



The American Association of Debt Arbitration Companies

MEMBERSHIP APPLICATION/LICENSING AGREEMENT

Thank you for your interest in becoming an active Member of The American Association of Debt Arbitration Companies (AADAC), a national trade association focused on promoting the highest level of standards and practices for companies operating within the Debt Arbitration industry.

There are three forms of acceptable company formats eligible for Membership to the AADAC:

FULL SERVICE COMPANY enrolls, maintains and services each client account in house performing all phases of the debt arbitration process.

FRONT END SERVICE COMPANY enrolls and forwards each client to an outside Back End Service Company (a third party vendor) to perform all phases of the debt arbitration process.

BACK END SERVICE COMPANY performs all phases of the debt arbitration process on behalf of a Front End Service Company.

Regardless of company format, each company who submits a membership application to the AADAC for review must provide the following:

- A certified copy of Articles of Incorporation and/or D/B/A's from the state in which the principal office is located. In addition, please submit copies of any and all required Business Licenses and/or Surety Bonds required by the state in which the principal office is located.
- Submit a list of its Owners, Partners, Board of Directors and/or registered Officers together with signed affidavits that each have not committed or been convicted of a felony, any form of fraud/embezzlement or dishonesty. Please also include the name and address of the current Registered Agent.
- Each Owner, Partner, Board of Directors and/or registered Officer shall submit a Curriculum Vitae (CV) illustrating their relevant experience, training and/or certifications as it pertains to the Debt Arbitration industry.
- Provide copies of all scripts and/or written contracts used in conjunction with client enrollment and all phases of the debt arbitration process. In addition, please provide a copy of the budget analysis used in conjunction with client enrollment that illustrates the qualification for a client to participate in a debt arbitration program together with a payment and savings schedule.
- Membership Dues must be paid by company check bearing the identical name for which Membership Application is being made. Annual Membership to the AADAC is \$499.00.

Please mail your completed Membership Application, supporting documentation and your company check in the amount of \$499.00 to the following address:

**The American Association of Debt Arbitration Companies (AADAC)
11328 Ridge Road, Suite# 36
New Port Richey, FL. 34654**



AADAC LOGO LICENSE AGREEMENT

The AADAC logos and name are the sole property of The American Association of Debt Arbitration Companies (AADAC) and may only be used by AADAC active members in good standing and in accordance with the terms and conditions set forth below. Use of one or more of the logos shall constitute consideration for, agreement to, and acceptance of, the terms and conditions of this license by the user. User agrees to the following:

1. The attached AADAC logos (the "logos") are the sole and exclusive property of AADAC. These logos may only be used by AADAC active members in good standing and if such use is made pursuant to the terms and conditions of this limited and revocable license. The logos may not be distributed or sublicensed to any individual, corporation, agency, association, partnership, affiliate, subsidiary, or other entity without the specific written consent of AADAC. Failure by a user to comply with the terms and conditions contained herein may result in the immediate revocation of this license, in addition to any other sanctions and legal remedies imposed by AADAC. The interpretation and enforcement (or lack thereof) of the terms and conditions, and compliance with them, shall be made by AADAC in its sole discretion.
2. As set forth on the Attachment, the logos are made available to AADAC members in good standing in color and in black-and-white. The logos may not be revised or altered in any way and must be displayed in the same form as produced by AADAC.
3. The logos may be used in a professional manner on the user's business cards, stationary, literature, advertisements, internet web sites, store-front window, or in any other comparable manner to signify the user's membership with AADAC. The logo may never be used independent of the term "MEMBER". Notwithstanding the foregoing, the logos may not be used in any manner that, in the sole discretion of AADAC: discredits AADAC or tarnishes its reputation and goodwill; is false or misleading; violates the rights of others; violates any law, regulation or other public policy; or mischaracterizes the relationship between AADAC and the user, including but not limited to any use of the logos that might be reasonably construed as an endorsement, approval, sponsorship, or certification of AADAC of the user, the user's business or organization, or the user's products or services, or that might be reasonably construed as support or encouragement to purchase or utilize the user's products or services.
4. Use of the logos shall create no rights for users in or to the logos or their use beyond the terms and conditions of this limited and revocable license. The logos shall remain at all times the sole and exclusive intellectual property of AADAC. AADAC shall have the right, from time to time, to request samples of use of the logos from which it may determine compliance with these terms and conditions. Without further notice, AADAC reserves the right to prohibit use of the logos if it determines, in its sole discretion, that a user's logo usage, whether willful or negligent, is not in strict accordance with the terms and conditions of this license, otherwise could discredit AADAC or tarnish its reputation and goodwill, or the user is not an AADAC member in good standing.
5. The AADAC logos may not be used without certification of the following: (a) Agreement to adhere to the applicable Standards promulgated herein, including the use of and adherence to the AADAC Disclosure Statement on the applicable web sites (b) Use of the logo must not imply endorsement of the organization, its services or affiliations.

