

**Recorder's Office Cover Sheet**

**Recording Requested By:**

**Name** Bobbie Williams

**Department:** Court Administrator



00161861202209913260230230

KAREN ELLISON, RECORDER

---

**Type of Document: (please select one)**

- Agreement
- Contract
- Grant
- Change Order
- Easement
- Other specify: \_\_\_\_\_

**CONTRACT FOR PRODUCTS AND SERVICES BY AN INDEPENDENT CONTRACTOR**

A CONTRACT BETWEEN

**DOUGLAS COUNTY, NEVADA**

AND

**VALLEY COLLECTION SERVICE, LLC**

**FILED**

**NO. 2022.248**

**10/31/2022**

**DATE**

**DOUGLAS COUNTY CLERK  
MINDEN, NV**

**BY MP DEPUTY**

This Contract for Services by an Independent Contractor (the "Contract") is entered into by and between Douglas County, a political subdivision of the State of Nevada (the "County"), and *Valley Collection Service, L.L.C., an Arizona limited liability company registered with the Nevada Secretary of State (NV 20111646103)* ("Contractor" or "VCS"). The County and Contractor are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

**WHEREAS**, Douglas County, a political subdivision of the State of Nevada, from time to time requires the services of independent contractors; and

**WHEREAS**, it is deemed that the services of Contractor herein specified are both necessary and desirable and in the best interests of Douglas County; and

**WHEREAS**, Contractor represents that Contractor is duly qualified, equipped, staffed, ready, willing and able to perform and render the services hereinafter described.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants herein made, the County and Contractor mutually agree as follows:

**1. TERM AND EFFECTIVE DATE OF CONTRACT.** The Contract will become effective on January 1, 2023 ("Effective Date"). This Contract will remain in effect until it is terminated as set forth in Paragraph 6. Time is of the essence in this Contract.

**2. INDEPENDENT CONTRACTOR STATUS.** The Parties agree that Contractor, his associates and employees shall have the status of an independent contractors and that this contract, by explicit agreement of the parties, incorporates and applies the provisions of NRS 333.700, as necessarily adapted to the parties, including that Contractor is not a Douglas County employee and that there shall be no:

- 1) Withholding of income taxes by the County;
- 2) Industrial insurance coverage provided by the County;
- 3) Participation in group insurance plans which may be available to employees of the County;

- 4) Participation or contributions by either the independent contractor or the County to the public employees' retirement system;
- 5) Accumulation of vacation leave or sick leave;
- 6) Unemployment compensation coverage provided by the County if the requirements of NRS 612.085 for independent contractors are met.

Contractor and County agree to the following rights and obligations consistent with an independent contractor relationship between the Parties:

- a. Contractor has the right to perform services for others during the term of this Agreement.
- b. Contractor has the sole right to control and direct the means, manner and method by which the services required by this Agreement will be performed.
- c. Contractor shall not be assigned a work location on County premises.
- d. Contractor, at Contractor's sole expense, will furnish all equipment and materials used to provide the services required by this Agreement.
- e. Contractor, at Contractor's sole expense, has the right to hire assistants as subcontractors, or to use Contractor's employees to provide the services required by this Agreement.
- f. Contractor or Contractor's employees or contract personnel shall perform the services required by this Agreement, and Contractor agrees to the faithful performance and delivery of described services in accordance with the time frames contained herein; County shall not hire, supervise or pay any assistants to help Contractor.
- g. Neither Contractor nor contractor's employees or contract personnel shall receive any training from County in the skills necessary to perform the services required by this Agreement.
- h. County shall not require Contractor or Contractor's employees or contract personnel to devote full time to performing the services required by this Agreement.
- i. Contractor understands that Contractor is solely responsible to pay any federal and state taxes and/or any social security or related payments applicable to money received for services provided under the terms of this contract. Contractor understands that an IRS Form 1099 will be filed by County for all payments County makes to Contractor.

**3. INDUSTRIAL INSURANCE.** Contractor further agrees that, prior to the commencement of any work and as a precondition to any obligation of the County to make any payment under the Contract, Contractor will provide the County with a work certificate and/or a certificate issued by a qualified insurer in accordance with NRS 616B.627. Contractor also agrees that, prior to commencing any work under the Contract, Contractor will complete and provide evidence to the County that Contractor has made the following written request to Contractor's insurer:

*Valley Collection Service, LLC has entered into a contract with Douglas County, and requests that an authorized insurer provide to Douglas*

County: (1) A certificate of coverage issued pursuant to NRS 616B.627 and (2) Notice of any lapse in coverage or nonpayment of coverage that the Contractor is required to maintain.

The certificate and notice should be mailed to:

Douglas County  
East Fork Justice Court  
ATTN: Court Administrator  
Post Office Box 218  
Minden, Nevada 89423

Contractor agrees to maintain all required workers' compensation coverage throughout the entire term of the Contract. If Contractor does not maintain the required coverage throughout the entire term of the Contract, Contractor agrees that the County may, at any time the coverage is not maintained by Contractor, order the Contractor to stop work, suspend the Contract, or terminate the Contract at the sole discretion of the County. For each six-month period this Contract is in effect, Contractor agrees, prior to the expiration of the six-month period, to provide another written request to the insurer for the provision of a certificate and notice of lapse in, or nonpayment of, insurance coverage. If Contractor does not make the request or does not provide the certificate before the expiration of the six-month period, Contractor agrees that the County may order the Contractor to stop work, suspend the Contract, or terminate the Contract at the sole discretion of the County.

