

Collect Worldwide, LLC

PROFESSIONAL INTERNATIONAL AND DOMESTIC DEBT RECOVERY

This brochure includes:

Who we are

Mission statement

Summary of Services provided

Who Can Serve You Best – A Collection Agency or a Law Firm?

What Makes us Different

“Let’s Talk About Rates” / David Hays, Esq.

Remit Policy

Getting Started

Placement Form

David A. Hays, PLC

Tucson, Arizona

URL: www.collectworldwide.com

PH: 520-290-2500

FAX: 520-290-2505

WHO WE ARE

David A. Hays, Esq.

David Hays is the Principal and Founder of Collect World Wide and the Law Offices of David A. Hays, PLC. Mr. Hays is a native of Galesburg, Illinois where he graduated high school in 1969 as Class President. Graduating from Illinois State University in 1973 he earned a Bachelor of Science degree in political science with a minor in history. Mr. Hays' emphasis in international affairs concentrated on relations with Russia, China, the Near East, Japan and Western Europe.

Mr. Hays holds a Doctor of Jurisprudence (law) degree from Washington University School of Law, graduating in 1977. He also holds a concurrent Masters of Business Administration Degree, from Washington University, St. Louis, Mo; 1977, with a major in Finance.

Mr. Hays is licensed also as a real estate broker, and is owner and founder of Hays & Associates, located in Tucson, Arizona. A member of the Arizona Bar since 1980, his areas of professional practice have included corporate law; real estate law; collections; securities law, and litigation. Mr. Hays has argued successfully throughout the legal system, including the Arizona Appellate Court and local jurisdictions. Mr. Hays also owned and managed Capital West Securities, securities Broker-Dealer specializing in undeveloped land limited partnerships, and was the General Partner of Sierra Vista Self-Storage, a highly successful real estate venture in Sierra Vista, Arizona.

Mr. Hays has also incorporated experience in management and sales in some of the largest and fastest-growing collection agencies in the United States, where in his capacity as Sales Representative, he was repeatedly honored as *Sales Representative of the Year* for his achievements. He has been involved in collections for over 20 years, and his past and present clients include Dell Computer; Cisco Systems; Pennzoil; World Fuel Services; MGM Latin America; and many other large and recognizable companies. Mr. Hays and his associates have collected delinquent accounts receivables in over 42 different countries.

Mr. Hays has successfully represented his clients in extremely sensitive and complex debt recovery efforts over many years and innumerate scenarios.

Mr. Hays is married, and is proud of his two grown and married children, one granddaughter and grandson.

MISSION STATEMENT

IT IS THE MISSION OF COLLECT WORLDWIDE LLC TO PROVIDE COMMERCIAL DEBT RECOVERY AND MEDIATION SERVICES TO COMPANIES WORLDWIDE, AND TO DO SO IN THE MOST EFFECTIVE AND SUCCESSFUL MANNER POSSIBLE, CONSISTENT WITH THE HIGHEST STANDARDS OF PROFESSIONAL AND ETHICAL CONDUCT.

SERVICES PROVIDED

Collect Worldwide, LLC provides a variety of professional commercial debt recovery-related services to companies worldwide. These services include:

PROFESSIONAL INTERNATIONAL DEBT RESOLUTION/RECOVERY

Through our network of highly qualified, trained and experienced collectors, Collect Worldwide is able to immediately make a positive impact on your debt recovery problems. Debtor companies that are placed with us for collections are contacted within 24 hours of the time of the placement, most of them within the same day depending on global time standard.

Every effort is made to match a collector with capabilities targeted to the specific account placed. This process takes into account such factors as the nationality and language of the debtor company, cultural factors that may be utilized by the collector to maximize chances that the account will be collected, and prior experience and success rate each collector has in that country and in and similar past assignments.

All collectors we employ are seasoned and experienced professionals in the international debt recovery collection field. Our veteran staff will be matched to your company's collection demands, allowing for a "best fit" in order to maximize debt recovery.

