

PINNACLE INVESTIGATIONS PRE-EMPLOYMENT ACCOUNT SETUP DOCUMENTS

THIS END-USER AGREEMENT (“Agreement”) is made and entered into by and between Pinnacle Investigations (“Company”), and Whatcom Transportation Authority (“End-User”). This Agreement shall be effective on the date of the last signature below (the “Effective Date”).

General

End-User is engaged in the business of [Public Transportation]. End-User represents that it is a legal entity in good standing in its state of formation as well as all jurisdictions in which it conducts business, with a legitimate permissible purpose for requesting the services and information products offered by Company.

Pursuant to the terms of this Agreement, Company strives to deliver accurate and timely information products to assist End-User in making intelligent and informed decisions for a permissible purpose under applicable law. To this end, Company assembles information from a variety of sources, including databases maintained by consumer reporting agencies containing information from public records, other information repositories and third-party researchers. End-User understands that these information sources and resources are not maintained by Company. Therefore, Company cannot be a guarantor that the information provided from these sources is absolutely accurate or current. Nevertheless, Company has in place reasonable procedures designed to respond promptly to claims of incorrect or inaccurate information in accordance with applicable law.

End-User’s Certification of Fair Credit Reporting Act (FCRA) Permissible Purpose(s)

End-User hereby certifies that, each time a report is requested, all of its orders for information products from Company shall be made, and the resulting reports shall be used, for the following Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.* (“FCRA”) permissible purposes only: Pre-employment.

End-User’s Certification of Legal Compliance

End-User certifies to Company that the information products it receives will not be used in violation of any applicable federal, state, or local laws, including, but not limited to the FCRA and Title VII of the Civil Rights Act of 1964. End-User accepts full responsibility for complying with all such laws and for using the information products it receives from Company in a legally acceptable fashion. To that end, End-User agrees to comply with and provide all statutorily required notices in Section 615 of the FCRA or other state laws when using information products. End-User further accepts full responsibility for any and all consequences of use and/or dissemination of those products. End-User further agrees that each consumer report will only be used for a one-time use.

End-User agrees to have reasonable procedures for the fair and equitable use of background information and to secure the confidentiality of private information. End-User agrees to take precautionary measures to protect the security and dissemination of all consumer report or investigative consumer report information including, for example, restricting terminal access, utilizing passwords to restrict access to terminal devices, and securing access to, dissemination and destruction of electronic and hard copy reports. End-User agrees to abide by **Addendum A** attached hereto which is incorporated into and is part of this Agreement.

As a condition of entering into this Agreement, End-User certifies that it will comply with all applicable local, state, and federal laws, including but not limited to the FCRA and state law equivalents. Company will only keep information it provides to End-User for the lesser of two (2) years or as required by applicable law. End-User certifies that it will retain information it receives from Company in accordance with applicable law and will make such information available to Company upon request. In addition, End-User agrees to abide by all state and local “ban the box” laws and certifies that it will not conduct a background check until after a conditional offer of employment has been provided. End-Users seeking credit information certify to Company that it has provided all disclosures required by applicable federal, state, or local laws, regulations and ordinances to the consumer in connection with such requests and must provide information described in and sign **Addendum B** before Company can provide credit information to End-User. **Addendum B** is incorporated into and is part of this Agreement, if applicable. End-User

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acknowledges and agrees to notify its employees that End-User can access credit information only for the permissible purposes listed in the FCRA.

End-User understands that the credit bureaus require specific written approval from Company before the following persons, entities and/or businesses may obtain credit reports: private detectives, private detective agencies, private investigative companies, bail bondsmen, attorneys, law firms, credit counseling firms, security services, members of the media, resellers, financial counseling firms, credit repair clinics, pawn shops (except companies that do only Title pawn), check cashing companies (except companies that do only loans, no check cashing), genealogical or heir research firms, dating services, massage or tattoo services, businesses that operate out of an apartment, individuals seeking information for their own private use, adult entertainment services of any kind, companies that locate missing children, companies that handle third party repossession, companies seeking information in connection with time shares, subscriptions companies, individuals involved in spiritual counseling or persons or entities that are not an End-User or decision maker.

End-User represents that, if it orders credit reports, End-User will have a policy and procedures in place to investigate any discrepancy in a consumer's address when notified by the credit bureau that the consumer's address, as submitted by End-User, substantially varies from the address the credit bureau has on file for that consumer.

End-User understands and agrees that access to certain types of information (e.g., credit, motor vehicle records, I-9 verification, etc.) may require End-User to execute a separate contract, agreement, or addendum (as applicable) with Company or with Company's vendors or service providers. End-User understands that Company will not provide to End-User or allow End-User access to such information unless and until it executes the relevant contract(s), agreement(s) or addenda (as applicable).

End-User hereby acknowledges that it has received a copy of the "A Summary of Your Rights Under the Fair Credit Reporting Act" (**Appendix A**) and "Notice of Users of Consumer Reports" (**Appendix B**).

End-User hereby certifies that, under the Investigative Consumer Reporting Agencies Act ("ICRAA"), California Civil Code sections 1786 *et seq.*, and the Consumer Credit Reporting Agencies Act ("CCRAA"), California Civil Code sections 1785.1 *et seq.*, if the End-User is located in the State of California and/or the End-User's request for and/or use of information products pertains to a California resident, applicant or employee, End-User will do the following:

- (i) Request and use information products solely for permissible purpose(s) identified under California Civil Code sections 1785.11 and 1786.12.
- (ii) When, at any time, information products are sought for employment purposes other than suspicion of wrongdoing or misconduct by the consumer who is the subject of the investigation, provide a clear and conspicuous disclosure in writing to the consumer, which solely discloses: (1) that an investigative information product may be obtained; (2) the permissible purpose of the investigative information products; (3) that information on the consumer's character, general reputation, personal characteristics and mode of living may be disclosed; (4) the name, address, telephone number, and website of the Consumer Reporting Agency conducting the investigation; and (5) the nature and scope of the investigation requested, including a summary of the provisions of California Civil Code section 1786.22.
- (iii) When, at any time, information products are sought for employment purposes other than suspicion of wrongdoing or misconduct by the consumer who is the subject of the investigation, only request an information product if the applicable consumer has authorized in writing the procurement of the information product.
- (iv) When information products are sought in connection with the hiring of a dwelling unit, notify the consumer in writing that an information product will be made regarding the consumer's character, general reputation, personal characteristics. The notification shall include the name and address of the

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consumer reporting agency as well as a summary of the provisions of California Civil Code section 1786.22, no later than three days after the date on which the information product was first requested.

