

## INQUEST, INC.

P.O. Box 54063 • San Jose, CA 95154 • Telephone (866) 549-1606 • Facsimile (866) 540-5710

### **CLIENT SERVICE AGREEMENT**

This Client Service Agreement (the "Agreement") is made and entered into by and between INQUEST, INC., a California corporation ("Inquest"), and the undersigned ("Subscriber"). This Agreement shall be effective at such time as Inquest has sent written notification, whether via facsimile, e-mail, or otherwise (the "Notification"), to Subscriber indicating its acceptance of the terms and conditions of this Agreement (the "Effective Date").

Inquest agrees to provide consumer reports and investigative consumer reports ("Reports") for employment purposes to Subscriber at Subscriber's request based upon the terms and conditions as set forth herein.

The terms of this Agreement will apply to all Reports requested by Subscriber in any manner, including, but not limited to, electronically, and provided by Inquest during the term of this Agreement. The parties, therefore, agree to engage in electronic transactions.

1. Services Provided by Inquest. Inquest shall provide reports at Subscriber's request in connection with the hiring of job applicants (the "Applicant") or retention of employees (the "Employee") Reports including such information as employment history, credit reports, motor vehicle checks (when available), state insurance checks, educations history and criminal record services; provided, however, that Inquest shall not provide information regarding arrests that did not result in conviction or criminal records more than seven (7) years old. In the case of investigative consumer reports, Inquest shall also provide personal references collected and processed by Inquest through various channels of information.

2. Inquest as Agent of Subscriber. Subscriber acknowledges and agrees that Inquest is an authorized agent of Subscriber for the purpose of investigating, researching, preparing and reporting the Reports ordered by Subscriber.

3. Confidentiality and Security of Information. Subscriber acknowledges and understands its obligation to maintain the confidentiality and integrity of any information received by Subscriber. All information requested by Subscriber is for Subscriber's exclusive use and Subscriber shall take reasonable steps to ensure that all information provided by Inquest will be held in strict confidence, will be kept confidential and will not be disclosed to any third party not involved in the employment decision for which the information is sought; provided, however that this Section 3 shall not be controlling where the law otherwise requires disclosure to others. Any use of the Report provided by Inquest, other than for the internal uses provided for in this contract is prohibited, including, but not limited to resale or other commercial use, misrepresentation, improper use of the information or access to the information by unauthorized personnel, whether intentionally or due to carelessness, and may subject Subscriber to criminal and/or civil liability under the Federal Credit Reporting Act ("FCRA") and other applicable federal, state and local laws.

4. Compliance with Laws. Subscriber and Inquest shall comply in good faith with all applicable laws in the request, preparation, transmission, dissemination and utilization of Reports, including, but not limited to, the FCRA, Title VII of the Civil Rights Act of 1964, Equal Employment Opportunity Commission (“EEOC”) guidelines and regulations, Consumer Credit Reporting Act (California Civil Code Sections 1785.1 et seq.), Investigative Consumer Reporting (California Civil Code Section 1786, et. seq.) and all other applicable state and local laws proscribing the use of consumer credit reports and consumer investigative reports.

5. Term of Agreement. The term of this Agreement shall continue in force and effect without any fixed date of termination; provided, however, that:

(a) Either party may terminate this Agreement for any reason or no reason at all upon thirty (30) days prior written notice of termination subject to any and all obligations, responsibilities and liabilities incurred prior to termination; or

(b) Subscriber may terminate this Agreement, without prior notice, if the other party breaches any provision of this Agreement and fails to cure such breach within ten (10) calendar days after receiving written notice thereof; or

(c) Inquest may, with just cause, such as delinquency or violation of the terms of this Agreement or a legal requirement of this Agreement or any applicable federal, state or local law, discontinue serving Subscriber and terminate this Agreement immediately.

6. Obligations of Subscriber.

(a) Disclosure to Applicant or Employee. Subscriber shall provide Applicant or Employee with a clear and conspicuous disclosure, in writing, that the Report will be obtained for employment purposes and such disclosure shall be contained in a document containing only such disclosure. Subscriber shall provide Applicant or Employee such other disclosures as required by the FCRA and other applicable state and local laws for the type of report requested, including all disclosures which are required before requesting that Inquest prepare the Report, and before taking any adverse action based in whole or in part upon any information contained in the Report.

(b) Written Authorization of Applicant or Employee. Subscriber shall obtain from the Applicant or Employee a written authorization to obtain and use the Report as required by the FCRA and all other applicable state and local laws.

(c) Certification to Inquest. Concurrent with making the request for a Report, Subscriber shall provide Inquest with certification that complies with section 604(b)(1) of FCRA (15 U.S.C. §1681b(b)(1)), and in the case of a Report that constitutes an investigative consumer report as defined by the FCRA, an additional certification in a form that complies with section 606(a)(2) of FCRA (15 U.S.C. §1681d(a)(2)) and all other certifications as may be required by applicable state and local laws.