6. Applicant agrees to provide the URL for each unique domain name in which applicant owns and/or is in partnership with and where the AADAC logo appears or will appear.
7. This license and the enforcement and interpretation of this license agreement are subject to the laws of the State of Florida. The user hereby consents to the exclusive jurisdiction and venue of the courts, tribunals and agencies located in the State of Florida for any dispute arising from use of the logos.
8. Any questions concerning use of the logos or the terms and conditions of this license should be directed to The American Association of Debt Arbitration Companies, 11328 Ridge Road, Suite# 36, New Port Richey, FL. 34654 or by electronic mail to compliance@aadac-usa.org.

I am authorized to accept this license on behalf of the company indicated below and accept the terms and conditions of this License of AADAC Logos to Members:

Company Name: _____

D/B/A (if applicable): _____

Physical Address: _____

Suite#: _____

City, State & Zip Code: _____

Web Site Address: _____

Contact: _____ Title: _____

Signature: _____ Date: _____



AADAC STANDARDS AND DEFINITIONS

A. SCOPE

The purpose of this document is to establish Industry Standards for members of The America Association of Debt Arbitration Companies (AADAC).

The following Standards apply to all Members. These Standards include the AADAC Membership Application/Licensing Agreement and the AADAC Logo Licensing Agreement, all of which are attached.

All AADAC Members shall adhere to the standard required of their designation at all times and while engaged in the business of providing Debt Settlement Services to consumers. Failure to do so may result in the termination of the AADAC membership.

B. BASIC REQUIREMENTS

- All Members shall comply with all Federal and State laws, regulatory opinions, rulings and determinations including, but not limited to the privacy of Client's personal confidential information and company registration as required by applicable State law.
- All Members shall maintain a fixed "brick and mortar" location together with a valid U.S. Postal Service address to facilitate mail delivery.
- All Members shall make available on their websites a toll free Customer Service number, an email contact address, hours of operation and the AADAC Logo linking to the designated URL assigned to Member.
- All Members shall have written agreements with all Clients.
- All Members shall have formal and continual training for each of its applicable staff in Sales, Operation, Negotiation and Customer Service which will include access to copy of the Fair Debt Collection Practices Act.
- No Member shall direct a potential or current client to stop making monthly payments to their creditors.
- Member shall direct Client to notify Creditors' of a new mailing address and telephone for future contact.
- All Members shall advocate the needs on behalf of their clients while conducting themselves in the highest level of ethical standards and practices.
- All Members shall offer and apply Debt Settlement Services to all individuals in a nondiscriminatory manner.

C. CLIENT AGREEMENT

All Members shall provide the client a copy of the Client Agreement and maintain a copy of the agreement for a period of three (3) years after that client either completes or terminates the program. All Client Agreements shall include:

- A list of every debt at the time of enrollment including the Creditors' names and identifying information.
- The approximate total of all such debts.
- Disclosure of fees.
- The estimated amount of money needed to fund settlements and the corresponding estimated number of installments necessary to fund the Program.
- The name, physical address and telephone number of the Member.
- A description of the services to be provided by the Member.
- Clearly defined cancellation policies and procedures.

