

**C
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C**  **COMMERCIAL
COLLECTION
RESOURCES
CORPORATION**



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PREFACE

Thank you for allowing C.C.R.C. to discuss our services with you, and the opportunity to earn your business. We are confident our performance level will enable you to enjoy the benefits of a dramatically increased collection rate. We are also confident that you'll be so pleased with the results of our services, that these results will be appreciated in return business. All we need is one percent of your trust, and we will earn the other ninety-nine percent with performance.

We have outlined the dynamics of our dual capability and its advantage of being a commercial and consumer collection Agency that is limited to collection work. In addition to our method, we feel it is in our philosophy, in our spirit, that we have achieved the success we have. We strive for excellence ! Our high standards are reflected in our personnel, in their attitudes, in their goals and more importantly, in their ability to rise to the challenge and pursuit of each collection. Through our collective experience and desire to set a new precedence in our business, we have skillfully combined the traditional standards of collecting with innovative and creative ideas, and new state of the art techniques.

PERFORMANCE

Our firm's strength is found in three principal points :

1. Our organizational ability.
2. Total legal representation.
3. Effectiveness of the recovery.

Because of these principal points we are able to handle all types of accounts (commercial, consumer, medical, and non-performance portfolios) successfully, and at the same time, being flexible and responsive to the changing needs of our client, and circumstances of the individual collection.

We believe the beauty of our approach lies in the fact that we have eliminated the many layers which often exist in other organizations, which have a tendency to impede effective communication between agency and client. Our Operation/Sales Manager interfaces directly with the client to establish production goals and other criteria. The Operations/Sale Manager who sees to it that the program is adhered to, for achievement of the established goals.

Specializing in Creditors Rights and the Protection of those rights is a cornerstone to our approach. Being fully staffed with managing partners together with attorney and a full support staff (paralegal, financial and legal researchers, hidden-asset locators, collector/operatives, and database analyst researchers) yields an indispensable plethora of expertise. Being well versed in collection law and more importantly, having considerable experience in the attachment and execution of judgments, gives us a special uniqueness in our approach, that is unparalleled in our industry.

INITIAL STATUS DETERMINATION PROCESS (I.S.D.P.)

The individual sales representatives will first collect the pertinent claim information; debtor name, address, telephone and fax number, amount of debt, etc. Then the sales representative will coordinate with client's staff, at the client's convenience for documentation, whether it is from fax, physical address, or from the U.S. Mail, Fed-Ex, etc. He/she will also check each account upon arrival, against client placement list.

Upon receipt of debtor information, we want to categorize the claim as quickly as possible, based on this criteria.

1. Acknowledgment of debtor location and accessibility.
2. Will the debtor pay, and if so will the debtor agree to full payment or a payment schedule.
3. If non-payment is determined, is litigation necessary, and if so, is there money or assets of the debtor to make litigation viable.

Once a determination is made as to the status of the claim, the account is then inputted into our computer system.

PRIORITIZATION OF ACCOUNTS

(1) **UNA** - (Unassigned Numbered Accounts) Also called Manager Accounts. Accounts in this status are to be reviewed by manager and assign to attorney/ collector accordingly.

(2) **NEW** - (New Accounts) UNA accounts are next moved to this status. This is where the intense activity will take place. We attempt to locate the debtor(s) from last known address, phone number, or any information provided to us by client that leads to the contact of the debtor. NEW remains on this status for three to five days.

(3) **GDN** - (Good Number Accounts) This status shows that we have the correct debtor's phone number and address. Collector under supervision of attorney/manager is in the process of exchanging any documentation or information wanted or needed by the debtor to prove the validity of the debt. When process of exchanging any documentation or information wanted or needed by the an account is in this status, it is phoned in every four (4) days, or enough times for mailing process, if fax is not available to debtor.

(4) **HOT** - (Hot Accounts) This status shows that the attorney/collector is ready to make a demand for full payment. However, monthly payment or settlement arrangements may be necessary due to the debtor's financial situation. Sales Representative or Operations Manager will contact client for advice and/or approval on settlement or repayment plan. Account in this status is reviewed by Operations Manager or Sales Representative until decision is finalized.

(5) **PRM** - (Promise To Pay Accounts) This status shows that the debtor has promised to pay his/her debt in full or according to a payment schedule/ arrangement.

