. Best Company, Inc. rating of A or better, as reflected in their most current publication, covering all money and property entrusted to the contractor by the Commonwealth of Virginia, with limits of coverage of not less than **\$ 100,000** for Loss Inside the Premises Coverage and not less than **\$ 100,000** for Loss Outside the Premises Coverage, naming the Commonwealth of Virginia as additional named insured with respect to this contract. Certificate of such protection must be presented to James Madison University prior to the start of the service showing name of insurance company, limits and type of coverage, term of coverage, additional insured provision and name and address of licensed insurance agent. The contractor agrees to maintain such policy until the completion of the contract and all money and property of the Commonwealth is remitted to the Commonwealth.

IX. METHOD OF PAYMENT

The contractor will be paid on the basis of invoices submitted in accordance with the solicitation and any negotiations. James Madison University recognizes the importance of expediting the payment process for our vendors and suppliers. We are asking our vendors and suppliers to enroll in the Wells Fargo Bank single use Commercial Card Number process or electronic deposit (ACH) to your bank account so that future payments are made electronically. Contractors signed up for the Wells Fargo Bank single use Commercial Card Number process will receive the benefit of being paid in Net 15 days. Additional information is available online at:

<http://www.jmu.edu/financeoffice/accounting-operations-disbursements/cash-investments/vendor-payment-methods.shtml>

Other VASCUPP institutions may have different methodologies regarding invoicing. Each entity is responsible for negotiating their invoicing options and payment terms.

X. PRICING SCHEDULE

1. Contractor shall provide a **Total Fixed Collection Fee (% of Collected Amount)**, which shall include all costs associated with providing collection services. There shall be no additional charges allowed. The Total Fixed Collection Fee shall apply to collections on all accounts regardless of type of account or placement.
2. Provide any additional incentives/cost reductions offered if multiple VASCUPP institutions utilize a resulting contract with your firm.

XI. ATTACHMENTS

Attachment A: Offeror Data Sheet

Attachment B: Small, Women, and Minority-owned Business (SWaM) Utilization Plan

Attachment C: Standard Contract Sample

ATTACHMENT A

OFFEROR DATA SHEET

TO BE COMPLETED BY OFFEROR

1. **QUALIFICATIONS OF OFFEROR:** Offerors must have the capability and capacity in all respects to fully satisfy the contractual requirements.
2. **YEARS IN BUSINESS:** Indicate the length of time you have been in business providing these types of goods and services.

Years _____ Months _____

3. **REFERENCES:** Indicate below a listing of at least five (5) organizations, either commercial or governmental/educational, that your agency is servicing. Include the name and address of the person the purchasing agency has your permission to contact.

CLIENT	LENGTH OF SERVICE	ADDRESS	CONTACT PERSON/PHONE #
--------	-------------------	---------	---------------------------

4. List full names and addresses of Offeror and any branch offices which may be responsible for administering the contract.

5. **RELATIONSHIP WITH THE COMMONWEALTH OF VIRGINIA:** Is any member of the firm an employee of the Commonwealth of Virginia who has a personal interest in this contract pursuant to the [CODE OF VIRGINIA](#), SECTION 2.2-3100 – 3131?

[] YES [] NO

IF YES, EXPLAIN: _____

ATTACHMENT B

Small, Women and Minority-owned Businesses (SWaM) Utilization Plan

Offeror Name: _____ **Preparer Name:** _____

Date: _____

Is your firm a **Small Business Enterprise** certified by the Department of Small Business and Supplier Diversity (SBSD)? Yes _____ No _____

If yes, certification number: _____ Certification date: _____

Is your firm a **Woman-owned Business Enterprise** certified by the Department of Small Business and Supplier Diversity (SBSD)? Yes _____ No _____

If yes, certification number: _____ Certification date: _____

Is your firm a **Minority-Owned Business Enterprise** certified by the Department of Small Business and Supplier Diversity (SBSD)? Yes _____ No _____

