Collection Agreement

The agreement made on _____, 2003 between **AR Resources, Inc.** ("Agency) and _____("Client"} located at _____.

A. Fee

Contingency collections: _____ Percent (___%)

Second Placements: _____ Percent (___%)

Legal Accounts: _____ Percent (___%)

Pre-collection Letter Service

_____accounts @ $_____/account

Subtotal: $_____

Tax (7% in Philadelphia) 6% $_____

Total $_____

B. Client will forward accounts to Agency for collections. Agency will comply with the FDCPA and all applicable state laws. Client agrees not to forward the accounts to another collection agency while the accounts are in the Agency Possession

C. Agency will not initiate any legal action without receiving written authorization from Client. Client agrees to advance all court costs incurred with the filing of any legal account.

D. Client will notify Agency of all direct payments received on accounts placed with agency. Client agrees that full commissions are due to Agency on any such account.

E. All monies collected by Agency shall be deposited into Agency's escrow account. All interest earned on monies collected will be retained by Agency. Agency agrees to remit monthly all monies collected less Agency's commission.

F. Client allows Agency to endorse any funds made payable to the Client for the Agency to deposit to their account.

G. Client ***agrees / disagrees*** to allow Agency to report all unpaid account to credit reporting agencies.

H. Agency hereby agrees to indemnify Client and to hold Client harmless from and against all damage, cost, loss and expense, including reasonable attorney's fees, directly resulting from Agency's collection activity under this contract; provided, however, Client hereby warrants and guarantees that the information furnished to Agency including but not limited to the identity of the debtor, any information about the debtor, the debtor's eligibility for repayment exemption, the balance of the account and the payments and credits due, shall be accurate. Agency shall have no obligation to indemnify or hold Client harmless in the event of error in such information. Client agrees to indemnify Agency, its officers, directors, servants and agents and to hold Agency harmless from and against all damage, cost, loss and expense, including reasonable attorney's fees resulting from errors or omissions in connection with such information furnished by Client to Agency. Client further agrees to indemnify Agency, its officers, directors, servants and agents and to hold Agency harmless from and against all damage, cost, loss and expense, including reasonable attorney's fees that may arise out of the acts of the agents or employees of Client. The indemnities provided for herein shall survive the termination of this agreement. Agency hereby expressly disclaims responsibility for any other damages whether special, incidental or consequential.

I. This Agreement shall be enforced in accordance with the laws of the Commonwealth of Pennsylvania, Client or Agency may terminate this agreement upon thirty (30) days prior written notice to the other. Notices shall be sent by certified or registered mail. Accounts placed with Agency prior to termination may be retained by Agency for continued collections.

I have read and understand the terms and conditions set forth in this Agreement:

Client

_____ _____
Signature Date

_____
Print Name

_____
Title

AR Resources, Inc.

_____ _____
Signature Date

_____
Print Name

_____
Title