- (v) When information products are sought in connection with the underwriting of insurance, clearly and accurately disclose in writing at the time the application form, medical form, binder, or similar document is signed by the consumer that an information product regarding the consumer's character, general reputation, personal characteristics, and mode of living may be made, or, if no signed application form, medical form, binder, or similar document is involved in the underwriting transaction, the disclosure shall be made to the consumer in writing and mailed or otherwise delivered to the consumer not later than three days after the report was first requested. The disclosure shall include the name and address of consumer reporting agency, the nature and scope of the investigation requested, and a summary of the provisions of California Civil Code section 1786.22.
- (vi) Provide the consumer a means by which he/she may indicate on a written form, by means of a box to check, that the consumer wishes to receive a copy of any information products that are prepared.
- (vii) If the consumer wishes to receive a copy of the information products, the End-User shall send (or contract with another entity to send) a copy of the information product to the consumer within three business days of the date that the information product is provided to End-User. The copy of the information product shall contain the name, address, and telephone number of the person who issued the report and how to contact him/her.
- (viii) Under all applicable circumstances, comply with California Civil Code sections 1785.20 and 1786.40 if the taking of adverse action is a consideration, which shall include, but may not be limited to, advising the consumer against whom an adverse action has been taken that the adverse action was based in whole or in part upon information contained in the information product, informing the consumer in writing of Company's name, address, and telephone number, and provide the consumer of a written notice of his/her rights under the ICRAA and the CCRAA.
- (ix) Comply with all other requirements under applicable California law, including, but not limited to any statutes, regulations and rules governing the procurement, use and/or disclosure of any information products, including, but not limited to, the ICRAA and CCRAA.

A. When Information Products are Used for Employment Purposes

If the information products End-User obtains from Company are to be used for an employment purpose, End-User certifies that prior to obtaining or causing a "consumer report" to be obtained, a clear and conspicuous disclosure, in a document consisting solely of the disclosure, has been made in writing to the consumer explaining that a consumer report may be obtained for employment purposes. Such disclosure satisfies all requirements identified in the FCRA. End-User also certifies that the consumer has authorized, in writing, the obtaining of the report by End-User. If an investigative consumer report (as defined by federal law) is obtained, End-User certifies a separate disclosure will be obtained. End-User certifies that it also has provided the consumer with any notices or disclosures required under applicable state and local law. End-User understands that Company will not initiate a report for employment purposes in the absence of a written authorization. End-User certifies that each time it orders a report, it is reaffirming the above certifications.

Prior to taking adverse employment action based in whole or in part on the information products provided by Company, End-User will provide to the consumer: (1) a copy of the report, and (2) a description, in writing, of the rights of the consumer entitled: "A Summary of Your Rights Under the Fair Credit Reporting Act." After the appropriate waiting period, End-User will issue to the consumer notice of the adverse action taken, including the statutorily required notices identified in Section 615 of the FCRA. End-User will not initiate the pre-adverse and adverse action notice process until Company has completed all search components of the consumer and/or

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investigative consumer report, Company has provided the complete report to End-User, and End-User has reviewed the consumer report contents.

Before taking adverse action based on a criminal record the EEOC Criminal History Guidance recommends that you perform an individualized assessment and/or other considerations. To obtain a copy of the EEOC Criminal History Guidance please go to the following website: http://www.eeoc.gov/laws/guidance/arrest_conviction.cfm.

B. Investigative Consumer Reports

In addition to the disclosure requirements identified above, if the consumer makes a written request within a reasonable amount of time, End-User will provide: (1) information about whether an investigative consumer report has been requested; (2) if an investigative consumer report has been requested, written disclosure of the nature and scope of the investigation requested; and (3) Company's contact information, including complete address and toll-free telephone number. This information will be provided to the consumer no later than five (5) days after the request for such disclosure was received from the consumer or such report was first requested, whichever is the latter.

C. International Criminal Record Searches

End-User understands that searches of international background screening will be conducted through the services of a third-party independent contractor. Because of differences in foreign laws, language, and the manner in which foreign records are maintained and reported, Company cannot be either an insurer or guarantor of the accuracy of the information reported. End-User therefore releases Company and its affiliated companies, officers, agents, employees, and independent contractors from any liability whatsoever in connection with erroneous information received as a result of an international background screening report.

D. National/Multi-State Database Searches

Company recommends that End-User screen its applicants or employees at the county court-house or online system, federal, and multi-state/nationwide database levels. End-User understands that if it chooses not to conduct searches at these levels, Company cannot be held responsible for any records that exist that are not included in the End-User's coverage requested. End-User further understands that the multi-state/nationwide database report will only be offered in conjunction with a county-level verification of any records found and that End-User will bear any additional costs associated with this verification.

Reporting Restrictions

As it relates to criminal history information, Company only reports conviction records and will report a minimum of seven (7) years of conviction information, where allowed by any applicable fair credit reporting laws. **OPTIONAL:** In determining whether a criminal record is reportable, Company does not apply any state or local laws restricting the employer use of criminal history UNLESS END-USER PROVIDES ADDITIONAL REPORTING RESTRICTIONS TO BE APPLIED TO CONSUMER REPORTS. End-User assumes full responsibility for determining whether reported information may be used in the jurisdiction where the consumer lives, works, or is applying for work. Company does not report non-conviction information unless a case is pending with a next court date scheduled and also does not report information relating to infractions, summary offenses, violations or other sub-criminal information.

Company complies with all FCRA and state and local laws that restrict the reportability of certain types of adverse information about a consumer. To ensure compliance with such laws, End-User acknowledges and agrees that when including any information about a consumer in a consumer report, Company follows the most restrictive reporting restrictions based on the consumer's residence address. **OPTIONAL** [Company does not use salary information in applying these reporting restrictions. **OR** End-User understands that some state laws allow Company to report convictions where the date of disposition is older than seven years provided the consumer residing in the state is being considered for a position with an annual salary that equals to, or is reasonably expected to equal, \$25,000 or

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more. End-User certifies that if it seeks to have access to convictions with a disposition date that is older than seven years, such information will only be sought for consumers applying for employment with End-User who are being considered for a position with an annual salary that equals, or is reasonably expected to equal, \$25,000 or more.]

Additional Requirements for Motor Vehicle Records and/or Driving Records

End-User hereby certifies that Motor Vehicle Records and/or Driving Records ("MVRs") (which may include medical or mental health information about a consumer) shall only be ordered in strict compliance with the Driver Privacy Protection Act ("DPPA") at 18 U.S.C. § 2721 *et seq.* and any related state laws. End-User further certifies that no MVRs shall be ordered without first obtaining the written consent of the consumer to obtain "driving records," evidence of which shall be transmitted to Company in the form of the consumer's signed release authorization form. End-User also certifies that it will use this information only in the normal course of business to obtain lawful information relating to the holder of a commercial driver's license or to verify information provided by an applicant or employee. End-User shall not transmit any data contained in the resulting MVR via the public internet, electronic mail or any other unsecured means.

