



DEBT RECOVERY TERMS AND CONDITIONS

THIS AGREEMENT is made the _____ day of _____ 2007
BETWEEN:

- (1) ACCOUNT RECOVERY SERVICES LIMITED (Company Number 2721022) whose registered office is at Homer House, 8 Homer Road, Solihull B91 3QQ ("ARS"); and
- (2) THE CLIENT whose name and address is set out in the Schedule to this Agreement

RECITALS:

- (A) ARS operate the business of providing debt recovery services;
- (B) The Client is owed money ("the Debt") for the supply of goods or services to certain persons or companies ("the Debtor") and has provided full details of the Debt and the Debtor to ARS;
- (C) The Client wishes to instruct ARS to recover the Debt and ARS has agreed to act on behalf of the Client to recover the Debt from the Debtor on the terms and conditions of this Agreement

NOW IT IS AGREED as follows:-

1. OBLIGATIONS OF ARS

- 1.1 ARS hereby accepts the Client's instructions to act on the Client's behalf in the recovery of the Debt from the Debtor
- 1.2 ARS will use all reasonable endeavours to recover the Debt on behalf of the Client and will, if and when necessary in the discretion of ARS, instruct a firm of Solicitors to act on behalf of the Client in this respect
- 1.3 ARS will keep the Client informed on a regular basis of its progress in recovering the Debt and will inform the Client within 7 days of any and all sums recovered by ARS or the Solicitors from the Debtor

- 1.4 ARS will only instruct as Solicitors to act on behalf of the Client in the recovery of the Debt The Wood Glaister Partnership of Homer House, 8 Homer Road, Solihull, West Midlands B91 3QQ or such other firm of Solicitors as the Client and ARS may in writing agree
- 1.5 ARS will account to the Client for all sums recovered from the Debtor in respect of the Debt within 14 days of such sums clearing ARS's bank account after deducting from such sums any amounts due but unpaid to ARS from the Client under this Agreement. ARS shall not be obliged to pay interest to the Client on any sums recovered from the Debtor

2. OBLIGATIONS OF THE CLIENT

- 2.1 The Client will provide ARS with full information and copies of all relevant documentation (such as agreements, invoices, statement of account etc) regarding the Debtor, the Debt and any goods and/or services provided by the Client to the Debtor and will provide such reasonable assistance and further information and instructions as ARS or the Solicitors instructed in accordance with Clause 1.2 may require to recover the Debt
- 2.2 The Client will advise ARS of any grounds known to the Client which the Debtor has advised or may have for defending any legal proceedings which may be brought for the recovery of the Debt or for bringing any counter-claim against the Client
- 2.3 The Client will, if necessary, confirm his instructions to the Solicitors in writing and will authorise the Solicitors to issue legal proceedings for the recovery of the Debt from the Debtor in the Client's name and sign any Claim Form or Particulars of Claim or other documents which the Solicitors may advise are required to be signed by the Client in order to issue or pursue any such legal proceedings
- 2.4 The Client will irrevocably authorize and direct the Solicitors, for the duration of the Agreement, to pay all money recovered from the Debtor to ARS
- 2.5 The Client will pay the following fees to ARS for acting on its behalf in the recovery of a Debt which is not defended in Court proceedings:
 - 2.5.1 a fee equal to 15 per cent of all money paid by or recovered from the Debtor in respect of the Debt during the term of this Agreement prior to the issue of any legal proceedings for recovery of the Debt;
 - 2.5.2 a fee equal to 20 per cent of all money paid by or recovered from the Debtor in respect of the Debt during the term of this Agreement

after the issue of any legal proceedings for recovery of the Debt (whether or not such proceedings result in judgment for the Debt);

- 2.5.3 a sum equal to the Court fee to be paid to issue legal proceedings for recovery of the Debt;
 - 2.5.4 any enforcement fees agreed in advance with the client;
 - 2.5.5 a sum equal to the cost of instructing agents to attend Court if required. Please note this fee will be agreed with the Client before an agent is instructed; and
 - 2.5.6 Value Added Tax on the above amounts (where applicable)
- 2.6 The fees referred to in Clauses 2.5.1 and 2.5.2 shall be payable upon payment by or recovery from the Debtor of any amount in respect of the Debt and the sum referred to in Clause 2.5.3 shall be due before ARS will instruct Solicitors to issue legal proceedings for recovery of the Debt. Value Added Tax shall be due within 14 days of the date of ARS's VAT invoice to the Client for the same
- 2.7 The Client irrevocably authorizes ARS (and any Solicitors instructed pursuant to Clause 1.2) to deduct and withhold from any money paid by or recovered from the Debtor in respect of the Debt (or interest or costs) an amount equal to the fees set out in Clause 2.5 (if an to the extent that such fees have not already been paid by the Client) and to account to ARS and apply such amount in payment to ARS of its fees due pursuant to Clause 2.5
- 2.8 The Client will advise ARS of any amount of money paid directly to the Client by the Debtor within 2 working days of receipt of such sum and the Client acknowledges that the fees set out in Clause 2.5 shall apply to such sum as they would apply had such sum been paid to ARS or the Solicitors
- 2.9 The Client shall not be liable to pay any fees or disbursements to the Solicitors instructed pursuant to Clause 2.5 unless and until any legal proceedings issued by the Solicitors on behalf of the Client shall become defended, from which date the Client shall (unless he instructs the Solicitors to discontinue the legal proceedings) be responsible for paying the reasonable legal costs and disbursements of the Solicitors on such basis as the Client and the Solicitors shall agree. If such terms are not agreed between the Client and the Solicitor within 14 days of the legal proceedings becoming defended the Client will, upon payment by ARS, instruct the Solicitors to discontinue the legal proceedings

- 2.10 For the purposes of this Agreement, legal proceedings shall become defended when the Debtor files a defence to the claim for the Debt or makes a counter-claim in these proceedings, whether or not such defence raises an arguable defence of law or stands a realistic prospect of succeeding at trial and whether any counter-claim exceeds the amount of the Debt or otherwise

3. DURATION AND TERMINATION

This Agreement shall remain in effect until:

- 3.1 the whole amount of the Debt (with all interest thereon) has been paid by or recovered from the Debtor and all fees and such sums due to ARS have been paid; or
- 3.2 any legal proceedings issued in the name of the Client for recovery of the Debt have become defended (as set out in Clause 2.10) and all fees and such sums due to ARS up to that date have been paid; or
- 3.3 ARS shall give written notice to the Client to terminate this Agreement; or
- 3.4 the Client shall die, be declared bankrupt or (in the case of a company) be dissolved or put into liquidation; or
- 3.5 ARS shall commit a material breach of this Agreement and shall fail to remedy any such breach within 14 days of the Client giving ARS written notice requiring it to do so

THE SCHEDULE
(the Client)

Name of Client :
(with Company Number :
if applicable) :

Address of Client :

Telephone No :
Fax No :
e-mail address :

AS WITNESS the parties have set their hands the day and year first before written

SIGNED : _____
(duly authorised signatory)

For and on behalf of
**ACCOUNT RECOVERY
SERVICES LIMITED**

SIGNED : _____
(duly authorised signatory)

FULL NAME : _____
For and on behalf of
THE CLIENT

**PLEASE E-MAIL A SIGNED COPY OF THIS AGREEMENT TO:
jane@account-rec.com
OR FAX THIS SIGNED AGREEMENT TO 0121 711 7744**