
PRACTICE ID: _____
(OFFICE USE)

PROFESSIONAL FEE FUNDING AGREEMENT

LUMLEY FINANCE LIMITED

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PROFESSIONAL FEE FUNDING AGREEMENT

THIS AGREEMENT IS MADE ON _____ / _____ / _____

PARTIES

THE ACCOUNTANT WHOSE NAME AND ADDRESS APPEARS IN ITEM 1 OF THE SCHEDULE (the Accountant)

LUMLEY FINANCE LIMITED A.C.N. 002 543 606 of 309 Kent Street, Sydney 2000 (Lumley)

BACKGROUND

- A. The Accountants business includes providing professional _____ advice to individual and commercial customers engaged in business and investment activities. In some cases the fees for these services are paid by the customers upfront. The Accountant conducts these activities through partnership arrangements or as a sole Accountant or through a professional practice company.
- B. Lumley's business includes the provision of finance.
- C. The parties wish to establish a funding arrangement under which Lumley will provide a funding facility that enables the Accountant to offer to its Customers an option to partially or wholly fund professional fees owed to the Accountant for cases including fees payable in advance of professional services agreed to be rendered.

AGREEMENTS

1. DEFINITIONS

Where commencing with a capital letter:-

Applicable Law means any legislation or law applicable to arranging professional fee funding loans to customers or entering into and administering a Professional Fee Funding Agreement including, without limitation the Trade Practices legislation and legislation relating to commissions.

Application means an application by the Customer to Lumley to borrow money to fund the whole or part of the Customer's professional fees for Services in such form, and together with such ancillary documents (such as a direct debit authority), as Lumley may from time to time require.

Business Day means a week day that the banks are open in Sydney.

Customer means a person to whom the Accountant provides Services.

Loan means the loan agreed to be provided by Lumley to a Customer under a Loan Agreement.

Loan Agreement means an agreement which exists between Lumley and the Customer under which Lumley wholly or partially funds the fee payable for Services.

Lumley Documentation means the form of Application and any other documents made available by Lumley to the Accountant from time to time under this Agreement.

Services means professional, accounting or business consulting services provided or to be provided by the Accountant to the Customer.

LOAN DOCUMENTATION AND COMPLIANCE RESPONSIBILITIES

2.1 Lumley Documentation

2.1.1 Lumley will provide Lumley Documentation to the Accountant to provide to Customers who want Lumley to fund the fee payable for Services.

2.1.2 The Accountant must only use Lumley Documentation for the purposes of this agreement and must otherwise keep it confidential.

2.2 Compliance responsibilities

2.2.1 Lumley must:

- (a) Ensure the rates provided for quotation do not exceed any limit imposed by the Applicable Law;
- (b) give the Customer any notices required by Applicable Law to be given and also a copy to the Accountant;
- (c) otherwise carry out its roles and responsibilities in accordance with Applicable Law.

LOAN PROCEDURES

3.1 Accountant to promote Lumley's facility

3.1.1 The Accountant may, where it is offering to provide Services to a Customer, promote Lumley's facility under this agreement and that the Accountant may be able to arrange funding for the fee payable for the Services through Lumley.

3.1.2 In promoting the facility offered by Lumley under this agreement, the Accountant must make it clear to the Customer that:

- (a) it is acting as Lumley's agent and not as the agent for the Customer; and
- (b) funding of the fee for the Services is subject to Lumley's acceptance of the Customer's Application.

3.2 Compliance with loan procedures

In the event that the Customer requires funding for the payment of Services to be provided by the Accountant, the Accountant and Lumley agree to comply with the loan procedures contained in this clause.

3.3 Invoice

3.3.1 The Accountant must provide the Customer with a written invoice in respect of the Services to be provided to the Customer. The invoice must contain the following:

- (a) the description of the professional services to be provided;
- (b) the duration of the services;
- (c) the professional fees charges;
- (d) where a fee is payable in advance, a statement to that effect is shown on the Accountant's invoice;
- (e) an acceptance provision for signing by the Customer; and
- (f) such other matters as Lumley reasonably requires.

3.3.2 The Customer is to sign the invoice to prove his/her acceptance of the charges.

3.4 Request for quotation. (Loans over a certain value or Loans where the Accountant has a shareholder interest in the Customer)

3.4.1 Where a Customer requests the Accountant to try and arrange loans over a certain value to fund the Accountant's fee for Services or where the Accountant has an equity interest in the Customer, the Accountant's quotation request must contain the following information;

- (a) the amount of professional fees to be funded;
- (b) the number of instalments required;
- (c) a description of the professional services to be rendered;
- (d) contact details of the client, including address, telephone, facsimile and any other contact numbers;
- (e) the client's A.C.N. and a set of the client's financials for the previous 2 financial years;
- (f) if applicable, the nature and extent of the Accountant's equity interest in their client;
- (g) where requested by Lumley, a set of the Accountant's financials;

3.4.2 The Accountant must not make a written request for quotation from Lumley in respect of the provision of the Services;

- (a) in relation to any matter which relates to the personal, household or domestic purposes of the Customer if it forms more than 49% of the total invoice.

