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Press Release

DEBT RESOLVE REACHES TRANSACTIONAL MILESTONES; ANNOUNCES SECOND QUARTER RESULTS

Placements reach over 15 million accounts with face value of over \$15 billion; as of July 2007, adding new accounts at the rate of \$1 billion (face value) this quarter.

White Plains, New York (August 20, 2007) – Debt Resolve, Inc. (AMEX: DRV), the only company to offer a patented Internet solution for the collection and settlement of consumer finance accounts receivable, today announced the achievement of a transactional milestone. As of July 2007 Debt Resolve is adding new accounts at the rate of \$1 billion (face value) per quarter.

This steady increase in placements is a result of newly-signed contracts including a top-5 bank and major collection agencies in the United States. The company continues to experience a dramatic increase in placements. Debt Resolve's system has processed over 15 million accounts (including credit card, auto finance, and healthcare) with a face value of over \$15 billion since its inception in 2003. Clients using the DebtResolve patent-based online system have a settlement rate of over 50% for debtors who logged in, and settlements averaging 15% over the clients' floors (called the company's "bump rate").

James D. Burchetta, Debt Resolve Chairman and CEO, stated: "This is a significant accomplishment for Debt Resolve as the Company continues to attract major clients to its patent-based system that results in a significantly lower collection cost and collects more money than traditional collection methods alone. Debt Resolve proves that if you leave people alone, treat them with respect and do not force a number on them, they will do amazing things, like settle debt on their own and pay more money than expected. This is the power of the Debt Resolve system."

Debt Resolve also announced its financial results for the second quarter of 2007. During the three months ended June 30, 2007, the company:

- Added a top-5 U.S. bank as a client in this quarter,
- Received placements with a face value of over \$2 billion this year and face value of \$1 billion this quarter,
- Experienced a 27% increase in the face value of placements compared with the second quarter of 2006,
- Experienced a 26% increase in year over year placements, and
- More than doubled its penetration in the legal collection and auto finance sectors.

Revenue for the second quarter of 2007 was \$875,210, compared to \$27,026 in the second quarter of 2006. Net loss for the second quarter of 2007 was \$(5,303,731) compared to a loss of \$(1,696,302) in the second quarter of 2006. The total loss for the three months ended June 30, 2007 includes \$1,645,160 in non-cash stock-based compensation expense and \$1,179,080 in a

non-cash goodwill and intangibles impairment charge. On a per share basis, the net loss of (\$0.69) was greater than the net loss of (\$0.55) in the second quarter of 2006, primarily due to the charge off of goodwill and intangibles related to the acquisition of First Performance Corporation. The company's financial statements for the years ended December 31, 2006 and 2005, and the three months ended June 30, 2007 and 2006 were prepared on a going concern basis, which contemplates the continuation of the company as a going concern and the realization of assets and the satisfaction of liabilities in the normal course of business. Since the company may not have sufficient cash to fund its operations for the next twelve months, there exists substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Debt Resolve, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
June 30, 2007
(Unaudited)

	<u>Three months ended June 30,</u>	
	<u>2007</u>	<u>2006</u>
Revenues	<u>\$ 875,210</u>	<u>\$ 27,026</u>
Costs and expenses:		
Payroll and related expenses	3,093,006	585,277
General and administrative expenses	1,822,760	546,916
Impairment of goodwill and intangibles	1,179,080	--
Depreciation and amortization expense	<u>67,211</u>	<u>13,849</u>
Total expenses	<u>6,162,057</u>	<u>1,146,042</u>
Loss from operations	<u>(5,286,847)</u>	<u>(1,119,016)</u>
Other (expense) income:		
Net interest (expense) income	(16,884)	(143,246)
Amortization of deferred debt discount	--	(377,999)
Amortization of deferred financing costs	--	(57,541)
Other income	<u>--</u>	<u>1,500</u>
Total other (expense) income	<u>(16,884)</u>	<u>(577,286)</u>
Net loss	<u>\$ (5,303,731)</u>	<u>\$ (1,696,302)</u>
Per share data:		
Basic and diluted net loss per common share	<u>\$ (0.69)</u>	<u>\$ (0.55)</u>
Basic and diluted weighted average number of common shares outstanding	<u>7,707,668</u>	<u>3,097,595</u>

Note: The per share data gives effect to the issuance of 336,738 warrants exercisable at \$0.01 per share, in accordance with Statement of Financial Accounting Standards No. 128.

