

\$1,000,000



ALLIED FINANCE ADJUSTERS CONFERENCE, INC. \$1,000,000 CLIENT PROTECTION BOND

Virginia Recovery Specialists, LLC Chantilly, Virginia

By these Presents, effective as of 12:01 a.m. on the first day of January 2014 to the thirty-first day of December 2014, that Allied finance Adjusters Conference, Inc. ("Allied") hereby issues this self-insur-ing bond up to the amount of \$1,000,000 during the above period to indemnify Lenders, Allied Members, their agents, servants and employees, Allied, its Officers and Directors, its agents, servants and employees, pursuant to the terms and conditions set forth below.

1) Who is covered

Those persons who are entitled to be indemnified under the terms of this Bond are collectively referred to as the "Indemnitees" and they are grouped into three categories, (1) Lenders engaging the above identified Allied Member, (2) Allied Itself and (3) The individual Officers, Directors and Members of Allied.

Definitions:

- a) Lender: A Lender must search the member through the Allied website to verify the member is in good standing with the Association, and which has the authority to assign accounts that are either delinquent or in default.
- b) Allied: Allied Finance Adjusters Conference, Inc
- c) Officers and Directors: The officers and Directors of Allied either collectively or individually.

2) Method of Assignment of Accounts for Repossession.

Lenders, which are indemnified under the terms set forth herein, shall assign all of their rights, title and interest in any loan underlying the subject of the underlying repossession, as a condition of indemnification, by either (1) electronic transmission over the

Allied Web site, or (2) on an approved Allied form with the proper hold harmless clause as contained in the current Allied Directory of Approved Members.

The following actions which cause a loss to a qualified Lender are covered:

- a) Loss of money security or property up to the amount of this Bond which results directly from any fraudulent or dishonest act committed by any Allied member.
 - 1) Fraudulent or dishonest acts are defined to mean any acts committed by an Allied member or an employee of said member with the express intent to cause the Lender to sustain such loss and to obtain financial benefit for the Allied member or his/her employees other than salary, bonus commission, or other benefits or emoluments earned in the normal course of employment, whether acting alone or in collusion with others.
 - 2) Bonding conditions, limits, and conditions:
 - a) A loss is covered only if reported within 30 days of discovery or 30 days from occurrence. However, in no event will a loss be covered if reported more than 90 days after occurrence.

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b) No legal action shall be filed for a period of 120 days from the date of reporting the loss unless a formal rejection of the claim is sent in writing to the claimant prior to the expiration of the 120-day period. Thereafter suit shall be filed within one year from the reported date of loss or 120 days from the date of rejection whichever is shorter.

c) This bond shall apply only to a loss sustained within any of the fifty (50) United States and the District of Columbia and does not apply to the Continental section of the directory.

d) This bond shall not apply to a loss that may be sustained due to war, insurrection, or revolution or in any acts or incidents thereto.

e) This bond will not apply to losses due to accounting or arithmetical errors or omissions or due in loss or destruction of books of accounts or records due to acts of God.

f) This bond shall not apply to losses incurred due to loss or surrender of moneys, securities, or any other property as a result of threat of bodily injury to a person or to cause damage to the premises of any Allied member or his/her property.

g) This bond shall not apply to a loss if the loss has to be determined by inventory or a profit and loss computation.

h) This bond shall not apply unless all remedies available to the Indemnitee have been exhausted and the claim has been legally adjudicated.

i) This bond shall not apply to any claim for the loss or potential loss of income all inclusive due to a loss covered by this bond, nor for damages arising from a loss covered under this bond as to costs, fines, or fees incurred by the insured in establishment of the existence of costs.

j) This bond shall not apply to loss due to nuclear radiation or radioactive contamination or to any acts or conditions relative to the foregoing.

k) In no event shall this bond be liable for any loss as to securities or properties pledged as additional collateral which secure in addition to said title and contract of said loan. Allied's liability

shall in no way exceed the loan value of the subject vehicle as listed in the National Automotive Dealers Association (NADA) official used car guide for the year, month and region of the occurrence of loss or reported date of loss.

l) In the event of a payment of loss by this bond, Allied Finance Adjusters Conference, Inc. shall assume all rights of subrogation. At that time, all of the claimants rights of recovery against a person or organization shall be deemed "settled" and the insured shall deliver any and all instruments, papers, and information to Allied and do whatever else is necessary to secure and transfer such rights to Allied. The insured shall do nothing to prejudice such rights.

m) The coverage granted herein shall in no way be adopted or adjusted directly or indirectly to the benefit of any other carrier or bailee for hire.

Duration of bond coverage:

The coverage of this bond shall be effective at 12:01 am on the first day of January 2014 to the thirty-first day of December 2014. Only full members listed on the Allied website are covered by this instrument.

Any and all losses or claims under this bond shall be bound by the specific provisions of this instrument or any subsequent rider in effect as of the date of occurrence or date of discovery and shall not be affected by any extensions or modifications.



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