



Affiliated Creditors, Inc.

Request For Proposal

Submitted To: City of Crossville Tennessee

CRO # 1313 Collection Agent Fees & Fines

Due Date: December 30, 2014

Time: 2:00 p.m.

CITY OF CROSSVILLE
REQUEST FOR QUOTATION

IMPORTANT: Read Instructions Carefully

THIS IS NOT AN ORDER
RETURN QUOTATION TO:

Page 1 of 2 pages

City Clerk

CRO#1313 Date Issued 12/4/14

Delivery required immediately upon award of bid

City of Crossville
392 N. Main Street
Crossville, TN 38555

For more information call To be opened date/hour
Latoya Cook 931-484-7231 12/30/2014 2:00 p.m.

NOTICE TO BIDDER

THIS IS NOT AN ORDER. Please enter unit prices, extensions, and amount for the items listed herein specified. Be sure the specifications are followed. If you are unable to supply any of the items, please quote on the nearest substitute either on this form, or attach a letter containing such description and it will be considered as part of your quotation. Prices quoted must include all delivery charges to points of delivery indicated hereon. **We reserve the right to accept or reject** any or all bids.

Please submit a proposal to collect delinquent court fees and fines.
Please see the attached specifications.

Bidder Name:

Bidder Address:

Affiliated Creditors Inc
176 Thompson Lane, Suite 101
Nashville, TN 37122

For more information, contact Latoya Cook at 931-484-7231.

PLEASE SEE REVERSE SIDE FOR INSTRUCTIONS

IMPORTANT INSTRUCTIONS TO BIDDERS

1. Each Request for Proposal should be in a **SEPARATE ENVELOPE** and have typed/noted on the envelope the **CRO#, ITEM, OPENING DATE, AND TIME.**
2. Specifications used in this request for proposal are intended to be open and non-restrictive. Reference to brand names, catalogs, etc., is to establish minimum standards of quality and does not preclude BUYER'S consideration of proposals on comparable quality. All bidders state brand name and catalog number of product proposed.
3. All prices quoted should be on a delivered prepaid basis to the F.O.B. destination shown in the shipping instructions.
4. Insert time discount terms, if any, in space provided. Discounts are computed from date of delivery at destination or date of receipt of properly executed vendor's invoice at agency indicated above, whichever is later.
5. The City of Crossville, a municipality, is exempt from sales tax with respect to materials that it purchases for municipal projects; however, the contractor who installs, applies or otherwise uses such materials, is liable for the use tax on those materials.
6. Unless otherwise indicated, quotations should be submitted on this form indicating unit price, total extension of each item, and grand total of quotation. In case of error in the extension prices, the unit price will govern.

TIME DISCOUNT ALL ITEMS N/A
DELIVERY: We submit the prices and agree to make delivery within 180 days after the receipt of order. This offer is for 180 calendar days from the date this bid is opened.

NOTICE: PROPOSAL WILL BE REJECTED UNLESS SIGNED IN INK.

SIGNED BY: Jack R. M. Yg...
Print name: JACK R. Abernethy III
FIRM: Affiliated Creditors, Inc
ADDRESS: 176 Thompson Lane, Suite 101
City: Nashville State: IN Zip: 37122
Date: 12/29/94 Telephone: 615-331-1826 x.520

In submitting this bid, it is expressly agreed that upon proper acceptance by the City of Crossville of any or all items proposed, a contract shall thereby be created with respect to the items accepted.

PUBLIC NOTICE

TITLE VI OF THE 1964 CIVIL RIGHTS ACT


“No person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.”

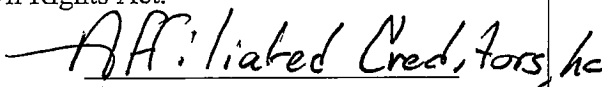
The City of Crossville provides benefits and services such as police protection, fire protection, water service, sewer service, sanitation service, infrastructure needs, and other related municipal services. The City also provides funds to certain non-profit organizations.

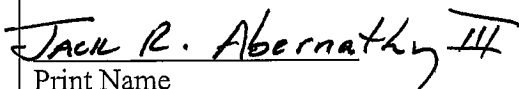
Anyone who believes that an agency or local government receiving the federal funding mentioned above has discriminated against someone on the basis of race, color or national origin has a right to file a complaint within 180 days of the alleged discrimination.

Sally Oglesby, City Clerk
Title VI Coordinator

Please sign and return to the City of Crossville verifying that your company is in compliance with the above Title VI, 1964 Civil Rights Act.


Authorized Signature


Company


Print Name

Please return to: City of Crossville
392 N. Main Street
Crossville, TN 38555

December 29, 2014

Mr.s Latoya Cook
City of Crossville
392 North Main Street Avenue
Crossville, TN 38555

Mr.s Cook ,

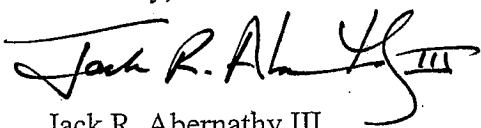
On behalf of Affiliated Creditors Incorporated (ACI), I am pleased to submit this proposal to City of Crossville.