For cases in which the specific language of the debtor company is not one spoken by our collectors, we employ professional translation services, rendering the "language barrier" that may handicap other agencies a non-factor. This allows for "real time" collections where other companies may grind to a halt.

Our collectors are trained to rapidly make contact with the person in the debtor company who has the authority to resolve the debt problem- the qualified "Decision-Maker". The collector is trained to then probe for answers as to why the debt remains unpaid- whether it be a problem or dispute with the product/service, cash-flow issues being experienced by the debtor company, poor or incomplete internal records on the part of the debtor (or the Client, including Purchase Orders or Proofs of Delivery); or any other of myriad factors and complications causing the debt to remain outstanding.

Depending on the reason for the non-payment, the collector then works to remove or resolve that factor, and/or to secure a promise for payment that takes into consideration any contributing obstacles that may be involved. The collector checks the debtor's stated reasons for non-payment for validity. Our collectors are trained to consistently work with the debtor to resolve the problem, secure a promise of timely payment, and ensure that the debtor company honors its obligations to you.

MEDIATION

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

AUDIT (SOFT) APPROACH DEBT RECOVERY

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

The Law Firm’s collectors are trained in this soft approach. The collectors characterize their activities as a cameral audit function and not merely as a “collection” matter when speaking to the debtor. The debtor is informed that the Client company has retained us to 1) Find out if there are any problems with the product or service supplied, 2) Resolve any such problems, and 3) Secure from the debtor the date for payment of the unpaid invoice(s)- all done in a spirit of professionalism and cooperation.

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

SKIP TRACING

Frequently, a principal of the debtor company will have personally guaranteed the debt. If the debtor company is no longer in business, and there is no current information available from the Client as to the whereabouts of the principal/guarantor, it may be necessary for the law firm to perform a “skip trace”, in order to discover where the guarantor is located. This can be a challenging assignment, particularly in international debt recovery cases.

This is a service that is provided by Collect Worldwide as part of the fee arrangement originally agreed to: there is no additional fee for this service. Results are on a best-efforts basis, and if successful, the collections efforts proceed against the guarantor and the guarantor's personal assets.

ASSET/LIABILITY INVESTIGATIONS

Many times, debtors will cite or use cash-flow problems as their reason for non-payment of our Clients' invoices. Sometimes these claims are legitimate- sometimes they are unsupported. Our collectors are trained in a variety of methods to determine as accurately and as quickly as possible the validity of the debtor company's claims of cash flow problems, and to tailor and predicate the subsequent debt recovery efforts according to the results of that determination. If a debtor company is still in business, but no longer purchasing goods or services from our client, the debtor company is undoubtedly purchasing the good and services from another supplier.

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

LEGAL REFERRAL SERVICES

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

If legal action becomes necessary, Collect Worldwide, in conjunction with David A. Hays, PLC will explain to you the inherent reasons for this action. Generally it is because the debtor has refused to "come to the table" with any type of reasonable proposal or resolution of the problem. In such case, we will make an internal assessment of the likelihood of a resolution of a lawsuit in our Clients' favor. If we feel legal action is justified, we will make that recommendation to our client, along with an estimate of what the out-of-pocket costs would be to pursue such a lawsuit. If the client wishes to proceed with a lawsuit, we will make a best-efforts attempt to find an attorney within the local jurisdiction who will take the lawsuit on a contingency basis.

In all cases, the client has the last and final decision on whether a lawsuit is initiated, and is required to do so in writing.

DOMESTIC (USA) COMMERCIAL ACCOUNTS RECEIVABLES RECOVERY

While Collect World Wide has unequalled qualifications and successful experience in the arena of INTERNATIONAL debt recovery, those same qualifications and experience are likewise well-suited to the successful recovery of delinquent debt domestically in the United States - and we consistently recover domestic commercial debt for our clients nation-wide and with enviable success.

