

Collection of Credit Card Gross Charge-Offs		TYPE OF TRACING	
		DATABASE	PROFESSIONAL
Percent of Accounts Located Number of Collectible Accounts Face Value of Collectible		45% 10,125 \$35.44 Mil.	80% 18,000 \$63.00 Mil.
Primary Agency 6 Mo.	Accounts Per Account % Recovered Amount Recovered	911 \$3,500 9% \$3.19 Mil.	3,600 \$3,500 20% \$12.60 Mil.
Secondary Agency 6 Mo.	Accounts Per Account % Recovered Amount Recovered	553 \$4,500 6% \$2.49 Mil.	1,872 \$4,500 13% \$8.42 Mil.
Tertiary Agency 6 Mo.	Accounts Per Account % Recovered Amount Recovered	260 \$5,000 3% \$1.30 Mil.	
Agency 18 mo.	Total Recovered % Recovered Not Recovered % Not Recovered	\$6.98 Mil. 19.7% \$28.46 Mil. 80.3%	\$21.02 Mil. 33.4% \$41.98 Mil. 66.6%
Legal 24 Mo.	Accounts Per Account % Recovered Amount Recovered		4,761 \$6,500 38% \$30.94 Mil.
Agency Commissions Legal Commissions Tracing Fees (Professional Only) Total Cost		\$2.25 Mil. 0 0 \$2.25 Mil.	\$3.15 Mil. \$9.28 Mil. \$7.20 Mil. \$19.63 Mil.
Agency Collect Legal Collect Sales to Debt Buyers Total Revenue		\$6.98 Mil. \$0 Mil. ? \$6.98 Mil.	\$21.02 Mil. \$30.94 Mil. ? \$51.96 Mil.
NET RECOVERY		\$4.73 Mil.	\$32.33 Mil.

COLLECTION OF CREDIT CARD GROSS CHARGE-OFFS		
Total Account	25,000	
Face Value		\$87.50 Mil.
Average Per Account	\$3,500	
Percent Uncollectible	10%	
Collectible Debt		\$78.8 Mil.
Collectible Accounts	22,500	

% OF COMMISSION ON RECOVERIES		
Type	Database	Professional
Agency 6 mo.	25%	15%
Agency 12 mo.	34%	15%
Agency 18 mo.	43%	N/A
Legal 24 mo.	N/A	30%

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The Accompanying Chart Explained

The chart on the previous page (which ran in the last issue of this newsletter missing its explanatory article) was prepared by Spencer Nilson of the Nilson Report, looking at the results of debtor location efforts. The column headed "Database" shows the results from using multiple databases by the collection industry to locate and contact debtors who have moved. The 45% shown in the chart is composed of 1) a typical 30% of accounts where the addresses are known, and 2) an additional 15% of debtors who are contacted with the assistance of a variety of databases

The column headed "Professional" uses an 80% locate factor, only achievable through a private investigation firm specializing in debtor location research. The chart shows a 500-600% increase in recoveries possible through this means. The study and analysis by Mr. Nilson concluded that there is only one firm to their knowledge that conducts the kind of private investigation research that results in an 80% location rate, and that is International Research Specialists, headed by Carl MacBride. This firm has a track record of a minimum of 80% debtor location that may assist those clients who want or need to go beyond database searches to recover from debtors.

According to Mr. MacBride, "computers don't find people, people find people." IRS Inc. may be contacted at www.researchspecialistssite.com.

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