Warrants

In the course of completing background checks, Company may uncover active arrest warrants which are outstanding against the subject. In these cases, Company may be contacted by the law enforcement agency seeking the subject. End-User understands that Company will furnish to law enforcement any information contained within the subject's file to assist in the apprehension of the subject. Additionally, Company may contact End-User, and End-User agrees to release to Company, any and all information End-User may have which will further the apprehension of the wanted individual.

General Provisions

End-User agrees not to resell, sub-license, deliver, display or otherwise distribute to any third party any of the information products addressed herein, except as required by law. End-User may not assign or transfer this Agreement without the prior written consent of Company. In addition, End-User shall immediately notify Company of any of the following events: change in ownership of End-User (over 50%), a merger, change in name or change in the nature of End-User's business. The parties understand that this Agreement is for the sole benefit of Company and End-User and no third party shall be deemed a third-party beneficiary of this Agreement. If any of the provisions of this Agreement become invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions shall not in any way be impacted. By agreement of the parties, Washington law shall guide the interpretation of this Agreement, if such interpretation is required. All litigation arising out of this Agreement shall be commenced in Washington, and the parties hereby consent to such jurisdiction and venue. Any written notice by either party shall be delivered personally by messenger, private mail courier service, or sent by registered or certified mail, return receipt requested, postage prepaid to the addresses listed below, or may be delivered electronically to the e-mail addresses listed below. This Agreement shall be construed as if it were jointly prepared. Both parties agree that this Agreement constitutes all conditions of service, present and future. Changes to these conditions may be made only by mutual written consent of an authorized representative of End-User and an officer of Company. The headings of each section shall have no effect upon the construction or interpretation of any part of this Agreement.

If End-User is permitted to request consumer reports for employment purposes via Company's website, then, in addition to all other obligations, End-User agrees to abide by such additional conditions that may be imposed to utilize the website, provide all required certifications electronically, to maintain complete and accurate files containing all required consent, authorization and disclosure forms with regard to each consumer for whom a report has been requested, and maintain strict security procedures and controls to assure that its personnel are not able to use End-User's Internet access to obtain reports for improper, illegal or unauthorized purposes. End-User agrees to obtain the consumer's electronic consent to receive any legal or other notices electronically. End-User agrees to allow Company to audit its records or use of Company's services or ordering systems, including verification that End-User has a permissible purpose to request and obtain consumer and/or investigative consumer reports, at any time, upon

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reasonable notice given. Breaches of this Agreement and/or violations of applicable law discovered by Company may result in immediate suspension and/or termination of the account, legal action and/or referral to federal or state regulatory agencies.

Confidentiality

Neither party shall reveal, publish, or otherwise disclose any Confidential Information to any third party without the prior written consent of the other party. "Confidential Information" means any and all Proprietary Intellectual Property (defined below) or secret data; sales or pricing information relating to either party, its operations, employees, products or services; and, all information relating to any customer, potential customer, Agent, and/or independent sales outlet. The Parties agree to keep this information confidential at all times during the term of this Agreement and continuing for five years after receipt of any Confidential Information. Notwithstanding anything to the contrary herein, in no event shall Company be required to destroy, erase, or return any consumer reports or applicant data related thereto in Company's files, all of which Company shall maintain as a consumer reporting agency in strict accordance with all applicable federal, state, and local laws.

In connection with services provided hereunder, End-User may have access to Confidential Information relating to Company's intellectual property, including but not necessarily limited to trade secrets, service marks, trademarks, trade names, logos, symbols, brand names, software, technology, inventions, processes (that are subject to a patent or otherwise pending) collectively "Proprietary Intellectual Property." End-User acknowledges and agrees that Company is the sole exclusive owner of all right, title and interest in such Proprietary Intellectual Property and it shall not disclose to any third party the nature or details of any such Proprietary Intellectual Property. End-User further agrees that it has no right to publish, reproduce, prepare derivative works based upon, distribute, perform, or otherwise display any of Company's Proprietary Intellectual Property.

Independent Contractor

The parties agree that the relationship of the parties created by this Agreement is that of independent contractor and not that of employer/employee, principal/agent, partnership, joint venture, or representative of the other. Except as authorized hereunder, neither party shall represent to third parties that it is the employer, employee, principal, agent, joint venture, or partner with, or representative of the other party.

Fees and Payment

End-User agrees to pay nonrefundable fees and other charges or costs for Company background check services, which are subject to change with thirty (30) days written notice. Any charges or costs, including but not limited to surcharges and other fees levied by federal, state, county, other governmental agencies, educational institutions, employer verification lines and licensing agencies, incurred by Company in servicing End-User, will be passed onto End-User. At Company's option, payments not received twenty (20) days after receipt of the invoice may cause the account to be placed on temporary interruption, with no additional requests being processed until the balance due is paid in full or arrangements have been made with Company's Accounts Payable Department. Accounts with invoices unpaid twenty (20) days or more will be assessed an interest charge of 1.5 % per month, as allowed by applicable law. Any concerns regarding invoices or line items must be brought to the attention of Company's billing department within 15 days of the date of such invoice. A \$25 fee will be charged on all returned checks and non-sufficient funds.

If the account goes to collection, End-User agrees to pay all collection expenses, including attorneys' fees and court costs. End-User agrees that prices for services are subject to change without notice, although Company will make every reasonable effort to give notice of such change before it becomes effective. Any account that remains inactive for a period of twelve (12) months will be deemed inactive and may be terminated by Company

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Warranties, Remedies, and Limitation of Liability

End-User understands that Company obtains the information reported in its information products from various third party sources "AS IS", and therefore is providing the information to End-User "AS IS". Company makes no representation or warranty whatsoever, express or implied, including but not limited to, implied warranties of merchantability or fitness for particular purpose, or implied warranties arising from the course of dealing or a course of performance with respect to the accuracy, validity, or completeness of any information products and/or consumer reports, that the information products will meet End-User's needs, or will be provided on an uninterrupted basis; Company expressly disclaims any and all such representations and warranties.