I would like to take this opportunity to briefly draw your attention to the following points regarding our proposal:

- **Local and Regional Presence:** With a strong local and regional presence in the Tennessee and southeastern US, ACI is very familiar with your Tennessee with Corporate HQ here in Nashville and with high profile clients such as Vanderbilt University Medical Center, Lebanon City and Gas, St. Thomas Health System, and Maury Regional Hospital, region and serves many clients in bordering states in the southeast. ACI also works with Escambia County EMS services in Pensacola , FL.
- **Driven By Compliance:** Our policies and procedures are driven by federal, state, and local laws as well as industry standards for compliance and quality assurance.
- **Hands-On Project Management** for the partnering with the City of Crossville is important to ACI and we have assigned a dedicated project manager to work with you throughout the contract.

ACI is an industry leader in the collections industry. We are excited about this opportunity to serve the County and look forward to partnering with you. If you have any questions, please contact me at 615-331-4587 or via email at jabernathy@affiliatedcreditors.com.

Sincerely,



Jack R. Abernathy III
Sales Director

ACI

Affiliated Creditors Incorporated

Your Collection Partner

ACI History

ACI was founded in 1981 to serve healthcare organizations increase their bottom line. Nationally licensed and compliant with all applicable federal, state, and local laws, ACI is focused on serving our clients with exceptional service, an aggressive pricing plan and 32 years of industry experience to serve Covenant Transportation.

ACI has been focused on partnering with our healthcare clients to provide exceptional service and results. We are proud to boast long, successful relationships with many customers in Middle Tennessee and the Southeastern United States look forward to adding the of. Some of our clients are listed below:

- City of Lebanon Gas and Water, Lebanon, TN
- Escambia County, FL (EMS services), Located in Pensacola, FL
- St. Thomas Health System, Nashville, TN
- St. Thomas Mid Town (formerly Baptist Hospital) Nashville and
- St. Thomas – Rutherford in Murfreesboro, Tennessee (formerly MTMC)
- Deerfield at Providence , Mt. Juliet, TN
- Phydata – Manages 73 Radiology clinics and departments, In Middle Tennessee
- Maury Regional Health System, Columbia and Lewisburg , TN
- LCMC Health , Touro Infirmary, located in New Orleans, LA
- Vanderbilt University Medical Center located in Nashville, TN

ACI collectors are trained and supervised to respect privacy laws and to treat consumers with dignity communicating compassion and compelling consumers to pay their debt. The average overall tenure for ACI employee is eight years, unheard of in our industry. We are proud to boast an average tenure of ten years for our client services staff, four years for bad debt collectors and two years for early-out agents, and 20 years for our management team.

Management Team

We have included below, biographies of our key team members and our exceptional tenure rates to further demonstrate our long experience, followed by an overview of our detailed healthcare collection process. Please see ACI Organizational Chart the end of this section.

Roy A. Williams, Sr., Founder and President

Roy has been actively involved in the development and success of the collection industry since 1973. He has served on the Executive Boards and as an officer of local and national organizations since 1974. Mr. Williams held the position of Chairman of the Board for Consumer Credit Counseling Service of Middle Tennessee, Inc.

Chad Williams, CEO

Leading ACI to success with the directive Integrity-First, CEO, Roy A. Williams, Jr. (Chad), believes in setting the standard for his team. A family business, ACI was started by Chad's father, Roy A. Williams, Sr., in 1987. It is clear why Chad takes every client relationship at ACI personally.

A hands-on executive, Chad believes that ACI's personalized client service makes the company stand out as an industry leader. It is through Chad's vision to ensure that ACI goes above and beyond the call of duty for our clients that we have retained decade's long relationships with some of the largest healthcare clients in the country. Chad has retained his Tennessee Collection Service Board License since 1988. His experience and dedication to service has provided security and satisfaction to our clients.

Todd Reynolds, Chief Operating Officer

Todd has significant collection industry experience dating back to 1995 and joined ACI in 2010 as Chief Operating Officer. He has overseen several multi-million dollar projects and has been involved in all aspects of the revenue management cycle and is responsible for the day-to-day operations at ACI.

Todd is ACI's Compliance Officer and has extensive experience with federal and state regulations. He ensures that ACI maintains full compliance with all applicable laws and regulations. He has the experience to ensure that ACI's operations personnel have the right collection and customer service skills necessary to produce excellent results for our clients.

Judy Brimm, Controller

Judy has worked at ACI since 1981. As Controller, she directs and is responsible for all aspects of ACI's company and client financial services. She oversees the payment posting personnel and manages the daily posting, balancing, deposits and financial reporting for the company.

Chris Warren, IT Manager

Chris has been with ACI for six years and has more than 13 years of IT experience under his belt. Chris has a bachelor's degree in computer science and has primarily worked as a custom software programmer and a web developer. Some of his current responsibilities include SQL database management, web development & general programming, data mining, user support, network/system management, loading new business, creating reports, research and development, phone system support and job automation. Chris is also responsible for ACI's system security infrastructure, compliance and disaster prevention and recovery.

Jack Abernathy, Director of Sales

Jack recently joined ACI as Director of Sales. He is an invaluable asset to ACI, ensuring that all clients receive individual attention on both strategic and day-to-day business matters.

Jack brings a wealth of experience to ACI, having worked for more than 23 years for a large national collection agency as their National Director of Business Development. He was responsible for client relationship management with many leading clients, including local clients such as Nashville Electric Service, City of Franklin, Vanderbilt University Medical Center, and Escambia County EMS in Pensacola, FL and Cox Regional Medical Center in Branson, Missouri. He holds a bachelor's degree in business administration.

