



- C O N F I D E N T I A L -

PURCHASE AND SALE AGREEMENT

BETWEEN

American Debt Analytics, LLC.

AND

{COMPANY_NAME}.

October 20, 2007

**LOT #
{LOT NUMBER}**

Purchase and Sale Agreement

THIS PURCHASE AND SALE AGREEMENT (“Agreement”) is made as of October 20, 2007 and is by and among **American Debt Analytics, LLC.**, a Minnesota Limited Liability Company, (“Seller” or collectively, “Sellers”) and {COMPANY_NAME} (“Purchaser”).

Recitals

- A. Each Seller owns certain accounts and related receivables, contract rights and assets; and
- B. Sellers desire to sell, and Purchaser desires to purchase, all of each such Seller’s right, title and interest in and to the Accounts as defined below, on the terms and conditions set forth below.

NOW, THEREFORE, for valuable consideration, the parties mutually agree as follows:

Agreement

Section 1. Definitions.

1.1 Capitalized Terms. For purposes of this Agreement, a capitalized term in this Agreement will have the meaning shown below.

“Account” means {TYPE OF DEBT} originated by {Original Creditor} and listed on an Account Schedule that the Original Issuer originated.

“Account Agreement” means the written terms and conditions that govern an Account.

“Account Balance” means, as to each Account, the amount owed to each Seller as of the Cut-Off Date, including principal, accrued interest and Account-related fees and charges as recorded in original credit issuer’s books and records. Each Seller’s books and records will be conclusive of the amount of each Account Balance.

“Account Schedule” means a list of the electronic files that Sellers will deliver to Purchaser in accordance with Section 3.3, setting forth Accounts and their respective Account Balances and account number of each Account.

“Accounting Firm” means a nationally recognized independent accounting firm mutually agreeable to the parties.

“Actual Loss” means, except as further limited herein, liquidated losses, costs, expenses, damages, liabilities, or penalties, including legal fees, actually incurred by Purchaser or either Seller, as applicable, from a judgment, or from a settlement approved by the related Seller or the related Purchaser, as applicable, of a Third Party Claim. The parties intend that

actual out-of-pocket losses be the measure of recovery, except as otherwise limited herein. “Actual Loss” does not include any costs or expenses for employees, materials, or equipment employed or owned by the related Seller, the related Purchaser, or their respective Affiliates.

“Affiliate” means any current or future affiliate of either Seller or Purchaser (as applicable) as that term is defined in Section 23A of the Federal Reserve Act, 12 U.S.C. §371c, as may be amended from time to time. The term “Affiliate” includes an entity and each of its Affiliates with which either Seller or Purchaser has entered into a binding agreement for a merger or acquisition with that entity.

“Business Day” means a day on which each Seller is open to conduct business in Atlanta, GA and which is not a Saturday, Sunday or legal holiday.

“Closing” means the execution and delivery of all property, funds, documents, certificates, resolutions, assignments and opinions for the transactions contemplated in this Agreement, as provided in this Agreement.

“Closing Date” means {DATE}

“Closing Payment” means the amount on the Closing Statement representing the Purchase Price.

“Closing Statement” means the statement delivered as required by Section 3.2.

“Confidential Information” means:

(a) as to each Seller: (1) any non-public materials or information about such Seller’s business, including without limitation, the names of and information about customers, employees, accounts, market share, data processing systems design, marketing philosophy and objectives, competitive advantages and disadvantages, financial results and any other information designated as non-public when such Seller furnishes the information to Purchaser; and (2) any non-public materials or information about the terms of this Agreement or the transaction contemplated in this Agreement, including without limitation, the Purchase Price.

(b) as to Purchaser: (1) any non-public materials or information about Purchaser’s business, including without limitation, the names of and information about customers, employees, accounts, market share, data processing systems design, marketing philosophy and objectives, competitive advantages and disadvantages, financial results and any other information designated as non-public when Purchaser furnishes the information to either Seller; (2) with respect to the Accounts on and after the Closing Date, any non-public materials or information, including without limitation, the Account Schedule, information about Debtors, Accounts, market share, data processing systems, marketing philosophy and objectives, competitive advantages and disadvantages and financial results; and (3) any non-public materials or information about the terms of this Agreement or the transaction contemplated in this Agreement, including without limitation, the Purchase Price.

(c) “Confidential Information” will not include: (1) information that, at the time of disclosure, is already in the recipient’s rightful possession or available to it or its

employees from any source having no obligation not to disclose it; (2) information that is or becomes available to the public through no action or omission of the recipient or its agent; (3) information that the recipient receives from another source not having an obligation not to disclose it; and (4) information which is independently developed by the recipient without use of or reference to any Confidential Information of the other party. Nothing in this Agreement will prevent a party from disclosing Confidential Information to the extent disclosure of the Confidential Information is required by a federal or state governmental authority having jurisdiction over that party or subpoena or other legal process. In such case, the party receiving the subpoena or legal process will give the other party prompt notice of the subpoena or legal process to the extent not prohibited by the subpoena or legal process.

“Cut-off Date” means **{DATE}**

“Debtor” means each obligor or party liable for payment on an Account, jointly and severally.