(6) **SKY** - (Skip Accounts) This status shows that the debtor(s) last known address and phone number is not correct. Skip tracing procedures start immediately. Accounts remain in this section until we obtain a phone number or address. Skip accounts are subject to an on-going investigation and are worked no less than every four days.

(7) **ATY** - (Legal Accounts) The client will be contacted by our Operations Attorney to sign a Suit Authorization and a non-contingent suit fee form. An account in this status will be pursued in a time frame according to the rules and regulations of applicable state.

COLLECTION LETTERS

The important part of collection effort is the "Collection Letters". The first collection letter serves as an invitation to openly communicate and discuss a solution to repay the delinquent amount of the debt which the debtor can no longer ignore. We utilize both collection letters and telephone contact to achieve better results.

STAGES OF THE LETTER SERIES

All or our collection letters are prepared by a specialized attorney in collection. The initial letter of assignment includes the Federal Trade Commission's validation statement.

1. Mr. "B" letter- Initial dunning letter sent when account is placed with our firm.
2. Demand 1 - Strong letters indicating to debtor our intentions and imploring the debtor to resolve account.
3. Demand 2 - Strong letter indicating account is being referred for legal action.
4. B.P.S. - Broken promise letter.
5. Comp Letter - Letter offering partial payment arrangement. The use of this letter is a last attempt if the claim has been determined to be an unlikely collection.

TYPICAL COLLECTOR/ACCOUNT RATIO

250-350

MINIMUM FILE SIZE NECESSARY TO DEDICATE A FULL-TIME COLLECTOR TO A SPECIFIC CLIENT

250-275

COLLECTION PROCESS/TOTAL REPRESENTATION

The following points make this firm competently unique through the cooperation of the very best facts of a collection agency that operates as a law firm. Obviously, a collection agency cannot litigate but an attorney can. Once an attorney prepares a lawsuit he/she is no longer practicing collections, he/she is practicing law. This hybrid characteristics allows us to process the receivables referred for collection in an extremely efficient manner. Dollars available for collection and dollars actually collected are thereby maximized. The time factor in referring the matter from the client to the collection agency and then to a law firm is significantly reduced in the event the debtor will not pay and legal action is recommended.

Total legal representation will be provided in collection matters for your firm. Our process is as follows;

At the time a placement is recorded in our computer files, the computer will automatically print out our first letter called "Letter of Assignment". Our initial letter to debtor(s) advising them that we represent you is major factor in convincing debtors that voluntary payment must be made. Additional factors are the continuity of pressure and legal proceedings facing them insofar as a law firm can commence collection activity as well as directly and immediately commence litigation (with consent of the client). These factors combined with our proven relationships with our attorney network assures expeditious handling, timely action and up to date reporting on the status of each case. This maximizes funds collected and reduces to a minimum the time in which the operations are effected. The Note Letter will contain the validation statement required by the Fair Debt Collection Practices Act and it serves the following purposes:

1. To advise the debtor that his/her account has been assigned for collection (required by law).
2. To allow the debtor the opportunity to deny, dispute, discuss or resolve his/her obligation as soon as possible (as required by law).
3. To determine whether we have been given the debtor's correct address. If the letter is returned, skip-tracing procedure begins immediately.

Also professional telephone contacts will be made, with every possible effort made to retain the customer's good will. Assessment of the claims viability is the key to determining the method of pursuit, and this is when experience and expertise is invaluable. Usually, arbitration is the desired means of handling the claim, so the ability to make the demand with-out alienating your debtor/client requires negotiating, that provides leverage in favor of your firm in the event of any disagreement. All considerations are reviewed and explained, as to the strategy that is being used, with the client/debtor. Our experience has taught us that for every debt, there is a scenario as unique to itself.

SKIP TRACING/HIDDEN ASSET LOCATING

Doing our homework provides the intelligence, essential and necessary for the evaluation of the viability of a claim, the importance of this element in the collection process can not be underestimated. Although skip-tracing and hidden asset location are separate in their function and goals, they are inter-related insofar, as they require resourceful investigative work. We are sensitive to this need, and that is why we give special consideration as to the screening and hiring of our personnel in these related departments. Capitalizing on their intuitive skills, is as important, if not more, than methods employed. The skip-tracing of individuals and the locating of assets is a science. The use of resources, ranging from phone books to state of the art data base technologies and the ability to analyze this data from the information provided, result in factual conclusions, and this perhaps is one of the most interesting aspects of our business.