Jack will serve as Co- Project Manager and liaison between ACI and City of Crossville.

Terry Grubb, Client Services

Terry joined ACI in 2003. He is responsible for the day-to-day communication with clients. Terry works with clients to respond to their questions and requests, acting as a liaison between the client and various departments within our organization.

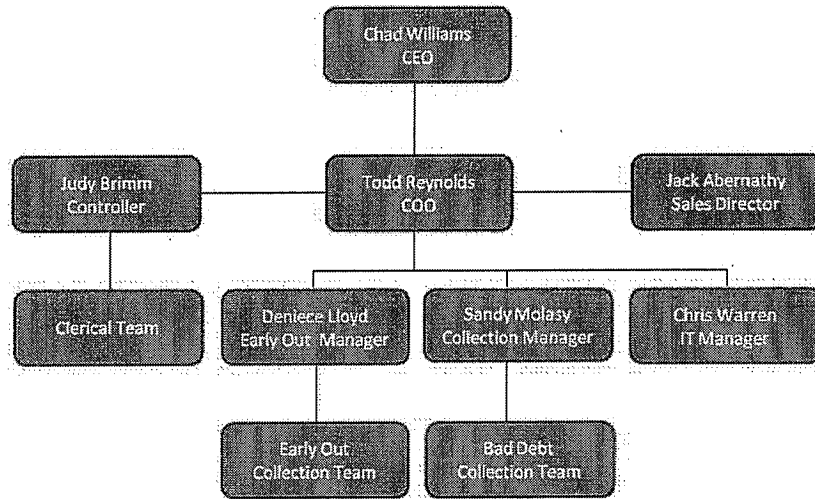
Terry has extensive experience with Florida healthcare organizations. He has worked in Fort Myers, Florida at Southwest Regional Medical Center, a 300+ bed open-heart facility and at Gulf Coast Hospital, a 100 bed hospital, as well as facilities in Kissimmee and Port Charlotte. Terry was responsible for managing operations for admissions, registration, and medical records.

At ACI, Terry coordinates all aspects of service for our clients including special requests to close or re-open accounts, payment adjustments, bankruptcy and deceased account holder confirmation, ad hoc report requests, and more.

Sandy Molasy, Collection Manager

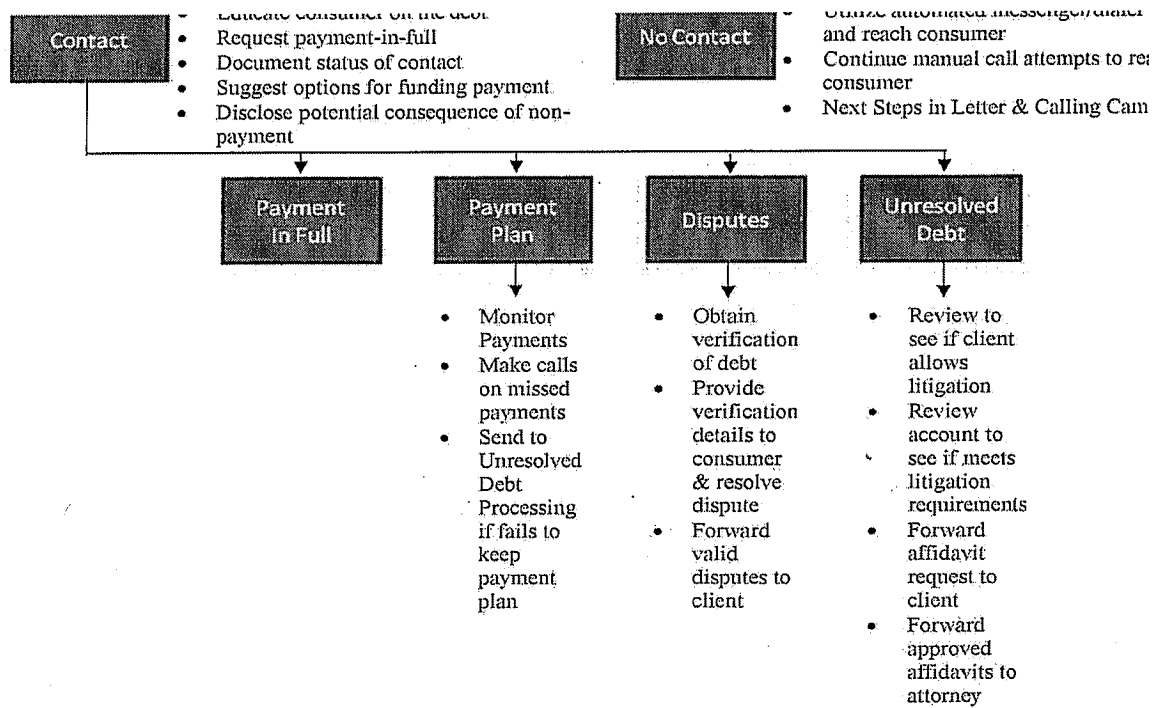
Sandy just recently joined ACI in April 2014. She has over 22 years combined experience in both first party collections in healthcare and 17 years experience in third party collections of healthcare, government, utility, and retail collection portfolios. She is a valuable new addition to our team and be a leader in establish new collection protocols to lead our collection team in providing increased recoveries for our clients. She has worked on projects such as Nashville Electric Service and City of Franklin, Tennessee contracts. Sandy will be in charge of managing the collectors for this project on a daily basis.

