NOVATION and SECOND MODIFICATION

STATEWIDE DEBT COLLECTION SERVICES

CONTRACT NO. F10B9200003

This Novation and Second Modification Agreement (the "Agreement") is made this <u>9th</u> day of <u>April 2015</u>, by and between NCO Financial Systems, Inc., Transworld Systems Inc. and the State of Maryland, acting through the Department of Budget and Management, Division of Procurement Policy and Administration, Central Collection Unit (the "Department").

WHEREAS, NCO Financial Systems, Inc. ("NCO") executed the Contract (defined below) dated April 18, 2009 with the Department to provide Statewide Debt Collection Services; and

WHEREAS, pursuant to an Acquisition Agreement with a closing date of October 31, 2014 (the "Closing Date"), Aston Acquisition Corp. acquired from a subsidiary of Expert Global Solutions, Inc. ("EGS") all of the stock of TSI (the "Acquisition"); and

WHEREAS, prior to the Acquisition, TSI was an indirect subsidiary of EGS and NCO Financial Systems, Inc. is currently an indirect subsidiary of EGS; and

WHEREAS, in connection with the Acquisition, NCO assigned to TSI all of NCO's rights and obligations under the Contract and TSI assumed all of the rights and obligations of NCO under the Contract; and

WHEREAS, the transactions referenced above are documented by an Affidavit of Bette Capaldo, Senior Vice President of TSI dated March 17, 2015 and the Certified Resolutions of the NCO Board of Directors adopted on October 27, 2014 both of which are attached and incorporated by reference herein; and

WHEREAS, the Department must approve and agree to any assignment and novation of the Contract; and

WHEREAS, the parties desire to amend the Contract to reflect the novation from NCO to TSI and extend the time for performance; and

NOW, THEREFORE, in consideration of the Recitals which are hereby made a substantive part hereof, and the promises and covenants contained herein, the parties agree as follows:

1. **Definitions.**

- **A.** The following terms have the meanings indicated below:
 - 1.1 "Contract" means the Statewide Debt Collection Services Contract No. FIOB9200003 between NCO Financial Systems, Inc. and the Department of Budget and

- Management dated April 18, 2009, as amended by a First Modification dated January 29, 2014.
- 1.2 "Original Contractor" means NCO Financial Systems, Inc.
- 1.3 "Substituted Contractor" means Transworld Systems Inc., a California corporation that is duly qualified and registered to do business in the State of Maryland and which has a principal business address at 507 Prudential Road, Horsham, PA 19044.
- **B.** Other capitalized terms in the Agreement shall have the meaning provided in the Contract.

2. Novation.

- **2.1** The Substituted Contractor agrees to assume and hereby assumes all of the duties, liabilities, and obligations of the Original Contractor under the Contract as of the date of this Agreement. The Substituted Contractor promises to perform the Contract services and to be bound by the terms of the Contract in every way. The Department may enforce all obligations of the Contract directly against the Substituted Contractor as of the date of this Agreement.
- **2.2** All references to the Original Contractor in the Contract are amended and shall hereafter be deemed references to the Substituted Contractor.
- **2.3** The Substituted Contractor shall employ and assign all Key Personnel under the Contract as are in place by the Original Contractor. Any substitution of personnel or change in staffing by the Substituted Contractor after the Agreement shall be done in accordance with and subject to the terms of the Contract.
- **3. Time for Performance.** Unless terminated earlier as provided in the Contract, the term of the Contract shall be extended for a period of two (2) months to include the period of May 1, 2015 through and including June 30, 2015.
- 4. Release. The Original Contractor waives and releases all rights and claims against the State under or arising out of the Contract. The Original Contractor, with the consent of the State, hereby transfers and assigns to the Substituted Contractor all right, title and interest of the Original Contractor in and to the Contract, absolutely. The Original Contractor will make no claim on the State in respect of any such payment to the Substituted Contractor. Any payments made to Original Contractor by the State under the Contract shall be credited in full as if made to the Substituted Contractor. Each of the Original Contractor and the Substituted Contractor hereby releases and indemnifies the State with respect to any claim to the whole or part of any such payment made by the State. The Department agrees that any payments made under the Contract following the date of this Agreement shall be made payable to "Transworld Systems Inc."

5. Liability of the Original Contractor. Nothing in this Agreement releases or excuses the Original Contractor from any responsibility or liability under the Contract, provided that the State agrees to first seek performance under the Contract from the Substituted Contractor and that to the extent that the Substituted Contractor fully and satisfactorily performs all duties, liabilities and obligations of the Contract, the State releases and discharges the Original Contractor from liability therefor.

6. Representations and Warranties.

- **6.1** Each of the individuals executing this Agreement on behalf of the Original Contractor and the Substituted Contractor warrants that s/he has full authority to execute this Agreement and to bind his/her principals hereto.
- **6.2** The Substituted Contractor represents, warrants and promises that it is able to fully perform all obligations under the Contract.
- **6.3** The Substituted Contractor's federal tax identification number is 94-1728881. The Substituted Contractor's eMarylandMarketplace identification number is 00022573.
- 7. **Effect.** All other terms and conditions of the Contract shall remain in full force and effect. This Agreement shall be construed under the laws of the State of Maryland. All terms of this Agreement including but not limited to the Recitals, are contractual and not mere recitals. The parties acknowledge that each of the warranties, representations, and covenants herein is a material term of the Agreement upon which reliance is made in entering into this Agreement.
- **8. Fees.** Each of Original Contractor and the Substituted Contractor agrees that it will not claim or charge the State any costs or attorneys' fees related to this Agreement or the underlying transactions referenced herein.
- **9. Department's Consent.** The Department consents to the assignment by the Original Contractor to the Substituted Contractor for all of the provisions of the Contract.
- **10. Administrative.** Notices under the Contract shall be provided in accordance with section 32.3 of the Contract to Substituted Contractor as follows:

Transworld Systems Inc. (TSI) 507 Prudential Road Horsham, PA 19044 Attn: General Counsel

(215) 441-2198 office / legalcontracts@tsico.com

IN WITNESS WHEREOF, the parties have executed this Agreement, as of the above-referenced date.

ORIGINAL CONTRACTOR: NCO FINANCIAL SYSTEMS,	
By: (SEAL)	
Print name and title: K. J. /immons Asst. Gen : Counsel	ess/Attest
Date: 3/24/15	
SUBSTITUTED CONFRACTOR: TRANSWORLD SYSTEMS IXC.	
With Drint name and title: MARK V. LIMING STON, GENERAL COUR	ess/Attest
Date: 3/25/15	
STATE OF MARYLAND: DEPARTMENT OF BUDGET AND MANAGEMENT By: David R. Brinkley/Secretary	
April 9, 2015 Date	
Witness	
Approved for form and legal sufficiency THIS M DAY OF April , 2015. Assistant Attorney General	