REPORT PRINT-OUTS :

NEWFILE/COLLECTOR REPORT - This report reduces to writing, file, and production requirements and account reprehensive goals. It is for the mutual benefit of the account representative and management, intending to reduce the element of misunderstanding and miscommunication. The report is generated at the beginning of each month, and whenever a new collector is hired, or a collector is assigned a new file.

FIVE-MINUTE REVIEWS - A sample five (5) accounts from each states in collector's cue is reviewed by a supervisor to ensure compliance to standards when working an account, and instruction to account representative to improve quality of work on the file. This 5- Minute Review is performed three (3) times monthly.

FULL FILE REVIEW - Each account in each status in a collectors file is reviewed by supervisor to ensure compliance, and for supervision to provide instructions to improve the quality of work in file. This report is done twice a month.

RETURN (BY CLIENT): - Accounts on recall list will be pulled by clerical, deleted from inventory report with reason noted, and mailed back to client the same day the request is made.

UNCOLLECTABLE ACCOUNTS

When all skip tracing leads fail to result in debtor contact and our letter series isn't successful in getting debtor to respond to our collection efforts, accounts are deemed un collectable. They are then returned to client. Accounts are purged from collector's desk (manager's section) three(3) times monthly. These accounts are put on a separate desk, pending recall.

PAYMENT ARRANGEMENT

BASIC CRITERIA FOR ARRANGEMENTS

During talk-off #1, all pertinent information is obtained regarding debtor financial status. Once updated it becomes a financial statement to help A/R evaluate debtors financial situation. Financial statement and asset verification obtained in talk-off # 1 will help determine debtor's financial capacity. A/R is instructed to pursue maximum amount debtor is capable if paying, over shortest period of time.

MAXIMUM ALLOWABLE PAYOUT PERIOD

A/R instructs PPA program is available for six months period time. They must be reviewed for possible upgrade.
Arrangement are reviewed for upgrading periodically (every quarter)

BROKEN AGREEMENT PROCEDURE

Debtor is contacted to ascertain why amount received is not what was agreed upon. If debtors circumstances have changed and new arrangements are justified, then new payment arrangement is instituted.

PLEASE NOTE: CCRC Settlement authorization, for assigned accounts on an individual basis, to a minimum of seventy-five percent (75%) of gross amount of claim/debt.

LEGAL ACCOUNTS

CRITERIA FOR LITIGATION

Debtor refuses to pay an account, and he/she has good address and verified assets. Accounts fitting this criteria will be referred to in-house attorney for suit. Client advised and suit authorization requested.

REPORTING AND MEASUREMENT

Placement Acknowledgement Statements

Remittance Statements

Separate Statements for Paid to Agency, Direct Pay, and NSF Payments? (Remittances made monthly/month end)

MONTHLY DEBTOR STATUS

A report alphabetically with client account number, all placements, and a description of current status.

MONTHLY GROSS RECOVERY PERFORMANCE

Gross dollars placed by month of placement.

Gross collections (both current month and cumulative since placement) against month account was placed.

Gross collection percentages calculated using above data.

PAYMENTS PROCESSING/HANDLING

All incoming mail processed by either qualified manager/operation manager/bookkeeper. Remittances are recorded by bookkeeper the same day. Daily cash receipt journal accompanied by validated copy of bank receipt reviewed and approved by qualified manager/operations manager.

Debtors with cash payments are handled by two individuals in management. Cash receipt goes to debtor, copy goes in cash register, and one copy is retained in cash receipt book. Cash is deposited daily, night cash walks-ins are placed in night depository box at branch.

Collectors have no part in these processes.

COLLECTION STAFF

STAFF RECRUITMENT

- We recruit staff from other agencies. We pursue the experienced collector. This is accomplished by running newspaper ads, word-of-mouth, and employee referrals.

QUALIFICATIONS

Minimum one (1) year in industry. Background check must support the fact that the individual is stable and mature. Individuals who are sports-minded are highly sought after. The competitive nature helps the collector to resolve any dispute with debtor who has a negative for resolving the account.

RANGE OF COLLECTOR'S EXPERIENCE

- 3-15 Years

Collectors are paid a base plus salary commissions. Goals and quotas are set monthly with awards and incentives established based on productivity.