“Effective Date” is the date first shown in this Agreement.

“GAAP” shall mean generally accepted accounting principles in the United States of America, applied on a consistent basis and applied to both classification of items and amounts, and shall include, without limitation, the official interpretations thereof by the Financial Accounting Standards Board, its predecessors and successors.

“Ineligible Account” means an Account, as of the Cut-Off Date: (a) which is the subject of a pending or threatened action, suit, proceeding or arbitration in which the related Seller or a predecessor is a plaintiff or defendant, (b) on which a final judgment has been entered by a court of competent jurisdiction to the effect that no Debtor is under any legal or equitable enforceable obligation to pay on the Account and that the creditor or other owner on the Account will take no legal action against any Debtor, (c) in which all Debtors have filed for bankruptcy, (d) which has been reinstated by the related Seller due to such Seller’s error, (e) which is subject to a pending legal action to collect on the Account, (f) in which all Debtors are deceased, (g) which the Original Issuer, related Seller charged off as a fraudulent account, (h) for which all or part of the Account Balance is being disputed, (i) which has been satisfied, compromised, cancelled, settled, subordinated or rescinded in whole, or any instrument or agreement has been delivered to such effect, or from which the Original Issuer, related Seller or a predecessor in interest released all Debtors obligated on the Account from all liability on the Account, or (j) which does not fit the definition of an Account as per this Agreement. In addition to the foregoing, in the event the Debtor has activated a debt cancellation program known as “Credit Protection” offered by the Original Issuer on or prior to the Closing Date, such Account will also be considered an Ineligible Account.

“Original Issuer” means **{Original Creditor}**

“Purchase Price” has the meaning set forth in Section 2.6.

“Tax” means any federal, state or local tax of the United States or any of them, including, without limitation, any income tax, franchise tax, real or personal property tax, employment tax, sales or use tax, vault tax, and any related interest or penalties (including,

without limitation, those levied on any failure to make appropriate withholdings), but not including any tax levied or chargeable to the transactions contemplated in this Agreement.

“Third Party Claim” shall have the meaning set forth in Section 9.3.

1.2 Appendices. Each appendix referred to in this Agreement is attached to and incorporated in, and will be construed as a part of, this Agreement.

Section 2. Purchase and Sale of Accounts; Assumption of Liabilities; Purchase Price.

2.1 Purchase and Sale. On the Closing Date and subject to the terms of this Agreement, each Seller shall sell, transfer, assign, set-over, quitclaim and convey to Purchaser, without recourse, warranty or representation, all right, title and interest of such Seller in and to each of the Accounts sold identified in Appendix A, and the right to collect all principal and/or interest and/or other amounts due under the Account(s) and/or other proceeds of any kind paid or collected for payment thereon as of the Closing Date as evidenced by a Bill of Sale in the form shown in Appendix B.

2.2 Excluded Assets. Each Seller’s assets not specifically listed or included in Appendix A will remain the property of such Seller. Without limiting the preceding sentence, each Seller will retain all right, title and interest in and to each of its accounts that is not an Account.

2.3 Assumption of Liabilities.

(a) Commencing on the Closing Date and subject to the terms of this Agreement, Purchaser will assume, perform and discharge the following obligations arising on and after the Closing Date with respect to the Accounts:

- (1) the obligations under the Account Agreements, including without limitation, any obligations under any modification or payment plan entered into prior to the Closing Date with respect to such Account; and
- (2) the obligation to pay costs or expenses related to the ownership of the Accounts.

(b) Excluded Liabilities. Except as provided in this Agreement, Purchaser will not assume any liability, agreement, commitment or other obligation of either Seller, whether absolute, contingent or otherwise known or unknown, arising from either Seller’s ownership of the Accounts on or before the Closing Date.

2.4 No Recourse. The sale and transfer of Accounts contemplated in this Agreement will be without recourse and without representation or warranty, express or implied, of any kind or character, including without limitation, warranties pertaining to collectibility, accuracy or sufficiency of information furnished to Purchaser, except for the representations and warranties expressly set forth in Section 7.1. Purchasers’ bid for and decision to purchase the Accounts pursuant to this Agreement is and was based upon Purchaser’s own independent evaluation of information deemed relevant by Purchaser, including, but not limited to, the

information made available by either Seller to all potential bidders for the Accounts, and Purchasers' independent evaluation of related information. Purchaser acknowledges and agrees that, while some information concerning the Accounts was made available to Purchaser for review prior to the purchase, such information, through no fault of such Seller, may not be complete and/or accurate. If either Seller, an asset servicer, servicing agent or any of such Seller's contractors or employees failed to deliver to such Seller any or all of the Account information in such servicer's or employee's possession, then the related Seller shall not be liable for the failure to include such Account information in the materials made available for review by prospective bidders prior to the sale. Purchaser has relied solely on its own investigation and it has not relied upon any oral or written information provided by either Seller or its personnel or agents and acknowledges that no employee or representative of either Seller has been authorized to make, and that Purchaser has not relied upon, any written statements other than those specifically contained in this Agreement.