AFFILIATED CREDITORS INCORPORATED
ORGANIZATIONAL CHART





Contin



Collection Procedures

Implementation Process

The entire processes list below takes place within the first 30 days from the signing of the contract.

Phase 1 - Complete a comprehensive client interview and research phase to solidify client-specific requirements and expectations. This will typically take place within first week after award of contract. This will be for introduction of ACI staff to the town's staff, IT questions and electronic placement formats confirmed or exchanged.

Phase 2 - Develop standards and criteria for your collection team. This part of implementation of collection process begins in Phase one, but any issues that may develop are discussed and solutions are made to the satisfaction of both parties.

Phase 3 - Create new client work procedures, which include use of terminology, language, industry-specific coding, and instructions for client-specific procedures and requests. The collection portfolio manager, who oversees implementation of the procedures, ensures that the portfolio is given maximum treatment. This process takes place after the initial placement. This is where procedures for suspending drivers licenses and portfolio specific

Phase 4 - Our data transfer process is initiated and completed. We accept electronic data via FTP, tape, CD, online, or encrypted e-mail. After submitting your electronic data, you will receive a confirmation report that indicates the number of accounts and total dollars entered into our system. We update records within 24 hours of placement and offer same-day processing of accounts from incoming mail and phone calls. Once implementation is complete, we conduct a detailed scrub of accounts followed by an FDCPA-compliant

ACI

Affiliated Creditors Incorporated

Your Collection Partner

letter series, diligent telephone campaigns, follow-up communications, and flexible payment options for your consumers.

Time Management is crucial to any operation and ACI staff work with client liaisons to funnel all requests to minimize client involvement.

ACI recognizes that protecting your image in the community is essential for your success. We approach your consumers as an advocate, not an adversary. We are acutely aware of the importance of courtesy and professionalism while communicating with consumers. All accounts are worked in a diplomatic and thorough manner.

Our experience has taught us that by combining this approach with diligent, methodical call monitoring and follow-up; we have been able to consistently achieve excellent customer satisfaction in a virtually complaint free environment. Our clients benefit in many ways from this approach. It requires diligent screening in the hiring process, ongoing training and evaluation, and a low collector to manager ratio. As a result, our performance is not hindered by collector turnover; and consistency and solid performance go hand in hand (not just in liquidation rates, but in client service and consistent high work standards).

Because we understand the seriousness of complaints, we go to great lengths to ensure that every telephone or written communication from every consumer is promptly answered, and is treated with cooperation, courtesy and dignity. However, should a complaint arise, they are promptly reviewed by the Management Team who will investigate the complaint. We have a call recorder that records all inbound and outbound collection calls, which enables us to review calls to insure compliance with our policies and procedures, as well as investigate complaints.

ACI is a "user-friendly" agency dedicated to the Receivables Industry. It is a core principal behind our methodology and approach that defines the way we do business.

The entire focus of ACI is on the needs of our individual clients. Our policies and procedures are built on systems and personnel developed, tested, and proven on a day to day basis. We recognize that our clients' requirements are varied and unique, and we are prepared to invest every ACI resource to exceed these standards.

This benefits you on many levels. Our service is based on just that--- service; focused on three areas:

- 1) Complaint-free Performance
- 2) Outstanding Client service
- 3) Positive Consumer Relations

Compliance Policy

ACI is committed to providing exceptional service to our clients and their consumers. We firmly believe that debt collection should be done legally and with respect to consumers. Unfortunately sometimes errors occur and mistakes are made by ACI or the clients it represents.

All employees are required to abide by ethical guidelines as a condition of employment. Our focus is on providing ACI employees with education/training to help them better understand how and why they need to prevent, manage and resolve complaints. Even with our resources and best efforts committed, success will ultimately rely on each individual debt collector to follow our guidelines as well as federal and state law. Those employees engage in illegal activities will be held fully accountable under federal and state law.

In addition to the commitment outlined in this document, ACI will follow these guidelines:

- Help improve consumer relations by listening, understanding and documenting every complaint.
- Help consumer better understand debt collection processes and their rights.
- Requiring every employee to report complaint to immediate supervisor. Supervisor should report complaint to management.
- Provide consumers with a telephone number, e-mail address, website or mailing address to which complaints can be directed.
- Pull all system documentation and recorded calls to audit complaint.
- Communicate and follow up with all parties to determine a fast and efficient resolution.

By implementing these actions, ACI is helping employees and clients effectively prevent, reduce and resolve consumer complaints. The percentage of complaints to the number of accounts we are managing is .005% which is a testament to our commitment to client and consumers satisfaction

A Collection Approach Built on Success

To further demonstrate our extensive experience, we would like to take this opportunity to provide an overview of our extensive collection methodology. Please see Attachment ACI collection work flow.

ACI offers a systematic collection process beginning with a detailed implementation plan to ensure a smooth transition and long-term partnership with ACI. The following is a detailed overview of the collection process that ACI will put into place for our clients, keeping in mind that all aspects of this plan can be customized to meet your needs and requirements.

