

ACTIVE DEBT SOLUTIONS

NO UPFRONT FEES DEBT
NEGOTIATION SERVICES

ACTIVE DEBT SOLUTIONS TERMS AND CONDITIONS

This Agreement is being entered on this ____ day of _____, 2010, by and between _____, whose address is: _____, _____, _____ (hereafter known as "Client"), and Active Debt Solutions ("ADS") with an office address of 110 E. Atlantic Ave – Suite 250, Delray Beach, FL 33444

1. PURPOSE OF THIS AGREEMENT

The Client enters into this Agreement with ADS for the purpose of attempting to negotiate settlements or compromises with the Client's creditors of unsecured debts (the "Engagement"). Client agrees and acknowledges that the services shall be provided by ADS, its employees, consultant attorneys licensed in the client's state of residence and other service providers.

ADS agrees to provide negotiating services to and on behalf of the Client under the terms and conditions of this Agreement. These services may include the establishment of a payment plan and an account (the "Client Settlement Account") with a third party financial institution for the purpose of facilitating the Client in accruing his/her capital to fund settlements and negotiate a reduction of Client's unsecured debt. **Such capital shall be held in an FDIC Insured Bank account, in the Clients name and belong to the Client and not ADS,** which ADS will help administer.

ADS shall respond promptly to creditor inquiries and communications and will provide a Payment Schedule, an ACH Payment Transfer Schedule, Limited Power of Attorney, a List of Creditors included in this Engagement, along with additional pertinent information. Each of the Client's unsecured debts (a "CREDITOR CLAIM") shall be identified in writing upon executing this Agreement.

ADS will advise Client of all reasonable negotiation offers (under 40% of original balance). ADS will contact client to discuss the settlement via telephone and email communication. Client must respond within 24 hours to decline the negotiated settlement. If client fails to respond within 24 hours ADS, acting in the best interest of the Client and at its own discretion has the authority to accept the offer. At times, settlements require last minute approvals and/or immediate payment. In the event Client cannot be contacted, ADS, acting in the best interest of the Client and at its own discretion has the authority to accept offers below 40% without the need for approval, verbal or written.

No representations are made, and there are no guarantees (written or implied) that any plan of negotiation or financial workout or settlement will succeed or produce any specific desired result. ADS makes no guarantees or predictions as to the outcome of its services, but ADS may give an opinion about possible results based off of previous results. By signing this Agreement, Client acknowledges that ADS has made no such guarantee, warranty or prediction about the subject of this Agreement or the Engagement. Client acknowledges that each case is unique and individual results may vary. The ability of ADS to negotiate a settlement of Client's applicable unsecured debts is conditioned upon the cooperation of Client's creditors, and ADS makes no representation, guarantee, warranty or prediction as to how well any creditor will cooperate with ADS or be amenable to a negotiated settlement.

ADS is providing negotiation services only and the Engagement does not include representation for any litigation, lawsuit or other similar proceeding.

Customer Service: 866-720-7483
Customer Service FAX: 888-774-4271

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FEES AND EXPENSES

- A. By signing this Agreement, the Client authorizes ADS to issue drafts or monthly automatic deductions against the Client Settlement Account for any and all amounts detailed in this section when due. Client further directs the PROGRAM BANK to honor/post these drafts or monthly automatic deductions against Client's **account**.
- B. **BANK FEE:** A one-time set up fee of \$9.00 is assessed by Global Client Solutions and a monthly BANK FEE of \$9.85 is assessed by Global Client Solutions from the Client Settlement Account and is subject to change without notice.
- C. **SETTLEMENT FEE:** ADS earns a SETTLEMENT FEE of **thirty percent (30%)** of the amount by which each creditor claim is reduced and settled, immediately upon such settlement. The SETTLEMENT FEE will be based on the amount due at the time of enrollment and not the balance at settlement.

