

## Legal Agreement

### Customer Service Agreement

This Client Payroll Service Agreement is a legal agreement between "ePayroll-US.com" (Distributor) and "Client" regarding use of this website. In this Agreement, the "Service" refers to the payroll service provided on this website, "Client" refers to the employer whose payroll is processed by "Service", and "ePayroll-US.com" refers to the person or persons who make the Service available to you. This Agreement includes related content on the website, such as the login page, which is incorporated by this reference. ePayroll-US.com may decline to initiate the Service for you in ePayroll-US.com's sole discretion.

### **Permitted Uses and Restrictions on Use**

The Service may only be used for its intended purpose of calculating payroll and its associated liabilities for your business or household, and for making related payroll and tax payments or tax filings electronically (if you elect electronic payment or filing options). The Service also may be used for preparing and filing federal Form 1099-MISC for payments to contractors. Notwithstanding anything in this Agreement, ePayroll-US.com has no responsibility or liability for damages or claims relating to any use of the Service other than as described above. The Service does not include calculation of deductions or taxes other than those that apply only to payroll, nor does it include backup withholding on payments to contractors, nor does it include calculation or reporting of penalties or interest on delinquent tax payments.

You are responsible for maintaining the confidentiality of your User ID and password. If you grant access to your account to one or more additional users, you are responsible for ensuring that they maintain the confidentiality of their respective User IDs and passwords and comply with all terms and conditions of this Agreement. You are responsible for all actions taken on the Web site by someone duly signed in to your account, whether or not authorized by you. You agree that your User ID and password have the same effect as your written signature authorizing electronic payments, filings and other actions on the Web site. You may change your User ID and password at any time by following the procedure on the Web site, and we recommend that you do so from time to time. You agree to notify ePayroll-US.com immediately if you become aware of any unauthorized use of your User ID and password. You represent and warrant to ePayroll-US.com that you are authorized to use the Service on behalf of the business identified in your account (including authorization to make electronic payments or filings on behalf of the business, if applicable) and to make on behalf of the business the representations and commitments required of the business by this Agreement and the Web site.

The Service does not include obtaining your access to the Internet for connecting to the website. You acknowledge that the operation and availability of the communications systems used for accessing and interacting with the website (e.g., the public telephone computer networks and the Internet) or to transmit information to the taxing authorities can be unpredictable and may, from time to time, interfere with or prevent access to the website or its operation. ePayroll-US.com is not in any way responsible for any such interference with or prevention of your use of or access to the website. When the Internet is not available, you must contact ePayroll-US.com by telephone or by other means for instructions on how to calculate paychecks and make tax payments and filings.

## **Electronic Transactions**

You may request direct deposit of employees' or contractors' paychecks, or you may request electronic payment of payroll taxes. Direct deposit and electronic tax payment options facilitate regular and typical payroll, contractor, and payroll tax payments. We reserve the right to delay or decline processing direct deposit or electronic tax payment transactions (i) that significantly differ, in our sole opinion, from your typical payment activity or volume of payment transactions, (ii) for which sufficient funds are not available in your account, (iii) that are otherwise in violation of this Agreement or the ACH rules (described below), or (iv) that, in our sole opinion, may pose a risk of loss to us.

To use these options, you must input all required payroll information on the website before the cutoff time specified for the payment date you choose. We may request and rely on information from you or other sources in order to verify your identity, the authorization of your instructions, and your creditworthiness. Subject to our right to require such verification, we will debit the bank account you designate for amounts payable after the cutoff time as described on the website. After that, no interest will accrue to the account holder. Typically, transactions will be sent through the Automated Clearing House (the "ACH") Network. You agree your payment transactions will be governed by the ACH rules as in effect from time to time and that you will not initiate entries that violate the laws of the United States. You can learn more about the ACH at [www.nacha.org](http://www.nacha.org). (NACHA - The Electronic Payments Association, develops operating rules and business practices for the ACH Network and for other areas of electronic payments.) You warrant to ePayroll-US.com's ACH Originator everything that must be warranted as an ACH Originator, and you accept any liability you or ePayroll-US.com's ACH Originator may incur which is caused by your electronic payment transactions.

You agree that we may request, obtain and use credit reports and other information about you from third party sources.

If you sign up for electronic payment options and amounts due cannot be collected because of insufficient funds in your account or any other reason, you must pay the amount due immediately upon demand, plus exceptions processing fees, plus any bank fees or charges for return items, plus interest at the lesser of 18% annually or the maximum allowed by law, plus attorney's fees and other costs of collection as allowed by law. In addition, ePayroll-US.com may terminate this Agreement, discontinue the Service to you (either entirely, or only with respect to electronic payment options, ePayroll-US.com's discretion) and utilize any other available remedy. ePayroll-US.com may make appropriate reports to credit reporting agencies, financial institutions, tax agencies and law enforcement authorities, and cooperate with them in any resulting investigation or prosecution.

