\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Recovery Company) and the entire recovery industry has just experienced its deepest sustained losses--ever!  And, while it has normally experienced periods of increased demand as well as temporary periods of less demand, most recovery firms, like ours, have never been forced to turn to government programs, business loans, and other emergency measures in order to retain employees and pay fixed costs!

In addition to this dilemma, \_\_\_\_\_\_\_\_\_\_ (Recovery Company) has also been damaged financially in recent years by accepting unprofitable contracts as well and, in some cases, third parties negotiating contractual terms which have resulted in higher operating costs, lower revenues, and declining profits for all of us.  These concessions, added to the recent business downturn, have caused many recovery firms to consider closing their doors--and some have!

Raising standards, improving employee safety, and adjustment of current business services and practices in the Covid -19 operating environment in the recovery industry is now the norm, not the exception--no one would dispute that.  \_\_\_\_\_\_\_\_\_(Recovery Company) and the entire industry must now require more of itself and others in order to operate under a sustainable plan for long-term success.

So, what is the answer?  \_\_\_\_\_\_\_\_\_\_\_\_\_(Recovery Company) as well as other highly-professional recovery companies, will now be setting new higher standards, reviewing past operating practices, and adjusting service fees to allow us to begin to recapture lost revenues and create a plan for long-term success in areas of service which, at one time, helped achieve greater profitability for all companies recovering collateral and their clients, including your firm.  Again, this must start by uniformly updating and upgrading standard practices, fees, services, and contracts under which we operate and not allowing or attempting to negotiate concessions which will not permit us to operate as co-equals in a profitable business model.

**A Couple of Key Areas That Must Be Revisited**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Recovery Company) has realized that allowing days of free storage has become a high-dollar cost center for our company and for all recovery companies.   Also, ever increasing premiums for garage keeper’s insurance, storage lot rent, as well as the ever- increasing value of secured space have continued to take a financial toll on our firm as well as all others.   This said, we must now re-evaluate any and all granting of “free storage”.  From this point forward storage fees will be established in a fair and consistent manner by our company and will be non-negotiable.

The same is true for personal property storage and inventories.  As you undoubtedly know, cleaning out vehicles, handling, and retaining personal property is becoming much more costly.  For example, if field agents or lot personnel remove personal property from vehicles as part of their duties, \_\_\_\_\_\_\_\_\_\_\_\_\_(Recovery Company) must now be provided personal protection equipment (PPE) to keep agents or other personnel safe from even the slightest hazard within a vehicle.  In addition, providing weatherproof storage for personal property and handling-safety for personnel is even more paramount until property is reclaimed or discarded.  Both involve higher costs to recovery firms.  These costs must be passed on in the form of comparably increased fees to debtors or clients as well as the continuing costs of inventorying, storing, and reclaiming personal property.  Like storage costs, these costs must be reasonably and fairly set and non-negotiable to protect our employees, debtor property, and the client companies we are serving.

Although the above are just two areas of concern and change, there are many other examples of increasing costs within \_\_\_\_\_\_\_\_\_\_\_ (Recovery Company) daily operations which must now be addressed and re-negotiated going forward.    Therefore, \_\_\_\_\_\_\_\_\_\_\_\_ (Recovery Company) and \_\_\_\_\_\_\_\_\_\_\_\_\_(client) must mutually agree on how to professionally, practically, and uniformly treat these components as mandatory and chargeable operating practices.  The only other alternative is for our firm and other professional recovery firms to serve only clientele who understand the importance of not only protecting employees and but providing safety for consumers while minimizing client risk in order to help build a more profitable and sustainable collateral recovery industry as we move forward together.

The bottom line is that in order to minimize costs and maximize profits \_\_\_\_\_\_\_\_\_\_\_\_ (Recovery Company) and all other professional recovery firms must establish new contractual terms and fee structures that uniformly support the higher operating costs we are all facing.  Only then, will both recovery firms and clients be able to increase the level of performance and institute the levels of acceptable safety and sustainability in this now and forever changed business environment.   I look forward to talking with you and to working through these changes which we all are facing.

Please call me if you wish to talk with me immediately or to schedule a time we can talk or meet.  Thank you for your past business and best wishes for much success as we face a very uncertain future together.

Sincerely,

Owner/Contract Negotiator

XYZ Recovery Firm