COMPANY WILL NOT BE LIABLE TO END-USER FOR DAMAGES, AND END-USER HEREBY RELEASES COMPANY FROM ANY LIABILITY FOR DAMAGES ARISING UNDER ANY THEORY OF LEGAL LIABILITY TO THE FULLEST EXTENT THAT END-USER MAY LEGALLY AGREE TO RELEASE COMPANY FROM LIABILITY FOR SUCH DAMAGES. NONETHELESS, IN THE EVENT COMPANY IS DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE LIABLE TO END-USER FOR ANY MATTER ARISING UNDER OR RELATING TO THIS AGREEMENT, WHETHER ARISING IN CONTRACT, EQUITY, TORT OR OTHERWISE (INCLUDING WITHOUT LIMITATION ANY CLAIM FOR NEGLIGENCE), THE AMOUNT OF DAMAGES RECOVERABLE AGAINST COMPANY FOR ALL SUCH MATTERS WILL NOT EXCEED, IN THE AGGREGATE, THE AMOUNT PAID TO COMPANY BY END-USER FOR THE SERVICE TO WHICH A GIVEN CLAIM RELATES PROVIDED PURSUANT TO THIS AGREEMENT AND RECOVERY OF THE AMOUNT IS END-USER'S SOLE AND EXCLUSIVE REMEDY HEREUNDER. IN THE EVENT COMPANY IS LIABLE TO END-USER FOR ANY MATTER RELATING TO THIS AGREEMENT, WHETHER ARISING IN CONTRACT, EQUITY OR TORT (INCLUDING WITHOUT LIMITATION ANY CLAIM FOR NEGLIGENCE), AND IN ADDITION TO ANY OTHER LIMITATION OF LIABILITY OR REMEDY SET FORTH IN THIS AGREEMENT, THE AMOUNT OF DAMAGES RECOVERABLE AGAINST COMPANY WILL NOT INCLUDE ANY AMOUNTS FOR INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS, LOST INCOME, OR LOST SAVINGS, OR FOR ANY AMOUNTS WITH RESPECT TO CLAIMS AGAINST COMPANY, EVEN IF COMPANY HAS BEEN ADVISED OF THE POSSIBILITY FOR SUCH DAMAGES.

End-User shall indemnify, defend and hold harmless Company, its successors and assigns, officers, directors, employees, agents, vendors, credit bureaus and suppliers from and against any and all claims, suits, proceedings, actual damages, costs, expenses (including, without limitation, reasonable attorneys' fees and court costs) ("Losses") brought or suffered by any third party arising or resulting from, or otherwise in connection with information products provided by Company, the content, compliance, method of delivery or effectiveness of any notices, pre-adverse or adverse action letters, any breach by End-User of any of its representations, warranties, or agreements in this Agreement or its negligence or willful misconduct. Company shall have no responsibility for consequences of the actions of End-User upon the information which Company provides End-User, and End-User will indemnify and hold Company harmless from any loss, liability, damage, judgment, attorney's fees, costs, or penalties which may result from the use by End-User of the information provided by Company.

Company does not guarantee End-User's compliance with all applicable laws in its use of reported information and does not provide legal or other compliance related services upon which End-User may rely in connection with its furnishing of reports. End-User understands that any documents, information, conversations, or communication with Company's representatives regarding searches, verifications or other services offered by Company are not to be considered a legal opinion regarding such use. End-User agrees that (1) it will consult with its own legal or other counsel regarding the use of background screening information, including but not limited to, the legality of using or relying on reported information and to review any forms as well as the content of prescribed notices, adverse or pre-adverse action letters and any attachments to this Agreement for compliance with all applicable laws and regulations and (2) the provision of such notices, pre-adverse or adverse action letters and the contents thereof is the sole responsibility of End-User not Company. End-User acknowledges and agrees that it has no obligation to use and is solely responsible for independently vetting the contents of, any sample forms that Company has provided to End-User in connection with this Agreement.

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Arbitration

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall not be authorized to award either party extra contractual damages, i.e., compensatory, or punitive damages. In the event of a breach of this Agreement, damages shall be limited to an award as may be determined by the Arbitrator. The site of the arbitration will be in the State of Washington.

Term and Termination

The term of this Agreement shall begin on the date it is executed by End-User and shall be in effect for one (1) year beginning on the first day of the assigned date below and renewed automatically for two one (1) year periods each year, on its anniversary date, if no written notice is received by either party within thirty (30) days prior to end of term.

Except as otherwise provided for herein, either party may cancel this Agreement by giving thirty (30) days written notice to the other party. If End-User desires to terminate this Agreement, End-User agrees that it will pay Company for all services that have been provided prior to the effective date of termination. Company may terminate or revise the provisions of this Agreement immediately upon written notice if End-User is the debtor in a bankruptcy action or in an assignment for the benefit of creditors or if End-User undergoes a change in ownership. Termination of this Agreement by either party does not release End-User from its obligation to pay for services rendered or other responsibilities and agreements made.

In addition to any and all other rights a party may have available according to law, if a party defaults by failing to perform any provision, term or condition of this Agreement the other party may terminate the Agreement by providing written notice to the defaulting party. This notice shall describe with sufficient detail the nature of the default. The party receiving such notice shall have fifteen (15) days from the receipt of such notice to cure the default(s). Unless waived by party providing notice, the failure to cure the default(s) within such time period shall result in the automatic termination of this Agreement.

During the term of this Agreement, Company will be the exclusive provider to the End-User except for services not provided herein.

Force Majeure

End-User agrees that Company is not responsible for any events or circumstances beyond its control (e.g., including but not limited to war, riots, embargoes, strikes and/or Acts of God) that prevent Company from meeting its obligations under this Agreement.

Waiver

The failure of either party to insist in any one or more cases upon the strict performance of any term, covenant or condition of this Agreement will not be construed as a waiver or subsequent breach of the same or any other covenant, term or condition; nor shall any delay or omission by either party to seek a remedy for any breach of this Agreement be deemed a waiver by either party of its remedies or rights with respect to such a breach.

Severability

If any provision of this Agreement, or the application thereof to any person or circumstance, shall be held invalid or unenforceable under any applicable law, such invalidity or unenforceability shall not affect any other provision of this Agreement that can be given effect without the invalid or unenforceable provision, or the application of such provision to other persons or circumstances, and, to this end, the provisions hereof are severable.

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Execution

This Agreement and all attachments and exhibits hereto, constitute the entire agreement of the parties and shall supersede any prior agreements governing the subject matter contained herein. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. A signature on a copy of this Agreement received by either party by facsimile is binding upon the other party as an original. The parties shall treat a photocopy of such facsimile as a duplicate original. The individuals signing below represent that they are duly authorized to do so.

Signature

I certify that I am authorized to execute this Agreement on behalf of the company listed below. Further, I certify on behalf of such company, that the above statements are true and correct and agree for the company to the terms and conditions set forth in the Agreement.

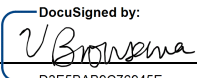
On Behalf of End-User:

End-User Name: Whatcom Transportation Authority

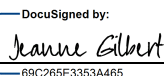
End-User Address: vanessab@ridewta.com City, State, Zipcode: Bellingham, WA 98225

Phone Number: 360-788-9320 Fax: N/a

End-User E-mail Address: VanessaB@ridewta.com

Signature:  Vanessa Bronsema Date: 1/30/2023
Print Name: Vanessa Bronsema Job Title: HR Director

On Behalf of Pinnacle Investigations

Signature:  Jeanne Gilbert Date: 1/30/2023
Address: 920 N Argonne Rd, Suite 200 Spokane Valley, WA 99212
E-mail Address: jgilbert@pinnacleprof.com
Print Name: Jeanne Gilbert Title: CCO

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ADDENDUM A**Access Security Requirements**

The parties acknowledge they must work together to protect the privacy of consumers. The following measures are designed to reduce unauthorized access of consumer reports. In accessing consumer information, End-User agrees to the following:

1. End-User will take reasonable procedures to protect its account number and password so that only key personnel employed by your company know this sensitive information, including not posting this information anywhere in the facility. End-User agrees to request an account password change immediately if a person who knows the password leaves its company or no longer needs to have access due to a change in duties.
2. End-User agrees that system access software, whether developed by your company or purchased from a third-party vendor, will have End-User's account number and password "hidden" or embedded and be known only by supervisory personnel. End-User will assign each user of its system access software a unique logon password. If such system access software is replaced by different access software and therefore no longer is in use or, alternatively, the hardware upon which such system access software resides is no longer being used or is being disposed of, or if the password has been compromised or believed to be compromised in any way, End-User will change its password immediately.
3. End-User agrees it will not discuss its account number or password by telephone with any unknown caller, even if the caller claims to be an employee of Company
4. End-User will restrict the ability to obtain consumer information to a few key personnel.
5. End-User agrees to place all terminal devices used to obtain consumer information in a secure location within its facility so that unauthorized persons cannot easily access them.
6. End-User agrees it will turn off and lock all devices or systems used to obtain consumer information.
7. End-User will secure hard copies and electronic files of consumer reports within its facility so that unauthorized persons cannot easily access them.
8. End-User agrees to shred and/or destroy all hard copy consumer reports when they are no longer needed and erase and overwrite or scramble electronic files containing consumer information when no longer needed and when applicable regulation(s) permit destruction.
9. End-User agrees to notify its employees that End-User can access credit information only for the permissible purposes listed in the Fair Credit Reporting Act.

ADDENDUM B**Documents Required Before Requesting Credit Report Information**

Before End-User will be allowed to access credit report information, Company requires that End-User sign a Credit Application and provide one (1) of the following items listed below (if End-User is not publicly traded) and also receive an onsite inspection to verify company information and physically review End-User's onsite location. Certain criteria must be met at the onsite inspection per requirements of the credit bureau. The cost for the onsite inspection will be the responsibility of the End-User and End-User will receive from Company an invoice for any related costs and expenses.

1. Business license status from a government web site (please include entire web page print out);
2. Business license, copy or documented verification;
3. Documented corporation verification with state or federal government;
4. Copy of Articles of Incorporation with proof of filing;
5. State and/or federal tax records originating from the state or federal government;
6. FDIC Certification; or
7. 501(c)(3) certificate for non-profit originations.

If End-User is a publicly traded company, the following items are acceptable methods for verifying that the End-User is a bona fide entity:

1. Documentation of ticker symbol information from trading website;
2. Certified copy of audited annual or quarterly statements submitted to the SEC.

Appendix A

Para información en español, visite www.consumerfinance.gov/learnmore o escribe a la Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552.

A Summary of Your Rights Under the Fair Credit Reporting Act

The federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Here is a summary of your major rights under FCRA. **For more information, including information about additional rights, go to www.consumerfinance.gov/learnmore or write to: Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552.**

- **You must be told if information in your file has been used against you.** Anyone who uses a credit report or another type of consumer report to deny your application for credit, insurance, or employment – or to take another adverse action against you – must tell you, and must give you the name, address, and phone number of the agency that provided the information.
- **You have the right to know what is in your file.** You may request and obtain all the information about you in the files of a consumer reporting agency (your “file disclosure”). You will be required to provide proper identification, which may include your Social Security number. In many cases, the disclosure will be free. You are entitled to a free file disclosure if:
 - a person has taken adverse action against you because of information in your credit report;
 - you are the victim of identity theft and place a fraud alert in your file;
 - your file contains inaccurate information as a result of fraud;
 - you are on public assistance;
 - you are unemployed but expect to apply for employment within 60 days.

In addition, all consumers are entitled to one free disclosure every 12 months upon request from each nationwide credit bureau and from nationwide specialty consumer reporting agencies. See www.consumerfinance.gov/learnmore for additional information.

- **You have the right to ask for a credit score.** Credit scores are numerical summaries of your credit-worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores used in residential real property loans, but you will have to pay for it. In some mortgage transactions, you will receive credit score information for free from the mortgage lender.
- **You have the right to dispute incomplete or inaccurate information.** If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous. See www.consumerfinance.gov/learnmore for an explanation of dispute procedures.
- **Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.** Inaccurate, incomplete, or unverifiable information must be removed or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.

- **Consumer reporting agencies may not report outdated negative information.** In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.
- **Access to your file is limited.** A consumer reporting agency may provide information about you only to people with a valid need – usually to consider an application with a creditor, insurer, employer, landlord, or other business. The FCRA specifies those with a valid need for access.
- **You must give your consent for reports to be provided to employers.** A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to www.consumerfinance.gov/learnmore.
- **You may limit “prescreened” offers of credit and insurance you get based on information in your credit report.** Unsolicited “prescreened” offers for credit and insurance must include a toll-free phone number you can call if you choose to remove your name and address from the lists these offers are based on. You may opt out with the nationwide credit bureaus at 1-888-5-OPTOUT (1-888-567-8688).
- The following FCRA right applies with respect to nationwide consumer reporting agencies:

CONSUMERS HAVE THE RIGHT TO OBTAIN A SECURITY FREEZE

You have a right to place a “security freeze” on your credit report, which will prohibit a consumer reporting agency from releasing information in your credit report without your express authorization. The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. However, you should be aware that using a security freeze to take control over who gets access to the personal and financial information in your credit report may delay, interfere with, or prohibit the timely approval of any subsequent request or application you make regarding a new loan, credit, mortgage, or any other account involving the extension of credit.

As an alternative to a security freeze, you have the right to place an initial or extended fraud alert on your credit file at no cost. An initial fraud alert is a 1-year alert that is placed on a consumer’s credit file. Upon seeing a fraud alert display on a consumer’s credit file, a business is required to take steps to verify the consumer’s identity before extending new credit. If you are a victim of identity theft, you are entitled to an extended fraud alert, which is a fraud alert lasting 7 years.