PROCESS/PROCEDURE CONSULTATIONS

Sometimes a company's internal procedures or processes operate to contribute to higher-than-desired debt write-offs, or to situations where the debts become delinquent in the first place. Examples of this are credit-granting policies or procedures that may not have been reviewed in some time, and which may not be optimal in today's market and business environment. Our representatives have the ability to 1) Consult with our Clients' credit department and personnel, 2) Make positive recommendations on how these internal processes and procedures might be revisited and amended to reduce credit risk, 3) Optimize the potential for successful recovery of accounts that do become delinquent, and 4) Maximize the number of dollars and percentage of dollars that our clients recover from the debt recovery strategy.

OTHER

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

WHO CAN SERVE YOU BEST– A REGULAR COLLECTION AGENCY, A LAW FIRM OR COLLECT WORLDWIDE?

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

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

Collection agencies are geared toward fast turnover and rapid recovery of debt. Their salespersons and collectors are most often paid on commission, if and only if accounts are recovered. They generally have no training in the law, and their goal is to “liquidate” the debt by attempting to secure full or part payment in a short period of time. Frequently this hurried strategy results in a lower partial settlement.

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

I have told my clients for years that if the reason for non-payment of a debt is essentially a dispute that it is A LEGAL MATTER by its very nature, the better course of action is to forego a collection agency, and move the case directly to a law firm. The matter will eventually wind up in the hands of an attorney anyway, and you will avoid the time “lost” by trying to have an agency that is without legal training or knowledge struggling to resolve A LEGAL MATTER. This likewise applies to disputes that are likely to wind up in court eventually, because of the nature of the relationship between the parties or complicating factors. Simply stated, if for any reason the matter could be going to wind up in court, the best course of action is to be proactive and get it there ASAP, while memories are fresh and documentation has not been misplaced. The longer you waste time with inappropriate collection activity, the less your chances of recovering your debt.

If, on the other hand, the matter is “resolvable” by someone without legal training and knowledge, agencies are more often able to act faster than law firms to resolve the problems and engineer a solution. Agencies who lack our resources are often capable of resolving debt more or less satisfactorily. The key is having an understanding of your rights under the law, and having the full force of a Law Firm behind you in exercising those rights.

“THE BEST OF BOTH WORLDS”- COLLECT WORLDWIDE, LLC

International collections often do not lend themselves well to resolution through the domestic Courts of Law. Laws differ significantly from country to country, and resolution by the courts is even more difficult than when both parties are both located in

the same country. For this reason, debt recovery by relying principally on lawsuits, in the international arena, is difficult at best. We offer our clients the necessary legal knowledge, power, and background, combined with the dexterity and task orientation of a collection agency to optimize success.

Collect Worldwide is THE EMBODIMENT of this solution! This is because Collect Worldwide is affiliated with a law firm that specializes in corporate collections, and a licensed member of the Arizona State Bar, bringing to your debt recovery problem all of the legal knowledge, training, background and experience of a LAW FIRM. Additionally, we bring to your debt collection issue highly trained and successful collectors, each with many years of experience in the industry, whose training and background come from the COLLECTION AGENCY side of the industry. They, like Collect Worldwide itself, are paid only upon successful debt mitigation and client satisfaction.

WE DO NOT GET PAID UNLESS YOU GET PAID. WE TAKE THE SAME RISK AS OUR CLIENTS, AND HAVE THE SAME INCENTIVE TO ACHIEVE A SUCCESSFUL DEBT RECOVERY AS YOU DO. COLLECT WORLDWIDE LLC WILL BE YOUR PARTNER IN COLLECTING YOUR DEBTS.

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

“THE BEST OF BOTH WORLDS”- The Collect Worldwide debt recovery solution will be your partner in successful, professional debt collection!

