

1 Honorable Karen A. Overstreet
2 Hearing date: April 20, 2007; 9:30 a.m.
3 Hearing Place: Room 7206, 700 Stewart Street, Seattle, WA 98101
4 Responses due by: April 13, 2007; by 4:30 p.m.
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8 IN THE UNITED STATES BANKRUPTCY COURT FOR THE
9 WESTERN DISTRICT OF WASHINGTON AT SEATTLE

9 In re:) Chapter 7
10 COURT REPORTING INSTITUTE, INC.,) Bankruptcy No. 06-14202
11 Debtor(s).) NOTICE AND MOTION FOR AN
ORDER AUTHORIZING TRUSTEE
TO EMPLOY COLLECTION AGENCY

12 TO: The debtor, and its attorney of record, creditors, and parties of interest.
13

14 **NOTICE**

15 PLEASE TAKE NOTICE that the below joined motion will be heard on the 20th day of
16 April, 2007, at 9:30 a.m., at the United States Courthouse, 700 Stewart Street, Seattle, Washington,
17 in Room 7206, and the clerk is requested to note the motion on the motion docket for that day.

18 YOU ARE FURTHER NOTIFIED that responses or objections must be made in writing and
19 the original filed with the Bankruptcy Court at the United States Courthouse, Room 6301, 700
20 Stewart Street, Seattle, Washington 98101. Copies must be served upon the United States Trustee's
21 Office at the United States Courthouse, Room 5103, 700 Stewart Street, Seattle, Washington 98101,
22 the above-named Judge and the undersigned attorney on or before April 13, 2007. Failure to
23 comply with the local rule may be deemed by the court as opposition without merit. If responsive
24 pleadings are not filed as stated above, the hearing may be stricken and an order granting the relief
25 requested in the motion may be presented *ex parte*.

**NOTICE AND MOTION FOR AN ORDER
AUTHORIZING TRUSTEE TO EMPLOY
COLLECTION AGENCY**

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THE RIGBY LAW FIRM
600 Stewart Street, Suite 1908
Seattle, WA 98101 - (206) 441-0826

1 **MOTION**

2 COMES NOW the duly appointed trustee, Michael B. McCarty, through counsel, The Rigby
3 Law Firm, and James Rigby, and moves this court for an order authorizing the employment of a
4 collection agency.

5 Among the assets of the bankruptcy estate are dozens of delinquent accounts receivable. The
6 trustee believes that it is in the best interest of the creditors of the estate to attempt to collect these
7 accounts. The trustee further believes it is in the best interest of the estate, pursuant to
8 11 U.S.C. § 327, to employ Professional Collection Agencies International, Inc. as a collection
9 agency under the same terms and condition that agency had with the debtor pre-petition.

10 Professional Collection Agencies International, Inc. is requesting 27 percent of the collected
11 funds and 37 percent when legal action is initiated, plus miscellaneous costs and expenses. It is also
12 requesting that it be indemnified for any damages arising from or as a consequence of the acts,
13 admissions or errors of the debtor and or the trustee and his professionals.

14 Given the nature of the accounts, student loans, and the circumstances, that the court
15 reporting school has closed, the trustee believes that this indemnity agreement is reasonable. A copy
16 of the Agreement for Collection Services is attached hereto and incorporated herein.

17 WHEREFORE, the trustee prays for an order authorizing the employment of Professional
18 Collection Agencies International, Inc. to pursue accounts receivable and to pay that company
19 pursuant to the Agreement for Collection Services without further order of the court.

20 DATED this 23rd day of March, 2007.

21 THE RIGBY LAW FIRM

22 */S/ James Rigby*

23 _____
24 James Rigby, WSBA #9658
25 Of Attorneys for Trustee

PROFESSIONAL COLLECTION AGENCIES INTERNATIONAL, INC.
15111 8TH AVE SW SUITE #300; SEATTLE, WA 98166
BUS: (206) 241-4567 FAX: (206) 246-7260

AGREEMENT FOR COLLECTION SERVICES

Professional Collection Agencies International, Inc. herein referred to as PCAI and _____ herein referred to as CLIENT, hereby agree that the accounts placed with PCAI are subject to the terms and conditions of the following agreement between the parties.