## **Federal and State Electronic Services and Electronic Debit Authorization**

You understand that this authorization does not relieve you, as the taxpayer, of the responsibility to ensure that all tax returns are filed and all deposits and payments are made on time. PayCycle, Inc ("Agent") is authorized to sign and file federal and state employment tax returns transmitted electronically (or in certain circumstances, submitted on paper). You certify that you have the authority to authorize the disclosure of otherwise confidential tax information.

Agent is hereby authorized to instruct the IRS and/or the appropriate state agency to withdraw funds from the checking account on file in the amounts specified using Agent's tax payment

approval process to pay my federal and state payroll taxes. You agree that approval of all federal and state filings on the Service website will constitute your electronic signature declaring, under penalties of perjury, that you have examined each return (including any accompanying schedules and statements) and to the best of your knowledge and belief each is a true, correct and complete return. All of the foregoing authorizations will remain in full force until Agent or you terminate electronic services.

Agent is hereby authorized to initiate debit entries to your checking account on file and to credit the same to that account. You acknowledge that Agent will withdraw funds, in the amounts specified using Agent's paycheck approval process, and transfer them to your designated employee and/or contractors accounts for the purpose of paying your employees and/ or contractors. In the event of an error, you hereby authorize Agent to credit such account to offset the error.

### **Limited Warranty**

ePayroll-US.com warrants to you the accuracy of payroll tax calculations on each pay stub and tax filing prepared using the Service, subject to the following terms and conditions. As your sole and exclusive remedy and ePayroll-US.com's sole and exclusive liability for breach of the foregoing warranty, ePayroll-US.com will pay all government penalties and interest assessed against you due solely to calculation errors made by the Service. This warranty does not apply to any assessments, penalties or interest resulting from, among other things, your use of the Service to process payroll data for which it is not appropriate (as described on the "Who Should Use" page), your failure to make and record payroll tax payments and filings in the manner and on the schedule recommended by the Service, your failure to enter on the website timely and accurate compensation information for your employees, your use of the Service to prepare pay stubs, tax payments, or tax filings based in whole or in part on payroll or tax payment information that you calculated or input incorrectly, or your failure to file an amended return or make an additional payment to avoid or reduce your penalty or interest after you have received notice from the government or ePayroll-US.com that you should do so. ePayroll-US.com will endeavor to post on the website notices of corrections and updates to the Service or to notify you according to the contact information that you provide on the website, which you agree to update promptly with all changes.

In general, the Service calculates payroll taxes based on the assumption that wages paid to employees (but not payments made to contractors) are subject to all payroll taxes applicable to the indicated geographical area. For example, the Service assumes that each employer is subject to federal unemployment tax, although employers who did not pay wages of at least \$1,500 in at least one calendar quarter this year or last year may be exempt. The Service guides you to make tax payments in full when due, although some tax agencies do not assess penalties for small payment shortfalls that are made up by the end of a reporting period. In some cases, you can customize the Service for situations such as those described above. In other cases, you may have to make adjustments outside the Service in order to take advantage of certain payroll tax exemptions. ePayroll-US.com does not warrant that the Service will minimize your payroll taxes automatically.

If you believe you are entitled to payment under this warranty, you must notify ePayroll-US.com as soon as you learn of the mistake (and in no event later than 30 days after the assessment is made). You must include a copy of the government notice. By claiming payment, you authorize

ePayroll-US.com to obtain and review any data files that may be in ePayroll-US.com's possession or control in order to evaluate your claim. You remain responsible for paying any additional tax liability you may owe and providing assistance and additional information as reasonably requested by ePayroll-US.com. This warranty is for your benefit only and is not transferable, and will be null and void if you breach any terms or conditions of this Agreement.

