



# CEOCFO

## Interviews & News!

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### Debt Resolve Is Providing The Opportunity To Settle Any Debt In The World In Any Language Or Currency On A Safe, Secure, And User-Friendly Website

**DebtResolve™**  
Resolved. With Dignity.

Services  
Business Services  
(DRV-AMEX)

Debt Resolve, Inc.

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**James D. Burchetta**  
Co-Chairman and CEO

**BIO:**

**James D. Burchetta**  
Co-Chairman and CEO

James D. Burchetta has watched the Internet change how people shop, bank, communicate and entertain themselves. Now he is tapping the Internet's power to change how consumers resolve overdue bills with creditors. Burchetta's company, Debt Resolve Inc. (AMEX: DRV), offers an online platform for customers to negotiate, settle or pay their debts.

Online collection is more efficient and less costly way for creditors to deal with customers than the traditional method of calling them at home. "Our tagline is 'resolved with dignity,'" said Burchetta, the company's Chairman and Chief Executive Officer. "The interesting thing is that studies have shown that you collect more money if you treat people nicely. Believe it or not, the banks want to help the debtors get out of debt. This system is a way that people can avoid the classic dinner time telephone call or call at work."

James D. Burchetta has been Debt Resolve, Inc.'s Co-Chairman of the Board and Chief Executive Officer since January 2003. In 1997, Mr. Burchetta co-founded Cybersettle, Inc., a company that mediates the settlement of insurance claims over the Internet. He served as Cybersettle's Chairman of the Board and Co-Chief Executive Officer from until 2000 and as Vice Chairman from 2000 to 2002. Mr. Burchetta holds the business-model patent for the double-blind bidding process licensed to both Cybersettle and DebtResolve.

Prior to founding Cybersettle, Mr. Burchetta was a Senior Partner in the New York law firm of Burchetta, Brofman, Collins & Hanley, LLP, where he practiced insurance and corporate finance law. Mr. Burchetta received a B.A. degree from Villanova University and earned his J.D. degree from Fordham University Law School. He is a member of the New York State Bar and a frequent speaker at industry conferences.

**Company Profile:**

Selected as one of the top 100 technology companies in the collection industry by

"Collection Advisor" Magazine, 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. As a new channel, which can be used at all stages of collection and recovery, this platform gives companies a way to effectively collect more delinquent consumer debt and contact customers who would otherwise avoid other communication channels, while allowing the user to maintain positive relationships with their customers. 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. Debt Resolve's stock is traded on the American Stock Exchange, and the Company is headquartered in White Plains, New York.

**Interview conducted by:**  
Lynn Fosse, Senior Editor  
CEOCFOinterviews.com

**CEOCFO:** Mr. Burchetta, what is your vision for Debt Resolve?

**Mr. Burchetta:** "We settle any debt in the world in any language and any currency by providing a safe, secure, and user-friendly website where a debtor can come on to negotiate and pay a defaulted debt with dignity."

**CEOCFO:** Where are you doing this now and who is using your service?

**Mr. Burchetta:** "We launched in the US and we have over twenty signed contracts including contracts with some of the top

ten banks, collection agencies, and debt buyers in the United States. We just recently signed our first international contract in the UK, which is a landmark for our company; we issued a press release about that today. We have also launched in the Benelux Region (Belgium, The Netherlands, and Luxembourg), France, and Germany and are negotiating with parties in Asia and Australia to use our product as well. It is a global market, and we can settle debt any place in the world in any language and currency.”

**CEOCFO:** How does the process work?

**Mr. Burchetta:** “We have a patented auction model. The patents have been issued in the US, the UK and twenty other countries. It is similar to eBay or Priceline, but instead of bidding against someone else on the computer, we resolve a financial transaction in real-time on line. For example, if a bank (our client) is trying to collect \$4,000.00 from John Smith, they will invite him onto the site and give him the opportunity to make an offer and try to settle his debt. We would have taken basic account information plus their business strategy; they would tell our computer for example that they would sell .40 cents on the dollar and take it over twelve months. We would then allow the debtor to come in and make an offer, so if we go over \$1,000, we can immediately say, ‘Thank you for your offer. It can be settled at round 2 if you offer us \$1,5000 over three months, or it can be settled at around \$3,000.00 or for \$2,100 over twelve months. Congratulations you settled your debt.’ Then we consummate settlement by going into our payment screen, where we accept PayPal, Western Union, checks, credit cards, or whatever the client authorizes.”

