



# RED TRENDS TECHNOLOGIES

## SERVICE AGREEMENT

This Service Agreement (“Agreement”) is between Red Trends Technologies, Inc. and \_\_\_\_\_ (“Client”) and is entered into on \_\_\_\_\_, 20\_\_\_\_ (“Effective Date”). Red Trends Technologies, Inc. and CLIENT may be referred to herein individually as “party” and collectively as the “parties.”

WHEREAS CLIENT is a consumer reporting agency as defined under the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq. (“FCRA”); and

WHEREAS RED TRENDS TECHNOLOGIES, INC. is a wholesale provider of public record information;

WHEREAS CLIENT seeks to obtain certain information products and services from RED TRENDS TECHNOLOGIES, INC.;

NOW, THEREFORE, in consideration of the premises and of the agreements of the parties set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### 1. Services

In response to CLIENT’s request and per the terms of this agreement, , RED TRENDS TECHNOLOGIES, INC. will identify data, including but not limited to, certain criminal, civil, motor vehicle driving history, public record information to Client (“Information Products”). RED TRENDS TECHNOLOGIES, INC. will not assemble, merge, or evaluate any of that information. RED TREND TECHNOLOGIES, INC.’S default criminal search shall include convictions going back 10 years. Non-convictions will be limited to only records within the last 7 years, based on the arrest date (where available).

### 2. Compliance with Applicable Law, Client Certification and Disclaimer of Warranty

2.1 The Parties agree that each will comply with any applicable federal, state, and local law and regulations governing the use, storage, and distribution of Information Products that may be identified by RED TRENDS TECHNOLOGIES, INC. The Parties each further represent and warrant to the other that this Agreement and the performance of their obligations herein will not conflict with or violate any legal obligations or any contractual agreements that such Party is subject to.

2.2. In addition, CLIENT acknowledges its obligations as a consumer reporting agency (“CRA”), as defined by the FCRA and related state law, and CLIENT certifies that it will:

a. Prior to requesting Information Products from RED TRENDS TECHNOLOGIES, INC. and using such products, establish reasonable procedures to ensure that its customer end users have a permissible purpose for requesting a consumer report and that those end users will use any consumer report provided by CLIENT for a single one-time use, including but not limited to requiring a certification of the same from its end user clients;

b. Maintain reasonable procedures to assure maximum possible accuracy of information it provides to its customer end users.

c. Provide its customer end users with the notices prescribed by the Consumer Financial Protection Bureau (CFPB), including: Notice to Users, Summary of Identity Theft Rights, and A Summary of Your Rights

Under the Fair Credit Reporting Act, which CLIENT also certifies it has received from RED TRENDS TECHNOLOGIES, INC.. and are available online at the CFPB's website. ([www.consumerfinance.gov](http://www.consumerfinance.gov))

- d. Comply with the requirements of FCRA § 613 when public record information is provided to its customer end users for employment purposes.
- e. Require its end users to comply with the requirements of FCRA § 604(b) (conditions for furnishing and using Reports for employment purposes) and FCRA § 615 (requirements for users of Reports).
- f. Comply with FCRA § 611 procedures in case of disputed accuracy.
- g. Not merge the information received from RED TRENDS TECHNOLOGIES, INC. into a database for competitive use with RED TRENDS TECHNOLOGIES, INC.

2.3 It is mutually acknowledged that because RED TRENDS TECHNOLOGIES, INC. has no participation in the CLIENT's compliance with laws governing CRAs, RED TRENDS TECHNOLOGIES, INC. cannot be either an insurer or a guarantor of the CLIENT's compliance with such laws. CLIENT releases RED TRENDS TECHNOLOGIES, INC. and its affiliated companies, officers, agents, employees, and independent contractors from any liability whatsoever in connection with any actual or alleged violation by CLIENT of any applicable law.

2.4 It is mutually acknowledged that RED TRENDS TECHNOLOGIES, INC. is not a consumer reporting agency or a furnisher of information otherwise subject to the FCRA or related state laws. RED TRENDS TECHNOLOGIES, INC. shall have no role in evaluating any individual for any of the eligibility purposes set forth under the FCRA, including for tenancy, insurance, credit, or employment.

