



## CLIENT SERVICE AGREEMENT

This CLIENT SERVICE AGREEMENT is made and entered into this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Effective Date"), by and between Laborchex, Inc., a Mississippi corporation, ("Laborchex") and \_\_\_\_\_, hereinafter referred to as "Client." Laborchex and Client may be referred to jointly as the "parties."

WHEREAS, Laborchex is a consumer reporting agency as defined in the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq. ("FCRA"), which provides services to clients including "consumer reports" and "investigative consumer reports" each as defined in the FCRA for employment purposes only.

WHEREAS, Client desires to use Laborchex's services to procure consumer reports solely for "employment purposes" as defined in the FCRA.

NOW, THEREFORE, in consideration of the premises and the agreements of the parties set forth herein, and for other good and valuable consideration, the parties agree as follows:

1. **Services.** Laborchex will provide to Client upon proper request, consumer reports or investigative consumer reports for a single one-time use for employment purposes only regarding the consumers identified by Client.
2. **FCRA Obligations.** Client hereby acknowledges that Laborchex has provided Client with a **Notice to Users of Consumer Reports: Obligations of Users Under the FCRA**, to inform Client of its legal obligations as a user of consumer reports. This notice is not furnished as legal advice but is intended to give Client notice of its duties as a user of consumer reports under the FCRA. The text of the FCRA is set forth in full at the Bureau of Consumer Financial Protection's website at [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) and Client represents and warrants to Laborchex that it has consulted the relevant provisions of the FCRA about its obligations under the FCRA. Client hereby further acknowledges that Laborchex has provided Client with **A Summary of Your Rights Under the Fair Credit Reporting Act**.
3. **Use of Services.** Client certifies, represents and warrants to Laborchex that it will use each consumer report procured from Laborchex for a single one-time use for employment purposes only and in compliance with its obligations under the FCRA, the Driver's Privacy Protection Act, 18 U.S.C. § 2721 et seq. ("DPPA"), the Gramm-Leach-Bliley Act, 15 U.S.C. § 6801 et seq. ("GLB") and Title VII of the Civil Rights Act of 1964. Client and its authorized employees certify that they will not procure a consumer report about themselves, their family members or friends other than as permitted by applicable law. Client further certifies, represents and warrants to Laborchex that it will:
  - (i) Make a clear and conspicuous written disclosure to the consumer before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained;
  - (ii) Obtain from the consumer prior written authorization to procure a consumer report for employment purposes (authorization to access reports during the term of employment may be obtained at the time of employment);
  - (iii) Certify to Laborchex that the above steps have been followed, that the information being obtained will not be used in violation of any federal or state equal opportunity law or regulation, and that, if any adverse action is to be taken based on the consumer report, a copy of the report and a summary of the consumer's rights will be provided to the consumer.



4. Client hereby agrees that the entry of any order for a consumer report shall constitute its certification that it has made the stand alone disclosure to the consumer and has possession of the written authorization from the consumer consenting to procurement of a consumer report for employment purposes as required by FCRA §604(b).
5. Pre-Adverse Action Requirements. Client acknowledges and agrees to comply with its obligations under FCRA §604, which requires that employers provide to the consumer, **before** taking any adverse action based on a consumer report, a copy of the report and **A Summary of Your Rights Under the Fair Credit Reporting Act** (“FCRA Summary of Rights”). Once you have provided the Pre-Adverse Action notice, you must then give the consumer a “reasonable” amount of time after the FCRA Summary of Rights and copy of the report is received to dispute the information (reasonable is determined by the Client). The FCRA is silent on a specific timeframe; therefore, it is based on the circumstances of the consumer and the Client’s circumstances and discretion. Note: A five day waiting period is commonly used and may be extended or shortened based on the consumer’s actions/response to your pre-adverse action letter. However, you should consult legal advice on what is appropriate for your company and establish a general policy.
6. Adverse Action Requirements. Client acknowledges and agrees to comply with its obligations under FCRA §615(a), which requires that if a user takes any type of adverse action that is based at least in part on information contained in a consumer report the user must notify the consumer in writing, orally, or by electronic means. Client agrees that the adverse action notice will contain the specific content listed in FCRA §615(a).
7. Investigative Consumer Reports. Client acknowledges that the term “investigative consumer report” means a consumer report or portion thereof in which information on a consumer’s character, general reputation, personal characteristics, or mode of living is obtained through personal interviews with neighbors, friends, or associates of the consumer reported on or with others with whom he is acquainted or who may have knowledge concerning any such items of information. Client acknowledges and agrees to comply with its obligations under FCRA §606(a) and (b) which require that special disclosures be made to the consumer regarding his rights under the FCRA within time periods specified therein.
8. Acknowledgement of FCRA Obligations When Disposing of Records. Client acknowledges and agrees to comply with its obligations under FCRA §628 which requires all users of consumer report information to have in place and monitor compliance with procedures to properly dispose of records containing this information.
9. Special Rules for Trucking Industry. Special rules apply for truck drivers where the only interaction between the consumer and the potential employer is by mail, telephone, or computer. In this case, the consumer may provide consent or authorization orally or electronically, and an adverse action may be made orally, in writing, or electronically. The Client must provide the consumer a copy of any report relied upon by the trucking company upon request to the trucking company.
10. Client acknowledges that failure to comply with the FCRA can result in state government or federal government enforcement actions, as well as private lawsuits. FCRA §616, 617 and 621. In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution. FCRA §619.
11. Security Measures. Client certifies, represents and warrants to Laborchex that it has reasonable security measures in place to prevent unauthorized access to information provided by Laborchex, including but not limited to:



