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**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA,

Case No.

Plaintiff,

CONSENT DECREE

v.

NCO GROUP, INC.,
a Pennsylvania corporation,
NCO FINANCIAL SYSTEMS, INC.,
a Pennsylvania corporation, and
NCO PORTFOLIO MANAGEMENT, INC.,
a Delaware corporation,

Defendants.

WHEREAS: Plaintiff, the United States of America, has commenced this action by filing the complaint herein; defendants have waived service of the summons and complaint; the parties have been represented by the attorneys whose names appear hereafter; and the parties have agreed to settlement of this action upon the following terms and conditions, without adjudication of any issue of fact or law and without defendants admitting liability for any of the matters alleged in the complaint;

THEREFORE, on the joint motion of plaintiff and defendants, it is hereby ORDERED, ADJUDGED, and DECREED as follows:

FINDINGS

1. This Court has jurisdiction of the subject matter and of the parties.
2. The complaint states a claim upon which relief may be granted against the defendants under §§ 5(a)(1), 5(m)(1)(A), 13(b), and 16(a) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(a)(1), 45(m)(1)(A), 53(b), and 56(a), and Section 621 of the Fair Credit Reporting Act (“FCRA”), 15 U.S.C. § 1681s.
3. For purposes of this Consent Decree:
 - a. “Defendants” shall mean NCO Group, Inc., NCO Financial Systems, Inc., and NCO Portfolio Management, Inc., unless otherwise specified;
 - b. “Delinquency date” shall mean the month and year of the commencement of the delinquency that preceded the reporting of an account to a consumer reporting agency as set forth in Section 623(a)(5) of the FCRA; and
 - c. the definitions set forth in the FCRA, 15 U.S.C. § 1681, shall apply.

MONETARY SETTLEMENT

4. Defendant NCO Financial Systems, Inc., its successors and assigns, shall pay to the plaintiff a civil penalty pursuant to Section 621(a)(2) of the Fair Credit Reporting Act, 15 U.S.C. § 1681s(a)(2), in the amount of \$1,500,000.00.
5. Defendant NCO Financial Systems, Inc., shall make the payment required by Paragraph 4 on or before the fifth day following entry of this Consent Decree by electronic fund transfer in accordance with the instructions to be provided by the Office of Consumer Litigation, Civil Division, United States Department of Justice, Washington, D.C., 20530, on or before the date of entry of this Consent Decree.

6. In the event of any default in payment, which default continues for ten (10) days beyond the due date of payment, the entire unpaid penalty, together with interest, as computed pursuant to 28 U.S.C. § 1691 from the date of default to the date of payment, shall immediately become due and payable.

INJUNCTION

7. Defendants, their successors and assigns, and their officers, agents, servants, employees and representatives, and all persons in active concert or participation with any one or more of them who receive actual notice of the Consent Decree by personal service or otherwise, are hereby enjoined from violating, directly or through any corporation, subsidiary, division or other device, Section 623(a)(5) of the FCRA, 15 U.S.C. § 1681s-2(a)(5), by reporting a delinquency date later than the month and year of the commencement of the delinquency required to be reported by Section 623(a)(5).

8. Defendants, their successors and assigns, shall within ninety (90) days of the date of entry of this Consent Decree implement a program, and maintain the program in place for five (5) years, to monitor all complaints received by defendants, either directly or by referral, regarding the alleged inaccuracy of any information reported by defendants to a consumer reporting agency, so that errors in reporting delinquency dates may be detected and corrected promptly. If this program reveals delinquency date reporting errors, defendants shall cease reporting the identified account or accounts to any consumer reporting agency until any errors are corrected.

9. Defendants, their successors and assigns, shall for a period of five (5) years from the date of entry of this order, within ten (10) days of any written demand from the Federal Trade Commission, make available to the Commission:

- a. for inspection and copying, any written or recorded complaints received by defendants relating to the reporting of collection accounts to consumer reporting

agencies;

- b. not more than twice a year, a copy of the most recent computer tapes of collection accounts submitted by defendants to consumer reporting agencies.

10. Nothing in this order shall prohibit or excuse defendants from reporting any date of delinquency in compliance with any amendment to Section 623(a)(5) of the FCRA, or an interpretation of such amendment by the Commission.

11. Defendants, their successors and assigns, shall, within one hundred eighty (180) days of the date of the entry of this Consent Decree, and each year thereafter for five (5) years on the day that this consent decree was entered, file with the Federal Trade Commission a written report setting forth in detail the manner and form of their compliance with this Consent Decree.

12. For purposes of this Consent Decree, defendants shall, unless otherwise directed by the Commission's authorized representatives, mail all written reports, notifications, and other correspondence to the Commission to:

Associate Director for Financial Practices
Federal Trade Commission
600 Pennsylvania Ave. N.W.
Washington, D.C. 20580

13. For purposes of compliance reporting, if undersigned counsel no longer represents defendants, plaintiff and the Federal Trade Commission are authorized to communicate directly with defendants.

14. For a period of five (5) years from the date of entry of this Consent Decree, defendants and their successors and assigns shall notify the Federal Trade Commission in writing at least thirty (30) days prior to any change in the structure of any defendant, including, but not limited to, any change which results in the emergence of a successor corporation or which may affect defendants' obligations under this Consent Decree.

CONTINUING JURISDICTION

15. This Court shall retain jurisdiction of this matter for the purposes of enabling either of the parties to this Consent Decree to apply to the Court at any time for such further orders or directives as may be necessary or appropriate for the interpretation or modification of this Consent Decree, for the enforcement of compliance with the Consent Decree, or for the punishment of violations thereof.

SO ORDERED, this ____ day of _____, 2004.

United States District Judge

The parties, by their respective counsel, hereby consent to the terms and conditions of the Consent Decree as set forth above and consent to the entry thereof. Defendants waive any rights that may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412, amended by Pub. L. 104-121, 110 Stat. 847, 863-64 (1996).

FOR THE UNITED STATES OF AMERICA:

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