

Company Authorization Agreement

Payroll Solutions, Inc.

781 S. Midlothian rd.

Suite #322

Mundelein, IL 60060

Phone 847-526-9774

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THIS AGREEMENT, made this _____ day of _____, _____ between

_____ (COMPANY) and Payroll Solutions, Inc. (PS).

Company authorizes PS to create and transmit ACH files for the purpose of moving money through the Automated Clearing House (ACH) pursuant to the terms of this Agreement and the rules of the National Automated Clearing House. This is for the purpose of providing direct deposit of payroll for Company's employees (Transactee's), direct bill collection, tax impounding and any other reason Company may desire to move money electronically through the ACH.

COMPANY UNDERSTANDS THAT PS PROVIDES ONLY ITS SERVICES TO COMPANY. PS IS NOT A LENDER AND FURNISHES NO FINANCIAL ACCOMMODATIONS TO PROCESSOR OR COMPANY AND WHERE APPLICABLE COMPANY'S TRANSACTEE'S (CUSTOMERS/EMPLOYEES). ALL MONEY TO BE TRANSFERRED AS PAYROLL OR ANY OTHER FORM MUST BE COLLATERALLY FUNDED AND FULLY GUARANTEED BY COMPANY.

Definitions:

The terms stated below shall have the following meaning:

PS	Payroll Solutions, Inc.
COMPANY	Payroll Solutions' Client
TRANSACTEE	Company's Employee or Company's Customer
ACH	Automated Clearing House: the system through which electronic funds flow
NACHA	National Automated Clearing House: the governing body which defines the Rules and Regulations and file formats required to transfer money via the ACH system
BANK	A depository financial institution, such as but not limited to a commercial bank, savings bank or credit union
CREDIT	Transfer of money to an account
DEBIT	Transfer of money from an account

FOR VALUABLE CONSIDERATION the parties agree as follows:

I. Automated Transfers

- 1.0 Company warrants to PS that the amount of any credits for which payment instructions are given to PS and processed, the offsetting debit will be honored by Company's bank upon presentment.
- 1.1 PS may refuse Company's payment instructions if it reasonably believes that the Company's bank balance is insufficient to cover the dollar amount of the payment instructions or for any other reason PS deems reasonable.
- 1.2 PS, at its option, may refuse to transmit entries to the ACH if it reasonably believes that the Company does not have sufficient funds on deposit with its bank to cover the credit requested or has not yet received a wire transfer for an equal amount of the payroll.
- 1.3 If any amount debited against the Company or Company's Transactee is dishonored or returned for any reason, such as but not limited to non-sufficient funds, account closed, or unable to locate account, or is reversed by Company, Company's Transactee and/or Transactee's Bank, PS may;
 - a) Reverse any corresponding credit issued to Company, Company's Transactee or any other party without liability to Company or Company's Transactee or any other party.
 - b) Require Company to wire funds to PS no later than 3:00 PM central time the day Company was notified of said return.
 - c) PS will re-submit the item and Company will be charged a late fee as provided herewithin and/or later supplemented.
 - d) If further collection attempts are required, all PS's collections costs, including but not limited to attorney's fees, where permitted by law will be charged to Company.

- 1.4 PS may reverse any credit if payment of the corresponding debit is not honored or is reversed by Company's bank for any reason. Company will guarantee funds if PS fails to collect from Company's Transactee's.
- 1.5 If any amount debited against a Company is dishonored or returned for any reason, PS may reverse any credit issued to Company, Company's employees or any other party without liability to Company or Company's employees or any other party.

II. Liabilities and Indemnification

- 2.0 COMPANY AGREES TO INDEMINIFY AND HOLD PS HARMLESS FROM ANY AND ALL CLAIMS OF ANY PERSONS WHATSOEVER ARISING OUT OF PS'S PROCESSING ACTIVITIES FOR CUSTOMER UNDER THE TERMS OF THIS AGREEMENT OR OTHERWISE. SUCH CLAIMS MAY INCLUDE, BUT ARE NOT LIMITED TO, CLAIMS FOR CUSTOMER'S EMPLOYEES OR OTHER PERSONS OR ORGANIZATIONS, INCLUDING TAXING AUTHORITIES WHOSE CREDITS MAY HAVE BEEN REVERSED OR BANKS WHO MAY HAVE SUFFERED DAMAGE OR LOSS BECAUSE OF INSUFFICIENT FUNDS OF COMPANY. COMPANY UNDERSTANDS AND AGREES THAT PS HAS NO DIRECT FINANCIAL INTEREST IN THE DEBITS AND CREDITS PROVIDED, PURSUANT TO THIS AGREEMENT, AND IS PROVIDING A SERVICE TO COMPANY FOR A FEE. ALL RISK OF LOSS AND LIABILITY TO ANY PERSON OR ORGANIZATION ARISING OUT OF THE SERVICES FURNISHED HEREUNDER SHALL BE THAT OF COMPANY.
- 2.1 Company shall have no right to cancel or amend any entry after its receipt by PS. At Company's request, PS shall use reasonable efforts to cancel or amend on entry prior to transmittal to the ACH but shall have no liability if such cancellation is not effected.
- 2.2 PS is not responsible for the actions of others with respect to the amount, accuracy, timeliness of transmittals or authorization of entries received. The acts of any other person or organization including, without limitation, banks or other financial institutions, or transmissions facilities, shall not be deemed the acts of PS.
- 2.3 PS liability to Company or any other person shall in no event exceed the charges made by PS for the effected transaction. In no event shall PS be liable for consequential, special or punitive damages or loss of profits.
- 2.4 **Liability:** To the extent that PS's ability to provide the Equipment, facilities or personnel is delayed, reduced, or interrupted by a force beyond PS's control, including, but not limited to acts of God, public enemy, inclement weather, breakdowns of communications systems, physical damage to PS's premises, labor disputes, orders or directives of any governmental or quasi-governmental authority, PS shall not be required to perform its obligations under this Agreement or be liable to Company or Company's Transactee's for any failure to perform.