- i. Protecting account number and password information to that only designated key personnel know this sensitive information, including not posting this information anywhere in Client's facility. Client further agrees to immediately notify Laborchex via email to [passwords@laborchex.com](mailto:passwords@laborchex.com) in the event a person who knows an active password leaves its employ or no longer needs to have access due to a change in duties;
  - ii. Not discussing its account number or password by telephone with any unknown caller, even if the caller claims to be an employee of Laborchex;
  - iii. Restricting the ability to obtain consumer reports to a few key personnel;
  - iv. Placing all terminal devices used to obtain consumer reports in a secure location within its facility so that unauthorized persons cannot easily access them;
  - v. Turning off and locking all devices or systems used to obtain consumer reports.
  - vi. Securing hard copies and electronic files of Laborchex provided consumer information within its facility so that unauthorized persons cannot easily access them;
  - vii. Shredding and/or destroying all hard copy consumer reports when they are no longer needed and erasing and overwriting or scrambling electronic files containing consumer information when no longer needed and when applicable regulations permit destruction.
12. Employment Purposes. Client warrants to Laborchex that it has accurately represented the type and nature of its business, and specifically warrants that it is not in business as a real estate rental or leasing business, private investigative agency, a detective agency, insurance agency, credit grantor, or any business that would use Laborchex's reports for any non-employment purposes.
13. Order Entry and Processing. Orders for service may be submitted to a via Laborchex's secure website, email and/or FAX. Orders shall be submitted using either Laborchex's online order system or by email delivery of a Laborchex Transmittal of Order form, which in each case includes required Client certifications. Laborchex agrees to provide Client with secure, encrypted access to applicant information utilizing a password to gain access to Laborchex's website. Client shall designate and identify in writing to Laborchex each of its employees, who will have access to the Laborchex website. Each designated employee shall choose their own unique User Name and Password, which must be used only by that specific employee. Clients have the responsibility to inform Laborchex of any person(s) who should no longer have access to Laborchex's website, in order to prevent unauthorized and unlawful access. Laborchex will document all search requests pertaining to the completion of the background screening report. These requests will be assigned a unique control number, which will identify the request for reporting, billing, and tracking. Reports will be returned to the Client and its legally designated requestors without editorial or any subjective comments from Laborchex's staff members. The Client will have the option to choose the method by which reports are provided to them. These methods typically include viewing them on Laborchex's secure website, and/or email.
14. Pricing, Billing and Payment. Client hereby acknowledges that Laborchex has provided Client with a copy of Laborchex's current Schedule of Fees, which is incorporated herein by reference. Client agrees to pay to Laborchex all applicable fees in effect at the time of each service rendered to Client in accordance with the Schedule of Fees, as the same may be amended from time to time by Laborchex. In the event of an amendment to the Schedule of Fees, such amendment shall be delivered to Client via email at the email address provided on the signature page hereof and shall become effective fifteen (15) days after the date of the email delivery. All current and future Laborchex pricing documents are deemed incorporated herein by reference. Client shall be responsible for payment for all services obtained using Client's access identification code. Laborchex may invoice on a weekly basis. Client authorizes Laborchex to deliver invoices via email to the Client at the email address provided on the



signature page hereof. Payment by Client is due and payable in full upon receipt. Client agrees to pay interest at the lesser of 1.0% per month, or the maximum rate allowed by law, on all outstanding Laborchex charges including invoice balances and accrued interest thereon, commencing thirty (30) from the date of the invoice until paid in full. Client agrees to pay all costs of collection, including legal fees and court costs, incurred by Laborchex in its efforts to collect on balances owed by Client. Client further agrees to pay all governmental fees, applicable taxes and charges made by information sources for production of records used in compiling consumer reports. Laborchex's fees are exclusive of any sales taxes applicable to its services and Client agrees that it shall be responsible for all applicable sale taxes in the event Laborchex's services are subject to sales tax.