Contractor may, in lieu of furnishing a certificate of an insurer, provide an affidavit indicating that he is a sole proprietor and that:

- A. In accordance with the provisions of NRS 616B.659, has not elected to be included within the terms, conditions and provisions of chapters 616A to 616D, inclusive, of NRS; and
- B. Is otherwise in compliance with those terms, conditions and provisions

**4. SERVICES TO BE PERFORMED.** The Parties agree that the Contractor will perform services related to: Collection of Court Fees as assigned. The Services are more particularly described and shall be completed in accordance with the requirements and assurances set forth in Exhibit A hereto.

To avoid any confusion, the Parties agree that the Court Administrator, as the County's designee, may assign the Contractor, to collect from a defendant, unpaid and delinquent fines, penalties, administrative assessments, and other fees (collectively the "Delinquency") consistent with NRS 176.064. In addition to the Delinquency, the assigned case will include a court-imposed "collection fee" as provided in in NRS 176.064(1).<sup>1</sup> Once assigned to Contractor, the County will not accept direct payments on a Delinquency or associated collection fee, but will

---

<sup>1</sup> This Contract assumes that cases will not be assigned to Contractor unless the imposed "collection fee" is equal to no less than the lesser of (1) 25% of the Delinquency; or (2) the maximum allowable statutory amount (see NRS 176.064(1)).

forward or refer such payments to Contractor. Money collected by Contractor will be applied in the following manner: For Delinquencies under \$1000, any funds received will be divided 80% toward the Delinquency and 20% toward the collection; for Delinquencies of \$1000 or more, any funds received will be divided 90% toward the Delinquency and 10% toward the collection fee. When the Delinquency balance is zero (0), the remaining funds will be applied to the collection fee. Contractor will retain, in its client trust account, money collected on a Delinquency or collection fee until either (1) the Delinquency is fully recovered; (2) the case is recalled by the Justice Court as set forth below, or (3) this contract is terminated.

A Delinquency is deemed fully recovered when Contractor collects the full Delinquency and the full collection fee. Once the Delinquency is fully recovered, Contractor will notify the County as set forth in Exhibit A, and Contractor will promptly remit payment of the full Delinquency to the County.

Consistent with NRS 176.0647, any delinquent fine, administrative assessment or fee (including collection fee) owed by a defendant who committed a minor traffic offense will be deemed uncollectible if it remains impossible or impracticable to collect after 10 years. At that time, the Court Administrator may "call back" or "recall" the case from Contractor and submit it to the Court for further disposition. Upon recall, Contractor shall pay to County any retained partial payment on the Delinquency.

Contractor also understands that it is not entitled to an exclusive relationship with the County. The County may contract with other entities to perform the same or similar work, provided, of course, that the County will not assign a single delinquency or case to more than one entity for collection.

**5. PAYMENT FOR SERVICES.** Contractor agrees to provide the services set forth in Paragraph 4 with no regular payment or minimum payment guarantee from the County. Instead, Contractor will, consistent with NRS 176.064, be entitled to retain the court imposed "collection fee" upon each Delinquency fully recovered by Contractor pursuant to Paragraph 4. Should amendments to NRS 176.064 become effective during the term of this Contract, then the Contract will automatically terminate upon the effective date of such amendments unless the Parties execute a mutually agreed upon contract amendment aligning the contract and exhibits to the updated statutory language.

**6. TERMINATION OF CONTRACT.** Either Party may terminate the Contract with or without cause upon 90 days advanced written notice to the other, as further set forth herein. Provided, however, that except as otherwise set forth in this Contract, early termination will not relieve a Party of any obligation that became due prior to the date of termination. If this clause is exercised, the following process will apply: Unless a later date is stated in the writing, a notice to terminate will be effective upon delivery (see Paragraph 24), and the "Termination Date" will be 90 days thereafter. Unless legal constraints (e.g. Contractor's loss of license, see Paragraph 7) require earlier cessation, County will cease the assignment of cases for collection to Contractor by no later than 60 days before the Termination Date. Upon the Termination Date, Contractor shall pay to County any retained partial payment on any delinquency. Contractor shall forward all records pertaining to partial payments.

**7. LICENSING.** Contractor agrees to maintain any required licenses, authorizations,

approvals, bonds, or certifications to perform any services for County. The failure to maintain any required license will result in immediate termination of this Contract.

**8. NONAPPROPRIATION.** All payments required pursuant to the Contract are contingent upon the availability of County funds. In accordance with NRS 354.626 and any other applicable provision of law, the financial obligations between the Parties will not exceed those monies appropriated and approved by the County for the Contract for the then current fiscal year under the Local Government Budget Act. The Contract will terminate and the County's obligations will be extinguished if the County fails to appropriate the necessary funding.

Nothing in the Contract will be construed to provide Contractor with a right of payment from any entity other than the County. Any funds budgeted by the County pursuant to the terms of the Contract that are not paid to Contractor will automatically revert to the County's discretionary control upon the completion, termination, or cancellation of the Contract. The County will not have any obligation to re-award or to provide, in any manner, the unexpended funds to Contractor. Contractor will have no claim of any sort to the unexpended funds.

