

INFORMATIONAL BROCHURE

for

DAVID A. HAYS, PLC

PROFESSIONAL INTERNATIONAL AND DOMESTIC DEBT RECOVERY

This brochure includes:

- Mission statement
- Services provided
- Which is best- A Law Firm, or a Collection Agency?
- How we are “different”.
- Let’s talk about rates- by David Hays, Esq.
- Remit Schedule
- How to get Started
- New Placement Form
- Employment Opportunities with the Law Firm

David A. Hays, PLC

3416 Lincoln Park Drive, Galesburg, IL 61401

PH: 309-351-6965

Fax: 309-342-0595

URL: www.collectworldwide.com

MISSION STATEMENT

IT IS THE MISSION OF THE LAW FIRM OF DAVID A. HAYS, PLC TO PROVIDE COMMERCIAL DEBT RECOVERY AND MEDIATION SERVICES TO COMPANIES WORLDWIDE, AND TO DO SO IN THE MOST-EFFECTIVE AND SUCCESSFUL MANNER POSSIBLE, CONSISTENT WITH THE HIGHEST STANDARDS OF PROFESSIONAL AND ETHICAL CONDUCT.

SERVICES PROVIDED

Collect Worldwide/David A. Hays, PLC provide a variety of professional commercial debt recovery-related services to companies worldwide. These services include:

PROFESSIONAL INTERNATIONAL DEBT RESOLUTION/RECOVERY

Through our network of highly qualified, trained and experienced collectors, Collect Worldwide/David A. Hays, PLC are able to immediately make a positive impact on the debt recovery situation. Debtor companies that are placed with us are contacted within 24 hours of the time of the placement, most of them within the same day, depending on world time zones.

Every effort is made to match a collector with specific capabilities to the account placed, taking into account such factors as the country and language of the debtor company; cultural factors that may be utilized by the collector to maximize chances that the account can be collected, and the experience and success rate of such collector in that country and in similar past assignments.

All collectors employed are seasoned and experienced veteran professionals in the international debt recovery collection field.

Where the specific language of the debtor company is not one spoken by our collectors, professional translation services are employed, which make the language “barrier” a non-factor.

Collectors are trained to immediately get to the person in the debtor company who has the authority to resolve the debt problem- the qualified “Decision-Maker”. The collector is trained to then probe for answers as to why the debt remains unpaid- whether it be a problem or dispute with the product/service; cash-flow problems being experienced by the debtor company; poor or incomplete internal records on the part of the debtor (or the Client), including Purchase Orders or Proofs of delivery; or any other of a myriad of other factors or reasons causing the debt not to be paid.

Depending on the reason for the non-payment, the collector then works to remove the reason for non-payment, or to secure a promise for payment that takes into consideration that specific reason. The collector checks the debtor’s stated reasons for non-payment for validity. The collector is trained to consistently work with the debtor to resolve the problem; secure a promise of payment from the debtor, and ensure that the debtor company honors such promise.

MEDIATION

At times, the client and the debtor have been speaking “PAST”, rather than “TO” each other regarding the unpaid debt. Positions may have become hardened, and sensitivities injured. Our collectors are trained to recognize this situation, and act as mediators in getting the parties to once again speak to the specific issue of the unpaid debt and the reasons for it. Our collectors have access to legal counsel with the law firm, who can advise the collectors on any legal issues or questions that are impacting the recovery of the unpaid debt. The collector and the law firm acts as a mediator in resolving both the legal and non-legal questions and issues affecting the payment of the debt, toward the goal of securing payment of the debt.

AUDIT (SOFT) APPROACH DEBT RECOVERY

Many times, the goal of the client will be not only to get the unpaid debt recovered, but do so in a way that is as non-abrasive to the debtor company as is possible. This may arise because the Client still wants to do business with the debtor; or because the Client and the debtor have mutual personal or business/industry contacts or affiliations that the Client does not want to disrupt, or for other reasons. The “Audit” approach is the method by which 1. the unpaid money is recovered, while at the same time 2. the Debtor is presented with the least-aggressive debt recovery methods possible consistent with successfully collecting the debt.

The law firm’s collectors are trained under this approach, to characterize the debt recovery assignment as one in which the Client company has retained us in a “quasi-“audit” function- to find out if there are any problems with the product or service supplied; to resolve any such problems, and to secure from the debtor the date for payment of the unpaid invoice(s)- all done in a spirit of congeniality and cooperation.

The goal of this approach is to recover the unpaid debt, while at the same time preserving the relationship between the Client and the debtor. If it becomes clear that these twin goals cannot be simultaneously achieved, by reason of the debtor refusing to respond to a “soft” approach, the Client retains the option at any time to direct us to drop the “soft” approach and pursue a more-strenuous strategy.