2.5 CLIENT agrees that it will use the Information Products solely as a basis to identify public record sources for purposes of further, independent research into the content and status of public records. CLIENT agrees that none of the information identified in connection with the Information Products shall be included, whether in whole or in part, into any consumer report and shall be discarded once the further, independent research is completed by CLIENT. CLIENT agrees that none of the information identified in connection with the Information Products shall be used as a basis for determining a consumer's eligibility for any of the purposes set forth under the FCRA, including for credit, insurance tenancy, or employment. CLIENT agrees and acknowledges all these limitations on the Information Products. CLIENT further agrees that it will not disclose RED TRENDS TECHNOLOGIES, INC. as a furnisher or vendor source of any information, including in response to any consumer request for a copy of his or her consumer file.

2.6 CLIENT certifies that it will only use Information Products identified by RED TRENDS TECHNOLOGIES, INC. for a single use and will only provide such information to its customer end users (*i.e.*, the CLIENT's clients) that certify the following:

- a. they have a permissible purpose to request the information, and in no event shall an end user be permitted to request Information Products relating to themselves, their families or friends;
- b. they have obtained a disclosure and authorization from any consumer about whom they are requesting a consumer report which fully complies with FCRA §604 and §606(a)(1) as applicable;
- c. they will follow all applicable adverse action requirements in FCRA §604 and/or §615, however, in no event will end user state that RED TRENDS TECHNOLOGIES, INC.. is a consumer reporting agency.
- d. they will not violate any laws or regulations, including Equal Employment laws or regulations, in the use of any consumer reports;
- e. they agree to take precautionary measures to protect the security and dissemination of all consumer report or investigative consumer report information including, for example, restricting terminal access, utilizing passwords to restrict access to terminal devices, and securing access to, dissemination and destruction of electronic and hard copy reports;
- f. they will maintain information provided by CLIENT for a period of at least three (3) years;

2.7 CLIENT agrees to have reasonable, industry standard security measures in place to prevent unauthorized access to Information Products identified by RED TRENDS TECHNOLOGIES, INC., including but not limited to:

- a. protecting account number and password information so that only key personnel know this sensitive information, including not posting this information anywhere in the facility. CLIENT further agrees to change account passwords immediately if a person who knows the password leaves its company or no longer needs to have access due to a change in duties;
- b. not discussing its account number or password by telephone with any unknown caller, even if the caller claims to be an employee of RED TRENDS TECHNOLOGIES, INC.

- c. restricting the ability to obtain Information Products to a few key personnel.
- d. placing all terminal devices used to obtain Information Products in a secure location within its facility so that unauthorized persons cannot easily access them.
- e. Turning off and locking devices or systems used to obtain Information Products.
- f. securing hard copies and electronic files of Information Products within its facility so that unauthorized persons cannot easily access them.
- g. shredding and/or destroying all hard copy Information Products when they are no longer needed and erasing and overwriting or scrambling electronic files containing consumer information when no longer needed and when applicable regulation(s) permit destruction.
- h. ensuring that its Clients will certify that the provisions in section 2.3 of this Agreement are met.

2.8 In the event of a security breach, CLIENT shall immediately notify Scott LaMay of RED TRENDS TECHNOLOGIES, INC. in writing at scott@redtrends.com and via telephone at 310-573-9944 about the nature and scope of such breach and fully comply with all compliance requirements of applicable law related to consumer notification.

2.9 CLIENT understands that RED TRENDS TECHNOLOGIES, INC. obtains the Information Products from various third-party sources on an "AS IS" basis, and RED TRENDS TECHNOLOGIES, INC. therefore is providing the information to CLIENT "AS IS". RED TRENDS TECHNOLOGIES, INC. makes no representation or warranty whatsoever, express or implied, including, but not limited to, implied warranties of merchantability or fitness for particular purpose, and implied warranties arising from the course of dealing or a course of performance with respect to the accuracy, validity, or completeness of any information products and/or consumer reports, that will meet CLIENT or any third party recipient's needs, or that will be provided on an uninterrupted basis, and RED TRENDS TECHNOLOGIES, INC. expressly disclaims all such representations and warranties.