**9. CONSTRUCTION OF CONTRACT.** The Contract will be construed and interpreted according to the laws of the State of Nevada. There will be no presumption for or against the drafter in interpreting or enforcing the Contract. The Contract Documents consist of this document, and Exhibit A. The Parties agree to be bound by the terms, conditions and specifications set forth in all Contract Documents, except as specifically modified or amended. The terms of the Contract Documents shall, to the extent reasonably practical, be read as complimentary to one another. In the event of an irreconcilable conflict between the terms of the Contract Documents, the terms of this document shall prevail, thereafter the terms of Exhibit A.

**10. DISPUTE RESOLUTION.** In the event a dispute arises between the Parties, the Parties promise and agree to first meet and confer to resolve any dispute. If such meeting does not resolve the dispute, then the Parties agree to mediate any dispute arising from or relating to the Contract before an independent mediator mutually agreed to by the parties. The fee, rate or charge of the mediator will be shared equally by the Parties, who will otherwise be responsible for their own attorney's fees and costs. If mediation is unsuccessful, litigation may only proceed before a department of the Ninth Judicial Court of the State of Nevada in and for the County of Douglas that was not involved in the mediation process and attorney's fees and costs will be awarded to the prevailing party at the discretion of the court.

**11. COMPLIANCE WITH APPLICABLE LAWS.** Contractor promises and agrees to fully and completely comply with all applicable local, state and federal laws, regulations, orders, or requirements of any sort in carrying out the obligations of the Contract, including, but not limited to, all federal, state, and local accounting procedures and requirements, all hazardous materials regulations, and all immigration and naturalization laws, and all laws related to the collection of debt.

**12. ASSIGNMENT.** Contractor will neither assign, transfer nor delegate any rights, obligations or duties under the Contract without the prior written consent of the County.

**13. COUNTY INSPECTION.** The books, records, documents and accounting procedures and practices of Contractor related to the Contract will be subject to inspection, examination and audit by the County, including, but not limited to, the contracting agency, the County Manager, the District Attorney, and, if applicable, the Comptroller General of the United States, or any authorized representative of those entities.

**14. DISPOSITION OF CONTRACT MATERIALS.** Any books, reports, studies, photographs, negatives or other documents, data, drawings or other materials prepared by or supplied to Contractor in the performance of its obligations under the Contract (the "Materials") will be the exclusive property of the County and all such materials will be remitted and delivered, at Contractor's expense, to the County by Contractor upon the completion, termination or cancellation of the contract. Alternatively, if the County provides its written approval to Contractor, the Materials must be retained by Contractor for a minimum of six years after Contractor's receipt of the final payment from County and all other pending matters are closed. If, at any time during the retention period, the County, in writing, requests any or all of the Materials, then Contractor will promptly remit and deliver the materials, at Contractor's expense, to the County. Unless the County has requested the remittance and delivery by Contractor of the Materials, Contractor will not use, willingly allow or cause to have such Materials used for any purpose other than the performance of Contractor's obligations under the terms of the Contract without the prior written consent of the County.

**15. PUBLIC RECORDS LAW.** Contractor expressly understands and agrees that all documents submitted, filed, or deposited with the County by Contractor, unless designated as confidential by a specific statute of the State of Nevada, will be treated as public records pursuant to NRS chapter 239 and shall be available for inspection and copying by any person, as defined in NRS 0.039, or any governmental entity. Contractor expressly and indefinitely waives all of its rights to bring, including but not limited to, by way complaint, interpleader, intervention, or any third party practice, any claims, demands, suits, actions, judgments, or executions, for damages or any other relief, in any administrative or judicial forum, against the County or any of its officers or employees, in either their official or individual capacity, for violations of or infringement of the copyright laws of the United States or of any other nation.

**16. INDEMNIFICATION.** Contractor agrees to indemnify, defend, and save and hold the County, its agents and employees harmless from any and all claims, causes of action or liability arising from or related to Contractor's negligent performance pursuant to the terms of the Contract by Contractor or Contractor's agents or employees.

**17. MODIFICATION OF CONTRACT.** The Contract and the attached exhibits constitute the entire agreement and understanding between the Parties and may only be modified by a written amendment signed by both of the Parties.

**18. AUTHORITY.** The Parties represent and warrant that they have the authority to enter into this agreement. Each signatory individually warrants that he or she is authorized to sign on behalf of the party for whom he or she is signing.

**19. STANDARD OF CARE.** Contractor will perform all services in a manner consistent with that level of care and skill ordinarily exercised by other members of Contractor's profession currently practicing in the same locality under similar conditions.

**20. WAIVER OF LIEN.** Contractor understands and agrees that the services it will render to the County are not intended for the improvement of real property or to otherwise grant any rights to Contractor pursuant to NRS chapter 108.

**21. THIRD PARTY BENEFICIARY.** Nothing contained in this Agreement is intended to convey any rights or to create a contractual relationship with any third party or to otherwise allow a third party to assert a cause of action against either Contractor or County.

**22. FORCE MAJEURE.** Neither Party shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder due to protests, strikes, legal impossibility, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, emergencies or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event, the intervening cause must not be through the fault of the Party asserting such an excuse, and the excused Party is obligated to promptly perform in accordance with the terms of this Agreement after the intervening cause ceases.

**23. WAIVER.** The County's failure to insist upon Contractor's performance of any obligation hereunder shall not constitute a waiver of the County's right to enforce that obligation and the County may require compliance with that obligation or any other obligation at any time.