2. RESPONSIBILITIES OF CLIENT: The Client agrees to:

- A. Provide ADS with relevant records regarding CREDITOR CLAIMS and any information regarding Client's ability or inability to pay said CREDITOR CLAIMS in a timely manner as requested by ADS, its agents or representatives.
- B. Deliver any court documents that Client receives (via fax, email or postal) within 48 hours of receipt AND confirm that ADS has received said documents.
- C. Client understands that once represented by ADS, creditors and collection firms should now contact ADS directly. However, if collection activity persists, Client agrees to log calls, specifically: the creditor/collectors name, company name, phone number (including extension), the date and time of each call and how the call affected you. If collection activity is cause emotional distress, ADS will forward call logs to an attorney in your state with extensive knowledge of Consumer Protection Laws including but not limited to FDCPA, TILA violations. Through a separate agreement, if client agrees; the attorney will defend client against any violations. Call logs **MUST** be sent to ADS on a weekly basis for record keeping, when requested, ADS will forward all call logs to Clients attorneys.
- D. Accept and/or return all telephone calls from ADS, its agents or representatives, within 48 hours.
- E. Provide ADS with changes to Client contact information, including changes to home or work address and/or phone or fax numbers **immediately**. By signing this Agreement, Client agrees to be available to ADS during negotiations so that ADS may respond to Creditor requests and response deadlines.
- F. Maintain the MONTHLY DEPOSIT COMMITMENT that is specified in the Client AGREEMENT and contact ADS **immediately** regarding delay or discontinuance of the MONTHLY DEPOSIT COMMITMENT.
- G. Limit Creditor communication and not discuss a CREDITOR CLAIM with the Creditor or any Debt Collector. Client understands active communication hinders ADS's ability to obtain favorable settlements and should notify creditor(s)/debt collector(s) that he/she is represented by Active Debt Solutions, provide the caller the toll free number and kindly end the call. Do not discuss the details of your program with the collector, including the amount you have accumulated or the amount of your monthly draft as this information will cause irreparable harm to the negotiation process.

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H. DIRECT PAYMENT OR NEGOTIATED SETTLEMENT OF ANY CREDITOR CLAIMS INCLUDED IN PROGRAM WILL NOT BE MADE BY THE CLIENT OR ANY THIRD PARTY (OTHER THAN ADS). IN THE EVENT THE CLIENT NEGOTIATES THE SETTLEMENT OF A CREDITOR CLAIM THE CLIENT WILL BE OBLIGATED TO PAY ADS THE SETTLEMENT FEE AS DEFINED HEREIN. INITIAL ()

I. Client is advised to include all of their unsecured debts in the negotiation process and this Engagement; negotiations with creditors are hindered if creditors are aware that other debts are current.

J. It is the responsibility of the client to fax the summons and complaint to ADS immediately upon receipt, but no later than seven (7) days prior to the return date (return date is located on the summons and first page of the complaint). If the client mails the summons and complaint, both must be received by ADS seven (7) days prior to the return date. Fax and scanned emailed documents are acceptable. Client must call to confirm receipt of all documents sent regardless of manner or type. If client fails to send the summons and complaint within the above-required timeline, the client will be responsible to respond to the lawsuit. ADS will, however, try to negotiate a settlement on the summoned account.

3. TERMINATION:

Client: may rescind this agreement at any time by sending a notice of termination, in writing to ADS. Despite receipt of a notice of termination, ADS may complete negotiations to settle any CREDITOR CLAIM for which ADS has received a settlement letter and/or payment to creditor has been set up. ADS shall be deemed to have earned a SETTLEMENT FEE upon the settlement (by any means) of any such CREDITOR CLAIM. The funds remaining in the Client Settlement Account, after the payment of all FEES deemed earned by ADS, will be returned directly to the CLIENT(s) by the PROGRAM BANK.

ADS: may cancel this agreement if Client breaches any of the terms of this contract. Breaches include, but are not limited to:

- a) Client failing to make 3 or more accumulation drafts.
- b) Client misrepresents or fails to disclose any material detail relating to the "List of Accounts".
- c) Client interferes with negotiations or settles a debt on his/her own.

The debts that Client wishes to enroll for ADS to negotiate are listed on the attached "List of Creditors" or Addendum "A". This agreement applies to those creditors and those creditors only. ADS does not represent Client for all or any other debts that Client has not listed. ADS also excludes creditors that are a part of any pending or on-going litigation or any litigation that starts within 90 days of the 1st accumulation draft. ADS reserves the right to exclude any listed creditors that do not qualify under the terms of this agreement.