A security freeze does not apply to a person or entity, or its affiliates, or collection agencies acting on behalf of the person or entity, with which you have an existing account that requests information in your credit report for the purposes of reviewing or collecting the account. Reviewing the account includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

- **You may seek damages from violators.** If a consumer reporting agency, or, in some cases, a user of consumer reports or a furnisher of information to a consumer reporting agency violates the FCRA, you may be able to sue in state or federal court.
- **Identity theft victims and active duty military personnel have additional rights.** For more information, visit www.consumerfinance.gov/learnmore.

States may enforce the FCRA, and many states have their own consumer reporting laws. In some cases, you may have more rights under state law. For more information, contact your state or local consumer protection agency or your state Attorney General. For information about your federal rights, contact:

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| TYPE OF BUSINESS: | CONTACT: |
|---|--|
| <p>1.a. Banks, savings associations, and credit unions with total assets of over \$10 billion and their affiliates</p> <p>b. Such affiliates that are not banks, savings associations, or credit unions also should list, in addition to the CFPB:</p> | <p>a. Consumer Financial Protection Bureau 1700 G Street, N.W. Washington, DC 20552</p> <p>b. Federal Trade Commission Consumer Response Center 600 Pennsylvania Avenue, N.W. Washington, DC 20580 (877) 382-4357</p> |
| <p>2. To the extent not included in item 1 above:</p> <p>a. National banks, federal savings associations, and federal branches and federal agencies of foreign banks</p> <p>b. State member banks, branches and agencies of foreign banks (other than federal branches, federal agencies, and Insured State Branches of Foreign Banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act.</p> <p>c. Nonmember Insured Banks, Insured State Branches of Foreign Banks, and insured state savings associations</p> <p>d. Federal Credit Unions</p> | <p>a. Office of the Comptroller of the Currency Customer Assistance Group 1301 McKinney Street, Suite 3450 Houston, TX 77010-9050</p> <p>b. Federal Reserve Consumer Help Center P.O. Box 1200 Minneapolis, MN 55480</p> <p>c. FDIC Consumer Response Center 1100 Walnut Street, Box #11 Kansas City, MO 64106</p> <p>d. National Credit Union Administration Office of Consumer Financial Protection (OCFP) Division of Consumer Compliance Policy and Outreach 1775 Duke Street Alexandria, VA 22314</p> |
| <p>3. Air carriers</p> | <p>Asst. General Counsel for Aviation Enforcement & Proceedings Aviation Consumer Protection Division Department of Transportation 1200 New Jersey Avenue, S.E. Washington, DC 20590</p> |
| <p>4. Creditors Subject to the Surface Transportation Board</p> | <p>Office of Proceedings, Surface Transportation Board Department of Transportation 395 E Street, S.W. Washington, DC 20423</p> |
| <p>5. Creditors Subject to the Packers and Stockyards Act, 1921</p> | <p>Nearest Packers and Stockyards Administration area supervisor</p> |
| <p>6. Small Business Investment Companies</p> | <p>Associate Deputy Administrator for Capital Access United States Small Business Administration 409 Third Street, S.W., Suite 8200 Washington, DC 20416</p> |
| <p>7. Brokers and Dealers</p> | <p>Securities and Exchange Commission 100 F Street, N.E. Washington, DC 20549</p> |
| <p>8. Federal Land Banks, Federal Land Bank Associations, Federal Intermediate Credit Banks, and Production Credit Associations</p> | <p>Farm Credit Administration 1501 Farm Credit Drive McLean, VA 22102-5090</p> |
| <p>9. Retailers, Finance Companies, and All Other Creditors Not Listed Above</p> | <p>Federal Trade Commission Consumer Response Center 600 Pennsylvania Avenue, N.W. Washington, DC 20580 (877) 382-4357</p> |

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Appendix B

All users of consumer reports must comply with all applicable regulations. Information about applicable regulations currently in effect can be found at the Consumer Financial Protection Bureau's website, www.consumerfinance.gov/learnmore.

**NOTICE TO USERS OF CONSUMER REPORTS:
OBLIGATIONS OF USERS UNDER THE FCRA**

The Fair Credit Reporting Act (FCRA), 15 U.S.C. 1681-1681y, requires that this notice be provided to inform users of consumer reports of their legal obligations. State law may impose additional requirements. The text of the FCRA is set forth in full at the Consumer Financial Protection Bureau's (CFPB) website at www.consumerfinance.gov/learnmore. At the end of this document is a list of United States Code citations for the FCRA. Other information about user duties is also available at the CFPB's website. **Users must consult the relevant provisions of the FCRA for details about their obligations under the FCRA.**

The first section of this summary sets forth the responsibilities imposed by the FCRA on all users of consumer reports. The subsequent sections discuss the duties of users of reports that contain specific types of information, or that are used for certain purposes, and the legal consequences of violations. If you are a furnisher of information to a consumer reporting agency (CRA), you have additional obligations and will receive a separate notice from the CRA describing your duties as a furnisher.

• OBLIGATIONS OF ALL USERS OF CONSUMER REPORTS

🕒 Users Must Have a Permissible Purpose

Congress has limited the use of consumer reports to protect consumers' privacy. All users must have a permissible purpose under the FCRA to obtain a consumer report. Section 604 contains a list of the permissible purposes under the law. These are:

- 🕒 As ordered by a court or a federal grand jury subpoena. Section 604(a)(1)
- 🕒 As instructed by the consumer in writing. Section 604(a)(2)
 - 🕒 For the extension of credit as a result of an application from a consumer, or the review or collection of a consumer's account. Section 604(a)(3)(A)
 - 🕒 For employment purposes, including hiring and promotion decisions, where the consumer has given written permission. Sections 604(a)(3)(B) and 604(b)
- 🕒 For the underwriting of insurance as a result of an application from a consumer. Section 604(a)(3)(C)
 - 🕒 When there is a legitimate business need, in connection with a business transaction that is initiated by the consumer. Section 604(a)(3)(F)(i)
 - 🕒 To review a consumer's account to determine whether the consumer continues to meet the terms of the account. Section 604(a)(3)(F)(ii)
 - 🕒 To determine a consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status. Section 604(a)(3)(D)
- 🕒 For use by a potential investor or servicer, or current insurer, in a valuation or assessment of the credit or prepayment risks associated with an existing credit obligation. Section 604(a)(3)(E)
- 🕒 For use by state and local officials in connection with the determination of child support payments, or modifications and enforcement thereof. Sections 604(a)(4) and 604(a)(5)

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In addition, creditors and insurers may obtain certain consumer report information for the purpose of making “prescreened” unsolicited offers of credit or insurance. Section 604(c). The particular obligations of users of “prescreened” information are described in Section VII below.