### **3. Billing and Payment**

3.1 CLIENT agrees to pay to RED TRENDS TECHNOLOGIES, INC. the applicable fees then prevailing for the type of Services rendered to CLIENT. Such charges will include the applicable charges, court access fees, and document copy costs, for each request for information, if any, including those which produce a return of "no record found." CLIENT shall pay to RED TRENDS TECHNOLOGIES, INC. its fees, as updated from time to time through on-line announcements, customer bulletins, and published price schedules. All current pricing is incorporated herein, see PRICING ADDENDUM. Furthermore, CLIENT shall be responsible for payment for all Services obtained through CLIENT's access identification code. Payment by CLIENT is due and payable thirty (30) days from the date of invoice. CLIENT shall pay interest at the rate of one and one-half percent (1-1/2 %) per month, as allowable by law, on all unpaid RED TRENDS TECHNOLOGIES, INC. charges and any accrued interest thereon, or any portion thereof, from the date such RED TRENDS TECHNOLOGIES, INC. charges, or portions thereof, became due until paid. CLIENT is responsible for payment of all collection costs and attorney fees incurred by RED TRENDS TECHNOLOGIES, INC. through its efforts to collect on balance(s) owed by CLIENT.

3.2 It is further understood that governmental pass-through fees, applicable taxes and charges made by information sources for release of records used in compiling Reports will be added to all fees charged hereunder and are subject to change without prior notice. RED TRENDS TECHNOLOGIES, INC.'s fees are also exclusive of any sales taxes, and any value added taxes and other similar indirect taxes ("VAT"), applicable to its services. In the event RED TRENDS TECHNOLOGIES, INC.'s services are subject to sales tax or VAT, then CLIENT shall be responsible for such taxes, and, where applicable, it shall be CLIENT's responsibility to self-account for local VAT via a self-charging or reverse charge mechanism.

### **4. Indemnification and Limitation of Liability**

4.1 CLIENT agrees, whether or not this Agreement has expired or been terminated, to assume liability for and to indemnify, defend and save and keep harmless RED TRENDS TECHNOLOGIES, INC., its employees, agents, and representatives, from and against any and all liabilities, obligations, losses, damages, penalties, fines, punitive damages, amounts in settlement, claims, actions, proceedings, suits, judgments, costs, interest, expenses and disbursements of any kind and nature whatsoever arising under any theory of legal liability (including attorney's fees and costs) that may be imposed on, incurred by or asserted against RED TRENDS TECHNOLOGIES, INC., its

employees, agents, or representatives, in any way relating to, resulting from, based upon, or in any arising out of the services performed, the use of the Information Products, or any information identified by RED TRENDS TECHNOLOGIES, INC. pursuant to this Agreement.

4.2 IN THE EVENT RED TRENDS TECHNOLOGIES, INC. IS HELD LIABLE TO CLIENT FOR ANY MATTER ARISING UNDER OR RELATING TO THIS AGREEMENT, WHETHER ARISING IN CONTRACT, EQUITY, STRICT LIABILITY, TORT, STATUTORY OR OTHERWISE (INCLUDING WITHOUT LIMITATION ANY CLAIM FOR NEGLIGENCE), THE AMOUNT OF DAMAGES RECOVERABLE AGAINST RED TRENDS TECHNOLOGIES, INC. FOR ALL SUCH MATTERS WILL NOT EXCEED, IN THE AGGREGATE, THE AMOUNT PAID TO RED TRENDS TECHNOLOGIES, INC. BY CLIENT FOR THE SERVICE TO WHICH A GIVEN CLAIM RELATES PROVIDED PURSUANT TO THIS AGREEMENT. IN ADDITION TO ANY OTHER LIMITATION OF LIABILITY OR REMEDY SET FORTH IN THIS AGREEMENT, THE AMOUNT OF DAMAGES RECOVERABLE AGAINST RED TRENDS TECHNOLOGIES, INC. WILL NOT INCLUDE ANY AMOUNTS FOR INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS, LOST INCOME, OR LOST SAVINGS, OR FOR ANY AMOUNTS WITH RESPECT TO CLAIMS AGAINST RED TRENDS TECHNOLOGIES, INC.

