

# Utilizing a Collection Agency

Donna Fraczek  
Court Administrator  
71-B District Court



- You may be surprised at the amount of outstanding debt owed the court!
- Is the collection of old debt so overwhelming that you just ignore it?



- Does the amount past due warrant the time you and your staff have to spend to collect it?

# Considerations

- Cases over three years old are the most difficult to collect.
- Are you EVER going to collect it in-house or just wait for them to get picked up on warrants?
- Do your local police agencies pursue old warrants that have been issued for failing to pay fines and costs?
- Many times staffing does not allow for a full-time collections program.
- Even if you have a collections staff, do you want them to spend their time and resources to collect old debt?
- What have you got to lose?



# Where Do I Start?

Use a report generator to determine the following:

- Old uncollectible cases
- In warrant status
- Late fees already attached
- No restitution owing
- Number of cases and total amount owing

## Choosing a Collection Agency

- Licensed by Department of Labor & Economic Growth



- [michigan.gov/dleg](http://michigan.gov/dleg)

- Being a member of a Michigan association and a national association is desirable. The associations should require they:

- Abide by a code of ethics.
  - Are familiar with Fair Debt Collection Practices Act and Michigan Collection Practices Act.

- Examples:



- Insured/Bonded

## Choosing a Collection Agency, cont.

- Location of Agency

- Local Agencies

- May know defendant and/or family.
    - May have had past or present contact with defendant if they collect for other local businesses.
    - May be collecting for other county departments such as the sheriff's dept. and/or other courts.

## Choosing a Collection Agency, cont.

- What methods of collection are used?
  - Credit Report
  - Skip Trace
    - For those with no current addresses or telephone numbers.
    - For online search techniques, networking, and special directories.
    - Make sure they have a good skip trace method.
      - Test them. Starting only with your name, see how long it takes them to develop your name, address, and telephone number.
      - Give them each a couple of old cases and see how long it takes to get beneficial information that aids in the collection process.

## Choosing a Collection Agency, cont.

- Do they follow set practices that are nonthreatening, professional, and respectful?
  - Letters
    - Ask to see samples of letters they send.
  - Telephone contact
  - Continued contact once located
- If possible, it is beneficial to go to their office and observe their practices.



## Choosing a Collection Agency, cont.

- Have them provide you with a list of references
  - Check those references and ask about the time it took for collection.
  - Ask those references if they are satisfied with the agency's collections efforts.

## Choosing a Collection Agency, cont.

- Will they provide you with monthly reports with a complete accounting of amounts paid?
- They will need to send to you the entire amount they collected, and you will then have your funding unit send them a check for their commission.
- Communication needs to be immediate between the agency and court staff, AND court staff and the agency.



- Recall of warrants needs to be timely.



## Cost

- Get estimates from several different collection agencies.
- Don't be afraid to negotiate.
  - Percent (range from 15-50%) of amount collected.
  - Will they charge you for a defendant who is picked up and serves time in lieu of fines/costs?

## Get Your Funding Unit on Board



- Show them the amount of outstanding debt that you are attempting to collect.
- They need to know that this potential revenue has been determined “uncollectible” due to staffing issues, jail overcrowding, or whatever your court’s individual circumstances are.

## Funding Unit, cont.

- Show them the potential revenue that can be collected compared to the cost of a collection agency.
  - It may be easier to have one or two commissioners or the county administrator educated about your plan prior to presenting it to the entire board.
- Keep them informed of the progress.

## The Contract: What to Include

- Minimum balances to be turned over
- Agency must be licensed
- Must comply with:
  - The law.
  - Michigan Collection Practices Act .
  - Fair Debt Collection Practices Act.

## The Contract: What to Include, cont.

- Confidentiality requirements.
- Deposit requirements of moneys collected by the agency.
- Reports required by the court.
- Court's requirement for remittance of money collected by the agency.
- Amount of agency fee and how it will be paid.