3.4.3 The Accountant represents and warrants to Lumley that the information provided to Lumley with a request for a quotation will be accurate and not misleading by Omission.

3.5 Provision of quotation by Lumley.

3.5.1 On request by the Accountant as in 3.4.1, Lumley will provide a written quotation of the terms upon which it is prepared to wholly or partially fund the fee for the Services subject to receiving and accepting an Application. The quotation must contain the following information:

- (a) term of the loan;
- (b) flat interest rate charged;
- (c) total interest amount charged;
- (d) the number of instalments or principal and interest required to repay the loan and interest;
- (e) monthly instalment amounts;

3.5.2 Lumley must provide a written quotation as in 3.5.1 as soon as practicable after receipt of a quotation request from the Accountant. The Accountant is to provide the quotation to the Customer on receipt from Lumley.

3.6 Offers

3.6.1 In the event that the Customer wants to proceed to borrow the amount of the fee for the Services, the Accountant must;

- (a) complete an Application with the details provided in Lumley's quotation;
- (b) ensure the Customer otherwise completes and correctly executes an Application;
- (c) attach a copy of the invoice accepted by the Customer to the Application;
- (d) procure any other documentation from the Customer in accordance with Lumley's requirements;
- (e) procure either a payment from the Customer for the first instalment cheque or a signed Direct Debit Request (DDR), which would be payable under the Loan Agreement if the Application is accepted; and
- (f) submit the Application documentation to Lumley.

3.6.2 Lumley must promptly process the Application submitted by the Accountant. Lumley may accept or reject an Application in its discretion and must advise the Accountant of its decision. The Accountant must notify the Customer of Lumley's acceptance or refusal of the Offer.

ADVANCE OF FUNDS

4.1 Advance of Funds

Lumley, upon acceptance, will remit the Loan Proceeds directly to the Accountant's bank account within five Business Days.

ACCOUNTANT'S UNDERTAKINGS

5.1 Quality of services

5.1.1 The Accountant warrants that the professional services rendered to and funded by Lumley in accordance with a Loan Agreement will be performed professionally, diligently and with the reasonable skill and care expected of an Accountant in the circumstances.

5.2 Notification of defaults, potential defaults and disputes

5.2.1 The Accountant must give prompt notice to Lumley of any actual or anticipated default by the Customer under the Loan Agreement and any dispute or expected dispute in respect of the Services or fees charged.

5.3 Notification of changes in the Accountant's partnership.

The Accountant must promptly notify Lumley of any changes or proposed changes in its partnership and must upon demand by Lumley ensure that any new partner accept and become bound by this agreement in such manner as Lumley may reasonably require.

CUSTOMER DEFAULT AND COLLECTION PROCEDURES

6.1 Customer Demand

6.1.1 The Accountant must within 5 Business Days of demand by Lumley pay Lumley the full amount owing under a Loan Agreement if:

- (a) the Customer defaults under the terms of the Loan Agreement; and
- (b) Lumley demands full repayment of all outstanding money owing under the Loan Agreement; or
- (c) The Customer fails to pay all outstanding money owing under the Loan Agreement within 15 Business Days of demand from Lumley; and
- (d) Lumley notifies the Accountant that it requires repayment of the full amount outstanding from the Accountant.

6.1.2 Lumley must promptly notify the Accountant if it demands full repayment of all outstanding money owing under the Loan Agreement.

6.1.3 Lumley can demand payment by the Accountant irrespective of any delay in exercising its rights under the Loan Agreement.

6.1.4 In relation to clauses 6.1.1, 6.1.2, and 6.1.3, Lumley will allow the Accountant the option of paying all overdue monthly instalments, and then subsequent monthly instalments as they fall due under the Loan Agreement, provided the Accountant within 5 Business Days of demand by Lumley pays Lumley the full amount of all overdue instalments.

6.1.5 Upon payment by the Accountant in accordance with clause 6.1.1, Lumley must:

- (a) assign its rights under the Loan Agreement to the Accountant in such manner as the Accountant reasonably requires; and
- (b) calculate any applicable rebate of charges and pay this rebate to the Accountant.

ACCOUNTANT DEFAULT AND COLLECTING PROCEDURES.

7.1 Event of Accounting Default.

- 7.1.1 An Assignment Event occurs in respect of a Loan Agreement that relates to fees payable in advance if;
- (a) the Accountant stops providing the relevant Services before they are complete; or
 - (b) the Accountant breaches any duty it has to the Customer in relation to the relevant Services.
- 7.1.2 If an event described in clause 7.1.1 occurs the Accountant must, within 5 Business Days of demand at any time by Lumley pay the full outstanding amount under the Loan Agreement.
- 7.1.3 Upon payment by the Accountant in accordance with clause 7.1.1, Lumley must assign its rights under the Loan Agreement to the Accountant in such manner as the Accountant reasonably requires.