**24. NOTICES.** All notices, requests, demands and other communications hereunder must be in writing and will be deemed delivered when sent via certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

**To County:** Douglas County  
Attn: Court Administrator  
Post Office Box 218  
Minden, Nevada 89423

**To Contractor:** Valley Collection Service, LLC  
17431 North 71<sup>st</sup> Dr. Ste 104  
Glendale, AZ 85308

**25. CONFLICT OF INTEREST.** By signing the Contract, Contractor agrees that any information obtained from Douglas County, in whatever form, will not be divulged to other competing interests without the permission of the County Manager. In the event of a breach of this provision, Douglas County may immediately withdraw, without penalty or any payment,



from the Contract. Contractor must notify Douglas County of any other contracts or projects Contractor is working on that may impact Douglas County.

**IN WITNESS WHEREOF**, the Parties hereto have caused the Contract to be signed and intend to be legally bound thereby.

**Valley Collection Service, LLC**

By: *Scott Ma...*

10/4/2022

(Date)

**Douglas County**

By: ???? (Date)

from the Contract. Contractor must notify Douglas County of any other contracts or projects Contractor is working on that may impact Douglas County.

**IN WITNESS WHEREOF**, the Parties hereto have caused the Contract to be signed and intend to be legally bound thereby.

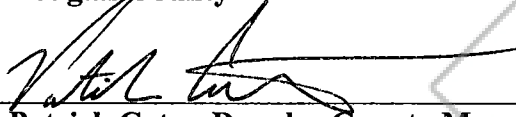
**Valley Collection Service, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

(Date)

**Douglas County**

By:  \_\_\_\_\_  
**Patrick Cates, Douglas County Manager**

10/26/22  
(Date)



**ALLEY COLLECTION SERVICE, LLC**

17431 N. 71<sup>st</sup> Drive, Suite 104, Glendale, AZ 85308  
(623) 931-4325, Fax (623) 934-4041  
Toll Free: 1-800-244-9665

# **East Fork Justice Court Collection Pamphlet**

*Prospectus Proposal for Collection Services*

## *Contact Information*

**Scott Maxam, Collections Manager/Member**

[scott@valleycollection.com](mailto:scott@valleycollection.com)

Telephone: (800) 244-9665  
(623) 931-4325 x 216

Facsimile: (623) 934-4041



Dear Prospective Client:

Valley Collection Service, LLC was established in Arizona in 1980 and has been servicing our government based clients ever since. In the area of all collections, and specifically Court collections, we have the trained personnel, management resources, operational capability, technical resources, years of experience, customized service, timely management reports, superior collection services and overall excellence that today's clients demand. As professionals, we rely on experience and knowledge to determine which procedure facilitates the best results. To better serve our diverse clients, we have bilingual staff members on duty at all times.

Our hands-on approach to the collection process facilitates efficient debt recovery. Our average court collection success rate is well above the national average collection rate. We accomplish this higher-than-average collection rate by keeping our primary focus on providing unparalleled collection service to our clients, and treating both clients and defendants with the utmost respect. Prompt follow up and follow through top our list of priorities for each and every account. This has led for us to continue to grow our large nationwide court client base.

We have a clean record with the Better Business Bureau (an A+ rating) and are proud that Valley Collection Service, LLC has never had a conviction for a criminal or civil offense let alone any court action of any kind against us. This is a rarity in the collections industry and allows us to provide a strong assurance that we represent our clients in the best possible way.

At Valley Collection Service, LLC we strive to add an emphasis to the relationship developed between ourselves and our clients. We will customize our collection and reporting efforts to ensure the least amount of time is expended by the Court's employees. Our contingency rate is lower than most other agencies collecting for courts while our success rate is higher. We are confident that after you have read our brochure and contacted our references you will find we are the best collection agency to serve your needs. Please give me a call at (623) 299-9111 if you any questions. If you require further detail to anything in this pamphlet, I can gladly provide a full proposal to the Court. I look forward to further discussing our collection services which can significantly improve the revenue generated by your court.

Sincerely,

Scott A Maxam  
Collections Manager/Member

## Collections Statement

*The primary focus of Valley Collection Service, LLC is to provide unparalleled collection service to our clients, and to treat our clients and debtors/defendants with respect. Our collection goal is to reach the debtor/defendant as quickly as possible and to obtain a payment agreement from them. We focus on prompt Follow-Up and Follow-Thru on each individual account to maximize collections for our clients.*

## Governmental Collections – A Valley Collection Service, LLC Specialty

Valley Collection Service, LLC has a firm understanding of how to collect on delinquent accounts for our client base majority. This is proven by the fact that we have been in existence and actively providing collection services since 1980. We value the importance of ensuring justice amongst all citizens by enforcing the fact that financial obligations to the Court cannot be ignored.

Our specialization is in government collections, which we started doing in 1984. This can be evidenced by contacting some of the municipalities we provide our services for. Our higher than industry average success rate on court and municipal collections has kept our satisfied clients working with us for years. Unlike many of our competitors, we do not have a minimum threshold of accounts that must be assigned in a given time period. Our client base ranges from a court sending an average of 2,000 accounts a month to clients who send an average of 5-10 accounts a month. Other clients will send accounts to us quarterly or semi-annually. Some companies will accept a minimal amount of accounts, but only give maximum efforts to their larger clients. That is not the case at Valley Collection Service, LLC. We customize our collection efforts to the volume and type of account assigned.