## The Contract: What to Include, cont.

- Details on how agency will notify court when debt is paid, etc.
- Details on how court will notify agency when debt is paid to court.
- Do you have to pay if defendant received jail time in lieu of outstanding debt, etc.?
- Will partial payment be accepted – yes or no?

## Communication! Communication! Communication!

- Continued communication with your collection agency is important.
  - Staff contact person needs to be assigned.
  - Review status at least twice a year with an in-person meeting with the agency owner or manager.
  
- Keep your funding unit informed of your progress.

BILLING DATE	TOTAL COLLECTED	COMMISSION PD. TO UNITED COLLECTIONS	TOTAL REVENUE AFTER COMMISSION
9/1/2007	\$1,299.00	\$428.67	\$870.33
10/1/2007	\$1,350.00	\$445.50	\$904.50
11/1/2007	\$2,780.20	\$917.47	\$1,862.73
12/1/2007	\$1,774.00	\$585.42	\$1,188.58
1/1/2008	\$326.00	\$107.58	\$218.42
2/1/2008	\$1,768.60	\$583.64	\$1,184.96
3/1/2008	\$1,476.00	\$487.08	\$988.92
4/1/2008	\$969.00	\$319.77	\$649.23
5/2/2008	\$1,118.40	\$369.07	\$749.33
6/1/2008	\$570.00	\$188.10	\$381.90
	<b>\$13,431.20</b>	<b>\$4,432.30</b>	<b>\$8,998.90</b>

One group of files was sent to the collection agency on 7/3/2007. The files that were sent were cases that had warrants issued between 1997 and 2004. The total amount owed on the files sent was \$134,902.20.

CARO

REPORT GENERATION SELECTION

6/19/08 13:03:14

Title COLLECTIONS WARR ALL 100+

P Case Number	_____	PIN Number	_____
I Name	_____	P Address	_____
- Case Type	_____	- Victim/Desc	_____
S Status	W _____	- Offense Date	_____
- PO Judge	_____	- Offense Time	_____
- Judge of Record	_____	- Issue Date	_____
- Venue	_____	P Birthdate	_____
- Phone Number	_____	- Authorize Dt	_____
P Driver License	_____	- DLN State	_____ CDL _____
- Attorney	_____ Appointed	- Entry Date	_____
- Prosecutor	_____	- Vehicle Type	_____
- Agency #1	_____	- Agency #2	_____
- Officer #1	_____	- Officer #2	_____
- Accident/Injury	_____	- Plate# /Year	_____
- Zip Code	_____	- Plate# State	_____
- Original Charge	_____	- Current Charge	_____
- Original SOS	_____	- Current SOS	_____
- Original Att/Cons/Sol	_____	- Current Att/Cons/Sol	_____
- Total F & C	_____	P Balance Due	100 - 5000
P Civ/Misd/Fel	_____	- Filing Date	_____
- CCW #	_____		

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CARO

REPORT GENERATION SELECTION

6/19/08 13:03:24

S Disposition	10197 - 123104	- Close Date	_____
- Xreference	_____	- Probation Officer	_____
- CTN	_____ TCN _____	- SID	_____
- Warrant Code	_____	- Next Action	_____
- Warrant Date	_____	- Next Date	_____
- Recall Date	_____	- Next Judge	_____
- Arraignment	_____	- Non-Public	_____ Delayed
- Sex	_____ Race _____	- Deferred	_____
- Disposed Date	_____	- Sentence Date	_____
- Disposed Code	_____	- FAC Date	_____
- Plea Date	_____	- Rehab	_____
- Plea Code	_____	- Prob End Date	_____
- Suspension	_____	- Probation Term	_____
- Suspension Days	_____	- Jail Term	_____
- Restriction Days	_____	- Optional Jail Term	_____
- Community Service	_____	- Jail Location	_____
- Service in Lieu	_____	- Restitution	_____
- Event Date	_____	- Event Code	_____
- Event Term	_____	- Event Clerk	_____
- Immob Start Date	_____	- Immob Days	_____ Veh Forfeit _____
- Paper Plate	VIN _____	- Vehicle Make	_____ Veh Year _____