Collectors are promoted to unit managers as the need arises. Criteria employed to evaluate promotion is the collectors success in meeting production goal individuals attitude and reliability.

FEES

Accounts receivable are accepted and handled on a pure contingency fee basis (no fees paid by the client unless and until the debt is collected). Fees are billed at the rate of 25% for matters collected without resort to litigation; litigation matters are billed at the rate of 35%, plus reimbursed litigation cost and a non-contingent suit fee.

Debts under the amount of one thousand dollars or one year in aging are recovered on a fee basis of 50%. All judgments or cases received on a second placement basis (asset location/skip tracing) are generally accepted on a 50% contingency fee basis, in all litigation cases only, documented Court costs and process serving fees are reimbursed by the client; these costs and fees are recovered for the client when the debt is satisfied.

(1) Nationwide Attorney Network Supplement our collectors operation in fifty states. These attorneys can conduct face to face negotiations with debtors, provide advice and counsel pertaining to local legal issues and any other legal assistance that might be needed. Each attorney has been personally screened to insure that all work meets the high standard maintained by this office. These relationships enable us to keep our finger on the pulse of our cases having statuses available to you immediately, when necessary, in addition to monthly reporting.

(2) Professional Asset Locators Investigate the debtor's assets both before and after judgment is taken. Upon judgment, asset attachment quickly follows. Examples are bank account restraint, property impoundment and sale, garnishee and other asset seizures.

(3) Professional Skip Tracers specialized in location of debtors who have left their last known address in an attempt to evade a due and just debt. Our staff uses state of the art methods in accomplishing their goal.

(4) Professional Para-Legals will call account according to a prearranged schedule for maximum contact to encourage immediate payments and to discuss any dispute issues. They will also investigate the facts relative to the debt and make recommendations as to manager before a final disposition is made.

(5) Monthly statements Sent to advise you of collections made in the prior month along with our net check and a report on accounts we are processing for you.

(6) Client conferencing Conference on a monthly basis or at the clients convenience provide the interface necessary for mutual insights into your goals and business decisions which in turn augments collections.

(7) Separate escrow account All funds collected are placed in the firm's client's funds trust account or, upon your request, in a separate trust account established solely for you.

INTERNATIONAL COLLECTION AREAS (SOUTH OF THE BORDER)

OFFICES – MEXICO

STATE

1. AGUASCALIENTES
2. BAJA CALIFORNIA – NORTH
3. BAJA CALIFORNIA - SOUTH
4. CAMPECHE
5. CHIHUAHUA
6. CHIAPAS
7. COAHUILA
8. COLIMA
9. DURANGO
10. GUANAJUATO
11. GUERRERO
12. HIDALGO
13. JALISCO
14. MEXICO
15. MICHOACAN
16. MORELOS
17. NAYARIT
18. NUEVO LEON
19. OAXACA
20. PUEBLA
21. QUERETARO
22. QUINTANA ROO
23. SAN LUIS POTOSI
24. SINALOA
25. SONORA
26. TABASCO
27. TAMAULIPAS
28. TLAXCALA
29. VERACRUZ
30. YUCATAN
31. ZACATECAS

OFFICES – CENTRAL AMERICA

COUNTRY

- | COUNTRY | CAPITAL CITY |
|----------------|----------------|
| 1. BELIZE | BELMOPAN |
| 2. COSTA RICA | SAN JOSE |
| 3. EL SALVADOR | SAN SALVADOR |
| 4. GUATEMALA | GUATEMALA CITY |
| 5. HONDURAS | TEGUCIGALPA |
| 6. NICARAGUA | MANAGUA |
| 7. PANAMA | PANAMA CITY |

OFFICES – SOUTH AMERICA

COUNTRY

- | COUNTRY | CAPITAL CITY |
|---------------|--------------|
| 1. ARGENTINA | BUENOS AIRES |
| 2. BOLIVIA | LA PAZ |
| 3. BRAZIL | BRASILIA |
| 4. CHILE | SANTIAGO |
| 5. COLOMBIA | BOGOTA |
| 6. ECUADOR | QUITO |
| 7. GUYANA | GEORGETOWN |
| 8. PARAGUAY | ASUNCION |
| 9. PERU | LIMA |
| 10. SURINAM | PARAMARIBO |
| 11. URUGUAY | MONTEVIDEO |
| 12. VENEZUELA | CARACUS |

MANAGEMENT

- Don Andrews - President, CEO

Directly supervises all sales and marketing aspects for CCRC.