A few of our governmental clients that have larger population bases that we collect for are: City of Phoenix, Peoria, AZ, Mesa, AZ, Overland Park, KS, Reno, NV, Scottsdale, AZ, Chandler AZ and Salt Lake City UT. These municipalities are listed to show we are more than capable of effectively collecting on the accounts that would be assigned. We are a multi-state collection agency which is fully licensed and excited about the opportunity to continue to grow nationwide.

## Ethical Collections

While it is the focus of Valley Collection Service, LLC to maximize collections for the client, it is also very important for us to do this with an ethical approach. This approach allows us to maintain a clean record with the Better Business Bureau and a clear conscience. We also feel that it is a good business practice.

As part of a new hire's orientation, we require them to sign the following Code of Ethics statement. We make sure that we revisit this policy periodically with all of our employees to guarantee that all of our collection activities are aligned with our behaviors.

**CODE OF ETHICS FOR ALL EMPLOYEES**

There are many state, local, and federal laws governing the proper procedure for collection of an outstanding debt. I understand that it is my obligation to follow each of those laws. To treat debtors, co-workers, and clients in the same manner in which I wish to be treated. To clearly, honestly and frankly document the steps taken in work that I have performed. I also understand that I have access to extremely confidential information and that it is my responsibility to respect and protect the privacy of debtors, defendants, clients and co-workers. When I am communicating with others, I must assure that I avoid the appearance of harassment, rudeness or non-cooperation. It is my goal to handle matters in such a way as to avoid complaints and conflicts. I understand that it is extremely important not to make professional legal recommendations and to only tell the debtor the honest facts about their account.

**Collection Methods**

***Within 24 hours of receiving defendant information:***

- Information provided by the client about the defendant is recorded into our computer system. We accept accounts in any method that is easiest for the Court and will pay for any upgrades to make our systems compatible with the Court
- Address and phone numbers are immediately verified through our National Change of Address databases. Skip-traces are performed where needed.
- Within 24 hours of uploading defendant information, an initial written notice as required by the Fair Debt Collection Practices Act (FDCPA) guidelines is sent out to the defendant and recorded into our system.

***After 10 business days:***

- A phone call may be placed to a defendant if we have not received communication regarding a payment arrangement after the initial notice being mailed.

***After 35 business days:***

- Continued efforts are made to obtain either a payment in full or partial payment arrangement.
- A second notice is sent to the defendant regarding the account.
- We will continue to make efforts to reach the defendant by a series of notices and phone calls to the defendant until a satisfactory payment arrangement has been made.
- Each defendant is contacted by phone or by a mailed notice at a minimum of once every thirty days until adequate payment has been achieved and the account has been closed.
- Skip-tracing searches are performed any time we receive a mail return on an assigned account.

A series of telephone calls and notices are sent on until payment is received with increased levels of urgency to pay the outstanding balance. We will continue to send notices and call the debtor until we have received payment in full or the account has been recalled. We do not stop trying to communicate with the debtor after a predetermined quantity of attempts to collect on a debt. We are very careful regarding our collection attempts as to not harass an individual based on the Fair Debt Collection Practices Act.

#### **Standard Collection Activities Performed:**

- Dispute and Problem Resolution
- Running Skip-tracing programs to locate current address information
- Informing defendant to speak to Court with any matters that can not be satisfied with Valley Collection Service, LLC (failure to appears)
- Providing our Clients timely reports of payments made
- Assisting defendants in developing a plan to successfully meet their financial obligations to the Court
- Written and telephonic communication with defendants

#### **Notices and Phone Calls**

At Valley Collection Service, LLC, we have a series of notices and phone scripts of various degrees of urgency to have a defendant pay their outstanding account. Our debt collection attorney has reviewed each notice and phone script to ensure that we are compliant with all collection laws. Some of our communications inform the defendant that their license **MAY** be suspended. These notices are only sent on cases pertaining to traffic violations. We have felt addressing this is extremely useful in the fact many individuals claim they are not aware that their license has been suspended because of the delinquent account. If it is your wishes for this notice (or any of our notices) not to be sent to a defendant, we will abide by the wishes of the Court. Copies of our notices and phone scripts can be provided upon request.

#### **Payments**

We will notify the court daily of any payment in full made by an individual by fax or email unless otherwise requested by the Court. All payments received are immediately deposited into our Client trust account. Payment reports accompany remittance of payment to the court at the agreed upon frequency the Court requires.

A collector can assist the defendant in making a payment in full immediately. The preferred methods of payment in this instance are guaranteed funds (cash, money order, or official check). We do not charge any additional fees to the debtor when they make a payment using their debit/credit card. During office hours, we will have one of our collectors take all pertinent credit/debit card information to make a payment in full. Payments can be made on our secure website [valleycollection.com](http://valleycollection.com) at any time. When an individual is trying to have driving privileges reinstated, we can notify the Court immediately to let them know that payment has been made in full. We can do this by sending a receipt through our SFTP

channels, emailing a designated court employee, or faxing over copies of a paid in full receipt based on the Court's request.

We also have designated bank accounts at Chase and Wells Fargo that allows the debtor to make a cash only deposit into this account if they want to pay their account immediately. Our requirement for this deposit is for the individual to call us immediately after they make cash payment so we can verify the funds online. If the bank allows, we will immediately fax a paid in full receipt for the debtor to the branch the deposit was made at. If we are unable to do this, we will simply mail the receipt to the individual. Many out of state debtors have thanked us for this option stating that it is an extra "service added" that they don't experience from other companies. Wire transfers can be made into this account as well.