(d) Use For Employment Purposes Only. Subscriber shall use the Report provided by Inquest for employment purposes only and shall not use the Report in violation of any Federal or State equal employment opportunity law or regulation; provided, however, that Subscriber shall notify Inquest immediately of any change in purpose for which the information is used.

(e) Use For Permissible Purposes. Subscriber shall be the exclusive user of the Reports and certifies that such Reports shall be used solely for the permitted purposes as proscribed by Section 604 of the FCRA [15 U.S.C. §1681b], California Civil Code Section 1786.12 and all other applicable state and local laws.

(f) Compliance with Laws and Verification of Applicant's or Employee's Identity. Subscriber shall be responsible for identifying and taking all steps necessary to employ with any applicable state or local laws in connection with the procurement and use of Reports. Subscriber is also responsible for taking all steps necessary to verify the identity of the Applicant or Employee.

(g) Basis for Employment Decisions and Obligations After Adverse Decisions. Subscriber shall base all employment decisions and actions on its own policies and procedures and acknowledges and agrees that Inquest's employees are not allowed and will not render any opinions regarding the Report. Before taking any adverse action against an Applicant or Employee based in whole or in part on any information provided in the Report by Inquest, Subscriber shall provide the Applicant or Employee with a copy of the written report along with Inquest's name, address and telephone number and shall inform the Applicant or Employee that Inquest did not make the decision to take adverse action and cannot give specific reasons for the adverse action taken. Subscriber shall further provide a Summary of Rights under the FCRA to the Applicant or Employee. A form of Summary of Rights are attached hereto as Attachment "A".

(h) Payment for Services. Subscriber and Inquest shall agree on the cost of the services rendered by Inquest and such written memorialization of that agreement is incorporated by reference into this Agreement. Subscriber shall pay all invoices for services rendered within thirty (30) days after the date of the invoice. If an invoice is not paid within thirty (30) days after the date of the invoice, Subscriber shall be liable to Inquest for interest at the rate of ten percent (10%) per annum on all delinquent balances.

(i) Protection of Access Codes. If Subscriber is issued an access code to be used for internet access to Inquest's services (the "Access Code"), Subscriber shall only publicize the Access Code to personnel on a need-to-know basis. Any log-on or password provided to Subscriber in connection with the Access Code shall be provided only to the specific individual who Subscriber designates as the principal account administrator (the "Account Administrator"). Subscriber shall identify the Account Administrator and any other employee or agent who will be provided the Access Code and/or log-on or password information in Addendum "1" hereto. Subscriber shall notify Inquest immediately upon any change of the Account Administrator or in the person with access to the Access Code and/or log-on or password information.

(j) Protection of Reports. Subscriber shall securely store any hard copy of a Report and protect it against release and disclosure to unauthorized personnel or third parties. In furtherance of that obligation, Subscriber shall provide to Inquest the name of the person requesting the information for each Report request and, where applicable, shall provide the name of the individual who has been designated as the principal account administrator.

7. Inquest's Obligations.

(a) Reasonable Procedures to Assure Accuracy. Inquest shall follow reasonable quality assurance procedures to assure the maximum possible accuracy of the information contained in the Report and shall maintain procedures designed to confirm, to the extent possible, that the reported public record information is complete and accurate and shall re-verify and re-investigate, at no cost to Subscriber, any disputed report when either the Subscriber, Applicant or Employee makes a request in accordance with applicable law. Inquest shall respond to such request in writing in a timely manner.

(b) Maintenance of Report Information. Inquest shall maintain the Report information and transaction details for a minimum of two (2) years from the date the Report is completed.

(c) Disclosure of Content of Report to Applicant or Employee. Upon the request of Applicant or Employee, Inquest shall inform Applicant or Employee of the substance of the Report and the information contained in the Report delivered to Subscriber.

8. Indemnification.

(a) By Inquest. Inquest shall indemnify, defend and hold Subscriber and its officers, agents, employees and independent contractors harmless from and against any and all claims, demands, costs, expenses and liabilities of any kind or nature whatsoever, including, without limitation reasonable attorneys' fees and costs, which may be incurred by Subscriber to a third party based upon the gross negligence or intentional wrongdoing by Inquest in preparing and transmitting the Report.

(b) By Subscriber. Subscriber shall indemnify, defend and hold Inquest and its officers, agents, employees and independent contractors harmless from and against any and all claims, demand, costs, expenses and liabilities of any kind or nature whatsoever, including, without limitation, reasonable attorneys' fees and costs, which may be incurred by Inquest based upon the illegal or wrongful use by Subscriber of the Report or the information contained therein, the negligence or intentional wrongdoing of Subscriber in connection with the use of the Report or the information contained therein, or Subscriber's failure to comply with its obligations under the applicable federal, state and local laws in connection with the procurement or utilization of the Report.