Mr. Andrews has over fifty-five years of collection agency experience. Former CEO of Asset Recovery Corporation (ARC), CEO of Mercantile Credit Systems (MCS), CEO of Efficient Account Collections Co. (EACC), CEO of Intervention & Recovery Specialists Corporation (IRSC) for twenty years. Mr. Andrews is currently Chairman of the Board and CEO of Commercial Collection Resources Corporation (CCRC), Director of Sales and Marketing and General Collection Consultant.

INVESTIGATIVE SERVICES

Commercial Collection Resources Corporation specializes in financial investigations which assist clients in determining the credit worth of new customers, the financial stability of the existing customer, and the solvency of debtors. CCRC maintains a nation wide network of abstractors which are well-versed in every aspect of public record research and our investigators are very successful in uncovering hidden assets.

Credit/Collections
Corporate Finance
Accounts Receivable Management
Mortgage Lending
Civil Litigation
Property Management
Corporate Law

Mergers & Acquisitions
Asset Management
Commercial Lending
Banking
Human Resources
Corporate Security
Loan Administration

The following services are offered by CCRC :

INVESTIGATIONS

Asset / Liability Searches
Background Investigations
Litigation Research
Pre-Employment Screening
Skip Tracing
Bank Account Search
Stock, Bond, Mutual Fund Search
Non Published Telephone Listing
Employment Verification

PUBLIC RECORD RESEARCH

Fees are subject/Jurisdiction and exclude disbursements.

Corporate Record Search
Assumed/Fictions Name Search
UCC Search
Real Estate Search
Grantor/Grantee Search
Civil Litigation (pending)
Criminal Litigation (felony)
Judgment/Tax Lien Search
Bankruptcy Search
Motor Vehicle Search
Driving Record Search
Trademark/Patent Search
SEC filing Search

CREDIT EVALUATION / DUE DILIGENCE

Credit Application Review
Business Credit Reports
Personal Guarantee Evaluations
Loan File Review/Guarantor Credit Line Renewal/Guarantor
Asset Valuation (Plane, Boat/Auto)
Title Searches
UCC Filing
Consumer Credit Reports (FCRA lim)
Financial Statement Verification

COMMERCIAL DEBT RECOVERY

Fees are per account with volume discount offered

Accounts Receivable Review
Lettering Programs
Dispute Identification/Resolution
Final Demand (Letter & Contract)
Loan Workout
Attorney Demand Letter
Face-to-Face Collections
Collateral Locate
Repossessions (Business Equipment)

LITIGATION STATUS REPORT

The advices below are the result of considered and individual attention. This medium of correspondence is used to facilitate handling and reporting.

1. Suit has been filed. Advance file 60 days for sheriff's service.
2. The sheriff is experiencing difficulty in making service on the defendant. Advance file additional 60 days.
3. Defendant has been served. Advance file 30 days for defendant's response.
4. Defendant has been served. Advance file for 60 days for motion for summary judgment.
5. Kindly provide a response to allegations raised in defendant's opposition to summary judgment.
6. No answer was filed and we requested default judgment and execution. Advance file for 60 days.
7. We have served interrogatories document request on defendant. Advance file 90 days for response
8. Kindly provide a response to defendant's answers to interrogatories.
9. Defendant has failed to answer interrogatories. We have requested judgment. Advance file 60 days.
10. We have prevailed on our motion for summary judgment and have requested execution issue. Advance file 60 days.
11. Suit has been filed. Advance file for 90 days for small claims court hearing date.
12. Defendant has failed to comply with the court order payment. Advance file 90 days for notice to show cause hearing.
13. A notice to show cause hearing is scheduled for _____. Allow 20 days for order.
14. Supplementary process hearing is schedule for _____. Allow 20 days from hearing date for court order.
15. Court ordered defendant to pay _____. Advance file 20 days from that date.
16. Defendant defaulted at supplementary process. A capias arrest warrant will be issued, and sent to the deputy sheriff. Advance file 60 days.
17. Defendant defaulted at small claims. Awaiting notice of judgment to issue. Advance file 60 days.
18. We are continuing court action for defendant's monthly payment. Advance file for 30 days.
19. We have collected no funds from the debtor since our last report but continue to urge payment. Advance file for 60 days.
20. We have collected \$_____ and remittance will go forward in about 15 days.