Technology to Manage Your Accounts

ACI uses the FICO® Debt Manager™, formerly CR Software. This flexible, configurable system is designed specifically for the third-party debt collection industry. It features an integrated predictive dialer, standard and fully customizable reporting capabilities, and supervisor-controlled workflow management. This flexible, configurable system offers the following key features:

- Driven precision and consistency throughout the process
- Automates outbound calls, intelligently reallocates key resources to inbound teams
- Advanced modeling, collection optimization and adaptive controls
- Consumer preferred contact channels
- Standard and fully customizable reporting capabilities
- Built-in compliance alerts
- 256-bit encryption for data security

Our specific version of FICO® Debt Manager™ is proprietary, and it runs on a Linux operating system.

- All sensitive collection data is encrypted, and the system is PCI compliant.
- All data is backed up locally and offsite daily

Security

Entry to the Affiliated Creditors premises during and / or outside of normal business hours will be by way of keys/security pass.

It is the responsibility of every Affiliated Creditors employee to ensure that this key/security pass is kept in safe custody. It must be returned on demand.

If building access devices are lost or misplaced, you must notify your Manager immediately so they can be cancelled.

Employees must ensure that all confidential/sensitive documents are locked away at night.

Employee passwords, if they need to be written down or stored on-line, must be stored in a secure place separate from the application or system.

Placement of Accounts

ACI is a Third Party to any collection account it manages and relies solely on the documentation provided by its clients to validate any debt during not only the FDCPA Validation period but also during legal processes. i.e. copies of Tickets, itemized statements and any signed documents.

When an account is placed in our office the Validation Letter is sent immediately. The account will come to the collector screen on day 7 in office. This allows time for the debtor to respond to the first letter, unless the validation notice is returned in the mail. The representative takes any inbound calls from the debtor during that 7 day time frame but no outbound calls are made until that time frame has expired, provided mail has not been returned.

Call and letter attempts continue in a minimum of a 30 day rotation until contact can be made with the debtor and the account has been resolved. Letters are sent in accordance to the activity on the account.

If the debtor advises us either verbally or in writing that he/she disputes the charges the account is placed on hold until verification of the amount due can be provided to the debtor.

ACI requires the following data from the client to begin the collection process:

1. Demographic data such as applications, billing information , social security numbers ,, references etc.. any information assisting in location of debtor.
2. Copies of Signed Contracts to help verify the debt.
3. Breakdown of Charges owed such as ledgers, copies of invoices, any itemization of debt.

Preliminary Account Scrubs

Once the consumer has been identified, scrubbing of the account occurs. This step includes address and phone verification to ensure we are able to make quick contact with the consumer.

ACI loads new placement files into the CRS collection system within 24 hours of placement. Each placement file is scrubbed against the following database to ensure that

we have the most current contact and demographic information for your consumers. Scrubs including the U.S. Postal Service (USPS) National Change of Address (NCOA) database to locate the most current mailing address.

We use Accurant and CBC Innovis to locate additional contact information about consumers. These nationally recognized companies provide us with contact and demographic data on the following:

- Bankruptcy
- Deceased
- Addresses
- Phones
- Cell phone indicator
- Neighbors
- Relatives & Associates
- Initial placement and Late-Stage Scores

Upon contact with the debtor the representative's goal is to resolve the account as quickly as possible. When necessary representatives work with the debtor on monthly payments utilizing interoffice guidelines as well as individual client guidelines for payment plans.

When phone contact is not possible and an address is available the representative will continue with mail statements on the account. Skip tracing tools are used in an effort to locate more current address and or phone information.

We follow strictly each client's guidelines in regard to credit reporting and litigation. Only after all efforts to resolve the account voluntarily are attempted and have failed are suit authorization papers forwarded to the client. In order for an account to be considered

for suit authorization the account balance must be a minimum set by the client. Suit authorization can not be considered until the account is past the 60 day validation period. The account representative will verify employment and any other assets that can be used for grounds for suit authorization. A letter is sent to the debtor advising them the next collection step will be suit authorization. Once the authorization papers have been signed and returned by the client the file is then forwarded to an attorney to file suit.

All accounts receive a maximum of five updates through our skip tracing vendors during the first 150 days in the system. Additional updates are performed as needed during the collection process as determined by collector or the ACI management team. Following is an overview of the update process:

- Day 1: Full search and scoring performed on all new placements
- Day 31: Full search and late-stage scoring on active accounts
- Day 61: Second round full-search and late-stage scoring on active accounts
- Day 91: Third round of full-search and late-state scoring on active accounts
- Day 121: Forth round of full-search and late-state scoring on active accounts

Affiliated Creditors, Inc. does report all accounts with social security numbers to the three major credit reporting agencies Experian, Equifax , and TransUnion.