D. MARKETING STANDARDS

- All Members shall publish on all websites owned by the Member the appropriate AADAC logo linking to the designated URL provided to the Member.
- No Member shall engage in any sales or marketing that uses any unfair or deceptive representations including unsubstantiated performance or savings statements.
- All Members shall only provide Debt Settlement Services to a Client who is qualified based upon the financial review of the information provided by the client.
- All Members shall conduct an initial comprehensive review of a consumer's debts. This review shall include a comprehensive budget analysis to determine whether or not a debt settlement program is a viable and affordable option to the client. Member must describe the methodology of the Debt Settlement program to each potential client so that he/she may make an informed decision. In addition, Members must clearly describe all viable remedies available to help resolve unsecured consumer debt. This would include a consumer continuing to pay such debt themselves, consolidation, credit card counseling and bankruptcy. Members may not charge a fee for this initial consultation.
- AADAC recommends and encourages all Members to provide discounted and/or free debt settlement services to consumers who otherwise will not be able to afford their services.

E. NEGOTIATION OF CLIENT DEBTS

All Principal Members except those involved solely in marketing or selling a debt settlement program shall demonstrate their ability to achieve settlements of consumer debt that are mutually agreeable to both Clients and Creditors.

Members shall have in place and written documentation of the following:

- A process to obtain a Client's approval for each settlement unless the authority to settle a client's debt is provided for by contract or by statute.
- An internal procedure for the periodic review of a Client's progress through its Program.
- A procedure to obtain written settlement agreements that contains language of final debt forgiveness or satisfaction before payment is made to the Creditor.
- A written procedure describing the necessary steps for handling an account in which the creditor is represented by an attorney.

- A process to notify the Client or to ensure Creditors are paid on or before the due date(s) set forth in the settlement terms.
- An internal procedure to provide Client with copies (or access to copies) of each settlement agreement achieved and if applicable, proof of payment.
- A procedural policy to begin negotiations within seventy-two (72) hours of receiving a signed contract from the client.

F. CLIENT FUNDS

No Principal Member shall receive money directly from a client or exercise direct control over funds of a client for the purpose of distributing payments to or among one or more creditors of the client in full or partial payment of the client's obligations. If the client has entered into an agreement with a third party as part of his/her savings program, any funds held, escrowed or distributed by a third party will be for the purpose of settling the debts of the client with the intended creditor(s) or for the payment of certain fees specified in the Client Agreement.

G. INSURANCE COVERAGE

Members shall maintain reasonable insurance coverage or a surety bond to protect the Member, its employees, and Clients as required by state law, if applicable.

H. RECORD KEEPING REQUIREMENTS

All Members are required to:

- follow a record retention policy that ensures records of all Client contracts and transactions including those stored electronically are preserved for a minimum of three (3) years from the date the Client completes or otherwise terminates the Member's Program;
- maintain a record keeping system to account for all client contact and transactions;
- prevent records from being altered or destroyed;
- provide policies and procedures for correcting erroneous information in records;
- safeguard records from damage or deterioration;
- recover or reconstruct damaged or deteriorated records; and
- protect records from unauthorized access.

I. FEES

All Fees shall be in compliance with state law when applicable and in other instances shall be in accordance to AADAC fair and reasonable standards as:

- A one time setup fee is not to exceed \$299.00 on debts of \$9,999.99 or less. On debts of \$10,000 or more a one time setup fee is not to exceed \$399.00.
- Enrollment Fees must be split 50/50 for a period not to exceed the first six (6) months of the program thereby providing for the immediate accumulation of client funds for purposes of settlement from the very first month of client enrollment.
- Monthly Servicing Fee is not to exceed \$29.00 per month
- A Settlement Fee of not more than 29% percent of the amount saved for any individual settlement.

- A cancellation fee of not more than \$149.50 may be charged if the client wishes to terminate or in any other manner cancel the program.

J. PERIODIC REVIEW

- Members shall be reviewed for compliance with approved Standards at a time and place at the discretion of AADAC. Such compliance review may also include AADAC "ghost calls" to establish that Member is within compliance.
- Membership status shall be reviewed annual by AADAC.

I. FINAL ACCEPTANCE

Member must fully evaluate prior to final acceptance of each Client Agreement that a Debt Settlement Program is an affordable and viable option for each potential client.