SKIP TRACING

A principal of the debtor company will have personally guaranteed Many times a debt. If the debtor company is no longer in business, and there is no current information available from the Client as to the whereabouts of the principal/guarantor, it may be necessary for the law firm to perform a “skip trace”, in order to try to discover where the guarantor is located. This can be a very difficult assignment, particularly in international debt recovery assignments. This is a service that is provided by collect World Wide/ David A,

Hays, PLC as part of the fee arrangement originally agreed to- there is no additional fee for this service. Results are on a best-efforts basis, and if successful, the collections efforts proceed against the guarantor and his/her/their personal assets.

ASSET/LIABILITY INVESTIGATIONS

Many times, debtors will cite or use cash-flow problems as their reason for non-payment of our Client's invoices. Sometimes these claims are legitimate- sometimes they are bogus. Collectors are trained in a variety of methods to determine as accurately and as quickly as possible whether the debtor company's claims of cash flow problems are legitimate or not, and to tailor and predicate the subsequent debt recovery efforts according to the results of that determination. If a debtor company is still in business, but no longer purchasing goods or services from our client, the debtor company is undoubtedly purchasing the good and services from another supplier.

Information on the debtor company uncovered as a result of the Asset/Liability Investigation may include bank relationships; supplier relationships and other debtor company creditors; pendant contracts with private or governmental entities; actual operating results and financial statements for the debtor company; and many other and different types of information- some or all of which may ultimately prove to be the information which leads to the successful recovery of the unpaid debt.

LEGAL REFERRAL SERVICES

Not all accounts are collected without legal action. Where the legal issues remain in dispute, and the parties cannot arrive at a resolution themselves, it may be necessary to involve a court of law. This is NOT a desired result, particularly in international debt recovery situations, where the particulars and costs of bringing a lawsuit in a foreign country may be somewhat of an unknown. We make every effort to collect every account WITHOUT having to resort to legal action. But, again, not all accounts are collected without legal action.

If legal action becomes necessary, Collect World Wide/David A. Hays, PLC will explain to you why that is the case. Generally it is because the debtor has refused to "come to the table" with any type of reasonable proposal or resolution of the problem. In such case, we will make an internal assessment of the likelihood of a resolution of a lawsuit in our Client's favor. If we feel legal action is justified, we will make that recommendation to our client, along with an estimate of what the out-of-pocket costs would be to pursue such a lawsuit. If the client wishes to proceed with a lawsuit, we will make a best-efforts attempt to find an attorney or law firm in the debtor's country take the lawsuit on a contingency basis.

In all cases, the client is has the last and final decision on whether a lawsuit is initiated.

DOMESTIC (USA) COMMERCIAL ACCOUNTS RECEIVABLES RECOVERY

While Collect World Wide /David A. Hays, PLC has unequalled qualifications and successful experience in the arena of INTERNATIONAL debt recovery, those same qualifications and experience are likewise well-suited to the successful recovery of delinquent debt here in the United States- and we do recover domestic commercial debt for our clients nation-wide and with great success. Ask you

PROCESS/PROCEDURE CONSULTATIONS

Sometimes, a company's internal procedures or processes operate to contribute to higher-than-desired debt write-offs, or to situation where the debts become delinquent in the first place. Examples of this are credit-granting policies or procedures that may not have been reviewed in some time, and which may not be optimal in today's market and business environment. Our representatives have the ability to consult with our Clients' credit department and personnel, and make positive recommendations on how the internal processes and procedures might be revisited, and amended to reduce credit risk, optimize the potential for successful recovery of accounts that do become delinquent, and maximize the number of dollars and percentage of dollars that our clients recover from the debt recovery strategy.

OTHER

On occasion, Collect World Wide/David A. Hays, PLC will purchase a debt or portfolio of debts, and thereafter operate as principal to collect such debts. In other occasions, we will take an assignment of such debt, with the agreement that we will pursue litigation in a foreign country at our sole cost and expense, with the provision that if we are successful in such litigation we will pay a portion of the net proceeds of such litigation with the Assignor of the debt. These proposals are considered on an individual basis.

WHICH IS BEST- A LAW FIRM OR A COLLECTION AGENCY?

It depends. On what you need, and on the nature of the debt recovery problem you face.

Collection agencies are perhaps like sprinters; law firms are more akin to long distance runners.

Collection agencies are geared toward fast turnover and rapid recovery of debt. Their salespeople and collectors are most often paid on commission, and if and only if accounts are recovered. Their people generally have no training in the law, and their goal is to “liquidate” the debt by securing full or part payment in a short period of time.