TERM AND TERMINATION

8.1 Term

This Agreement continues for a term of (3) years after which it may be terminated by either party giving the other not less than 3 months written notice.

8.2 Earlier termination

Either party may end this agreement earlier by written notice to the other in the following circumstances:

- (a) if the other party ceases to carry on business;
- (b) if the other party breaches any provision of this agreement which is capable of remedy and fails to remedy that breach within 15 Business Days (or such longer period specified in the notice) of receipt of written notice identifying the breach and requiring its remedy;
- (c) if the other party breaches any provision of this agreement which by its nature is not capable of remedy. A provision which requires a party to do something by a date or within a time is capable of remedy for the purposes of this clause.

8.3 Effect of expiry or termination

8.3.1 Upon expiry or any termination, this Agreement automatically terminates except that;

- (a) The Accountant must promptly return any Documentation to Lumley;
- (b) The parties must continue to perform their obligations under this agreement in relation to any current Professional Fee Funding Agreement, and
- (c) The provisions of this agreement which by their nature survive termination or expiry are not extinguished or otherwise affected.

MISCELLANEOUS

9.1 Commission

- 9.1.1 The Accountant agrees that it may receive a commission in connection with any Loan Agreement.
- 9.1.2 The Accountant agrees that Lumley may pay a commission to any person who introduced Lumley to the Accountant in respect of each Loan Agreement entered into under this agreement.

9.2 Interest on outstanding money

- 9.2.1 Each party must pay the other interest calculated daily on any money owing under this agreement for more than seven days at 3% above the Westpac Indicator Rate from time to time from the date it should have been paid to the date of payment.

9.3 Notices

- 9.3.1 Any statement demand or notice under this Agreement will be effectively signed on behalf of a party if it is executed or signed by that party, any director or secretary of that party or any employee whose title includes the word "Manager".
- 9.3.2 In addition to effective service pursuant to any statute, any statement, demand or notice to any party may be validly served from the purposes of this agreement by being delivered or sent by registered post to the address of the addressee or sent by facsimile to the facsimile number of the addressee. The address and facsimile numbers of the parties for the purposes of this agreement are set out in the Schedule or such others as are from time to time notified in writing by the party to the other parties.

9.4 Interpretation

Unless the context otherwise requires a word which denotes:

- (a) the singular includes the plural and vice versa;
- (b) any gender includes the other gender; and
- (c) a person includes an individual, a body corporate and a government.

9.5 Applicable law

This Agreement is governed by the laws of New South Wales. The parties irrevocably and unconditionally submit to the non exclusive jurisdiction of the court system of New South Wales.

9.6 Legal costs and stamp duty.

The parties will each pay their own legal costs.

10. SCHEDULE

Practice ID:
(OFFICE USE)

Name: A.B.N.

Street Address:

..... P/Code:.....

Practice Established/...../..... No. of Partners Member of: CPA ICAA NIA

Contact Numbers: (Phone)..... (Fax).....

Contact E-mail(s)

Postal Address:P/Code.....

Signed, sealed and delivered by for and on behalf of
the Practitioner (Name of Authorised person)

.....
Signature of Authorised person Office Held

.....
Signature of Witness Name of Witness (print)

.....
Date Date

Name: Lumley Finance Ltd, A.C.N. 002 543 606
Address: 309 Kent Street,
Sydney NSW 2000

Facsimile Number: 02 9248 1244

LUMLEY FINANCE LIMITED

.....
Signature of authorised person Signature of authorised person

.....
Office Held Office Held

.....
Name of authorised person (print) Name of authorised person (print)

Practice ID: _____
(OFFICE USE)

Addendum – Your Firm’s Bank Account Details
(i.e., the bank account where you require funds to be deposited)

Account Name:

Name of Bank:

Bank Branch Location:

BSB Number:

Account Number:

* * * * *

After completing the schedule on pages 10 & 11.....

- **Fax pages 10 & 11 to ProFee/Lumley Finance – (02) 9248 1244. We will then contact you.**

Funding guidelines

As of the date of your receiving this agreement, the following guidelines apply. These guidelines may be subsequently altered. If altered, details will appear at the website and be communicated to you.

The maximum amount (any one contract or series of contracts) to be funded for any one client is \$100,000. For amounts over \$100,000, client financials will need to be provided to Lumley Finance for acceptance.

Most contracts are subject to a credit check by the funder prior to acceptance.

With respect to producing contracts:

- Contracts for amounts up to \$99,999 can be generated via the website.
- Contracts for amounts over \$100,000 are generated manually after acceptance of the client’s financials.