

**MASTER AGREEMENT AMENDMENT COVERSHEET**

	AGREEMENT NUMBER <b>MA-200905</b>	AMENDMENT NUMBER <b>2</b>
		FEDERAL EMPLOYER ID NUMBER <b>76-0199626</b>

1. This Amendment No. 2 to Master Agreement No. MA-200901 by and between **GC Services Limited Partnership**, ("Contractor") and the **Judicial Council of California, Administrative Office of the Courts** ("AOC") is made and entered into this **5th day of July, 2011** ("Effective Date") in the State of California.

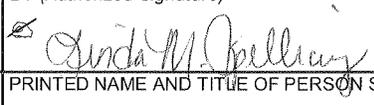
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2. All capitalized terms not defined in this Amendment have the meanings given to them in the Master Agreement referenced above.
3. For the period of January 1, 2012 to June 30, 2012, the parties agree to amend the Master Agreement as follows:
  - a. Attachment A-1, Statement of Work for Infraction Amnesty Program, attached hereto and incorporated herein, is hereby made part of Exhibit A, Statement of Work.
  - b. Attachment B-1, Pricing and Payment for Infraction Amnesty Program, attached hereto and incorporated herein, is hereby made part of Exhibit B, Pricing and Payment.

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4. Except as provided herein, all terms and conditions of the original Master Agreement, shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment No. 2 has been entered into by the parties hereto, effective upon the Effective Date.

AOC'S SIGNATURE	CONTRACTOR'S SIGNATURE
Judicial Council of California, Administrative Office of the Courts	CONTRACTOR'S NAME (if Contractor is not an individual person, state whether Contractor is a corporation, partnership, etc.) GC Services Limited Partnership by GC Financial Corp., managing general partner
BY (Authorized Signature) 	BY (Authorized Signature) 
PRINTED NAME AND TITLE OF PERSON SIGNING Grant Walker Senior Manager, Business Services	PRINTED NAME AND TITLE OF PERSON SIGNING Linda M. Spellicy
ADDRESS Attention: Business Services Unit 455 Golden Gate Avenue, 7 <sup>th</sup> Floor San Francisco, CA 94102	ADDRESS Attention: Scott Cole 23792 Rockfield Blvd, Suite 280 Lake Forest, CA 92630

## ATTACHMENT A-1 – STATEMENT OF WORK INFRACTION AMNESTY PROGRAM

### 1.1 Required Account Services

Any Proposer selected by the AOC will be required to provide Infraction Amnesty Program collection services for Accounts due and payable from members of the public to a Participating Entity that became due on or before, January 1, 2009. As used in Vehicle Code section 42008.7, the term "fine" or "bail" refers to the total balance due in connection with a specific violation, which includes, but are not limited to, the following:

- (a) Base fine or bail, as established by court order, by statute, or by the court's bail schedule.
- (b) Penalty assessments imposed pursuant to Section 1464 of the Penal Code and Sections 76000, 70372, 76104.6, 76104.7, and 76000.5 of the Government Code.
- (c) Civil assessment imposed pursuant to Section 1214.1 of the Penal Code.
- (d) State surcharge imposed pursuant to Section 1465.7 of the Penal Code.
- (e) Court security fee imposed pursuant to Section 1465.8 of the Penal Code.

#### 1.1.1 Contractor will, in the collection of Accounts:

- (a) Accept only the amount authorized/specified by the Participating Entity as full payment;
- (b) Notify the Participating Entity of payment within one (1) business day of payment;
- (c) Employ skip tracing and other standard collection techniques to locate debtors, including the capability to: (1) communicate in Spanish, both orally and in written form; and (2) pursue debtors residing within the boundaries of the United States, including military bases and tribal lands;
- (d) Transfer funds electronically, and be able to receive Accounts on a daily basis, Monday through Friday, except days which are not business days for the relevant Participating Entity;
- (e) If requested by a Participating Entity, provide staff, including bilingual individuals, and necessary equipment, at public counter areas to assist the public (e.g. accept payments and answer questions) during all hours the Participating Entity is open to the public;
- (f) Provide various and multiple reports in an electronic or hardcopy format on a daily, weekly, and/or monthly basis, as requested by the Participating Entity;
- (g) Comply with the reporting requirements set forth in Vehicle Code Section 42008.7, and as required by the Judicial Council;
- (h) Adjust the receivable record within two (2) business days of any information transferred by the Participating Entity;

(i) Remit the entire gross amount of all receivables collected to the Participating Entity preferably in electronic format on a daily, weekly or monthly basis at the discretion of the Participating Entity, together with supporting documentation;

(j) Ensure that all data it receives from, processes, or transmits to any Participating Entity is not stored, accessed from, or transmitted outside the United States;

(k) Contractor will be responsible for all start-up and on-going operational costs, including all cost associated with the transfer of paper records to electronic data;

(l) Contractor will provide computer terminals or dial-up or internet access for access to its system, and all necessary phones and related equipment, at its own cost and expense, including phone charges and supplies, and will provide all additional equipment necessary for the conduct of its business except that equipment specifically provided by the Participating Entity; and

(m) Contractor will provide fully functional on-line inquiry capability into its collection system to designated Participating Entity staff at any requested Participating Entity's location.