## **5. Term and Termination**

5.1 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 as follows: (i) with sixty (60) days written notice to the other Party at any time; or (ii) immediately with written notice if the other Party is in material breach of this Agreement or any law or regulation regarding the performance of this Agreement and such Party fails to cure the alleged breach within ten (10) days after receiving written notice thereof from the non-breaching Party. If either party (a) defaults in the performance of its material obligations hereunder and fails to substantially cure such default within thirty (30) days after receipt of a written notice of breach, or (b) becomes the subject of any proceeding commenced under any provision of the United States Bankruptcy Code, or executes any assignment for the benefit of creditors or the filing for relief under any applicable reorganization, moratorium or similar debtor relief Laws, then in any such event the other party may terminate this Agreement upon delivery of written notice. Additionally, RED TRENDS TECHNOLOGIES, INC. may suspend performance under this Agreement without penalty upon written notice to CLIENT, in the event CLIENT's breach of this Agreement is reasonably determined by RED TRENDS TECHNOLOGIES, INC. to be a violation of applicable federal, state, or local laws or to present a risk of non-compliance by RED TRENDS TECHNOLOGIES, INC. with such applicable laws.

5.2 CLIENT will remain liable for all outstanding invoices and/or charges incurred prior to the effective date of the termination or cancellation of this Agreement.

## **6. Confidentiality**

Except as required by law, the terms and conditions of this Agreement and all proprietary information exchanged by the Parties and all documents referenced herein (including invoices) are confidential and shall not be disclosed without prior written consent of the other Party and as set forth herein; provided, the Party to whom information is disclosed shall have no obligation to preserve the proprietary nature of any information which: (i) was previously known to such Party free of any obligation to keep it confidential; (ii) is or becomes publicly available by other than unauthorized disclosure; (iii) is developed by or on behalf of such Party independent of any information furnished under this Agreement; (iv) is received from a third party whose disclosure does not violate any confidentiality obligation; or (v) is disclosed pursuant to the requirement or request of a governmental agency or court of competent jurisdiction to the extent such disclosure is required by a valid law, regulation or court order, and sufficient notice is given by the recipient to the disclosing Party of any such requirement or request to permit the disclosing Party to seek an appropriate protective order or exemption from such requirement or request. CLIENT further agrees that with respect to Information Products from RED TRENDS TECHNOLOGIES, INC. it will not, either directly or indirectly, itself or through any agent or third-party request, compile, store, maintain or use to build its own database, or otherwise reproduce Information Products except as permitted in this Agreement and under the law.

## **7. Miscellaneous Provisions**

7.1 The relationship of the Parties created by this Agreement is that of independent contractor and not that of employer/employee, principal/agent, partnership, joint venture or representative of the other. Neither Party shall

represent to third parties that it is the employer, employee, principal, agent, joint venture or partner with, or representative of the other Party.

7.2 Except for the obligation to make payments, neither Party will be liable herein by reason of any failure or delay in the performance of its duties under this Agreement caused by matters beyond such Party's reasonable control, including without limitation, government regulation or law, war or insurrection, destruction of facilities or material by earthquake, fire, flood, storm or other natural disaster, labor disturbances, epidemic or failure of suppliers, public utilities or common carriers (each, a "Force Majeure Event"). The Party claiming relief under this section shall promptly notify the other Party in writing of the existence of the Force Majeure Event, the expected duration of the Force Majeure Event, and the cessation or termination of the Force Majeure Event. The Party claiming relief under this Section shall exercise commercially reasonable efforts to minimize the time for any such delay.