Law firms are more “geared” toward litigation. Their personnel are mostly salaried and may work only on an hourly basis- though many in the industry do work on a “contingency” basis. As a result of their higher internal costs and greater emphasis on lawsuits, results may take longer, but the incentive to accept partial payments or settlements may be less.

I have told my clients for years that if the reason for non-payment of a debt is essentially a dispute that is A LEGAL QUESTION by its very nature, the better course of action is to forego a collection agency, and go directly to a law firm. The matter will likely wind up in the hands of an attorney anyway, and you will avoid the time “lost” by trying to have an agency, that is without legal training or knowledge, trying to resolve A LEGAL QUESTION. The same goes for disputes that are likely to wind up in court anyway, because of the nature of the relationship between the parties or otherwise. Stated simply, if for any reason the matter is going to wind up in court anyway, the best course of action is to get it there ASAP, while memories are fresh and documentation has not been misplaced.

If, on the other hand, the matter is “resolvable” by someone without legal training and knowledge, agencies are more often able to act faster than law firms to resolve the problems and engineer a solution.

THE “COLLECT WORLDWIDE/DAVID A. H, PLC SOLUTION”

International collections often do not lend themselves well to resolution through the local Courts of Law. Laws differ significantly from country to country, and resolution by the court is even more of a “last resort” than when both the creditor company and the debtor company are both located in the same country. For this reason, debt recovery by relying principally on lawsuits, in the international arena, is not a good idea. The optimal combination is a law firm, with the necessary legal knowledge and background that nevertheless has the dexterity and nimbleness of a collection agency.

We are THE EMBODIMENT of this solution! Collect World Wide/David A Hays, PLC is a law firm, licensed and a member of the Arizona State Bar, bringing to your debt recovery problem all of the legal knowledge, training, background and experience of a

LAW FIRM. But we also bring to you debt collection issue highly trained and successful collectors, each with many years of experience in the industry, whose training and background come from the COLLECTION AGENCY side of the industry. They, like Collect World Wide/David A. Hays, PLC itself, are paid only upon our being successful on behalf of our clients.

WE DO NOT GET PAID UNLESS YOU GET PAID. WE TAKE THE SAME RISK AS OUR CLIENTS, AND HAVE THE SAME INCENTIVE TO ACHIEVE A SUCCESSFUL DEBT RECOVERY AS YOU DO.

In fact, we take MORE of the risk than our clients, given that WE ALONE ARE RESPONSIBLE FOR AND PAY THE COST and pay for any pre-litigation out-of-pocket costs that become necessary to collect your account.

THE BEST OF “BOTH WORLDS”- The Collect World- Wide/David A. Hays, PLC debt recovery solution!

HOW WE ARE “DIFFERENT”

The question has arisen many times over the years- how are you and your company company “different?”

If you have not already done so, please review our “Mission Statement.” This represents the essence of what we, as a company, strive every day to achieve. Also if you have not already done so, please review “Who We Are” and “Which is Best- A Law Firm or a Collection Agency?”

The answer to the question above is simple- it is the breadth and depth of our training and experience. There are many law firms performing debt recovery services. Few of them can boast of their principal also having an MBA degree. Fewer still can state that their principal has both extensive law practice experience, combined with running one or more “non-law firm” businesses, also combined with successful sales and management experience in the collection agency side of the industry.

Combining all the above elements represents a training/skill/experience set that is, as far as we are aware, unique in the industry. We bring that unique training/skill/experience to bear on the debt recovery problems of our clientele, and it is that unique combination that allows us to achieve the enviable results we do achieve.

Our company has itself been structured to take full advantage of that unique combination. The company is a licensed law firm, with the legal knowledge base that requires, but our company’s collectors are paid on the same basis as many collection agencies operate under (commission-only), which produces the same urgency to successfully recover a debt as if felt by our clients themselves. The result is commonality of interest between our company and our clients. And, our collectors are paid the highest commissions in the industry, and we have a waiting list of collectors who want to come work for us as a result. As such, we are able to pick and choose only the BEST collectors, with the result that our debt recovery success rate far exceeds that of most other companies in the industry.

LET'S TALK ABOUT "RATES"

Some general "Rules of Thumb" pertain to what rate you should be willing to pay for a debt recovery service. Most of them are material to the "collectibility" of a given account, and include:

1. ALL RATES ARE NEGOTIABLE.
2. RATES FOR INTERNATIONAL DEBT RECOVERY TEND TO BE HIGHER THAN RATES FOR DOMESTIC ACCOUNTS
3. RATES FOR LARGER ACCOUNTS OR FOR BATCHES OF ACCOUNTS TEND TO BE LOWER THAN FOR SMALLER ACCOUNTS OR INDIVIDUAL ACCOUNTS.
4. RATES FOR OLDER ACCOUNTS TEND TO BE HIGHER THAN RATES FOR MORE-RECENT ACCOUNTS
5. RATES FOR ACCOUNT THAT HAVE BEEN PLACED FOR RECOVERY PREVIOUSLY, OR AS TO WHICH A JUDGMENT HAS BEEN OBTAINED, ARE HIGHER.