PARTIAL CLIENT LIST (*)

1. Ingersoll-Rand, Inc.
2. Watts Regulator, Inc.
3. James River Corporation
4. Weldstar Corporation
5. Navistar Financial Corporation
6. Hubbell Electric, Inc.
7. John Langenbacker & Co.
8. Browne, Inc
9. Struthers-Dunn/HI-G
10. Dritz Corporation
11. Dresser-Rand Corporation
12. Zenith Corporation
13. Conagra Frozen Foods
14. Mothers Cake & Cookies, Inc.
15. Wyse Technology, Inc.
16. The Bachman Co.
17. SCM Chemicals, Inc.
18. Landes & Gyr, Powers, Inc.
19. Dana Commercial Credit co.
20. Calmat, Inc
21. New Balance Athletic Shoe
22. Calumet Refining Corporation
23. Cushman Electronics, Inc.
24. Alliance Technology, Inc.
25. ICI Chemicals, Inc.
26. Sandvik Coromat, Inc
27. Florasynth, Inc
28. Brownell & co.
29. EKCO/Kaiser, Inc.
30. Armstrong Rubber Co.
31. Sealy Mattress Co.
32. Simmons, Sealy Serta Mattress
33. Danbury Publishing co.
34. Hollingsworth & Vose Co.
35. Ceco Corporation
36. Rhone-Poulenc, Inc.
37. C.S.R.,Inc.
38. Dranetz Technologies, Inc.
39. Duracell, inc.
40. Crown Corning Revereware, Inc.
41. Jane's Information Group
42. Computer Associates int'l
43. San Francisco French Bread Co.
44. Shop-Vac Corporation
45. Taras Valve Corporation
46. HM Electronics, Inc.
47. GMAC
48. American Honda
49. Strapex, Inc
50. Elmes & Oess Service Corporation
51. General Bottle supply Co.
52. Trompeter Electronics, Inc.
53. Yaohan USA, Inc.
54. Nissan Kizai USA, Inc.
55. Huntington Medical Group
56. Riverside Community Hospital
57. Pico Rivera Community Hospital
58. San Diego General Vascular Surgeons
59. Western Medical Laboratories, Inc
60. Sutter Corporation
61. The Chase Manhattan Bank
62. Citibank N.A.
63. Republic National Bank
64. Banque Nationale de Paris
65. Toyota Motor Credit Corporation
66. United Mizrahi Bank
67. Smith, Barney Harris Upham Co.
68. Ingersoll- Dresser Pump Co.
69. Clover Commercial Corporation
70. Capital Discount Corporation
71. Reliance Risk Management Insurance Co.
72. Curtis Mallet- Prevost Colt & Mosle
73. ByblosUSA
74. Deva,Inc.
75. Stamford Superior Drug Co.
76. Cardinal Health, Inc.
77. Hydrospa, Inc.
78. Ionics, Inc.
79. Hoya Lens, Inc
80. SSM Industries, Inc.
81. Cooper Energy Systems, Inc.
82. The Waterbury Co's, Inc.
83. Amphenol Aerospace, Inc
84. TDK-USA, Inc.

(*) This is a small, unedited, random selection of our client base and may contain inactive companies or companies that no longer exist or have been acquired by other corporations.

C.C.R.C. - CONSUMER COLLECTION PROCEDURE

NON-PERFORMANCE PORTFOLIO COORDINATOR OVERVIEW & GUIDELINES

1-1-06

What is NPP?

NPP is the project code name for our credit card collection policy. Simply put, it is the purchasing and collecting of "non-performing" debt for the purpose of converting the paper into revenue through "Arrangement Payments" (APs) at a rate greater than the purchase price of the debt, but less than the total outstanding obligation of the debt. A targeted return of investment (ROI) for this operation is 35-50% of the NPP debt over a period of 1-36 months from the date of the NPP debt over a period of 1-36 months from the date of the AP creation.

How NPP works:

NPP starts with the purchase of NP loans, credit card debt, and other delinquent financial obligations from banks, department stores, credit unions and government agencies after they have exhausted their own collection efforts. This NP debt is acquired at a discount and then segregated through a high volume repeatable rules based process to determine as quickly as possible where the APs are within the given portfolio. Please see the attached modeling for further detail.

