



3775 Vest Mill Road - Suite D - Winston-Salem, NC 27103  
Phone: 336-768-7040 - Fax 336-768-2728

## User Agreement Statement

### INVESTIGATIVE ASSOCIATES SUBSCRIBER AGREEMENT

This Agreement is made and entered into by and between **INVESTIGATIVE ASSOCIATES & CONSULTANTS, INC.**, a North Carolina with its principal offices at 3775 Vest Mill Road, Suite D, Winston-Salem, North Carolina and \_\_\_\_\_ (“its employees, affiliates, subsidiaries and contractors authorized to conduct background screening, collectively Subscriber”), with its principal offices at

\_\_\_\_\_. This Agreement shall be effective when it is signed by both parties.

The parties agree as follows:

- 1. INVESTIGATIVE ASSOCIATES** is a consumer reporting agency and provides, among other things, consumer reports and investigative consumer reports (“Screening Reports”) as defined by the Fair Credit Reporting Act (“FCRA”). Subject to the terms and conditions of this Agreement, Investigative Associates agrees to furnish to Subscriber upon Subscriber’s request Screening Reports in connection with any pre-employment or post-employment background screening of applicants (“Applicant”).
- 2. INFORMATION SECURITY:** Subscriber acknowledges and understands its obligation to maintain the confidentiality and integrity of any information and Subscriber identification numbers and passwords requested or received from or through Investigative Associates.
- 3. SUBSCRIBER’S GENERAL OBLIGATIONS:** Subscriber agrees that it will:
  - (a) Be responsible for identifying and taking all steps necessary to comply with all applicable federal, state and local laws in connection with the procurement and use of Screening Reports including providing the Applicant with consent, disclosures and reports required by the FCRA;
  - (b) Subscriber understands and agrees that each time it requests an Investigative Consumer Report (as defined by the FCRA) from Investigative Associates, Subscriber is representing and warranting to Investigative Associate that it has, with regard to the particular Applicant concerned, complied with Subscriber’s obligations under the FCRA section 606(a)(2).
  - (c) Assume responsibility for the final verification of the Applicant’s identity;
  - (d) Base all hiring decisions and actions on its own policies and procedures and acknowledge that Investigative Associate’s employees will not render any opinions regarding the Screening Reports;
  - (e) Promptly pay for all services rendered hereunder in accordance with Schedules of Fees attached hereto and acknowledge that Schedule of Fees may be revised if there are changes in laws, regulations or ordinances that effect the direct or indirect costs of the Service delivery. If other revisions are required at any time during this agreement, Subscriber will be provided 60 days prior written notice and such revision(s) shall be subject to the prior written consent of Subscriber. In the event the Subscriber does not agree to the revision(s) of the Schedules of Fees, Investigative Associates may terminate this Agreement upon 30 days prior written notice;
  - (f) Investigative Associates payment terms are net thirty (30) days. If all payments due pursuant to the Schedule of Fees are not received by Investigative Associates within thirty (30) days after the date of the billing statement, Investigative Associates may charge interest of 1 ½ % per month and/or relinquish Subscriber’s access privileges and release Investigative Associates from any obligation to perform any further services; and
  - (g) Acknowledge that title, ownership and intellectual property rights in and to the Investigative Associates system of products and services shall remain in Investigative Associates and/or its suppliers. Subscriber further acknowledges that all content contained in any Screening Report is the property of the applicable content owner and may be protected by applicable contract and/or copyright law.

(h) If legal advice is requested by Subscriber, Subscriber understands and acknowledges that Investigative Associates is not acting as legal counsel to Subscriber and that all such matters discussed will be reviewed and approved by Subscriber's legal counsel prior to any actions taken by Subscriber.

**4. MOTOR VEHICLE RECORDS INFORMATION OBLIGATIONS:** If motor vehicle records ("MVR") are requested to be included in the Screening Report with respect to any Applicant, Subscriber agrees that it:

- (a) Shall use the MVR only for "employment purposes" as contemplated by the FCRA and any applicable state law;
- (b) Is qualified to do business and validly holds all licenses required to operate Subscriber's business in all states where Subscriber conducts business and/or has employees;
- (c) Will comply with all applicable federal and state laws related to the use and review of MVRs, including the Driver's Privacy Protection Act found at 18 U.S.C. Section 2721 et seq. ("DPPA");
- (d) Will not use the MVR to build its own database or copy or otherwise reproduce the MVR except in connection with the review of the Applicant; and
- (e) Will not sell, distribute or disseminate the MVR, in whole or in part, to any third party and shall use the MVR solely as an end user.
- (f) Will submit to an audit of Applicant consent forms at Investigative Associates' request. In the event of such request, reasonable notice would be provided and audit would take place during Subscriber's regular business hours.