2.5 Tax Liabilities. Each Seller will be liable for any Tax that relates to its acquisition, ownership and operation of the Accounts before the Closing Date. Purchaser will be liable for any Tax that relates to its ownership and operation of the Accounts on and after the Closing Date

2.6 Purchase Price. The purchase price for Purchaser's purchase of the items listed in Section 2.1 ("Purchase Price") will be as defined in Appendix A. The Purchase Price will be determined, paid and adjusted in accordance with Section 3.

Section 3. Closing.

3.1 Closing Procedure. The Cut-off will be at 12:59 a.m. (Eastern Time) on the Cut-off Date, and the Closing will be at 12:00 p.m. (Eastern Time) on the Closing Date. The parties may consummate the Closing by using facsimile transmissions and overnight couriers.

3.2 Closing Statement. On the Closing Date, Sellers will deliver to Purchaser the Closing Statement. The Closing Statement will show each Seller's calculation of the Closing Payment as of the Cut-off Date as follows:

- (a) the aggregate Account Balances as of the Cut-off Date; MULTIPLIED BY
- (b) the rate of - as defined in Appendix A.

The Closing Statement will also designate the account name and number of the account to which each Seller wants Purchaser to pay the Closing Payment by wire transfer. Together with the Closing Statement, each Seller will deliver to Purchaser an Account Schedule that is current as of the Cut-off Date

3.3 Account Schedule. Not later than one (1) Business Day prior to the Closing Date, an electronic file listing of Accounts to include original Account Number and Account Balance. Each Seller reserves the right to withdraw Accounts meeting the definition of an "Ineligible Account" under this Agreement, in such Seller's sole discretion.

3.3 Purchase Price. By 2:00 p.m. (Eastern Time) on the Closing Date, Purchaser will pay to Sellers the amount of the Closing Payment in accordance with such Seller's instructions in the Closing Statement.

Section 4. Confidentiality.

4.1 Each Seller will use all Confidential Information with respect to Purchaser, including without limitation, Seller's Confidential Information which is transferred to Purchaser on the Closing Date, solely in the performance of such Seller's obligations under this Agreement. Without the related Purchaser's prior written approval, neither Seller will disclose, give, sell or otherwise transfer or make available, directly or indirectly, any Confidential Information with respect to Purchaser, to any of their respective officers, directors, employees, agents and Affiliates or to any third party or employee or representative of a third party unless, and if so, then solely to the extent that, that person or entity: (1) has a reasonable need to know the information to perform duties related to this Agreement and (2) agrees to comply with the provisions of this covenant. Each Seller will take reasonable measures to prevent their employees, Affiliates and agents from disclosing or using any Confidential Information with respect to Purchaser except as provided in this Agreement. Notwithstanding the foregoing, either Seller or an Affiliate of such Seller may disclose Confidential Information of Purchaser only in the following situations: (1) to an Affiliate to the extent needed to comply with corporate reporting requirements imposed on such Seller; (2) to the extent required by applicable law or regulation; (3) to its attorneys, auditors and lenders, so long as those attorneys, auditors and lenders agree to comply with the provisions of this covenant; (4) to its rating agency, provided that the rating agency understands the confidential nature of the Confidential Information, and such Seller or its Affiliate requests the rating agency to use the information solely for the purpose of rating such Seller or such Seller's Affiliate; and (5) to the extent such disclosure is reasonably appropriate in connection with the enforcement of any of the provisions of this Agreement.

4.2 Purchaser will use all Confidential Information with respect to each Seller solely in the performance of Purchaser's obligations under this Agreement; provided that, starting on the Closing Date, Confidential Information relating specifically to the Accounts will become Confidential Information with respect to Purchaser and will no longer be Confidential Information of such Seller. Without such Seller's prior written approval, Purchaser will not disclose, give, sell or otherwise transfer or make available, directly or indirectly, any Confidential Information with respect to such Seller, to any of its officers, directors, employees, agents and Affiliates or to any third party or employee or representative of a third party unless, and if so, then solely to the extent that, that person or entity: (1) has a reasonable need to know the information to perform duties related to this Agreement, and (2) agrees to comply with the provisions of this covenant. Purchaser will take reasonable measures to prevent its employees, Affiliates and agents from disclosing or using any Confidential Information with respect to such Seller except as provided in this Agreement. Notwithstanding the foregoing, Purchaser or an Affiliate of Purchaser may disclose Confidential Information of such Seller only in the following situations: (1) to an Affiliate to the extent needed to comply with corporate reporting requirements imposed on Purchaser; (2) to the extent required by applicable law or regulation; (3) to its attorneys, auditors and lenders, so long as those attorneys, auditors and lenders agree to comply with the provisions of this covenant; (4) to the extent such disclosure is reasonably appropriate in connection with the enforcement of any of the provisions of this Agreement; (5) to

the following rating agencies: Standards and Poor's, Moody's and Fitch's, provided that such rating agency understands the confidential nature of the Confidential Information and agrees to comply with the provisions of this covenant, and Purchaser or its Affiliate requests the rating agency to use the information solely for the purpose of rating Purchaser or Purchaser's Affiliate; and (6) to any other rating agency to which Seller has given its prior written consent, provided that such rating agency understands the confidential nature of the Confidential Information and agrees to comply with the provisions of this covenant, and Purchaser or its Affiliate requests the rating agency to use the information solely for the purpose of rating Purchaser or Purchaser's Affiliate.

The covenants in this Section 4 will survive the Closing Date and termination of this Agreement.

Section 5. Post-Closing Account Activities.

5.1 Debtor Payments. For a period of three years, if either Seller, after the Cut-off Date, receives and collects in good funds on an Account, such Seller will deliver such funds to the Purchaser together with information reasonably sufficient to enable Purchaser to credit it to the appropriate Account.

5.2 Purchaser's Communications with Debtors. If Purchaser communicates with a Debtor about an Account, Purchaser will inform the Debtor that the Account has been sold to Purchaser and that Purchaser is the creditor of the Account Balance. Purchaser will not refer any Debtor to the related Seller or Original Issuer for any reason, but will handle any Debtor inquiries that Purchaser reasonably cannot answer by contacting Seller directly. **Under no circumstances will Purchaser contact the Original Issuer .**

5.3 Compliance. Purchaser will take actions or refrain from taking actions with respect to the Accounts in compliance with all federal, state and local laws, rules and regulations applicable to the Accounts, including without limitation, the Fair Debt Collection Practices Act, Gramm- Leach-Bliley Act and the Equal Credit Opportunity Act.

5.4 Access to Account Files; Consultation.

(a) Purchaser may request a copy of the last statement and application (if such statement and application is available) for a period ending twelve (12) months from the "Closing Date" herein. Such requests must be made using Seller's form, and must be prepaid at a cost of **\$15.00** per document. Purchaser may request that Original Issuer or Seller sign and notarize affidavits using Seller's form (or one approved by Original Issuer) and prepared by Buyer at a prepaid cost of **\$15.00** per account. Seller will make it's best efforts to provide the Requested Information after receipt of Purchaser's written request for information in the possession of such Original Issuer. Each item requested in any Request for Information constitutes a separate Request for Information for purposes of determining the cumulative number of requests, notwithstanding the fact that it may relate to the same Account or Debtor. However, if Seller is charged for any requests made by Purchaser (at any time), Seller shall forward such costs to Purchaser and Purchaser agrees to pay in a timely manner.

(b) If Purchaser files any legal action to collect on an Account and requests or subpoenas an officer or an employee of either Seller or its Affiliate to appear at a trial, hearing or deposition to testify about the Account, Purchaser will pay such Seller or the Affiliate for the officer's or employee's time in traveling to, attending and testifying at the trial, hearing or deposition, whether or not the officer or employee is called as a witness, at the hourly rate of such officer or employee, and will reimburse such Seller or the Affiliate for the officer's or employee's reasonable travel-related expenses. or subpoenas an officer or an employee of either Seller or its Affiliate to appear at a trial, hearing or deposition to testify about the Account, Purchaser will pay such Seller or the Affiliate for the officer's or employee's time in traveling to, attending and testifying at the trial, hearing or deposition, whether or not the officer or employee is called as a witness, at the hourly rate of such officer or employee, and will reimburse such Seller or the Affiliate for the officer's or employee's reasonable travel-related expenses.

5.5 Public Announcements. Subject to Section 4 and unless Section 4 provides otherwise, neither party will make any public announcement or press release about this Agreement, any of the terms in this Agreement or the relationship between the parties.

5.6 Seller's and Original Issuer's Names and Trademarks.

(a) Purchaser will, and hereby represents and warrants that it will not, institute or maintain any legal action in the name of either Seller or Original Issuer or any of Seller's or Original Issuer's Affiliates.

(b) Purchaser will not use any name or trademark of either Seller or Original Issuer or any of their Affiliates as listed above to market, promote Purchaser's products, services or capabilities.

(c) Subject to the foregoing restrictions in this Section 5.7, Purchaser may disclose to prospective transferees of Accounts, Debtors or any party in litigation regarding the Accounts that the Accounts were acquired from the related Seller and originated by Original Issuer.

(d) In an adverse claim on an Account on which the Purchaser obtains a release from the Debtor, Purchaser shall use its best efforts to obtain the Debtor's release of the related Seller and Original Issuer and each of its Affiliates, officers, directors, employees and agents as to any claims the Debtor may have in connection with the Account.

5.7 Tax Examinations. Seller and Purchaser will cooperate fully with the other in connection with any examination conducted by any tax authority after the Closing Date; provided that nothing in this Agreement will be construed as obligating either Seller or Purchaser to disclose or furnish any tax information that does not relate to tax liability arising from the Accounts. Each Seller and Purchaser will inform the other promptly of any material developments in the course of the examination as well as the examination results and any related proceeding.

5.8 Consistent Tax Reporting. Each Seller and Purchaser will consistently report information about financial and accounting aspects of the transaction covered by this Agreement to tax authorities as required by law.

5.9 Resale of Accounts. (a) If Purchaser resells any Account to another purchaser (“Third Party Purchaser”), Purchaser must notify the Seller and provide Seller written notice of each such resale within at least ten (10) Business Days’ of resell to Third Party Purchaser. Purchaser shall not provide information with respect to the sale of any Account without the verbal and/or written consent of Seller to any of the companies or their affiliates listed on Appendix C. Purchaser shall only sell accounts after making a good faith investigation of and a determination that the potential Third Party Purchaser’s integrity and financial reliability conform to the standards set forth. Purchaser also will require the Third Party Purchaser to agree in writing with Purchaser to assume Purchaser’s obligations under this Agreement with respect to the Accounts by attaching a redacted copy of this Agreement to Purchaser’s agreement with the Third Party Purchaser. Notwithstanding the foregoing, Purchaser will remain liable to the related Seller for all of Purchaser’s obligations under this Agreement.

Section 6. Ineligible Accounts; Repurchase of Ineligible Accounts.

6.1 Neither Seller intends to sell to Purchaser, and Purchaser does not intend to buy from such Seller, any Account falling within the definition of an “Ineligible Account” as of the Cut-Off Date. Each Seller will use reasonable efforts to determine that Accounts do not include Ineligible Accounts. Within **Ninety (90)** days after the Cut-Off Date, if Purchaser gives Seller written notice and reasonable written proof that Seller sold to Purchaser one or more Ineligible Accounts, Seller will repurchase all such Ineligible Accounts. Acceptable written proof for bankrupt and deceased Ineligible Accounts is Banko or other similar services and the match of Social Security Numbers. Other definitions are outlined in Appendix D. Each repurchase request for Ineligible Accounts must be accompanied by the Lot #, as described in Appendix A. The Ineligible Accounts will be repurchased in at the end of each calendar month, for a price equal to the outlined in Appendix A of the aggregate Account Balance as of the date of repurchase of the Ineligible Accounts, which repurchase price shall be paid within forty-five (45) days following receipt of the Purchaser’s notice and proof and upon Purchaser’s execution and delivery of such documents as are necessary for Purchaser to transfer to such Seller good, valid and marketable title to the Ineligible Accounts, subject to Purchaser’s receipt of good, valid and marketable title as provided in Section 7.1(d). To the extent that such Seller fails to receive written notice accompanied by the documentation required by this Section 6.1 that an Ineligible Account has been sold to Purchaser within **Ninety (90)** days following the Closing Date, such Seller’s obligation to repurchase such Ineligible Account shall terminate.

6.2 In the event that Seller or Original Issuer recalls an Ineligible Account, Purchaser agrees to confirm closure of such Account within two (2) business days and Seller (if reimbursed by Original Issuer) shall pay Purchaser the price equal to the Purchase Price outlined in Appendix A.

6.3 In the event that either Seller breaches any representation or warranty contained herein with respect to an Account, such Seller, at the Purchaser’s option, shall repurchase the related Account for a price equal to (a) the Purchase Price multiplied by the Account Balance as of the Cut-off Date, minus (b) any payments received by Purchaser from the related Debtor on the Account.

6.4 In the event that either Seller or Original Issuer determines at any time that the Debtor has activated, on or prior to the Closing Date, a debt cancellation program known as “Credit Protection” offered by the Original Issuer, such related Seller will repurchase the applicable Accounts for a price equal to the Purchase Price outlined in Appendix A of the aggregate Account Balance as of the date of repurchase of the related Accounts.

6.5 No Other Repurchase Right. **NEITHER SELLERS NOR PURCHASER SHALL BE ENTITLED TO REQUIRE THE OTHER TO FACILITATE REPURCHASE OF AN ACCOUNT FOR ANY REASON, EXCEPT AS SPECIFICALLY SET FORTH HEREIN. PURCHASER AND EACH SELLER ACKNOWLEDGE THAT THE RIGHT TO REQUIRE REPURCHASE AS PERMITTED UNDER SECTION 6.1 IS THE SOLE REMEDY IF AN ACCOUNT IS AN INELIGIBLE ACCOUNT PURCHASER ACKNOWLEDGES AND AGREES THAT THE ACCOUNTS MAY HAVE LITTLE OR NO VALUE.**

Section 7. Representations and Warranties.

7.1 Seller’s Representations and Warranties to Purchaser. Each Seller hereby represents and warrants to Purchaser as of the Closing Date as follows with respect to itself only and with respect to the Accounts such Seller is selling only, as applicable:

(a) Organization and Power. Seller is a duly organized and validly existing “C corporation” existing under the laws of Delaware and Seller has full power and authority to enter into and perform the terms of this Agreement.

(b) Authority, Validity and Enforceability. Seller’s execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary corporate action and do not and will not conflict with or result in the breach or violation of Seller’s charter or by-laws, of any material agreement to which Seller is a party or by which it or its Accounts are bound, or of any law or court or administrative order having jurisdiction over it. This Agreement is the legally binding obligation of Seller, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, moratorium, receivership, conservatorship and laws relating to creditors’ rights generally.

(c) Account Agreements. To the best of Seller’s knowledge, the Account Agreements are legally binding agreements, enforceable in all material respects in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, moratorium, receivership or other laws or regulations, in effect now or in the future, that affect the enforcement of creditors’ rights generally, and except as may be inconsistent with or limited by applicable banking or consumer-credit laws or regulations.

(d) Ownership. On the transfer date, Such Seller is the sole and absolute owner of, and has good and marketable title to, each Account, which is not subject to any claim or encumbrance of any kind, including, without limitation, tax liens.

(e) Necessary Authorization. Such Seller has all required permits, licenses, certificates and authorizations necessary to conduct its Account-related business and own and operate the Accounts.

(f) Government Approval. No authorization of or notice to any governmental authority or court having jurisdiction over such Seller or the Accounts is required for, or the absence of which would adversely affect, the execution, delivery and performance of this Agreement or the transactions contemplated in this Agreement.

(g) Actions, Suits and Proceedings. There are no administrative or court actions, suits, arbitrations or proceedings currently pending, and to the best of such Seller's knowledge after such Seller's reasonable inquiry within its organization, no actions, suits or proceedings are threatened, that, if adversely decided, would have a material adverse effect on the value of the Accounts.

(h) No Brokers or Finders. Neither Seller has employed any investment banker, broker or finder who might be entitled to a fee or commission in connection with the transactions contemplated by this Agreement.

(i) Compliance with Law. To the best of Seller's knowledge, the Accounts sold to Purchaser pursuant hereto have been originated and serviced in material compliance with all applicable state and federal laws by Original Issuer, their agents and Affiliates.

(j) No Other Representations or Warranties. EXCEPT AS PROVIDED IN THIS SECTION 7 HEREOF, THE ACCOUNTS ARE BEING SOLD "AS-IS" AND "WITH ALL FAULTS", WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, AND EACH SELLER SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST OR PRESENT, EXPRESS OR IMPLIED, CONCERNING THE COLLECTIBILITY OF THE ACCOUNTS OR THE ACCURACY OR SUFFICIENCY OF INFORMATION FURNISHED TO THE PURCHASER.

7.2 Purchaser's Representations and Warranties to Sellers. Purchaser hereby represents and warrants to each Seller as of the Closing Date as follows:

(a) Organization and Power. Purchaser is a duly organized and validly existing Corporation under the laws of the State of Georgia and is currently in good standing under the laws of such state and has full power and authority to enter into and perform this Agreement.

(b) Authority, Validity and Enforceability. Purchaser's execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary corporate action and do not and will not conflict with or result in the breach or violation of Purchaser's charter or by-laws, of any material agreement to which Purchaser is a party or by which it is bound, or of any law or court or administrative order having jurisdiction over Purchaser. This Agreement is the legally binding obligation of Purchaser, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, moratorium, receivership, conservatorship and laws relating to creditors' rights generally.

(c) Necessary Authorization. Purchaser has all required permits, licenses, certificates and authorizations necessary to own and operate the Accounts on and after the Closing Date.

(d) Government Approval. No authorization of or notice to any governmental authority or court having jurisdiction over Purchaser is required for, or the absence of which would adversely affect, the execution, delivery and performance of this Agreement or the transactions contemplated in this Agreement.

(e) Actions, Suits and Proceedings. There are no administrative or court actions, suits, arbitrations or proceedings currently pending, and to the best of Purchaser's knowledge after Purchaser's diligent inquiry within its organization, no actions, suits or proceedings are threatened, that if adversely decided would have a material adverse effect on Purchaser's ability to carry out the transactions contemplated in this Agreement.

(f) Not an Investment Company. Purchaser is not an investment company as defined under the Investment Company Act of 1940 as amended.

(g) Sophisticated Investor. Purchaser is an informed purchaser that is in the business of buying or originating or collecting Accounts of the type being purchased or that otherwise deals in such Accounts in the ordinary course of Purchaser's business.

(h) No Conflicts. The execution and delivery of this Agreement and the performance of its obligations hereunder by Purchaser will not conflict with any law or regulation to which Purchaser is subject or conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any agreement or instrument to which Purchaser is a party or by which it is bound or any order or decree applicable to Purchaser.

(i) No Brokers or Finders. Purchaser has not employed any investment banker, broker or finder who might be entitled to a fee or commission in connection with the transactions contemplated by this Agreement.

Section 8. Conditions to Satisfy Before Closing.

8.1 Each representation and warranty of each Seller and Purchaser, respectively, in this Agreement is true and correct as of the Closing Date.

8.2 Each Seller and Purchaser each has complied in all material respects with each of their respective covenants and agreements in this Agreement by the Closing Date.

8.3 Neither Seller nor Purchaser has violated any court order or governmental order or any law or regulation that would have an adverse effect on the transaction contemplated in this Agreement. No claim, action, proceeding, arbitration or government investigation is threatened or instituted which is likely to restrict or prohibit or otherwise have an adverse effect on the transaction contemplated in this Agreement.

Section 9. Indemnification.

9.1 Indemnification By Seller. Each Seller agrees to indemnify, defend and hold harmless Purchaser, its Affiliates, officers, directors, employees, agents, successors, and permitted assigns, and related entities (each such party, a “Purchaser Party”) from, and to reimburse them for, Actual Losses relating to, arising out of, based upon, or resulting from:

(a) such Seller’s breach of any of its representations and warranties contained in this Agreement, which breach has a material adverse effect on the Accounts or any Purchaser Party’s rights with respect to the Accounts;

(b) such Seller’s acts or omissions in performing any of its covenants or agreements contained in this Agreement, which act or omission has a material adverse effect on the Accounts or any Purchaser Party’s rights with respect to the Accounts; or

(c) any Third Party Claim.

9.2 Indemnification By Purchaser. Purchaser agrees to indemnify, defend and hold harmless each Seller, its Affiliates, officers, directors, employees, agents, successors, and permitted assigns, and related entities (each such party, a “Seller Party”) from, and to reimburse them for, Actual Losses relating to, arising out of, based upon, or resulting from:

(a) Purchaser’s breach of any of its representations and warranties contained in this Agreement, which breach has a material adverse effect on the Accounts or any Seller Party’s rights with respect to the Accounts;

(b) Purchaser’s acts or omissions performing any of its covenants or agreements contained in or made pursuant to this Agreement, which act or omission has a material adverse effect on the Accounts or any Seller Party’s rights with respect to the Accounts; or

(c) any Third Party Claim.

9.3 “Third Party Claim” means a lawsuit, including a counterclaim or regulatory enforcement action, filed against either Seller or Purchaser by a party other than either Seller or Purchaser, respectively, related to any Account purchased under this Agreement and for which there is an Actual Loss that is caused by: (1) the other party’s breach of any of its representations and warranties contained in this Agreement, (2) the other party’s breach of or failure to perform any of its covenants or agreements contained in this Agreement. A party other than either Seller includes a Debtor. A Third Party Claim includes an appeal if approved by the Purchaser or the related Seller, as applicable. If the Purchaser pursues an appeal without the consent of the related Seller, or the related Seller pursues an appeal without the consent of the Purchaser, then the applicable non-consenting party shall not be liable for indemnifying the other party for the cost of the appeal. The indemnifying party shall have the right to enter into a settlement agreement in connection with such Third Party Claim.

9.4 Notice of Claims. If either party knows of: (a) facts that would give rise to a right of indemnification for that party or (b) commencement of an action that may require indemnification, the indemnified party will give written notice to the other party as promptly as

practicable after receipt of that knowledge. Following receipt of the notice, the indemnifying party will be entitled to participate in the defense of the claim, and upon notice delivered promptly to the indemnified party, to assume the defense of the claim, with counsel reasonably satisfactory to the indemnified party. Within a reasonable period following the assumption of the defense by the indemnifying party, the indemnified party will be permitted to participate in the defense of the claim and may retain additional counsel of its choice at its own expense. If, however, the defendants in the action include both parties and the indemnified party concludes that there may be legal defenses available to the indemnifying party, the indemnified party will be entitled to separate counsel, reasonably acceptable to the indemnified party, which will be paid for by the indemnifying party. Delay in giving notice under this Section 9.4 will not extinguish the right to indemnification. The parties shall notify each other as soon as practicable of any matter that relates to the Accounts and may affect any other party hereto.

9.5 Subrogation. The indemnifying party will be subrogated to any claim or right of the indemnified party as against any other persons with respect to any amounts paid by the indemnifying party under this Section 9. The indemnified party will cooperate with the indemnifying party, at the indemnifying party's expense, in the indemnifying party's assertion of the claim or right.

9.6 Survival of Indemnification. Except as otherwise provided elsewhere in this Agreement, the obligations of the parties as set forth in this Section 9 will survive through November 1, 2006. Notwithstanding any of the foregoing, any claim for indemnification for which notice is to be given under Section 9.4 by an indemnified party on or before the date that the indemnification would otherwise terminate in accordance with this Section 9.6, and the corresponding indemnification obligation, will survive until the claim is fully and finally determined and paid in full if payment is required under this Section 9.

Section 10. Miscellaneous.

10.1 Costs. Each party will bear all costs and expenses incurred by it in connection with the negotiation and execution of this Agreement and the performance of the transactions contemplated in this Agreement, including, without limitation, counsel fees and expenses.

10.2 Insurance. Purchaser will maintain liability insurance as follows:

- (a) General liability coverage of not less than \$1 million per occurrence; and
- (b) Employee dishonesty coverage of not less than \$1 million per occurrence.

10.3 Notices. All notices, instructions and other communications required or permitted to be given to or made upon either party will be in writing and will be delivered personally or sent by registered or certified mail, return receipt requested, or by overnight courier, and will be deemed given on the date that the writing is delivered. Each notice will be addressed as set forth below, unless a party notifies the other party of a change of address using the procedures set forth in this Section 10.3.

To Seller: American Debt Analytics, LLC.
5151 Edina Industrial Blvd Suite 200
Edina, MN 55439
Attn: Michael Kielty
952-905-3306

To Purchaser: {COMPANY NAME}.
{ADDRESS}
{CITY} {ST}, {ZIP}
Attn: {name}
Fax: {FAX NUMBER}
Phone: {PHONE}

10.4 Dispute Resolution. Any controversy between the parties arising from this Agreement will be resolved by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and the parties shall be entitled to the rights of discovery authorized under the Federal Rules of Procedure, provided that such rights are exercised in a reasonable manner. Each party shall bear its own attorneys' fees and other costs of the arbitration, and each shall pay one-half of the arbitrator's fees and expenses. The arbitrator shall have the discretion to award reasonable attorneys' fees and the costs of the arbitration, including the fees of the arbitrator, to the prevailing party.

10.5 Assignment. Neither party will assign this Agreement, in whole or in part, without the prior written consent of the other party.

10.6 Benefits of this Agreement. Nothing contained in this Agreement, whether express or implied, is intended to confer any right or remedy on any person as to this Agreement other than the parties to this Agreement, their respective Affiliates and their respective successors and permitted assigns, and no action may be brought against either party by any third party claiming as a third-party beneficiary to this Agreement or the transactions contemplated in this Agreement. Nothing in this Agreement is intended to relieve or discharge any obligation or liability of any third party to any party to this Agreement, and nothing in this Agreement will give, or be deemed to give, any third party any right of subrogation or action over or against either party to this Agreement.

10.7 Governing Law. This Agreement will be governed by the laws of the State of Minnesota.

10.8 Severability. If any provision in this Agreement is void or unenforceable by a court of competent jurisdiction, the unenforceability will not affect the validity or

enforceability in any other jurisdiction or the validity or enforceability of any other provision in this Agreement.

10.9 Successors and Assigns. This Agreement will be binding on, and inure to the benefit of the parties and their respective successors and permitted assigns.

10.10 Survival. The provisions in Sections 2.4, 2.5, 3.4, 4, 5, 6, 7, 9, and 10 will survive the Closing, subject to any time limitations set forth in such Sections.

10.11 Captions. The captions in this Agreement are for convenience only and will not be used to construe or interpret any provision in this Agreement.

10.12 Counterparts. This Agreement may be signed in one or more counterparts, each of which will constitute an original document and all of which will be taken together as one agreement. In addition, all signatures to this agreement may be delivered by facsimile and such facsimile signatures shall be binding and have full force and effect of original signatures

10.13 No Waiver. Any waiver of any term of this Agreement must be in writing and signed by each party. No waiver by a party of any condition or of any breach of any term, representation, warranty or covenant in this Agreement, whether by conduct or otherwise, will be deemed to be a further or continuing waiver of that condition or breach or waiver of any other condition or breach.

10.14 Joint/Several Liability. The Seller and Purchaser hereby acknowledge and agree that the Sellers are each severally liable to the Purchaser for all of their respective obligations hereunder.

10.15 Entire Agreement; Amendments. This Agreement sets forth the entire understanding of the parties as to the subject matter of this Agreement, and all other or prior understandings, written or verbal, are hereby superseded. This Agreement may not be amended except in a writing executed by both parties.

IN WITNESS WHEREOF, the parties through their respective duly authorized officers hereby execute this Agreement as of the date first shown above.

American Debt Analytics, LLC..

By _____
Print Name: Michael Kielty
Title: COO - American Debt Analytics, LLC

By _____
Print Name:
Title:

APPENDIX C

RESTRICTED THIRD PARTIES (Including Affiliates)

N/A

APPENDIX D
RECOURSE QUALIFICATIONS

I. BANKRUPTCY-

- A. Accounts must have been filed and/or discharged prior to the date of this Agreement.
- B. If debtor(s) filed prior to the date of this agreement, but the filing was subsequently dismissed, then accounts will NOT qualify for recourse under the terms of this agreement.
- C. If there are two or more debtors on the same account, all debtors must have been included in the bankruptcy.
- D. Bankruptcy must be verified by providing a minimum of the following information necessary to qualify:
 - a. Attorney Name
 - b. Attorney Phone Number
 - c. Case Number
 - d. File Date
 - e. Chapter

II. DECEASED

- A. Debtor must have been deceased prior to the date of this Agreement.
- B. If there are two or more debtors on the same account or the debtor is in a non-community property state, all debtors must be deceased.

Verification must be provided. Seller will accept as evidence of death a copy of the death certificate, screen print from Social Security Death Index, Credit Bureau Report, or newspaper obituary.

III. PAID IN FULL/SETTLE IN FULL

- A. Debtor must provide letter from either Original Issuer or Collection Agency showing account was SIF or PIF AND a copy of the check, money order, or payment instrument showing payment.
- B. Copy of check or money order showing payment

IV. FORGERY/FRAUD

- A. Signed Affidavit from debtor or debtors attorney providing an ongoing active dispute with the original issuer or any successor purchasers, on the validity of the account. Must include copy of police or other law enforcement report.
- B. Verification must be provided by fraud or forgery affidavit.

By: _____

Name: Michael Kielty

Title: COO - American Debt Analytics, LLC

Name:

By: _____

Title:

WIRING INSTRUCTIONS

Company: American Debt Analytics, LLC

Bank: US BANK
Edina, MN

ABA: {ABA NUMBER}

Acct. #: {ACCOUNT NUMBER}