## **1.2 Advertising and Marketing Campaign**

The Contractor shall provide advertising and marketing services for the Infraction Amnesty program appropriate to the community, including but not limited to:

(a) Public Service Announcements (PSA) developed for the local community (i.e., Spanish and other languages) with a message approved by the AOC;

(b) Traditional advertising media services such as newspapers, magazines, posters, hand-out material, and mailed notices;

(c) Modern social media such as Twitter and Facebook;

(d) A plan for the utilization of the above communication methods beginning not less than 60 days prior to the program start date of January 1, 2012.

All proposed advertising and marketing services are to be approved by the AOC in collaboration with Participating Entities, and in accordance with the Participation Agreement.

## **1.3 On-site Personnel (At Option of Participating Entity)**

(a) At a Participating Entity's option, Contractor shall provide on-site staff at public counter areas to assist the public (e.g., accept payments and answer questions) during all hours the Participating Entity is open to the public, including night hours. The night hours for each Participating Entity will be specified in the Participating Agreement.

(b) Contractor shall provide sufficient on-site staff to ensure the waiting time for assistance averages no more than ten (10) minutes. If the Participating Entity determines that the waiting time is too lengthy, the Contractor shall provide additional staff and other resources necessary to bring the waiting time to a level acceptable by the Participating Entity.

(c) At a Participating Entity's option, Contractor shall provide sufficient bilingual staff (Spanish speaking) to meet the waiting time requirement at each location during all hours the Participating Entity is open to the public, including night hours.

(d) Contractor shall have sufficient trained staff available locally to cover unexpected absences and staff emergencies.

(e) Contractor shall provide staff and equipment to Participating Entities as specified in the Participating Agreement, at the rates set forth in the Infraction Amnesty Program Master Agreement or as otherwise provided in the Participating Agreement.

#### **1.4 Reporting Requirements**

(a) Contractor shall comply with the reporting requirements set forth in Vehicle Code Section 42008.7, as specified by the Judicial Council/AOC (Schedule A-1).

(b) Unless otherwise set forth by a Participating Entity in its Participating Agreement, Contractor will provide the reports described in this Section 4.4 to each Participating Entity, in the form attached hereto as Schedule A-1, and will agree to provide any additional reports required by the Participating Entity and the AOC Enhanced Collections Unit. At the Participating Entity's option, the reports may be electronically transferred or provided in hardcopy format.

(c) Unless otherwise indicated, all information must be reported in the format specified in Schedule A-1.

(d) The Contractor will provide sample reports to the Participating Entity for approval prior to implementation and as changes are made during the term of the Participating Agreement.

##### **1.4.1 Acknowledgment Report**

Upon request, Contractor will provide a complete list to the respective Participating Entity of all Accounts by account category each time a Participating Entity refers Accounts to it. The report will be provided within two business days following the date the Contractor can access the referrals, and will list as applicable: 1) debtor's name; 2) case number; 3) bail or fine due date; 4) amount of bail or fine referred.

##### **1.4.2 Daily Payment Transmittal Report**

Upon request, Contractor will provide each Participating Entity a daily payment information report, on the next business day, reflecting the prior day's payments. The daily payment transmittal report will include a listing of every account upon which full payment has been made, and for each such account, where applicable: 1) debtor's name; 2) case number; 3) total paid; and 4) amount paid with personal check that has not yet cleared.

##### **1.4.3 Daily Adjustment Report**

Upon request, on the business day following the processing of any adjustment on any Account, Contractor will provide the relevant Participating Entity with a daily report of each Account where an adjustment has been made to any amount referred or owed. In addition, the report will summarize each day's adjustment reasons by category of "Cash" or "Non-Cash." Examples of adjustment reasons in each category are listed below (a Participating Entity may add other adjustment reasons or categories in the future).

(a) Cash-related Adjustment Reasons include:

- Returned Check
- Misapplied Payment
- Overpayment

(b) Non-Cash-related Adjustment reasons include:

- Referred in Error by the Participating Entity
- Incorrect Amount Referred / Paid
- Payment collected by the Participating Entity

The daily adjustment report will include the following information, as applicable: 1) Debtor's name (sorted by last name); 2) case number; 3) adjustment reason code (2 or 3 characters); 4) bail or fine amount owed. The report will contain an adjustment reason code legend.

#### 1.4.4 Account Status Report

Within five (5) business days of the end of each calendar month, Contractor will provide each Participating Entity a complete listing of all such Participating Entity's Accounts, by location, currently held by the Contractor. The report shall be on disc or other electronic media that does not require the Contractor or the Participating Entity to produce a hard copy report. The account status report will include, as applicable, 1) the debtor's name; 2) case number; 3) bail or fine amount referred; and 4) total payment and adjustments. The account status report will be sorted alphabetically by debtor's last name.