During the segmentation and evaluation process each record's likelihood of conversion into an AP is determined as a qualification and filtering process is applied and completed. This process will include the use of dialing technology, skip tracing, credit reports and debt record evaluations by trained Account Coordinators. The intended outcome of this intelligent high volume rules based identification process of segmentation is to generate Right Party Live Voice (RPLV) contacts. The RPLVs will be converted into APs and subsequently REVENUE.

This operation will work based on two principals: volume & quality. The processing rules are designed to handle large volumes of qualification and filtering advancement, while Account Coordinators will ensure quality with every RPLV. This may mean in some instances that the term of the AP is many years, but if paid faithfully, our objective of revenue recovery is obtained.

The Role of an NPP Account Coordinator:

The best way to describe the NPP Account Coordinator is that of a "Sympathetic Deal Maker" or "Car Salesmen." Focusing on understanding the situation, but doing so with the end purpose of making an AP that will stick with every RPLV.

The approach is an important key to NPP working. There are two factors that will create successful AP's:

1. The belief that the person on the other end of the phone (the NPP Account Coordinator) is truly understanding of the debtor's situation, and willing to find a solution that is realistic.
2. The incentives offered to make an AP have value to the debtor and his or her current situation.

The request for an AP by the Account Coordinator will only happen after carefully listening and understanding each individual's circumstances and current capabilities to make payments. The debtor will only be compelled to make an arrangement if they see the relationship as a win-win opportunity.

Know that the true "Collection Service Bureaus" have already assaulted these individuals for the past 60-250 days. Often two or three different companies will have contacted this debtor before we make contact with them. Threatening legal action, garnishing of pay, repossession of personal property and negative credit bureau reporting are all activities that this debtor has just gone through. They are not going to be sympathetic to our contact if they perceive in the slightest bit that we are calling to force a payment or settlement arrangement from them. We must create the willingness on their behalf to participate in the resolution of this debt.

It will be very important for our Account Coordinators to understand that only APs that create cash flow are worth making. Both the amount of the arrangement or the length of the arrangement term must be realistic and mutually agreed to by Account Coordinator and the debtor in order to be a worthwhile AP.

Treating these debtors as people, not financial criminals, will be the difference. In the end, these obligations are resolved without prejudice and a positive relationship will be established.

Simply put, the role of an Account Coordinator is the communicator between our company and the debtor. The Account Coordinator will communicate the message that we understand their situation and want to help them to put the issue in their past and assist them back on their feet. An Account Coordinator is successful if they can create APs that will satisfy both our need to collect on the debt, and meet the debtor's realistic monthly ability to pay on an arrangement while providing additional services such as a phone card; credit card and improved credit card rating.

The Steps an NPP Account Coordinator will cover with every RPLV:

NPP will work because the process rules and defined actions will be designed to manage large volumes of NP debt in short periods of time. Similar to an assembly line process we will have Stages and Filters that every record will go through in our effort to create APs as efficiently as possible.

Once the records have completed Filter 1 they will be entered into "VIPER" for filter 2 and live voice attempts will begin in filter 3 for Account Coordinators. The Account Coordinators will begin their efforts by following these steps listed below:

STEP ONE - Validate the identity of the Live Voice Connect

- Get verbal confirmation of full name.
- Confirm second piece of information with LV: Address, SSN, phone number and ownership of debt, etc.

(If not the Right Party Live Voice, RPLV, follow NPP flow chart rules).

STEP TWO - C.C.R.C. (or current owner of debt)

- Give brief overview of who we are, where we are located and why we are calling them today. Stress that we are not a collections company, and are interested only in understanding the current situation with the unresolved (outstanding) debt now owned by C.C.R.C.
- Provide them with the C.C.R.C. collections Miranda advisement disclaimer information.
- Confirm that they have not filed for bankruptcy nor have a bankruptcy filing pending.
- Give a brief explanation of how we offer true incentives in addition to forgiving a portion of the debt, not charging any fees or interest and guaranteeing to create payments that are realistic and manageable in exchange for the commitment to resolve this obligation. But prior to giving too much detail, go to step three.

STEP THREE - Request a "Summary" of what caused the debt and a "Summary" of their current financial and employment situation.

