

Credit
Management
Corporation

- Powerful collection tools
- Save time
- Increase cash flow

- Friendly and professional
- Problem solving
- Conflict resolution
- Customer retention



- No obligation
- Free Final Demand notices
- Quickly identify problem accounts



Accounts Receivable Outsourcing and Premium Collection Services

Premium Collection

CMC Credit Management Corporation specializes in the **delicate recovery** of open, recurring receivables. Our intelligent and civil approach to commercial collections results in prompt payments without generating complaints or severing the business relationships you have with your customers.

Every single day, CMC is trusted to streamline account receivables and reduce operating expenses for a wide variety of businesses. Our clients rely on our innovative services and powerful collection tools to save time, increase cash-flow, and reduce collection placements and costly bad-debt write-offs.

On top of all that, our clients know they are backed by an influential, reliable agency capable of tackling the most complex collection and credit-related issues.

Exclusive Collector Program

CMC delivers Premium Collection Services to clients by assigning an experienced Account Manager to provide our full range of customer services. Past experience shows that continuity on our part, combined with a thorough knowledge of your business, improves results and reduces debtor misunderstandings.

Your Account Manager will design a comprehensive strategy to meet all of your collection and customer service needs. Subsequently, you will receive ongoing status reports including details of repayment schedules, settlement offers, debtor financial situations, reason(s) for non-payment, and recommendations for litigation or write-off.

Customer service and recovery the CMC way:

- Designated collector
- Immediate contact
- Monthly statements
- Preliminary reports within 72 hours of placement
- Secure Internet access
- Thorough asset investigations
- Skip-tracing
- Cheques before month-end

Our experienced Customer Service Representatives are committed to extensive on-going training that focuses on professionalism, problem solving and conflict resolution. Paperless digital archives provide invoices, statements, customer correspondence, and back-up documentation at the touch of a button.

CMC treats all debtors with respect, and endeavor to maintain **open communication** in order to resolve issues efficiently, secure your position, and obtain payments promptly.

Final Demands

At no extra cost, CMC supplies traditional do-it-yourself Final Demands. In addition to granting your customers a final opportunity to meet their repayment obligation prior to the initiation of collection action, Final Demands provide you the opportunity to save on commission fees. You will also save time by quickly and efficiently determining which accounts are serious collection issues and require immediate attention.

Two unique benefits of the CMC Final Collection Notice:

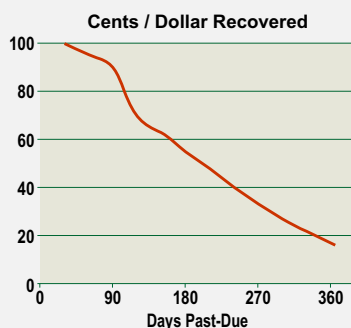
- You are under no obligation to place any portion of the account for collection
- You save money with a 10% discount on collection fees



Credit Management Corporation

- Try our online write-off calculator at www.creditmanagementcorp.com

Typical in-house credit department recovery rates



- By definition, bad debt accounts are exceptions, defying internal attempts at resolution. It can be argued that at this point, they should no longer even be viewed in the context of a customer relationship - as the only future value may be trapped in this now **non-performing asset**. It is at this junction that accounts need to be removed from the routine operating environment and transferred to CMC for disposition.

For More Information Contact:

1-888-877-2330

www.creditmanagementcorp.com



Sales Required to Offset a Write-off

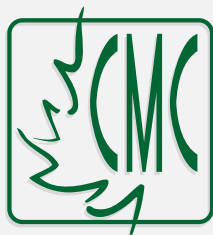
Uncollected debts and write-offs erode sales volumes and profitability, undermining the health of a company and threatening its very survival. Understaffed and overworked credit departments tend to overlook large quantities of small dollar accounts to focus on key customers and larger balances. All together, these accounts can represent significant cash flow potential. CMC ensures all customers get the attention they require to pay on time, enabling your staff to focus on the 20% of customers that create 80% of your revenue.