⌚ Users Must Provide Certifications

Section 604(f) prohibits any person from obtaining a consumer report from a consumer reporting agency (CRA) unless the person has certified to the CRA the permissible purpose(s) for which the report is being obtained and certifies that the report will not be used for any other purpose.

⌚ Users Must Notify Consumers When Adverse Actions Are Taken The term “adverse action” is defined very broadly by Section 603. “Adverse actions” include all business, credit, and employment actions affecting consumers that can be considered to have a negative impact as defined by Section 603(k) of the FCRA – such as denying or canceling credit or insurance, or denying employment or promotion. No adverse action occurs in a credit transaction where the creditor makes a counteroffer that is accepted by the consumer.

- Adverse Actions Based on Information Obtained From a CRA

If a user takes any type of adverse action as defined by the FCRA that is based at least in part on information contained in a consumer report, Section 615(a) requires the user to notify the consumer. The notification may be done in writing, orally, or by electronic means. It must include the following:

- The name, address, and telephone number of the CRA (including a toll-free telephone number, if it is a nationwide CRA) that provided the report.
- A statement that the CRA did not make the adverse decision and is not able to explain why the decision was made.
- A statement setting forth the consumer’s right to obtain a free disclosure of the consumer’s file from the CRA if the consumer makes a request within 60 days.
- A statement setting forth the consumer’s right to dispute directly with the CRA the accuracy or completeness of any information provided by the CRA.

- Adverse Actions Based on Information Obtained From Third Parties Who Are Not Consumer Reporting Agencies

If a person denies (or increases the charge for) credit for personal, family, or household purposes based either wholly or partly upon information from a person other than a CRA, and the information is the type of consumer information covered by the FCRA, Section 615(b)(1) requires that the user clearly and accurately disclose to the consumer his or her right to be told the nature of the information that was relied upon if the consumer makes a written request within 60 days of notification. The user must provide the disclosure within a reasonable period of time following the consumer’s written request.

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- Adverse Actions Based on Information Obtained From Affiliates

If a person takes an adverse action involving insurance, employment, or a credit transaction initiated by the consumer, based on information of the type covered by the FCRA, and this information was obtained from an entity affiliated with the user of the information by common ownership or control, Section 615(b)(2) requires the user to notify the consumer of the adverse action. The notice must inform the consumer that he or she may obtain a disclosure of the nature of the information relied upon by making a written request within 60 days of receiving the adverse action notice. If the consumer makes such a request, the user must disclose the nature of the information not later than 30 days after receiving the request. If consumer report information is shared among affiliates and then used for an adverse action, the user must make an adverse action disclosure as set forth in I.C.1 above.

🕒 Users Have Obligations When Fraud and Active Duty Military Alerts are in Files

When a consumer has placed a fraud alert, including one relating to identify theft, or an active duty military alert with a nationwide consumer reporting agency as defined in Section 603(p) and resellers, Section 605A(h) imposes limitations on users of reports obtained from the consumer reporting agency in certain circumstances, including the establishment of a new credit plan and the issuance of additional credit cards. For initial fraud alerts and active duty alerts, the user must have reasonable policies and procedures in place to form a belief that the user knows the identity of the applicant or contact the consumer at a telephone number specified by the consumer; in the case of extended fraud alerts, the user must contact the consumer in accordance with the contact information provided in the consumer's alert.

🕒 Users Have Obligations When Notified of an Address Discrepancy

Section 605(h) requires nationwide CRAs, as defined in Section 603(p), to notify users that request reports when the address for a consumer provided by the user in requesting the report is substantially different from the addresses in the consumer's file. When this occurs, users must comply with regulations specifying the procedures to be followed.

Federal regulations are available at www.consumerfinance.gov/learnmore.

🕒 Users Have Obligations When Disposing of Records

Section 628 requires that all users of consumer report information have in place procedures to properly dispose of records containing this information. Federal regulations are available at www.consumerfinance.gov/learnmore.

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- **CREDITORS MUST MAKE ADDITIONAL DISCLOSURES**

If a person uses a consumer report in connection with an application for, or a grant, extension, or provision of, credit to a consumer on material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that person, based in whole or in part on a consumer report, the person must provide a risk-based pricing notice to the consumer in accordance with regulations prescribed by the CFPB.

Section 609(g) requires a disclosure by all persons that make or arrange loans secured by residential real property (one to four units) and that use credit scores. These persons must provide credit scores and other information about credit scores to applicants, including the disclosure set forth in Section 609(g)(1)(D) (“Notice to the Home Loan Applicant”).

- **OBLIGATIONS OF USERS WHEN CONSUMER REPORTS ARE OBTAINED FOR EMPLOYMENT PURPOSES**

Article I. Employment Other Than in the Trucking Industry

If the information from a CRA is used for employment purposes, the user has specific duties, which are set forth in Section 604(b) of the FCRA. The user must:

- Section 1.01 Make a clear and conspicuous written disclosure to the consumer before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained.
- Section 1.02 Obtain from the consumer prior written authorization. Authorization to access reports during the term of employment may be obtained at the time of employment.
- Section 1.03 Certify to the CRA that the above steps have been followed, that the information being obtained will not be used in violation of any federal or state equal opportunity law or regulation, and that, if any adverse action is to be taken based on the consumer report, a copy of the report and a summary of the consumer’s rights will be provided to the consumer.

- 1) **Before** taking an adverse action, the user must provide a copy of the report to the consumer as well as the summary of consumer’s rights (The user should receive this summary from the CRA.) A Section 615(a) adverse action notice should be sent after the adverse action is taken.

An adverse action notice also is required in employment situations if credit information (other than transactions and experience data) obtained from an affiliate is used to deny employment. Section 615(b)(2).

The procedures for investigative consumer reports and employee misconduct investigations are set forth below.

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Article II. Employment in the Trucking Industry

Special rules apply for truck drivers where the only interaction between the consumer and the potential employer is by mail, telephone, or computer. In this case, the consumer may provide consent orally or electronically, and an adverse action may be made orally, in writing, or electronically. The consumer may obtain a copy of any report relied upon by the trucking company by contacting the company.

- **OBLIGATIONS WHEN INVESTIGATIVE CONSUMER REPORTS ARE USED**

Investigative consumer reports are a special type of consumer report in which information about a consumer's character, general reputation, personal characteristics, and mode of living is obtained through personal interviews by an entity or person that is a consumer reporting agency. Consumers who are the subjects of such reports are given special rights under the FCRA. If a user intends to obtain an investigative consumer report, Section 606 requires the following:

The user must disclose to the consumer that an investigative consumer report may be obtained. This must be done in a written disclosure that is mailed, or otherwise delivered, to the consumer at some time before or not later than three days after the date on which the report was first requested. The disclosure must include a statement informing the consumer of his or her right to request additional disclosures of the nature and scope of the investigation as described below, and the summary of consumer rights required by Section 609 of the FCRA. (The summary of consumer rights will be provided by the CRA that conducts the investigation.)