4. HOLD HARMLESS:

Client agrees to hold ADS, its authorized agents, officers, partners, employees, and affiliates harmless from and against any liability or damage arising from the performance of their duties under this Agreement, including, but not limited to, suits, garnishments, levies, repossessions, or the like. ADS shall in no event be liable for any incidental, special (including, but not limited to, loss of use or lost profits), exemplary or punitive damages, whether foreseeable or not, occasioned by ADS's failure to perform hereunder, delay in its performance or any other cause, except as may arise as a result of ADS's malpractice, gross negligence or willful misconduct.

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5. DISPUTES:

Client agrees that any dispute between or among the parties shall be made pursuant to Florida Law, a written explanation of which shall be provided to Client with this Agreement.

6. NEGATIVE IMPACTS TO CLIENT:

Client specifically acknowledges and understands that the negotiation process set forth in this Agreement means that the Client will not make monthly payments due to creditors for a period of time typically in excess of six (6) months in an effort to obtain the creditor's acceptance of reduced payment in complete settlement of the balance due. While the Client may ultimately obtain the benefit of a reduction in the balance(s) due, CLIENT ACKNOWLEDGES AND UNDERSTANDS THAT NON-PAYMENT OF MINIMUM PAYMENTS TO CREDITORS SHALL DAMAGE CLIENT'S CREDIT RATING AND WILL RESULT IN THE TRANSMITTAL OF NEGATIVE AND DEROGATORY CREDIT INFORMATION TO THE MAJOR CREDIT REPORTING AGENCIES. Therefore, Client hereby agrees to waive any claims against ADS and shall hold ADS, its principals, employees and agents, harmless for all claims related to such damage to Client's credit and Client acknowledges that such waiver is a condition to ADS accepting the Engagement, the absence of which would result in ADS's refusal of the Engagement. Client acknowledges (1) that Client's creditors may require Client to surrender credit cards and/or may reserve the right to close any account in the Program, (2) that ADS does not provide financial planning, investment advice or tax advice, does not make any advances of money or loan money to Client or on Client's behalf, does not provide or engage in credit repair or undertake to eliminate negative entries in Client's credit report, and has no relationship with any creditor, and (3) ADS has no responsibility for any past, present, or future credit ratings assigned to Client by creditors.

7. ELECTRONIC PAYMENT AUTHORIZATION AND MONEY ORDERS:

Client authorizes ADS to deduct all payments due under the Payment Schedule, including all settlement funding, ADS's fees, disbursements, service fees or other applicable charges, via Electronic Payment Authorization from Client's checking or savings account. ADS requires a minimum notice of three (3) business days to change any scheduled electronic fund transfers from Client's bank account. Client reserves the right to send accumulation funds by Checks or Money Orders and should be made payable to GLOBAL CLIENT SOLUTIONS and mailed to Global Client Solutions – PO Box 61029 Colorado Springs, CO 80960-1029.

8. AUTHORIZATION

I hereby engage ADS pursuant to the terms of this Agreement. I authorize ADS and its authorized agents to manage the processing of my account during the term of this Agreement. By signing this Authorization, I hereby acknowledge that I have read the Agreement and accept and consent to all of the terms set forth in the Agreement. This Agreement shall not be deemed effective until it is received by ADS, signed and dated.

Client Signature: _____

Co-App Signature _____

Client Name: _____

Co-App Name: _____

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Name:		Phone 1:	
Spouse:		Phone 2:	
Address:			
City:		State:	Zip:
Dependents in Household:		E-Mail Address:	
Social Security: #			
(Spouse) Social Security: #			
Expenses		Total Net Income	
Rent Payment \$ _____	Insurance: Life \$ _____	Applicant	\$ _____
Mortgage Payment \$ _____	Auto \$ _____	Co-Applicant	\$ _____
Automobile: Payments \$ _____	Home \$ _____	Retirement	\$ _____
Gasoline/Oil \$ _____	Medical \$ _____	Social Security	\$ _____
Household (grocery) \$ _____	Medical Expenses \$ _____	Child Support Income	\$ _____
Utilities: Gas \$ _____	Child Support \$ _____	Estimated ADS Min Payment	\$ _____
Electric/Cable \$ _____	Childcare/Daycare \$ _____	Available Balance	\$ _____
Water/Sewage \$ _____	Misc./Charities \$ _____	Expenses	\$ _____
Phone/Cellular \$ _____		Total Income	\$ _____
Total Monthly Expense \$ _____			