If you have a <u>loss</u> of:	Based on a profit margin of:				
	2%	4%	6%	8%	10%
\$500	\$25,000	\$12,500	\$8,333	\$6,250	\$5,000
\$1,000	\$50,000	\$25,000	\$16,666	\$12,500	\$10,000
\$5,000	\$250,000	\$125,000	\$83,333	\$62,500	\$50,000
\$10,000	\$500,000	\$250,000	\$166,666	\$125,000	\$100,000
\$15,000	\$750,000	\$375,000	\$250,000	\$187,500	\$150,000
\$20,000	\$1,000,000	\$500,000	\$333,333	\$250,000	\$200,000

Sample Credit Policy

Days	Action to be Taken
0	a) Completed Credit Application Received b) Credit Investigation / Report c) Establish Terms (include credit limit, down payment required, etc.) d) Advise customer, in writing, of credit terms and policy
30	1st Statement
35-45 Very Important	Goodwill Phone Call <ul style="list-style-type: none"> • "Was everything satisfactory with our...?" • "Did you receive our invoice?" • "Has the invoice been scheduled for payment?"
60	Second Statement (with CMC "Past Due" stamp)
70-75	Second Phone Call <ul style="list-style-type: none"> • Advise the customer that payment has not yet been received • "Our credit policy is COD at 75 days. Can we assist you in any way to help resolve the outstanding account?" (provide copies of invoices/proof of delivery, speak to manager, etc.)
75	Place Customer on COD
90	Third Statement (with CMC "Past Due" stamp) - Include Demand Letter
100	CMC FINAL NOTICE

Note: At 100 days you are not only financing a problem account, but also in jeopardy of never being paid. How is your customer still operating without the ability to pay suppliers? Are other creditors taking action to collect? Is the customer's financial situation getting better or worse over time? Is there any way you can minimize or secure your company against a loss (accept goods for return, obtain a personal guarantee or a letter of direction against expected funds).



Credit
Management
Corporation

- Increased organizational efficiency
- Complete customer care

- Refocus existing resources
- Improved cash flow
- Reduced billing costs
- Reduced Risk

- Prevent small balance accounts from falling through the cracks
- Manage one-time influxes of accounts or periodic increases in credit sales without redirecting or expanding internal resources

- Customized program
- Performance Guarantee
- Dedicated Account Managers
- Secure online reports & statistics

- Customized letters
- Quicker payments
- Ideal for any volume



Outsourcing Accounts Receivable

Outsourcing with CMC's account receivables management services increase organizational efficiency and effectiveness by allowing you to focus on your business. Our state-of-the-art technology and highly experienced staff facilitate more consistent follow-up with your customers, quicker payments and improved cash flow.

Our primary goal in managing all or part of your accounts receivable process is to become a virtual extension of your credit department. Treating your customers the way you would treat them, and working hard to ensure you receive payment, we enhance your customer relationships through efficient, accurate and courteous customer service support.

Outsourcing Benefits

Improved company focus, leaving operational details to CMC's expertise.

Reallocation of internal resources to core activities.

Ability to right-size staff, ensuring qualified coverage for special projects, vacations, seasonal business upswings, etc.

Reduced operating costs while maintaining access to CMC's world class capabilities and services.

Reduced write-offs, billing support costs, and DSO (Days Sales Outstanding).

Improved cash flow and overall company health.

Enhanced customer satisfaction through first-party treatment, while training them to pay within your terms.

Reduced exposure to risks concerning evolving competition, markets, financial conditions, government regulations, and technology. Outsourcing with CMC enables your organization to share these risks.

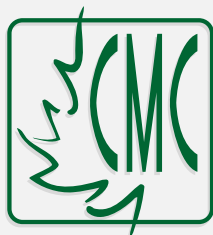
Your customers are your company's most valuable asset – without them, you wouldn't exist. We understand the reluctance of some credit and financial managers to place accounts in the hands of a third party, regardless of how transparent it appears to their customers.

*Accounts receivable outsourcing does not have to be an "all or nothing" proposition, but should be considered a **sharply focused, precision tool that provides results.***

CMC helps define your needs and customize a program to fulfill your performance goals. All programs are based on sound business rules and pre-specified collection and litigation criteria, tracked and monitored to ensure we maintain positive relationships with your customers and collect your money as quickly as possible. A dedicated team of Account Managers ensure direct communication and support is provided to you and your customers at all times. Secure online access to meaningful reports and statistics are available to all accounts in your portfolio.

Pre-Collection Letter Programs

CMC offers customized Pre-Collection Letter Programs that precipitate payment and deliver the precise message you want to send - on your letterhead or ours. These programs are extremely effective for dealing with large numbers of overdue accounts, compensating for staff shortages, or collecting small balance accounts. At the end of the pre-collection letter series, unpaid accounts can either be returned to you, or opened for collection. In any case, our pre-collection reduces your costs, maximizes efficiency, and gets your accounts **paid**.



Credit
Management
Corporation

- Locate liable parties and assets
- Government registry records



- Improve credit policies
- Reduce collection placements
- Reduce bad-debt write-offs

- Digital archives
- Instant retrieval
- Secure online access
- Powerful analysis tools



Accounts Receivable Outsourcing and Premium Collection Services

Skip Tracing

Our trace specialists are capable of quickly and efficiently locating debtors anywhere in North America or abroad. This expertise is achieved by combining the advantages of traditional skip-tracing methods with state-of-the-art-technology. Skip-tracing is included, at no cost, on accounts placed for collection and may be purchased separately on accounts not placed for collection.

Asset Investigations

Are you considering litigation or having trouble executing a judgment? CMC can help you avoid spending countless hours in the court system and thousands of dollars on legal fees only to find out that you can't collect!

Unique only to CMC are pre-paid legal services which save you peace of mind and reduce your risk. If we recommend litigation to secure your position, CMC advances all costs and disbursements of the action on your behalf. If we are unable to recovery money post-judgment, you pay nothing!

CMC Asset Investigations estimate the net worth of defendants, identify siezable assets, and locate bank accounts for a fraction of the cost of litigation. Complete nationwide government registry access compliments our powerful tracing and investigative services.

Credit Reporting

CMC eliminates your in-house cost of reporting and updating collection account information to major credit reporting agencies at no cost. All fees, programming and office labour are included in our collection services. As well, reporting such information to multiple organizations creates leverage and assists in the recovery process, as most credit grantors insist that unpaid collections be resolved before granting new credit.

Risk Management Consulting

Our consultants are experienced professionals. For many clients this service is the most valuable element of CMC membership. Our consultants will meet with you, at your convenience, to offer accounts receivable evaluations and risk management advice.

Paperless Security

We conduct business in a paperless digital environment, as all hardcopy documentation is digitally scanned and archived for instantaneous retrieval. Ultimately, this enables staff members to retrieve, review and react - **without having to leave their workstation or even put your customer's call on hold.**

Online Services and Resources

CMC is committed to the efficient use of current and emerging technology. Features of our **online services** include:

- Secure internet client access to your portfolio
- Secure internet account placement
- Payment options for your customers
- Articles and Resources to improve your credit strategy



Credit Management Corporation

- Mail customer white copy of the CMC Final Collection Notice
- When you are ready to commence collections, send CMC the pink copy, along with a recent statement and optional backup documentation
- Your Account Manager will provide a status report within 72 hours
- Don't delay! If you open an account for collection, payments received within 10 days remain commission free.
- All accounts opened for collection are subject to CMC's Terms and Conditions
- CMC can send Final Collection Notices on your behalf, and also offers custom Final Demand and pre-collection letters.

For More Information Contact:

1-888-877-2330

www.creditmanagementcorp.com



Placing an account for Premium Collection


We've made CMC's premium collection services easy for you to use.