- The user must certify to the CRA that the disclosures set forth above have been made and that the user will make the disclosure described below.
- Upon the written request of a consumer made within a reasonable period of time after the disclosures required above, the user must make a complete disclosure of the nature and scope of the investigation. This must be made in a written statement that is mailed or otherwise delivered, to the consumer no later than five days after the date on which the request was received from the consumer or the report was first requested, whichever is later in time.

- **SPECIAL PROCEDURES FOR EMPLOYMENT INVESTIGATIONS**

Section 603(x) provides special procedures for investigations of suspected misconduct by an employee or for compliance with Federal, state or local laws and regulations or the rules of a self-regulatory organization, and compliance with written policies of the employer. These investigations are not treated as consumer reports so long as the employer or its agent complies with the procedures set forth in Section 603(x), and a summary describing the nature and scope of the inquiry is made to the employee if an adverse action is taken based on the investigation.

- **OBLIGATIONS OF USERS OF MEDICAL INFORMATION**

Section 604(g) limits the use of medical information obtained from consumer reporting agencies (other than payment information that appears in a coded form that does not identify the medical provider). If the information is to be used for an insurance transaction, the consumer must give consent to the user of the report

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or the information must be coded. If the report is to be used for employment purposes – or in connection with a credit transaction (except as provided in regulations) the consumer must provide specific written consent and the medical information must be relevant. Any user who receives medical information shall not disclose the information to any other person (except where necessary to carry out the purpose for which the information was disclosed, or a permitted by statute, regulation, or order).

• **OBLIGATIONS OF USERS OF “PRESCREENED” LISTS**

The FCRA permits creditors and insurers to obtain limited consumer report information for use in connection with unsolicited offers of credit or insurance under certain circumstances. Sections 603(1), 604(c), 604(e), and 615(d). This practice is known as “prescreening” and typically involves obtaining from a CRA a list of consumers who meet certain preestablished criteria. If any person intends to use prescreened lists, that person must (1) before the offer is made, establish the criteria that will be relied upon to make the offer and to grant credit or insurance, and (2) maintain such criteria on file for a three-year period beginning on the date on which the offer is made to each consumer. In addition, any user must provide with each written solicitation a clear and conspicuous statement that:

- Information contained in a consumer’s CRA file was used in connection with the transaction.
 - The consumer received the offer because he or she satisfied the criteria for credit worthiness or insurability used to screen for the offer.
 - Credit or insurance may not be extended if, after the consumer responds, it is determined that the consumer does not meet the criteria used for screening or any applicable criteria bearing on credit worthiness or insurability, or the consumer does not furnish required collateral.
- 1. The consumer may prohibit the use of information in his or her file in connection with future prescreened offers of credit or insurance by contacting the notification system established by the CRA that provided the report. The statement must include the address and toll-free telephone number of the appropriate notification system.

In addition, the CFPB has established the format, type size, and manner of the disclosure required by Section 615(d), with which users must comply. The relevant regulation is 12 CFR 1022.54. **OBLIGATIONS OF RESELLERS**

• Disclosure and Certification Requirements

Section 607(e) requires any person who obtains a consumer report for resale to take the following steps:

- Disclose the identity of the end-user to the source CRA.
- Identify to the source CRA each permissible purpose for which the report will be furnished to the end-user.
- Establish and follow reasonable procedures to ensure that reports are resold only for permissible purposes, including procedures to obtain:
 - the identity of all end-users;
 - certifications from all users of each purpose for which reports will be used;
 - and certifications that reports will not be used for any purpose other than the purpose(s) specified to the reseller.
 - Resellers must make reasonable efforts to verify this information before selling the report.
- Reinvestigations by Resellers

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Under Section 611(f), if a consumer disputes the accuracy or completeness of information in a report prepared by a reseller, the reseller must determine whether this is a result of an action or omission on its part and, if so, correct or delete the information. If not, the reseller must send the dispute to the source CRA for reinvestigation. When any CRA notifies the reseller of the results of an investigation, the reseller must immediately convey the information to the consumer.

- Fraud Alerts and Resellers

Section 605A(f) requires resellers who receive fraud alerts or active duty alerts from another consumer reporting agency to include these in their reports.

- **LIABILITY FOR VIOLATIONS OF THE FCRA**

Failure to comply with the FCRA can result in state government or federal government enforcement actions, as well as private lawsuits. Sections 616, 617, and 621. In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution. Section 619.

A. The CFPB's website, www.consumerfinance.gov/learnmore, has more information about the FCRA, including publications for businesses and the full text of the FCRA.

Citations for FCRA sections in the U.S. Code, 15 U.S.C. § 1681 et seq.:

| | |
|--------------|-------------------|
| Section 602 | 15 U.S.C. 1681 |
| Section 603 | 15U.S.C.1681a |
| Section 604 | 15 U.S.C. 1681b |
| Section 605 | 15 U.S.C. 1681c |
| Section 605A | 15 U.S.C. 1681c-A |
| Section 605B | 15 U.S.C. 1681c-B |
| Section 606 | 15 U.S.C. 1681d |
| Section 607 | 15 U.S.C. 1681e |
| Section 608 | 15 U.S.C. 1681f |
| Section 609 | 15 U.S.C. 1681g |
| Section 610 | 15 U.S.C. 1681h |
| Section 611 | 15 U.S.C. 1681i |
| Section 612 | 15 U.S.C. 1681j |
| Section 613 | 15 U.S.C. 1681k |
| Section 614 | 15 U.S.C. 1681l |
| Section 615 | 15 U.S.C. 1681m |
| Section 616 | 15 U.S.C. 1681n |
| Section 617 | 15 U.S.C. 1681o |
| Section 618 | 15 U.S.C. 1681p |

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| | |
|-------------|-------------------|
| Section 619 | 15 U.S.C. 1681q |
| Section 620 | 15 U.S.C. 1681r |
| Section 621 | 15 U.S.C. 1681s |
| Section 622 | 15 U.S.C. 1681s-1 |
| Section 623 | 15 U.S.C. 1681s-2 |
| Section 624 | 15 U.S.C. 1681t |
| Section 625 | 15 U.S.C. 1681u |
| Section 626 | 15 U.S.C. 1681v |
| Section 627 | 15 U.S.C. 1681w |
| Section 628 | 15 U.S.C. 1681x |
| Section 629 | 15U.S.C.1681y |