

Participating Agreement

THIS PARTICIPATING AGREEMENT (“Agreement”), is made and the initial term shall commence with the signing of the Agreement by and between the **COUNTY OF MONTEREY, a political subdivision of the State of California, for the provision of services for the TREASURER-TAX COLLECTOR-Revenue Division, 168 West Alisal Street, First Floor, Salinas, CA 93901 (“County”)** and **ALLIANCE ONE RECEIVABLES MANAGEMENT INC.**, a corporation with offices at 3043 Walton Rd, Suite 201, Plymouth Meeting PA 19462 (“Contractor”).

WHEREAS, Contractor and the Judicial Council of California, for the benefit of the Judicial Branch Entities, (as defined in Appendix D), the California State Bar, the superior courts, Supreme Court, the Courts of Appeal, the 58 Counties of the State of California, and other governmental or regulatory entities identified for inclusion by the Judicial Council, are parties to that Master Agreement No. MA-2018-09 (“Master Agreement”) for collections services dated January 1, 2019.

WHEREAS, the Master Agreement sets forth the terms and conditions upon which Contractor will provide collections services to the Superior Courts, counties, and certain other designated entities in the State of California, should any such party desire to engage Contractor for such services.

WHEREAS, County pursues non-forthwith collection efforts on court ordered debt established by the Monterey County Superior Court for unpaid fees, fines, forfeitures, penalties, and assessments arising from criminal and traffic actions or proceedings.

WHEREAS, County desires to engage Contractor to perform collection services (“Services”) in accordance with the Master Agreement on selected accounts established by the County and not fully paid 30 or more days from the date of their assessment or imposition, or on which an installment payment is not fully paid within 30 days of the date such payment was due under an installment payment plan (“Accounts”).

AGREEMENT

NOW, THEREFORE, the parties agree as follows:

- 1. Participation of County Engagement of Contractor.** County engages Contractor to perform additional collection services on accounts transferred to Contractor by County according to Appendix A hereto, excepting Sections 2.2 On-Site Personnel and 2.3 FTB-COD Transfer Services. Contractor will provide such services to County, on the same terms and conditions and as if such services were provided by Contractor under the Master Agreement, except where specifically stated herein. Terms defined in the Master Agreement will have the same meaning when used herein.

2. Scope of Services. Accounts transferred to Contractor for collection services under this Agreement will qualify for Services.

- a. Collection Services. Contractor will perform collections activities on the Accounts transferred to it as set forth in Appendix A of the Master Agreement.
- b. Court Ordered Debt Program. Contractor will refer Accounts it receives to the FTB Court Ordered Debt ("COD") Program, liaise with FTB regarding such Accounts, and administer such Accounts under the terms and conditions set forth in Section of the Master Agreement.
- c. Contractor will refer to the FTB COD Program Accounts that meet the criteria set forth in Revenue and Taxation Code Section 19280, and all of the following criteria:
 - i. The remaining balance owed on the case is One Hundred Dollars (\$100) or more;
 - ii. Court records regarding the Account indicate that, during the past six (6) months, no payments have been received, no new payment plan has been agreed to by the defendant, and no adjustments have been made by the Court on the Account; or
 - iii. The Account has been rejected by the FTB COD Program for any reason, or returned to the Court as uncollectible.
- d. Tax Intercept Program. In addition to other Services provided hereunder, Contractor shall prepare an electronic file transfer for those accounts forwarded from Court that are eligible for the FTB Tax Intercept Program. Court will forward eligible Accounts to the FTB, liaise with FTB regarding such Accounts, and perform the equivalent administrative functions regarding such Accounts as that set forth in Section 2.3 of Appendix A of the Master Agreement. Court staff will integrate the file with Court records also being sent. Court staff will assist with written instructions and procedures as necessary, which Contractor will follow.

Contractor will forward to Court by the 5th day of each calendar month during the term of this Agreement via electronic transfer or remittance check representing the total amount of funds received by Contractor on Accounts during such period, with accompanying statements.