- Be understanding, empathetic and be an active listener.
- Clarify if the debt is being disputed with the original lender.
- Confirm debtor's expectation of amount owed.
- Confirm debtor's last action to resolve this debt.
- Clarify debtor's receptiveness and sense of responsibility to resolve the debt.

STEP FOUR - Introduce the Incentives for committing to an AP with C.C.R.C. in order to resolve this obligation.

- Visa/ MasterCard guaranteed with 3-6 months of perfect payments.
- Discount Phone Card guaranteed in 3-6 months of perfect payments.
- The Three primary credit bureaus will be reported to after 6 months of perfect payments. The report will state debt resolved in full with prejudice. C.C.R.C. only requires 11 payments a year to stay current.

STEP FIVE - Provide Account Summary and recommended AP

- Confirm original amount of debt owned, we want to work out a resolution to this outstanding obligation.
- Stress that all late fees, interest and processing fees have been forgiven as part of this offer.
- Ask for 75% of the original obligation to be repaid.
- Ask for a \$50.00 monthly payment. If \$50.00 a month is objected to negotiate down to a monthly payment that the debtor will commit to making 11 out of 12 months a year until resolved.
- After monthly payment is agreed to double the amount of the first payment and explain that this amount and a first payment should be sent to C.C.R.C. along with the new set up agreement that can be faxed or mailed.

- Explain that we would like to reach them once a month to confirm the AP and ensure all is fine with the arrangement. Ask for the best time, day of month and numbers to reach debtor for these monthly calls.
- Confirm mailing address and fax number (if applicable) to get AP agreement completed.

STEP SIX - Call Wrap-up

- Re-state and confirm all major contact information:
 - Full name
 - Complete Address with state and zip code
 - Home telephone number
 - Employer's name and telephone number
- Re-state and confirm AP details:
 - Original amount owed
 - Adjusted amount that C.C.R.C. will accept as a concession to resolve the obligation.
 - Monthly payment amount
 - Expected number of payments until resolution.
- Provide C.C.R.C. (800) number for questions and follow up communication as well as C.C.R.C. 's mailing address for payments.
- Thank the debtor for their commitment and confirm timing for AP Agreement paper work and first follow up telephone call.

1. Technology:

Collection Software:	Global Software/Latitude
Ach Module:	Regal Technologies
Payment Methods:	Check by phone, checks, money orders, all forms of credit cards, Money Gram, Western Union, and wire transfers.
Auto Dialer:	Ontario System 2005 GC Compact PCI Model G3
Crystal Reports:	Tailor to any client's wishes. Remittance can be weekly, semi monthly, or monthly

2. Collection rate:

Skip Tracing:	We feel that this is the biggest key to our success. With the proven system we have developed, we are able to find more debtors and contact more debtors than anyone else. We can find 10%-15% of the POEs in the first 48 hours on most portfolios.
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1.5% to 4% returns in a 30-45 period

Annual collection rate of 10%-12% 2yr rate of 18%-20%

Collection rate does not vary on age of paper.

Number of accounts C.C.R.C. can work effectively is 300 per collector per month. With our present staff, we have the ability to work 13,000 accounts per month.

With training program - we can add 10-15 collectors per month and keep same collection rate.

3. Training:

FDCPA compliant: Intensive training before each collector gets on phone.

Constant monitoring of phone calls to make sure compliance is maintained.

Refresher courses every week on how to collect money without breaking the law.

With the constant training of all employees (including; managers), C.C.R.C. can get a better penetration in each portfolio.

We operate with a non abrasive style of collection. By teaching the collectors to find more people, they are less likely to break a company policy or the FDCPA by being belligerent to the debtor. This method results in a very low amount of complaints and zero lawsuits to date.

CONCLUSION

It will be our goal to meet or exceed any goals of production set by our clients and look forward to the challenge. We have always thrived on competition and hope that there will be the opportunity to prove our ability to provide the best customer service and recovery percentage for your accounts receivables.

Our experience, stability, reliability, integrity, and performance provides the back bone of our Agency and makes us a logical choice for your collection needs.

Please feel free to contact us at your earliest convenience with any questions you may have. If you would like to utilize our services, please notify our office and we will prepare the necessary paperwork.

Again, thank you for the opportunity to discuss our services; we look forward to hearing from you soon.

COMMERCIAL COLLECTION RESOURCES CORPORATION

Don Andrews
President