#### 1.4.5 Other Reports to the AOC

(a) Within five (5) business days after the end of each calendar month, Contractor will provide each Participating Entity and the AOC Enhanced Collections Unit a summary of Account activity for that month. The report will display all information by county in the format specified in Schedule A-1.

(b) Contractor shall notify the AOC within ten (10) business days of entering into an agreement with a California Superior Court or County for collections services under this Infraction Amnesty Program Master Agreement. The Contractor shall provide copies of the executed Participating Agreement or at minimum the contract execution date and commission rate.

(c) At no additional cost to the courts and counties, Contractor shall provide the required data to the Participating Entities and the AOC Enhanced Collections Unit. The current data that needs to be provided is included in Schedule A-1.

(d) Contractor shall notify the AOC within ten (10) business days of any leadership position changes within the organization that occurs after the execution of the Infraction Amnesty Program Master Agreement.

(e) Contractor shall notify the AOC within thirty (30) business days of lawsuits not disclosed in the proposal that occur after the execution of the Infraction Amnesty Program Master Agreement.

### **1.5 Contractor Computer Systems**

Contractor's computer system will be capable of interfacing, and will interface its computer system, with the Participating Entity's existing traffic and/or accounting systems at no cost to the Participating Entity. As such, it must, at a minimum, be capable of processing a standard formatted file with the following information:

- i. Case number
- ii. Debtor name, address, phone number & demographics
- iii. Bail or fine amount due date
- iv. Account balance
- v. Amount paid

### **1.6 Transition Services**

A Participating Entity may request Contractor to transfer accounts to a new Contractor in a format described by that Participating Entity. The Participating Entity shall have the right to withhold Contractor's last payment until accounts have been transferred in a format acceptable to the Participating Entity. Upon expiration or termination of an Infraction Amnesty Program Master Agreement or Participating Agreement, Contractor will:

- (a) destroy all hard copy account information of the affected Participating Entity;
- (b) delete all electronic account information from its computer systems, including backup copies;
- (c) send a letter to all Accounts notifying them that Contractor will no longer be handling the Account;
- (d) at the end of Infraction Amnesty Program or contract term, whichever is sooner, but no later than 30 days after June 30, 2012, Contractor shall return upon approval by the Participating Entity, in the format received (electronic or manual) all collection Accounts to either the Participating Entity or to any other designated entity (e.g., private vendor or Franchise Tax Board).
- (e) Contractor will continue to forward all payments sent to it by any Account to the Participating Entity. If payment is forwarded to the Participating Entity within 30 calendar days of expiration or termination of the Infraction Amnesty Program Master Agreement or Participation Agreement, the Participating Entity will pay Contractor the fee identified in the Infraction Amnesty Program Master Agreement. If the Contractor forwards payment to the Participating Entity after 30 calendar days of expiration or termination of the Infraction Amnesty Program Master Agreement or Participation Agreement, the Contractor will no longer be due a fee and the Participating Entity will not pay a fee.

**END OF ATTACHMENT A-1**

**SCHEDULE A-1 – REPORT SAMPLE  
INFRACTION AMNESTY PROGRAM**

**Infraction Amnesty Program Collections Report  
January 1 through June 30, 2012**

Collection Program: \_\_\_\_\_

	<b>No. Accounts Referred</b>	<b>Total Value of Accounts</b>	<b>No. Accounts Resolved</b>	<b>Total Revenue Collected</b>	<b>Total Operating Cost</b>	<b>Total Commission</b>
Month 1						
Month 2						
Month 3						
Month 4						
Month 5						
Month 6						
<b>TOTAL</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**END OF SCHEDULE A-1**

**ATTACHMENT B-1 – PRICING AND PAYMENT  
INFRACTION AMNESTY PROGRAM**

The following rates are Not-to-Exceed rates and are all-inclusive to include on-site staffing levels as mutually agreed with each respective court. As these rates are Not-to-Exceed, Contractor reserves the right to negotiate rates lower than the following rates with individual courts based on anticipated placement volumes and desired level of marketing initiatives.

1. Proposed Commission Fee for the collection of eligible amnesty accounts including the costs of Section 1.2, Advertising and Marketing Campaign, of Attachment A-1: **13.7%**
2. Proposed Commission Fee for the collection of eligible amnesty accounts NOT including the costs of Section 1.2, Advertising and Marketing Campaign, of Attachment A-1: **10.3%**
3. Fee for services as described in Section 1.2 Advertising and Marketing Campaign, of Attachment A-1: **\$500,000**
4. Fee for services as described in Section 1.3 On-site Personnel, of Attachment A-1: **Included in Commission Fee**

***END OF ATTACHMENT B-1***