**5. INVESTIGATIVE ASSOCIATES' OBLIGATIONS:** Investigative Associates agrees that it will:

- (a) Comply with all applicable federal, state and local laws in the preparation and transmission of Screening Reports, including, without limitation, the FCRA;
- (b) Follow reasonable quality assurance procedures to assure the highest possible accuracy of the information contained in a Screening Report and to maintain procedures designed to confirm, to the extent possible, that the reported public record information is complete and current;
- (c) Re-verify at no cost any disputed report when either the Subscriber or the Applicant makes a request in accordance with applicable law. Investigative Associates shall respond in writing on a timely basis;
- (d) Maintain consumer report information and transaction details for a minimum of three (3) years and upon written request by an Applicant to inform the Applicant of the substance of the report and information contained in the Screening Report delivered to Subscriber; and
- (e) Maintain the confidentiality of its data acquisition and verification methodology.

**6. LIMITATION OF LIABILITY:** Investigative Associates and Subscriber agree that unless Investigative Associates has committed gross negligence or engaged in intentional wrongdoing in the preparation and transmission of the Screening Report, Investigative Associates total liability to Subscriber shall be limited to the return of the fees paid to Investigative Associates for the Screening Report and then only to the extent that the information contained in the Screening Report is found to be the primary basis upon which Subscriber incurred injury or damage resulting from the furnishing of the Screening Report by Investigative Associates. Investigative Associates and Subscriber agree that Investigative Associates shall not be liable to Subscriber for any other damages, costs or expenses whatsoever except as expressly agreed to above or pursuant to Section 8(b) hereof, and that neither party shall be liable to the other party for punitive, exemplary or consequential damages.

**7. INDEMNIFICATION:**

- (a) Subscriber shall indemnify, defend and hold Investigative Associates harmless from and against any and all claims, demands, costs, expenses and liabilities of any kind or nature whatsoever, including, without limitation, reasonable attorneys' fees and costs, which may be incurred by Investigative Associates based upon the illegal or wrongful use by Subscriber of the Screening Report, the gross negligence or intentional wrongdoing by Subscriber in connection with the use of the Screening Report, unsubstantiated claims brought by Subscriber's Applicant; or Subscriber's failure to comply with its obligations under the FCRA or other applicable laws in connection with the procurement or use of the Screening Report.
- (b) Investigative Associates shall indemnify, defend and hold Subscriber harmless from and against any and all claims, demands, costs, expenses and liabilities of any kind or nature whatsoever, including, without limitation, reasonable attorneys' fees and costs, which may be incurred by Subscriber to a third party, based upon the gross negligence or intentional wrongdoing by Investigative Associates in preparing and transmitting the Screening Report.

**8. CONFIDENTIAL INFORMATION:** Subscriber agrees to treat all Confidential Information disclosed to it in any matter arising out of or relating to this Agreement and in accordance with the provisions of this

Section and the Agreement. "Confidential Information" means all proprietary or secret data and sales or pricing information relating to company and its operations, employees, products or services, and, as to Subscriber, all information relating to any Affiliate, customer, potential customer, Agent, and/or independent sales outlet. Subscriber receiving such Confidential Information shall: (i) protect and maintain it in confidence, except to the extent necessary to carry out the purposes of this Agreement; and (ii) use at least the same degree of care in maintaining secrecy as it uses in maintaining the secrecy of its own Confidential Information, but in no event less than with reasonable care and diligence. At all times, both during this Agreement and after its termination, Subscriber shall not disclose any Confidential Information without prior written consent of Investigative Associates.

**9. TERM:** The term of this Agreement shall continue in force without any fixed date of termination, but either party may terminate the Agreement for any reason upon thirty (30) days prior written notice to the other.

**10. WARRANTY:** INVESTIGATIVE ASSOCIATES REPRESENTS AND WARRANTS THAT SERVICES WILL BE PERFORMED IN A DILIGENT AND PROFESSIONAL MANNER IN ACCORDANCE WITH APPLICABLE INDUSTRY STANDARDS. INVESTIGATIVE ASSOCIATES SHALL USE ITS BEST EFFORTS TO PROVIDE HIGH QUALITY, TIMELY AND ACCURATE INFORMATION TO SUBSCRIBER, HOWEVER SUBSCRIBER RECOGNIZES THAT INVESTIGATIVE ASSOCIATES CANNOT GUARANTEE THE ACCURACY OF THE INFORMATION PROVIDED BECAUSE SUCH INFORMATION IS OBTAINED FROM PUBLIC RECORDS AND OTHER THIRD PARTY SOURCES THAT MAY NOT ALWAYS BE ACCURATE OR CURRENT.

**11. GOVERNING LAW AND VENUE:** This Agreement is deemed executed, to be performed in, and to be construed in accordance with the laws of the State of North Carolina. The parties hereto agree that the venue in all action or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the State and Federal courts located in the County of Forsyth, State of North Carolina.

**12. MISCELLANEOUS:** This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof. It supersedes any prior or contemporaneous agreements or representations. In the event of any conflict of terms between this Agreement and any subsequent purchase orders, statements of work or other order forms, the terms of this Agreement shall prevail. This Agreement may be modified only by a writing executed by both parties. If any provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such provision(s) or part(s) shall be stricken from this Agreement and shall not affect the legality, enforceability or validity of the remainder of this Agreement.

AGREED:

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

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

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

Dated: \_\_\_\_\_ Dated: \_\_\_\_\_