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RUN DATE: 03/10/78

718 DISTRICT COURT  
440 N. STATE ST  
CARO MI 48723  
COLLECTIONS WARR ALL 100+

STATUS - WRRNT	CASE DISPO - 10197-123104	BALANCE - 100	5000	BALANCE DUE	CASE NO.
NAME DLN	DOB C/M/F	ADDRESS			
RICKY/DALE	8/15/1975 C	407 IRVING	MUSKOGEE	128.00	97-730155
SHARON/THERESA	12/28/1975 F	200 N MAPLE	CLARKSVILLE	342.00	97-04948
MI 484790118			AR 72830		
MICHAEL/STEVEN	7/01/1966 M	328 WELLS	CARO	2,011.00	00-02275
MI 485160377521			MI 48723		
PAUL/DOUGLAS	11/29/1950 C	36220 GLEN ST	WESTLAND	203.00	03-5922888
MI 4863676149911			MI 48186		
ANDREW/N	11/29/1967 C	ROUTE 10 BOX 213	PARNESBURG	180.00	95-278434
MI 484790118			PA 19365		
LASHAWN/ROBERT	6/07/1973 C	2513 STORBE ST	SAGINAW	221.00	03-87222
MI 484790118			MI 48602		
CHRISTOPHER/AL	7/07/1976 M	9232 FAUSSETT ROAD	FENTON	217.00	00-05938
MI 484790118			MI 48430		
ERIC/GEORGES	2/17/1958 C	20 PORTE DU MAY	EQUERVILLY FRANCO	246.00	96-559473
MI 484790118			MI 48920		
BALANCE:	NUMBER OF RECORDS	481	RESTITUTION:		
13950.61 TOTAL FINES:					

The Fair Debt Collection Practices Act can be found at:

[www.ftc.gov/bcp/edu/pubs/consumer/credit/cre27.pdf](http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre27.pdf)

**REGULATION OF COLLECTION PRACTICES**  
**Act 70 of 1981**

AN ACT to regulate the collection practices of certain persons; to provide for the powers and duties of certain state agencies; and to provide penalties and civil fines.

**History:** 1981, Act 70, Imd. Eff. June 29, 1981.

*The People of the State of Michigan enact:*

**445.251 Definitions.**

Sec. 1. As used in this act:

(a) "Claim" or "debt" means an obligation or alleged obligation for the payment of money or thing of value arising out of an expressed or implied agreement or contract for a purchase made primarily for personal, family, or household purposes.

(b) "Collection agency" means a person directly or indirectly engaged in soliciting a claim for collection or collecting or attempting to collect a claim owed or due or asserted to be owed or due another, or repossessing or attempting to repossess a thing of value owed or due or asserted to be owed or due another person, arising out of an expressed or implied agreement. Collection agency includes a person representing himself or herself as a collection or repossession agency or a person performing the activities of a collection agency, on behalf of another, which activities are regulated by Act No. 299 of the Public Acts of 1980, as amended, being sections 339.101 to 339.2601 of the Michigan Compiled Laws. Collection agency includes a person who furnishes or attempts to furnish a form or a written demand service represented to be a collection or repossession technique, device, or system to be used to collect or repossess claims, if the form contains the name of a person other than the creditor in a manner indicating that a request or demand for payment is being made by a person other than the creditor even though the form directs the debtor to make payment directly to the creditor rather than to the other person whose name appears on the form. Collection agency includes a person who uses a fictitious name or the name of another in the collection or repossession of claims to convey to the debtor that a third person is collecting or repossessing or has been employed to collect or repossess the claim.

(c) "Communicate" means the conveying of information regarding a debt directly or indirectly to a person through any medium.

(d) "Consumer" or "debtor" means a natural person obligated or allegedly obligated to pay a debt.