If yes, certification number: _____ Certification date: _____

Is your firm a **Micro Business** certified by the Department of Small Business and Supplier Diversity (SBSD)? Yes _____ No _____

If yes, certification number: _____ Certification date: _____

Instructions: *Populate the table below to show your firm's plans for utilization of small, women-owned and minority-owned business enterprises in the performance of the contract. Describe plans to utilize SWaMs businesses as part of joint ventures, partnerships, subcontractors, suppliers, etc.*

Small Business: "Small business " means a business, independently owned or operated by one or more persons who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, which, together with affiliates, has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years.

Woman-Owned Business Enterprise: A business concern which is at least 51 percent owned by one or more women who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership or limited liability company or other entity, at least 51 percent of the equity ownership interest in which is owned by one or more women, and whose management and daily business operations are controlled by one or more of such individuals. **For purposes of the SWaM Program, all certified women-owned businesses are also a small business enterprise.**

Minority-Owned Business Enterprise: A business concern which is at least 51 percent owned by one or more minorities or in the case of a corporation, partnership or limited liability company or other entity, at least 51 percent of the equity ownership interest in which is owned by one or more minorities and whose management and daily business operations are controlled by one or more of such individuals. **For purposes of the SWaM Program, all certified minority-owned businesses are also a small business enterprise.**

Micro Business is a certified Small Business under the SWaM Program and has no more than twenty-five (25) employees **AND** no more than \$3 million in average annual revenue over the three-year period prior to their certification.

All small, women, and minority owned businesses must be certified by the Commonwealth of Virginia Department of Small Business and Supplier Diversity (SBSD) to be counted in the SWaM program. Certification applications are available through SBSD at 800-223-0671 in Virginia, 804-786-6585 outside Virginia, or online at <http://www.sbsd.virginia.gov/> (Customer Service).

RETURN OF THIS PAGE IS REQUIRED

ATTACHMENT B (CNT'D)
Small, Women and Minority-owned Businesses (SWaM) Utilization Plan

Procurement Name and Number: _____

Date Form Completed: _____

Listing of Sub-Contractors, to include, Small, Woman Owned and Minority Owned Businesses
for this Proposal and Subsequent Contract

Offeror / Proposer:

Firm

Address

Contact Person/No.

Sub-Contractor's Name and Address	Contact Person & Phone Number	SBSD Certification Number	Services or Materials Provided	Total Subcontractor Contract Amount (to include change orders)	Total Dollars Paid Subcontractor to date (to be submitted with request for payment from JMU)

(Form shall be submitted with proposal and if awarded, again with submission of each request for payment)

RETURN OF THIS PAGE IS REQUIRED

ATTACHMENT C



**COMMONWEALTH OF VIRGINIA
STANDARD CONTRACT**

Contract No. _____

This contract entered into this _____ day of _____, 20____, by _____ hereinafter called the "Contractor" and Commonwealth of Virginia, James Madison University called the "Purchasing Agency".

WITNESSETH that the Contractor and the Purchasing Agency, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

SCOPE OF CONTRACT: The Contractor shall provide the services to the Purchasing Agency as set forth in the Contract Documents.

PERIOD OF PERFORMANCE: From _____ through _____

The contract documents shall consist of:

- (1) This signed form;
- (2) The following portions of the Request for Proposals dated _____:
 - (a) The Statement of Needs,
 - (b) The General Terms and Conditions,
 - (c) The Special Terms and Conditions together with any negotiated modifications of those Special Conditions;
 - (d) List each addendum that may be issued
- (3) The Contractor's Proposal dated _____ and the following negotiated modification to the Proposal, all of which documents are incorporated herein.
 - (a) Negotiations summary dated _____.

IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed intending to be bound thereby.

CONTRACTOR:

PURCHASING AGENCY:

By: _____
(Signature)

By: _____
(Signature)

(Printed Name)

(Printed Name)

Title: _____

Title: _____