Simply complete the **CMC FINAL COLLECTION NOTICE** and send the top white copy to your customer. **It is important to note that by sending this notice you are at no time obligated to place any portion of the account for collection.** CMC recommends immediate action be taken to secure your position if your customer has not responded within your specified payment due-date (generally 10 days).

To commence immediate collection activity, simply send us the **pink** copy (by fax, e-mail, or post), along with the most recent statement of account. Additional backup documentation (purchase orders, invoices, proof of delivery, contracts, correspondence, etc.) can be provided at this time, or made available on request of your Account Manager.

Your Account Manager will provide a status report within 72 hours. For your convenience, secure online access is provided to all your accounts around the clock. View complete reports and statistics, or drill-down into individual accounts and examine transaction history and repayment details.

CMC accepts accounts in volume by a variety of convenient electronic methods including spreadsheets, FTP, SQL databases and more.

 Credit Management Corporation	Reference #: <u>Account 55991</u>																				
	Comments: _____ _____ _____ _____ _____																				
To: Credit Department XYZ Corporation 835 Pender St E Vancouver, BC V6A 1V9																					
FINAL COLLECTION NOTICE <small>Unless a satisfactory arrangement for payment in full is made on or before</small>																					
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> March 31, 2006 </div>																					
<small>This account will be placed for collection with CMC CREDIT MANAGEMENT CORPORATION. Please contact the undersigned as soon as possible to make repayment arrangements. Thank you.</small>																					
<table border="1"> <tr><td>Attention:</td><td><i>Credit Manager</i></td></tr> <tr><td>Company:</td><td><i>123467 BC Ltd.</i></td></tr> <tr><td>Address:</td><td><i>1008 Seymour St</i> <i>Vancouver, BC V6B 3M6</i></td></tr> <tr><td>Telephone:</td><td><i>604-999-9999</i></td></tr> </table>	Attention:	<i>Credit Manager</i>	Company:	<i>123467 BC Ltd.</i>	Address:	<i>1008 Seymour St</i> <i>Vancouver, BC V6B 3M6</i>	Telephone:	<i>604-999-9999</i>	<table border="1"> <thead> <tr> <th colspan="2" style="background-color: black; color: white;">PAST DUE</th> </tr> <tr> <th style="font-size: small;">DETAIL</th> <th style="font-size: small;">AMOUNT</th> </tr> </thead> <tbody> <tr> <td><i>Invoice 11-789001</i></td> <td><i>\$585.12</i></td> </tr> <tr> <td><i>Invoice 11-789404</i></td> <td><i>\$130.11</i></td> </tr> <tr> <td><i>Invoice 11-789577</i></td> <td><i>\$422.77</i></td> </tr> <tr> <td colspan="2" style="text-align: center;">PLEASE PAY ➡ \$1,138.00</td> </tr> </tbody> </table>	PAST DUE		DETAIL	AMOUNT	<i>Invoice 11-789001</i>	<i>\$585.12</i>	<i>Invoice 11-789404</i>	<i>\$130.11</i>	<i>Invoice 11-789577</i>	<i>\$422.77</i>	PLEASE PAY ➡ \$1,138.00	
Attention:	<i>Credit Manager</i>																				
Company:	<i>123467 BC Ltd.</i>																				
Address:	<i>1008 Seymour St</i> <i>Vancouver, BC V6B 3M6</i>																				
Telephone:	<i>604-999-9999</i>																				
PAST DUE																					
DETAIL	AMOUNT																				
<i>Invoice 11-789001</i>	<i>\$585.12</i>																				
<i>Invoice 11-789404</i>	<i>\$130.11</i>																				
<i>Invoice 11-789577</i>	<i>\$422.77</i>																				
PLEASE PAY ➡ \$1,138.00																					
<p>White: Customer Copy Yellow: Creditor Copy Pink: Credit Management Corporation Copy</p>																					