Exhaustive Skiptracing To Locate Your Consumers

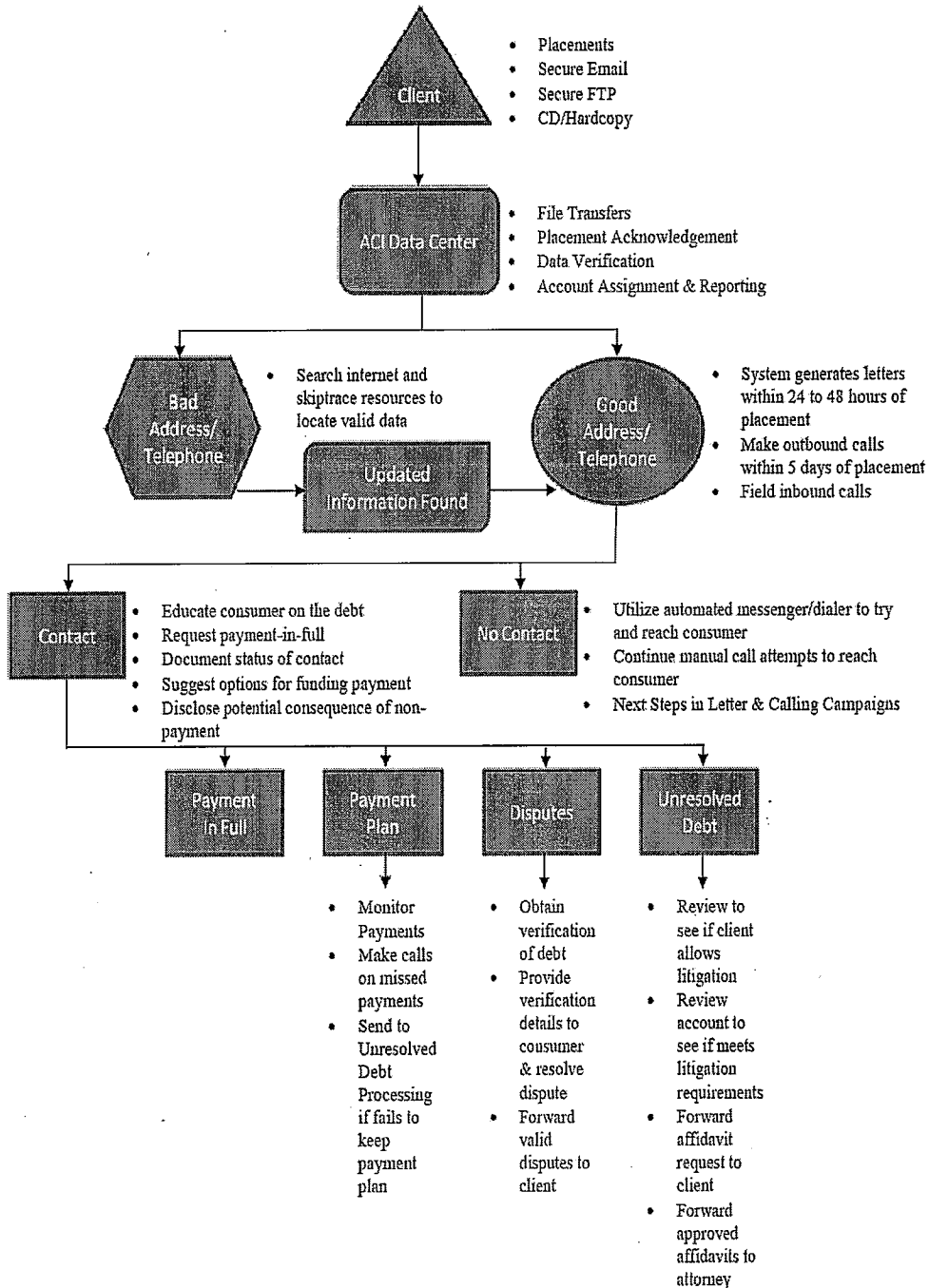
ACI offers advanced skiptracing tools and methodologies to locate your consumers including batch processing with the following tools and systems:

- Accurint a Lexis Nexis company
- CBC Innovis
- Ntelagent

ACI

Affiliated Creditors Incorporated
Your Collection Partner

Collection Workflow



The information that we uncover in our data scrubs and skip tracing searches is automatically recorded on the account. Each collector has the ability to perform skip tracing activities to ensure that every opportunity to contact the consumer is made.

ACI Collection Letters Are Pre-Approved To Ensure FDCPA-Compliance

FDCPA-Compliance Collection Letters

To complement and reinforce our phone efforts, ACI mails a series of collection letters based on each accounts individual situation. Letters are an invaluable resource in reaching consumers who are not readily accessible by phone, serving as a reminder that the obligation will not simply be dismissed.

ACI sends each account an initial letter within three days of placement. All ACI letters are compliant with the FDCPA and approved by our attorneys. ACI customize letters to meet your requirements, provided the request is in compliance with the FDCPA regulations.

Once address and phone information is verified, ACI collectors begin contacting your consumers. The initial call is placed within 24 hours of verification and is followed by a minimum of one phone call per week. A progressive asset analysis is performed with each phone call. The dialer is used in a two-hour rotating cycle in which it is on for two hours and off for two hours. Skip tracing efforts occur during off-peak call times only so collectors can concentrate on your calling campaign when contact is most likely. Every collector's performance and account progress are reviewed regularly by his or her supervisor. The calling campaign continues throughout the life cycle of the account until successful resolution is achieved; all efforts exhausted or the statute of limitations expires.

When one of your consumers moves into a different region of the country, we realize that our calling campaigns must be adjusted to comply with appropriate calling times for that time zone. Our systematically controlled campaigns ensure that calls are made within optimum, compliant times for each time zone, and we maintain shifts that cover the hours necessary to accomplish your goals. Our schedule for calls is designed within the Fair Debt Collection Practices Act (FDCPA) and the Telephone Consumer Protection Act (TCPA) guidelines of calling in local times zones in every part of the country.