7.3 During the Term and for a period of twelve months after expiration or termination of this Agreement for any reason, CLIENT shall, at its own expense, maintain and carry policies of insurance in full force and effect with financially sound and reputable insurers, that provide coverage for: (a) Errors and Omissions/Professional Liability with limits no less than \$2,000,000.00 per occurrence and \$2,000,000.00 in the aggregate; and (b) Cyber Liability with limits no less than \$2,000,000.00 per occurrence and \$2,000,000.00 in the aggregate. Upon RED TRENDS TECHNOLOGIES, INC.'s request, CLIENT shall provide RED TRENDS TECHNOLOGIES, INC. with a certificate of insurance from CLIENT's insurer evidencing the insurance coverage specified in this Agreement. The certificate of insurance shall name RED TRENDS TECHNOLOGIES, INC. as an additional insured. CLIENT shall provide RED TRENDS TECHNOLOGIES, INC. with sixty (60) days' advance written notice in the event of a cancellation or material change in CLIENT's insurance policy. Except where prohibited by law, CLIENT shall require its insurer to waive all rights of subrogation against RED TRENDS TECHNOLOGIES, INC. or its insurers.

7.4 CLIENT will comply with procedures and guidelines established by RED TRENDS TECHNOLOGIES, INC. for the use of Information Products. RED TRENDS TECHNOLOGIES, INC. has the right to require reasonable evidence of CLIENT's compliance with applicable laws and RED TRENDS TECHNOLOGIES, INC.'s guidelines for use of Information Products.

7.5 This Agreement supersedes all prior negotiations or agreements, oral or written, between RED TRENDS TECHNOLOGIES, INC. and CLIENT, and represents the entire Agreement between the Parties regarding the subject matter hereof. Any modification or amendment of this Agreement must be in writing and signed by authorized representatives of each Party.

7.6 The Parties agree that there are no third-party beneficiaries to this Agreement.

7.7 All notices to be given under this Agreement will be made to the Parties using the addresses and telephone numbers set forth in the signature block below. Each Party will promptly notify the other in writing of any change to such contact information.

7.8 This Agreement is intended to be subject to, and in compliance with, all applicable state and federal statutes and regulations. If this Agreement or any provision herein is determined to be at variance or not in compliance with any such statute or regulation, it will be considered to be amended or modified to the extent necessary to make it comply, and the Parties hereby consent and agree to any such amendment or modification. Further, the invalidity of any provision of this Agreement will not affect the validity of the other provisions.

7.9 PARTIES hereby agree that, in the event of a lawsuit, the plaintiff must file its claim in Los Angeles, California, and the laws of that state will apply. PARTIES agree to accept service by certified mail, return receipt requested, mailed to the address indicated below or last known address, if different, such service being hereby acknowledged by PARTIES to be effective and binding service in every respect. Nothing herein will affect the right to serve process in any other manner permitted by law.

7.10 This Agreement is assignable by RED TRENDS TECHNOLOGIES, INC. at any time to a successor in interest. Neither party may assign this Agreement in whole or in part to any Party, even a successor organization, without the other party's written approval. EACH PARTY shall promptly notify the other party in writing of any of the following events: change in ownership of party; merger; change in name. CLIENT must notify RED TRENDS TECHNOLOGIES, INC. of any change in the nature of CLIENT's business that in any way affects CLIENT's right to request and receive information products.

7.11 No termination of this Agreement shall affect the rights or obligations of either Party pursuant to other provisions of this Agreement that, by their sense and context, are intended to survive termination of this Agreement, including without limitation, the provisions above relating to indemnification, confidentiality and limitation of liability.

7.12 All demands, notices and communications required to be provided hereunder to a party shall be in writing and shall be deemed to have been duly given (a) if mailed by registered or certified mail, postage prepaid, and return receipt requested, or (b) if sent by a nationally recognized overnight delivery company set forth in the signature block below.

7.13 Each Party represents that it has caused this Agreement to be executed on its behalf on the date written below by a representative authorized to bind that Party with respect to the undertakings and obligations contained herein.

RED TRENDS TECHNOLOGIES, INC.
Red Trends Technologies, Inc.
Signature:
Printed Name:
Title:
Date:
Company Address:
Company Phone:
Company Fax:

CLIENT
Company Name:
Signature:
Printed Name:
Title:
Date:
Company Address:
Company Phone:
Company Fax: