


REFERENCE GUIDE

YOUR GUIDE
TO FORENSIC
COMMERCIAL CREDIT
& COLLECTIONS

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MORGAN
& WHITE**
NEVER SETTLE FOR LESS



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TABLE OF CONTENTS

Table of Contents1
Johnson, Morgan & White2-3
Useful Contacts.....4
Small Claims Court5
Social Security Numbers5
Accounts Receivable Outsourcing6
Creditor Remedies6
Bankruptcy Rules7
Bad Check Laws8-9
Experian Commercial Credit Reports ..10-11
U.S. Bankruptcy Courts12-13
Credentials: Certified Agency14-15
Statute of Limitations16-17
Interest Rates18-19
Fair Debt Collection Practices Act20
Creating a Security Interest21
Canadian Information22-23
Forensic Links24-25
Credit Sales Application26-27
Notes28



YOUR GUIDE TO COMMERCIAL CREDIT & COLLECTIONS

This information provides a brief overview of commercial credit and collection practices. It is not intended to replace comprehensive legal advice on corporate collection issues. Please contact Johnson, Morgan & White for professional assistance with your credit and collection needs.

JOHNSON, MORGAN & WHITE...

...THE LEADER IN FORENSIC
CORPORATE COLLECTIONS

Each of our highly-trained professional agents knows what it takes to recover your corporate debts swiftly and professionally, while still maintaining your customer relationships. With our sophisticated debt recovery technology, we're able to customize a recovery plan for each of your delinquent accounts.

Our extensive experience in corporate debt recovery enables us to classify the type of debtor we are working with and design a recovery technique specially designed for that account. When you employ Johnson, Morgan & White to handle your corporate debt recovery, you can be assured that we will use the most effective account management techniques to recover your money and help you maintain your corporate image.

OUR SERVICES INCLUDE:

**Customized Corporate Debt
Recovery Options to Fit Each
Individual Account**

**Background Profiles to
Determine the Best Method
of Collection**

**State-of-the-Art Research and
Investigation Techniques**

Credit Reporting Services

**Personalized Service with
Quick Results**

Online Account Services

A CUT ABOVE

At Johnson, Morgan & White, we pride ourselves on being a cut above other corporate debt recovery specialists.

**What does
Johnson, Morgan & White
have that the others don't?**

Significant investment in state-of-the-art technology

Ongoing education and certification requirements for our agents

Account-specific representatives

Thorough knowledge of fluctuating federal, state, and local regulations

Extensive multinational network of law firms and collection agency colleagues

Exceptionally high corporate recovery rate

Patience and persistence

Consistent results, day after day, year after year

**Call Johnson, Morgan & White
today and see the result for
yourself - Your Money!**

800-441-9550

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USEFUL CONTACTS

Secretary of State

The Secretary of State's office in each state provides a database of information to assist you with your collection efforts. Available information includes dates of incorporation; officers and registered agents and their addresses; if the corporation is foreign or domestic; the corporation's standing; DBAs; other operating locations; and whether there is a personal liability for principals if the corporation is administratively dissolved.

Alabama	334-242-5324
Alaska	907-465-2530
Arizona	602-542-6187
Arkansas	501-682-5151
California	619-525-4113
Colorado	303-894-2200
Connecticut	860-509-6002
Delaware	302-739-3073
District of Columbia	202-727-6306
Florida	850-488-9000
Georgia	404-656-2817
Hawaii	808-586-2727
Idaho	208-334-2300
Illinois	312-793-3380 or 217-782-7880
Indiana	317-232-6576
Iowa	515-281-5204
Kansas	785-296-4564
Kentucky	502-564-7330
Louisiana	225-342-0500
Maine	207-624-7752
Maryland	410-974-5521
Massachusetts	617-727-9640
Michigan	231-924-5800
Minnesota	651-296-2803
Mississippi	601-359-1350
Missouri	573-751-4153
Montana	406-444-2034
Nebraska	402-471-4079
Nevada	775-684-5708
New Hampshire	603-271-3246
New Jersey	609-984-3600
New Mexico	505-827-4504
New York	518-474-0050
North Carolina	919-807-2225
North Dakota	701-328-2905
Ohio	614-466-3910
Oklahoma	405-521-3911
Oregon	503-986-2200
Pennsylvania	717-787-1057
Rhode Island	401-222-3040
South Carolina	803-734-2158
South Dakota	605-773-4845
Tennessee	615-741-2816
Texas	512-463-5555
Utah	801-530-6747
Vermont	802-828-2386
Virginia	804-371-9733
Washington	360-753-7121
West Virginia	304-558-8000
Wisconsin	608-266-8888
Wyoming	307-777-7312

SMALL CLAIMS COURT

Jurisdictional Limits

Alabama	\$1500	Montana	\$1500
Alaska	\$5000	Nebraska	\$5000
Arizona	\$1500	Nevada	\$2500
Arkansas	\$3000	New Hampshire	\$2500
California	\$5000	New Jersey	\$2000
Colorado	\$3500	New Mexico	\$5000
Connecticut	\$2000	New York	\$2000
Delaware	\$1500	North Carolina	\$3000
Florida	Cty.Ct.	North Dakota	\$2000
Georgia	Varies	Ohio	\$1000
Hawaii	\$2500	Oklahoma	\$2500
Idaho	\$2000	Oregon	\$200
Illinois	\$2500	Pennsylvania	\$8000
Indiana	\$3000	Rhode Island	\$1500
Iowa	\$2000	South Carolina	\$2500
Kansas	\$1000	South Dakota	\$2000
Kentucky	\$1500	Tennessee	\$10000
Louisiana	\$2000	Texas	Varies
Maine	\$1400	Utah	\$1000
Maryland	\$2500	Vermont	\$2000
Massachusetts	\$1500	Virginia	\$1000
Michigan	\$1500	Washington	\$2000
Minnesota	\$4000	West Virginia	\$5000
Mississippi	\$1000	Wisconsin	\$2000
Missouri	\$1500	Wyoming	\$2000

NOTE: Jurisdictional limits for Small Claims Court in some states exclude costs, while others do not. Check with the professionals at Johnson, Morgan & White for information on your specific case.

SOCIAL SECURITY NUMBERS

By State

Social Security prefixes are assigned by state and can help in skip tracing.

Alabama	416-424	Nebraska	505-508
Alaska	574	Nevada	530
Arizona	526-527, 600-601	New Hampshire	011-003
Arkansas	429-432	New Jersey	135-158
California	545-573, 602-626	New Mexico	525/585
Colorado	521-524	New York	050-134
Connecticut	040-049	North Carolina	237-246
Delaware	221-222	North Dakota	501-502
Florida	261-267, 589-595	Ohio	237-246
Georgia	252-260	Oklahoma	268-449
Hawaii	575-576	Oregon	540-544
Idaho	518-519	Puerto Rico	580-584
Illinois	318-361	Pennsylvania	159-211
Indiana	303-317	Rhode Island	035-039
Iowa	478-485	South Carolina	247-251
Kansas	509-515	South Dakota	503-504
Kentucky	400-407	Tennessee	408-415
Louisiana	433-439	Texas	449-467
Maine	044-007	Utah	528-529
Maryland	212-220	U.S. Virgin Islands	580
Massachusetts	010-034	Vermont	008-009
Michigan	362-386	Virginia	223-231
Minnesota	468-477	Washington	531-539
Mississippi	425-428	West Virginia	232-236
Missouri	486-500	Wisconsin	387-399
Montana	516-517	Wyoming	520

ACCOUNTS RECEIVABLE OUTSOURCING

Outsourcing of accounts receivable and credit functions is becoming more commonplace in today's business environment, as businesses strive to devote more primary resources to core products and services. Use our checklist to see if your company is a candidate for outsourcing of accounts receivable and credit functions.

- Are you a seasonal business?** Seasonal sales cycles often result in overworked and understaffed credit and collection departments.
- Are you a small business?** Does your company have a limited credit staff, or no credit staff?
- Has there been an increase in acquisitions?** Does your company have an unusual increase in the number of accounts as a result of a merger or acquisition?
- Have you implemented centralized collections?** Has your business moved to centralized collections, but is not prepared to handle the increased volume?
- Are you focused on customer relations?** Does your company wish to maintain good customer relations while at the same time maintaining good cash flow?

At Johnson, Morgan & White, we understand the importance of professional and quick corporate debt recovery, while maintaining a personal approach to help preserve customer relations.

Our experienced professionals can help you maintain and improve customer relations, reduce costs, increase cash flow, and reduce DSO, so you can get back to doing what you do best - building your business!

CREDITOR REMEDIES

Following is a glossary of possible remedies we might employ to help recover your corporate debts and improve your cash flow.

Assignment Assigning specified debtor assets to a trustee of the assignee who sells or liquidates the assets and delivers payment to the creditor on a pro rata basis. Acceptance of this payment by the creditor results in a discharge of the debt.

Attachment A court-ordered seizure of property, generally prior to judgment. This action requires posting a bond and strict compliance with state statutes.

Composition Agreement A contract between the creditors and debtor where the debtor's debts are discharged by payment of an agreed-upon sum, usually less than originally owed.

Guaranty A contract where a third party agrees to guarantee the payment of the debt.

Mechanics Lien A non-possessory lien on an owner's real estate for labor, services, or materials furnished to or made on the property.

UCC Security Interest Article 9 interest in collateral, subject to the security interest of the creditor.

BANKRUPTCY

Familiarizing yourself with commonly used terms and rules can help you navigate debtor's bankruptcy issues when they arise. Following is a brief overview of bankruptcy terms and procedures.

GLOSSARY

Following is a glossary of common terms associated with bankruptcy.

Debtor: A business, sole proprietorship, corporation, or partnership which has filed for protection under the bankruptcy laws.

Involuntary Petition: A petition filed by a debtor's creditors forcing the debtor into bankruptcy. This action is taken so that creditors can protect their interests by having a trustee appointed to conserve the debtor's assets.

Voluntary Petition: A petition filed by the debtor seeking protection from creditors under the bankruptcy laws.

Insolvency: When the debtor's total debts are greater than the total assets.

Secured Creditor: A creditor who has a secured claim and is entitled to full value equal to their secured interest.

Unsecured Creditor: A creditor who has an unsecured claim and is only entitled to a pro rata share, after the distribution to secured creditors.

Debtor In Possession: A debtor who is permitted by the court to retain possession, sometimes a trustee appointed by the court for the course of the case.

BANKRUPTCY CHECKLIST

Following is a brief checklist of basic procedures to follow in a bankruptcy situation.

Initial Bankruptcy Notice

- Determine the amount of your claim and whether it is an unsecured or secured claim
- Notify the sales department
- Determine if the assistance of counsel is necessary
- Collect all necessary documentation

Filing a Claim

Chapter 11 proceedings

- Consider membership on the creditor's committee
- Review the initial notice for claim filing deadlines
- Review all subsequent court notices for future deadlines
- File the claim by the specified deadline

Chapter 7 Proceeding

- Filing deadline is 90 days from the date first set for the Section 341 meeting

Chapter 12 Proceeding

- Filing deadline is 90 days from the date first set for the Section 341 meeting

Chapter 13 Proceeding

- Filing deadline is 90 days from the date first set for the Section 341 meeting

This checklist is not intended to replace professional legal advice. If you are involved with a bankruptcy situation, check with your legal counsel or the professionals at Johnson, Morgan, & White.

BAD CHECK LAWS

<u>STATE</u>	<u>MISDEMEANOR</u>	<u>FELONY</u>
Alabama	<\$10	—
Alaska	<\$100	>\$100
Arizona	<\$25	>\$25 or no account
Arkansas	<\$200	One or more checks >\$200
California	<\$500	>\$500
Colorado	<\$100	>\$100
Connecticut	<\$1000	>\$1000
Delaware	All Amounts	—
District of Columbia	All Amounts	—
Florida	<\$50	>\$50
Georgia	<\$500	>\$500
Hawaii	All Amounts	—
Idaho	All Amounts	—
Illinois	All Amounts	—
Indiana	All Amounts	—
Iowa	<\$20	>\$20
Kansas	<\$500	>\$500
Kentucky	<\$100	>\$100
Louisiana	<\$100	>\$100 or prior acts
Maine	All Amounts	—
Maryland	All Amounts	—
Massachusetts	All Amounts	—
Michigan	<\$50	>\$50
Minnesota	All Amounts	—
Mississippi	<\$50	>\$50 or prior acts
Missouri	<\$100	>\$100
Montana	<\$100	>\$100

BAD CHECK LAWS

<u>STATE</u>	<u>MISDEMEANOR</u>	<u>FELONY</u>
Nebraska	All Amounts	—
Nevada	All Amounts	—
New Hampshire	All Amounts	—
New Jersey	<\$1000	>\$1000
New Mexico	<\$1000	>\$1000
New York	All Amounts	—
North Carolina	<\$500	>\$500
North Dakota	<\$500	>\$500
Ohio	<\$150	>\$150 or subsequent offense
Oklahoma	<\$20	>\$20 or series
Oregon	<\$75	>\$75
Pennsylvania	<\$500	>\$500
Rhode Island	<\$1000	>\$1000
South Carolina	All Amounts	—
South Dakota	All Amounts	—
Tennessee	<\$500	>\$500
Texas	<\$50 1st offense <\$50 2nd offense	>\$50 3rd offense
Utah	<\$300	>\$300
Vermont	All Amounts	—
Virginia	<\$200	>\$200
Washington	<\$250	>\$250
West Virginia	<\$200 for obtaining	>\$200 for obtaining property property, or any worthless check
Wisconsin	All Amounts	—
Wyoming	<\$200	>\$200, or 2 or more checks

EXPERIAN COMMERCIAL CREDIT REPORTS & PROFILES

Johnson, Morgan & White has partnered with Experian Business Information Solutions to provide our clients with the highest quality commercial credit reports available.

Our partnership with Experian provides access to a wide range of credit data including collections history, outstanding balances and payment trends, judgments, liens, UCC's and bankruptcies, enabling our clients to make informed decisions on current and potential clients.

Choose the following report that best suits your needs - we will forward the report to you by email or facsimile, whichever you prefer.

COMMERCIAL INTELLISCORE

Using a commercial database of more than 18 million U.S. businesses, Commercial Intelliscore is designed to predict potential payment delinquency for businesses of all sizes and across all industries. Risk scores range from 0-100, with higher scores representing lower risk. This one page report is presented in an easy-to-read format and includes summary data on the company including trade information and the number of legal filings, collections and UCC filings contained in public records.

BUSINESS SUMMARY REPORT

Credit snapshot report showing a summary of trade information, indicating the presence of collection data and derogatory public record filings. Recommended only for low-dollar credit exposure accounts.



BUSINESS PROFILE REPORT

The Business Profile report presents a current, objective picture of how a business handles its financial obligations. The information allows for an objective view of a company's overall financial health. Minimize risk by knowing all the credit attributes of a business. Features of the Business Profile Report include:

Executive Summary

A quick overview of a business' credit behavior including recent payment trends, summary information on legal filings, collections, trade information and performance analysis.

Legal Filings & Collections

Summarizes public record data and other derogatory information including liens, judgments, UCC's and *accounts placed for collection*.

Trade Payment Information

Detailed payment history by business category.

Evaluation of Payment Behavior

Payment trends, credit inquiries and data on the company's dealings with federal government agencies.

UCC Profile

Lists details of UCC filings.

Finance Relationships

Banking, leasing & insurance bond relationships.

Company Background

Registration information provided from the company's state of incorporation.

Standard & Poor's

Comprehensive Balance Sheet and P&L data, if available.

COMBINED REPORT: BUSINESS PROFILE PLUS COMMERCIAL INTELLISCORE

Combined reports presenting the most extensive information available for evaluation of business credit decisions.

U.S. BANKRUPTCY COURTS CONTACTS

Alabama	
Northern District.....	205-714-4000
Middle District.....	334-954-3800
Southern District.....	251-441-5391
Alaska	907-271-2655
Arizona	602-322-7200
Arkansas	
Eastern District.....	501-918-5500
Western District.....	501-918-5500
California	
Northern District.....	415-268-2300
Central District.....	215-894-1565
Southern District.....	619-894-6348
Colorado	720-904-7300
Connecticut	860-240-3842
Delaware	302-252-2900
Florida	
Northern District.....	904-301-6490
Southern District.....	305-714-1800
Middle District.....	813-301-5162
Georgia	
Northern District.....	404-215-1000
Middle District.....	478-752-3506
Southern District.....	912-650-4100
Hawaii	808-522-8100
Idaho	208-334-1074
Illinois	
Northern District.....	312-435-5694
Central District.....	309-671-7035
Southern District.....	618-482-9371
Indiana	
Northern District.....	219-852-3480
Southern District.....	317-229-3800
Iowa	
Northern District.....	515-284-6230
Southern District.....	515-284-6230
Kansas	316-269-6486
Kentucky	
Eastern District.....	859-233-2608
Western District.....	502-627-5800
Louisiana	
Eastern District.....	504-589-7878
Middle District.....	225-389-0211
Western District.....	318-676-4267
Maine	207-780-3482
Maryland	301-344-8018
Massachusetts	617-565-6050
Michigan	
Eastern District.....	313-234-0065
Western District.....	616-456-2693
Minnesota	612-664-5200
Mississippi	
Northern District.....	662-369-2596
Southern District.....	601-965-5301
Missouri	
Eastern District.....	314-244-4500
Western District.....	816-512-1800

U.S. BANKRUPTCY COURTS CONTACTS

Montana	406-782-3354
Nebraska	402-661-7444
Nevada	702-388-6633
New Hampshire	603-222-2600
New Jersey	856-757-5485
New Mexico	505-348-2500
New York	
Northern District.....	315-793-8101
Southern District.....	212-668-2867
Eastern District.....	347-394-1700
Western District.....	585-613-4200
North Carolina	
Eastern District.....	252-237-0248
Middle District.....	336-333-5647
Western District.....	704-350-7500
North Dakota	701-297-7100
Ohio	
Northern District.....	216-615-4300
Southern District.....	937-225-2516
Oklahoma	
Northern District.....	918-699-4000
Eastern District.....	918-758-0126
Western District.....	405-609-5700
Oregon	503-326-2231
Pennsylvania	
Eastern District.....	215-408-2800
Middle District.....	570-826-6450
Western District.....	412-644-2700
Rhode Island	401-528-4477
South Carolina	803-765-5436
South Dakota	605-224-6013
Tennessee	
Eastern District.....	423-752-5163
Middle District.....	615-736-5584
Western District.....	901-328-3500
Texas	
Northern District.....	214-753-2000
Southern District.....	713-250-5115
Eastern District.....	972-509-1240
Utah	801-524-6687
Vermont	802-776-2000
Virginia	
Eastern District.....	804-916-2400
Western District.....	703-258-1200
Washington	
Eastern District.....	206-370-5200
Western District.....	509-353-2404
West Virginia	
Northern District.....	304-233-1655
Southern District.....	304-347-3000
Wisconsin	
Eastern District.....	414-297-3293
Western District.....	608-264-5630
Wyoming	307-433-2200



REASONS WHY YOU SHOULD WORK WITH AN AGENCY THAT IS A CCAA CERTIFIED MEMBER

Our professional practices will help attain maximum dollar recovery.

Prompt remittance of funds to creditors.

On-going oversight to ensure adherence to a rigorous Code of Ethics.

Minimum \$300,000 surety bond for your protection.

Maintenance of separate Trust Accounts for collected funds.

Reputable collection procedures that maintain your customers' good will.

The agency has been in business for a minimum of four years.

Agency executives are required to attend yearly seminars and educational meetings.

Assistance choosing legal counsel when necessary.

Creditors may call on the Agency Association's Executive Director should a complaint arise regarding an agency certified by the CLIA.



WHY WORK WITH AN IACC CERTIFIED COMMERCIAL COLLECTION AGENCY?

Since 2000, IACC has been providing member agencies with the Certified Commercial Collection program. Unlike other agency certifications that are automatically included with membership, IACC certification is an additional voluntary process that requires agencies to earn the right to be recognized as industry experts.

IN-DEPTH CERTIFICATION PROCESS: AGENCY COMMITMENT THAT BENEFITS YOU

Only agencies that are committed to providing their clients with the best business standards possible make it through the IACC certification process. Select an IACC Certified Commercial Collection Agency to guarantee that:

- **A third party has performed a detailed audit to ensure that the program's standard operational guidelines have been met or exceeded**
- **The agency must renew their certification annually to ensure that certification requirements are always implemented. This includes an independent CPA examination of selected procedures to ensure compliance**
- **The agency adheres to the strict IACC code of ethics**
- **The agency must attend at least one IACC sponsored event per year to stay abreast of pertinent collection industry information**

The professionalism and positive business practices you receive from an IACC Certified Commercial Collection Agency consequently reflect those same qualities about you to your customers, allowing the agency's dedication to high standards become a big two-fold benefit for you!

STATUTE OF LIMITATIONS

Keep on top of your collections by staying informed of the legal Statute of Limitations in each state.

Alabama

Open Acct.:3
Written Contract:6
Domestic Judgment:20
Foreign Judgment:20

Alaska

Sale of Goods: 4
Written Contract:3
Domestic Judgment: 10
Foreign Judgment:10

Arizona

Open Acct.:3
Written Contract: 6 in AZ - 4 outside AZ
Domestic Judgment: 5-additional 5 upon request
Foreign Judgment: 4 or period in foreign state if less

Arkansas

Open Acct.:3
Written Contract: 5
Domestic Judgment: 10 - Renewable
Foreign Judgment:10 Renewable

California

Open Acct.:4 - Reduced to writing
Open Acct.:2 - No writing
Written Contract: 4
Domestic Judgment: 10
Foreign Judgment: 10 [commencing with judgment debtor's commencement of CA residence]

Colorado

Open Acct.: 3
Written Contract: 6 [signed promissory note]
Written Contract: Goods Services: 3
Domestic Judgment: Dist. Court:20 [renewable every 20]
County Court:6 [renewable every 6]
Foreign Judgment: 6 in CO

Connecticut

Open Acct.: 6
Written Contract: 6
Oral Contract: 3
Domestic Judgment 20/25
Small Claims Judgment: 10/15
Foreign Judgment: 20

Delaware

Sale of Goods: 4
Open Acct.: 4
Written Contract: 3
Domestic Judgment: No provision
Foreign Judgment: No provision

District of Columbia

Open Acct.:3
Written Contract: 3
Domestic Judgment: 20
Foreign Judgment: Foreign Statute

Florida

Open Acct.: 4
Written Contract: 5
Domestic Judgment: 7 [renewable if not recorded in-state]
Foreign Judgment: 5

Georgia

Open Acct.: 4
Written Contract: 6
Domestic Judgment: 7
Foreign Judgment: 5

Hawaii

Sale of Goods: 6
Open Acct.: 6
Written Contract: 6
Domestic Judgment: 10
Foreign Judgment: 6

Idaho

Open Acct.:4
Oral Contract: 4
Written Contract: 5
Domestic Judgment: 5 renewable
Foreign Judgment: 6 renewable

Illinois

Sales [UCC]: 4
Open Acct.: 5
Written Contract: 10
Domestic Judgment: 20
Foreign Judgment: 5

Indiana

Open Acct.: 6
Written Contract [executed before 9/1/82]:10
Written contract [executed before 8/31/82]:6
Domestic Judgment: 10
Foreign Judgment: 10

Iowa

Open Acct.: 5
Written Contract: 10
Domestic Judgment: 10
Foreign Judgment: 10

Kansas

Open Acct.:3
Written Contract:5
Domestic Judgment: 5 renewable
Foreign Judgment: 5 renewable

Kentucky

Open Acct.:5
Written Contract:15
Oral Contract: 5
Domestic Judgment:15
Foreign Judgment: 15

Louisiana

Open Acct.:3
Written Contract:10
Promissory Notes: 5
Domestic Judgment: 10
Foreign Judgment: 10

Maine

Open Acct.: 6
Written Contract: 6 + 20 [with attestation]
Domestic Judgment: 20
Foreign Judgment: 20

Maryland

Open Acct.: 3
UCC: 4
Specialty: 12 [contract under seal]
Written Contract: 3
Domestic Judgment: 12
Foreign Judgment: 12

Massachusetts

Open Acct. on Contract: 6
Contract: 6
Sales [UCC] Contract: 4
Domestic Judgment: 20 [presumed satisfied after 20 years]
Foreign Judgment: 20
Contracts Under Seal: 20

Michigan

Open Acct.:6
Written Contract: 6
Sales [UCC] Contract: 4
Domestic Judgment: 10 renewable
Foreign Judgment: 10

Minnesota

Goods Sold & Delivered [UCC]: 4
Open Acct.: 6
Written Contract: 6
Domestic Judgment: 10
Foreign Judgment: 10

STATUTE OF LIMITATIONS

Mississippi

Open Acct.: 3
Written Contract: 3
Domestic Judgment: 7
Foreign Judgment: 7 [3 if resident]

Missouri

Sale of Goods: 4
Open Acct.: 5
Written Contract: 10 [money & property]
Domestic Judgment: 10 [reviewed every 3 yrs.]
Foreign Judgment: 10 [reviewed every 3 yrs]

Montana

Open Acct.: 5
Written Contract: 8
Domestic Judgment: 10 [over \$5000]
Foreign Judgment: 6 renewable

Nebraska

Open Acct.: 4
Written Contract: 5
Domestic Judgment: 5 renewable
Foreign Judgment: 5 non renewable

Nevada

Open Acct.: 4
Written Contract: 6
Domestic Judgment: 6
Foreign Judgment: 6

New Hampshire

Open Acct.: 3
For Goods: 4
Written Contract: 3
For Goods: 4
Domestic Judgment: 20
Foreign Judgment: 20

New Jersey

Open Acct.: 6
Sale of Goods: 4
Written Contract: 6
Domestic Judgment: 20
Foreign Judgment: 20

New Mexico

Open Acct.: 4
Written Contract: 6
Domestic Judgment: 14
Foreign Judgment: 14

New York

Open Acct.: 6
Written Contract: 6
Domestic Judgment: 20 [10 yr. renewable lien]
Foreign Judgment: 20 [10 yr. renewable lien]

North Carolina

Open Acct.: 3
Sale of Goods: 4
Written Contract: 3
Domestic Judgment: 10
Foreign Judgment: 10

North Dakota

Open Acct. for services: 6
Sale of Goods: 4
Written Contract: 6
Domestic Judgment: 10 renewable
Foreign Judgment: 10 renewable

Ohio

Open Acct.: 4
Written Contract: 15
Domestic Judgment: 21 [Judgment must be filed every 5 years]
Foreign Judgment: 15

Oklahoma

Open Acct.: 3 [UCC5]
Written Contract: 5
Domestic Judgment: 5 renewable
Foreign Judgment: 3

Oregon

Open Acct.: 6
Sale of Goods: 6
Written Contract: 6
Domestic Judgment: 10
Foreign Judgment: 10

Pennsylvania

Open Acct.: 4
Written Contract: 4
Domestic Judgment: 5
Foreign Judgment: 4

Rhode Island

Open Acct.: 10
Written Contract: 10
Domestic Judgment: 20
Foreign Judgment: 20

South Carolina

Open Acct.: 3
Written Contract: 3
Domestic Judgment: 10
Foreign Judgment: 10

South Dakota

Open Acct.: 6
Sale of Goods: 4
Written Contract: 6
Domestic Judgment: 20
Foreign Judgment: 10

Tennessee

Open Acct.: 6
Written Contract: 6
Domestic Judgment: 10
Foreign Judgment: 10

Texas

Open Acct.: 4
Written Contract: 4
Domestic Judgment: 10
Foreign Judgment: 10

Utah

Open Acct.: 4
Written Contract: 6
Domestic Judgment: 8
Foreign Judgment: 8

Vermont

Open Acct.: 6
Written Contract: 6
Domestic Judgment: 8
Foreign Judgment: 8

Virginia

Open Acct.: 3 Last Charge or Payment
Written Contract: 5
Domestic Judgment: 20
Foreign Judgment: 10

Washington

Open Acct.: 3
Written Contract: 6
Domestic Judgment: 10
Foreign Judgment: 10

West Virginia

Open Acct.: 5
Written Contract: 10
Domestic Judgment: 10
eforeign Judgment: 10

Wisconsin

Open Acct.: 6
Written Contract: 6
Domestic Judgment: 20
Foreign Judgment: 20

Wyoming

Open Acct.: 8
Written Contract: 10
Domestic Judgment: 5
Foreign Judgment: 5

INTEREST RATES

Following are allowable interest rates on bad debts in each of the states.

Alabama

Interest Rate: Legal 6% - Judgment 12%

Alaska

Interest Rate: Legal 10.5% - Judgment 10.5% or contractual

Arizona

Interest Rate: Legal 10% - Judgment 10% or contractual

Arkansas

Interest Rate: Legal 6% or 5 points above the Fed. discount rate

Judgment: 10% or contractual

California

Interest Rate: Legal 7% - Judgment 10% or contractual

Colorado

Interest Rate: Legal 8% - Judgment 8%

Connecticut

Interest Rate: Legal 8% - Judgment 10%

Delaware

Interest Rate: Legal 5.75% or contractual - Legal rate or contract rate

Judgment: 5.75%

District of Columbia

Interest Rate: Legal 6% - Judgment 70% of interest rates on taxes to IRS

Florida

Interest Rate: Legal 10% - Judgment 10% up to 18% if contractual

Georgia

Interest Rate: Legal 7% - Judgment 12%

Hawaii

Interest Rate: Legal 10% - Judgment 10% (no written contract)

Idaho

Interest Rate: Legal 12% - Judgment 7.25%

Illinois

Interest Rate: Legal 5% - Judgment 9%

Indiana

Interest Rate: Legal 8% - Judgment 8%

Iowa

Interest Rate: Legal 5% - Judgment 2% over rate per floating T-Bill

Kansas

Interest Rate: Legal 10% - Judgment 5.25%

Kentucky

Interest Rate: Legal 8% - Judgment 12%

Louisiana

Interest Rate: Legal 12% - Judgment 5.75%

Maine

Interest Rate: Legal 6% - Judgment 8% up to \$30K

Maryland

Interest Rate: Legal 6% - Judgment 10% or contractual

Massachusetts

Interest Rate: Legal 6% - Judgment 12%

Michigan

Interest Rate: Legal 5% - Judgment 12% or contractual

Minnesota

Interest Rate: Legal 6% - Judgment based on current avg yield on US Treasury bills

Mississippi

Interest Rate: Legal 8% - Judgment 8%

INTEREST RATES

Missouri

Interest Rate: Legal 9% - Judgment 9%

Montana

Interest Rate: Legal 10% - Judgment 10%

Nebraska

Interest Rate: Legal 6% - Judgment 1% above t-bond

Nevada

Interest Rate: Legal 2% over prime - Judgment 2% over prime

New Hampshire

Interest Rate: Legal 10% - Judgment 2% over avg U.S. T-bill rate

New Jersey

Interest Rate: Legal 6% - Judgment no statutory provision

New Mexico

Interest Rate: Legal 15% - Judgment 8.75%

New York

Interest Rate: Legal 16% - Judgment 9%

North Carolina

Interest Rate: Legal 8% - Judgment 8%

North Dakota

Interest Rate: Legal 6% - Judgment 12%

Ohio

Interest Rate: Legal 10% - Judgment 10%

Oklahoma

Interest Rate: Legal 6% - Judgment 4% over avg U.S. T-bill rate

Oregon

Interest Rate: Legal 9% - Judgment 9%

Pennsylvania

Interest Rate: Legal 6% to \$50k - Judgment 6%

Rhode Island

Interest Rate: Legal 12% - Judgment 12%

South Carolina

Interest Rate: Legal 6% or 8.75% - Judgment 12%

South Dakota

Interest Rate: Legal 15% - Judgment 12%

Tennessee

Interest Rate: Legal 10% - Judgment 10%

Texas

Interest Rate: Legal 6% - Judgment Contract rate

Utah

Interest Rate: Legal 6.513% - Judgment as agreed rate

Vermont

Interest Rate: Legal 12% - Judgment no provision

Virginia

Interest Rate: Legal 8% - Judgment 8%

Washington

Interest Rate: Legal 12% - Judgment contractual

West Virginia

Interest Rate: Legal 6% - Judgment 10%

Wisconsin

Interest Rate: Legal 5% - Judgment 12%

Wyoming

Interest Rate: Legal 7% - Judgment 10%

FDCPA (FAIR DEBT COLLECTION PRACTICES ACT)

The FDCPA is federal legislation that protects consumers from certain debt collection activities. Although the FDCPA generally applies only to consumer, not business, collections and does not apply to first party creditors, you should familiarize yourself with the basic tenets of the FDCPA.

Who does the FDCPA apply to?

In general, the FDCPA applies to:

- Third party consumer collection agencies
- Creditors using a false name
- Creditors collecting for another creditor
- Collection attorneys
- Repossession companies
- Designers or suppliers of deceiving forms
- Debt poolers (for profit)
- Check guarantee services

In general, the FDCPA does not apply to:

- Creditors collecting their own debts
- Assignees prior to default (finance companies, etc.)
- Government employees
- Business credit collections
- Non-profit credit counseling services

What does it protect against?

The FDCPA proscribes certain conduct from which consumers are protected, including invasion of privacy, harassment, abuse, false or deceptive representations, unfair or unconscionable collection methods.

What actions are prohibited by debt collectors under the FDCPA?

- Contact at unusual or inconvenient times, such as early in the morning or late in the evening
- Repeated or continuous telephone calls intended to abuse, annoy, or harass
- Contact with a consumer who is known to be represented by an attorney
- Contacting a consumer at work
- Harassing, oppressive, or abusive contact
- Threatening violence or criminal conduct
- Threatening unlawful or unintended action, including legal action
- Using obscene, abusive, or profane language
- Informing third parties of the consumer's indebtedness
- Obtaining location information about a consumer from a third party
- Non-disclosure of the collector's identity when telephoning
- Using false, misleading, or deceptive representations
- Falsely implying that the collector is affiliated with the government

CREATING A SECURITY INTEREST

The Uniform Commercial Code (UCC) covers any transaction which the parties enter into with the intent to create a security interest in personal property or fixtures, for the purpose of securing repayment of a debt or the performance of an obligation. In order to create an enforceable security interest you must comply with the UCC provisions.

There are some transactions which are excluded and cannot be the subject of a UCC security interest. Excluded transactions include mechanic's liens, certain aircraft and motor vehicles (most motor vehicle security interests are perfected under state motor vehicle laws), wages, insurance contracts, and bank deposits.

A security agreement must be signed by the purchaser or debtor. The collateral to be secured must be identified and be within the classifications set forth in the UCC (i.e. goods, fixtures, general intangibles, instruments or chattel paper). Correct classification is essential for the language to be used in the security agreement and financing statement. The secured party and the debtor must be identified. A security agreement must have a granting clause, which grants a present security interest in the described collateral.

Glossary of Definitions

Attachment

When the security agreement is executed and the debtor acquires rights in the goods.

Perfection

The security interest is perfected when the secured creditor files a financing statement with the state.

Priority

Competing security interests have priority in the order they are perfected, or if unperfected, in the order in which they were attached.

Security Agreement

A written document which describes the collateral to be covered.

Security Interest

An interest in personal property created by the purchaser to insure repayment of a debt.

Note: The above summary is for general information only and is not intended to cover all aspects of the steps in creating security interests. Consult our professionals at Johnson, Morgan & White for advice on specific questions. While the UCC is utilized nationwide, each state has its own variations on the provisions of the code.

CANADIAN INFORMATION

Listed below are Ministry names and phone numbers where important information can be obtained:

Department of Agriculture613-759-1000

(for any information regarding agricultural or food products)

Department of Finance613-992-1573

(for all information regarding financial institutions, corporate service, trade)

Department of Justice613-957-4222

(for all information regarding Canadian civil law and civil litigation)

Industry Canada613-947-7466

(This Ministry can be contracted to determine if a business is a federal corporation. If a business is not a federal corporation, you would have to call the Province where the business is located to determine if it's a provincial corporation.)

Canadian Public Works819-997-5421

(for information regarding realty service and real property)

Revenue Canada613-995-2960

(customs and taxation programs)

Transport Canada613-991-0700

(for information regarding surface transportation, Marine and Coast Guard)

Central Bank: Bank of Canada 613-782-8111

CANADIAN INFORMATION

Credit and collections laws differ in Canada. Following is credit and collection information for Canada.

Canadian Provinces:

(Individual provinces can give you information on provincial companies, Registry of Deeds, corporate and trust affairs.)

Nova Scotia.....800-225-8227 or 902-424-7770

New Foundland #1709-576-2594

New Foundland #2.....709-576-3316

Northwest Territory403-873-7492

Prince Edward Island.....902-368-4550

Yukon Territory.....403-873-7492

Canadian Insolvency (Bankruptcy):

Alberta

Calgary District Office
403-292-4348

Alberta

Edmonton District Office
780-495-3495

British Columbia

Vancouver District Office
604-691-4468

Manitoba

Winnipeg District Office
204-983-4200

Ontario

Head Office
613-954-1516

Ontario

Hamilton District Office
905-572-2847

Ontario

Mississauga District Office
416-327-5044

Ontario

North York District Office
416-327-5044

Ontario

Ottawa District Office
613-598-2338

Nova Scotia

Halifax District Office
902-424-2390

Quebec

Montreal District Office
514-283-5380

Forensic Skip Tracing (FST)

Nettrace (all in one) - www.nettrace.com.au/resource/search/business.html
 International Phone Directory - www.whowhere.com
 International Business Search Engine - www.sbn.com
 City of San Jose , CA Business License - www.csifinance.org/bizlic/bizlic.htm
 Banko - www.banko.com
 California Insurance Board On-Line - www.insurance.ca.gov
 California Contractors Board On-Line - www.cslb.ca.gov
 Canada 411 - www.canada411.sympatico.ca
 Canadian Yellow pages - www.aol.com/netfind/yellowpages_canada.adp
 Canadian Yellow pages #2 - www.canadayellowpages.com
 Searches Belgium , Netherlands , Canada for business and residential. www.infospace.com
 World wide yellow pages covering the Americas , Europe , and Asia-Pacific. www.yellow.com
 American Collection Association On-Line - www.collector.com
 Find a Person or Business - www.switchboard.com
 International Directory Assistance - www.escapeartist.com/global/telephone.htm

Secretary of State (SOS)

Alabama - www.sos.state.al.us/business/corporations.cfm
 Alaska - www.dced.state.ak.us/bsc/corps.htm
 Arizona - <http://starpas.azcc.gov/scripts/cgijp.exe/WService=wsbroker1/main.p>
 Arkansas - www.sosweb.state.ar.us/corps/search_all.php
 California - <http://kepler.ss.ca.gov/list.html>
 Colorado - www.sos.state.co.us/pubs/business/main.htm
 Connecticut - www.concord.state.ct.us
 Delaware - www.state.de.us/corp/index.htm
 District of Columbia - Not available through DC website.
 Florida - www.cfcorp.dos.state.fl.us/corpweb/inquiry/cormenu.html
 Georgia - www.sos.state.ga.us/corporations/corpsearch.htm
 Hawaii - www.ehawaii.gov/dcca/bizsearch/exe/bizsearch.cgi
 Idaho - www.accessidaho.org/public/sos/corp/search.html?SearchFormstep=crit
 Illinois - www.sos.state.il.us/departments/business_services/corpnames.html
 Indiana - www.in.gov/sos/business/corporations.html
 Iowa - www.sos.state.ia.us/corp/corp_search.asp
 Kansas - www.accesskansas.org/apps/corporations.html
 Kentucky - www.sos.state.ky.us/corporate2/entityname.asp
 Louisiana - www.sec.state.la.us/crping.htm
 Maine - www.maine.gov/sos/cec/ics.html
 Maryland - www.sdatcert3.resiusa.org/ucc-charter/CharterSearch_f.asp
 Massachusetts - www.state.ma.us/sec/cor/coridx.htm
 Michigan - www.cis.state.mi.us/bcs_corp/sr_corp.asp
 Minnesota - www.da.sos.state.mn.us/minnesota/home/dahome.asp
 Mississippi - www.sos.state.ms.us/busserv/busserv.asp
 Missouri - www.sos.state.mo.us/BusinessEntity/soskb/csearch.asp

Montana - www.app.discoveringmontana.com/bes/
 Nebraska - www.sos.state.ne.us/htm/corpmenu.htm
 Nevada - www.sos.state.nv.us/begin.asp
 New Hampshire - www.state.nh.us/sos/corporate/index.htm
 New Jersey - www.accessnet.state.nj.us/home.asp
 New Mexico - www.nmprc.state.nm.us/corporations/corpshome.htm
 New York - www.wdb.dos.state.ny.us/corp_public/corp_wdb.corp_search_inputs.show
 North Carolina - www.secretary.state.nc.us/Corporations/
 North Dakota - www.state.nd.us/sec/Business/business%20search.htm
 Ohio - www.sos.state.oh.us/sos/busiserv/index.html
 Oklahoma - www.sos.state.ok.us/sooneraccess_news.htm
 Oregon - www.filinginoregon.com/businessnamesearch/
 Pennsylvania - www.dos.state.pa.us/CorpsApp/CorpsWeb/wfDefault.aspx
 Rhode Island - www.corps.state.ri.us/
 South Carolina - www.scsos.com/corp_search.htm
 South Dakota - www.state.sd.us/sos/corporations/
 Tennessee - www.state.tn.us/sos/service.htm
 Texas - www.sos.state.tx.us/corp/sosda/index.shtml
 Utah - www.utah.gov/serv/bes
 Vermont - www.sec.state.vt.us/corps/corpindex.htm
 Virginia - www.state.va.us/scc/division/clk/diracc.htm
 Washington - www.secstate.wa.gov/corps/search.aspx
 West Virginia - www.wvsos.com/wcorporations/verifylogon.asp
 Wisconsin - www.wdfi.org/corporations/crisp/
 Wyoming - www.soswy.state.wy.us/Corp_Search_Main.asp

Bankruptcy Intelligence Links (BIL)

America Bankruptcy Institute - www.abiworld.org
 Bankruptcy Creditor's Services, Inc. - www.bankrupt.com
 Bankruptcy Document Retrieval, Inc. - www.banko.com/default1.cfm
 Bankruptcy Law Finder - www.agin.com/lawfind
 Canadian Bankruptcy Law - www.sands-trustee.com
 Commercial Law League Of America - www.clla.org/
 Court Link - www.courtlink.com
 Directory Of Bankruptcy Terms - www.bankruptcydata.com/Glossary.htm
 Federal Filings, Inc. - www.cyberrodeo.com/range/range18m.htm
 Federal Filings B/ K Status Page - www.wainc.com/Links.nsf/form?OpenForm
 Judge Chambers -Court Directory - www.abiworld.org/chambers/courtdirs.html
 Law Bulletin Information Network - www.lawbulletin.com
 LEXIS Document Service - www.lexis.com
 Poorman & Douglas - www.poorman-douglas.com
 Public Companies In Bankruptcy - www.bankrupt.com
 U.S. Debtor and Creditor Law - www.law.cornell.edu/topics/debtor_creditor.html

Company Information

Company Name _____ Phone _____ Company Address _____
 Email Address _____ Website Address _____
 How Long _____ Landlord _____ Landlord Phone _____
 Estimated Annual Sales _____ Sales Area _____ Circle one: Incorporated Partnership LLC DBA

Owners, Principals and Officers

Name _____ Title _____ Address _____ Phone _____ SS# _____
 Name _____ Title _____ Address _____ Phone _____ SS# _____
 Name _____ Title _____ Address _____ Phone _____ SS# _____

Trade References

Name _____ Address _____ Phone _____ Contact _____
 Name _____ Address _____ Phone _____ Contact _____
 Name _____ Address _____ Phone _____ Contact _____

Customers References

Name _____ Address _____ Phone _____ Contact _____
 Name _____ Address _____ Phone _____ Contact _____
 Name _____ Address _____ Phone _____ Contact _____

Bank References

Bank _____ Address _____ Phone _____
 Bank Name _____ Circle one: Savings Checking Loan Acct.# _____
 Bank Name _____ Circle one: Savings Checking Loan Acct.# _____

Credit Terms are 30 days from date of invoice. Outstanding balances are subject to 1.5% per month interest. The undersigned authorizes and releases all banks, persons and companies listed on this application. The undersigned agrees to pay all collection costs, court costs and legal fees incurred to collect delinquent balances.

Name _____ Title _____ Date _____ Name _____ Title _____ Date _____

Personal Guarantee

In consideration for credit extended, the undersigned individual contracts and guarantees to faithful payment, when due, of all accounts of the company seeking credit under this application. The undersigned guarantor expressly waives all notice of acceptance of this guarantee, notice of extension of credit, presenting of demand for payment and any notice of default by the company seeking credit and all other notices the guarantor might be entitled to.

Name _____ Date _____ Name _____ Date _____

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