**CEOCFO:** Who are the prime targets for this kind of service?

**Mr. Burchetta:** “These are basically consumer debts, credit card debt, cable, utilities, healthcare, and mortgages. Our system is capable of settling debt across a number of different vertical markets, but our focus is primarily consumer debt, that

is, consumers who are behind or in default. We are directing the debtor into this lower cost channel on the internet to Debt Resolve to be able to come in and self pay and self-cure their debt, improve their credit and move forward.”

**CEOCFO:** It sounds like a win/win situation.

**Mr. Burchetta:** “Yes, it is win/win. It is user-friendly in that it avoids the classic dinnertime collection call. It allows you to do it at your time of choice; we have settlements at three o’clock in the morning on Sundays, weekends, nights. It is a platform where people can do it themselves and it may feel more comfortable.”

**CEOCFO:** What is your revenue model?

**Mr. Burchetta:** “We are paid a percent-

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age of settlement, or license fee, we quote either way. It is an industry that is willing to pay a collection agency 10 to 30% collection fees. We can price our product that way, or we can give a capacity fee, put X number accounts in over a given period for ‘X’ number of dollars. We can quote either way.”

**CEOCFO:** Other than language, is there much difference in the collection procedures, policies and the way it would work in different countries?

**Mr. Burchetta:** “Not really, credit cards and credit are basically initiated the same way, with very similar credit practices and collection practices that are basically the same. There are some nuances, some countries are less confrontational and our system works very well in those environ-

ments. Asian countries are not as aggressive in terms of sending letters or calling people at home or at work, so this again is a very nice and dignified way of communicating with a debtor and letting them self-pay. However, it is a global market and our system works as easily and efficiently in France and the UK as it does in America.”

**CEOCFO:** Does the patent create a real barrier to entry for people that like your idea and think they can duplicate it?

**Mr. Burchetta:** “Absolutely, that is why we get patents. We have four patents granted and it is a barrier to entry, plus we have first mover position; we started before anyone else and we had the patent. The patent has resulted in an increase in money collected; we call it a buffer.

When you leave people alone, they actually end up paying more money than ultimately a collector might get by going to the floor number very quickly. There is a benefit to our clients in terms of allowing debtors to make offers and pay.”

**CEOCFO:** How do you reach your customers?

**Mr. Burchetta:** “One, our clients are the banks and collection agencies. We are debt buyers and we market to them by going to trade shows. It is a highly concentrated industry; the top ten banks have 85% of

the credit card debt. In terms of the debtors, the good part about our business model is that the banks themselves are communicating with the debtors. They have a business relationship and a phone number, address and in many cases, an email address for the debtor. Therefore, for example, to John Smith debtor, they are sending him a letter saying ‘Here is an envelope, mail us a check, and here is our 800 number, please visit our website.’ When they go to the website, it is actually a bank website built and hosted by Debt Resolve. In that sense, we do not have to communicate to the debtor directly. They are already being encouraged to visit the website or marketed to by the creditor.”

**CEOCFO:** How long has Debt Resolve been offering the service?

**Mr. Burchetta:** “We were formed in 2003, we were in development throughout 2004 and we took our first claims in 2005. We have been actively doing this for just under two years.”

**CEOCFO:** Please tell us more about the international business?

**Mr. Burchetta:** “The US has 34% of the world volume of credit cards. Europe has 33% so the European market is just as big as the American market. China, for example, has more issued credit cards than the United States does. We have a billion and a half people, so there is large growth of credit in other areas as well. We have as big an opportunity in Europe and Asia and other countries as we do in the US. We have a big campaign in other areas.”

**CEOCFO:** What is the financial picture for Debt Resolve today?

**Mr. Burchetta:** “We are a public company; we went public in November 2006. We have been trading on the AMEX for about a year. Because of our patents and our technology, we do not find it difficult to raise money for our growth. We have a bright future going forward.”

**CEOCFO:** In closing, why should potential investors be interested and what might people miss about Debt Resolve that they should pay attention to?

**Mr. Burchetta:** “We have a patent-based technology and a first-mover position, and we are held to the standards of a public company. We also have 100% name recognition in a very big industry, and the ability to not only settle debt here in the

US, but also globally. I think those are all the reasons why we should be attractive to investors. The one thing that we could miss is that while we have been described as ‘the eBay of debt’, we are an internet company at our core and one of the only companies that deals with the consumer debtor and the ability to settle that debt using the internet. As they push the world onto online banking, it is natural to want to be able to settle and resolve your debt online. The hidden value of Debt Resolve is we are considered by many to be this unbelievably new technology that can truly settle every debt in the world in any language and currency.”



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