WHAT MAKES US DIFFERENT

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

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

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

Combining all the above elements represents a training/skill/experience set that is unique in the industry. We bring that unique melding of training, skill, and experience to bear on the debt recovery problems of our clients, and it is that unique combination that allows us to achieve the enviable results that others simply cannot.

Our companies have been structured to take full advantage of that unique combination and put it to work for you. Collect Worldwide LLC is affiliated with licensed law firm, with the legal knowledge base that requires, but our company’s collectors are paid on the same basis by which many collection agencies operate (commission-only). This produces the same sense of urgency to successfully recover a debt that our clients feel. Unlike a conventional Law Firm however, we require no retainer, and there are never any “hidden costs”. The result is commonality of interest between our company and our clients’. Additionally, our high success rates are well-known and we as a result have a waiting list of collectors who want to join our winning team. This allows us to pick and choose only the BEST collectors, with the result that our debt recovery success rate far exceeds that of most other companies in the industry.

LET'S TALK ABOUT "RATES"

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

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

Historically, the "normal" rate for law firm collections may have been 1/3 of the amount collected. Likewise, the "normal" rate for international collections may have exceeded 1/2 of monies collected. Those rates have changed, almost exclusively downward, due to the competitive nature of the industry. In today's market, I have witnessed offers for deceptively low rates as low as 5% for domestic accounts, first placements, amounting to several tens of millions of dollars, where the companies are still in business, where there is a personal guarantee on most of the individual accounts and the delinquency is no more than 120 days.

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

Why - Isn't getting something for LESS better than paying MORE? Not always. EXAMPLE: Would you shop for a BRAIN SURGEON on the sole basis of who would do the procedure for the basement bargain amount? Would you shop for AN INVESTMENT ADVISER on that basis? How about a babysitter, or a bungee-jump instructor? With so much riding on this decision – your money- prudence must win over thrift.

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

Collection companies that offer deceptively low rates cannot afford the resources to effectively settle these debts in your favor. In the end, you will risk losing time, leverage, and most importantly, capital.

Also, while every account must be worked to its conclusion, and time and perhaps monies, expended in that effort – not every account will be collected, and the rates must reflect that fact in order for a debt collection entity to remain healthy and stay sharp. Additionally, the more realistic the rate, the more resources such debt collection entity can afford to spend on its attempts to collect a particular debt in your favor.

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

Fair and competitive International rates: in order to maximize the chances for successful collection of the account should range from 25% to 50%, depending on the factors above. Each case is different however, and we may be able to offer a special rate in exceptional circumstances.

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

REMIT POLICY

Where monies have been collected on behalf of clients, and those monies have been sent to us rather than to the client, Collect Worldwide LLC sends out remit checks to Clients every Friday. The remit checks are sent to the clients in an amount equal to the monies received, minus any Fee earned by the law firm on the account or on other collections accounts that have remained unpaid for 30 days or more by the Client, the first Friday following ten business days after payment from the debtor is received.

This allows for the check to clear and for internal accounting procedures- and is among the FASTEST remit and turnaround windows in the industry.

HOW TO GET STARTED

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

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

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

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

Status Reports:

Within 4 working days, you will receive a status report for each account you have placed, detailing the account progress since placement. You may request subsequent status reports at whatever (reasonable) time interval you thereafter deem necessary.

Collect Worldwide

WWW.COLLECTWORLDWIDE.COM

Phone: (520) 290-2500

Fax: (520) 290-2505

Client Information

Company: _____ **Address:** _____

Placed By: _____ **Ph:** _____ **Fax:** _____

APPROACH

Debtor Info

Date:

NORMAL **AUDIT**

Company: _____

Address: _____

City: _____ **State:** _____ **Zip:** _____

Contact: _____ **Phone1:** _____

Phone2: _____

Fax: _____

Notes:

Last Date of Sale _____

Last Payment _____

**Principal
Balance**

\$

**ADD ON
Interest or
Fees**

\$

**Total
Due**

\$

Rate

COM

NON