**Except as expressly provided above, the Service is provided "as-is" and, to the maximum extent permitted by applicable law, Accountant and its licensors, distributors, advertisers, dealers or suppliers disclaim all other warranties, express or implied regarding the Service and its related materials, including their fitness for a particular purpose, their quality, their merchantability, or their non-infringement. ePayroll-US.com does not warrant that the website is completely secure or is free from bugs, interruptions, errors, or other program limitations. ePayroll-US.com does not warrant that the website, or the server that makes it available, is free of viruses or other harmful components. You -- not ePayrollUS.com -- assume the entire cost of all necessary servicing, repair, or correction of problems caused by viruses or other harmful components. Some states do not allow the exclusion of implied warranties, so the above exclusions may not apply to you. In that event, any implied warranties are limited in duration to 60 days from the date of purchase of the Service. However, some states do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to you. This warranty gives you specific legal rights, and you may have other rights that vary from state to state.**

#### **Limitation of Liability**

**Except to the extent of the limited warranty described above, the entire liability of Accountant and its licensors, distributors, advertisers, dealers and suppliers for any reason shall be limited to the aggregate amount of payroll service fees paid by you to ePayroll-US.com during the twelve (12) months immediately preceding the date on which the claim accrued. To the maximum extent permitted by applicable law, Accountant and its licensors, distributors, advertisers, dealers and suppliers are not liable for any indirect, special, incidental, or consequential damages (including damages for loss of business, loss of profits or investment, or the like), whether based on breach of contract, breach of warranty, tort (including negligence), product liability or otherwise, even if such person has been advised of the possibility of such damages and even if a remedy set forth in this Agreement is found to have failed of its essential purpose. Accountant and its licensors, distributors, advertisers, dealers and suppliers are not liable for any loss, erasure or corruption of or unauthorized access to any data or other information transmitted or stored via the Service. Some states do not allow the limitation and/or exclusion of liability for incidental or consequential damages, so the above limitation or exclusion may not apply to you.**

The limitations of damages and liability set forth in this Agreement are fundamental elements of the basis of the bargain between you and ePayroll-US.com. You acknowledge and agree that ePayroll-US.com would not be able to provide the Service on an economic basis without such limitations.

#### **Amendment; Termination**

ePayroll-US.com may change the terms of this Agreement from time to time. ePayroll-US.com will post the revised Agreement on the website. If a change to this Agreement is not acceptable to you, you may cancel the Service prior to the time when it takes effect. Continuing to use the Service constitutes agreement to all changes. Either you or ePayroll-US.com may terminate this Agreement (either entirely, or only with respect to direct deposit or electronic tax payment options) for any reason or no reason by giving notice in accordance with the information then on the website, effective immediately. Reasons why your ePayroll-US.com may terminate this Agreement include, without limitation: (1) you fail to provide and update information that enables the Service to collect for electronic transactions, (2) any information you give is false, misleading or incomplete; or (3) you engage in conduct which, in ePayroll-US.com's judgment, interferes with the operation or use of the Service (e.g., excessive use of the Service which disrupts the use of the Service by other users). The "Limited Warranty," "Limitation of Liability" and "Governing Law; Dispute Resolution" sections of this Agreement survive termination.

### **Governing Law; Dispute Resolution**

This Agreement will be subject to and construed in accordance with the laws of the State of California and jurisdiction shall rest with applicable California courts. The parties agree and hereby irrevocably submit any suit, action or proceeding arising out of or related to this Agreement or any of the transactions contemplated by this Agreement to the jurisdiction and venue of the United States District Court for the Northern District of California or the jurisdiction and venue of any court located in Santa Clara County, California and waive any and all objections to jurisdiction and venue, unless the parties mediate or arbitrate their dispute as provided below. No action arising under or in connection with this Agreement, regardless of form, may be brought more than one (1) year after the cause of action accrued. The parties hereby agree to opt-out of any application of the Uniform Computer Information Transactions Act (UCITA), or any version thereof, adopted by any state.

### **Miscellaneous**

This Agreement, including related content on the website, such as the login page, which is incorporated by this reference, sets forth Accountant's entire liability and your exclusive remedy with respect to the Service, and is a complete statement of the agreement between you and ePayroll-US.com regarding the Service. ePayroll-US.com is not authorized to make modifications to this Agreement, or to make any additional representations, commitments or warranties regarding the Service, except in a writing signed by Client and ePayroll-US.com.

If any term, warranty, condition or provision of this Agreement is found by a court of competent jurisdiction to be invalid or unenforceable, such term, warranty, or provision will be struck from this Agreement, and the balance of the Agreement will remain in full force and effect. Failure by either party to exercise any right to require performance under this Agreement will not be construed as a waiver of any subsequent right to require performance or to claim of breach of contract. Except as otherwise provided herein, the rights and remedies provided for in this Agreement are not exclusive, and both Client and ePayroll.com retain all rights and remedies now or hereafter provided by law in addition to those provided for in this Agreement. If any court, mediation or arbitration action is brought by either ePayroll-US.com or Client to enforce any provision of this Agreement, the prevailing party in such action will be entitled to recover both attorneys' fees and costs from the other party. If the parties agree to settle their claims against each other, each party will be responsible for its own attorneys' fees and costs.

October 15, 2013



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