9 Limitation on Liability. Inquest and Subscriber agree that unless Inquest has committed gross negligence or engaged in intentional wrongdoing in the preparation and transmission of the Report, Inquest's total liability to Subscriber shall be limited to the return of fees paid to Inquest for the Report and then only to the extent that the information contained in the Report is found to be the primary basis upon which Subscriber incurred injury or damage resulting from the furnishing of the Report by Inquest. Inquest shall not be responsible for any damages, costs or expenses resulting from the furnishing of the Report by Inquest. Inquest shall not be responsible for any damages, costs or expenses resulting from mistakes, omissions, errors, delays or other defects in the information provided, or for any performance defect due to circumstances beyond the control of Inquest. Inquest and Subscriber agree that Inquest shall not be liable to Subscriber for any other damages, costs or expenses whatsoever except as expressly agreed to elsewhere in this Agreement or pursuant to Section 8(a) hereof, and that NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES.

10. No Warranties. The use of and reliance on any information provided by Inquest is at Subscriber's own risk and discretion. Inquest will use subjectively commercially reasonable efforts to fulfill its obligations under this Agreement. HOWEVER, INQUEST DOES NOT GUARANTEE OR WARRANT AND HEREBY DISCLAIMS ANY WARRANTY THAT THE INFORMATION PROVIDED TO SUBSCRIBER IS CORRECT, COMPLETE, CURRENT, MERCHANTABILITY OR FIT FOR A PARTICULAR PURPOSE, OR THAT THE INFORMATION WILL BE AVAILABLE OR DELIVERED TO SUBSCRIBER AT ANY SPECIFIC TIME.

11. Miscellaneous.

(a) Entire Agreement. Except as provided in Section 6(g) of this Agreement, the parties hereto agree that this instrument is the full and complete Agreement between them regarding the services to be provided by Inquest and there exist no other agreements, warranties or other understandings between the parties to this Agreement other than those contained in this Agreement; provided, however, that the Addendum to this Agreement providing for the pricing of the services to be provided by Inquest shall be incorporated into this Agreement. This Agreement is not to be altered, varied, or enlarged upon by any verbal promises, statements or representations as expressed herein. Any addition to, amendment or cancellation of this Agreement must be in writing and signed by the parties to this agreement.

(b) Waiver. Waiver by either party of any breach or default by the other party shall not be deemed a waiver of any future breach or default.

(c) Headings. Headings are used for convenience only and shall in no way modify or affect the intent of the provisions or give any legal effect.

(d) Assignment. This Agreement may not be assigned in whole or in part by Subscriber without the express written consent of Inquest, which shall not be unreasonably withheld. Notwithstanding the foregoing, this Agreement shall inure to the benefit of successors or assigns.

(e) Governing Law. This Agreement is deemed to be made, executed and performed in the State of California. This Agreement shall be governed by and shall be construed in accordance with the laws of the State of California, without reference to principles of conflicts of laws. The parties to this Agreement consent to jurisdiction and venue in the State and Federal courts located in the State of California, County of Santa Clara.

(f) Severability. If any term or provision of this Agreement is determined to be illegal, unenforceable or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provision or part shall be stricken from this Agreement and such provision or part shall not affect the legality, enforceability, or validity of the remainder of this Agreement. Such stricken provisions shall be replaced, to the extent possible, with a legal, enforceable and valid provision that is as similar in tenor to the stricken provision as is legally possible.

(g) Notices. Notice shall be given to the parties at the address set forth below their signature or such other address as should be provided from time to time by like notice. Notice shall be deemed received at the time of personal delivery or transmission by facsimile or by electronic mail (e-mail). Notice shall be deemed received within three (3) days of service by mail if such notice is sent by certified mail, postage prepaid to the address of the party as stated herein.

IN WITNESS WHEREOF, the parties agree to the terms of this Agreement as stated herein.

SUBSCRIBER:  
Company: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: (\_\_\_\_) \_\_\_\_\_  
Facsimile: (\_\_\_\_) \_\_\_\_\_

INQUEST, INC.  
Company: Inquest, Inc. \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Address: PO Box 54063  
San Jose, CA 95154

Phone: (866) 549-1606  
Facsimile: (866) 540-5710



**Addendum 2: Billing Information and Credit References**

Company Name: \_\_\_\_\_

Billing Address, if different location:

\_\_\_\_\_  
\_\_\_\_\_

Billing Contact:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

To verify that this is a bona fide business entity, conducting business as disclosed on the Customer Agreement form and is properly licensed based on local laws, please attach a copy of the following:

Business License AND

Articles of Incorporation OR

Verifiable Business Banking Reference OR

Corporation Verification with State or Federal Government

**Please provide credit references. If you have a preprinted copy, please attach.**

Company: \_\_\_\_\_

Company: \_\_\_\_\_

Account Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

Phone: \_\_\_\_\_

Phone: \_\_\_\_\_

Contact: \_\_\_\_\_

Contact: \_\_\_\_\_

Company: \_\_\_\_\_

Account Number: \_\_\_\_\_

Phone: \_\_\_\_\_

Contact: \_\_\_\_\_