Compliance will continue to be focused to improve and comply with industry standards and federal regulations such as the CFPB (Consumer Financial Protection Bureau).

ACI Collectors Are Trained To Work With Your Consumers Using Communication Techniques That Encourage Immediate Payment.

Payment Arrangements

ACI collectors first attempt to secure balance in full or balance in three installment payments. If a consumer is unable to pay the account in full or agree to settlement terms the next step is to achieve a monthly payment agreement. The threshold amounts set for payment arrangements and settlements, if approved, will be discussed with the Client during implementation.

Regardless of the amount, the payments are post-dated through an automated clearinghouse (ACH), arranged through Western Union or MoneyGram, or a previous agreement with the consumer to send a check or money order. If the consumer promises to send a payment, the collector generates a promise-to-pay letter that reminds the consumer of the date due and amount of the agreed upon payment.

Flexible Payment Options

ACI accepts the following payment instruments to make it easy for consumers to pay their account:

- Major Credit
- Debit Cards
- ACH from Savings and Checking Accounts
- Personal Checks
- Money Orders
- Western Union

Pre-Legal Strategy

At ACI, it is the collector's responsibility to collect the balance in full that has been placed by our client. We occasionally contact consumers with the ability to pay their debt, but choose not to do so.

In most cases, our talented collectors are able to work through the issues that they encounter with consumers and offer various options for paying their debt. Collectors ask

ACI

Affiliated Creditors Incorporated
Your Collection Partner

for immediate payment to avoid the lawsuit and the additional cost associated with litigation.

Once we have exhausted all standard collection options and the consumer still refuses to pay, we use any and all remedies available to us within the law including litigation. ACI never pursues legal action without your prior written approval.

Litigation is the final option in collections of an account. There are several factors that must be present before we consider an account for a possible lawsuit. These factors include the following:

- Is the balance large enough to warrant legal action?
- Has every possible effort to communicate with the consumer and encourage payment in full or a payment plan?
- Have we exhausted all traditional methods of collection over a reasonable period of time?
- Is the consumer employed and do they earn sufficient funds to cover the debt?
- Has the client authorized the suit?

Legal Process

Once we receive written approval from the client to pursue legal action, the papers are prepared and the account is forwarded to the attorney. From this point on, the attorney controls the account according to legal guidelines. ACI will act as the liaison between the client, the attorney, and the consumer.

At this point, the attorney files papers with the clerk of the respective court. The consumer is then served and a court date is established. This process can take up to 60 days.

If at any time during the legal proceedings, the consumer pays the claim, the suit may be suspended or result in a judgment. In all cases, ACI makes every attempt to resolve the matter before the court date. If we are able to affect a positive result, the client and the attorney are notified.

State the licenses held in the State of Tennessee;

ACI is licensed in the State of Tennessee, Please see attachment of current State License.

ACI is also licensed or permitted to collect in over 45 other states nationwide. The state of Tennessee changed the law regarding collection managers licenses. Please see State License. ACI maintains licenses or certificate's of

authority in many states requiring such and can pursue most debtors when they move outside the state of Tennessee. The exceptions to this are Alaska, Hawaii, Massachusetts, Minnesota, and for New York City proper. ACI monitors each states laws on what is permitted from a debt collector.

ACI Electronic and Web based Capabilities

Yes - Electronic capabilities, web payment, data scrub,

In 2014, ACI is going to be utilizing new technologies. The first of which is **IVR (interactive voice response)** collection technology. The IVR provides 24 hour negotiating from our letters and website to allow consumers to negotiate payments within parameters ACI sets on an individual client basis.

ACI is currently evaluating new tools to enhance production :

- **E-delivery and Payment Negotiator** are tools for consumers wanting to receive emails and text messages instead of letters to pay debts with links to our website payment portals. These tools allow the consumer to pay bill without talking to a live collector. Consumer must opt into these services from initial letter. The collection industry expects this technology to continue to increase in usage by consumers in the future.

ACI currently has 40 employees. ACI is experiencing growth in 2014 an has plans to add between 12 to 36 new collectors employees of the next 12 to 18 months depending in incoming new business. Currently 25 of the current staffing level are collectors. The average overall tenure for ACI employee is eight years, unheard of in our industry. We are proud to boast an average tenure of ten years for our client services staff, four years for bad debt collectors and two years for early-out agents, and 20 years for our management team.

ACI 's continuing education requirements for its employees;

From Educational Perspective

ACI has employees listen to webinars, teleconference and American Collectors Association videos and updates on laws and regulation changes on compliance with the FDCPA, FCRA, HIPAA, and issues with the CFPB (Consumer Financial Protection Bureau).

ACI partners with the American Collectors Association (ACA) to provide training on Professional Telephone Collection Techniques, FDCPA, and HIPAA. ACI also holds weekly training clusters for specific collectors, which consists of topics covering a 30-minute session.

The topics are aimed at improving collection techniques for specific weaknesses exhibited by specific collectors. Quarterly, training clusters are held for all collectors which consist of topics covered in 30-minute to 1 hour sessions. Additionally, as part of ACI's initial collector training,

Training includes role playing collection calls, which allows collectors to handle simulated collection calls in a test environment.