15. Client agrees that its representatives will accurately and correctly enter all information when placing orders over the Laborchex's website and will take appropriate measures to ensure that information forwarded to Laborchex via the website, email, or FAX about persons who are to be screened is accurate so Laborchex can process the Client's requests effectively. Client will be responsible for any charges resulting from the processing of inaccurate or incorrect information that was submitted to Laborchex by their designated representatives.
16. Term and Termination. This Agreement will commence on the Effective Date, will continue for an initial term of one (1) year and will be automatically renewed for successive one (1) year terms unless terminated by either party giving thirty (30) days' notice to the other.
17. Termination. This Agreement may be terminated by either party upon written notice of termination in the event that the other party fails to perform or observe any material term or provision of this Agreement, and does not cure such breach in all material respects within ten (10) days following written notice from the non-breaching party demanding correction of such breach. Such notice shall describe the breach in sufficient detail to inform the breaching party to correct such breach. This Agreement may be terminated by Laborchex without notice to Client if Laborchex has reason to believe that Client has ordered, used or disseminated any report and/or details on any applicant or individual, in whole or in part, contrary to this Agreement or in violation of any federal, state, or local law or regulation. Alternatively, Laborchex may suspend performance under this Agreement without penalty upon written notice to Client, in the event Client's performance under this Agreement is reasonably determined by Laborchex to be in violation of any applicable federal, state, or local law or regulation or to present a risk of non-compliance by Laborchex with such applicable laws or regulations. Client will remain liable for all outstanding invoices and charges incurred prior to the effective date of the termination or suspension of this Agreement.
18. Proprietary Rights and Confidentiality. Laborchex regards, and hereby identifies as proprietary and confidential those methods and processes for collecting, decoding, assembling and accessing its services. Client agrees to exercise due and reasonable care in protecting Laborchex's confidential and proprietary information from unauthorized use, disclosure, or distribution. The existence of this Agreement shall not be considered confidential, but the terms and conditions of this Agreement, including price information, shall be kept confidential and shall not be disclosed by either party to any third party, excluding an affiliate or subsidiary of such party or an entity that is legally permitted to view such information, without the prior written consent of the other party, except pursuant to proper judicial process. The obligations of this section shall survive any termination of this Agreement.
19. Notices. All legal notices to Client under this Agreement shall be sent by certified mail to the Client's billing address and if to Laborchex to: Debbie Holmes, CEO, LABORCHEX, Inc., 2506 Lakeland Dr. #200, Jackson, MS 39232.



20. Force Majeure. Neither party shall be responsible for any delay or failure in performance resulting from acts beyond the control of such party. Such acts shall include but not be limited to: an act of God; an act of war; a riot; an epidemic, fire, flood, or other natural disaster; an act of government; a terrorist act; an unexpected interruption of internet, electrical, or telephone service not caused as a result of Laborchex's negligence, or a strike or lockout.
21. Entire Agreement. This Agreement constitutes the entire Agreement between the parties and supersedes all prior Agreements and understandings with respect to the matters contained in it. This Agreement may be amended or modified in whole or part by agreement, in writing, and executed in the same manner as this Agreement and making specific reference thereto.
22. Counterparts. This Agreement may be executed simultaneously in one or more counterparts with the same effect as if the parties executing the several counterparts had executed one counterpart; provided, however that the several executed counterparts shall together constitute one and the same instrument.
23. Governing Law, Jurisdiction and Venue. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Mississippi, without regard to its conflict of rules. Any and all actions brought to enforce the provisions of this Agreement shall be brought in a court of competent jurisdiction located in Rankin County, Mississippi or in the U.S. District Court for the Southern District of Mississippi at Jackson and each party hereby consents to the jurisdiction and venue of such courts.
24. Not Legal Advice. Client acknowledges and agrees that this Agreement is not furnished as legal advice but is intended to give Client notice of its duties as a user of consumer reports under the FCRA. Client may not rely upon this Agreement as legal advice.
25. Attorneys Fees. Should any court action be filed by any party as a result of the breach of any terms of this Agreement, the prevailing party in such action shall be entitled to reimbursement of attorneys' fees incurred by that party in such action.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first written, and the Client agrees to all statements, requirements, and procedures outlined in this Agreement.

**LABORCHEX, INC.**

**FOR CLIENT**

By: \_\_\_\_\_  
Ricky Rayborn Chief Operating Officer

By: \_\_\_\_\_  
Name and Title:

Client's Authorized Email Address:  
\_\_\_\_\_