III. Miscellaneous

- 3.0 **Entire Agreement:** This constitutes the entire Agreement between the parties and correctly describes the parties mutual understanding of this Agreement. Any and all oral or written agreements, representations or understandings between the parties entered into or made prior to or made contemporaneously with the effective date of this Agreement have been incorporated into this Agreement or were revoked, released or terminated before the effective date of this Agreement. No modifications, deletions, additions, nor amendments to this Agreement shall be binding on PS unless the same are reduced to writing and the writing is signed by PS. All of the terms of this Agreement are subject to approval of PS unless PS has executed this Agreement, such approval has neither been obtained or granted.
- 3.1 **Document Execution:** The parties to this Agreement agree to execute whatever documents that are reasonably necessary to carry out the terms and effect of this Agreement.
- 3.2 **Governing Law:** This Agreement shall be governed by the laws of the State of Illinois. The parties to this Agreement hereby stipulate and agree that disputes regarding this agreement shall be venued, and filed and is subject to the exclusive jurisdiction of the United States Federal district Court, for the Northeast Division of the State of Illinois.
- 3.3 **Default:**
- a) Company: Any failure by the Company to observe any term or condition of this Agreement, to provide PS with honored funds, or otherwise, shall allow PS to immediately terminate this Agreement and fax notice of such terminations of Agreement to Company. PS shall provide Company with notice of termination either by telephone or fax followed up by written correspondence to issued within ten (10) days of the date thereof.
 - b) PS: In the event that PS fails to comply with any term or condition of this Agreement, Company may terminate upon five (5) days written notice faxed to PS with the Five (5) days notice of termination of Agreement commencing thereon upon PS's actual receipt of notice of termination.
- 3.4 **Non-Default Termination of Agreement:** Any time while this Agreement is in effect during which time neither party is in breach of this Agreement, any party to this Agreement may terminate this Agreement upon fifteen (15) days notice of termination to be faxed to either party and followed up by written correspondence. Upon termination

of this Agreement, Company's representations, obligations and duties shall survive termination of this Agreement and Company shall still indemnify and hold PS harmless and shall be liable to PS for all sums of monies due and payable hereunder to PS.

- 3.5 **Term of this Agreement:** This Agreement shall be in effect for five (5) years from and after the date of this Agreement.
- 3.6 **Electronic Funds Transfer (15 U.S.C. 1693):** Company acknowledges that it has been fully advised by its financial institutions and represents and warrants that all of the parties having funds, pursuant to this Agreement, debited and/or credited to or from their financial accounts, are fully advised of and aware of their rights and remedies pursuant to the Electronic Funds Transfer Act found at 15 U.S.C. 1693, ex el., including but not limited to the right to receive documentation, right to stop payment or pre-authorized transfers, charges for electronic funds transfers for the right to make such transfers and that Company is in full compliance with such act.
- 3.7 **Pre-Authorization:** Company represents that all debit and credit entries have been pre-authorized and that a pre-authorization agreement is of record.
- 3.8 **Apparent Authority:** Company stipulates that any action that PS takes hereunder is pursuant to apparent authority of Company, its agents, assigns, officers, directors, employees. In the event that Company's agent assigns, officers, directors, employees does not have the authority to the debit or credit process by PS, Company hereby holds PS harmless from such actions and agrees to indemnify pursuant to this Agreement PS for such action. Company stipulates and agrees that Company and PS is liable for such action.
- 3.9 **Limitation of Action:** Company and/or Company's Transactee will have 60 days from the transaction date to notify PS, in writing, of any discrepancies, errors or problems with a transaction processed. This will include but not limited to, errors in amounts, erroneous transactions, or other transactions processed. You can telephone us, but by doing so will not preserve your rights. In a letter, give us the following information;
- a) Company transaction was processed under with their Fed Tax ID Number
 - b) The name, account number and ABA number on the transaction in question.
 - c) The dollar amount of the transaction in question.
 - d) Describe the error and explain why you believe this is an error. If you need more information, describe the item you are unsure of.

We will tell you the results of our investigation within 30 days and will correct any error promptly. If we need more time, we may take up to 45 days to investigate your complaint. For transfers initiated outside the United States or transfers resulting from point of sale or debit/access cards, the time periods for resolving errors will be 45 and 90 days respectively.

Company authorizes PS to initiate electronic debit and or credit entries to the bank account shown below. Company understand that adjustment entries may be made to this account to insure an accurate and balanced accounting (debits and credits must balance) of all transactions. This authorization will remain in effect until Company cancels it in writing.

Bank Name _____

Bank Routing Number _____ (nine digits)

Bank Account Number _____

Account Type CHECKING SAVINGS

COMPANY PAYROLL SOLUTIONS, INC.

Signature of Authorized Agent

Signature of Authorized Agent

Title

Federal Tax ID Number

Title