### **Account Transfer**

Before Valley Collection Service, LLC can begin working on a single account; there must be a secure and reliable flow of data as necessary for the completion of our services. We are able to accept data from the Court in whichever manner they prefer. These transmissions follow the American Collectors Association rules and regulations insuring the safeguarding of information. Our preferred method of sending and receiving data from our clients is through a FTP feed based on the security systems that are implemented in this transfer medium. We currently have clients send their data through FTP feeds such as Filezilla (Overland Park Municipal Court), Secure FTP (the City of Mesa) along with other programs different courts and municipalities use to send over their accounts. After we receive the file through the secure FTP transfer, we upload the data directly into our collection software. This is the method that most of our larger clients use in transferring data to us and is usually done through.

VCS would be able to accept and transmit this data in batch or in real-time, if the Court ever requested. Encrypted data generally takes 24-48 hours to convert the first time it is sent over to Valley Collection Service, LLC depending on the complexity of the conversion. Subsequent conversions will be performed immediately upon receipt. Information can also be transmitted by the Court to VCS regarding close-outs or changes through secure FTP or any other method. If it is the Court's preference, this can also be done by data files, hard copies, or email notifications by an authorized individual of the Court.

Our sub-contracted IT Company, Spectrum Technology Solutions, has developed the necessary architecture to support the transmission of data in the Court's preferred method. We agree to fully comply with all of the Court's standards, software standards, and codes set forth in regard to data transmission and security. We acknowledge that we would be responsible for all hardware and software costs, costs to ensure compatibility of the transmissions between VCS and the Court, the database programming costs associated with the processing of Court data along with the accommodation of any future system upgrades.

### **Security and Confidentiality**



Valley Collection Service, LLC treats all information as confidential and uses information only as necessary for the proper discharge of its obligations and protection of their rights. Under no circumstances is any customer information given or sold to a third party. Our offices are well secured at night to protect the information that has been entrusted to us. Client information is stored on a secure network drive that resides in a secured room. Only authorized personnel can access the secured server. Valid user and password protection secure access to the network drive.

## **Compliance**

We are fully licensed, bonded, and insured in all states that we conduct business. As a collection company it is essential to our existence to be compliant with all applicable provisions of the Fair Debt Collection Practices Act, along with all other Federal, State of Nevada and Local Collection laws. Through our membership in the national chapter of the American Collector's Association, the leading authority of ethical collections in our industry, we are made aware of changes in the consumer and collection agency laws long before they become effective. We also have on retainer an attorney who specializes in Nevada debt collection law and advises us on changes in laws applicable to our industry.

Well-trained and ethically sound employees are at the core of our business. Extensive background checks are performed on all of our employees. Each employee is given a training manual and is tested on the material. We retest our staff every 3-6 months to ensure optimal knowledge of collection laws and techniques, in order to maintain strict compliance to all local, state and federal guidelines. Employees are only allowed to make telephone contact with defendants after they have passed the required exams. In addition, employees are required to take continuing education through attendance at various American Collectors Association seminars and teleconferences. Employees are then tested on their understanding of the Acts and amendments to the Acts.

## **Technology**

At Valley Collection Service, LLC we strive to stay on the cutting edge of technology to ensure that we are maximizing our collection efforts for our clients. Our collection software was custom made for our company to ensure all collection activities are being performed effectively and efficiently. Updates are performed to stay current with all collection law. Our IT Director is on call with the company 24/7 to ensure that our systems are running smoothly for both ourselves and our clients. If there are any compatibility issues between our systems and our clients, our IT director will make us compatible to our client with all costs of this borne by Valley Collection Service, LLC.

## **Differentiated Collection Services for the Court**

Valley Collection Service, LLC is confident that it stands above the typical collection agency through our integrity and professionalism. There are few collection agencies with our experience, and not a single one of them has our history of persistency while maintaining a clean complaint record when it comes to collecting outstanding accounts receivables. We

take great efforts to collect all accounts in a way that is respectful to the defendant, stays compliant with all collection law while effectively collecting for our clients. When we get an account, we follow-through with the debtor/defendant until the money is collected.

VCS works very hard to maintain a cooperative working relationship and open communications with all of our clients and would do so with the Court. We welcome the opportunity to speak with the Court about their accounts at any time and will cooperate with any requests that the Court makes. We also would commit to have one of the members come out annually to speak to court administration and staff to ensure that the Court is completely satisfied with the collection efforts being performed. We will communicate any updates in collection laws to the Court as necessary (such as the changes that recently occurred with the National Consumer Assistance Plan). As members of the American Collectors Association, along with our retainers with different collection attorneys, we are made aware of these changes. We have found that these meetings are a benefit to our client because it reinforces the commitment that we have to the court while also further promoting the accountability our management team has to our clients. It can also be very beneficial to both the Court and to VCS as it fosters the relationship between client and vendor and ensures everybody is on the same page to effectively execute the Court's collection program.

Our collection goal is to reach your debtors as promptly as possible and to obtain a payment in full to achieve maximum possible recovery. We do this while treating each person we deal with respectfully and with the dignity that they deserve. Valley Collection Service, LLC will assign its court collection team to the accounts that the Court turns over. If an individual collector appears to be "stuck" on a particular account, we will assign it to a different collector within their team to see if they can achieve better results. Sometimes all it takes is a different voice or a slightly different approach to get the individual to pay.

