

# ***CBY Systems, Inc.***

## **Application for Membership and Services Contract**

In order to cooperate with other business and professional people in the confidential dissemination of credit information, the undersigned (hereinafter referred to as the Applicant) petitions CBY Systems, Inc. (hereinafter referred to as CBY) for the use of its services upon the basis outlined below and, if accepted as a member, agrees that the following shall constitute a service contract between the Applicant and CBY under the following terms and conditions of membership:

### **The Applicant Agrees:**

1. To comply with all the provisions of Public Law 91-508 (Fair Credit Reporting Act) and all other applicable statutes, both state and federal.
2. To request reports only for his, her, or its exclusive use and certifies that the information requested is for a purpose permissible by law, namely:

[A] In connection with a transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or the review or collection of an account of the consumer; or

[B] Upon written authorization of the consumer; or

[C] For employment purposes, to be used in evaluating a consumer for employment, promotion, reassignment or retention with the member identifying each such type of request. The Applicant also agrees that each time a request for information is made of the CBY for employment purposes it will comply with section 604 of the FCRA, namely: (1) the consumer has been given a clear and conspicuous written notice, in advance (in a document that consists solely of the disclosure), that a consumer report may be requested for employment purposes; (2) the consumer has authorized the Applicant, in writing, to procure the report; (3) the information in the consumer report will not be used in violation of any applicable federal or state equal employment opportunity law or regulation; (4) before taking adverse action, in whole or in part on the report, Applicant will provide the consumer a copy of the report and a description of the consumer's rights under the FCRA.

When any request for a report falls within the category of an investigative report as defined in the Fair Credit Reporting Act, it shall be the duty of the Applicant and not CBY to comply with Section 606 of the Act relating to disclosure by notifying the consumer in a writing mailed or otherwise delivered to the consumer not later than three (3) days after the date on which the report was first requested that such report, including information as to his character, general reputation, personal characteristics, and mode of living, may be made and informing the consumer of his right to make written request within a reasonable time after receipt of the notice

receipt of the notice for a complete and accurate disclosure of the nature and scope of the investigation requested. Upon receipt of such request from consumer, it shall be the Applicant's duty to make written disclosure of the nature and scope of the investigation to the consumer within five (5) days after receipt of the written request.

[D] In connection with a legitimate business need for the information in connection with a business transaction initiated by the consumer or to review an account to determine whether the consumer continues to meet the terms of the account; and the Applicant agrees to identify to CBY each request at the time such report is ordered, and to certify the legitimate business need for such report; or

[E] In connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider a consumer's financial responsibility or status; or

3. Reports on employees will be requested only by the Applicant's designated representatives. Employees will be forbidden to attempt to obtain reports on themselves, associates, or any other person except in the exercise of their official duties.

(Public Law 91-508 provides that any person who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses shall be fined under Title 18 of the United States Code, or imprisoned not more than two years, or both.)

4. To hold in strict confidence all information received from CBY, whether in written or printed form or verbally. In the event of disclosure to the consumer by Applicant, CBY shall be held harmless from any liability, damages, cost or expense including reasonable attorney fees resulting therefrom. CBY shall not be liable in any manner whatsoever for any loss or injury to Applicant resulting from the obtaining or furnishing of such information and shall not be deemed to have guaranteed the accuracy of such information; such information being based, however, upon reports obtained from sources considered by CBY to be reliable. Under no circumstances shall CBY be required to disclose the source or sources of its information, except as disclosure may be required under Section 609 (a) (2) of the Fair Credit Reporting Act, Public Law 91-508.

5. To pay an annual membership fee of forty-five dollars (\$45) as a condition of membership in CBY as well as service charges that may be levied from time to time. Fees and service charges are set by CBY and may be changed at any time.

**It is Mutually Agreed That:**

1. Membership dues are payable in advance at the start of each membership year. Service charges will be billed monthly and are payable by the 10th of the month following that in which the service was furnished.

2. Violation of any of the provisions of the agreement by the Applicant shall give CBY the right to suspend service without notice and terminate Membership Contract.

3. The Membership Contract shall remain in full force and effect for one year and shall then be automatically renewed from year to year, unless terminated as provided in the immediately preceding paragraph of this agreement or unless canceled by either CBY or by the Applicant, upon either party giving thirty (30) days written notice to the other.

**It is further mutually agreed that CBY and the Applicant shall each be liable to any third party claimant for its own acts of negligence with regard to the performance of its duties hereunder, and each shall indemnify and hold harmless the other for and from all such third party claims arising on account of its acts of negligence, or on account of its failure to perform any of its obligations hereunder, and any cost or expense, including reasonable attorney's fees, incurred by the other in connection therewith.**

**This Membership Application, when approved by the Board of Directors of CBY and signed by its authorized officer, shall constitute a contract between CBY and the Member, and shall be the entire agreement between the parties hereto.**

**Applicant Information:**

Applicant Name: \_\_\_\_\_ DBA (List all): \_\_\_\_\_

Street Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_ Zip \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Email Address: \_\_\_\_\_

Type of Business: \_\_\_\_\_ Years in Business: \_\_\_\_\_

Business License: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

Consumer Report Purpose: \_\_\_\_\_

Billing Contact: \_\_\_\_\_ Phone/email: \_\_\_\_\_

Street Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_ Zip \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name and Title: \_\_\_\_\_

**Membership Approved by Board of Directors of CBY Systems:**

By: \_\_\_\_\_ Date: \_\_\_\_\_ Code No: \_\_\_\_\_

President/Secretary

Complete application and send it with your first year's dues of \$45 to:

**CBY Systems • 33 South Duke Street • York, PA 17401**