Years ago, the "normal" rate for law firm collections may have been 1/3 of the amount collected. Years ago, the "normal" rate for international collections may have been 50% of monies collected. Those rates have changed, almost exclusively downward, due to the competitive nature of the industry, as it has matured. In today's market, I have seen rates as low as 5%, for domestic accounts, first placements, amounting to several tens of millions of dollars, where the companies are still in business, where there is a personal guarantee on most of the individual accounts and the delinquency is no more than 120 days.

Did I personally give this rate? No. Would I ever give this rate? Never. More to the point, if I were a company with a debt to place for collection, would I be wise to WANT or try to NEGOTIATE this kind or rate? In my opinion, no.

Why- isn't getting something for LESS better than paying MORE? Well, not always. EXAMPLE: Would you shop for a BRAIN SURGEON on the sole basis of who would do the procedure for the absolute least amount? Would you shop for AN INVESTMENT ADVISER on that basis? How about a babysitter, or a bungee-jump instructor?

The point is, obviously, that not all debt recovery entities are created equal. Professional training and education and experience vary widely. An intelligent "shopper" keeps those very important factors in mind as well.

Also, while every account must be worked to its conclusion and time, and perhaps monies, expended in that effort – not every account will be collected, and the rates have to reflect that fact in order for a debt collection entity to stay in business. And, the higher the rate, the more time and monies such debt collection entity can afford to spend on its attempts to collect that particular.

Ok, having said that, what do I consider a “fair rate?”- One that allows every necessary expenditure in time and money to be made, in order to maximize the chances for its successful collection?

Fair and competitive International rates: in order to maximize the chances for successful collection of the account, should range from 25% to 50%, depending on the factors above, with lower rates for exceptional circumstances.

Fair and competitive domestic rates: should range from 20% to 35%, again depending on the factors above and with lower rates for, once again, exceptional circumstances.

David Hays, Esq.

SCHEDULE OF WHEN REMIT CHECKS ARE SENT TO CLIENTS

Where monies have been collected on behalf of clients, and those monies have been sent us rather than to the client, Collect World Wide/David A, Hays, PLC sends out remit checks to Clients every Friday. The remit checks are sent to the clients, in an amount equal to the monies received, minus any Fee earned by the law firm on the account or on other collections accounts that have remained unpaid for 30 days or more, by the Client, the first Friday following ten business days after payment from the debtor is received. This allows for the check to clear, and for internal accounting procedures- but is among the FASTEST remit or turnaround times in the industry.

HOW TO GET STARTED

Basically, the process of “getting started” is VERY easy. You may either 1. call our corporate offices at 520-290-2500, and they will walk you through the placement process, which takes as little as a couple of minutes, or 2. you may fill out and fax to us , at 520-790-2505, our Placement Sheet. If you choose to fax in a Placement Sheet, one of our representatives will call you within 30 minutes; agree on a rate with you, and will place the account for you immediately after the end of that call.

The items of information you will need in order to place an account are:

- Name of debtor company
- Address and phone number of debtor company
- The amount you are owed
- Copies of the unpaid invoices, or a statement of same

After the account is entered, you will be faxed a Confirmation, detailing the accounts you are wishing to place and the rate you and your representative have agreed upon. You will sign the Confirmation, which operates as our authority to begin operating as your agent for the recovery of the named account(s). A qualified collector will be assigned to the collection, and the debtor company on each account will be contacted with 24 hours of placement.

Status Reports:

Within 4 working days, you will receive a status report on each account you have placed, detailing what has been done since placement of the account to place and collect the account. You may request that you be given subsequent status reports at whatever (reasonable) time interval you thereafter require.

David A. Hays, PLC

www.collectworldwide.com

David A. Hays, Attorney at Law

Placement Form

Fax To: (309) 342-0595

Client Info

Company: _____ Address: _____

Placed By: _____ Ph: _____ Fax: _____

APPROACH

Debtor Info

Date:

NORMAL AUDIT

Company: _____

Address: _____

City: _____ State: _____ Zip: _____

Contact: _____ Phone: _____

Phone2: _____

Fax: _____

Notes:

Last Date Of Sale _____

Last Payment _____

**Principle
Balance**

\$ _____

**ADD ON
Interest or
Fees**

\$ _____

**Total
Due**

\$ _____

Rate

COM

NON