We attempt to collect the balance in full while assessing a debtor's ability to pay the debt owed. We hold our debtors accountable to the commitments they make to pay in full their account, but do so without harassing or disrespecting them. Many collection agencies simply rely on technology to get a debtor to pay; we rely on a combination of our state of the art computer system with a more personal touch from our collectors to get payment in full on an account. We hold our collectors accountable to getting the job done. We look for and only hire those individuals who want to do the work, who can do the work, and who will do the work effectively.

We employ a hands-on management approach and carefully monitor all activities per the requirements of our clients. Account managers are assigned to small teams. It is their job to monitor their assigned accounts to verify that we are exceeding the targeted collection success rate for each of our clients. If we are not hitting this objective for a client, collection efforts are redirected until we have reached this benchmark. When we are hitting this objective, we still continuously pursue payment in full so that we can increase our benchmarks and exceed the expectations of our clients.

VCS customizes all collection efforts based on the needs of the Court and will adjust our management techniques accordingly. We are a company in which all levels of management get involved with the collection efforts for its clients, but do not allow excessive layers of

management to get in the way of the effective collection of your accounts. The members of the company are on site every day overseeing the operations of the company and making final decisions on both general matters for our clients along with individual debtor concerns. Our team leads will review the Court's reports in detail with a member of the company on Friday afternoon. Upper management will then perform a status meeting with the team of collectors working on the Court's accounts to make sure we are most effectively collecting for our clients. Our management team holds themselves responsible in making sure that all collection goals are met for the Court and will be personally available to discuss our collection efforts. This is different than a lot of other companies, where the client will not ever meet the higher levels of management.

While most collection agencies have small account balance thresholds, VCS does not. We consistently work all accounts until we have achieved our goal of collecting the full amount. Many small account balances can add up to larger amounts, so we treat every account the same regardless of the amount owed. Letters are sent out and phone calls are made until we have achieved this goal.

Additionally, our service-with-results philosophy includes:

- 
- ✓ Answering client and debtor inquiries the same day they are received.
  - ✓ Contacting debtors both in writing and by phone.
  - ✓ State-of-the-art collection software system.
  - ✓ Advanced skip-tracing database searches.
  - ✓ Adhering to the highest standards of professional customer service.
  - ✓ Keeping open lines of communication.
  - ✓ Maintaining accurate historical and transactional databases
  - ✓ Taking legal action only after client approval.
  - ✓ Treating debtors with the utmost respect.
  - ✓ Prompt *follow-up* and *follow-through* top our list of must do's.
  - ✓ Bilingual professional staff.
  - ✓ Online access for our clients.
  - ✓ Custom client reporting.
  - ✓ Excellent compliance record with state and federal regulatory authorities.
  - ✓ Payment by Western Union Systems, credit and debit card, check-by-phone, cash, money order, cashier's check, direct bank deposits and wire transfers.
  - ✓ Payments can be made over the phone, by mail, in person, online, or directly to our designated bank account.
- 

We are accredited members of the Better Business Bureau (A+ rating) and members of multiple Chambers of Commerce. We strongly promote our ACA membership as they are the leading ethical authority in the collections industry. These memberships, coupled with our in-house capabilities, give us performance efficiencies that exceed our competition. Our clients place their trust in us to collect on their receivables based on our industry experience, cutting-edge technology, financial stability, and the exceptional customer service we provide to the debtor/defendant along with our client.

## Nevada References

**Clark County Rural Justice Courts** – Karen Powell – Court Administrator – 330 S Third St #1020B, Las Vegas, NV 89101 **Phone:** (702) 455-4147

**Tonopah Justice Court** – Judge Jennifer Klapper – Justice of the Peace – PO Box 1151, Tonopah NV 89049, **Email:** [Kjklapper@co.nye.nv.us](mailto:Kjklapper@co.nye.nv.us) **Phone:** (775) 482-8155

**North Las Vegas Justice Court** – Terri March – Court Administrator – 2428 N Martin Luther King Blvd, North Las Vegas, NV 89032 **Phone:** (702) 455-7817

**Please see a listing of the courts we service in the State of Nevada:**

1. Argenta Township Justice Court
2. Beatty Justice Court
3. Boulder City Justice Court
4. Boulder City Municipal Court
5. Bunkerville Justice Court
6. Canal Township Justice Court
7. Dayton Township Justice Court
8. Ely Justice Court
9. Ely Municipal Court
10. Esmeralda Township Justice Court
11. Eureka County District Court (7<sup>th</sup> Judicial District)
12. Eureka Justice Court
13. Fernley Municipal Court
14. Hawthorne Township Justice Court
15. Henderson Municipal Court
16. Incline Village Justice Court
17. Lake Township Justice Court
18. Laughlin Justice Court
19. Meadow Valley Justice Court
20. Mesquite Municipal Court
21. Moapa Justice Court
22. Moapa Valley Justice Court
23. New River Justice Court
24. North Las Vegas Justice Court
25. Pahrnagat Valley Justice Court
26. Pahrump Justice Court
27. Reno Justice Court
28. Reno Municipal Court
29. Searchlight Justice Court
30. Sparks Township Justice Court
31. Sparks Township Municipal Court
32. Tonopah Justice Court
33. Union Township Justice Court

- 34. Virginia Township Justice Court
- 35. Wadsworth Justice Court
- 36. Walker River Justice Court
- 37. White Pine County District Court

**Contingency Fee**

Valley Collection Service, LLC works on a contingency fee of **20%** as allowed by NRS176.064. Please see paragraph three of the sample contract or the following page to see how the breakdown works. This fee is added to the balance owed to the Court so 100% of the balance owed is received by the Court. This contingency fee is the only compensation we receive for collection of any of the Court’s accounts. There are no start-up fees or hidden costs associated with any of our collection activities.