3. Contacts. The County and the Contractor will each appoint a Project Manager, who will be authorized to

make day-to-day decisions related to this Agreement. The respective Project Managers and their contact information is as follows:

County Project Manager

Name: Rigoberto (Rigo) Gonzalez
 Title: Management Analyst II
 Address: 168 W. Alisal St
Salinas, CA 93901
 Phone: 831-755-5379
 Email: gonzalezr@co.monterey.ca.us

Contractor Project Manager

Name: Toni Metzger
 Title: Project Manager
 Address: 6160 Mission Gorge Rd Suite 300
San Diego, CA 92120
 Phone: (858) 300-7530
 Email: Toni.Metzger@allianceoneinc.com

4. Payment and Pricing Structure. Contractor shall invoice Court on a monthly basis for Commission Fees charged for its collection’s services under this Agreement, which will be the following percentage:

Commission Fees: Fees, fines, forfeitures, penalties, and assessments arising from infractions, misdemeanor, felony, and traffic proceedings or actions (see Section 3.1(a))

	Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
<i>No on-site staff</i>	13.00%	12.92%	12.92%	12.92%	12.92%	12.92%	14.16%
<i>With on-site staff</i>	13.30%	14.35%	14.35%	14.35%	14.35%	14.35%	16.72%

Commission Fees: Criminal justice related fees, reimbursements, and other legally enforceable debts (see Section 3.1(b))

	Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
<i>No on-site staff</i>	13.00%	12.92%	12.92%	12.92%	12.92%	12.92%	14.16%
<i>With on-site staff</i>	13.30%	14.35%	14.35%	14.35%	14.35%	14.35%	16.72%

Commission Fees: Civil, family law, and juvenile law fees, including filing fees (see Section 3.1(c))

	Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
<i>No on-site staff</i>	13.00%	12.92%	12.92%	12.92%	12.92%	12.92%	14.16%
<i>With on-site staff</i>	13.30%	14.35%	14.35%	14.35%	14.35%	14.35%	16.72%

Commission Fees: Probation, guardianship, conservatorships, and public defender fees (see Section 3.1(d))

	Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
<i>No on-site staff</i>	13.00%	12.92%	12.92%	12.92%	12.92%	12.92%	14.16%
<i>With on-site staff</i>	13.30%	14.35%	14.35%	14.35%	14.35%	14.35%	16.72%

Commission Fees: Sanctions imposed by any Participating Entity (see Section 3.1(e))

	Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
<i>No on-site staff</i>	13.00%	12.92%	12.92%	12.92%	12.92%	12.92%	14.16%
<i>With on-site staff</i>	13.30%	14.35%	14.35%	14.35%	14.35%	14.35%	16.72%

Commission Fees: Direct restitution to victim ordered pursuant to California Penal Code section 1 202.4(a) I (see Section 3.1(f))

	Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
	15%	15%	15%	15%	15%	15%	15%

Commission Fees: Victim restitution fines ordered pursuant to California Penal Code section I 202.4(b) I (see Section 3.1(g))

	Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
	10%	10%	10%	10%	10%	10%	10%

Commission Fees: Reimbursements owed or as ordered by a court pursuant to California Family Code section 3150 et seq. (see Section 3.1(h))

	Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
<i>No on-site staff</i>	13.00%	12.92%	12.92%	12.92%	12.92%	12.92%	14.16%
<i>With on-site staff</i>	13.30%	14.35%	14.35%	14.35%	14.35%	14.35%	16.72%

Commission Fees: Reimbursement owed to the California Supreme Court for overcharges for representation of indigent defendants in death penalty cases (see Section 3.1(i))

	Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
<i>No on-site staff</i>	13.00%	12.92%	12.92%	12.92%	12.92%	12.92%	14.16%
<i>With on-site staff</i>	13.30%	14.35%	14.35%	14.35%	14.35%	14.35%	16.72%