The calls are evaluated against collection standards and collectors are provided alternative methods to handle various collection situations. The results are used to assist in further training for individual collectors. ACI utilizes online training through American Collectors Associations webinars and tele-seminars to provide continued training for the collection staff. Below is American Collectors association training schedule for 2014:

New collectors are given 40 hours of training before making their first collection call. This training covers general company policies, overview of operations, HIPAA and FDCPA laws, collection techniques and procedures, using the telephone, and using the computer. After completion of training, the first 40 hours of collection calls are performed in a supervisory setting. Additionally, ACI regularly reviews call recordings to insure on-going compliance. Results of the call auditing process are used to provide on-going training for each collector.

All employees receive training prior to working accounts, as well as on-going training. Since the passage of HIPAA, FCRA, FDCPA and other state and federal regulations, we have been placed under ever increasing scrutiny and regulatory pressure. Now, more than ever, we are required to maintain a highly secure environment and ACI strives to exceed those standards.

Operational Perspective

ACI operates in full compliance to protect consumer's personal information (PI) with all federal regulations.

ACI management has policies and procedures in place that ensure data and records related to all consumer files are held and maintained in strict confidence, with access to such data and records available to personnel on a need-to-know basis only. We conduct internal audits to uncover any possible violations of federal regulations including privacy issues.

ACI maintains logs of any compliance exceptions noted by our collectors applicable to compliance and data provided by the clients. In addition, company policy requires that any employee who observes or has knowledge of inappropriate transactions and/or breach of confidentiality must report the incident immediately and in writing for confirmation.

If the findings identify a matter of client responsibility, it is reported back to the client. If the matter involves ACI's personnel, the individual in violation is either placed on formal warning or, depending upon the violation, terminated.

Staff Training

- A. Staff training shall be conducted for all employees, officials and contractors for whom it is reasonably foreseeable that they may come into contact with accounts or personally identifiable information that may constitute a risk to Affiliated Creditors, Inc. (ACI) or its customers.
- B. Director of Operations and Compliance is responsible for ensuring identity theft training for all requisite employees and contractors.
- C. Employees must receive annual training in all elements of this Program.
- D. To ensure maximum effectiveness, employees may continue to receive additional training as changes to the Program are made.

Customer Listing

- City of Lebanon Water and Gas, Lebanon TN
200 North Castle Heights Avenue
Lebanon, TN 37087
Contact: Staci Williams
(615) 444-6300

ACI services began in September 2009 and are an ongoing contract, providing collection of gas and water utility bills to the City of Lebanon.

- Escambia County EMS , Pensacola, FL
Public Safety
6575 N. "W" Street
Pensacola, FL 32505
Contact: Joe Scaldone
(850) 471-6507

EMS primarily focus is of transportation of debtors to and from home to hospitals in case of emergency and general transportation of consumers to different facilities. ACI provides primary collection services and is working a cleanup of secondary accounts placed with previous agency. ACI has provided services to

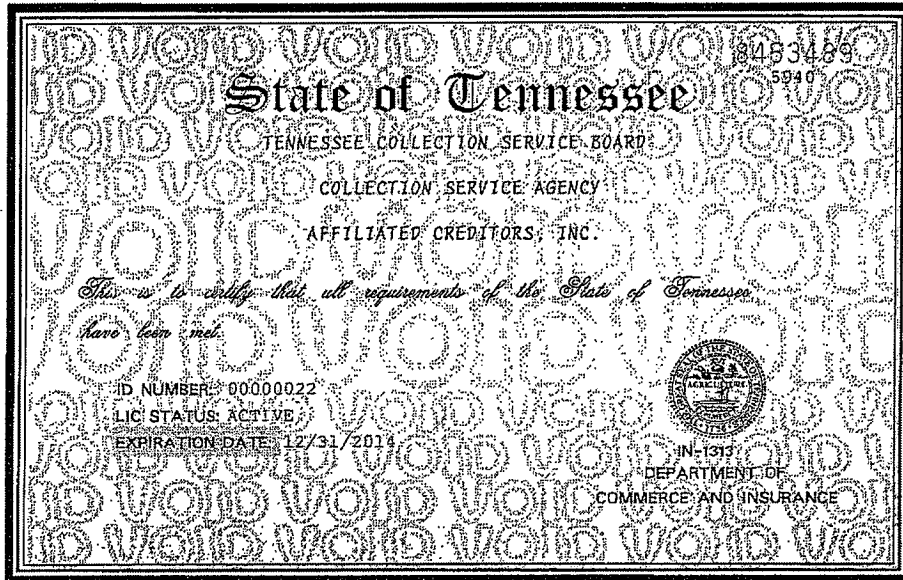
client from February 2014 to the Present. Primary placements are running 1000 new accounts per month on average.

- Maury Regional Hospital, Columbia , TN
1224 Trotwood Avenue
Columbia, TN 38401
Contact: Kirby Hedrick
(931) 381-1111

ACI provides primary collection services of healthcare debts to county hospital. ACI service began February 2009 and is an ongoing contract.

- Additionally , since 1981 has built a reputation of working with many major business throughout middle Tennessee. The following is a list of major clients in Middle Tennessee:
 - Vanderbilt university Medical Center
 - St. Thomas Health System (including the Former Baptist hospital and MTMC in Murfreesboro)
 - Williamson Medical Center – Just awarded Contract in RFP process.

ACI's State of Tennessee License.



CE7001