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## Press Release

### **DEBT RESOLVE SECURES UP TO \$4.5 MILLION IN FINANCING *Enters Into Joint Venture with The Resolution Group, Inc.;* *Announces Board and Management Changes***

**White Plains, New York (January 7, 2008)** – Debt Resolve, Inc. (AMEX: DRV) today announced that it has entered into an agreement dated December 12, 2007, with The Resolution Group Inc. (TRG) of Irvine, CA, to provide up to \$4.5 million of funding and establish a joint venture with Debt Resolve to develop a product for the sub-prime home mortgage workout/note modification market.

Debt Resolve will provide its subprime collection tool, <sup>DR</sup>Default, in combination with TRG's mortgage servicing system, to allow homeowners to select options presented to them by the financial institution with the ability to download state-specific loan modification and extension documents to cure a default and prevent foreclosure. TRG will also provide the sales, marketing and administrative staff and supervision from a center to be located at the First Performance (a Debt Resolve subsidiary) facility in Las Vegas, NV and in Irvine, CA.

TRG specializes in providing consulting, market strategy and planning to the mortgage industry and healthcare community primarily based on the West Coast. The principals at TRG have longstanding relationships at the high executive level within the mortgage, banking and healthcare industries. TRG agrees to refer clients in the healthcare and banking industries to Debt Resolve, pursuant to a finder's agreement dated December 11, 2007.

A 2006 study by the Center for Responsible Lending shows that over 2 million people are facing foreclosure and close to 20 percent of subprime mortgages issued between 2005 and 2006 are expected to fail. According to the U.S. Federal Reserve, as of March 2007, U.S. subprime mortgages were valued at \$1.3 trillion, with more than 7.5 million first-lien mortgages outstanding. As of October 2007, approximately 16 percent of subprime loans with adjustable rate mortgages (ARMs) are 90 days into default.

James D. Burchetta, Debt Resolve's Co-Chairman and CEO, commented: "As the US faces a subprime mortgage crisis, Debt Resolve and TRG clients are in a unique position to be able to provide a 'total solution' to the mortgage industry for the benefit of banks and homeowners alike. Our internet tools are easy-to-use, safe and secure and allow the homeowner the opportunity to reflect upon various options to stop, prevent or cure default. We are excited to enter into a joint venture with TRG whose principals understand the mortgage industry, its current difficulties and the solution."

TRG also agreed to introduce to Debt Resolve to accounts from its creditor base in the healthcare, mortgage and banking industries for integration into Debt Resolve's collection system. Debt Resolve agreed to pay TRG a fee equal to 12.5% of gross introduced customer revenues generated by creditor-clients referred to us by TRG. TRG will become a fully authorized agent of Debt Resolve, operating in California and the West Coast, in offering Debt Resolve products and services.

Under the agreement, TRG agrees to loan to funds in the amount of \$500,000 to \$4,500,000 pursuant to 12% senior secured notes. The principal and interest under the notes would be due and payable 18 months after the date of issuance. Debt Resolve would also issue to TRG warrants (with 30% warrant coverage) to purchase shares of our common stock at an exercise price equal to 105% of the market price per share of our common stock on the date of grant.

Upon Debt Resolve's execution of the agreement, the Company agreed to issue to TRG, subject to compliance with the market rules of the American Stock Exchange (where Debt Resolve shares trade), (a) 400,000 shares of common stock, provided TRG funds to Debt Resolve at least \$500,000 on or before December 20, 2007, (b) 250,000 additional shares of common stock, provided TRG funds to Debt Resolve at least \$2,000,000 on or before January 26, 2008, and (c) 250,000 additional shares of common stock, provided TRG funds to Debt Resolve at least \$3,000,000 and up to \$4,500,000 on or before June 12, 2008, plus delivers contracts with three hospitals by such date, as well as an aggregate portfolio of face value debt of \$50,000,000 on or before December 12, 2008. TRG is entitled to a 5% note servicing fee in connection with its funding obligation for amounts in excess of the initial \$500,000.

Debt Resolve also announced that its President and Chief Technology Officer, Richard G. Rosa, has resigned, effective December 31, 2007. Mr. Rosa has left to pursue other opportunities. Tony Sakovsky, Director of Technical Operations has been named Vice President of Technology and will assume Mr. Rosa's duties immediately with respect to technology.

Tony Sakovsky, age 45, joined Debt Resolve in January 2007. Prior to joining Debt Resolve, Tony worked with IBM for six years, initially helping to build its Universal Server Farm, IBM's commercial web hosting offering, and managing IBM's web operations for companies such as United Health Group, Sony and Starwood Hotels, to name a few. He was also the Chief Technology Officer & Co-Owner of The National Internet Source, Inc., an ISP. In addition, Tony has held key management positions with companies such as RAD Data Communications, Datalogix and Chromatic Paint Corporation.

Debt Resolve also announced that Board member Alan M. Silberstein has resigned from its Board of Directors, effective December 31, 2007. Mr. Silberstein resigned to provide a Board seat for a nominee of The Resolution Group to join the Board following nomination and approval.

James D. Burchetta stated: "Under Rich's management, our technology team has attracted outstanding personnel and we have been at the forefront of online collections. Rich is a shareholder of Debt Resolve and will remain a friend to the company. We wish Rich all the best in his future endeavors. We are very excited about Tony heading up our technology team. He has had day-to-day technical operations experience for the past year and is extremely well-qualified. We also thank Alan for his many years of service to the Company as an active, independent Board member."

#### **About The Resolution Group, Inc.**

The Resolution Group, Inc., (TRG), is a private California corporation formed to help delinquent consumers resolve their debts with creditors and negotiate home loan modifications. The company, located in Newport Beach, California, specializes in providing consulting, market strategy and planning to the mortgage, banking and healthcare industries. The principals of The Resolution Group have longstanding relationships at high executive levels within the mortgage, banking and healthcare communities. For more information, please visit the website at <http://onlinedebtresolution.com>.

#### **About Debt Resolve, Inc.**

Debt Resolve provides lenders, collection agencies, debt buyers and utilities with a patent-based 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, 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 the website at [www.debtresolve.com](http://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; 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.