Commission Fees: Fees, penalties, fines, or reimbursements owed to the California State Bar pursuant to California Rule of Court, rule 9.10(g), and California Business and Professions Code sections 6086.10(a) and 6140.S(a) (see Section 3.1U))

	Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
<i>No on-site staff</i>	13.00%	12.92%	12.92%	12.92%	12.92%	12.92%	14.16%
<i>With on-site staff</i>	13.30%	14.35%	14.35%	14.35%	14.35%	14.35%	16.72%

Commission Fees: Any other legally enforceable debt owed to a Participating Entity or that a Participating Entity has a right to collect (see Section 3.1(k))

	Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
<i>No on-site staff</i>	13.00%	12.92%	12.92%	12.92%	12.92%	12.92%	14.16%
<i>With on-site staff</i>	13.30%	14.35%	14.35%	14.35%	14.35%	14.35%	16.72%

Victim Restitution Fine-Commission Fee set at 10% (see Section 3.10.d) Direct

Restitution to Victim - Commission Fee set at 15% (see Section 3.10.d)

Note: Collection of this debt is not at the option of the Contractor.

Fee for FTB transfer services as described in Section 3.3, FTB Transfer Services

50% of Commission Fee of net collected by FTB or flat fee of \$___N/A___

The percentage will be calculated each month on the total funds collected during such month on all Accounts transferred to Contractor under this Agreement.

5. **On-site personnel.** Contractor is not required to perform services under this Agreement on-site at County locations.
6. **Reporting Requirements.** In connection with the required reports set forth in the Master Agreement, the parties hereto agree that Contractor will provide reports on the following schedule:
 - a. Daily Payment Report reflecting daily deposits to the JBE bank account.
 - b. Monthly Revenue Account Reports reflecting monthly collections by revenue account/code, percentage of total collections, costs and net collections after costs within five (5) days following the close of the month. The daily payment report totals for the month should equal the total collections for the month.
 - c. Case level detail upon request.
 - d. AB367/SB940 Reports annually.
 - e. Monthly Accounts Receivable reports.

Contractor will provide additional reports upon request by the County.

7. **Term.** The respective duties and obligations of the parties hereto shall commence on the date first written above, and shall continue until December 31, 2028, unless the option to extend are not renewed by the Judicial Council or the Master Agreement is earlier terminated. Notwithstanding the foregoing, either party may terminate all or any of the services under this Agreement by giving ninety (90) days written notice to the other party. In addition, this Agreement is expressly conditioned upon the ability of the Court under currently applicable California state law and policy to pay Contractor for services hereunder from revenue collected by Contractor on the Accounts. If any applicable law or policy is amended or enacted such that the revenue under this Agreement may not be applied to Court's obligations under this Agreement, the Court may, by written notice, terminate this Agreement on the effective date of such amended or enacted law or policy.

8. **Notices.** Any Notice must be sent to the following address and recipient:

If to Contractor	If to Participating Entity
Harry Neerenberg Chief Financial Officer 3043 Walton Road Suite 201 Plymouth Meeting, PA 19462 <u>With a copy to:</u> 	Rigoberto Gonzalez Management Analyst 168 W. Alisal St. Salinas, CA 93901

Either party may change its address for notices by giving the other party notice of the new address in accordance with this Section. Notices will be considered to have been given at the time of actual delivery in person, three (3) days after deposit in the mail as set forth above, or one (1) day after delivery to an overnight air courier service.

This Participating Agreement and the incorporated documents and provisions (including the terms of the Master Agreement) constitute the entire agreement between the parties and supersede any and all prior understandings and agreements, oral or written, relating to the subject matter of this Participating Agreement.

IN WITNESS WHEREOF, Participating Entity and Contractor have caused this Participating Agreement to be executed on the Participating Agreement Effective Date.

Participating Entity

Contractor

By:

By:

Name: Mary A. Zeeb

Name: Harry Neerenberg

Title: Treasurer-Tax Collector

Title: Chief Financial Officer

Date: _____

Date: _____