**Collection Fee Breakdown Examples- Per NRS 176**

<u>Dollar Amount</u>	<u>Collection Fee (CF)</u>	<u>Example</u>
\$0 - \$500	20%	\$400 (owed court) x20% = \$80 CF Total amount owed \$400 + \$80 = \$480
\$500.01 - \$1999.99	\$100	\$1500 (owed court) +\$100 CF = \$1600
\$2000 - \$2500	20%	\$2300 (owed court) x20% = \$460 CF Total amount owed \$2300 + \$460 = \$2760
\$2500.01 - \$5000	\$500	\$4000 (owed court) +\$500 = \$4500
\$5000.01 and up	10%	\$5500 (owed court) x10% = \$550 Total amount owed \$5500 + \$550 = \$6050.



**17431 North 71<sup>st</sup> Drive, Suite 104  
GLENDALE, AZ 85308  
PO BOX 10130 GLENDALE, AZ 85318  
(623) 931-4325 (623) 934-4041 FAX**

Conditions for accepting accounts from East Fork Justice Court hereinafter referred to as the "client" to Valley Collection Service, LLC hereinafter referred to as the "agency".

Accounts will be accepted for collections for any amount as long as the most recent date of prior payment or of service is within the statutory period. Accounts may be accepted through any medium, including computer disk, e-mail, computer printout, manually prepared records or other computer technology.

The commission fee is **20%** on all collections made whether paid to VCS or the CLIENT. This **20%** fee will be limited to the fee restrictions in Nevada Revised Statute 176.064 where the agency agrees to charge no more than **\$100** on any account turned over by the client that has a balance under \$2,000, no more than **\$500** on any account between \$2,000 and \$4999.99, and will charge a **10%** collection fee on any account with a balance of \$5,000 or greater. This amount will be added on to the amount assigned to the agency with the approval of the client.

The Agency shall implement through collection, procedures to achieve a maximum recovery of debt. These procedures shall include telephone calls, mail efforts and skip tracing procedures when necessary. Information concerning a delinquent debtor may be released to a credit bureau or other third parties (as applicable), unless such release would be contrary to the privacy rights of certain debtors as expressed in the federal and state laws.

Legal action can be taken when all other collection efforts fail. Such action will be taken on accounts over \$2,500.00 only. **HOWEVER, SUCH ACTION WILL BE TAKEN ONLY UPON RECEIPT OF WRITTEN AUTHORIZATION FROM THE CLIENT IN EACH SPECIFIC INSTANCE.**

In the event of legal action being authorized, the Court costs (i.e.), the filing fee, and service or process for the suit are advanced by the Agency and will be deducted from the favorable judgment awarded by the Court. Attorney's fee will be paid by the Agency and, if collected, will be retained by the Agency after the recoupment of the costs, principal and Agency contingency fee. However, should the Court rule in favor of the debtor because the creditor (client) failed to appear at the hearing to prove a claim against the debtor, any legal fee incurred by the Agency shall be paid by the client.

In the event agency does not file suit within 120 days of suit authorization, the client at its sole option may recall the account from the Agency and the Agency shall cease further collection action on that particular account.

The Agency is an independent contractor under this agreement and shall be liable for its own actions and those of its employees in connection with this agreement. The Agency agrees to hold **East Fork Justice Court Courts** its officials and employees, harmless from Agency's negligence, errors or omissions or those of its employees, and agrees to defend and indemnify **East Fork Justice Court** its officials and employees for the same.

The Agency will provide, at a minimum of once a month, a report showing the amount collected on each debt during the previous time period. An ACH or check for the amount due the client will be transmitted at that time.

The Agency will refer to the client any written appeal received from a debtor and will withhold further Collection efforts on that account until a written response is provided by the client.

Accounts are assigned to the Agency for the duration of the time the case is open. An individual account may be cancelled at any time per the judge's orders. The Agency also agrees to the following exceptions to collection fees in the contract as written above.

1. Fines or restitution satisfied by community service or jail are exempt.
2. Fines collected by the State attachment of the debt setoff program.
3. Fines collected through arrest are exempt.
4. Fines collected in advance of assignment to the agency are exempt.

Once the account is turned over for collection, our agency is due its commission regardless of when the account was paid.

All payments must be reported to Valley Collection Service, LLC promptly. Any bill sent to the client for commission due must be paid to the agency within 30 days after receipt.

I have read the above and agree to the rates and conditions.

SIGNED \_\_\_\_\_ DATE \_\_\_\_\_

CLIENT NAME & PHONE \_\_\_\_\_

CLIENT ADDRESS \_\_\_\_\_

VALLEY COLLECTION SERVICE, LLC \_\_\_\_\_ DATE \_\_\_\_\_

Douglas County

State of Nevada

CERTIFIED COPY

I certify that the document to which this certificate is attached is a full and correct copy of the original record on file in the Clerk-Treasurer's Office on this

31<sup>st</sup> day of October, 20 22

By [Signature] Deputy 12 | Page