DEBT RESOLVE, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheet
June 30, 2007
(Unaudited)

ASSETS

Current assets:	
Cash and cash equivalents	\$ 170,882
Restricted cash	305,336
Accounts receivable	327,532
Prepaid debt collection payments	133,651
Prepaid expenses and other current assets	<u>101,591</u>
Total current assets	<u>1,038,992</u>
Fixed assets, net	<u>424,590</u>
Other assets:	
Deposits and other assets	149,160
Deferred acquisition costs	758,663
Purchased accounts receivable	437,055
Intangible assets, net	<u>270,000</u>
Total other assets	<u>2,039,468</u>
Total assets	<u>\$ 3,078,460</u>

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

Current liabilities:	
Accounts payable	\$ 1,908,276
Collections payable	305,336
Accrued payroll	73,364
Accrued expenses	37,311
Portfolio loans payable	413,780
Line of credit – related party	<u>500,000</u>
Total current liabilities	<u>3,238,067</u>
Stockholders' deficiency:	
Preferred stock, 10,000,000 shares authorized, \$0.001 par value, none issued and outstanding	-
Common stock, 100,000,000 shares authorized, \$0.001 par value, 7,423,175 shares issued and outstanding	7,423
Additional paid-in capital	39,930,856
Accumulated deficit	<u>(40,097,886)</u>
Total stockholders' deficiency	<u>(159,607)</u>
Total liabilities and stockholders' deficiency	<u>\$ 3,078,460</u>

About Debt Resolve, Inc.

Debt Resolve provides lenders, collection agencies, debt buyers and utilities with a patented online bidding system for the resolution and settlement of consumer debt and a collections and skip tracing solution that is effective at every stage of collection and recovery. Through its subsidiary, DRV Capital, LLC, the company is actively engaged in the purchase and collections of distressed accounts receivable using its own collections solutions. Through its subsidiary, First Performance Corporation, the company is actively engaged in operating a collection agency for the benefit of its clients, which include banks, finance companies and purchasers of distressed accounts receivable. The stock of Debt Resolve is traded on the American Stock Exchange. Debt Resolve is headquartered in White Plains, New York. For more information, please visit our website at www.debtresolve.com.

Forward-Looking Statements and Disclaimer

Certain statements in this press release and elsewhere by management of the company that are neither reported financial results nor other historical information are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such information includes, without limitation, the business outlook, assessment of market conditions, anticipated financial and operating results, strategies, future plans, contingencies and contemplated transactions of the company. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors which may cause or contribute to actual results of the company’s operations, or the performance or achievements of the company, or industry results, to differ materially from those expressed or implied by the forward-looking statements. In addition to any such risks, uncertainties and other factors discussed elsewhere in this press release, risks, uncertainties and other factors that could cause or contribute to actual results differing materially from those expressed or implied by the forward-looking statements include, but are not limited to, events or circumstances which affect the ability of Debt Resolve to realize improvements in operating earnings expected from the acquisition of First Performance and the contemplated acquisition of Creditors Interchange; competitive pricing for the company’s products and services; fluctuations in demand for the company’s products or services; changes to economic growth in the United States and international economies; government policies and regulations, including, but not limited to those affecting the collection of consumer debt; adverse results in current or future litigation; currency movements; and other risk factors discussed in the company’s Annual Report on Form 10-KSB for the year ended December 31, 2006, and in other filings made from time to time with the SEC. Debt Resolve undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Investors are advised, however, to consult any further disclosures made on related subjects in the company’s reports filed with the SEC.