(e) "Creditor" or "principal" means a person who offers or extends credit creating a debt or a person to whom a debt is owed or due or asserted to be owed or due. Creditor or principal does not include a person who receives an assignment or transfer of a debt solely for the purpose of facilitating collection of the debt for the assignor or transferor. In those instances, the assignor or transferor of the debt shall continue to be considered the creditor or the principal for purposes of this act.

(f) "Person" means an individual, sole proprietorship, partnership, association, or corporation.

(g) "Regulated person" means a person whose collection activities are confined and are directly related to the operation of a business other than that of a collection agency including the following:

(i) A regular employee when collecting accounts for 1 employer if the collection efforts are carried on in the name of the employer.

(ii) A state or federally chartered bank when collecting its own claim.

(iii) A trust company when collecting its own claim.

(iv) A state or federally chartered savings and loan association when collecting its own claim.

(v) A state or federally chartered credit union when collecting its own claim.

(vi) A licensee under Act No. 21 of the Public Acts of 1939, as amended, being sections 493.1 to 493.26 of the Michigan Compiled Laws.

(vii) A business licensed by the state under a regulatory act by which collection activity is regulated.

(viii) An abstract company doing an escrow business.

(ix) A licensed real estate broker or salesperson if the claim being handled by the broker or salesperson is related to or in connection with the broker or salesperson's real estate business.

(x) A public officer or a person acting under court order.

(xi) An attorney handling claims and collections on behalf of a client and in the attorney's own name.

**History:** 1981, Act 70, Imd. Eff. June 29, 1981.

**445.252 Prohibited acts.**

Sec. 2. A regulated person shall not commit 1 or more of the following acts:

(a) Communicating with a debtor in a misleading or deceptive manner, such as using the stationery of an attorney or credit bureau unless the regulated person is an attorney or is a credit bureau and it is disclosed that it is the collection department of the credit bureau.

(b) Using forms or instruments which simulate the appearance of judicial process.

(c) Using seals or printed forms of a government agency or instrumentality.

(d) Using forms that may otherwise induce the belief that they have judicial or official sanction.

(e) Making an inaccurate, misleading, untrue, or deceptive statement or claim in a communication to collect a debt or concealing or not revealing the purpose of a communication when it is made in connection with collecting a debt.

(f) Misrepresenting in a communication with a debtor 1 or more of the following:

(i) The legal status of a legal action being taken or threatened.

(ii) The legal rights of the creditor or debtor.

(iii) That the nonpayment of a debt will result in the debtor's arrest or imprisonment, or the seizure, garnishment, attachment, or sale of the debtor's property.

(iv) That accounts have been turned over to innocent purchasers for value.

(g) Communicating with a debtor without accurately disclosing the caller's identity or cause expenses to the debtor for a long distance telephone call, telegram, or other charge.

(h) Communicating with a debtor, except through billing procedure when the debtor is actively represented by an attorney, the attorney's name and address are known, and the attorney has been contacted in writing by the credit grantor or the credit grantor's representative or agent, unless the attorney representing the debtor fails to answer written communication or fails to discuss the claim on its merits within 30 days after receipt of the written communication.

(i) Communicating information relating to a debtor's indebtedness to an employer or an employer's agent unless the communication is specifically authorized in writing by the debtor subsequent to the forwarding of the claim for collection, the communication is in response to an inquiry initiated by the debtor's employer or the employer's agent, or the communication is for the purpose of acquiring location information about the debtor.

(j) Using or employing, in connection with collection of a claim, a person acting as a peace or law enforcement officer or any other officer authorized to serve legal papers.

(k) Using or threatening to use physical violence in connection with collection of a claim.

(l) Publishing, causing to be published, or threatening to publish lists of debtors, except for credit reporting purposes, when in response to a specific inquiry from a prospective credit grantor about a debtor.

(m) Using a shame card, shame automobile, or otherwise bring to public notice that the consumer is a debtor, except with respect to a legal proceeding which is instituted.

