

OUR UNIQUE COLLECTION PROTOCOL

EXPERIENCE

For over twenty four years, Credit Resolution has successfully collected thousands of unpaid receivables and millions of dollars for our substantial law firm clients. Our recovery rate ranges from twenty five percent up to as high as sixty four percent per placement dollar!

This recovery rate is approximately fifty percent to three hundred percent better than our nearest competitor's productivity.

PROFESSIONALISM

Credit Resolution screens, tests, trains and employs only the best collection professionals. Our personnel understand the special needs of the legal profession. Of special importance is that our Account Executives fully appreciate and protect the sensitivity of the attorney-client relationship, as well as the strict confidentiality imposed on that relationship, and its limited waiver for purposes of collecting the billing in a discreet and professional manner.

We communicate and negotiate with sophisticated obligors who almost always claim to have a good reason, (real or imagined), for not paying their legal bills, and that is a common occurrence for us.

BACKGROUND AND PREPARATION

The collection process begins with a polite letter to the obligor. But before the first telephone call is made to the obligor, our collection department devotes the necessary time to review the background and documentation supporting your firm's billing. Credit reports are generated; we do our "homework". We expend the time, money, and effort necessary to maximize recovery. This process includes a thorough review of The Detailed Billing Report (DBR) -- Line-by-line

- ✓ The Engagement or Retainer Letter/Agreement, when available
- ✓ Other relevant correspondence regarding the nature of the services, and the terms of compensation (with any limitations, e.g., "Cap")
- ✓ Further correspondence regarding any complaints or disputes regarding the services performed and/or the detailed billing report/memorandum
- ✓ To the extent permitted by our law firm clients, a limited but focused conversation with the billing partner to learn any relevant information not contained in prior documentation about the particular attorney-client relationship

After in-depth study and research, Credit Resolution is thoroughly prepared for virtually any defense -- real or imagined -- that the obligor may raise in response to our demand.

NEGOTIATION AND DISPUTE RESOLUTION

Credit Resolution' success in collecting is attributed to our skill in negotiating and resolving disputes. We do not simply write letters, and make repeated monotonous telephone calls demanding payment. With most sophisticated commercial obligors such an approach simply will not work.

Our first discussion with the obligor elicits *their* view of the dispute. We invite them to communicate their position. Our Account Executives then ask pointed questions to "peel away" -- as the layers of an onion -- the rationalization the obligor believes justifies their reason for non-payment. In this manner, we are able to address and overcome the obligor's resistance with specificity. We resolve the dispute, and negotiate a settlement that is satisfactory to the law firm and their former client, especially in instances where there is a bona fide basis for the dispute.

PERSISTENCE V. HARASSMENT

What Credit Resolution brings to the process of recovering your firm's Accounts Receivable is a level of persistence that no other company will invest. We do not harass, nor do we raise our voice, nor threaten or try to intimidate the obligor. We communicate with persistence, logic and convince obligors that Credit Resolution intends to collect the obligation and that we are not going away. In cases where debtors have "skipped", Credit Resolution has added a division to investigate and discover their current whereabouts and assets. Every one of the twenty two thousand collection agencies across the land promises skip-tracing services yet few produce results.

MAINTAINING THE REPUTATION AND GOODWILL OF THE FIRM

Credit Resolution depends upon its reputation to attract the referral of new clients, and any damage to the professional reputation or good will of our law firm clients (or exposing them to adverse public scrutiny) could put us out of business.

We understand that a law firm depends on its experience, expertise, reputation, and integrity to remain competitive and successful. We would rather forfeit the potential fee on an account we worked for months, than risk a complaint or lawsuit against one of our clients.

Credit Resolution is building long term relationships based on trust and integrity, for mutual benefit, and that is more important than any given fee, no matter how substantial it might be.

We also act as the objective eyes and ears of our clients. On occasion we have discovered in our review of the billings and our discussions with the obligor reasons for non-payment of which the law firm had no prior knowledge.

We may determine that our client's Account Receivable is highly litigious is at best compromised, or should be written off. When we do, we discreetly and confidentially advise our client accordingly.

INTERNATIONAL RESOURCES TO EFFECT COLLECTIONS

Credit Resolution has the proven ability to collect placements throughout the United States, Canada, Europe, Asia, Africa and any place on the planet where an obligor may be reached by telephone and/or fax.

THIRD PARTY COLLECTION V. THE FIRM'S INTERNAL PROCESS

One of the reasons law firms are not as successful as they would like to be in the collection of their own problem Accounts Receivable is the mind set of the client/obligor. So long as it is the law firm, (whether it be the billing partner or the internal administrative personnel), attempting to obtain payment the obligor will always view himself as the "*customer*".

The customer is "*always right*", and so long as the obligor sees himself as a customer, and not as a debtor, nothing short of a lawsuit and/or a judgment will obtain payment. As a third party we have the advantage of an objective identity; when Credit Resolution contacts the obligor the entire "customer" mind-set changes.

The obligor realizes that Credit Resolution cares only about getting the obligation to the law firm paid not their future business, or their good will. They know we have only one concern and one purpose, which is to effect immediate payment of their obligation to the law firm. This gives Credit Resolution an important advantage in the negotiation and dispute resolution process that is not available to our clientele.

CREDIT RESOLUTION DOES NOT REPLACE NOR COMPETE WITH YOUR FIRM'S INTERNAL COLLECTION PROCEDURES

Your firm places only problem Accounts Receivable. However successful your internal collection procedures and personnel, it is not our aim to replace them, nor could we in a manner that would prove cost effective for the firm. Internal collection procedures and personnel function best as "dollar accelerators".

They *accelerate* the millions of dollars in fees owed by clients that will eventually pay, from an "aging status" of 180/120 to 120/90 and from 90/60 to 60/30. For in-house collection staff, "average-days-to-pay", and cost of money are the most meaningful parameters of performance.

The advantage to the firm of having such personnel, working independently or in close cooperation with the billing partners, accelerate the ninety per cent to ninety five per cent of the ledger that will eventually be paid voluntarily is enormous.

The interest saved on credit lines, and the improved standing of the firm with its lenders, is well worth the cost of personnel and related expenses. However, the worst five- percent of the Accounts Receivable on the firm's ledger will usually not be paid no matter how much effort is expended by the firm's personnel or partners.

This segment of the ledger is what should be placed with Credit Resolution, and is what Credit Resolution can and should be collecting. It is not cost-effective for the firm's personnel and partners to continue to try to collect that worst five per cent, past a certain stage of delinquency. Credit Resolution is more efficient at "hard core" collections liberating the in-house staff to accelerate tens of millions of dollars. Currently Credit Resolution makes available a consultation with an affiliated company that places personnel inside a law firm. These on site collection experts will show an increase in dollars recovered almost immediately.

They typically pursue matters on the aging reports of less than 180 days. Our associates also review the current policies and software of the law firm and make recommendations for improvement or replacement. This service saves law firms thousands of training and development dollars and our people bill on an hourly basis, providing economies of scale on millions of dollars collected. Essentially, they manage the day-to-day collections of a firm.

WE ARE NOT COLLECTION ATTORNEYS LITIGATION IS A LAST RESORT

Collection attorneys generally have one purpose, to compel payment by litigation. They will only send one letter and perhaps make a few telephone calls before requesting fees to institute suit. That is not what Credit Resolution does, nor is it what we should be doing for our clients.

Credit Resolution and most of our clients agree that we want to avoid the time, expense, and risks attendant upon litigation. Less than five percent of all placements result in litigation. After we have made all reasonable attempts at collection, we then will inform our law firm client in detail why we believe that litigation is the only recourse.

The law firm is presented with enough information to make an informed decision as to the viability of initiating suit on their own, instructing us to retain a specific member of the Commercial Law League of America as outside collection counsel, or close the file.

THE FIRM'S REPUTATION IS SERVED WHEN IT SEEKS TO AGGRESSIVELY COLLECT UNPAID RECEIVABLES

We are often confronted with attorneys' belief that it is somehow unprofessional to have an outside third party collect the firm's Accounts Receivable.

Numerous opinions from Bar Associations across the country have held that it is both permissible and well within the bounds of appropriate ethical and professional conduct for attorneys to retain the services of collection agencies.

There are more important reasons that law firms must aggressively pursue their billings. Contrary to what many attorneys seem to believe, the public, and the law firm's current, former and potential clients will not view collection efforts as "unprofessional" or "unseemly" conduct. Rather they will think that the failure to pursue collection implies the law firm knows it to be at fault. The inference to be drawn is that the bill is no good, (padded or grossly overcharged), or the law firm knows it has a serious problem, (i.e., possible malpractice), and so it dares not pursue it's obligors for payment.

In addition current and prospective clients expect brains, expertise, and aggressiveness from their counsel. At the club, on the golf course and in the "board room", what people are really saying is: "How can my lawyer help me if he can't even help himself?" The client's logical perception of a law firm that can't collect it's own bills, and which won't pursue that collection, is not that of an aggressive advocate, but rather of a weak-willed, possibly incompetent practitioner.

Collection companies often engage in a practice known as "creaming". If a creditor places one hundred cases with an agency, that agency may assign them to low paid collectors with limited experience and training. The collector will follow a specific script with specific guidelines and "overhead" driven limitations.

Sh/e will only be allowed to send so many "form" letters, make a limited number of phone calls, and those calls will have restrictions on the time to be spent on each call. The profit-based formula has been calculated in advance, based on experience, to recover the most profit for the agency.

As a result of these minimal efforts the agency knowingly cultivates inferior collection efficiency. Even if their contingency fee is relatively low, the company still makes a large profit.

THE BOTTOM LINE

The loser is the creditor who gets back between seventy five per cent and ninety of their accounts and/or of dollars placed as "uncollectible" with an agency recommendation to initiate legal action or to close the accounts.

Your loss is their gain - after all the write-off is your headache, not the agency's. Experienced commercial creditors who are sophisticated purchasers of collection services would never accept this and quickly switch to another agency.

The collection company does not worry about this client "attrition" because their real efforts are directed not to collections but to finding new clients to fit their scheme.

Credit Resolution will continue to satisfy our clients and we hope to serve them years from now.

NETBACK

Most firms who have provided Credit Resolution the opportunity to compete head-to-head with any other company have found that we increase the "net back" (total dollar netted by the law firm of total dollars placed regardless of rate) by at least fifty per cent to one hundred per cent.

This is despite rates of from thirty three per cent to twenty per cent, against the other companies' rates of as low as fifteen per cent. In terms of the firm's true realization, rates are irrelevant; "net back" (the actual dollars received) is the bottom line. (See enclosure.)

GETTING STARTED

Kindly contact our offices to arrange for a convenient teleconference to explore the viability of using our services. Also you can find much more information on our Website CreditResolution.com.

You may also fill out our claim placement form and begin the process immediately. Contact us right away and we will forward the form and go over all the details with you or your designated assistant.