

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