(n) Using a harassing, oppressive, or abusive method to collect a debt, including causing a telephone to ring or engaging a person in telephone conversation repeatedly, continuously, or at unusual times or places which are known to be inconvenient to the debtor. All communications shall be made from 8 a.m. to 9 p.m. unless the debtor expressly agrees in writing to communications at another time. All telephone communications made from 9 p.m. to 8 a.m. shall be presumed to be made at an inconvenient time in the absence of facts to the contrary.

(o) Using profane or obscene language.

(p) Using a method contrary to a postal law or regulation to collect an account.

(q) Failing to implement a procedure designed to prevent a violation by an employee.

(r) Communicating with a consumer regarding a debt by post card.

(s) Employing a person required to be licensed under article 9 of Act No. 299 of the Public Acts of 1980, being sections 339.901 to 339.916 of the Michigan Compiled Laws, to collect a claim unless that person is licensed under article 9 of Act No. 299 of the Public Acts of 1980.

**History:** 1981, Act 70, Imd. Eff. June 29, 1981.

#### **445.253 Cease and desist order; hearing; failure to comply with order; action in circuit court; fine.**

Sec. 3. (1) The attorney general may order a regulated person to cease and desist from violating this act.

(2) A regulated person ordered to cease and desist is entitled to a hearing before the appropriate officer as determined by the attorney general if he or she files a written request within 30 days after the effective date of the order.

(3) If a regulated person fails to comply with a cease and desist order issued pursuant to this act, the attorney general may commence an action in the circuit court for Ingham county or in a circuit court for a

county where the person is doing business, to enjoin violations of the cease and desist order or to seek enforcement of a previously issued order. The court may impose a fine or not more than \$500.00 for each violation of the cease and desist order.

**History:** 1981, Act 70, Imd. Eff. June 29, 1981.

#### **445.254 Action to restrain act or practice; injunction and other equitable orders or judgments.**

Sec. 4. The attorney general may bring an action to restrain, by temporary or permanent injunction, an act or practice in violation of this act. The action may be brought in the circuit court for the county where the defendant resides or conducts business. The court may issue a temporary or permanent injunction and make other equitable orders or judgments, including restitution to consumers.

**History:** 1981, Act 70, Imd. Eff. June 29, 1981.

#### **445.255 Assurance of discontinuance; contents; filing; record; opening closed matter for further proceedings.**

Sec. 5. When the attorney general has authority to institute an action pursuant to section 4, the attorney general may accept an assurance of discontinuance of any method, act, or practice from the person alleged to be engaged in or to have been engaged in a violation. The assurance may include the stipulation for the voluntary payment, by the person, of the costs of investigation, an amount for restitution to aggrieved persons, or both. An assurance of discontinuance shall be in writing and filed with the circuit court. The clerk of the court shall maintain a record of the filings. A matter closed pursuant to this section may be opened by the attorney general for further proceedings.

**History:** 1981, Act 70, Imd. Eff. June 29, 1981.

#### **445.256 Wilful violation of act or engaging in recurring course of wilful conduct in violation of act; penalties.**

Sec. 6. (1) In an action brought under this act, if the court finds that a regulated person has wilfully violated this act, the attorney general, upon petition to the court, may recover, on behalf of the state, a civil fine not exceeding \$500.00 per violation.

(2) A regulated person engaging in a recurring course of wilful conduct in violation of this act shall be fined not more than \$5,000.00 for the first offense, and not more than \$10,000.00, or imprisoned for not more than 1 year, or both, for a second or subsequent offense.

**History:** 1981, Act 70, Imd. Eff. June 29, 1981.

#### **445.257 Action for damages or equitable relief; amount of recovery; civil fine; attorney's fees and court costs.**

Sec. 7. (1) A person who suffers injury, loss, or damage, or from whom money was collected by the use of a method, act, or practice in violation of this act may bring an action for damages or other equitable relief.

