

SERVICE AGREEMENT

THIS AGREEMENT is between U.S. Background Screening, Inc. ("USBS") and _____ ("Client"). This Agreement is entered into on _____, 20____.

1. Services to be Provided by USBS

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

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

2. Representations of Client when ordering reports

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

B. Client represents that prior to requesting a report for employment purposes, it will:

(i) disclose to the individual who is the subject of the report that a consumer report or, as applicable, an investigative consumer report, may be obtained;

(ii) obtain the written consent of the individual allowing the obtaining of the consumer report;

(a) If client is a California employer, it agrees to include the following additional information in the disclosure and authorization/consent:

(i) Notice that an "investigative consumer report" as defined by California law, may be ordered regarding the consumer's character, general reputation, personal characteristics and mode of living,

(ii) USBS's name, address and toll-free telephone number,

(iii) The permissible purpose of the report,

- (iv) The nature and scope of the investigation to be conducted,
 - (v) Notice that the consumer can request a copy of his/her file from us during normal business hours and the procedures for doing so,
 - (vi) A checkbox where the consumer may indicate he/she would like to receive a copy of the report,
- (iii) provide to the individual a summary of the individual's rights required under the ("FCRA") and any applicable state law; and
- (a) If Client is a California employer it shall:
 - (i) Provide a copy of the report to the subject of the report if requested by the subject of the report within three (3) days from the day you receive the report from USBS.
- (iv) not utilize any information in violation of any federal or state equal employment opportunity law or regulation.
- (v) provide a reasonable amount of time prior to taking adverse employment action against the individual who is the subject of the report, when such action will be based in whole or in part upon the information contained in the report furnished by USBS, the Client will, except as otherwise provided by law, advise the subject of the intent to take adverse action and provide a copy of the report to the individual and a description, in writing, of the individual's rights under the FCRA.
- (vi) provide after taking adverse action based in whole or in part upon information contained in a report furnished by USBS, the Client shall:
- (a) provide notice of such action to the individual;
 - (b) provide the name, address and telephone number of USBS; and
 - (c) inform the individual that he/she is entitled to a free copy of the report and a right to dispute the record through USBS and that USBS is unable to provide the individual the specific reasons why the adverse action was taken by you.
- (vii) that it will comply with the FCRA and similar state laws, in regard to all reports, it will follow the requirements of the ("DPPA") and the various state laws implementing the DPPA in regard to motor vehicle reports.
- (viii) Client will maintain documentation showing compliance with these certifications for a period of six (6) years or during the employment of the subject, whichever is longer.

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

3. Compliance with Applicable Law

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

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

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

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

4. Fees for Services

A. USBS will charge a fee for each request made by Client, in accordance with USBS's current fees schedule. USBS reserves the right to change the fees charged upon thirty (30) days notice to Client. Applicable sales or other taxes will be added to all fees. Client understands that USBS may incur access charges imposed by courts and other governmental agencies which are passed along to Client in addition to fees. These costs are subject to change without notice.

B. Payment on all invoices will be due thirty (30) days after billing. For any invoice not paid within thirty (30) days, USBS will add and collect a SERVICE CHARGE of one and a

half percent (1½%) per month (or the maximum permitted by applicable law, if lower) with a minimum service charge of \$2. Client agrees to pay USBS's reasonable attorney's fees and costs incurred in enforcing the terms of this Agreement and in the collection of amounts due under this Agreement.

C. If Client prefers to pay via credit card, Client will advise USBS by checking either yes or no below and place the signator's initials by the check mark. Client hereby authorizes USBS to place charges on its credit card until notified in writing that such authorization has been withdrawn. USBS may place charges on the credit card through the day it receives the withdrawal of authorization. Client will provide USBS the credit card information including the card number, expiration date, security code, if any, credit limits and name of card holder. USBS shall be allowed to verify the account and Client's ability to maintain payment of fees charged to the account. USBS shall make charges to the credit card when reports are ordered. If any charge is rejected by the card issuer, then USBS may require Client to pay for services by different means or suspend service. Client understands that there is a "no return" policy because once an order is placed it is instantly processed.

_____ Yes, I want to use a credit card.

_____ No, I do not want to use a credit card.

5. Confidentiality of Information

A. Information provided by USBS to its Clients is considered confidential by law. Upon its receipt, Client shall treat the information as confidential. Such information shall be maintained in confidential files to which access is restricted. Only those employees who need such information to perform their job duties shall have access to the same. Client shall supply to USBS the name and phone number of the contact person or persons with whom USBS may discuss the contents of reports furnished to Client. At the time that Client disposes of any report received it shall cause such to be destroyed by cross shredding, burning or electronic destruction as required by regulations issued by the Federal Trade Commission.

B. Client acknowledges that it will receive personal identifying information on the subjects of the reports it receives. Client shall maintain reasonable procedures to protect the information from unauthorized internal or external access. Within 30 days of the execution of this Agreement, Client will outline its protections in regard to the receipt, usage and storage of this information. Client, shall, upon request, advise us of the status of Client's security measures. If Client experiences a breach of security regarding this information or discontinues any security measure, Client shall notify us within 24 business hours of the breach or discontinuance. Within seven (7) business days of such an event, Client shall advise us what steps have been taken to protect the information from the reoccurrence of the breach or to restore protection of the information.

6. Waiver and Release

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

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

C. In addition to Client's agreement to indemnify and hold us harmless in the underlying Agreement, Client agrees to additionally hold us harmless and to indemnify us from any "civil penalty" imposed upon us as a result of any act or omission of the Client. A civil penalty is any amount identified by law as a minimal recovery by a claimant without the necessity of the clamant proving actual damages in such amount.

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

7. Misuse of Information

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

8. Non-Disclosure

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

9. Termination of Agreement

A. Client may terminate this Agreement at any time upon written notice to USBS. Client will remain liable for all charges made to its account prior to termination and will promptly pay all sums due on termination.

B. USBS may terminate this agreement by providing a sixty (60) day written notice but upon the occurrence of the following events, USBS may, immediately and without notice terminate or suspend this Service Agreement:

- (i) Default in payment of charges for USBS Services;
- (ii) Misuse of information contained in a USBS report;
- (iii) Improper request for information;
- (iv) Failure of Client to comply with or assist USBS in complying with the FCRA or any other applicable law;
- (v) A material breach of this Agreement or violation of any law or regulation governing the request, use or release of the information in the reports by Client.
- (vi) Unauthorized release of information in a consumer report to a third party or the reselling of any report.

10. Notice of Change in Client's Business

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

11. Miscellaneous Provisions

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

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

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

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

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

12. Force Majeure

USBS is not responsible for any events or circumstances beyond its control that prevent it from meeting its obligations, which include but are not limited to: war, riots, embargos, strikes, disruptions in communications or acts of God.

U.S. Background Screening, Inc.
("USBS")

CLIENT (Name)

By: _____

By: _____

Address: 638 Lindero Canyon Rd, #136
Oak Park, CA 91377

Address: _____

E-mail: www.usbscorp.net

E-mail: _____