- 1) Collection Activities shall be in compliance with the Federal, State and Local laws and Regulations, be courteous, businesslike and consistent with the image and reputation of the CLIENT.
- 2) Collections made by PCAI of CLIENT's accounts will be deposited immediately into a separate trust account maintained in a bank of all CLIENTS.
- 3) All collections made by PCAI of CLIENT's accounts will be remitted to CLIENT, less PCAI's collection fee(s), 15 days after the end of the month in which collection is made.
- 4) CLIENT agrees to immediately provide PCAI with information on all direct payments received by CLIENT from accounts placed for collection with PCAI. At that time PCAI will advise CLIENT of the proper monetary disbursement. Merchandise accepted for return and credit is considered the same as payment. PCAI will prepare monthly statements containing account names, numbers, dates and amounts pertaining to payment received by PCAI or CLIENT. Collection fee(s) due PCAI on any statement to CLIENT are due and payable upon receipt of the statement by CLIENT.
- 5) PCAI shall have authority to receive payment in cash, check or money order and shall have the authority to endorse checks, drafts, money orders or other negotiable instruments made payable to CLIENT, which may be received in payment.
- 6) To help offset PCAI's cost of investigation and search, CLIENT authorizes PCAI to add and retain interest to accounts placed for collection at the rate allowable by law.
- 7) Fee(s) charged by PCAI shall be at the _____% of collected funds and a rate of _____% shall be assessed in the case where legal action is undertaken.
- 8) There shall be added to the commission fee and amount of any sales taxes, however designate, levied on such fee.
- 9) Should legal action be required, the amount of any listed claim may be adjusted to the portion of the account that constitutes principal only.
- 10) PCAI will not institute civil legal collection on any CLIENT's account if CLIENT requests that no legal action be taken. If legal action is commenced, PCAI agrees to pay all cost of litigation except:
 - a) If CLIENT fails to appear, after written notification, at scheduled trials or hearings.
 - b) If the complexity of the CLIENT's case requires the attorney for PCAI to expand more than the average five hours per case usually required on collection cases. However, after advising CLIENT that additional hours may be required, CLIENT may retain counsel to assist PCAI's attorney or compensate PCAI for any additional hours of their attorney's time at the rate of \$100.00 per hour.
 - c) If attorney fee(s) are awarded to the adverse party at trial as a result of acts or omissions of the CLIENT, including a determination that the amount was never legally owed, **in such cases, cost and fee(s) incurring by PCAI shall be recoverable from the CLIENT.**
- 11) PCAI agrees listed claims may be canceled by CLIENT only if claim is paid prior to the listing date, or upon mutual agreement. A service fee may be charged for accounts canceled after the listing date, or on amounts not legally owed.
- 12) CLIENT warrants, that so far, as is known to CLIENT, each account assigned for collection is a valid and existing account against the debtor. CLIENT further warrants that, so far, as is known to CLIENT, all disclosure requirements of the Federal Truth-In-Lending Act have been met.
- 13) This agreement shall be effective as of the date shown and continue in effect until terminated as hereinafter provided. Either party may terminate this agreement by giving the other party at least thirty (30) days prior notice of the date of termination. Accounts placed with PCAI before the cancellation shall remain with PCAI until which time, in PCAI's opinion, all collection activity has ceased.
- 14) CLIENT agrees to hold PCAI, its employees, agents and attorneys harmless on account of any suit, claims damages or expenses whatsoever arising from or as a consequence of the acts, omissions, or errors caused by CLIENT.
- 15) The provisions of this agreement shall override any and all contrary or conflicting provisions contained in any past or present agreements.

This agreement is entered into by and between PCAI and CLIENT, this _____ day of _____ 19 _____, by their duly authorized and empowered representatives.

Professional Collection Agencies Int'l, Inc.

by: _____

CLIENT: _____

PCAI Representative

title: _____