(2) In an action brought pursuant to subsection (1), if the court finds for the petitioner, recovery shall be in the amount of actual damages or \$50.00, whichever is greater. If the court finds that the method, act, or practice was a wilful violation, the court may assess a civil fine of not less than 3 times the actual damages, or \$150.00, whichever is greater, and shall award reasonable attorney's fees and court costs incurred in connection with the action.

**History:** 1981, Act 70, Imd. Eff. June 29, 1981.

#### **445.258 Communications with person other than debtor for purpose of acquiring location information; required statements.**

Sec. 8. (1) A regulated person communicating with any person other than the debtor, for the purpose of acquiring location information about the debtor, shall state all of the following:

(a) The name of the individual seeking the location information.

(b) Whether the purpose of the communication is for confirmation or correction of location information about the debtor.

(2) For purposes of this act, location information shall consist only of a debtor's place of abode and place of employment and the telephone number at each place.

**History:** 1981, Act 70, Imd. Eff. June 29, 1981.

**COLLECTION AGREEMENT BETWEEN  
71B DISTRICT COURT/COUNTY OF TUSCOLA  
AND  
UNITED COLLECTION SERVICES, LLC**

This Agreement is between the 71B District Court & County of Tuscola (“CREDITOR”), whose address is 440 North State Street, Caro, MI 48723 and United Collection Services, L.L.C. (“AGENCY”), whose address is P.O. Box 329, Caro, MI 48723

The effective date of this Agreement is July 3, 2007 and is subject to the following conditions:

1. CREDITOR agrees to assign select delinquent accounts to the AGENCY for collection. All assigned accounts will have combined balances of \$100.00 or more for each individually named debtor.
2. AGENCY represents that is it licensed and in good standing under the Michigan Collection Practices Act, MCL § 445.211 et seq., and is experienced in collection services.
3. All activities of the AGENCY will be in compliance with all applicable state and federal laws and regulations governing collection practices including, but not limited to, the Michigan Collection Practices Act and the Fair Debt Collection Practices Act. AGENCY will conduct its activities in a courteous, ethical, and professional manner consistent with the image and reputation of the CREDITOR and entire Michigan judiciary.
4. AGENCY will protect the confidentiality of all account information and will only use the CREDITOR’S account data for collection activity

- purposes. AGENCY agrees that it will shred or incinerate all discarded written materials related to the collection of CREDITOR'S accounts.
5. AGENCY will acknowledge, in writing, to the CREDITOR the referral of each account assigned for collection. The written acknowledgment will include the CREDITOR'S reference number of the listed account, name of the debtor, assigned dollar amount, and date of the account assignment.
  6. Collections made by the AGENCY of the CREDITOR'S accounts will be deposited into an FDIC-insured trust account. CREDITOR grants AGENCY authority to endorse and negotiate any check, draft or other negotiable instrument sent directly to AGENCY and made payable to CREDITOR for deposit in trust for distribution to CREDITOR.
  7. AGENCY will provide CREDITOR with a detailed report of all collections on a monthly basis. The collection report will reflect all collection transactions made during the previous month's collections (made to the AGENCY and CREDITOR), including the date and amount collected and commissions.
  8. CREDITOR may, at any reasonable time, examine the AGENCY'S records pertaining to accounts referred to the AGENCY under the Agreement. Upon request by the CREDITOR, AGENCY agrees to provide to the CREDITOR any contact information of a debtor learned by the AGENCY during the course of its collection efforts.
  9. All gross collections made by the AGENCY of the CREDITOR'S accounts will be remitted to the CREDITOR no later than the 10<sup>th</sup> of the following month. CREDITOR agrees to timely remit to AGENCY all commissions due within 15 days of receipt of the monthly Invoice/Statement from AGENCY.
  10. CREDITOR agrees to pay to the AGENCY a 33% service fee for all assigned accounts in which collection is made. All fees are contingent upon amounts collected, regardless if directly paid to the CREDITOR or AGENCY. No fees are due on an account if there is no collection. AGENCY will not initiate any litigation to collect on behalf of CREDITOR.
  11. CREDITOR agrees to immediately via facsimile or other electronic means as agreed upon by both parties report to the AGENCY any

payments made directly to CREDITOR by debtors referred for collection so that proper credit can be given.

12. AGENCY agrees to immediately notify CREDITOR via facsimile or other electronic means as agreed upon by both parties of payments received in full from a debtor so that CREDITOR may immediately cancel any arrest warrant that had been issued against the debtor.
13. CREDITOR will notify the AGENCY of any accounts where the debtor has been arrested and ordered to jail instead of paying the outstanding balance. In such instances, the CREDITOR will withdraw that account, the AGENCY will close its file, and no fee will be paid to the AGENCY.
14. CREDITOR will notify the AGENCY of any accounts where the debtor is incarcerated in jail or prison, has pled guilty by mail, and will be serving time instead of paying the outstanding balance. In such instances, the CREDITOR will withdraw that account, the AGENCY will close its file, and no fee will be paid to the AGENCY.
15. CREDITOR will notify the AGENCY and/or AGENCY will notify CREDITOR of any accounts where the debtor has filed for bankruptcy and the debt has been discharged through the bankruptcy process. In such instances, the CREDITOR will withdraw that account, the AGENCY will close its file, and no fee will be paid to the AGENCY.
16. CREDITOR will notify the AGENCY of any accounts they are aware of where the debtor has died and will present verification of same in the form of an obituary, death certificate, police report or other means agreeable to both parties. In such instances, the CREDITOR will withdraw that account, the AGENCY will close its file, and no fee will be paid to the AGENCY, with the exception if AGENCY receives payment from debtor's estate.
17. CREDITOR warrants the validity of the amount and authenticity of all claims and accounts placed with AGENCY for collection. Upon request by AGENCY the CREDITOR agrees to submit to AGENCY proof of the validity of the claim/account.
18. Any claim/account placed with AGENCY by CREDITOR that has been previously paid by debtor or placed by CREDITOR in error will be billed

by AGENCY at a rate of 10% of the claim as an administrative fee.

19. AGENCY must obtain prior authorization from the 71B District Court Administrator before it enters into any agreement with a debtor to accept less than the full balance due.
20. AGENCY will indemnify and hold CREDITOR harmless from any and all complaints, claims, and causes of action whatsoever arising out of the acts of the Agencies attorneys, agents, servants, and employees of. AGENCY agrees to assume full responsibility for the defense of any such action and all related costs including attorney fees.
21. Neither this Agreement nor any of its rights can be assigned, sold, or pledged by AGENCY.
22. AGENCY will be acting and occupying the status of an independent contractor. AGENCY will not have the status of an agent or employee of the CREDITOR.
23. This Agreement may be amended or modified by the mutual consent of both parties. Any amendment or modification must be in writing and must be attached to and become part of this Agreement.
24. This Agreement may be terminated at any time, by either party, with or without cause. Notice of termination is sufficient if sent by First-Class Mail. Upon such termination, all CREDITOR'S accounts (except those actively paying) are subject to return at the request of the CREDITOR. Those in active payment status must be returned along with the balance of any payments within 60 days of termination of this agreement. All accounts must be mailed to the address below. Any final commissions owing must be paid to the AGENCY by the CREDITOR within 30 days of receiving the final statement.

For the consideration outlined above, this Agreement is entered into by the authorized representatives of the listed parties.

71B DISTRICT COURT  
440 North State Street  
Caro, MI 48723

UNITED COLLECTION SERVICES, LLC  
P.O. Box 329  
Caro, MI 48723

BY: \_\_\_\_\_  
Hon. Kim David Glaspie, Judge

BY: \_\_\_\_\_  
Harry R. Nelson, Agency Manager

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

Tuscola County Board of Commissioners

BY: \_\_\_\_\_  
Gerald Peterson, Chairperson

DATE: \_\_\_\_\_