



Greetings,

Our goal is to register Referrers immediately. Before getting started, the following items **must** be returned to us:

- ❖ AVPS signed contract (initial each page)
- ❖ ACH Authorization Form
- ❖ Voided Business Check (where funds will be deposited)
- ❖ Copy of Valid Driver's License
- ❖ Articles of Incorporation (not required for Sole Proprietor)
- ❖ W-9 Form
- ❖ State of Ethics policy
- ❖ AVPS NDA (non-disclosure agreement)

Thank you,



MERCHANT REFERRAL AGREEMENT

THIS MERCHANT REFERRAL AGREEMENT (hereinafter "Agreement") is made between American Verification Processing Solutions, LLC, (hereinafter referred to as AVPS), with its principal place of business at 6737 Variel Avenue, Canoga Park, California 91303 and _____, with its principal place of business at _____, (hereinafter referred to as "Referrer") and is entered into this _____ day of _____, 2021 (the "Effective Date").

1. Obligations of the Parties

1.A. Referrals. Referrer hereby agrees to refer Eligible Merchants, as defined in Schedule A (attached), to AVPS for the purpose of providing bankcard services on a non-exclusive basis. Upon AVPS' request, Referrer shall provide AVPS with a legible copy of all relevant documents pertaining to the past processing activity, current financial condition or current business practices of any merchant so referred which has been doing business with Referrer at the time of the referral. Referrer shall not knowingly solicit or provide online or offline Visa or MasterCard processing services to any merchant with respect to which AVPS is then providing merchant services. Nothing in this Agreement shall be interpreted to require any marketing of merchant services by Referrer.

1.B. AVPS Duties. AVPS shall promptly upon each merchant lead provided by Referrer, and hereby agrees, to (i) provide each qualified merchant (in AVPS' sole discretion) so referred with merchant services application and agreement forms; (ii) provide assistance in the completion of those forms; and (iii) quote a bankcard discount rate for said merchant. AVPS shall further provide all such merchants whose application for services is accepted by AVPS with its customary complete merchant support and service. It is understood, however, that AVPS shall determine, in AVPS' sole discretion, whether or not to solicit and/or approve each such merchant, and with whatever limitations thereon as AVPS may deem appropriate. All decisions regarding the qualification and/or acceptance of any such merchant and entering into a merchant agreement therewith, rejecting any such application, or refusing to accept one or more applications for any reason whatsoever, shall be in the sole and absolute discretion of AVPS.

2. Compensation

2.A. Referrer Compensation. As compensation for the performance of its services pursuant to this Agreement, Referrer shall be entitled to receive **FIFTY PERCENT (50%)** of the Net Profits of the program. For purposes of this section, "Net Profits" are defined to mean the total of all merchant discount amounts and merchant discount rate collected by AVPS from referred and approved merchants each month pursuant to AVPS' agreement with such merchants, less ACH rejects, chargebacks and expenses incurred by AVPS (in the administration and servicing of the referred and approved merchant) including, but not limited to, any and all Visa and/or MasterCard costs or fees/fees, ACH Addendum fees and third party processor fees.

2.B. Should such amount be less than zero, then nothing shall be paid to Referrer. **2.C. Offset Rights, Security Interests.** AVPS shall have the right of offset against any funds credited to or owing from AVPS to Referrer for any obligation of AVPS, including, without limitation, obligations of Referrer under this Agreement. This right of offset may be exercised by AVPS with at least ten days notice to Referrer whether or not the obligations of Referrer to AVPS are then due. If AVPS is charged back amounts previously funded by leasing company or other service provider, Referrer is solely responsible for repayment in full of any amounts charged back plus any interest or penalties. If the Referrer's bank account rejects fees or Referrer does not pay to AVPS any fees due in association with the Referral Agreement, for which AVPS has paid residuals to Referrer, Referrer shall repay AVPS for any residuals and other compensation previously paid to Referrer.

2.D. As compensation for the performance of its services pursuant to this Agreement, Referrer shall be entitled to receive discount income as specified above and AVPS has received compensation from the bank, said compensation shall be paid to Referrer by the thirtieth (30th) or thirty-first (31st) day of the following month, at such time as the total compensation due equals or exceeds the sum of fifty dollars (\$50.00). In the event that the total compensation due is less than fifty dollars (\$50.00) for six (6) consecutive months the compensation amount will be forfeited and not paid to Referrer.



3. Liability

3.A. Referrer Responsibility. Each referred merchant shall contract directly with AVPS for bankcard and/or other merchant processing services. AVPS may in its sole but reasonable discretion place a hold on referrer's compensation that have extreme losses and/or fraud. Referrer's compensation may be subject to hold for damages or losses, when losses exceed residual income for said merchant(s) that is causing the losses or all referred business, should fraud on behalf of the Referrer be determined.

3.B. No Warranties by Referrer. Referrer makes no representation or warranty, express or implied, with respect to any referred merchant, including, but not limited to, said merchant's creditworthiness or the nature of its business. Referrer makes no representation regarding, and assumes no liability for the authenticity, validity, accuracy or completeness of any document or instrument provided to AVPS by any potential merchant.

3.C. Indemnity. Referrer agrees to indemnify, defend and hold harmless AVPS from and against any loss, liability, damage, penalty or expense (including reasonable attorneys' fees and costs of defense) AVPS may suffer or incur as a result of (a) Referrers breach of, or failure to perform, any covenants, agreements or obligations under this Agreement; (b) any gross negligent act, omission or inaction taken by Referrer; (c) any warranty or representation made by Referrer to AVPS being false, fraudulent or misleading; (d) any representation or warranty made by Referrer to any third person other than as specifically authorized by this Agreement; (e) any chargeback loss or other uncollectable; (f) any processing error by AVPS or contracted vendors; or (g) any risk management decision made by AVPS on behalf of Referrer. This provision shall survive any termination of this Agreement.

3.D. In no event will either party be liable for any special, consequential or punitive damages, including but not limited to, lost profits, even if such party know of the possibility of such damages.

3.E. The liability of AVPS to Referrer or to any party claiming by, through or under Referrer, shall be limited to the most recent 30 days of payment to Referrer by AVPS.

4. Term and Termination

4.A. Term of Agreement. This Agreement shall be effective for one (1) year from Effective Date herein, and shall automatically be extended for successive thirty (30) day periods until the end of the term or extension period, as the case may be, which terminates at least sixty (60) days after the date that either party gives written notice of termination to the other party.

4.B. Termination for Cause. In addition to all other remedies, which may be available to the party, either party may upon fourteen (14) days written notice to the other party, terminate the Agreement for any material breach of the terms hereof; fraud by your company or agents, moving accounts, negligence, illegal activities or extreme losses. Referrer will be paid on accounts for the life of their processing with AVPS unless referrer is terminated for Cause by AVPS which will result in the immediate cessation of referral fees.

4.C. Termination for Other Specified Reasons. In the event either party ceases conducting business in the ordinary course; becomes insolvent; makes general assignment for the benefit of its creditors; files a petition seeking acquiescing in any relief for itself under any present or future federal, state or other statute or law relating to bankruptcy, insolvency or other relief for debtors; seeks or consents to or acquiesces in the appointment of any trustee, receiver or liquidator of all or any part of its business or property; or admits in writing its inability to pay its debts generally as they become due (collectively, the "insolvent party"), this Agreement shall be automatically and immediately terminated and no obligation or payment shall be owed to the insolvent party after the date hereof.

5. General Provisions

5.A. Assignment. AVPS may assign this Agreement upon thirty (30) days notice to Referrer. Referrer may not assign this Agreement without prior written consent from AVPS.

5.B. Confidentiality. The parties agree that, during the term of this Agreement and thereafter, confidential information, including the financial terms of this Agreement, shall be used solely in connection with satisfying each party's obligations to the other party. The parties shall receive such confidential information in the strictest of confidence and shall not disclose such information to any third party unless required by legal process or appropriate