REASON FOR DEBT MANAGEMENT PROGRAM: (MUST CHECK MOST APPROPRIATE)

() Poor management () Divorce () Death in family () Reduced income () Medical/Disability () Other: _____

Balance of Unsecured Debt \$ _____ Regular Monthly Payments \$ _____

Balance of ALL Secured Debt \$ _____ Est. Assets \$ _____ Est. Liabilities \$ _____

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LIMITED POWER OF ATTORNEY - AUTHORIZATION FORM

CLIENT: _____ SS#: _____ DATE OF BIRTH: _____

CO-SIGNER: _____ SS#: _____ DATE OF BIRTH: _____

Hereby appoint Active Debt Solutions of 110 E. Atlantic Ave – Suite 250 – Delray Beach, FL 33444 as my attorney in fact (“Agent”). My Agent shall have full power to act on my behalf but only to the extent permitted by this Special Power of Attorney. I (we) grant my agent the specific powers to:

- Receive and discuss information regarding my account balances; Receive all information, confidential or otherwise, that will allow my Agent to arbitrate my debt or consummate an accord and satisfaction on my behalf,
- Make good faith settlement offers on my behalf.

Please cease and desist all telephone calls to me regarding this account and direct all communication to Active Debt Solutions at 1-866-720-7483 ext 114. This Limited Power of Attorney shall commence immediately and shall continue until the debt has been settled, or I (we) have provided written notice to the Agent canceling this Power of Attorney, whichever is sooner.

I (we) authorize ADS to release this Limited Power of Attorney to my creditors.

Client Signature

Date

Social Security Number

Co-Client Signature

Date

Social Security Number

Scribed and affirmed before me in the county of _____, State of _____, this
_____ day of _____, 20__.

(Notary’s Official Signature)

(Commission Expiration Date)

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PROGRAM QUESTIONNAIRE

This Questionnaire is designed to ensure that you understand how the ADS Debt Settlement Program works and what the program can and cannot do for you. Please read all of the questions carefully and be sure to mark your answer in the "Yes" or "No" box next to each question.

Initial each line:

- I have read and agree to the terms and conditions of the ADS agreement
- I understand that my credit rating will be hurt while I am in the Program
- I understand creditor calls may continue and collection calls may not stop right away
- I understand ADS cannot stop my creditors from filing lawsuits to collect my debt
- I understand that the ADS Debt Settlement Program is not a loan program
- I understand that Active Debt does not lend or advance money to pay your creditors
- I understand this is not a CCC program and no monthly payments are made to my creditors
- I understand ADS is not a law firm and they do not offer any legal advice or legal services
- I agree to not negotiate any settlements or make direct payments with any of my creditors
- I understand and agree to the success fees (30% of savings) associated with the program
- I understand a creditor may send a 1099 tax for savings of over \$600
Consult with your tax advisor; ask about form 982, reduction of tax attributes due to discharge of indebtedness)
- I understand that my creditors are paid one at a time and settlements may be made either through a multiple payment settlement or a lump sum settlement arrangement
- I understand, at times, settlements require last minute decisions or immediate payment. In the event I cannot be contacted, I authorize Active Debt Solutions to accept any settlement offers below 40% without the need for prior approval.

Client Signature

Date

Co-Client Signature

Date

FAX COVER SHEET

TO: _____ Fax Number: **561-634-2067 (OR) 888-774-4271**

FROM: _____ Fax Number: _____

DATE: _____ Number of Pages: _____

RE: Active Debt Solutions Enrollment Agreement

Comments: