UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM TO

Commission File Number: 001-34354

Altisource Portfolio Solutions S.A.

(Exact name of Registrant as specified in its charter)

Luxembourg	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

2, rue Jean Bertholet
L-1233 Luxembourg
Grand Duchy of Luxembourg
(Address of principal executive offices)(Zip Code)

(352) 24 69 79 00
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $1.00 par value	The NASDAQ Stock Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes o No ☑

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes o No ☑

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No o

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulations S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files)

Yes o No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein and will not be contained, to the best of the Registrant's knowledge, in the definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer o	Non-accelerated filer ☑ (do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes o No ☑

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold (based on the closing share price as quoted on the NASDAQ Global Market) as of the last business day of the registrant's most recently completed second fiscal quarter was not available because the Registrant's common equity did not begin trading on the NASDAQ Global Market until August 10, 2009.

The number of the Registrant's common shares outstanding as of February 26, 2010 was 24,199,836.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement to be filed subsequent to the date hereof with the Commission pursuant to Regulation 14A in connection with the registrant's 2009 Annual Meeting of Stockholders are incorporated by reference into Part III of this Report. Such Definitive Proxy Statement will be filed with the Securities and Exchange Commission not later than 120 days after the conclusion of the registrant's fiscal year ended December 31, 2009.

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Forward-Looking Statements

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which reflect our current views with respect to, among other things, our operations, market expectations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe these factors include but are not limited to those described under section entitled "Risk Factors" in this report, as such factors may be updated from time to time in our periodic filings with the Securities and Exchange Commission ("SEC"), which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report and in our other periodic filings. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Except as otherwise indicated or unless the context otherwise requires, "Altisource," "we," "us," "our" and the "Company" refer to Altisource Portfolio Solutions S.A., a Luxembourg société anonyme, or public limited company, and its subsidiaries.

PART I

ITEM 1. BUSINESS

Overview

Altisource Portfolio Solutions S.A. is a provider of services focused on high value, knowledge-based functions principally related to real estate and mortgage portfolio management, asset recovery and customer relationship management. Utilizing integrated technology that includes decision models and behavioral based scripting engines, we provide solutions that improve clients' performance and maximize their returns.

On August 10, 2009 (the "Separation Date"), we became a stand-alone public company in connection with our separation from Ocwen Financial Corporation ("Ocwen") (the "Separation"). Prior to the Separation, we were a wholly-owned subsidiary of Ocwen. On the Separation Date, Ocwen distributed all of the Altisource common stock to Ocwen's shareholders (the "Distribution"). Ocwen's stockholders received one share of Altisource common stock for every three shares of Ocwen common stock held as of August 4, 2009 (the "Record Date"). In addition, holders of Ocwen's 3.25% Contingent Convertible Unsecured Senior Notes due 2024 received one share of Altisource common stock deemed held on an as if converted basis. For such notes, the conversion ratio of 82.1693 shares of Ocwen common stock for every $1,000 in aggregate principal amount of notes held on the Record Date was calculated first, and then we applied the distribution ratio of one share of Altisource common stock for every three shares of Ocwen common stock on an as converted basis to determine the number of shares each note holder received.

Reportable Segments

We classify our businesses into three reportable segments. *Mortgage Services* consists of mortgage portfolio management services that span the mortgage lifecycle. *Financial Services* principally consists of unsecured asset recovery and customer relationship management. *Technology Products* consists of modular, comprehensive integrated technological solutions for loan servicing, vendor management and invoice presentment.

We conduct portions of our operations in all 50 states and in three countries outside of the United States.

Mortgage Services

Mortgage Services provides residential mortgage origination and default services that extend across the lifecycle of a mortgage loan. The table below presents revenues for our Mortgage Services segment for the past three annual periods:

(in thousands)	For the Years Ended December 31, 2009	2008	2007
Revenue:			
Residential Property Valuation	$ 26,800	$28,882	$38,998
Closing and Title Services	17,444	13,173	14,042
Default Management Services	9,194	51	—
Asset Management Services	30,464	1,167	—
Component Services	19,196	11,683	11,220
Total Revenue	$103,098	$54,956	$64,260
Transactions with Related Parties:			
Residential Property Valuation	$ 25,762	$27,301	$26,604
Closing and Title Services	13,496	13,173	14,042
Default Management Services	4,367	—	—
Asset Management Services	30,464	1,161	—
Total	$ 74,089	$41,635	$40,646

(in thousands)	For the Years Ended December 31, 2009	2008	2007
Expense Reimbursements (included in Revenue):			
Default Management Services	$ 1,770	$ —	$ —
Asset Management Services	14,308	—	—
Total	$16,078	$ —	$ —

Residential Property Valuation. We provide our customers with a broad range of traditional appraisal and valuation services delivered through our network of experienced valuation experts with proven track records. Our customers have the ability to outsource their appraisal management functions to us taking advantage of our national vendor network and enhanced quality reviews.

Closing and Title Services. We provide our customers a centralized title and closing service. In 2009, we began to add a broad range of title services and will continue to roll out our title agency services nationally during 2010.

Default Management Services. We principally provide non-legal administrative or back-office services to attorney customers to support foreclosure, bankruptcy and eviction functions including new file preparation, notifications and advisories, marketing properties for foreclosure sale, document preparation and communications on behalf of the client and billing services.

Asset Management. We provide our customers with property inspection and preservation services and a multi-channel real-estate marketplace for the disposition of Real Estate Owned ("REO") properties.

Component Services. We provide our customers with loan underwriting, quality control, insurance and claims processing, call center services and analytical support.

Expense reimbursements include costs we incur that we are able to pass through to our customers without any mark-up.

Financial Services

This segment comprises our asset recovery and customer relationship management businesses. The following table represents revenues for our Financial Services segment for the past three annual periods:

(in thousands)	For the Years Ended December 31, 2009	2008	2007
Revenue:			
Asset Recovery Management	$51,019	$62,771	$36,802
Customer Relationship Management	13,415	11,064	4,491
Total Revenue	$64,434	$73,835	$41,293
Transactions with Related Parties:			
Asset Recovery Management	$ 98	$ 1,181	$ 1,044

Asset Recovery Management. We provide post-charge-off consumer debt collection (e.g., credit cards, auto loans, second mortgages) on a contingent fee basis as a percentage of the cash collected.

Customer Relationship Management. We provide customer care (e.g., connects/disconnects for utilities) and early stage collections services for which we are generally compensated on a per-call, per-person or per-minute basis.

Technology Products

Technology Products comprises our REALSuite of applications as well as our IT infrastructure services. We only provide our IT infrastructure services to Ocwen and internally. The following table presents revenues for our Technology Products segment for the past three annual periods:

(in thousands)	For the Years Ended December 31, 2009	2008	2007
Revenue:			
REALSuite	$25,784	$20,463	$18,328
IT Infrastructure Services	21,669	24,820	17,907
Total Revenue	$47,453	$45,283	$36,235
Transactions with Related Parties(1):			
REALSuite	$ 9,899	$ 9,134	$ 7,800
IT Infrastructure Services	10,811	26,012	16,742
Total	$20,710	$35,146	$24,542

(1) Includes revenue earned from other segments related to RealSuite and IT infrastruture services of $1.8 million and $13.7 million, respectively in 2008 and $1.5 million and $6.9 million, respectively in 2007.

The REALSuite platform consists of a comprehensive, modular based technology suite that primarily consists of servicing platforms, a vendor management system and an invoice presentment and payment system. A brief description of key offerings within our REALSuite is provided below:

REALServicing® — an enterprise residential mortgage loan servicing product that offers an efficient platform for loan servicing including default administration. The technology solution features automated workflows, scripting and robust reporting capabilities. The product spans the loan administration cycle from loan boarding to satisfaction including all collections, payment processing and reporting. We also offer REALSynergy® for commercial real estate loan servicing.

REALTrans® — an electronic business-to-business exchange that automates and simplifies ordering, tracking and fulfilling of mortgage services. The technology solution, whether web-based or integrated into a servicing system, connects multiple service providers through a single platform and forms an efficient method for managing a large scale network of vendors.

REALRemit® — a patented electronic invoice presentment and payment system that provides vendors with the ability to submit invoices electronically for payment and to have invoice payments deposited directly to their respective bank accounts.

IT Infrastructure Services. We provide a full suite of IT services (e.g., desktop applications, network management, telephony, help desk) through which we perform remote management of IT functions internally and for Ocwen.

Corporate Items and Eliminations

Prior to the Separation Date, this segment includes eliminations of transactions between the reporting segments as well as expenditures recognized by us related to the Separation. Subsequent to the Separation Date, in addition to the previously mentioned items, this segment also includes costs recognized by us related to corporate support functions, such as finance, law department and human resources.

Customers

As of year-end, our active client base included companies primarily in the financial services, consumer products and services, telecommunications, utilities, government and real estate and mortgage servicing sectors.

Our 3 largest customers in 2009 accounted for 75% of our total revenue. Our largest customers include Ocwen, American Express Company ("American Express") and Assurant, Inc ("Assurant") which accounted for 47%, 16% and 12%, respectively, of Altisource's total revenue. In determining amounts from Ocwen, we include amounts directly paid for by Ocwen (e.g., *RealServicing* fees) as well as revenues derived from the loan portfolios serviced by Ocwen, although such services are charged to the mortgagee and/or the investor and are not expenses to Ocwen. Ocwen is contractually obligated to purchase services from us; however, Ocwen is not restricted from redeveloping these services. Since we intend to continue to expand revenues from our existing customer base, including Ocwen, we expect our revenues will become more concentrated with certain key customers during 2010.

Sales and Marketing

We have developed a team of experienced sales personnel with subject matter expertise for each of our primary services. These individuals maintain relationships throughout the industry verticals we serve and play an important role in generating new client leads as well as identifying opportunities to expand our services with existing clients. Additional leads are also generated through request for proposal processes from key industry participants. Our sales team works collaboratively and is compensated principally with a base salary and commission for sales generated.

From a sales and marketing perspective, our primary focus is on expanding relationships with existing customers and targeting new customers that could have a material positive impact on our results of operations. Given the highly concentrated nature of the industries in which we serve, the time and effort spent in expanding relationships or winning new relationships is significant.

Intellectual Property

We rely on a combination of contractual restrictions, internal security practices, patents, trademarks, copyrights, trade secrets and other intellectual property to establish and protect our software, technology and expertise. We also own or, as necessary and appropriate, have obtained licenses from third parties to intellectual property relating to our products, processes and business. These intellectual property rights are important factors in the success of our businesses. We actively protect our rights and intend to continue our policy of taking all measures we deem reasonable and necessary to develop and protect our patents, copyrights, trade secrets, trademarks and other intellectual property rights.

As of December 31, 2009, we held a patent that expires in 2023 and had 18 pending patent applications with projected expiration dates from 2020 to 2030. In addition, Altisource has registered trademarks or recently filed applications for registration of trademarks in a number of countries or groups of countries including 17 separate trademarks in the United States and up to twelve filings for the same marks in the European Community, India and in nine other countries or groups of countries. These trademarks generally can be renewed indefinitely.

Competition

The industry verticals in which we engage are highly competitive and generally consist of a few national vendors as well as large number of regional or in-house providers resulting in a fragmented market with disparate service offerings. From an overall perspective, we compete with the global business process outsourcing firms such as Genpact Limited, WNS (Holdings) Limited and ExlService Holdings, Inc. In our Mortgage Services segment, we compete with national and regional third party service providers and in-house servicing operations of large mortgage lenders and servicers. Our Financial Services segment competes with other large receivables management companies as well as smaller companies and law firms focused on collections. Our Technology Products segment competes with third party data processing or software development companies.

Given the diverse nature of services that we and our competitors offer, we cannot determine our position in the market with accuracy, but we believe that we represent only a small portion of very large sized markets. Given our size, some of our competitors may offer more diversified services, operate in broader geographic markets or have greater financial resources than we do. In addition, some of our larger customers retain multiple providers resulting in continuous evaluation of our performance against our competitors.

Competitive factors in our Mortgage Services business include the quality and timeliness of our services, the size and competence of our network of vendors and the breadth of the services we offer. For Financial Services, competitive factors include the ability to achieve a collection rate comparable to our competitors; the quality and personal nature of the service; the consistency and professionalism of the service and the recruitment, training and retention of our workforce. Competitive factors in our Technology Products business include the quality of the technology-based application or service; application features and functions; ease of delivery and integration; our ability to maintain, enhance and support the applications or services and costs. We believe that our national platform, integrated technology and global delivery model in our three reportable segments provide us with a competitive advantage in each of these categories.

Employees

As of December 31, 2009, we had the following number of employees:

	United States	India	Other	Consolidated Altisource
Mortgage Services	70	1,089	—	1,159
Financial Services[1]	757	350	2	1,109
Technology Products	11	411	—	422
Corporate	28	104	25	157
Total Employees	866	1,954	27	2,847

(1) We also have approximately 700 employees in India utilized via an outsource agreement with an unrelated third-party.

We have not experienced any work stoppages and we consider our relations with employees to be good. We believe that our future success will depend, in part, on our ability to continue to attract, hire and retain skilled and experienced personnel.

Seasonality

Our Financial Services business is subject to seasonality with collections revenue typically higher in the first calendar quarter of each year because consumers may use income tax refunds to make payments on debts and lower in the fourth quarter because of spending during holiday season. Our Mortgage Services business typically has higher revenue during warmer months generally beginning in March and continuing through October as home buying activity tends to be reduced during winter months and as a result of the holiday season.

Government Regulation

Our business is subject to extensive regulation by federal, state and local governmental authorities including the Federal Trade Commission and the state agencies that license our mortgage services and collection entities. We also must comply with a number of federal, state and local consumer protection laws including, among others, the Gramm-Leach-Bliley Act, the Fair Debt Collection Practices Act, the Real Estate Settlement Procedures Act, the Truth in Lending Act, the Fair Credit Reporting Act and the Homeowners Protection Act. These statutes apply to debt collection, foreclosure and claims handling. In some instances, the regulators mandate certain disclosures and notices to borrowers. These requirements can and do change as statutes and regulations are enacted, promulgated or amended.

We are subject to certain federal, state and local consumer protection provisions. We are also subject to licensing and regulation as a mortgage service provider and/or debt collector in a number of states. We are subject to audits and examinations that are conducted by the states. Our employees who sell title insurance products and real estate services may be required to be licensed by various state commissions for the particular type of product sold

and to participate in regular continuing education programs. From time to time, we receive requests from state and other agencies for records, documents and information regarding our policies, procedures and practices regarding our mortgage services and debt collection business activities. We incur ongoing costs to comply with governmental regulations.

Available Information

We file annual, quarterly and current reports and other information with the SEC. These filings are available to the public over the Internet at the SEC's web site at http://www.sec.gov. You may also read and copy any document we file at the SEC's public reference room located at 100 F Street, N.E., Washington, DC 20549. Please call the SEC at 1 800-SEC-0330 for further information on the public reference room.

Our principal Internet address is www.altisource.com. We make available free of charge on or through www.altisource.com our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The contents of our website are not, however, a part of this report.

ITEM 1A. RISK FACTORS

The following risk factors and other information included in this Annual Report on Form 10-K should be carefully considered. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we presently deem less significant may also impair our business operations. If any of the following risks actually occur, our business, operating results and financial condition could be materially adversely affected.

RISKS RELATED TO OUR BUSINESS IN GENERAL:

Our business is dependent on our ability to grow, and an inability to attract new customers could adversely affect us.

Our business is dependent on our ability to grow which is affected by our ability to retain and expand our existing client relationships and our ability to attract new customers. Our ability to retain existing customers and expand those relationships is subject to a number of risks including the risk that we do not:

- maintain or improve the quality of services that we provide to our customers;
- maintain or improve the level of attention expected by our customers; and
- successfully leverage our existing client relationships to sell additional services.

If our efforts to retain and expand our client relationships and to attract new customers do not prove effective, it could have a material adverse effect on our business, results of operations and financial condition.

Our continuing relationship with Ocwen may inhibit our ability to obtain and retain other customers that compete with Ocwen.

As of December 31, 2009, our chairman owns or controls 18% of Ocwen's common stock and 24% of our common stock. We derived 47% of our revenues in 2009 from Ocwen or the loan servicing portfolio managed by Ocwen. Given this close and continuing relationship with Ocwen, we may encounter difficulties in obtaining and retaining other customers who compete with Ocwen. Should these and other potential customers continue to view Altisource as part of Ocwen or as too closely related to or dependent upon Ocwen, they may be unwilling to utilize our services and our growth could be inhibited as a result.

We are dependent on certain key customer relationships, the loss of or their inability to pay could reduce our revenues.

We currently generate approximately 47% of our revenue from Ocwen, including 72% and 44% of our Mortgage Services and Technology Products segments revenue, respectively. Following the Separation, Ocwen is contractually obligated to purchase certain Mortgage Services and Technology Products from us under service agreements that extend for eight years from the Separation Date subject to termination under certain provisions.

Our most significant Financial Services customer is American Express which accounted for 16% of our total 2009 revenues. Our relationship with American Express is governed by an agreement that generally sets out the guidelines on which we will provide services although each assignment from American Express is separately agreed to by American Express. American Express is not contractually obligated to continue to use our services at historical levels or at all, and the relationship is terminable by American Express by giving 30 days prior written notice to us.

Assurant accounted for 12% of our 2009 revenue contributing to both our Mortgage Services and Technology Services segments. Our relationship with Assurant is governed by five year agreements that establish minimum service and pricing levels and generally are not terminable except in certain circumstances.

While no other individual client represents more than 10% of our consolidated revenues, we are exposed to customer concentration. Most of our customers are not contractually obligated to continue to use our services at historical levels or at all. The loss of any of these key customers or their failure to pay us could reduce our revenues and adversely affect results of operations.

If we do not adapt our services to changes in technology or in the marketplace, or if our ongoing efforts to upgrade our technology are not successful, we could lose customers and have difficulty attracting new customers for our services.

The markets for our services are characterized by constant technological changes, frequent introductions of new services and evolving industry standards. Our future success will be significantly affected by our ability to enhance, primarily through use of automation, econometrics and behavioral science principles, our current services and develop and introduce new services that address the increasingly sophisticated needs of our customers and their customers. These initiatives carry the risks associated with any new service development effort including cost overruns, delays in delivery and performance monitoring. There can be no assurance that we will be successful in developing, marketing and selling new services that meet these changing demands. In addition, we may experience difficulties that could delay or prevent the successful development, introduction and marketing of these services. Finally, our services and their enhancements may not adequately meet the demands of the marketplace and achieve market acceptance. Any of these results would have a negative impact on our financial condition and results of operations.

Technology failures could damage our business operations and increase our costs.

The industries in which we operate are characterized by rapidly changing technologies, and system disruptions or failures may interrupt or delay our ability to provide services to our customers. Any sustained and repeated disruptions in these services may have an adverse impact on our results of operations.

The secure transmission of confidential information over the Internet is essential to maintaining consumer confidence. Security breaches and acts of vandalism could result in a compromise or breach of the technology that we use to protect our customers' personal information and transaction data. Consumers generally are concerned with security breaches and privacy on the Internet, and Congress or individual states could enact new laws regulating the electronic commerce market that could adversely affect us and our results of operations.

We may be subject to claims of legal violations or wrongful conduct which may cause us to pay unexpected litigation costs or damages or modify our products or processes.

From time to time, we may be subject to costly and time-consuming legal proceedings that claim legal violations or wrongful conduct. These lawsuits may involve clients, vendors, competitors and / or other large groups of plaintiffs and, if resulting in findings of violations, could result in substantial damages. Since the interpretation of some laws governing our business is prone to ambiguity, the company may be forced to settle some claims out of court and change existing company practices, products and processes that are currently revenue generating. This could lead to unexpected costs or a loss of revenue.

If we fail to comply with privacy regulations imposed on providers of services to financial institutions, our business could be harmed.

As a provider of services to financial institutions, we are bound by the same limitations on disclosure of the information we receive from their customers that apply to the financial institutions themselves. If we fail to comply with these regulations, we could be exposed to suits or to governmental proceedings; our customer relationships and reputation could be harmed; and we could be inhibited in our ability to obtain new customers. In addition, the adoption of more restrictive privacy laws or rules in the future on the federal or state level could have an adverse impact on us.

Our business is subject to extensive regulation, and failure to comply with existing or new regulations may adversely impact us.

Our business is subject to extensive regulation by federal, state and local governmental authorities including the Federal Trade Commission and the state agencies that license certain of our mortgage related services and collection services. We also must comply with a number of federal, state and local consumer protection laws including, among others, the Gramm-Leach-Bliley Act, the Fair Debt Collection Practices Act, the Real Estate Settlement Procedures Act, the Truth in Lending Act, the Fair Credit Reporting Act and the Homeowners Protection Act. These statutes apply to debt collection, foreclosure, real estate, settlement services and claims handling, and they mandate certain disclosures and notices to borrowers. These requirements can and do change as statutes and regulations are enacted, promulgated or amended.

We are subject to certain federal, state and local consumer protection provisions. We also are subject to licensing and regulation as a mortgage service provider and/or debt collector in a number of states. We are subject to audits and examinations that are conducted by the states in which we do business. Our employees and businesses that sell title insurance products and real estate services may be required to be licensed by various state commissions for the particular type of product sold and to participate in regular continuing education programs. From time to time, we receive requests from state and other agencies for records, documents and information regarding our policies, procedures and practices regarding our mortgage services and debt collection business activities. We incur significant ongoing costs to comply with governmental regulations.

The volume of new or modified laws and regulations has increased in recent years and, in addition, some individual municipalities have begun to enact laws that restrict mortgage service activities. If our regulators impose new or more restrictive requirements, we may incur additional significant costs to comply with such requirements which could further adversely affect our results of operations or financial condition. In addition, our failure to comply with these laws and regulations can possibly lead to civil and criminal liability; loss of licensure; damage to our reputation in the industry; fines and penalties, and litigation, including class action lawsuits or administrative enforcement actions. Any of these outcomes could harm our results of operations or financial condition.

Altisource is a Luxembourg company and it may be difficult to enforce judgments against it or its directors and executive officers.

Altisource is a public limited company organized under the laws of Luxembourg. As a result, Luxembourg law and the articles of incorporation govern the rights of shareholders. The rights of shareholders under Luxembourg law may differ from the rights of shareholders of companies incorporated in other jurisdictions. A significant portion of the assets of Altisource are located outside the United States. It may be difficult for investors to enforce, in the United States, judgments obtained in U.S. courts against Altisource or its directors based on the civil liability provisions of the U.S. securities laws or to enforce, in Luxembourg, judgments obtained in other jurisdictions including the United States.

If the Distribution does not qualify as a tax-free transaction, taxes could be imposed on Ocwen, Altisource and our shareholders. We have agreed to indemnify Ocwen for payment of taxes and tax-related losses and agreed to certain restrictions.

Altisource has agreed to indemnify Ocwen for certain tax liabilities that, if triggered, could have a material adverse effect on Altisource's financial condition and results of operations. Ocwen is subject to tax on certain of the asset transfers within Ocwen that were made in the pre-Distribution Restructuring, and under the applicable Treasury regulations, each member of Ocwen's consolidated group at the time of the Separation (including several Altisource subsidiaries) would be severally liable for such tax liability. If the Distribution does not qualify as a tax-free transaction for United States income tax purposes, Ocwen shareholders generally would be treated as if they received a distribution equal to the full fair market value of the Altisource common stock on the date of the Separation.

Even if the Distribution were to otherwise qualify for tax-free treatment, it would become taxable to Ocwen if stock representing a 50% or greater interest in Ocwen or Altisource were acquired by one or more persons, directly or indirectly, as part of a plan or series of related transactions that included the Distribution.

In order to help preserve the tax-free treatment of the Distribution, we have agreed not to take certain actions without first securing the consent of certain Ocwen officers or securing an opinion from a nationally

recognized law firm or accounting firm that such action will not cause the Distribution to be taxable. In general, such actions will include (i) for a period of two years after the Separation, engaging in certain transactions involving (a) the acquisition of our stock or (b) the issuance of shares of our stock.

The covenants in, and our indemnity obligations under, the Tax Matters Agreement may limit our ability to pursue strategic transactions or engage in new business or other transactions that may maximize the value of our business. These covenants and indemnity obligations might discourage, delay or prevent a change of control that could be favorable to our common shareholders.

See "Certain Relationships and Related Party Transactions — Agreements with Ocwen — Tax Matters Agreement."

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

Our principal executive offices are located in leased office space in Luxembourg, Grand Duchy of Luxembourg. We also lease other office space in the United States (Arizona, California, Georgia and New York), India (Bangalore, Goa and Mumbai) and Uruguay (Montevideo) to conduct our operations. We do not own any real property. We consider these facilities to be suitable and adequate for the management and operations of our business.

ITEM 3. LEGAL PROCEEDINGS

We may from time to time be involved in litigation and claims incidental to the conduct of our business. Our businesses are also subject to extensive regulation which may result in regulatory proceedings against us. See "Item 1A. Risk Factors" above. Certain legal proceedings in which we are involved are discussed in Note 14 to our consolidated financial statements.

ITEM 4. (Removed and Reserved)

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock began trading on the NASDAQ Global Select Market under the symbol "ASPS" on August 10, 2009. The following table sets forth the high and low close of day sales prices for our common stock, for the periods indicated, as reported by the NASDAQ Global Select Market since the stock was first traded.

	2009	
Quarter Ended	Low	High
September 30	$10.10	$14.51
December 31	$14.41	$21.21

The number of holders of record of our common stock as of March 1, 2010 was 111. The number of beneficial stockholders is substantially greater than the number of holders as a large portion of our common stock is held through brokerage firms.

Dividends

We did not pay dividends on our common stock during the year ended December 31, 2009, and we do not intend to pay dividends in the foreseeable future.

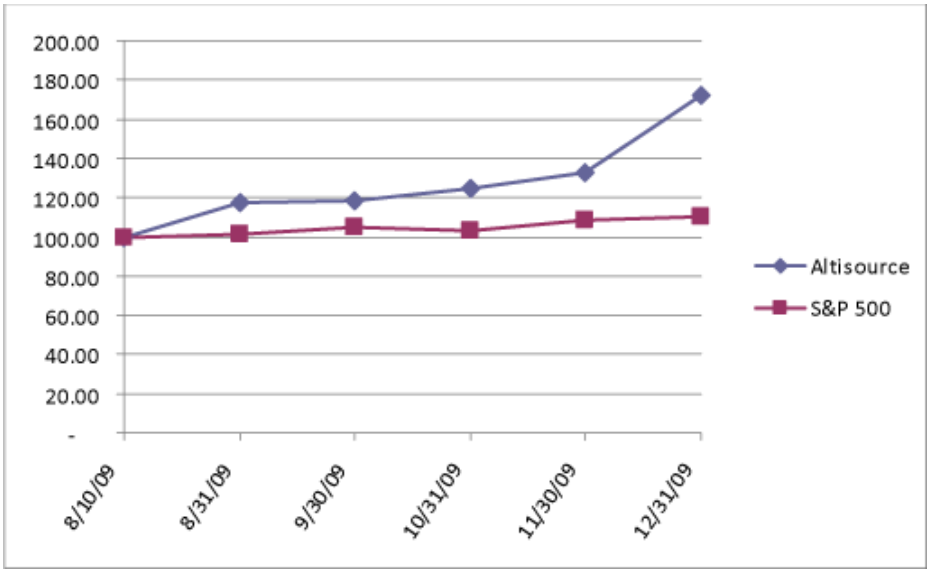
Securities Authorized for Issuance under Equity Compensation Plans

The information required by this item is incorporated herein by reference to our definitive proxy statement to be filed pursuant to Regulation 14A under the Exchange Act.

Stock Performance Graph

The information contained in Altisource Common Stock Comparative Performance Graph section shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that we specifically request that it be treated as soliciting material or incorporate it by reference into a document filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

The graph below compares the cumulative total stockholder return on our common stock with the cumulative total return on the S&P's 500 Index for the period commencing on August 10, 2009, the first trading day of our common stock, and ending on December 31, 2009, the last trading day of fiscal year 2009. The graph assumes an investment of $100 at the beginning of such period. The comparisons in the graphs below are based upon historical data and are not indicative of, nor intended to forecast, future performance of our common stock.



	8/10/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
Altisource	$100.00	$117.62	$118.36	$125.00	$132.30	$172.05
S&P 500	100.00	101.34	104.96	102.89	108.79	110.72

ITEM 6. SELECTED FINANCIAL DATA

The consolidated statements of operations data for the years ended December 31, 2009, 2008 and 2007 and the balance sheet data as of December 31, 2009 and 2008 were derived from our audited consolidated financial statements that are included elsewhere in this filing. The historical results presented below may not be indicative of our future performance and does not necessarily reflect what our financial position and results of operations would have been had we operated as a separate, stand-alone entity for periods ending prior to August 9, 2009 that are presented (as discussed in Note 1 to the consolidated financial statements).

The unaudited statements of operations data for the years ended December 31, 2006 and 2005 and the unaudited balance sheet data at December 31, 2006 and 2005 are derived from Altisource's accounting records for those periods and have been prepared on a basis consistent with Altisource audited combined consolidated financial statements.

The selected consolidated financial data should be read in conjunction with "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this Form 10-K.

	Years Ended December 31,				
(in thousands, except per share data)	2009	2008	2007	2006	2005
Revenue (1)	$ 202,812	$ 160,363	$ 134,906	$ 96,603	$ 89,915
Cost of Revenue (1)	126,797	115,048	96,954	72,163	75,675
Gross Profit	76,015	45,315	37,952	24,440	14,240
Selling, General and Administrative Expenses(1)	39,473	28,088	27,930	17,622	17,953
Income (Loss) from Operations	36,542	17,227	10,022	6,818	(3,713)
Other (Expense) Income, net	1,034	(2,626)	(1,743)	205	(192)
Income (Loss) before Income Taxes	37,576	14,601	8,279	7,023	(3,905)
Income Tax Provision	(11,605)	(5,382)	(1,564)	(1,616)	2,401
Net Income (Loss)	$ 25,971	$ 9,219	$ 6,715	$ 5,407	$ (1,504)
Net Income per share					
Basic	$ 1.09	$ 0.38	$ 0.28	$ 0.22	$ (0.06)
Diluted	$ 1.08	$ 0.38	$ 0.28	$ 0.22	$ (0.06)
Transactions with related parties included above:					
Revenue	$ 94,897	$ 64,251	$ 59,350	$ 51,971	$ 41,312
Selling, General and Administrative Expenses	$ 4,308	$ 6,208	$ 8,864	$ 9,103	$ 9,049
Interest Expense	$ 1,290	$ 2,269	$ 965	$ 503	$ 679

(in thousands)	As of December 31, 2009	2008	2007	2006	2005
Cash	$ 30,456	$ 6,988	$ 5,688	$ —	$ —
Accounts Receivable, net	30,497	9,077	16,770	7,925	10,403
Goodwill(1)	9,324	11,540	14,797	1,618	1,618
Intangible Assets, net(1)	33,719	36,391	38,945	—	—
Premises and Equipment, net	11,408	9,304	12,173	9,826	11,242
Total Assets	120,556	76,675	92,845	22,205	24,706
Lines of Credit and Other Secured Borrowings	—	1,123	147	—	—
Capital Lease Obligations	664	1,356	3,631	3,219	2,603
Total Liabilities	34,208	16,129	17,171	7,357	8,471

(1) The operations of NCI are included in our financial statements effective June 6, 2007, the date of acquisition. NCI is a receivables management company specializing in contingency collections and customer relationship management for credit card issuers and other consumer credit providers. Total goodwill and intangibles were $41.4 million, $46.3 million and $52.1 million, at December 31, 2009, 2008 and 2007, respectively. NCI revenues were $63.1 million, $69.6 million and $36.0 million for the years ended December 31, 2009, 2008 and 2007, respectively. NCI operating expenses (including both cost and revenue and selling, general and administrative expenses) were $69.0 million, $74.8 million and $38.4 million for the years ended December 31, 2009, 2008 and 2007, respectively.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our consolidated financial statements and the related notes included within this Annual Report on Form 10-K.

Significant components of the MD&A section include:

SECTION 1 — OVERVIEW

Our Business

Altisource is a provider of services focused on high value, knowledge-based functions principally related to real estate and mortgage portfolio management, asset recovery and customer relationship management. Utilizing integrated technology that includes decision models and behavioral based scripting engines, we provide solutions that improve clients' performance and maximize their returns.

During 2009, we were a knowledge process provider primarily focused on the receivables management and default mortgage services vertical. Our objective is to become a global knowledge process provider focused on the entire mortgage services lifecycle and credit to cash lifecycle management space. We will achieve this objective by executing on our strategies of penetrating existing customers, acquiring new customers, continuing to focus on increasing quality and reducing costs while investing in new service offerings.

Existing Customer Penetration. Within our Mortgage Services segment, we significantly expanded our revenues derived from the current loan portfolio serviced by Ocwen. Although most of our Mortgage Service offerings were launched in late 2008 or during 2009, we estimate that as of December 31, 2009 we were able to capture approximately 30 — 35% of the available referrals given Ocwen's existing loan portfolio. After considering the composition of the loan portfolio serviced by Ocwen, including consideration of amounts serviced for Government Sponsored Entities ("GSEs"), our current and expected service offerings and the expected mix of direct services provided versus those referred, we anticipate that we can capture approximately 50 — 55% of revenue, or $200 — $210 million, from Ocwen's existing loan portfolio. Assuming we are able to continue to deliver high-quality services in a timely manner, our ability to capture this revenue is primarily a function of our ability to execute on our national rollout plans. We expect to complete our national rollout in the fourth quarter of 2010. Since revenue recognition generally occurs 1 — 6 months from date of referral, we would expect to be at a normalized run rate in mid 2011.

With respect to Financial Services, we provide contingency collection services to seven of the most recognizable credit card issuers in the industry. Four of these clients were acquired in the past couple of years. Currently, we capture a negligible amount spent by these credit card issuers on contingency collection with the exception of American Express where we continue to be one of their largest service providers. Although we will continue to provide the best service possible to American Express and expand this relationship when opportunities arise, we also intend on expanding our relationship with other key existing customers.

New Customer Acquisition. Although expanding our customer base is not a significant focus for 2010, we have or expect to take certain steps this year that will facilitate broadening our customer base in 2011 and beyond. This includes the development of a sales and marketing team and the acquisition of The Mortgage Partnership of America, L.L.C. ("MPA") in February 2010. Given the concentrated client base and nature of our services, the sales cycle can take 6 — 18 months or longer.

Invest in New Service Offerings. We intend on continuing to invest in services complementary to our existing service offerings in order to prepare for continued growth. This includes expansion into origination appraisals and the expansion of our title agency services. We will also continue to develop our multi-channel real estate marketplace principally around our recently launched website www.gohoming.com. Another longer-term service offering will be the commercialization of our REALSuite technology which could increase Technology Products revenue and/or facilitate higher adoption of our Mortgage Service offerings particularly by key clients. Finally, we intend to develop additional services within the credit to cash lifecycle management vertical which may be based upon our patented invoice presentment system.

Highest Quality at Lowest Operating Costs. We firmly believe that by integrating six-sigma, econometrics and consumer behavioral principles into the delivery of our services we are able to significantly improve the quality of services delivered while reducing overall operating costs.

Given the nature of our services (i.e. high margins and limited capital requirements) our free cash flow increases as we grow the business. This also allows us to maintain a simple, debt free balance sheet.

Separation

On August 10, 2009, Altisource became a stand-alone public company in connection with our Separation from Ocwen. In connection with the Separation, Altisource and Ocwen entered into various agreements that address the allocation of assets and liabilities between them and that define their relationship after the Separation including a Separation Agreement, a Tax Matters Agreement, an Employee Matters Agreement, an Intellectual Property Agreement, a Data Center and Disaster Recovery Agreement, a Transition Services Agreement and certain long-term services contracts (collectively, the "Agreements"). Additional information may be found in Note 4 to the consolidated financial statements.

Basis of Presentation

The accompanying financial statements present the historical results of operations, assets and liabilities attributable to the Altisource businesses. For periods prior to the Separation Date, these financial statements include allocations of expenses from Ocwen for certain corporate functions including insurance, employee benefit plan expense and allocations for certain centralized administration costs for executive management, treasury, real estate, accounting, auditing, tax, risk management, law department, internal audit, human resources and benefits administration. We determined these allocations using proportional cost allocation methods including the use of relevant operating profit, fixed assets, sales and payroll measurements. Management believes such allocations are reasonable; however, they may not be indicative of the actual expense that would have been incurred had the Company been operating as an independent company for the periods presented. Total corporate costs allocated to the Company, excluding Separation costs, were $4.3 million for the period ended August 10, 2009. The charges for these functions are included primarily in "Selling, General and Administrative Expenses" in the Consolidated Statements of Operations. In addition, Ocwen had allocated interest expense to us based upon our portion of assets to Ocwen's total assets which is included in "Interest Expense" in the Consolidated Statements of Operations. There have been no allocations of expenses from Ocwen charged to us since the Separation Date.

The financial statements also do not necessarily reflect what the Company's results of operations, financial position and cash flows would have been had the Company operated as an independent company during the entire periods presented. For instance, as an independent public company, Altisource incurs costs in excess of those allocated by Ocwen for maintaining a separate Board of Directors, obtaining a separate audit, relocating certain executive management and hiring additional personnel.

Factors Affecting Comparability

In addition to items noted within the *Basis of Presentation* section presented above, the following additional items, all of which were incurred in 2009, may impact the comparability of our results:

- $3.4 million of one-time costs associated with the Separation;
- $1.9 million of facility closure costs recognized within the Financial Services segment associated with the closure of two collection facilities;
- $2.3 million of settlement gain recognized within the Financial Services segment; and
- $1.4 million of settlement losses recognized in the fourth quarter in the Financial Services segment with respect to the Noble dialer arbitration.

SECTION 2 — CONSOLIDATED RESULTS OF OPERATIONS

Summary Consolidated Results

Following is a discussion of our consolidated results of operations for each of the years in the three year period ended December 31, 2009. For a more detailed discussion of the factors that affected the results of our business segments in these periods, see "*SECTION 3 — SEGMENT RESULTS OF OPERATIONS*" below.

The following table sets forth information regarding our results of operations for the years ended December 31, 2009, 2008, and 2007.

(dollars in thousands)	Years Ended December 31, 2009	2008	2007	Variance 2009 vs. 2008 $	%	Variance 2008 vs. 2007 $	%
Revenue	$ 202,812	$ 160,363	$ 134,906	$ 42,449	26%	$ 25,457	19%
Cost of Revenue	126,797	115,048	96,954	11,749	10	18,094	19
Gross Profit	76,015	45,315	37,952	30,700	68	7,363	19
Selling, General and Administrative Expenses	39,473	28,088	27,930	11,385	41	158	1
Income from Operations	36,542	17,227	10,022	19,315	112	7,205	72
Other Income (Expense), net	1,034	(2,626)	(1,743)	3,660	139	(883)	(51)
Income Before Income Taxes	37,576	14,601	8,279	22,975	157	6,322	76
Income Tax Provision	(11,605)	(5,382)	(1,564)	(6,223)	(116)	(3,818)	(244)
Net Income	$ 25,971	$ 9,219	$ 6,715	$ 16,752	182%	$ 2,504	37%
Transactions with Related Parties:							
Revenue	$ 94,897	$ 64,251	$ 59,350	$ 30,646	48%	$ 4,901	8%
Selling, General and Administrative Expenses	$ 4,308	$ 6,208	$ 8,864	$ (1,900)	(31)%	$ (2,656)	(30)%
Interest Expense	$ 1,290	$ 2,269	$ 965	$ (979)	(43)%	$ 1,304	135%

Revenue

(dollars in thousands)	Years Ended December 31, 2009	2008	2007	Variance 2009 vs. 2008 $	%	Variance 2008 vs. 2007 $	%
Mortgage Services	$ 103,098	$ 54,956	$ 64,260	$ 48,142	88%	$ (9,304)	(14)%
Financial Services	64,434	73,835	41,293	(9,401)	(13)	32,542	79
Technology Products	47,453	45,283	36,235	2,170	5	9,048	25
Corporate and Eliminations	(12,173)	(13,711)	(6,882)	1,538	11	(6,829)	(99)
Total Revenue	$ 202,812	$ 160,363	$ 134,906	$ 42,449	26%	$ 25,457	19%
Transactions with Related Parties:							
Mortgage Services	$ 74,089	$ 41,635	$ 40,646	$ 32,454	78%	$ 989	2%
Financial Services	98	1,181	1,044	(1,083)	(92)	137	13
Technology Products(1)	20,710	35,416	24,542	(14,436)	(41)	10,604	43

(1) Includes revenue earned from other segments related to RealSuite and IT infrastruture services of $1.8 million and $13.7 million, respectively in 2008 and $1.5 million and $6.9 million, respectively in 2007.

The principal driver of the increase in revenue during 2009 was our development of residential default oriented services which facilitated our expanded relationship with Ocwen. The increase was primarily in default management, asset management and closing and title services. We expect to complete the national rollout of our default services during 2010 which will facilitate greater penetration of Ocwen's loan servicing portfolio and should facilitate sales efforts to other customers. Our Technology Products segment also ended the year with an increase in revenue as decreases in infrastructure support revenue were offset by increases in REALServicing principally with

one third-party customer. Finally, Financial Services revenues continued to be negatively impacted by the overall economic conditions resulting in a decrease in revenues for this segment.

When comparing 2008 to 2007, the primary increase in revenues was the result of the acquisition of NCI. We acquired NCI in June 2007 and included revenues only from the date of acquisition. Technology products revenue increase was primarily due to providing support services to NCI since the date of acquisition and from a change in our billings to Ocwen to move from a cost-based method to market-based method in the second quarter of 2008. Mortgage services revenues declined primarily as revenues from valuation, title search and mortgage due diligence reduced consistent with the reduction in loan originations as a result of the mortgage crisis. Our default services were mostly in development with limited revenue.

During 2010, we expect that we will be able to significantly grow our revenues when compared to prior periods as we execute upon the following initiatives:

- Completion of our national platform for default services which will allow us to capture a greater share of revenues related to loans serviced by Ocwen;
- Rollout nationally our Title Agency business;
- Inclusion of MPA since the February 2010 acquisition date; and
- Greater penetration of existing Financial Services clients.

Our revenues for Mortgage Services and Technology Products will also benefit to the extent that Ocwen acquires new residential portfolios.

Cost of Revenue

Cost of Revenue principally includes payroll and employee benefits associated with personnel employed in customer service roles; fees paid to external providers including printing and mailing costs for correspondence with debtors; technology and telephony expenses as well as depreciation and amortization of operating assets; and reimbursable expenses. The components of Cost of Revenue were as follows for the years ended December 31, 2009, 2008 and 2007:

(dollars in thousands)	Years Ended December 31,			Variance 2009 vs. 2008		Variance 2008 vs. 2007	
	2009	2008	2007	$	%	$	%
Compensation and Benefits	$ 51,251	$ 59,311	$ 44,886	$ (8,060)	(14)%	$ 14,425	32%
Outside Fees and Services	59,103	35,825	32,830	23,278	65	2,995	9
Technology and Communication	16,443	19,912	19,238	(3,469)	(17)	674	4
Total Cost of Revenue	$ 126,797	$ 115,048	$ 96,954	$ 11,749	10%	$ 18,094	19%
Gross Margin Percentage	37%	28%	28%				

Our gross margin percentage increased to 37% in 2009 from 28% in 2008. The increase in gross margin reflects the composition of revenues being more weighted towards Mortgage Services which have higher margins. In addition, we aggressively reduced our compensation cost within our Financial Services segment both by reducing the overall number of collectors as well as redistributing collectors to less expensive locations.

Outside Fees and Services primarily increased in our Mortgage Services segment consistent with greater revenues. We include in this line expense reimbursements, or pass through costs, associated with property preservation and default management services of $16.1 million. Outside Fees and Services also increased in our Financial Services segment as we attempted to collect on more accounts in 2009 than in 2008 and, therefore, incurred greater costs. Our Financial Services segment also increased its use of external collectors resulting in a shift in cost from Compensation and Benefits to Outside Fees and Services.

Technology and Communications decreased in part due to the reduction of telephony costs, as well as lower overall technology costs due to fewer collectors in the Financial Services segment. Finally, we incurred lower depreciation in 2009 as several assets became fully depreciated late in 2008. This included the acceleration of depreciation of some obsolete technology that impacted the 2008 periods but not those in 2009.

The increase in Cost of Revenue for 2008 when compared to 2007 consists of $30.0 million incremental cost related to our inclusion of the NCI results for a full year in 2008 compared to a partial year in 2007, partially offset by decreases in Cost of Revenue in our Mortgage Services segment. The cost reductions resulted from leveraging our workforce, our proprietary processes and our technology. These cost reductions, as well as the change to a market-based rate card in our Technology Products segment enabled us to improve our gross profit by $7.4 million from 2007 to 2008 despite a decline in revenues when adjusting for the impact of NCI.

Selling, General and Administrative Expenses

Selling, General and Administrative Expenses include payroll, employee benefits, occupancy and other costs associated with personnel employed in executive, sales, marketing, human resources and finance roles. Selling, General and Administrative Expenses also includes professional fees, depreciation on non-operating assets and amortization of Intangible Assets with definite lives. The components of Selling, General and Administrative Expenses were as follows for the years ended December 31, 2009, 2008 and 2007:

	Years Ended December 31,			Variance 2009 vs. 2008		Variance 2008 vs. 2007	
(dollars in thousands)	2009	2008	2007	$	%	$	%
Occupancy and Equipment	$ 8,456	$ 8,125	$ 7,999	$ 331	4%	$ 126	2%
Corporate Allocations	4,096	6,208	8,864	(2,112)	(34)	(2,656)	(30)
Professional Services	10,252	3,270	3,121	6,982	214	149	5
Other	16,669	10,485	7,946	6,184	59	2,539	32
Total Selling, General and Administrative Expenses	$ 39,473	$ 28,088	$ 27,930	$ 11,385	41%	$ 158	1%
Operating Margin Percentage	18%	11%	7%				

Our operating margin percentage increased to 18% in 2009 from 11% in 2008. The increase in operating margin is the result of our increase in gross margins as discussed above partially offset by an increase to our Selling, General and Administrative Expenses primarily related to costs incurred as part of our Separation as well as facility closure costs as discussed below.

Corporate allocations represent expenses allocated from Ocwen through the Separation Date for certain corporate functions as discussed more fully in "*SECTION 1 — OVERVIEW, Separation"* above. Subsequent to the Separation Date, these types of expenses (although no longer allocated from Ocwen) are included in the Other Selling, General and Administrative Expense categories above. As a result, the decrease in 2009 is the result of allocations from Ocwen only representing a partial period compared to a full year of allocations from Ocwen in the 2008.

Professional services increased $7.0 million in 2009 compared to 2008 primarily due to $3.4 million of one-time separation related expenses, $1.4 million increase in legal expense, primarily due to recent cases (see Note 14 to the consolidated financial statements) and an increase in costs associated with being a public company such as audit fees along with director and officer insurance.

Other Selling, General and Administrative Expenses increased in 2009 compared to 2008 primarily due to $2.3 million in facility closure costs recorded in the third quarter consisting of lease exit costs and severance for closure of facilities in Miramar, Florida and Victoria, British Columbia, Canada. We expect these facility closures will reduce our occupancy costs in future periods. Subsequent to the third quarter, we reversed $0.4 million of this reserve for assets which will be utilized in other locations. In addition, 2009 includes $1.4 million of settlement losses recognized in the Financial Services segment with respect to the Noble dialer arbitration.

The increase in Selling, General and Administrative Expenses in 2008 as compared to 2007 was due to $6.4 million of additional expenses in NCI due to our including their operating results for a full year in 2008 partially offset by net decreases of $6.2 million from our remaining operations. We generated these net decreases primarily by reducing the number and cost of our personnel supporting our Mortgage Services operations. By increasing the utilization of our technology, maximizing the benefits of our diverse workforce and limiting the use of external professional services, we reduced our costs.

EBITDA

We believe income before interest, tax, depreciation and amortization ("EBITDA"), a non-GAAP financial measure, is useful to investors and analysts in analyzing and assessing our overall business performance since we utilize this information for making operating decisions, for compensation decisions and for forecasting and planning future periods. While the Company uses non-GAAP financial measures as a tool to enhance its understanding of certain aspects of its financial performance and to provide incremental insight into the underlying factors and trends affecting both the Company's performance and its cash-generating potential, the Company does not consider these measures to be a substitute for, or superior to, the information provided by GAAP financial measures. Consistent with this approach, the Company believes that disclosing non-GAAP financial measures to the readers of its financial statements provides such readers with useful supplemental data that, while not a substitute for GAAP financial measures, allows for greater transparency in the review of its financial and operational performance and enables investors to more fully understand trends in its current and future performance.

	Years ended December 31,			Variance 2009 vs. 2008		Variance 2008 vs. 2007	
(dollars in thousands)	2009	2008	2007	$	%	$	%
Income Before Income Taxes	$ 37,576	$ 14,601	$ 8,279	$ 22,975	157%	$ 6,322	76%
Interest, net	1,644	2,655	1,926	(1,011)	(38)	729	38
Depreciation and Amortization	5,432	7,836	6,979	(2,404)	(31)	857	12
Amortization of Intangibles	2,672	2,554	1,555	118	5	999	64
EBITDA	$ 47,324	$ 27,646	$ 18,739	$ 19,678	71%	$ 8,907	48%

(1) See "*SECTION 3 — SEGMENT RESULTS OF OPERATIONS*" below for a reconciliation of the most directly comparable GAAP measure to EBITDA.

In addition to the changes in revenue and expenses discussed above, the increase in EBITDA also benefited from $2.3 million of Other Income recorded in 2009 relating to a litigation settlement (see Note 14 to the consolidated financial statements).

With respect to 2008, the increase in EBITDA was primarily the result of the factors discussed above.

Income Taxes

Income tax provision was $11.6 million, $5.4 million and $1.6 million in 2009, 2008 and 2007, respectively. Our effective tax rate was 30.9%, 36.9% and 18.9% for 2009, 2008 and 2007, respectively. Income tax provision on Income Before Income Tax differs from amounts that would be computed by applying the Luxembourg corporate income tax rate primarily because of the effect of differing tax rates outside of Luxembourg, indefinite deferral on earnings of non-Luxembourg affiliates, additional foreign income taxes and changes in the valuation allowance.

The principal contributing factor to the reduction in rate during 2009 is the composition of Pre-Tax Income by jurisdiction when compared to prior periods. During 2010, we intend to utilize our international structure more efficiently to identify ways to lower our overall effective tax rate. Based upon our discussions with advisors to date, we believe that if we are successful in our negotiations with various governmental authorities, we should be able to reduce the rate materially from current levels.

The principal contributing factor to the increased effective tax rate for 2008 was an increase in valuation allowance particularly related to certain states and the impact of foreign tax positions including related deferrals.

See Note 11 to our consolidated financial statements for a reconciliation of taxes at the statutory rate to actual income tax provision.

Recent Accounting Pronouncements

For a discussion of the recent accounting pronouncements, see Note 3 to the consolidated financial statements.

SECTION 3 — SEGMENT RESULTS OF OPERATIONS

The following section provides a discussion of pre-tax results of operations of our business segments for the years ended December 31, 2009, 2008 and 2007. Transactions between segments are accounted for as third-party arrangements for purposes of presenting Segment Results of Operations. Intercompany transactions primarily consist of information technology infrastructure services and charges for the use of certain REAL products from our Technology Products segment to our other two segments. Generally, we reflect these charges within Technology and Communication in the segment receiving the services except for consulting services which we reflect in professional services.

	For the Year Ended December 31, 2009				
(in thousands)	Mortgage Services	Financial Services	Technology Products	Corporate Items and Eliminations(1)	Consolidated Altisource
Revenue	$103,098	$64,434	$47,453	$(12,173)	$202,812
Cost of Revenue	60,735	52,871	24,477	(11,286)	126,797
Gross Profit	42,363	11,563	22,976	(887)	76,015
Selling, General and Administrative Expenses	5,625	19,267	4,731	9,850	39,473
Income (Loss) from Operations	36,738	(7,704)	18,245	(10,737)	36,542
Other income (expense), net	31	1,324	(319)	(2)	1,034
Income (Loss) Before Income Taxes	$ 36,769	$ (6,380)	$17,926	$(10,739)	$ 37,576
Reconciliation to EBITDA					
Income (Loss) Before Income Taxes	$ 36,769	$ (6,380)	$17,926	$(10,739)	$ 37,576
Interest, net	28	1,314	318	(16)	1,644
Depreciation(2)	48	2,402	2,906	76	5,432
Amortization of Intangibles	—	2,672	—	—	2,672
EBITDA	$ 36,845	$ 8	$21,150	$(10,679)	$ 47,324
Transactions with Related Parties Included Above:					
Revenue	$ 74,089	$ 98	$20,710	$ —	$ 94,897
Selling, General and Administrative Expenses	$ 2,712	$ 467	$ 1,517	$ (388)	$ 4,308
Interest Expense	$ 30	$ 1,029	$ 231	$ —	$ 1,290

(in thousands)	For the Year Ended December 31, 2008				
	Mortgage Services	Financial Services	Technology Products	Corporate Items and Eliminations(1)	Consolidated Altisource
Revenue	$54,956	$73,835	$45,283	$(13,711)	$160,363
Cost of Revenue	36,392	62,590	29,777	(13,711)	115,048
Gross Profit	18,564	11,245	15,506	—	45,315
Selling, General and Administrative Expenses	5,027	17,168	6,118	(225)	28,088
Income (Loss) from Operations	13,537	(5,923)	9,388	225	17,227
Other income (expense), net	(58)	(1,952)	(391)	(225)	(2,626)
Income (Loss) Before Income Taxes	$13,479	$ (7,875)	$ 8,997	$ —	$ 14,601
Reconciliation to EBITDA					
Income (Loss) Before Income Taxes	$13,479	$ (7,875)	$ 8,997	$ —	$ 14,601
Interest, net	58	2,025	572	—	2,655
Depreciation(2)	34	3,202	4,600	—	7,836
Amortization of Intangibles	—	2,554	—	—	2,554
EBITDA	$13,571	$ (94)	$14,169	$ —	$ 27,646
Transactions with Related Parties Included Above:					
Revenue	$41,635	$ 1,181	$35,146	$(13,711)	$ 64,251
Selling, General and Administrative Expenses	$ 3,633	$ 595	$ 1,980	$ —	$ 6,208
Interest Expense	$ 58	$ 1,833	$ 378	$ —	$ 2,269

(in thousands)	For the Year Ended December 31, 2007				
	Mortgage Services	Financial Services	Technology Products	Corporate Items and Eliminations(1)	Consolidated Altisource
Revenue	$64,260	$41,293	$36,235	$(6,882)	$134,906
Cost of Revenue	44,158	32,324	27,354	(6,882)	96,954
Gross Profit	20,102	8,969	8,881	—	37,952
Selling, General and Administrative Expenses	7,876	14,787	6,359	(1,092)	27,930
Income (Loss) from Operations	12,226	(5,818)	2,522	1,092	10,022
Other income (expense), net	(90)	(1,269)	708	(1,092)	(1,743)
Income (Loss) Before Income Taxes	$12,136	$ (7,087)	$ 3,230	$ —	$ 8,279
Reconciliation to EBITDA					
Income (Loss) Before Income Taxes	$12,136	$ (7,087)	$ 3,230	$ —	$ 8,279
Interest, net	90	1,300	536	—	1,926
Depreciation(2)	292	980	5,707	—	6,979
Amortization of Intangibles	—	1,555	—	—	1,555
EBITDA	$12,518	$ (3,252)	$ 9,473	$ —	$ 18,739
Transactions with Related Parties Included Above:					
Revenue	$40,646	$ 1,044	$24,542	$(6,882)	$ 59,350
Selling, General and Administrative Expenses	$ 4,507	$ 1,817	$ 2,540	$ —	$ 8,864
Interest Expense	$ 90	$ 544	$ 331	$ —	$ 965

(1) Intercompany transactions primarily consist of information technology infrastructure services and charges for the use of certain REAL products from our Technology Products segment to our other two segments. Generally, we reflect these charges within technology and communication in the segment receiving the services, except for consulting services, which we reflect in professional services.

(2) Includes depreciation and amortization of $2.0 million, $2.8 million and $0.4 million in the years ended December 31, 2009, 2008 and 2007, respectively, for assets reflected in the Technology Products segment but utilized by the Financial Services segment.

Mortgage Services

The following table presents our results of operations for our Mortgage Services segment for the years ended December 31:

(dollars in thousands)	Years Ended December 31, 2009	2008	2007	Variance 2009 vs. 2008 $	%	Variance 2008 vs. 2007 $	%
Revenue	$ 103,098	$ 54,956	$ 64,260	$ 48,142	88%	$ (9,304)	(14)%
Cost of Revenue	60,735	36,392	44,158	24,343	67	(7,766)	(18)
Gross Profit	42,363	18,564	20,102	23,799	128	(1,538)	(8)
Selling, General and Administrative Expenses	5,625	5,027	7,876	598	12	(2,849)	(36)
Income from Operations	$ 36,738	$ 13,537	$ 12,226	$ 23,201	171%	$ 1,311	11%
EBITDA(1)	$ 36,845	$ 13,571	$ 12,518	$ 23,274	171%	$ 1,053	8%
Transactions with Related Parties:							
Revenue	$ 74,089	$ 41,635	$ 40,646	$ 32,454	78%	$ 989	2%
Selling, General and Administrative Expenses	$ 2,712	$ 3,633	$ 4,507	$ (921)	(25)%	$ (874)	(19)%
Interest Expense	$ 30	$ 58	$ 90	$ (28)	(48)%	$ (32)	(36)%

(1) See table at the beginning of this section for a reconciliation of the most directly comparable GAAP measure to EBITDA.

We experienced significant growth in our Mortgage Services segment in 2009 as we rolled out our residential default related services. We were able to develop and rollout these services and still achieve a 36% EBITDA margin which includes the impact of expense reimbursements for which we recognize no margin. We did this by leveraging our global delivery model and our experience with technological based solutions, econometrics and behavioral science.

We believe we are well positioned to grow revenues in Mortgage Services throughout the economic cycle for the foreseeable future for the following reasons:

- We expect to complete our national rollout toward the end of 2010. This will allow us to capture 50 — 55% of the available referrals from the loan portfolio serviced by Ocwen (currently we capture 30 — 35%). We typically generate revenue 1 — 6 months after the initial referral is placed with us;
- Ocwen has sufficient equity to acquire additional portfolios. Referrals typically begin to accrue to us 3 to 6 months after the portfolio is acquired;
- Given the existing volume of loans in various stages of default and foreclosure, we believe the default services market is likely to grow through 2010;
- The acquisition of MPA should position Mortgage Services to grow if the economy were to improve more quickly than expected;
- We generate significant amounts of free cash flow that allow us to invest in new and existing services at attractive margins; and
- Given our small market position in very significant markets, we believe we have an ability to capture additional market share.

Revenue

(dollars in thousands)	Years Ended December 31, 2009	2008	2007	Variance 2009 vs. 2008 $	%	Variance 2008 vs. 2007 $	%
Revenue:							
Residential Property Valuation	$ 26,800	$ 28,882	$ 38,998	$ (2,082)	(7)%	$ (10,116)	(26)%
Closing and Title Services	17,444	13,173	14,042	4,271	32	(869)	(6)
Default Management Services	9,194	51	—	9,143	N/M	51	100
Asset Management Services	30,464	1,167	—	29,297	N/M	1,167	100
Component Services	19,196	11,683	11,220	7,513	64	463	4
Total Revenue	$ 103,098	$ 54,956	$ 64,260	$ 48,142	88%	$ (9,304)	(14)%
Transactions with Related Parties:							
Residential Property Valuation	$ 25,762	$ 27,301	$ 26,604	$ (1,539)	(6)%	$ 697	3%
Closing and Title Services	13,496	13,173	14,042	323	2	(869)	(6)
Default Management Services	4,367	—	—	4,367	100	—	—
Asset Management Services	30,464	1,161	—	29,303	N/M	1,161	100
Revenue	$ 74,089	$ 41,635	$ 40,646	$ 32,454	78%	$ 989	2%
Expense Reimbursements:							
Default Management Services	$ 1,770	$ —	$ —	$ 1,770	100%	$ —	—%
Asset Management Services	$ 14,308	$ —	$ —	$ 14,308	100%	$ —	—%

N/M — not meaningful

In 2009, we generated the majority of our revenue by providing outsourced services for residential mortgage loans primarily for Ocwen or with respect to the loan portfolio serviced by Ocwen. In addition to our relationship with Ocwen, we have longstanding relationships with some of the leading capital markets firms, commercial banks, hedge funds, insurance companies and lending institutions and provide products that enhance their ability to make informed investment decisions and manage their core operations. With the acquisition of MPA in February 2010, we took a significant step in our evolution to become a full service provider in the mortgage services vertical and gained increased access to over 155 mid-tier mortgage bankers.

Residential Property Valuation. As one of the more mature services in our portfolio, residential property valuations are more subject to market conditions and have therefore seen declines year over year given the mortgage crisis. During 2010, we expect this business to stabilize and potentially grow as it benefits from an array of new services that are extensions of our core appraisal management services. In addition, we expect to utilize the existing infrastructure to begin to diversify the client base.

Closing and Title Services. This business includes legacy services such as pre-foreclosure title services and mortgage due diligence as well as an expanded array of title services that were rolled out during 2009 principally around default title. During 2010 we are focused on rolling out our title agency business nationally which we believe will drive significant revenue growth at attractive margins. We have also applied for our title agency license in several counties in California which is a significant market for us. However, we do not expect to obtain agency status in California prior to the fourth quarter of 2010.

Default Management Services. One of the services we rolled out in 2009 was non-legal support services whereby we provide non-legal back-office support functions for foreclosure, bankruptcy and eviction. In 2009, the majority of our revenue was derived from processing foreclosures. We were able to develop this line of business without acquiring existing back-office operation thereby utilizing limited capital resources and increasing our overall returns. We expect this business to continue to grow during 2010 as we expand our geographic footprint entering into more states as well as expanding into providing non-legal bankruptcy and eviction services to a greater extent than during 2009.

Asset Management Services. Asset management services principally include property preservation and inspection and REO brokerage. During 2009, we established brokerage operations in three key states and launched www.altisourcehomes.com and www.gohoming.com. These websites along with our expanding brokerage and referral network will serve as the basis for our enhanced multi-channel real-estate marketplace service offering. We expect to complete our national broker network including a referral network during 2010.

Component Services. The increase in component services (formerly known as knowledge process outsourcing) is principally due to an expanded relationship with an existing customer in the second quarter of 2009. The renewed contract has a five year term, thus we anticipate that we will continue to generate revenues at least at the current level for the next several years.

Revenues declined in 2008 as loan originations continued to decrease partially offset by an increase in services to assist holders of delinquent loans. We determined early in 2008 to scale down the mortgage due diligence services due to a lack of demand. We shifted these resources to other areas, including our outsourcing services for which we increased our revenues by gaining a greater share of our customers' outsourcing needs.

Cost of Revenue

Our gross margin was 41% in 2009 including $16.1 million of reimbursable expenses for which we achieve no margin. Core to our operating philosophy is that we focus on selling solutions and units of output as opposed to seats. This allows us to benefit from increased operational efficiencies. We gain operational efficiencies generally via use of technology and employing econometrics, consumer behavioral principles and six sigma techniques. During 2010, we expect to continue to invest in service offerings particularly residential loan origination services. We do not expect these investments to materially impact our margins.

Our gross profit increased from 31% in 2007 to 34% in 2008 primarily by continuing to increase the utilization of our proprietary technology as well as by scaling back our mortgage due diligence services that had lower margins. Partially offsetting this improvement was the impact of new product launches for which we incurred personnel and other costs to establish the products with minimal revenues during 2008.

Selling, General and Administrative Expenses

Selling, General and Administrative Expenses increased during 2009 mostly with respect to travel costs and increased training costs related to the increased workforce. As a percentage of Revenues, Selling, General and Administrative Expenses declined from 9% in 2008 to 5% in 2009 reflective of the increased leverage we are

obtaining as the business grows. We expect Selling, General and Administrative Expenses to increase during 2010 as we continue to incur additional costs as a separate company and as we expand our marketing efforts. The sales cycle for attracting new customers can be prolonged and ranges generally from 6 to 18 months.

Selling, General and Administrative Expenses decreased in 2008 as compared to 2007. Consistent with the changes in Cost of Revenue, we generated these improvements by continuing to increase our utilization of our technology and lowering our overhead costs.

Financial Services

The following table presents our results of operations for our Financial Services segment for the years ended December 31:

(dollars in thousands)	Years Ended December 31, 2009	2008	2007	Variance 2009 vs. 2008 $	%	Variance 2008 vs. 2007 $	%
Revenue	$ 64,434	$ 73,835	$ 41,293	$ (9,401)	(13)%	$ 32,542	79%
Cost of Revenue	52,871	62,590	32,324	(9,719)	(16)	30,266	94
Gross Profit	11,563	11,245	8,969	318	3	2,276	25
Selling, General and Administrative Expenses	19,267	17,168	14,787	2,099	12	2,381	16
Income from Operations	$ (7,704)	$ (5,923)	$ (5,818)	$ (1,781)	(30)%	$ (105)	(2)%
EBITDA(1)	$ 8	$ (94)	$ (3,252)	$ 102	(109)	$ 3,158	97%
Transactions with Related Parties:							
Revenue	$ 98	$ 1,181	$ 1,044	$ (1,083)	(92)%	$ 137	13%
Selling, General and Administrative Expenses	$ 467	$ 595	$ 1,817	$ (128)	(22)%	$ (1,222)	(67)%
Interest expense	$ 1,029	$ 1,833	$ 544	$ (804)	(44)%	$ 1,289	237%

N/M — not meaningful.

(1) See table at the beginning of this section for a reconciliation of the most directly comparable GAAP measure to EBITDA.

The year ended December 31, 2009 continued to be a very difficult environment for the collections industry particularly participants such as ourselves that do not participate in debt buying activities. Liquidation rates declined year over year although we saw some stabilization as of year-end. With our cost cutting, variability reduction and other collector initiatives, we were able to improve EBITDA, after adjustment for the one-time legal matters (gain of $0.9 million, net) and facility closure costs (loss of $1.9 million, net), in an environment where revenues declined $9.4 million year over year. Given that collection rates are generally inversely correlated to unemployment rates, we would expect that as unemployment declines the amount we are able to collect should improve without a corresponding increase in expenses leading to additional improvements in margin.

Furthermore, as noted above, we provide contingency collection services to seven of the most recognizable credit card issuers in the industry. Currently, we capture a negligible amount spent by these credit card issuers on contingency collection with the exception of American Express where we continue to be one of their largest service providers. As we continue to prove our collection capabilities, we would expect to gain additional market share. Our strategy for 2010 is to increase our margins principally via expanding our quality initiatives and investing in new technology while we increase our share with each of our key clients.

Revenue

(dollars in thousands)	Years Ended December 31, 2009	2008	2007	Variance 2009 vs. 2008 $	%	Variance 2008 vs. 2007 $	%
Revenue:							
Asset Recovery Management	$ 51,019	$ 62,771	$ 36,802	$ (11,752)	(19)%	$ 25,969	71%
Customer Relationship Management	13,415	11,064	4,491	2,351	21	6,573	146
Total Revenue	$ 64,434	$ 73,835	$ 41,293	$ (9,401)	(13)%	$ 32,542	79%
Transactions with Related Parties:							
Asset Recovery Management	$ 98	$ 1,181	$ 1,044	$ (1,083)	(92)%	$ 137	13%

In our Financial Services segment, we generate the majority of our revenue from asset recovery management fees we earn for collecting amounts due to our customers and from fees we earn for performing customer relationship management for our customers.

Asset Recovery Management. Our revenues associated with contingency collections continued to decline principally due to lower collection rates. We believe that our collection rates have declined as a direct result of the current protracted economic environment and are consistent with the collections industry in general. At year-end, we began to see some stabilization of collection rates. While we cannot predict whether liquidation rates or placements will stabilize at current levels, increase or continue to decline, we are focused on mitigating the impact from decreasing liquidation rates by expanding our market share with existing customers.

Customer Relationship Management. Our revenues associated with customer relationship management improved year over year as we expanded our relationship with one primary customer.

The increase in revenues from 2007 to 2008 was the result of the acquisition of NCI effective June 6, 2007.

Cost of Revenue

Our Cost of Revenues in 2009 decreased compared to 2008 principally due to a reduction in Compensation and Benefit costs of $9.1 million due to lower number of collectors and lower commissions. In addition, we reduced Technology and Communication costs by $2.9 million. Partially offsetting these decreases were higher collection letter costs which are a function of the amount of placements we received. In addition, we utilized a higher number of outside collectors in an effort to limit our exposure to declining collection rates. We continue to analyze our cost structure and intend to manage our costs to improve our results even if collection rates remain at depressed levels.

Cost of Revenue in 2008 increased compared to 2007. We began to expand our existing operations late in 2007 and continued this expansion in 2008 in order to migrate more of our collections functions to lower cost areas. We incurred additional training and recruiting costs as we built the new facility and ramped up staffing. We also generated lower collections per dollar placed with us in 2008 which we believe is consistent across the collections industry and is due to the general economic downturn in the U.S. and elsewhere. Finally, we incurred higher technology costs in 2008 relating to the acceleration of depreciation on a predictive dialer that we replaced and the addition of other technology assets. We reflect these costs in our Technology Products segment as well but eliminate the duplicate amounts in consolidation. We fully depreciated this dialer in 2008 and reduced many of our technology costs during the year. We also reduced the number of collectors late in 2008 without a corresponding decrease in revenue.

Selling, General and Administrative Expenses

The primary driver of the increase in Selling, General and Administrative Expenses in 2009 was $2.3 million in facility closure costs accrued in the third quarter primarily consisting of lease exit costs and severance for closure of facilities in Miramar, Florida and Victoria, British Columbia, Canada (see Note 9 to the consolidated

financial statements). We believe this will allow us to operate with lower costs in 2010. In addition, we had higher professional fees representing legal expenses due to recent litigation (see Note 14 to the consolidated financial statements). We were able to partially offset this increase by reducing compensation costs related to support functions. In addition, 2009 includes $1.4 million of settlement losses with respect to the Noble dialer arbitration.

The increase in Selling, General and Administrative Expenses from 2007 to 2008 was the result of the acquisition of NCI effective June 6, 2007.

Technology Products

The following table presents our results of operations for our Technology Products segment for the years ended December 31:

(dollars in thousands)	Years Ended December 31,			Variance 2009 vs. 2008		Variance 2008 vs. 2007	
	2009	2008	2007	$	%	$	%
Revenue	$ 47,453	$ 45,283	$ 36,235	$ 2,170	5%	$ 9,048	25%
Cost of Revenue	24,477	29,777	27,354	(5,300)	(18)	2,423	9
Gross Profit	22,976	15,506	8,881	7,470	48	6,625	75
Selling, General and Administrative Expenses	4,731	6,118	6,359	(1,387)	(23)	(241)	(4)
Income from Operations	$ 18,245	$ 9,388	$ 2,522	$ 8,857	94%	$ 6,866	272%
EBITDA(1)	$ 21,150	$ 14,169	$ 9,473	$ 6,981	49%	$ 4,696	50%
Transactions with Related Parties:							
Revenue(2)	$ 20,710	$ 35,146	$ 24,542	$ (14,436)	(41)%	$ 10,604	43%
Selling, General and Administrative Expenses	$ 1,517	$ 1,980	$ 2,540	$ (463)	(23)%	$ (560)	(22)%
Interest expense	$ 231	$ 378	$ 331	$ (147)	(39)%	$ 47	14%

(1) See table at the beginning of this section for a reconciliation of the most directly comparable GAAP measure to EBITDA.

(2) Includes revenue earned from other segments related to RealSuite and IT infrastruture services of $1.8 million and $13.7 million, respectively in 2008 and $1.5 million and $6.9 million, respectively in 2007.

During 2009, the primary focus of the Technology Products segment was to support the growth of Mortgage Services as well as the cost reduction and quality initiatives on-going with the Financial Services segment. During 2010, we are focused on commercialization of our Technology Product offerings to expand their applicability to a broader audience. In addition, we are focused on reducing IT infrastructure costs where possible including those costs incurred by Ocwen.

Revenues

(dollars in thousands)	Years Ended December 31, 2009	2008	2007	Variance 2009 vs. 2008 $	%	Variance 2008 vs. 2007 $	%
Revenue:							
REALSuite	$ 25,784	$ 20,463	$ 18,328	$ 5,321	26%	$ 2,135	12%
IT infrastructure services	21,669	24,820	17,907	(3,151)	(13)	6,913	39
Total Revenue	$ 47,453	$ 45,283	$ 36,235	$ 2,170	5%	$ 9,048	25%
Transactions with Related Parties[1]:							
REALSuite	$ 9,899	$ 9,134	$ 7,800	$ 765	8%	$ 1,334	17%
IT infrastructure services	10,811	26,012	16,742	(15,201)	(58)	9,270	55
Revenue	$ 20,710	$ 35,146	$ 24,542	$ (14,436)	(41)%	$ 10,604	43%

(1) Includes revenue earned from other segments related to RealSuite and IT infrastruture services of $1.8 million and $13.7 million, respectively in 2008 and $1.5 million and $6.9 million, respectively in 2007.

In 2009, we generated the majority of our revenue from REALSuite services, and we expect this trend to continue in future periods. In addition, we were able to expand our third-party revenues for this segment during 2009.

REALSuite. Our REALSuite revenue is primarily driven by our REALServicing product which is our comprehensive residential loan servicing platform. In the second quarter of 2009, we expanded an agreement with an existing third-party customer for use of the REALServicing product by executing a five year renewal. In addition, if Ocwen increases the size of its loan portfolio, our REALSuite revenues increase. Typically, REALServicing, REALTrans and REALRemit revenues increase as loans are boarded.

Revenues from our REALSuite of products increased in 2008 due primarily to the billing changes described above and as a result of higher fees for our transaction based products. Although we generated higher revenues in 2008 than in 2007, we experienced softness in these revenues late in 2008 as transaction volumes began to decline and the number of loans serviced by Ocwen contracted.

IT infrastructure services. As expected, our IT infrastructure services revenues declined as we continue to seek ways to reduce our internal expenditures as well as those of Ocwen. The primary driver for the reduction in revenue in 2009 was intercompany charges to our Financial Services segment due in part to fewer collections, facility closures and other cost reduction efforts.

Our change to a market-based rate card in the second quarter of 2008 resulted in our recording revenues of approximately $6.0 million more in 2008 than we would have recorded had we continued to use the cost-based system. Approximately $4.1 million of this increase related to IT infrastructure services and $1.9 million related to REAL products revenues. Additionally, revenues increased primarily due to our commencing IT infrastructure services to NCI in June 2007. Revenues from NCI were $7.9 million in 2008 and $2.2 million in 2007. The increase related to 2008 being a full year and to significant technology additions for NCI during the year. These included replacing a predictive dialer and improving the telephony and call recording capabilities of the operation in order to better serve our customers. Excluding the impact of the billing change and the addition of NCI, IT infrastructure services revenues decreased 18% in 2008 as Ocwen reduced its staffing levels throughout the year and therefore required less IT infrastructure services.

Cost of Revenue

Cost of Revenue in 2009 decreased compared to 2008 primarily for the following reasons:

- $1.9 million reduction in Compensation costs as we integrated the Financial Services technology personnel into the existing technology group and eliminated certain positions;

- $2.5 million reduction in Depreciation expense as several assets became fully depreciated in 2008 and have not been replaced;
- $0.9 million reduction in Expenses for Hardware and Software Maintenance as we analyzed usage of these assets and eliminated unused items; and
- $0.6 million net reduction in Telephony as we reduced the number of personnel, renegotiated contracts with service providers and improved technology to drive down costs.

In the fourth quarter, as expected, we incurred additional costs associated with the Separation such as new equipment, data links and licenses to operate as a separate company from Ocwen as well as additional costs associated with our consolidation of data centers in the United States.

Cost of revenue increased in 2008 compared to 2007. In connection with our acquisition of NCI in June 2007, we transferred NCI's IT infrastructure services staff to our Technology Products segment and began managing NCI's IT infrastructure services function. This change increased our expenses in Technology Products in 2007, but we offset this increase with reductions in the remainder of our operations. Late in 2007 and throughout 2008, we consolidated the NCI support function with our operations eliminating many of the NCI positions and enabling us to minimize the increase in our Cost of Revenue. Our billings to NCI increased over $5.7 million from 2007 to 2008 due to providing support for the full year in 2008 while our cost of revenue increased only $2.4 million.

Selling, General and Administrative Expenses

Selling, General and Administrative Expense declined in 2009 compared to 2008 due to lower occupancy and equipment charges given fewer personnel and lower bad debt expense as we automated processes to identify delinquent receivables.

Selling, General and Administrative Expenses were $6.1 million for the year ended December 31, 2008, a decrease of $0.2 million, or 4%, as compared to $6.4 million for the year ended December 31, 2007. These decreases generally were due to reductions in the number of staff.

SECTION 4 — LIQUIDITY AND CAPITAL RESOURCES

Liquidity

We believe that we have the ability to generate more than sufficient cash from our current operations for the next twelve months to meet anticipated cash requirements. Anticipated cash requirements principally include operational expenditures such as compensation and benefits, working capital requirements and spending for capital expenditures. In addition, for over 60% of our revenues, we are paid as we provide the service or within a limited timeframe (i.e., within 1 — 2 weeks). This minimizes our working capital requirements and ensures sufficient timely cash flows to fund operations.

Given our size, we generate significant excess cash that we will seek to deploy in a disciplined manner. Principally, we will continue to invest in compelling services that we believe will generate high margin. In addition, we may seek to acquire a limited number of companies that fit our strategic objectives. Finally, given the tax inefficiency of dividends, the low returns earned on cash held and our desire to only perform a limited number of acquisitions, we believe one of the best ways to return value to shareholders is to consider a share repurchase program. Under Luxembourg law, we need shareholder approval to initiate such a program. We intend to request shareholder approval at our next Annual General Meeting scheduled for May 19th 2010.

For periods prior to the Separation, total borrowings as well as cash as presented in the accompanying historical combined financial statements reflect only those balances we required to operate as a subsidiary of Ocwen. Until the Separation Date, Ocwen centrally managed the majority of the consolidated company's financing activities in order to optimize its costs of funding and financial flexibility at a corporate level. In addition, Ocwen historically

allocated interest expense to us based upon our portion of assets to Ocwen's total assets which resulted in interest charges reflected on our Consolidated Statement of Operations. These interest charges reflect an allocation and are not indicative of the interest charge we expect to incur as a separate company.

In June 2009, the Company terminated its existing revolving credit facility after considering its positive operating cash flows year-to-date and the administrative costs of maintaining the facility. We continue to believe that the Company has sufficient operating cash flows and, if necessary, access to debt markets at reasonable costs as well as the equity market to finance our operations for at least the next twelve months without this facility.

Cash Flows

The following table presents our cash flows for the years ended December 31:

(dollars in thousands)	December 31, 2009	2008	2007	Variance 2009 vs. 2008 $	%	Variance 2008 vs. 2007 $	%
Net Income Adjusted for Non-Cash Items	$ 33,192	$ 21,055	$ 13,660	$ 12,137	58%	$ 7,395	54%
Working Capital	92	7,850	(5,631)	(7,758)	(99)	13,481	239
Cash Flow from Operating Activities	33,284	28,905	8,029	4,379	15	20,876	260
Cash Flow from Investing Activities	(7,536)	(5,216)	(56,777)	(2,320)	(44)	51,561	91
Cash Flow from Financing Activities	(2,280)	(22,389)	54,436	20,109	90	(76,825)	(141)
Net Change in Cash	23,468	1,300	5,688	22,168	N/M	(4,388)	(77)
Cash at Beginning of Period	6,988	5,688	—	1,300	23	5,688	100
Cash at End of Period	$ 30,456	$ 6,988	$ 5,688	$ 23,468	336%	$ 1,300	23%

N/M — Not Meaningful.

Cash Flow from Operating Activities

Cash flow from operating activities consists of two components: (i) net income adjusted for depreciation, amortization and certain other non-cash items and (ii) working capital. The significant increase in operating cash flow in 2009 compared to 2008 was primarily driven by our expansion of high margin residential default services in our Mortgage Services segment. In addition, the operating improvement in both Financial Services and Technology Products contributed to the increased operating cash flow.

We generated $28.9 million in cash flows from operations for the year ended December 31, 2008 which represents our improved operating performance during 2008 compared to 2007 as well as significant working capital improvement particularly with respect to reduced accounts receivables.

Cash Flow from Investing Activities

Our cash flow from investing activities includes our purchases of premises and equipment. As expected, we saw an increase in technology purchases during the latter half of 2009 due to our Separation from Ocwen and the consolidation of our data centers to a single center in the United States. We expect to spend approximately $5.0 million per year to update our premises and equipment.

We used $5.2 million of cash for investing activities in 2008 compared to $56.8 million in 2007. The large 2007 amount relates to our acquisition of NCI in June 2007 for which we used $25.0 million of cash and financed the remainder with debt.

Cash Flow from Financing Activities

Our cash flow from financing activities primarily includes payments on debt and the net change in our invested equity balance. Prior to our Separation from Ocwen, we participated in a centralized cash management program with Ocwen. We made a significant amount of our cash disbursements through centralized payable systems which were operated by Ocwen, and a significant amount of our cash receipts were received by us and transferred to centralized accounts maintained by Ocwen. There were no formal financing arrangements with Ocwen, and we recorded all cash receipts and disbursement activity between Ocwen and us through invested equity in the Consolidated Balance Sheets and as net distributions or contributions in the Consolidated Statements of Stockholders' and Invested Equity and Cash Flows because we consider such amounts to have been contributed by or distributed to Ocwen.

Liquidity Requirements after December 31, 2009

On February 12, 2010, we announced the acquisition of MPA. Consideration for the transaction consisted of $29.0 million in cash which was paid from available funds (see also Note 20 to the consolidated financial statements).

Management is not aware of any trends or events, commitments or uncertainties, which have not otherwise been disclosed, that will or are likely to impact liquidity in a material way (see also Commitments and Contingencies below).

Capital Resources

The assets and liabilities of Altisource have been accounted for at the historical values carried by Ocwen prior to the Separation and were assigned to Altisource pursuant to the terms of the Separation Agreement. The indebtedness of Ocwen, other than certain capital lease obligations and indebtedness specific to Nationwide Credit, Inc., was not transferred to Altisource and remains the indebtedness of Ocwen. The Invested Capital balance included as a component of Stockholders' Equity in the Company's Consolidated Balance Sheet through the date of Separation includes accumulated earnings of the Company as well as receivables/payables due to/from Ocwen resulting from cash transfers and intercompany activity. Interest was not charged or credited on amounts due to/from Ocwen.

SECTION 5 — CRITICAL ACCOUNTING POLICIES

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States. In applying many of these accounting principles, we need to make assumptions, estimates and/or judgments that affect the reported amounts of assets, liabilities, revenues and expenses in our consolidated financial statements. We base our estimates and judgments on historical experience and other assumptions that we believe are reasonable under the circumstances. These assumptions, estimates and/or judgments, however, are often subjective. Actual results may be affected negatively based on changing circumstances. If actual amounts are ultimately different from our estimates, the revisions are included in our results of operations for the period in which the actual amounts become known. We believe the following critical accounting policies could potentially produce materially different results if we were to change underlying assumptions, estimates and/or judgments (see Note 2 to the consolidated financial statements for a more detailed description of the significant accounting policies that have been followed in preparing our consolidated financial statements).

Revenue Recognition

We recognize revenues from the services we provide in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 605. ASC 605 sets forth guidance as to when revenue is realized or realizable and earned when all of the following criteria are met: 1) persuasive evidence of an

arrangement exists; 2) delivery has occurred or services have been performed; 3) the seller's price to the buyer is fixed or determinable; and 4) collectability is reasonably assured. Generally, the contract terms for these services are relatively short in duration, and we recognize revenues as the services are performed either on a per unit or a fixed price basis. Our revenue recognition policies are detailed in Note 2 to the Consolidated Financial Statements. Significant areas of judgment include the period over which we recognize property preservation and certain default management services revenue and the determination of fair value for certain IT infrastructure services that we provide Ocwen. Management considers historical information and other third-party objective evidence on a periodic basis in determining the appropriate revenue recognition.

Goodwill and Identifiable Intangible Assets

As a result of our acquisition of NCI in 2007, we acquired goodwill and identifiable intangible assets of $54.8 million. Goodwill represents the cost of an acquired business in excess of the fair value of its net assets, including identifiable intangible assets, at the acquisition date. At December 31, 2009, the balance of goodwill was $7.9 million, of which $6.3 million relates to the acquisition of NCI and is included in our Financial Services segment and $1.6 million relates to our acquisition of the company that developed the predecessor to REALTrans and is included in our Technology Products segment.

Goodwill. We test goodwill for impairment at least annually during the fourth quarter or whenever events or circumstances indicate that the carrying value of goodwill may not be recoverable from future cash flows based on a two-step impairment test in accordance with ASC Topic 350. We evaluate the recoverability by comparing the estimated fair value of each operating segment with its estimated net carrying value (including goodwill). We derive the fair value of each of our operating segments based on valuation techniques that we believe market participants would use for each segment (primarily a discounted cash flow valuation methodology). Our goodwill impairment test involves the making of estimates and the exercise of management judgment. From time to time, we may obtain assistance from third parties in our evaluation. The discounted cash flow valuation methodology uses projections of future cash flows and includes assumptions concerning future operating performance and economic conditions that may differ from actual future cash flows achieved.

In projecting our cash flows, we used projected growth rates of 10% declining to 5%. For the discount rate, we used 18% which reflected our weighted average cost of capital determined partially based on our industry and size. Fair value is calculated as the sum of the projected discounted cash flows of the reporting units over the next three years and terminal value at the end of those three years.

During the fourth quarters of 2008, 2007 and 2006, we completed our annual goodwill impairment tests and determined that there was no goodwill impairment. We recorded purchase price adjustments of $0.4 million during 2008 that increased the amount of the goodwill we recorded. Also, prior to our acquisition of NCI in 2007, NCI made an acquisition that created tax-deductible goodwill that amortizes for tax purposes over time. When we acquired NCI in 2007, we recorded a lesser amount of goodwill for financial reporting purposes than what had previously been recorded at NCI for tax purposes. This difference between the amount of goodwill recorded for financial reporting purposes and the amount recorded for taxes is referred to as "Component 2" goodwill, and it results in our recording periodic reductions of our book goodwill balance in our consolidated financial statements. The reduction of book goodwill also resulted in a reduction of equity in the amount of $2.2 million in 2009, $3.6 million in 2008 and $1.1 million in 2007. We will amortize the remaining Component 2 goodwill for tax purposes which will result in our first reducing book goodwill to zero and then reducing intangible assets by the remaining tax benefits of the Component 2 goodwill as they are realized.

Identifiable Intangible Assets. The balance of intangibles at December 31, 2009 was $33.7 million. These intangibles relate to trademarks and customer lists we acquired in connection with our acquisition of NCI. We amortize our identifiable intangible assets over their estimated lives in accordance with ASC Topic 350. In accordance with ASC, identifiable intangible assets are tested for impairment whenever events or changes in circumstances suggest that the carrying value of an asset or asset group may not be fully recoverable.

These circumstances include, but are not limited to, a significant adverse change in legal factors or in the business climate or operating or cash flow losses and projections of continuing losses. An impairment loss, generally calculated as the difference between the estimated fair value and the carrying value of an asset or asset group, is

triggered if the sum of the estimated undiscounted cash flows relating to the asset or asset group is less than the corresponding carrying value.

During 2009, we did not identify any indicators of impairment for our NCI customer relationship and trade name intangibles.

Accounting for Income Taxes

As part of the process of preparing the consolidated financial statements, we were required to determine income taxes in each of the jurisdictions in which we operate. This process involves estimating actual current tax expense together with assessing temporary differences resulting from differing recognition of items for income tax and accounting purposes. These differences result in deferred income tax assets and liabilities that are included within our Consolidated Balance Sheets. We must then assess the likelihood that deferred income tax assets will be recovered from future taxable income and, to the extent we believe that recovery is not likely, establish a valuation allowance. To the extent we establish a valuation allowance or increase this allowance in a period, we must reflect this increase as an expense within income tax expense in the statement of earnings. Determination of the income tax expense requires estimates and can involve complex issues that may require an extended period to resolve. Further, changes in the geographic mix of revenues or in the estimated level of annual pre-tax income can cause the overall effective income tax rate to vary from period to period.

We conduct periodic evaluations of positive and negative evidence to determine whether it is more likely than not that the deferred tax asset can be realized in future periods. Among the factors considered in this evaluation are estimates of future taxable income, the future reversal of temporary differences, tax character and the impact of tax planning strategies that can be implemented, if warranted. As a result of this evaluation, we included in the tax provision a decrease of $0.3 million and an increase of $1.3 million to the valuation allowance for 2009 and 2008, respectively, related to certain state net operating losses. The decrease in 2009 is related to changes in effective tax rates. The increase in 2008 relates to net operating losses that we no longer considered to be more likely than not to be realized in future periods.

SECTION 6 — OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements other than operating leases.

SECTION 7 — CONTRACTUAL OBLIGATIONS, COMMITMENTS AND CONTINGENCIES

Our long-term contractual obligations generally include our operating lease payments on certain of our property and equipment. The following table sets forth information relating to our contractual obligations as of December 31, 2009:

	Payments due by period				
(in thousands)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Non-Cancelable Operating Lease Obligations	$ 9,991	$ 4,110	$ 5,415	$ 466	$ —
Capital Lease Obligations — Principal	664	536	128	—	—
Contractual Interest Payments(1)	26	26	—	—	—
Total	$ 10,681	$ 4,672	$ 5,543	$ 466	$ —

(1) Represents estimated future interest payments on capital leases, based on applicable interest rates as of December 31, 2009.

SECTION 8 — OTHER MATTERS

Related Party — Ocwen

For the year ended December 31, 2009, approximately $74.1 million of the Mortgage Services, $0.1 million of the Financial Services and $20.7 million of the Technology Products segment revenues were from services provided to Ocwen businesses not included in the Separation or sales derived from Ocwen's loan servicing portfolio. Services provided to Ocwen included residential property valuation, real estate sales, trustee management services, property inspection and preservation, closing and title services, charge-off second mortgage collections, core technology back office support and multiple business technologies including our REALSuite of products. We provided all services at rates we believe to be comparable to market rates.

In connection with the Separation, Altisource and Ocwen entered into various agreements that address the allocation of assets and liabilities between them and that define their relationship after the Separation including a Separation Agreement, a Tax Matters Agreement, an Employee Matters Agreement, an Intellectual Property Agreement, a Data Center and Disaster Recovery Agreement, a Technology Products Services Agreement, a Transition Services Agreement and certain long-term servicing contracts (collectively, the "Agreements") (See Note 4 to the consolidated financial statements).

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our financial market risk consists primarily of foreign currency exchange risk.

Foreign Currency Exchange Risk

We are exposed to foreign currency exchange rate risk in connection with our investment in non-U.S. dollar functional currency operations, which are very limited, to the extent that our foreign exchange positions remain un-hedged.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Altisource Portfolio Solutions S.A.:

We have audited the accompanying consolidated balance sheet of Altisource Portfolio Solutions S.A. and subsidiaries (the "Company") as of December 31, 2009, and the related consolidated statements of operations, changes in stockholders' and invested equity and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The consolidated financial statements of the Company for the years ended December 31, 2008 and 2007, before the inclusion of earnings per share information presented on the 2008 and 2007 statement of operations and the related disclosures in Note 12 to the consolidated financial statements, were audited by other auditors whose report, dated May 12, 2009 (June 26, 2009 as to Note 1 and Note 10), expressed an unqualified opinion on those statements.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Altisource Portfolio Solutions, S.A. and subsidiaries as of December 31, 2009, and the results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 4 to the consolidated financial statements, the Company has entered into significant transactions with Ocwen Financial Corporation, a related party.

We have also audited the earnings per share information presented on the 2008 and 2007 statement of operations and the related disclosures in Note 12 to the consolidated financial statements. Our audit procedures were limited to (1) obtaining the Company's earnings per share calculation and comparing the calculated amounts to the earnings per share disclosures for 2008 and 2007, (2) comparing the numerator used in the earnings per share calculations to the reported net income amounts for each of the years ended December 31, 2008 and 2007, (3) comparing the shares used as the denominator in the earnings per share calculations for each of the years ended December 31, 2008 and 2007 to the number of shares of common stock outstanding as of August 10, 2009, and (4) recalculating the earnings per share calculations for each of the years ended December 31, 2008 and 2007. In our opinion, the earnings per share information presented on the 2008 and 2007 statement of operations and the related disclosures in Note 12 to the consolidated financial statements are appropriate. However, we were not engaged to audit, review, or apply any procedures to the 2008 and 2007 consolidated financial statements of the Company other than with respect to the earnings per share information and related disclosures included therein and, accordingly, we do not express an opinion or any other form of assurance on the 2008 and 2007 consolidated financial statements taken as a whole.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
March 16, 2010

Report of Independent Registered Certified Public Accounting Firm

To the Board of Directors and Stockholders of Altisource Portfolio Solutions S.A.:

In our opinion, the combined consolidated balance sheet as of December 31, 2008 and the related combined consolidated statements of operations, invested equity and cash flows for each of the two years in the period ended December 31, 2008, before the inclusion of earnings per share information presented on the income statement and the related disclosure in Note 12, present fairly, in all material respects, the financial position of the Altisource businesses as described in Note 1 of the combined consolidated financial statements at December 31, 2008, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 4 to the combined consolidated financial statements, the Company has entered into significant transactions with Ocwen Financial Corporation, a related party.

We were not engaged to audit, review, or apply any procedures with respect to the earnings per share information presented on the income statement or the related disclosure in Note 12 and accordingly, we do not express an opinion or any other form of assurance about whether such information and disclosures are appropriate. The earnings per share information and the related disclosures were audited by other auditors.

/s/ PricewaterhouseCoopers LLP

Fort Lauderdale, Florida
May 12, 2009, except for the termination of the line of credit maturing July 2011 discussed in Note 10 and the completion of the conversion of Altisource Portfolio Solutions S.à r.l. into a Luxembourg société anonyme discussed in Note 1, which are as of June 26, 2009

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Balance Sheets
(Dollars in Thousands, Except Per Share Data)

	December 31, 2009 (Consolidated)	December 31, 2008 (Combined Consolidated)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 30,456	$ 6,988
Accounts Receivable, net	30,497	9,077
Prepaid Expenses and Other Current Assets	2,904	3,021
Deferred Tax Assets, net	1,546	268
Total Current Assets	65,403	19,354
Premises and Equipment, net	11,408	9,304
Intangible Assets, net	33,719	36,391
Goodwill	9,324	11,540
Other Non-current Assets	702	86
Total Assets	$120,556	$76,675
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts Payable and Accrued Expenses	$ 24,192	$ 4,767
Capital Lease Obligations — Current	536	916
Line of Credit and Other Secured Borrowings	—	1,123
Other Current Liabilities	5,939	6,213
Total Current Liabilities	30,667	13,019
Capital Lease Obligations — Non-current	128	440
Deferred Tax Liability, net	2,769	2,670
Other Non-current Liabilities	644	—
Commitment and Contingencies (Note 14)		
Stockholders' and Invested Equity		
Common Stock ($1.00 par value; 100,000,000 shares authorized; 24,144,914 shares issued and outstanding in 2009; EUR 25 par value, 263,412 shares authorized, issued and outstanding in 2008	24,145	6,059
Retained Earnings	11,665	—
Additional Paid-in Capital	50,538	—
Invested Equity	—	54,487
Total Stockholders' Equity	86,348	60,546
Total Liabilities and Equity	$120,556	$76,675

See notes to consolidated and combined consolidated financial statements.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Statements of Operations
(Dollars in Thousands, Except Share Data)

	For the Years Ended December 31,		
	2009 (Consolidated)	2008 (Combined Consolidated)	2007 (Combined Consolidated)
Revenue	$ 202,812	$ 160,363	$ 134,906
Cost of Revenue	126,797	115,048	96,954
Gross Profit	76,015	45,315	37,952
Selling, General and Administrative Expenses	39,473	28,088	27,930
Income from Operations	36,542	17,227	10,022
Other Income (Expense), net	1,034	(2,626)	(1,743)
Income Before Income Taxes	37,576	14,601	8,279
Income Tax Provision	(11,605)	(5,382)	(1,564)
Net Income	$ 25,971	$ 9,219	$ 6,715
Earnings Per Share			
Basic	$ 1.08	$ 0.38	$ 0.28
Diluted	$ 1.07	$ 0.38	$ 0.28
Weighted Average Shares Outstanding			
Basic	24,061,912	24,050,340	24,050,340
Diluted	24,260,651	24,050,340	24,050,340
Transactions with Related Parties included above:			
Revenue	$ 94,897	$ 64,251	$ 59,350
Selling, General and Administrative Expenses	$ 4,308	$ 6,208	$ 8,864
Interest Expense	$ 1,290	$ 2,269	$ 965

See notes to consolidated and combined consolidated financial statements.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Consolidated Statements of Changes in Stockholders' and Invested Equity
(Dollars in Thousands)

	Invested Equity	Common Stock Shares	Common Stock	Retained Earnings	Additional Paid-in Capital	Total	
Balance, January 1, 2007	$ 8,789	263,412	$ 6,059	$ —	$ —	$ 14,848	
Net Income	6,715	—	—	—	—	6,715	
Contribution for Acquisition	56,980	—	—	—	—	56,980	
Net Transfers to Parent	(2,869)	—	—	—	—	(2,869)	
Balance, December 31, 2007	69,615	263,412	6,059	—	—	75,674	
Net Income	9,219	—	—	—	—	9,219	
Net Transfers to Parent	(24,347)	—	—	—	—	(24,347)	
Balance, December 31, 2008	54,487	263,412	6,059	—	—	60,546	Comprehensive Income
Share Issuance due to Conversion to a Luxembourg Societé Anonyme	(3,283)	9,078,495	3,283	—	—	—	$ —
Net Income for Pre-separation Period	14,306	—	—	—	—	14,306	14,306
Net transfers to Ocwen	(1,354)	—	—	—	—	(1,354)	—
Consummation of Spin-off Transaction and Distribution to Common Stock	(64,156)	14,732,428	14,732	—	49,424	—	—
Share-based compensation	—	—	—	—	296	296	—
Exercise of stock options	—	70,579	71	—	818	889	—
Net Income for Post-separation Period	—	—	—	11,665	—	11,665	11,665
Balance, December 31, 2009	$ —	24,144,914	$24,145	$11,665	$50,538	$ 86,348	$25,971

See notes to consolidated and combined consolidated financial statements.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Statements of Cash Flows
(Dollars in Thousands)

	For the Years Ended December 31,		
	2009 (Consolidated)	2008 (Combined Consolidated)	2007 (Combined Consolidated)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 25,971	$ 9,219	$ 6,715
Reconciling Items:			
Depreciation and Amortization	5,432	7,836	6,979
Amortization of Intangible Assets	2,672	2,554	1,555
Share-based compensation expense	296	—	—
Deferred Income Taxes, net	(1,179)	1,197	(1,589)
Loss on Disposal of Premises and Equipment	—	249	—
Changes in Operating Assets and Liabilities, net of Acquisitions:			
Accounts Receivable, net	(21,420)	7,693	(4,487)
Prepaid Expenses and Other Current Assets	117	305	587
Other Assets	(616)	57	207
Accounts Payable and Accrued Expenses	19,425	(3,370)	(2,551)
Other Current and Non-Current Liabilities	2,586	3,165	613
Net Cash Flow from Operating Activities	33,284	28,905	8,029
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to Premises and Equipment, net	(7,536)	(5,216)	(4,236)
Acquisition of NCI Holdings, Inc., net of Cash Acquired	—	—	(52,541)
Net Cash Flow from Investing Activities	(7,536)	(5,216)	(56,777)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of Short-Term Borrowings	—	(147)	—
Principal Payments on Capital Lease Obligations	(692)	(2,275)	(811)
Proceeds from Borrowing of Long-Term Debt	—	—	27,500
Repayment of Long-Term Debt	—	—	(27,500)
Borrowings from Line of Credit	—	33,417	—
Payments of Line of Credit	(1,123)	(32,294)	—
Proceeds from Stock Option Exercises	889	—	—
Net (Distribution to) Contribution from Parent	(1,354)	(21,090)	55,247
Net Cash Flow from Financing Activities	(2,280)	(22,389)	54,436
Net (Decrease) Increase in Cash and Cash Equivalents	23,468	1,300	5,688
Cash and Cash Equivalents at the Beginning of the Year	6,988	5,688	—
Cash and Cash Equivalents at the End of the Year	$ 30,456	$ 6,988	$ 5,688
Supplemental Cash Flow Information			
Interest Paid	$ 25	$ 121	$ 750
Income Taxes Paid	$ 795	$ 26	$ —
Non-cash Investing and Financing Activities			
Reduction in Income Tax Payable from Tax Amortizable Goodwill	$ 2,216	$ 3,622	$ 1,136
Increase in Common Stock due to the Company's Conversion to a Luxembourg Société Anonyme	$ 3,283	$ —	$ —

See notes to consolidated and combined consolidated financial statements.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Consolidated and Combined Consolidated Financial Statements

1. ORGANIZATION AND BASIS OF PRESENTATION

Altisource Portfolio Solutions S.A. (which may be referred to as Altisource, the Company, we, us or our), together with its subsidiaries is a provider of services focused on high value, knowledge-based functions principally related to real estate and mortgage portfolio management, asset recovery and customer relationship management. Utilizing integrated technology that includes decision models and behavioral based scripting engines, the Company provides solutions that improve clients' performance and maximizes their returns.

We are publicly traded on the NASDAQ Global Select market under the symbol ASPS. Altisource was incorporated under the laws of Luxembourg on November 4, 1999 as Ocwen Luxembourg S.àr.l., renamed Altisource Portfolio Solutions S.à r.l. on May 12, 2009 and converted into Altisource Portfolio Solutions S.A. on June 5, 2009 (the "Conversion"). As part of the Conversion, we also changed the par value of equity from EUR 25 to $1.00 per share. Altisource became a publicly traded company as of August 10, 2009, see "Separation" below.

We conduct our operations through three reporting segments: Mortgage Services, Financial Services and Technology Products. In addition, we report our corporate related expenditures as a separate segment (see Note 18 for a description of our business segments).

Separation — On August 10, 2009 (the "Separation Date"), we became a stand-alone public company in connection with our separation from Ocwen Financial Corporation ("Ocwen") (the "Separation"). Prior to the Separation, our businesses were wholly-owned subsidiaries of Ocwen. On the Separation Date, Ocwen distributed all of the Altisource common stock to Ocwen's shareholders (the "Distribution"). Ocwen's stockholders received one share of Altisource common stock for every three shares of Ocwen common stock held as of August 4, 2009 (the "Record Date"). In addition, holders of Ocwen's 3.25% Contingent Convertible Unsecured Senior Notes due 2024 received one share of Altisource common stock deemed held on an as if converted basis. For such notes, the conversion ratio of 82.1693 shares of Ocwen common stock for every $1,000 in aggregate principal amount of notes held on the Record Date was calculated first and then we applied the distribution ratio of one share of Altisource common stock for every three shares of Ocwen common stock on an as converted basis to determine the number of shares each note holder received.

In connection with the Separation, we entered into various agreements with Ocwen that define our relationship after the Separation including a separation agreement, a tax matters agreement, an employee matters agreement, an intellectual property agreement, a data center and disaster recovery agreement, a technology products services agreement, a transition services agreement and certain long-term servicing contracts (collectively, the "Agreements") (See Note 4).

Basis of Presentation, Consolidated —Beginning August 10, 2009, after our assets and liabilities were formally contributed by Ocwen to Altisource pursuant to the terms of the Separation Agreement (see Note 4), the financial statements of the Company have been presented on a consolidated basis for financial reporting purposes. Our consolidated financial statements include the assets and liabilities, revenues and expenses directly attributable to our operations.

Basis of Presentation, Combined Consolidated — The combined consolidated financial statements present the historical results of operations, assets and liabilities attributable to the Altisource businesses. These combined consolidated financial statements have been prepared on a "carve-out" basis from Ocwen and, because a direct ownership relationship did not exist among the various units comprising the Altisource business, combine and do not consolidate Altisource Portfolio Solutions S.àr.l., and its subsidiaries with Ocwen's wholly owned subsidiaries NCI Holdings, Inc. ("NCI"); Nationwide Credit, Inc.; Premium Title Services, Inc.; REALHome Services and Solutions, Inc.; Portfolio Management Outsourcing Solutions, LLC; and Western Progressive Trustee LLC.

The combined consolidated statements also reflect the capital structures of each of the combined subsidiaries. We have recorded these balances in the combined consolidated financial statements as part our invested equity. NCI Holdings, Inc. includes only the operations of Nationwide Credit, Inc. We formed REALHome Services and Solutions, Inc. Portfolio Management Outsourcing Solutions, LLC and Western Progressive Trustee LLC late in 2008 with minimal capital and only Portfolio Management Outsourcing Solutions, LLC had operations during 2008. A summary of the individual equity accounts as of December 31, 2008 for each of the above incorporated entities is as follows:

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Consolidated and Combined Consolidated Financial Statements (continued)

(in thousands)	Common Stock	Retained Earnings (Accumulated Deficit)	Invested Equity	Total
December 31, 2008:				
Altisource Portfolio Solutions S.A.	$ 6,059	$ —	$54,487	$ 60,546
NCI Holdings, Inc.	29,480	(8,379)	—	21,101
Premium Title Services, Inc.	400	(628)	—	(228)
Portfolio Management Outsourcing Solutions, LLC	—	(213)	—	(213)
Eliminations	(29,880)	9,220	—	(20,660)
Total Stockholder's Equity	$ 6,059	$ —	$54,487	$ 60,546

The indebtedness of Ocwen, other than certain capital lease obligations and indebtedness specific to Nationwide Credit, Inc ("NCI"), was not transferred to Altisource and remains the indebtedness of Ocwen. Prior to the Separation, Ocwen centrally managed the cash flows generated from the Company's various businesses. The Invested equity balance included as a component of Shareholders' Equity in the Company's Balance Sheet up to the Separation Date includes accumulated earnings of the Company as well as receivables/payables due to/from Ocwen resulting from cash transfers and intercompany activity. Interest was not charged or credited on amounts due to/from Ocwen.

For periods prior to the Separation Date, these financial statements include allocations of expenses from Ocwen for corporate functions including insurance, employee benefit plan expense and allocations for certain centralized administration costs for executive management, treasury, real estate, accounting, auditing, tax, risk management, internal audit, human resources and benefits administration. We determined these allocations using proportional cost allocation methods including the use of relevant operating profit, fixed assets, sales and payroll measurements. Specifically, personnel and all associated costs, including compensation, benefits, occupancy and other costs, are allocated based on the estimated percentage of time spent by the individual in the various departments. External costs such as audit fees, legal fees, business insurance and other are allocated based on a combination of the sales, fixed assets and operating profits of the department, whichever is most appropriate given the nature of the expense. Management believes such allocations are reasonable; however, they may not be indicative of the actual expense that would have been incurred had the Company been operating as an independent company for the periods presented. Total corporate costs allocated to the Company, excluding separation costs, were $4.3 million for the period ended August 9, 2009. The charges for these functions are included primarily in Selling, General and Administrative Expenses in the Statements of Operations. In addition, Ocwen had allocated interest expense to us based upon our portion of assets to Ocwen's total assets which is reflected as Interest Expense in the Statements of Operations. There have been no expenses allocated to us since the Separation Date.

The financial statements also do not necessarily reflect what the Company's consolidated results of operations, financial position and cash flows would have been had the Company operated as an independent company during the entire periods presented. For instance, as an independent public company, Altisource incurs costs for maintaining a separate Board of Directors, obtaining a separate audit, relocating certain executive management and hiring additional personnel.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Consolidated and Combined Consolidated Financial Statements (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Principles of Consolidation — The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Intercompany accounts and transactions have been eliminated.

Use of Estimates — The preparation of these consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements and notes. Actual results could differ from those estimates and such differences could be material to the financial statements.

Cash and Cash Equivalents — Cash and Cash Equivalents include cash in banks and investments in short-term instruments with an original maturity date of three months or less.

Accounts Receivable, Net — Accounts Receivable are net of an allowance for doubtful accounts that represent an amount that we estimate to be uncollectible. We have estimated the allowance for doubtful accounts based on our historical write-offs, our analysis of past due accounts based on the contractual terms of the receivables, and our assessment of the economic status of our customers, if known. The carrying value of Accounts Receivable, net, approximates fair value.

Premises and Equipment, Net — We report Premises and Equipment, Net at cost or estimated fair value at acquisition and depreciate them over their estimated useful lives using the straight-line method as follows:

Furniture and Fixtures	5 years
Office Equipment	5 years
Computer Hardware and Software	2 — 3 years
Leasehold Improvements	Shorter of useful life or term of lease

We record payments for maintenance and repairs as expenses when incurred. We record expenditures for significant improvements and new equipment as capital expenses and depreciate them over the shorter of the capitalized asset's life or the life of the lease.

We review Premises and Equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. We measure recoverability of assets to be held and used by comparison of the carrying amount of an asset or asset group to estimated undiscounted future cash flows expected to be generated by the asset or asset group. If the carrying amount of an asset or asset group exceeds its estimated future cash flows, we recognize an impairment charge in the amount by which the carrying amount of the assets exceeds the fair value of the asset or asset group.

Computer software includes the fair value of software acquired in business combinations and purchased software. Purchased software is recorded at cost and amortized using the straight-line method over its estimated useful life. Software acquired in business combinations is recorded at its fair value and amortized using straight-line or accelerated methods over its estimated useful life, ranging from two to three years.

Business Combinations — We account for acquisitions using the purchase method of accounting in accordance with Accounting Standards Codification ("ASC") Topic 805. The purchase price of the acquisition is allocated to the assets acquired and liabilities assumed using the fair values determined by management as of the acquisition date.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Consolidated and Combined Consolidated Financial Statements (continued)

Goodwill and Intangible Assets, Net — We classify Intangible Assets. Net into two categories: (1) Intangible Assets with definite lives subject to amortization and (2) Goodwill, which represents the excess of cost over the fair value of assets acquired and liabilities assumed in business combinations.

For Intangible Assets with definite lives, we perform tests for impairment if conditions exist that indicate the carrying value may not be recoverable. For Intangible Assets with indefinite lives and Goodwill, we perform tests for impairment at least annually or more frequently if events or circumstances indicate that assets might be impaired.

When facts and circumstances indicate that the carrying value of Intangible Assets determined to have definite lives may not be recoverable, management assesses the recoverability of the carrying value by preparing estimates of cash flows of discrete intangible assets consistent with models utilized for internal planning purposes. If the sum of the undiscounted expected future cash flows is less than the carrying value, we would recognize an impairment to the extent carrying amount exceeds fair value. No impairment was recognized during the periods presented.

We test Goodwill in the fourth quarter unless events or changes in circumstances indicate that the carrying amount may exceed its fair value. The impairment test has two steps. The first step identifies potential impairments by comparing the fair value of the reporting unit with its carrying value, including Goodwill. If the calculated fair value of a reporting unit exceeds the carrying value, Goodwill and indefinite lived intangibles are not impaired, and the second step is not necessary. If the carrying value of a reporting unit exceeds the fair value, the second step calculates the possible impairment loss by comparing the implied fair value with the carrying value. If the fair value is less than the carrying value, we would record an impairment charge. This analysis did not result in an impairment charge during the periods presented.

We determine the useful lives of our identifiable Intangible Assets after considering the specific facts and circumstances related to each intangible asset. Factors we consider when determining useful lives include the contractual term of any arrangements, the history of the asset, our long-term strategy for use of the asset and other economic factors. We amortize intangible assets that we deem to have definite lives on a straight-line basis over their useful lives, generally ranging from 5 to 20 years.

Fair Value of Financial Instruments — The fair value of financial instruments, which primarily include Cash and Cash Equivalents, Accounts Receivable and Accounts Payable and Accrued Expenses at December 31, 2009 are carried at amounts that approximate their fair value due to the short-term nature of these amounts.

Foreign Currency Translation and Transactions — Our reporting currency is the U.S. dollar. Other foreign currency assets and liabilities that are considered monetary items are translated at exchange rates in effect at the balance sheet date. Foreign currency revenues and expenses are translated at transaction date exchange rates. These exchange gains and losses are included in the determination of net income.

Defined Contribution 401(k) Plan — Some of our employees currently participate in a defined contribution 401(k) plan under which we may make matching contributions equal to a discretionary percentage determined by us. We recorded expense of $0.1 million in 2009 related to our discretionary amounts contributed.

Equity-based Compensation — Equity-based compensation is accounted for under the provisions of ASC Topic 718. Under ASC Topic 718, the cost of employee services received in exchange for an award of equity instruments is generally measured based on the grant-date fair value of the award. Equity-based awards that do not require future service are expensed immediately. Equity-based employee awards that require future service are recognized over the relevant service period. Further, as required under ASC Topic 718, we estimate forfeitures for equity-based awards that are not expected to vest.

Earnings Per Share — We compute Earnings Per Share in accordance with ASC Topic 260. Basic Net Income per Share is computed by dividing Net Income by the weighted-average number of common stock

outstanding for the period. Diluted Net Income Per Share reflects the assumed conversion of all dilutive securities. Due to the nature and timing of Separation, the number of outstanding shares issued in the capitalization were the only shares outstanding prior to the Separation.

Revenue Recognition— We recognize revenues from the services we provide in accordance with ASC Topic 605. ASC Topic 605 sets forth guidance as to when revenue is realized or realizable and earned when all of the following criteria are met: 1) persuasive evidence of an arrangement exists; 2) delivery has occurred or services have been performed; 3) the seller's price to the buyer is fixed or determinable; and 4) collectability is reasonably assured. Generally, the contract terms for these services are relatively short in duration, and we recognize revenues as the services are performed either on a per unit or a fixed price basis. Specific policies for each of our reportable segments are as follows:

Mortgage Services: We recognize the majority of the services we provide in this segment on completion of the service to our customer. Residential property valuation, certain property inspection and property preservation services, mortgage due diligence and certain closing and title services include specific deliverables for our customers for which we recognize revenues when we deliver the related report or complete the related service to the customer, if collectibility is reasonably assured. We also perform services for which we recognize revenue at the time of closing of the related real estate transaction including real estate sales, real estate closings and certain title services. For default processing services and certain property preservation services, we recognize revenue over the period during which we perform the related services, with full recognition on completion of the related foreclosure filing or on closing of the related real estate transaction. For component services, we charge for these services based upon the number of employees utilized as the related services are performed. We record revenue associated with real estate sales on a net basis as we perform services as an agent without assuming the risks and rewards of ownership of the asset and the commission earned on the sale is a fixed percentage. Reimbursable expenses of $16.1 million incurred in conjunction with our property preservation and default processing services are included in revenues with an equal offsetting expense included in cost of revenues. These amounts are recognized on a gross basis, principally because we have complete control over selection of vendors.

Financial Services: We generally earn our fees for asset recovery management services as a percentage of the amount we collect on delinquent consumer receivables on behalf of our clients and recognize revenues upon collection from the debtors. We also provide customer relationship management services for which we earn and recognize revenues on a on a per-call, per-person or per minute basis as the related services are performed.

Technology Products: For our REAL suite, we charge based on the number of our client's loans processed on the system or on a per-transaction basis. We record transactional revenues when the service is provided and other revenues monthly based on the number of loans processed, employees serviced or products provided. Furthermore, we provide IT infrastructure services to Ocwen and charge for these services based on the number of employees that are using the applicable systems and the number and type of licensed products used by Ocwen. We record revenue associated with implementation services upon completion and maintenance ratably over the related service period.

Income Taxes — Until the effective date of the Separation, our operating results were included in Ocwen's consolidated U.S. federal and state income tax returns and reflect the estimated income taxes we would have paid as a stand-alone taxable entity.

We recognize deferred income tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of our assets and liabilities and expected benefits of utilizing net operating loss and credit carryforwards. We measure deferred income tax assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which we expect to recover or settle those temporary differences. The effect on deferred assets and liabilities of a change in tax rates is recognized in income in the period when the change is enacted. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some portion or all the deferred tax assets will not be realized. Our obligation for current taxes through the date of Separation has been paid by Ocwen on our behalf and settled through equity by means of net transfers to Parent.

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Notes to Consolidated and Combined Consolidated Financial Statements (continued)

Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining tax expense and in evaluating tax positions including evaluating uncertainties under ASC Topic 740

3. ACCOUNTING PRONOUNCEMENTS TO BE ADOPTED

In June 2009, the FASB issued guidance on accounting for transfers of financial assets (originally issued as SFAS 166 and now referred to as ASC Topic 860-20). ASC Topic 860-20 revises the criteria for the recognition of asset sales, particularly with respect to securitizations, and eliminates the concept of "Qualifying Special Purpose Entities" ("QSPEs").

In June 2009, the FASB amended ASC Topic 810 which provides guidance for variable interest entities ("VIEs") (issued as SFAS 167, Amendments to FASB Interpretation No. 46(R)). The amendments will significantly affect the overall consolidation analysis, changing the approach taken by companies in identifying which entities are VIEs and in determining which party is deemed the primary beneficiary. The guidance requires continuous assessment of an entity's involvement with such VIEs.

Both ASC Topic 860-20 and ASC Topic 810 are effective for our financial statements beginning January 1, 2010. We do not expect the adoption of either standard to impact our consolidated financial statements.

4. TRANSACTIONS WITH RELATED PARTIES

Ocwen remains our largest customer. Following the Separation, Ocwen is contractually obligated to purchase certain Mortgage Services and Technology Products from us under service agreements that extend for eight years from the Separation Date, subject to termination under certain provisions; Ocwen is not restricted from redeveloping these services. We have agreed with Ocwen to settle intercompany amounts on a weekly basis beginning in 2010 based upon when either the earnings process is complete for those matters directly attributable to Ocwen or when reimbursement is available from the trusts for those matters derived from Ocwen's loan servicing portfolio.

We consider certain services to be derived from Ocwen's loan servicing portfolio rather than provided to Ocwen because such services are charged to the mortgagee and/or the investor and are not expenses to Ocwen. Ocwen, or services derived from Ocwen's loan servicing portfolio, as a percentage of each of our segments revenues and as a percentage of consolidated revenues was as follows for the year ended December 31:

	2009
Mortgage Services	72%
Technology Products	44
Financial Services	—
Consolidated Revenues	47

With the exception of certain Technology Product revenues during the quarter ended March 31, 2008 and for the year ending December 31, 2007, we record revenues we earn from Ocwen at rates we believe to be market rates as they are consistent with one or more of the following: the fees we charge to other customers for comparable services; the rates Ocwen pays to other service providers; fees commensurate with market surveys prepared by unaffiliated firms; and prices being charged by our competitors. These rates are materially consistent with the rates we charge Ocwen under the various long-term servicing contracts that we entered into connection with the Separation.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Consolidated and Combined Consolidated Financial Statements (continued)

Allocation of Corporate Costs

For periods prior to the Separation Date, these financial statements include allocations of expenses from Ocwen for corporate functions including insurance, employee benefit plan expense and allocations for certain centralized administration costs for executive management, treasury, real estate, accounting, auditing, tax, risk management, internal audit, human resources and benefits administration. Ocwen determined these allocations using proportional cost allocation methods including the use of relevant operating profit, fixed assets, sales and payroll measurements. Specifically, personnel and all associated costs, including compensation, benefits, occupancy and other costs, are allocated based on the estimated percentage of time spent by the individual in the various departments. External costs such as audit fees, legal fees, business insurance and other are allocated based on a combination of the sales, fixed assets and operating profits of the department whichever is most appropriate given the nature of the expense. Total corporate costs allocated to the Company, excluding Separation costs, were $4.3 million for the period ended August 9, 2009. The charges for these functions are included primarily in Selling, General and Administrative Expenses in the Statements of Operations. However, these amounts may not be representative of the costs necessary for the Company to operate as a separate standalone company.

In addition, Ocwen had allocated interest expense to us based upon our portion of assets to Ocwen's total assets which is reflected as "Interest expense" in the Statements of Operations.

Separation Related Expenditures

Included in Selling, General and Administrative Expenses in the accompanying Statement of Operations, we have recognized $3.4 million of Separation related expenses for the year ended December 31, 2009, representing primarily professional fees and other costs associated with establishing the Company as a stand-alone entity. Prior to the second quarter of 2009, all previous costs in connection with the Separation were recognized by Ocwen.

Agreements with Ocwen

In connection with the Separation, Altisource and Ocwen entered into a separation agreement and various ancillary agreements that complete the Separation of our business from Ocwen. The agreements were prepared before the Separation and reflect agreements between affiliated parties. The primary agreements are as follows:

Separation Agreement — provides for, among other things, the principal corporate transactions required to effect the Separation and certain other agreements relating to the continuing relationship between Ocwen and us after the Separation.

Transition Services Agreement — provides to each other services in such areas as human resources, vendor management, corporate services, six sigma, quality assurance, quantitative analytics, treasury, accounting, risk management, legal, strategic planning, compliance and other areas where we, and Ocwen, may need transitional assistance and support following the Separation. Following the Separation, through December 31, 2009, the impact of transition services was immaterial as the cost of services received was offset by the cost of services provided to Ocwen.

Tax Matters Agreement — sets out each party's rights and obligations with respect to deficiencies and refunds, if any, of federal, state, local or foreign taxes for periods before and after the Separation and related matters such as the filing of tax returns and the conduct of Internal Revenue Service and other audits.

Employee Matters Agreement — provides for the transition of employee benefit plans and programs sponsored by Ocwen for employees.

Intellectual Property Agreement — governs the transfer of intellectual property assets specified therein to us.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Consolidated and Combined Consolidated Financial Statements (continued)

In addition, as of the Separation we entered into the following long-term servicing contracts with up to eight year terms (subject to termination rights):

Services Agreement and *Technology Products Services Agreement* —provides to Ocwen certain services in connection with the Ocwen business following the Separation. The specific services to be provided under these umbrella agreements will be set forth separately on a service-by-service basis as will economic terms. Services may be either fixed-price, in which case no yearly increase in service fee applies, or subject to annual increase in service fee based on market conditions and inflation. These agreements provide us with a right to first opportunity to bid on additional related services to Ocwen. Furthermore, if Ocwen receives a third party offer for the performance of such additional services it must provide us with the opportunity to make our own offer for the same or substantially the same services, in which case Ocwen must accept our offer if such offer is equal to or better than the third party offer. We expect that all services pursuant to these agreements will be based on market rates prevailing at the time of execution or otherwise on arms-length terms and will be materially similar to the terms of existing arrangements between the parties. We believe the terms and conditions of these agreements are comparable to those available from unrelated parties for a comparable arrangement.

Data Center and Disaster Recovery Agreement — we will provide to Ocwen certain data center and disaster recovery services in connection with the Ocwen business following the Separation. We expect that all services pursuant to this agreement will be based on the fully allocated cost of providing such service.

5. ACCOUNTS RECEIVABLE, NET

Accounts Receivable, net consists of the following:

(in thousands)	December 31,	
	2009	2008
Third-party Accounts Receivable	$11,638	$8,498
Unbilled Fees	9,073	1,356
Receivable from Ocwen	10,066	—
Other Receivables	416	—
	31,193	9,854
Allowance for Doubtful Accounts	(696)	(777)
Total	$30,497	$9,077

A summary of the allowance for doubtful accounts, net of recoveries, for the years ended December 31, 2009, 2008 and 2007 is as follows:

	(in thousands)
Balance, January 1, 2007	$ 765
Bad Debt Expense	1,779
Recoveries	(1,134)
Write-offs	(451)
Balance, December 31, 2007	959
Bad Debt Expense	864
Recoveries	(449)
Write-offs	(597)
Balance, December 31, 2008	777
Bad Debt Expense	338
Recoveries	(205)
Write-offs	(214)
Balance, December 31, 2009	$ 696

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Notes to Consolidated and Combined Consolidated Financial Statements (continued)

One of our customers in the Financial Services segment accounted for 16% of consolidated revenues in 2009, 26% in 2008 and 14% in 2007. In addition, another customer accounted for 12% of our 2009 revenue contributing to both our Mortgage Services and Technology Services segments.

6. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid Expenses and Other Current Assets consist of the following:

(in thousands)	December 31,	
	2009	2008
Prepaid Expenses	$1,471	$1,792
Other Current Assets	1,433	1,229
Total	$2,904	$3,021

7. PREMISES AND EQUIPMENT, NET

Premises and Equipment, net which include amounts recorded under capital leases, consists of the following:

(in thousands)	December 31,	
	2009	2008
Computer Hardware and Software	$ 23,591	$ 86,714
Office Equipment and Other	9,203	6,072
Furniture and Fixtures	2,663	1,270
Leasehold Improvements	3,441	2,047
	38,898	96,103
Less: Accumulated Depreciation and Amortization	(27,490)	(86,799)
Total	$ 11,408	$ 9,304

Depreciation and amortization expense, inclusive of capital lease obligations, amounted to $5.4 million, $7.8 million and $7.0 million for 2009, 2008 and 2007, respectively, and is included in Cost of Revenue for operating assets and in Selling, General and Administrative expense for non-operating assets in the accompanying Statements of Operations.

8. GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill

Goodwill relates to the acquisitions of NCI and the company that developed the predecessor to our REALTrans® vendor management platform. No impairment charges were taken during the periods presented.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Consolidated and Combined Consolidated Financial Statements (continued)

Changes in Goodwill during the years ended December 31, 2009 and 2008 are summarized below:

(in thousands)	Technology Products	Financial Services	Total
Balance, January 1, 2008	$1,618	$13,179	$14,797
Purchase Price Adjustments (a)	—	365	365
Tax Amortizable Goodwill (b)	—	(3,622)	(3,622)
Balance, December 31, 2008	1,618	9,922	11,540
Tax Amortizable Goodwill (b)	—	(2,216)	(2,216)
Balance, December 31, 2009	$1,618	$ 7,706	$ 9,324

(a) Purchase price adjustments related to the finalization of the NCI purchase accounting, which included fair valuing the assets acquired and liabilities assumed, recording of deal related costs and deferred taxes.

(b) Prior to our acquisition of NCI in 2007, NCI made an acquisition which created tax-deductible goodwill that amortizes for tax purposes over time. When we acquired NCI in 2007, we recorded a lesser amount of goodwill for financial reporting purposes than what had previously been recorded at NCI for tax purposes. This difference between the amount of goodwill recorded for financial reporting purposes and the amount recorded for taxes is referred to as "Component 2" goodwill and it results in our recording periodic reductions of our book goodwill balance in our consolidated financial statements. The reduction of book goodwill also resulted in a reduction of equity of $2.2 million in 2009 and $3.6 million in 2008. We will continue to amortize the remaining Component 2 goodwill for U.S. tax purposes, which will result in our reducing book goodwill to zero and then reducing intangible assets by the remaining tax benefits of the Component 2 goodwill as they are realized in our tax returns. The balance of Component 2 goodwill remaining was $19.3 million as of December 31, 2009, which should generate $12.3 million of reductions of goodwill and then intangible assets when the benefit can be realized for U.S. tax purposes.

Intangible Assets, Net

Intangible assets relate to our acquisition of NCI. No impairment charges were taken during the periods presented.

Intangible Assets, net during the years ended December 31, 2009 and 2008 consist of the following:

	Weighted Average Estimated Useful Life (Years)	Gross Carrying Amount		Accumulated Amortization		Net Book Value	
		2009	2008	2009	2008	2009	2008
Definite-lived Intangible Assets							
Trademarks	5	$ 2,800	$ 2,800	$1,447	$ 887	$ 1,353	$ 1,913
Customer Lists	19	37,700	37,700	5,334	3,222	32,366	34,478
Total Intangible Assets		$40,500	$40,500	$6,781	$4,109	$33,719	$36,391

Amortization expense for definite lived intangible assets was $2.7 million, $2.6 million and $1.6 million for the fiscal years ended December 31, 2009, 2008 and 2007, respectively. Expected annual amortization for years 2010 through 2014, is $2.7 million, $2.7 million, $2.3 million, $2.1 million and $2.1 million, respectively.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Consolidated and Combined Consolidated Financial Statements (continued)

9. ACCOUNTS PAYABLE AND ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accounts Payable and Accrued Expenses consist of the following:

(in thousands)	December 31, 2009	December 31, 2008
Accounts Payable	$ 1,114	$ 283
Income Taxes Payable, Net	4,853	—
Payable to Ocwen	2,716	—
Accrued Expenses — General	8,373	2,518
Accrued Salaries and Benefits	7,136	1,966
Total	$24,192	$4,767

Other Current Liabilities consist of the following:

(in thousands)	December 31, 2009	December 31, 2008
Mortgage Charge-Off and Deficiency Collections	$2,458	$2,313
Deferred Revenue	989	1,505
Facility closure cost accrual, current portion	272	—
Other	2,220	2,395
Total	$5,939	$6,213

Facility Closure Costs

During 2009, we accrued $1.6 million in facility closure costs (included in other current and other non-current liabilities in the Balance Sheet and in Selling, General and Administrative Expenses in the Statement of Operations) primarily consisting of lease exit costs (expected to be paid through 2014) and severance for closure of facilities in Miramar, Florida and Victoria, British Columbia, Canada. The facility closures were in connection with our efforts to reduce overall costs and increase the utilization of remaining facilities. The following table summarizes the activity for severance and other charges, all recorded in our Financial Services segment, for the year ended December 31, 2009:

(in thousands)	Lease Costs	Facility Costs	Termination Benefits	Total
Balance, January 1, 2009	$ —	$ —	$ —	$ —
Additions Charged to Operations	1,110	747	447	2,304
Disposals or Transfers of Property	—	(747)	—	(747)
Payments	(194)	—	(447)	(641)
Balance, December 31, 2009	916	—	—	916
Less: Long-term Portion	(644)	—	—	(644)
Facility Closure Cost Accrual, Current Portion	$ 272	$ —	$ —	$ 272

We do not expect additional significant costs related to the closure of these facilities.

10. LINE OF CREDIT AND OTHER SECURED BORROWINGS

In July 2008, NCI entered into a revolving secured credit agreement with a financial institution that provided for borrowings of up to $10.0 million through July 2011. All borrowings outstanding on December 31, 2008 of $1.1 million were floating rate advances with an interest rate of 2.25%. Substantially all of NCI's assets,

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Notes to Consolidated and Combined Consolidated Financial Statements (continued)

which comprise substantially all of the assets in our Financial Services segment, were pledged as collateral for this credit agreement. On June 23, 2009, we terminated the agreement at which time there were no borrowings outstanding on the line of credit since we repaid the balance in full in January 2009.

11. INCOME TAXES

For periods prior to the Separation Date, we are included in Ocwen's tax returns. Our responsibility with respect to these periods is governed by a tax sharing agreement. In accordance with this agreement, U.S. income taxes are allocated as if they had been calculated on a separate company basis except that benefits for any net operating losses will be provided to the extent such loss is utilized in the consolidated U.S. federal tax return. The provision for income taxes prior to the Separation Date has been determined on a pro-forma basis as if we had filed separate income taxes under our current structure for the periods presented.

The income tax provision consists of the following:

	For the Years Ended December 31,		
	2009	2008	2007
Current:			
Domestic — Luxembourg	$ 4,827	$ 4	$ 401
Foreign — U.S. Federal	8,321	202	1,567
Foreign — U.S. State	—	(379)	(89)
Foreign — Non U.S.	26	736	133
	13,174	563	2,012
Deferred:			
Domestic — Luxembourg	(107)	—	—
Foreign — U.S. Federal	(1,581)	(102)	(664)
Foreign — U.S. State	(66)	1,299	136
Foreign — Non U.S.	185	—	(1,056)
	(1,569)	1,197	(1,584)
Benefit Applied to Reduce Goodwill		3,622	1,136
Total	$11,605	$5,382	$ 1,564

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Notes to Consolidated and Combined Consolidated Financial Statements (continued)

Deferred income taxes reflect the net tax effects of temporary differences that may exist between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes using enacted tax rates in effect for the year in which the differences are expected to reverse. A summary of the tax effects of the temporary differences is as follows:

(in thousands)	December 31, 2009	December 31, 2008
Current Deferred Tax Assets:		
Allowance for Doubtful Accounts and Other Reserves	$ 1,074	$ 349
Accrued Expenses	751	561
Current Deferred Tax Liabilities:		
Prepaid Expense	(279)	(642)
Current Deferred Tax Asset, Net:	$ 1,546	$ 268
Non-current Deferred Tax Assets:		
Non Operating Loss Carryforwards — U.S. Federal	$ 6,644	$ 6,908
Non Operating Loss Carryforwards — U.S. State	1,623	1,964
Depreciation	1,680	1,684
Non-U.S. Deferred Tax Asset	692	1,056
U.S. State Taxes		103
Other	193	—
Non-current Deferred Tax Liabilities:		
Intangible assets	(11,013)	(11,986)
Restricted stock	—	(474)
U.S. State Taxes	(1,068)	—
Other	—	(63)
	(1,249)	(808)
Valuation Allowance	(1,520)	(1,862)
Non-current Deferred Tax Liabilities, net	$ (2,769)	(2,670)
Net Deferred Tax Liability	$ (1,223)	(2,402)

We conduct periodic evaluations of positive and negative evidence to determine whether it is more likely than not that the deferred tax asset can be realized in future periods. Among the factors considered in this evaluation are estimates of future taxable income, future reversals of temporary differences, tax character and the impact of tax planning strategies that can be implemented if warranted. As a result of this evaluation, we included in the tax provision a decrease of $0.3 million and an increase of $1.3 million to the valuation allowance for 2009 and 2008, respectively, related to certain state net operating losses. The decrease in 2009 is related to changes in effective tax rates. The increase in 2008 relates to net operating losses that we no longer considered to be more likely than not to be realized in future periods.

We have not provided Luxembourg deferred taxes on cumulative earnings of non-Luxembourg affiliates as these earnings have been reinvested indefinitely. The earnings relate to ongoing operations and at December 31, 2009, were $1.4 million.

As of December 31, 2009, the Company had a deferred tax asset of approximately $6.6 million relating to U.S. federal net operating losses. The gross amount of net operating losses available for carryover to future years approximates $19.0 million. These losses relate to NCI for periods prior to our acquisition and are subject to Section 382 of the Internal Revenue Code which limits their use to approximately $1.3 million per year. These losses are scheduled to expire between the years 2022 and 2028.

The separation from Ocwen and relocation of certain operations to Luxembourg resulted in changes to deferred tax balances, which include amounts charged to shareholder’s equity of approximately $1.0 million.

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Notes to Consolidated and Combined Consolidated Financial Statements (continued)

The following table reconciles the Income Tax Provision to the Luxembourg income tax rate:

	For the Years Ended December 31,		
	2009	2008	2007
Statutory Tax Rate	28.6%	29.6%	$ 29.6%
Differential of Tax Rates in Non-Luxembourg Jurisdictions	2.6	11.0	(0.8)
Valuation Allowances	(0.9)	9.1	1.8
Indefinite Deferral on Earnings of Non- U.S. Affiliates	—	(12.8)	(11.7)
Indefinite Deferral on Earnings of Non- Luxembourg Affiliates	0.6	—	—
	30.9%	36.9%	18.9%

We adopted the provisions of ASC Topic 740 that clarifies the accounting and disclosure for uncertainty in tax positions, as defined, on January 1, 2007. We analyzed our tax filing positions in all of the domestic and foreign tax jurisdictions where we are required to file income tax returns as well as for all open tax years in these jurisdictions. Based on this review, no reserves for uncertain income tax positions were required to have been recorded pursuant to ASC Topic 740. In addition, we determined that we did not need to record a cumulative effect adjustment related to the adoption of ASC Topic 740.

We recognize accrued interest and penalties related to uncertain tax positions in Selling, General and Administrative Expenses in the Statements of Operations. As of December 31, 2009, we did not have a liability recorded for payment of interest and penalties associated with uncertain tax positions.

12. EARNINGS PER SHARE

Basic earnings per share ("EPS") is computed by dividing income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the assumed conversion of all dilutive securities. On August 10, 2009, the Distribution by Ocwen was completed to the Ocwen stockholders of one share of Altisource common stock for every 3 shares of Ocwen common stock held as of August 4, 2009. In addition, holders of Ocwen's 3.25% Contingent Convertible Unsecured Senior Notes due 2024 received one share of Altisource common stock deemed held on an as if converted basis. For such notes, the conversion ratio of 82.1693 shares of Ocwen common stock for every $1,000 in aggregate principal amount of notes held on August 4, 2009 was calculated first and then we applied the distribution ratio of one share of Altisource common stock for every three shares of Ocwen common stock on an as converted basis to determine the number of shares each note holder received. As a result on August 10, 2009, the Company had 24,050,340 shares of common stock outstanding and this share amount is being utilized for the calculation of basic EPS for all periods presented prior to the date of the Distribution.

For all periods prior to the date of Distribution, the same number of shares is being used for diluted EPS as for basic EPS as no common stock of Altisource was traded prior to August 10, 2009 and no Altisource equity awards were outstanding for the prior period.

Basic and diluted earnings per share for the years ended December 31, 2009, 2008 and 2007 are calculated as follows:

(dollars in thousands, except per share amounts)	For the Years Ended December 31, 2009	2008	2007
Net Income	$ 25,971	$ 9,219	$ 6,715
Weighted-Average Common Shares Outstanding, Basic	24,061,912	24,050,340	24,050,340

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Consolidated and Combined Consolidated Financial Statements (continued)

(dollars in thousands, except per share amounts)	For the Years Ended December 31, 2009	2008	2007
Dilutive Effect of Stock Options	195,673	—	—
Dilutive Effect of Restricted Shares	3,066	—	—
Weighted-Average Common Shares Outstanding, Diluted	24,260,651	24,050,340	24,050,340
Earnings Per Share			
Basic	$ 1.08	$ 0.38	$ 0.28
Diluted	$ 1.07	$ 0.38	$ 0.28

An average of 36,666 options that were anti-dilutive have been excluded from the computation of diluted EPS for the years ended December 31, 2009. These options were anti-dilutive because their exercise price was greater than the average market price of our stock. Also excluded from the computation of diluted EPS are 680,003 options granted for shares that are issuable upon the achievement of certain market and performance criteria related to our stock price and an annualized rate of return to investors that has not been met at this point

13. STOCKHOLDERS' EQUITY AND EQUITY-BASED COMPENSATION

Common Stock

Our Board of Directors has the power to issue shares of authorized but unissued common stock without further shareholder action subject to the requirements of applicable laws and stock exchanges. At December 31, 2009, we had authorized 100,000,000 shares. At December 31, 2009, we had 24,144,914 shares of common stock outstanding. The holders of shares of Altisource common stock are entitled to one vote for each share on all matters voted on by shareholders, and the holders of such shares will possess all voting power.

Equity Incentive Plan

Prior to Separation

Prior to the Separation, our employees participated in Ocwen's stock incentive plans. As a result, these financial statements include an allocation of stock compensation expense from Ocwen for the periods presented up to August 9, 2010. This allocation includes all stock compensation recorded by Ocwen for the employees within our segments and an allocation for certain corporate employees and directors.

At the Separation, all holders of Ocwen stock awards, including employees that remained with Ocwen, received the following:

- a new Altisource stock award to acquire the number of shares of Altisource common stock equal to the product of (a) the number of Ocwen stock awards held on the Separation date and (b) the distribution ratio of one share of Altisource common stock for every three shares of Ocwen common stock; and
- an adjusted Ocwen award for the same number of shares of Ocwen common stock with a reduced exercise price for stock option awards. Each company will record compensation expense for the stock awards held by its employees even though some of the awards relate to the common stock of the other company. As a result of the Separation, we did not record any incremental compensation expense.

Post-Separation

The Company's 2009 Equity Incentive Plan (the "Plan") provides for various types of equity awards, including stock options, stock appreciation rights, stock purchase rights, restricted shares and other awards, or a combination of any of the above. Under the Plan, the Company may grant up to 6.7 million share-based awards to officers, directors, key employees and certain Ocwen employees. As of December 31, 2009, 6.6 million share-based

awards were available for future grant under the plan. The shares will be issued from authorized and unissued shares of our common stock. Expired and forfeited awards are available for re-issuance. Vesting and exercise of share-based awards are generally contingent on continued employment.

Equity-Based Compensation

We provide stock-based awards as a form of compensation for employees and officers. We have issued stock-based awards in the form of stock options and restricted stock units. We recorded total stock compensation expense, including the allocation discussed above of $0.3 million, $0.3 million and $0.4 million for the years ended December 31, 2009, 2008 and 2007, respectively. The compensation expense is included in Selling, General and Administrative Expenses in the accompany Statements of Operations.

Below is a summary of the different types of stock-based awards issued under our stock plans:

Stock Options

Service-based Options. These options are granted at fair market value on the date of grant. The options generally vest over four or five years with equal annual cliff-vesting and expire on the earlier of 10 years after the date of grant or 3 months after termination of service. A total of 1.4 million service-based awards were outstanding at December 31, 2009.

Market-based Options. These options vest in equal increments over four years commencing upon the achievement of certain performance criteria related to our stock price and the annualized rate of return to investors. Two-thirds of the market-based options would begin to vest over three years if the stock price realizes a compounded annual gain of at least 20% over the exercise price, so long as the stock price is at least double the exercise price. The remaining third of the market-based options would begin to vest over three years if the stock price realizes a 25% gain, so long as it is at least triple the exercise price.

The fair value of the service-based options was determined using the Black-Scholes options pricing model while a lattice (binomial) model was used to determine the fair value of the market-based options using the following assumptions as of the grant date:

	Black-Scholes	Binomial
Risk-free Interest Rate	2.64%	0.50 — 3.86%
Expected Stock Price Volatility	39%	38 — 46%
Expected Dividend Yield	—	—
Expected Option Life (in years)	5	—
Contractual Life (in years)	—	10
Fair Value	$5.35	$4.54 and $5.33

The following table summarizes the weighted-average fair value of stock options granted and the total intrinsic value of stock options exercised:

	December 31, 2009
Weighted-Average Fair Value at Date of Grant	$ 5.14
Intrinsic Value of Options Exercised	$344,623
Fair Value of Options Vested	$441,213

Stock-based compensation expense is recorded, net of estimated forfeitures which range from 1% to 3% per year. The 2009 compensation expense included $0.1 million relating to certain performance based options for which the performance and market-based criteria for vesting were met during 2009.

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Notes to Consolidated and Combined Consolidated Financial Statements (continued)

As of December 31, 2009, estimated unrecognized compensation costs related to share-based payments amounted to $1.7 million which we expect to recognize over a weighted-average remaining requisite service period of approximately 2.7 years.

The following table summarizes activity of our stock options:

	Number of Options	Weighted Average Exercise Price	Weighted Average Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2008	—	$ —		
Issued at Separation	3,115,173	9.76		
Granted	146,666	14.15		
Exercised	(70,579)	12.58		
Forfeited	(621)	12.78		
Outstanding at December 31, 2009	3,190,639	$ 9.90	7.5	$ 35,374
Exercisable at December 31, 2009	1,148,949	$ 9.82	5.4	$ 12,831

The following table summarizes information about share options outstanding and exercisable at December 31, 2009:

	Options Outstanding			Options Exercisable		
Exercise Price Range	Number	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
$1.00 - $3.00	26,109	3.1	$ 2.23	26,109	3.1	$ 2.23
$3.01 - $6.00	117,173	2.0	4.31	117,173	2.0	4.31
$6.01 - $9.00	160,933	2.0	7.66	160,933	2.0	7.66
$9.01 - $12.00(a)	2,439,736	8.3	9.62	568,972	7.8	9.80
$12.01 - $15.00(a)	446,688	6.3	14.17	275,762	4.4	14.18
	3,190,639			1,148,949		

(a) These options contain market-based components as described above. All other options are time-based awards.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Consolidated and Combined Consolidated Financial Statements (continued)

Restricted Shares

Activity with respect to restricted shares was as follows for the years ended December 31:

	Restricted Shares	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2008	—	$ —
Issued at Separation	3,294	18.00
Vested	—	—
Forfeited	(58)	13.00
Outstanding at December 31, 2009	3,236	$18.00

14. COMMITMENTS AND CONTINGENCIES

Litigation

Noble Systems Corp. We have filed suit against a former equipment vendor seeking revocation of acceptance of the equipment and damages for breaches of implied warranties and related torts. Separately, we are party to a pending arbitration brought by the vendor seeking payment of annual support and maintenance fees for periods subsequent to when we returned the equipment to the vendor. The vendor also is requesting payment of discounts it provided to us purportedly to be a marketing partner for the vendor. On March 2, 2010, we were notified that the arbitrator ruled in a binding opinion that we owed $1.4 million to Noble Systems Corp, which has been accrued as of December 31, 2009, in the Financial Services segment.

Nationwide Inflection, LLC. In the first quarter of 2009, we received a complaint from Nationwide Inflection, LLC (“Inflection”) related to the release of escrow in connection with the June 2007 acquisition of NCI. Inflection claimed that it had not breached any representations and was entitled to recover all sums in escrow. We responded timely claiming that we had suffered losses in excess of the escrow as a result of breach of contract. Ultimately, during the third quarter, the parties agreed to settle all complaints which resulted in $2.3 million being released to Altisource and recognized as a gain in other income, net in the Statement of Operations. We also received $0.4 million related to interest received on the escrow and reimbursement for expenses incurred in connection with defending ourselves in lawsuits in existence at the time of the acquisition, with an additional $0.3 million in escrow available to cover future legal expenses incurred in the one remaining lawsuit that was subsequently resolved.

Altisource is subject to various other pending legal proceedings arising in the ordinary course of business. In our opinion, the resolution of the matter above and those other proceedings will not have a material effect on our financial condition, results of operations or cash flows.

Taxation

The Distribution was intended to be a tax-free transaction under Section 355 of the Internal Revenue Code (the “Code”). However, Ocwen recognized, and will pay tax on, substantially all of the gain it has in the assets that comprise Altisource as a result of the restructuring. To the extent Ocwen does recognize tax under Section 355 of the Code, Altisource has agreed to indemnify Ocwen. In addition, we have agreed to indemnify Ocwen should the expected tax treatments not be upheld upon review or audit to the extent related to our operating results. As of December 31, 2009, the Company does not believe it has a material obligation under this indemnity.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Consolidated and Combined Consolidated Financial Statements (continued)

Leases

The Company leases certain premises and equipment under various capital and operating lease agreements. Future minimum lease payments at December 31, 2009 under non-cancelable capital and operating leases with an original term exceeding one year are as follows:

(in thousands)	Capital Lease Obligations	Operating Lease Obligations
2010	$ 562	$ 4,110
2011	96	3,458
2012	32	1,957
2013	—	278
2014	—	188
	690	$ 9,991
Less: Amounts Representing Interest	(26)	
Capital Lease Obligations	664	
Less: Current Portion Under Capital Lease Obligation	(536)	
Long-term Portion Under Capital Lease Obligation	$ 128	

Total operating lease expense was $4.2 million, $3.9 million and $2.9 million for the years ended December 31, 2009, 2008, and 2007, respectively. The operating leases generally relate to office locations, and reflect customary lease terms which range from 1 to 7 years in duration.

15. COST OF REVENUE

Cost of Revenue principally includes: (i) payroll and employee benefits associated with personnel employed in customer service roles; (ii) fees paid to external providers of valuation, title, due diligence and other outsourcing services, as well as printing and mailing costs for correspondence with debtors; (iii) technology and telephone expenses, as well as depreciation and amortization of operating assets and (iv) reimbursable expenses. Costs of revenue consists of the following:

(in thousands)	For the Years Ended December 31, 2009	2008	2007
Compensation and Benefits	$ 51,251	$ 59,311	$44,886
Outside Fees and Services	59,103	35,825	32,830
Technology and Communications	16,443	19,912	19,238
	$126,797	$115,048	$96,954

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Consolidated and Combined Consolidated Financial Statements (continued)

16. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, General, and Administrative Expenses include payroll, employee benefits, occupancy and other costs associated with personnel employed in executive, sales, marketing, human resources and finance roles. Selling, General, and Administrative Expenses also includes professional fees, depreciation on non-operating assets and amortization of Intangible Assets with definite lives. Selling, General and Administrative Expenses consists of the following:

	For the Years Ended December 31,		
(in thousands)	2009	2008	2007
Occupancy and Equipment	$ 8,456	$ 8,125	$ 7,999
Corporate Allocations	4,096	6,208	8,864
Professional Services	10,252	3,270	3,121
Other	16,669	10,485	7,946
	$39,473	$28,088	$27,930

Other in 2009 includes $1.4 million relating to a litigation settlement (see Note 14).

17. OTHER INCOME (EXPENSE), NET

Other Income (Expense) consists of the following:

	For the Years Ended December 31,		
(in thousands)	2009	2008	2007
Interest Income	$ 16	$ 16	$ 6
Interest Expense	(1,660)	(2,607)	(1,932)
Other, net	2,678	(35)	183
	$ 1,034	$(2,626)	$(1,743)

Through the date of Separation, Interest Expense included an interest charge from Ocwen which represented an allocation of Ocwen's total interest expense, calculated based on our assets in comparison to Ocwen's total assets was $1.3 million, $2.3 million and $1.0 million for the years ending December 31, 2009, 2008 and 2007, respectively. Subsequent to the date of Separation, we are no longer subject to the interest charge from Ocwen.

Other, net in 2009 includes $2.3 million of income relating to a litigation settlement (see Note 14).

18. SEGMENT REPORTING

Our business segments reflect the internal reporting that we use to evaluate operating performance and to assess the allocation of our resources by our Chief Executive Officer.

Our segments are based upon our organizational structure which focuses primarily on the services offered.

We classify our businesses into three reportable segments. *Mortgage Services* consists of mortgage portfolio management services that span the mortgage lifecycle. *Financial Services* principally consists of unsecured asset recovery and customer relationship management. *Technology Products* consists of modular, comprehensive integrated technological solutions for loan servicing, vendor management and invoice presentment.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Consolidated and Combined Consolidated Financial Statements (continued)

In addition, our *Corporate Items and Eliminations* segment prior to the Separation Date includes eliminations of transactions between the reporting segments as well as expenditures recognized by us related to the Separation. Subsequent to the Separation Date, in addition to the previously mentioned items, this segment also includes costs recognized by us related to corporate support functions such as finance, legal and human resources.

Financial information for our segments is as follows:

	For the Year Ended December 31, 2009				
(in thousands)	Mortgage Services	Financial Services	Technology Products	Corporate Items and Eliminations(1)	Consolidated Altisource
Revenue	$103,098	$64,434	$47,453	$(12,173)	$202,812
Cost of Revenue	60,735	52,871	24,477	(11,286)	126,797
Gross Profit	42,363	11,563	22,976	(887)	76,015
Selling, General and Administrative Expenses	5,625	19,267	4,731	9,850	39,473
Income (Loss) from Operations	36,738	(7,704)	18,245	(10,737)	36,542
Other income (expense), net	31	1,324	(319)	(2)	1,034
Income (Loss) Before Income Taxes	$ 36,769	$ (6,380)	$17,926	$(10,739)	$ 37,576
Depreciation	$ 48	$ 2,402	$ 2,906	$ 76	$ 5,432
Amortization of Intangibles	$ —	$ 2,672	$ —	$ —	$ 2,672
Transactions with Related Parties Included Above:					
Revenue	$ 74,089	$ 98	$20,710	$ —	$ 94,897
Selling, General and Administrative Expenses	$ 2,712	$ 467	$ 1,517	$ (388)	$ 4,308
Interest Expense	$ 30	$ 1,029	$ 231	$ —	$ 1,290

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Consolidated and Combined Consolidated Financial Statements (continued)

(in thousands)	Mortgage Services	Financial Services	Technology Products	Corporate Items and Eliminations(1)	Consolidated Altisource
	For the Year Ended December 31, 2008				
Revenue	$54,956	$73,835	$45,283	$(13,711)	$160,363
Cost of Revenue	36,392	62,590	29,777	(13,711)	115,048
Gross Profit	18,564	11,245	15,506	—	45,315
Selling, General and Administrative Expenses	5,027	17,168	6,118	(225)	28,088
Income (Loss) from Operations	13,537	(5,923)	9,388	225	17,227
Other income (expense), net	(58)	(1,952)	(391)	(225)	(2,626)
Income (Loss) Before Income Taxes	$13,479	$ (7,875)	$ 8,997	$ —	$ 14,601
Depreciation	$ 34	$ 3,202	$ 4,600	$ —	$ 7,836
Amortization of Intangibles	$ —	$ 2,554	$ —	$ —	$ 2,554
Transactions with Related Parties Included Above:					
Revenue	$41,635	$ 1,181	$35,146	$(13,711)	$ 64,251

(in thousands)	Mortgage Services	Financial Services	Technology Products	Corporate Items and Eliminations(1)	Consolidated Altisource
	For the Year Ended December 31, 2007				
Revenue	$64,260	$41,293	$36,235	$(6,882)	$134,906
Cost of Revenue	44,158	32,324	27,354	(6,882)	96,954
Gross Profit	20,102	8,969	8,881	—	37,952
Selling, General and Administrative Expenses	7,876	14,787	6,359	(1,092)	27,930
Income (Loss) from Operations	12,226	(5,818)	2,522	1,092	10,022
Other income (expense), net	(90)	(1,269)	708	(1,092)	(1,743)
Income (Loss) Before Income Taxes	$12,136	$ (7,087)	$ 3,230	$ —	$ 8,279
Depreciation	$ 292	$ 980	$ 5,707	$ —	$ 6,979
Amortization of Intangibles	$ —	$ 1,555	$ —	$ —	$ 1,555
Transactions with Related Parties Included Above:					
Revenue	$40,646	$ 1,044	$24,542	$(6,882)	$ 59,350

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Consolidated and Combined Consolidated Financial Statements (continued)

(in thousands)	Mortgage Services	Financial Services	Technology Products	Corporate Items and Eliminations	Consolidated Altisource
Total Assets:					
December 31, 2009	$8,259	$51,579	$15,677	$45,041	$120,556
December 31, 2008	$3,361	$59,744	$ 8,836	$ 4,734	$ 76,675

19. QUARTERLY FINANCIAL DATA (UNAUDITED)

	2009 Quarter Ended			
	December 31,	September 30,	June 30,	March 31,
Revenue	$ 56,326	$ 54,064	$ 49,803	$ 42,619
Gross Profit	21,334	20,611	19,454	14,616
Income Before Income Taxes	8,956	12,092	10,009	6,519
Net Income	5,873	8,644	7,015	4,439
Net Income Per Share				
Basic	$ 0.25	$ 0.36	$ 0.29	$ 0.18
Diluted	$ 0.24	$ 0.36	$ 0.29	$ 0.18
Weighted Average Shares Outstanding				
Basic	24,082,947	24,050,340	24,050,340	24,050,340
Diluted	24,338,474	24,050,340	24,050,340	24,050,340

	2008 Quarter Ended			
	December 31,	September 30,	June 30,	March 31,
Revenue	$ 38,940	$ 38,007	$ 40,868	$ 42,548
Gross Profit	12,528	9,080	10,835	12,872
Income Before Income Taxes	5,042	1,311	3,424	4,824
Net Income	2,343	943	2,463	3,470
Net Income Per Share				
Basic and Diluted	$ 0.10	$ 0.04	$ 0.10	$ 0.14
Weighted Average Shares Outstanding				
Basic and Diluted	24,050,340	24,050,340	24,050,340	24,050,340

20. SUBSEQUENT EVENTS

Acquisition of The Mortgage Partnership of America, L.L.C.

In February 2010, we acquired all of the outstanding membership interests of The Mortgage Partnership of America, L.L.C. (“MPA”). MPA serves as the manager of Best Partners Mortgage Cooperative, Inc. doing business as Lenders One Mortgage Cooperative (“Lenders One”), a national alliance of mortgage bankers established in 2000 that today consists of more than 155 members that originated more than $75.0 billion in mortgage loans during

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Consolidated Financial Statements (continued)

2009. Altisource acquired 100% of the outstanding equity interest of MPA pursuant to a Purchase and Sale Agreement.

Consideration for the transaction consisted of $29.0 million in cash, paid from available funds, and approximately 1.0 million shares of our common stock. In addition, we entered into employee agreements with certain key employees of MPA who also received the majority of our shares issued in connection with the acquisition. A portion of the consideration will be held in escrow to secure the sellers' indemnification obligations under the Purchase Agreement.

In connection with the acquisition, we entered into put option agreements with certain of the sellers, whereby each seller has the right, with respect to an aggregate of 0.5 million shares of our common stock, to put up to 25% of eligible shares each year at a price equal to $16.84 per share.

Noble Systems Corp Arbitration

As noted in Note 14, we accrued $1.4 million as of December 31, 2009 due to the receipt of a binding arbitration order on March 2, 2010. Such amount resolves all pending claims between us and Noble.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A. CONTROLS AND PROCEDURES

We maintain "disclosure controls and procedures," as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this annual report, our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) are effective to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

No changes in our internal control over financial reporting (as such term is defined in Rules 13a—15(f) and 15d—15(f) under the Securities Exchange Act) occurred during the fourth quarter of 2009, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

This annual report does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of our independent registered public accounting firm due to a transition period established by the rules of the SEC for newly public companies.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item is incorporated herein by reference to our definitive proxy statement to be filed pursuant to Regulation 14A under the Exchange Act.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated herein by reference to our definitive proxy statement to be filed pursuant to Regulation 14A under the Exchange Act.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated herein by reference to our definitive proxy statement to be filed pursuant to Regulation 14A under the Exchange Act.

ITEM 13. CERTAIN RELATIONSHIPS, RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated herein by reference to our definitive proxy statement to be filed pursuant to Regulation 14A under the Exchange Act.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is incorporated herein by reference to our definitive proxy statement to be filed pursuant to Regulation 14A under the Exchange Act.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this annual report.

1. *Financial Statements*

   See Item 8 above.

2. *Financial Statement Schedules:*

   Schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are not applicable, and therefore have been omitted.

3. *Exhibits*:

Exhibit Number	Exhibit Description
2.1	Form of Separation Agreement between Altisource Portfolio Solutions S.A. and Ocwen Financial Corporation (incorporated by reference to Exhibit 2.1 of the Registrant's Form 10-12B/A — Amendment No. 1 to Form 10, as filed with the Commission on June 29, 2009)
3.1	Articles of Incorporation of Altisource Portfolio Solutions S.A. (incorporated by reference to Exhibit 2.1 of the Registrant's Form 10-12B/A — Amendment No. 1 to Form 10, as filed with the Commission on June 29, 2009)
10.1	Separation Agreement, dated as of August 10, 2009, by and between Altisource Portfolio Solutions S.A. and Ocwen Financial Corporation (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K, as filed with the Commission on August 13, 2009)
10.2	Form of Tax Matters Agreement between Altisource Solutions S.à r.l. and Ocwen Financial Corporation (incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K, as filed with the Commission on August 13, 2009)
10.3	Form of Employee Matters Agreement between Altisource Solutions S.à r.l. and Ocwen Financial Corporation (incorporated by reference to Exhibit 10.3 of the Registrant's Current Report on Form 8-K, as filed with the Commission on August 13, 2009)
10.4	Intellectual Property Agreement, dated as of August 10, 2009, by and between Altisource Solutions S.à r.l. and Ocwen Financial Corporation (incorporated by reference to Exhibit 10.8 of the Registrant's Current Report on Form 8-K, as filed with the Commission on August 13, 2009)
10.5	Form of Services Agreement between Altisource Solutions S.à r.l. and Ocwen Financial Corporation (incorporated by reference to Exhibit 10.5 of the Registrant's Current Report on Form 8-K, as filed with the Commission on August 13, 2009)
10.6	Form of Technology Products Services Agreement between Altisource Solutions S.à r.l. and Ocwen Financial Corporation (incorporated by reference to Exhibit 10.6 of the Registrant's Current Report on Form 8-K, as filed with the Commission on August 13, 2009)
10.7	Form of Data Center and Disaster Recovery Services Agreement between Altisource Solutions S.à r.l. and Ocwen Financial Corporation (incorporated by reference to Exhibit 10.7 of the Registrant's Current Report on Form 8-K, as filed with the Commission on August 13, 2009)

Exhibit Number	Exhibit Description
10.8	Form of Altisource Portfolio Solutions S.A. 2009 Equity Incentive Plan (incorporated by reference to Exhibit 10.8 of Amendment No. 1 to the Registration Statement on Form 10, as filed with the Commission on June 29, 2009)
10.9	Employment Agreement by and between Altisource Solutions S.à r.l. and William B. Shepro (incorporated by reference to Exhibit 10.9 of Amendment No. 1 to the Registration Statement on Form 10, as filed with the Commission on June 29, 2009)
10.10	Employment Agreement by and between Altisource Solutions S.à r.l. and Robert D. Stiles (incorporated by reference to Exhibit 10.10 of Amendment No. 1 to the Registration Statement on Form 10, as filed with the Commission on June 29, 2009)
10.11	Employment Agreement by and between Altisource Solutions S.à r.l. and Kevin J. Wilcox (incorporated by reference to Exhibit 10.11 of Amendment No. 1 to the Registration Statement on Form 10, as filed with the Commission on June 29, 2009)
10.12*	Purchase and Sale Agreement, dated as of February 12, 2010, by and among Altisource Portfolio Solutions S.A., and the Equity Interest Holders of The Mortgage Partnership of America, L.L.C. and the Management Owners
10.13*	Form of Put Option Agreements
21.1*	Subsidiaries of the Registrant.
23.1*	Consent of Independent Registered Public Accounting Firm (Deloitte & Touche LLP).
23.2*	Consent of Independent Registered Public Accounting Firm (PricewaterhouseCoopers LLP).
24.1	Power of Attorney (included on signature page).
31.1*	Section 302 Certification of the Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a).
31.2*	Section 302 Certification of the Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a).
32.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith (certain appendices, exhibits and/or similar attachments to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-X. The registrant will furnish supplementally a copy of any omitted appendix, exhibit or similar attachment to the SEC upon request)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 16, 2010

Altisource Portfolio Solutions S.A.
By:

/s/ William B. Shepro
Name: William B. Shepro
Title: Chief Executive Officer
(Principal Executive Officer)

/s/ Robert D. Stiles
Name: Robert D. Stiles
Title: Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated as of March 16, 2010.

/s/ William B. Shepro
Name: William B. Shepro
Title: Chief Executive Officer
(Principal Executive Officer)

/s/ Robert D. Stiles
Name: Robert D. Stiles
Title: Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

POWER OF ATTORNEY

Each person whose signature appears below, in so signing, also makes, constitutes and appoints William B. Shepro and Robert D Stiles, and each or either of them, his true and lawful attorneys-in-fact, with full power and substitution, for him in any and all capacities, to execute and cause to be filed with the SEC any and all amendments to the Report on Form 10-K, with exhibits thereto and other documents connected therewith and to perform any acts necessary to be done in order to file such documents, and hereby ratifies and confirms all that said attorneys-in-fact or their substitute or substitutes may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934 this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated as of March 16, 2010.

Signature	Title
/s/ William B. Erbey William B. Erbey	Chairman of the Board of Directors
/s/ Robert L. DeNormandie Robert L. DeNormandie	Director
/s/ Roland Müller-Ineichen Roland Müller-Ineichen	Director
/s/ Timo Vättö Timo Vättö	Director
/s/ William B. Shepro William B. Shepro	Director and Chief Executive Officer (Principal Executive Officer)
/s/ Robert D. Stiles Robert D. Stiles	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

PURCHASE AND SALE AGREEMENT

by and among

ALTISOURCE PORTFOLIO SOLUTIONS S.A.,

and

THE EQUITY INTERESTHOLDERS OF
THE MORTGAGE PARTNERSHIP OF AMERICA, L.L.C.
IDENTIFIED HEREIN

and

THE MANAGEMENT OWNERS IDENTIFIED HEREIN

Dated as of February 12, 2010

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ANNEXES, SCHEDULES AND EXHIBITS

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "**Agreement**") is made as of February 12, 2010, and is by and among **ALTISOURCE PORTFOLIO SOLUTIONS S.A.**, an entity organized under the laws of Luxembourg (the "**Purchaser**"); and **SCOTT M. STERN REVOCABLE TRUST**, a trust established under the laws of the State of Missouri, **TIMOTHY C. STERN**, **REVOCABLE TRUST**, a trust established under the laws of the State of Missouri, **BARRY O. SANDWEISS REVOCABLE TRUST**, a trust established under the laws of the State of Missouri, **THE THOMAS A. STERN REVOCABLE TRUST**, a trust established under the laws of the State of Missouri, **EVAN HACKEL**, an individual resident of the Commonwealth of Massachusetts, and **PARAMOUNT BOND & MORTGAGE CO., INC.**, a corporation organized under the laws of the State of Missouri (each of the foregoing individuals and entities are referred to herein as a "**Seller**", and collectively referred to herein as the "**Sellers**"); and **SCOTT M. STERN**, an individual resident of the State of Missouri, **TIMOTHY C. STERN**, an individual resident of the State of Missouri, and **BARRY O. SANDWEISS**, an individual resident of the State of Missouri (each of the foregoing individuals are referred to herein as a **"Management Owner"** and collectively as the **"Management Owners"**). The Purchaser, the Sellers, and the Management Owners are referred to in this Agreement individually as a "**Party**" and collectively, as the "**Parties**".

RECITALS

In the manner described herein, the Sellers own all of the issued and outstanding limited liability company interests of the Company. The Management Owners are beneficiaries of certain of the trusts included in the Sellers. This Agreement contemplates a transaction in which the Sellers shall sell, transfer, assign and deliver to the Purchaser, the Sellers' entire right, title, and interest in and to the Shares, and in connection therewith, the Sellers and the Management Owners shall receive the consideration set forth herein.

AGREEMENT

In consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS

For purposes of this Agreement, the capitalized terms not otherwise defined herein shall have the meanings specified or referred to in Annex I.

2. ACQUISITION OF SHARES OF THE COMPANY

2.1. Purchase and Sale of Shares.

On the terms and subject to the conditions set forth in this Agreement, the Purchaser agrees to purchase from the Sellers, and the Sellers agree to sell, transfer, convey, assign and deliver to the Purchaser, all of the Shares at the Closing for the consideration specified in Section 2.2 below, free and clear of any Security Interest other than restrictions

pursuant to applicable securities laws, for the consideration specified in Section 2.2 below.

2.2. Purchase Price.

In accordance with the terms and conditions of this Agreement, (i) in consideration for the sale, transfer, conveyance, assignment, and delivery of the Shares by the Sellers to the Purchaser, the Sellers shall be entitled to receive, in the manner described in Section 2.3 below and subject to the adjustments set forth in Section 2.6 below, (x) at Closing, cash in the amount of **Twenty Seven Million Nine Hundred Forty One Thousand Nine Hundred And Ninety Two Dollars ($27,941,992)** (such amount, the **"Cash Payment"**), and (y) at Closing, **Nine Hundred Fifty Nine Thousand And Eighty five (959,085)** shares of common stock of the Purchaser, consisting of **Four Hundred Eight Six, Two Hundred And Forty Three (486,243)** shares of Unrestricted Stock, and **Four Hundred Seventy Two Thousand, Eight Hundred And Forty Two (472,842)** shares of Restricted Stock (the **"Stock Payment"**), and (ii) in consideration for the covenants set forth in Section 5.3 below by the Sellers and the Management Owners in favor of the Purchaser, the Sellers and the Management Owners shall be entitled to receive, in the manner described in Section 2.3 below, cash in the amount of **One Million, Fifty Eight Thousand And Eight Dollars ($1,058,008)** (the **"Noncompete Payment"**) (such aggregate amount of the Cash Payment, the Stock Payment, and the Noncompete Payment, as adjusted, the "**Purchase Price**").

2.3. Payment of Purchase Price.

The Purchase Price which is payable at Closing shall be paid as set forth on Schedule 2.3, as further calculated and in accordance with the Funds Flow and Settlement Statement.

2.4. Time and Place of Closing.

The closing of the transactions contemplated by this Agreement (the "**Closing**") shall be effected by facsimile or other electronic exchange of documentation, and shall take place at the offices of Gallop, Johnson & Neuman, L.C., Interco Corporate Tower, 101 S. Hanley Road, Suite 1700, St. Louis, Missouri 63105, or such other mutually agreed location, or in such other mutually agreed upon manner, at 9:00 a.m. on either (i) the second Business Day which follows the receipt by the Parties of all Required Approvals, and follows the satisfaction of all other conditions precedent to the consummation of the Contemplated Transactions, or (ii) such other date and time as the Parties may mutually agree (the "**Closing Date**"). The Parties agree that the Closing shall be effective as of the Effective Time. Failure to consummate the purchase and sale provided for in this Agreement on the date and time and at the place determined pursuant to this Section 2.4 will not result in the termination of this Agreement and will not relieve any Party of any obligation under this Agreement.

2.5. Deliveries at the Closing.

At the Closing, the Sellers and the Management Owners will deliver to the Purchaser the various certificates, instruments, and documents referred to in Section 6 below; the Purchaser will deliver to the Sellers and the Management Owners the various certificates,

instruments, and documents referred to in Section 7 below; and the Purchaser will deliver Purchase Price payable at Closing in accordance with Section 2.3 above.

2.6. Post-Closing Adjustment.

(a) The Purchase Price shall be increased or decreased, on a dollar-for-dollar basis, in accordance with this Section 2.6. Any such increase or decrease shall be referred to as a **"Price Adjustment"**.

(b) No later than ninety (90) days after the Closing Date, the Purchaser shall deliver to the Seller Representative the following:

(i) a statement setting forth the Net Working Capital of the Company as of 11:59 PM Eastern Time on January 31, 2010 (the **"Closing Net Working Capital Statement"**); and

(ii) a separate statement showing any calculations with respect to any necessary Price Adjustment (the **"Final Adjustment Schedule"**).

All accounting entries will be made regardless of their amount and all detected errors and omissions will be corrected regardless of their materiality.

(c) The Seller Representative shall, within thirty (30) days following its receipt of the Closing Net Working Capital Statement and the Final Adjustment Schedule, accept or reject the Price Adjustment submitted by Purchaser. If the Seller Representative disagrees with such calculation, it shall give written notice to Purchaser of such disagreement and any reason therefor (the **"Notice of Disagreement with Price Adjustment"**) within such thirty (30) day period. Should the Seller Representative fail to provide Purchaser with a Notice of Disagreement with Price Adjustment within such thirty (30) day period, the Sellers shall be deemed to agree with Purchaser's calculation. During the thirty (30) days immediately following the delivery of a Notice of Disagreement with Price Adjustment, Purchaser and Seller Representative shall seek in good faith to resolve in writing any differences which they may have with respect to the matters specified in such Notice of Disagreement with Price Adjustment. If such differences have not been resolved by the end of such thirty (30)-day period, the Purchaser and the Seller Representative shall submit to the Indianapolis, Indiana office of Ernst & Young LLP (the **"Arbitrator"**) for review and resolution of any and all matters which remain in dispute and which were included in any Notice of Disagreement with Price Adjustment. The Arbitrator shall act as an arbitrator and shall issue its report as to the contents of the Closing Net Working Capital Statement, and the determination of the Price Adjustment reflected in the Final Adjustment Schedule, within sixty (60) days after such dispute is referred to the Arbitrator. The Sellers on the one hand, and the Purchaser on the other hand, shall bear all costs and expenses incurred by him or it in connection with such arbitration, except that the fees and expenses of the Arbitrator hereunder shall be borne by the Sellers and the Purchaser in such proportion as the Arbitrator shall determine based on the relative merit of the position of the Parties. This provision for arbitration shall be specifically enforceable by the Parties and the decision of the Arbitrator in accordance with the provisions hereof shall be final and binding with respect to the matters so arbitrated and there shall be no right of appeal therefrom.

(d) If, based on the Final Adjustment Schedule as finally determined, (i) the Net Working Capital of the Company as of 11:59 PM Eastern Time on January 31, 2010, is less than the Working Capital Target, the Sellers, jointly and severally, shall pay to Purchaser such deficiency in cash or other immediately available funds no later than two (2) Business Days following the date of such final determination, or (ii) the Net Working Capital of the Company as of 11:59 PM Eastern Time on January 31, 2010, is greater than the Working Capital Target, the Purchaser shall pay to the Sellers such excess in cash or other immediately available funds no later than two (2) Business Days following the date of such final determination.

2.7. Allocation of Purchase Price.

The Purchase Price will be allocated for all purposes (including Tax and financial accounting purposes) as set forth (or in accordance with the methodology set forth) in Exhibit B hereto (the **"Purchase Price Allocation"**). Unless prohibited by applicable Legal Requirements, each of the Parties hereto will not take a position on any Tax Return, before any Governmental or Regulatory Body charged with the collection of any Tax, or in any action or Proceeding, that is in any way inconsistent with the Purchase Price Allocation and will cooperate with each other in timely filing consistent with such allocation with the IRS.

3. REPRESENTATIONS AND WARRANTIES OF EACH SELLER AND EACH MANAGEMENT OWNER

Subject to the limitations contained in Section 8 herein, each Management Trust and each Management Owner, jointly and severally, and each Financial Investor, severally and not jointly, represents and warrants to the Purchaser that the statements contained in this Section 3 are true, correct and complete as of the Closing Date, except as specified to the contrary in the disclosure schedules prepared by the Sellers accompanying this Agreement (the "**Disclosure Schedule**"). The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this Section 3, and in accordance with Section 9.8(a) below.

3.1. Organization and Good Standing.

(a) The Company is a limited liability company duly organized, validly existing, and in good standing under the laws of its jurisdiction of organization, with full limited liability company power and authority to conduct its business as it is now being conducted, and to own or use the properties and assets that it purports to own or use in connection with the Business.

(b) Each of the Sellers and the Management Owners has the full power and authority to perform all of his or its obligations under the Transaction Documents. The Company is duly qualified to do business as a foreign limited liability company and is in good standing under the laws of each state or other jurisdiction in which the conduct of the Business requires such qualification, except for those jurisdictions in which the failure to be so qualified would not result in a material adverse effect on the Company or the Business.

3.2. Authority; No Conflict.

(a) This Agreement constitutes the legal, valid, and binding obligation of the Sellers and the Management Owners, enforceable against the Sellers and the Management

Owners in accordance with its terms. Upon the execution and delivery by the Sellers and the Management Owners of the Transaction Documents to which they are a party, the Transaction Documents to which the Sellers and the Management Owners are a party will constitute the legal, valid, and binding obligations of the Sellers and the Management Owners, enforceable against the Sellers and the Management Owners in accordance with their respective terms except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and the availability of equitable remedies. The board of directors, board of managers, shareholders, and members of the Sellers and the Company, who are by applicable Legal Requirements required to approve and authorize the Transaction Documents and the Contemplated Transactions, have approved and authorized the Transaction Documents and the Contemplated Transactions, in each case without condition, limitation or restriction. The Sellers and the Management Owners have the right, power, authority, and capacity to execute and deliver this Agreement and the Transaction Documents to which he or it is a party and to perform his or its obligations under this Agreement and the Transaction Documents to which he or it is a party.

(b) Neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time): (i) contravene, conflict with, or result in a violation of (A) any provision of the Organizational Documents of the Company or any Seller who is not a natural person, or (B) any resolution or authorization adopted by the board of directors, board of managers, trustees, shareholders or members (as the case may be) of the Company or any Seller who is not a natural person; (ii) contravene, conflict with, or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate, or modify, any material Governmental Authorization with respect to the Company; (iii) contravene, conflict with, or result in a material violation or material breach of any provision of, or give any Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any material Contract to which the Company is a party; or (iv) except as specifically contemplated by the Transaction Documents, result in the imposition or creation of any Security Interest upon or with respect to any of the Shares, or any asset of the Company. Other than obtaining the Required Approvals, and except as set forth on Schedule 3.2(b), none of the Sellers, the Management Owners, or the Company are required to obtain any Consent from, or provide any notice to, any Person in connection with the execution and delivery of this Agreement and the other Transaction Documents or the consummation or performance of any of the Contemplated Transactions, or to permit Purchaser and the Company to carry on the Business after Closing as it is currently conducted by the Company.

(c) The Sellers, the Management Owners, and the Company have taken all action so that the entering into of this Agreement and the other Transaction Documents, and except as provided above, the consummation of the Contemplated Transactions do not and will not result in the grant of any rights to any Person under the Organizational Documents of the Company, or restrict the ability of the Purchaser to otherwise exercise the rights of the Sellers with respect to the Shares.

3.3. Title to Properties; Capitalization of the Company; Security Interests.

(a) The Sellers have, and at Closing will have, good and valid title to all of the Shares. The Shares constitute one hundred percent (100%) of the issued and outstanding limited liability company interests of the Company.

(b) The Shares will be transferred by the Sellers to the Purchaser at Closing, free and clear of any Security Interest except as otherwise provided in this Agreement. After giving effect to the Closing, the Purchaser will hold one hundred percent (100%) of the issued and outstanding equity interests of the Company, free and clear of any Security Interest except as otherwise provided in this Agreement. After giving effect to the Closing, the Company will have good and valid title to all of its assets, free and clear of any Security Interest except as otherwise provided in this Agreement.

(c) The authorized, issued, and outstanding equity securities of the Company (including, without limitation, Equity Rights) are owned, beneficially and of record, by the Persons and in the amounts shown on Schedule 3.3(c). All such securities have been validly issued. No Person other than the Purchaser has any oral or written agreement, option, warrant, right, privilege or any other right, commitment or arrangement of any character capable of becoming any of the foregoing (whether legal, equitable, contractual or otherwise) for the purchase, subscription or issuance of the Shares or any other securities of the Company. Except for the Operating Agreement of the Company and that certain Members Transfer Agreement dated as of September 21, 2000, there are no shareholders' agreements, pooling agreements, voting trusts, proxies or other similar agreements, arrangements or understandings with respect to the ownership or voting of any of the Shares or other securities of or interests in the Company. None of the outstanding equity securities or other securities of the Company was issued in violation of the Securities Act of 1933, as amended (and the rules and regulations promulgated thereunder) or any other Legal Requirement, as applicable.

(d) Except as set forth on Schedule 3.3(d), the Company does not own, and does not have any Contract to acquire, any equity securities or other securities of any Person or any direct or indirect equity or ownership interest in any other business. Except as set forth on Schedule 3.3(d), the Company does not have any direct or indirect subsidiaries or Affiliates. The Company does not hold an equity interest in Springhouse. Except for the Company, neither the Sellers nor the Management Owners have any Affiliates which are engaged in the business of managing and operating a mortgage banking cooperative. Except as set forth on Schedule 3.3(d), the Company is not, nor has it agreed to become, a partner, member, owner, proprietor or equity investor of or in any partnership, joint venture, co-tenancy or other similar jointly-owned business undertaking. There is no agreement, option, or other right or privilege outstanding in favor of any Person for the purchase of the assets of the Company.

(e) Except as set forth on Schedule 3.3(e), the Company owns, or has a valid leasehold interest in, all of the tangible and intangible assets and properties necessary or used by the Company for the operation of the Business as conducted prior to the Closing Date.

3.4. Condition and Sufficiency of Assets; Company Records.

(a) The equipment of the Company is structurally sound, is in good operating condition and repair, and is adequate for the uses to which it is being put, and none of such

equipment is in need of material maintenance or repairs except for ordinary wear and tear, routine maintenance and repairs. Except as set forth on Schedule 3.4(a), the building, facilities, structures, improvements, equipment and other tangible personal property of the Company are sufficient for the continued conduct of the Business immediately after the Closing in substantially the same manner as the Company presently conducts it.

(b) The books of account and other records of the Company are substantially complete and correct in all material respects and, except as set forth on Schedule 3.4(b), have been maintained in accordance with sound business practices, including the maintenance of an adequate system of internal controls, in each case as applicable to a privately-held company which is similarly-situated to the Company.

(c) A copy of the Organizational Documents of the Company has been delivered to the Purchaser by the Management Owners on or before the Closing Date. Such Organizational Documents of the Company as so delivered constitute all of the organizational documents of the Company, are complete and correct and are in full force and effect in all material respects.

(d) The original or true copies of all limited liability company records of the Company have been made available to the Purchaser for review prior to the Closing Date. Such records have been maintained in accordance with applicable Legal Requirements. All resolutions contained in such records have been duly passed and all such meetings have been duly called and held, except where the call for such meeting was waived. The share certificate books, register of members, register of transfer and register of managers of the Company, as applicable, are complete and accurate and applicable Taxes with respect to the Shares have been duly paid.

(e) The list of managers and officers on Schedule 3.4(e) hereto constitutes a complete and accurate list of all officers and managers of the Company on the date hereof.

(f) Schedule 3.4(f) lists each Cooperative Member as of the Closing Date.

3.5. Taxes.

To the Knowledge of the Management Owners:

(a) All Tax Returns that were required to be filed (taking into account any extensions of time within which to file) by or with respect to the Company have been duly and timely filed, and all such Tax Returns are true, correct, and complete in all material respects. All Taxes shown to be due on the foregoing Tax Returns or that were otherwise due and payable by the Company have been timely paid in full. All Taxes that the Company was obligated to withhold from amounts paid or owing to any employee, creditor, partner or third party have been paid over to the proper Governmental Body in a timely manner, to the extent due and payable, and any Tax Returns with respect to such Taxes are true, correct, and complete in all material respects. No currently effective extensions or waivers of statutes of limitation have been given by or requested with respect to the filing of any Tax Returns by or with respect to the Company, or with respect to the assessment of any Taxes due from the Company. No deficiencies or

adjustments for any Taxes have been proposed or assessed in writing with respect to the Company, and there is no factual or legal basis for the assessment of any deficiency or adjustment in Taxes with respect to the Company. There is no audit, examination or other proceeding with respect to any Tax Return of the Company in progress, and no Governmental Body has notified the Company that it intends to commence any audit, examination or other proceeding with respect to any Tax Return of the Company. There are no matters under discussion with any Governmental Body with respect to Taxes that could result in an additional amount of Taxes, and there is no threatened action, suit, proceeding, investigation, audit, or claim for or relating to Taxes. No Security Interests for Taxes exist with respect to any assets or properties of the Company except for statutory liens and claims and charges for Taxes not yet due and payable. The Company has disclosed on its Tax Returns all positions taken therein that could give rise to the accuracy-related penalties of Section 6662 or Section 6662A of the IRC or to a similar penalty under the Legal Requirements of any other taxing jurisdiction, and have otherwise properly disclosed to the appropriate Governmental Body all positions or transactions relating to Taxes that are required to be disclosed under the Legal Requirements of any jurisdiction to which the Company is subject. The Company has heretofore delivered to the Purchaser in all material respects correct and complete copies of all of the federal and state Tax Returns of the Company for the respective tax years ended December 31, 2008, and December 31, 2007, and no amendments or other changes have been made thereto since the date of such delivery.

(b) The Company has made adequate provision in its financial statements (utilizing the accrual method of accounting) for all unpaid Taxes of the Company, and the charges, accruals, and reserves with respect to unpaid Taxes on the books of the Company are adequate and are at least equal to the liabilities of the Company for unpaid Taxes. Since December 31, 2008, other than the transactions contemplated in this Agreement, the Company has not incurred any liability for Taxes other than in the Ordinary Course.

(c) The Company is currently and has been characterized as a partnership for United States federal income tax and state income tax purposes for all taxable periods since its organization.

(d) The Company has never been a member of any affiliated, combined, unitary or similar group filing a consolidated, combined, unitary or similar federal or state income Tax Return (other than the group of which the Company is the common parent) and none of the assets of the Company could be subject to levy for the Tax liabilities of the Company or any other person or entity (other than the Company) under Treasury Regulations §1.1502-6 (or any similar provision of state, local or foreign Law), including as a transferee or successor, by contract, or otherwise. The Company is not a party to or bound by any Tax indemnity, Tax sharing, or Tax allocation agreements.

(e) No claim has ever been made by an authority in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to taxation by that jurisdiction, nor is there any factual or legal basis for any such claim.

(f) Each Seller is not a “foreign person” within the meaning of Sections 1445 and 7701 of the IRC. The Company has not been a United States real property holding corporation

within the meaning of Section 897(c)(2) of the IRC during the applicable period specified in Section 897(c)(1)(A)(ii) of the IRC.

(g) The Company is not required to make any adjustment under IRC Section 481(a) by reason of a change in method of accounting.

3.6. Employee Benefits.

To the Knowledge of the Management Owners:

(a) Except as disclosed on Schedule 3.6(a), no other corporation, trade, business, or other entity, other than the Company, would, together with the Company, now or in the past constitute a single employer within the meaning of Section 414 of the IRC. The Company and any other entities which now or in the past constitute a single employer within the meaning of IRC Section 414 are hereinafter collectively referred to as the **"Company Group"**.

(b) Schedule 3.6(b) contains a complete list of all the following agreements or plans which are presently in effect or which have previously been in effect and which cover employees of any member of the Company Group (**"Employees"**), and indicating, with respect to each, the plans for which the Company maintains or contributes to on behalf of its Employees:

(i) Any employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (**"ERISA"**), and any trust or other funding agency created thereunder, or under which any member of the Company Group, with respect to Employees, has any outstanding, present, or future obligation or liability, or under which any Employee or former Employee has any present or future right to benefits which are covered by ERISA; or

(ii) Any other pension, profit sharing, retirement, deferred compensation, stock purchase, stock option, incentive, bonus, vacation, severance, disability, hospitalization, medical, life insurance or other employee benefit plan, program, policy, or arrangement, whether written or unwritten, formal or informal, which any member of the Company Group maintains or to which any member of the Company Group has any outstanding, present or future obligations to contribute to, contingent or otherwise, or to which any member of the Company Group has any liability.

The plans, programs, policies, or arrangements described in subparagraph (i) or (ii) above are hereinafter collectively referred to as the **"Company Plans"**. The Company has delivered to Purchaser true and complete copies of all written plan documents and contracts evidencing the Company Plans, as they may have been amended to the date hereof, together with the following: (1) all documents, including any insurance contracts and trust agreements, setting forth the terms of the Company Plan, or if there are no such documents evidencing the Company Plan, a full description of the Company Plan, (2) the ERISA summary plan description and any other summary of plan provisions provided to participants or beneficiaries for each such Company Plan, (3) all documents, including without limitation, Forms 5500, relating to any Company Plans required to have been filed prior to the date hereof with governmental authorities for each

of the three most recently completed plan years with respect to each Company Plan, (4) each favorable determination letter, opinion or ruling from the IRS for each Company Plan, the assets of which are held in trust, to the effect that such trust is exempt from federal income tax, including any outstanding request for a determination letter and (5) each opinion or ruling from the Department of Labor or the Pension Benefit Guaranty Corporation (**"PBGC"**) with respect to such Company Plans; (6) attorney's response to an auditor's request for information for each of the three most recently completed plan years for each Company Plan; and (7) financial statements and actuarial reports, if any for each Company Plan for the three most recently completed plan years.

(c) Except as to those plans identified on Schedule 3.6(c) as tax-qualified Company Plans (the **"Company Qualified Plans"**), no member of the Company Group maintains or previously maintained a Company Plan which meets or was intended to meet the requirements of IRC Section 401(a). Either (i) the IRS has issued favorable determination letters to the effect that each Company Qualified Plan qualifies under IRC Section 401(a) and that any related trust is exempt from taxation under IRC Section 501(a), and such determination letters remain in effect and have not been revoked, (ii) an application for a favorable determination letter has been filed and is pending with the IRS for a Company Plan, or (iii) the Company is entitled to rely on a favorable opinion or advisory letter with respect to the Company Plan pursuant to the provisions of Section 8.02 of IRS Rev. Proc. 2010-6. Copies of the most recent determination letters and any outstanding requests for a determination letter with respect to each Company Qualified Plan have been delivered to Purchaser. Except as disclosed on Schedule 3.6(c), no Company Qualified Plan has been amended since the issuance of each respective determination letter. The Company Qualified Plans currently comply in form with the requirements under IRC Section 401(a), other than changes required by statutes, regulations and rulings for which amendments are not yet required.

(d) No issue concerning the qualification of the Company Qualified Plans is pending before or is threatened by the IRS. The Company Qualified Plans have been administered according to their terms (except for those terms which are inconsistent with the changes required by statutes, regulations, and rulings for which changes are not yet required to be made, in which case the Company Qualified Plans have been administered in accordance with the provisions of those statutes, regulations and rulings) and in accordance with the requirements of IRC Section 401(a). No member of the Company Group or any fiduciary of any Company Qualified Plan has done anything that would adversely affect the qualified status of the Company Qualified Plans or the related trusts.

(e) Any Company Qualified Plan which is required to satisfy IRC Section 401(k)(3) and 401(m)(2) has been tested for compliance with, and has satisfied the requirements of, IRC Sections 401(k)(3) and 401(m)(2) for each plan year ending prior to the Closing Date.

(f) Each member of the Company Group is in compliance with the requirements prescribed by any and all statutes, orders, governmental rules and regulations applicable to the Company Plans and all reports and disclosures relating to the Company Plans required to be filed with or furnished to any governmental entity, participants or beneficiaries prior to the Closing Date have been or will be filed or furnished in a timely manner and in accordance with applicable Legal Requirements.

(g) Except as expressly identified on Schedule 3.6(g), no termination or partial termination of any Company Qualified Plan has occurred nor has a notice of intent to terminate any Company Qualified Plan been issued by a member of the Company Group.

(h) No member of the Company Group maintains or has maintained an "employee benefit pension plan" within the meaning of ERISA Section 3(2) that is or was subject to Title IV of ERISA.

(i) Except as listed in Schedule 3.6(i), any Company Plan can be terminated on or prior to the Closing Date without liability to any member of the Company Group or the Purchaser, including without limitation, any additional contributions, penalties, premiums, fees or any other charges as a result of the termination, except to the extent of funds set aside for such purpose or reflected as reserved for such purpose on the December 31, 2009, Financial Statements.

(j) Each member of the Company Group has made full and timely payment of, or has accrued pending full and timely payment, all amounts which are required under the terms of each of the Company Plans and in accordance with applicable Legal Requirements to be paid as a contribution to each Company Plan and no excise taxes are assessable as a result of any nondeductible or other contributions made or not made to a Company Plan. The assets of all Company Plans which are required under applicable Legal Requirements to be held in trust are in fact held in trust, and the assets of each such Company Plan equal or exceed the liabilities of each such plan. The liabilities of each other plan are properly and accurately reported on the financial statements and records of the Company. The assets of each Company Plan are reported at their fair market value on the books and records of each plan.

(k) No member of the Company Group has any past, present, or future obligation or liability to contribute to any multiemployer plan as defined in ERISA Section 3(37).

(l) No member of the Company Group nor any other "disqualified person" or "party in interest" (as defined in IRC Section 4975 and ERISA Section 3(14), respectively) with respect to the Company Plans, has engaged in any "prohibited transaction" (as defined in IRC Section 4975 or ERISA Section 406). All members of the Company Group and all "fiduciaries" (as defined in ERISA Section 3(21)) with respect to the Company Plans, including any members of the Company Group which are fiduciaries as to a Company Plan, have complied in all respects with the requirements of ERISA Section 404. No member of the Company Group and no party in interest or disqualified person with respect to the Company Plans has taken or omitted any action which could lead to the imposition of an excise tax under IRC or a fine under ERISA. Except as set forth on Schedule 3.6(l), no member of the Company Group is subject to any material liability, tax or penalty whatsoever to any person whomsoever as a result of a member of the Company Group's engaging in a prohibited transaction under ERISA or the IRC, and there are no circumstances which reasonably might result in any such material liability, tax or penalty as a result or a breach of fiduciary duty under ERISA.

(m) Each member of the Company Group has complied with the continuation coverage requirements of Section 1001 of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and ERISA Sections 601 through 608. Each member of the Company

Group has also complied with the portability, access, and renewability provisions of Section K, Chapter 100 of the IRC and Section 701 et. seq. of ERISA.

(n) Except as disclosed on Schedule 3.6(n), no member of the Company Group has made or is obligated to make any nondeductible contributions to any Company Plan. No member of the Company Group is obligated, contingently or otherwise, under any agreement to pay any amount which would be treated as a "parachute payment," as defined in IRC Section 280G(b) (determined without regard to IRC Section 280G(b)(2)(A)(ii)).

(o) Other than routine claims for benefits, there are no actions, audits, investigations, suits or claims pending, or threatened against any Company Plan, any trust or other funding agency created thereunder, or against any fiduciary of any Company Plan or against the assets of any Company Plan. Except as disclosed on Schedule 3.6(o), the consummation of the transactions contemplated hereby will not accelerate or increase any liability under any Company Plan because of an acceleration or increase of any of the rights or benefits to which Employees may be entitled thereunder.

(p) Except as listed in Schedule 3.6(p), no member of the Company Group has any obligation to any retired or former employee or any current employee of the Company upon retirement or termination of employment under any Company Plan. Except as listed in Schedule 3.6(p), no member of the Company Group maintains, or has at any time established or maintained, or has at any time been obligated to make, or made, contributions to or under any plan which provides post-retirement medical or health benefits with respect to employees of the Company.

(q) Except as disclosed on Schedule 3.6(q), no member of the Company Group has made representations or warranties (whether written or oral, express or implied) contractually or otherwise to any client or customer of a member of the Company Group that Employees rendering services to such client or customer are not "leased employees" (within the meaning of Section 414(n) of the IRC) or that such Employees would not be required to participate under any pension benefit plan (within the meaning of Section 3(2) of ERISA) (a **"Pension Benefit Plan"**) of such client or customer relating either to (i) providing benefits to employees of the member of the Company Group under a Pension Benefit Plan or (ii) making contributions to or reimbursing such client or customer for any contributions made to a Pension Benefit Plan of such client or customer on behalf of Employees.

(r) Except as set forth on Schedule 3.6(r), the Company does not maintain any "nonqualified deferred compensation plans" within the meaning of IRC Section 409A. Each nonqualified deferred compensation plan that is subject to IRC Section 409A complies in form and in operation with paragraphs (2), (3) and (4) of IRC Section 409A and no amount thereunder is or may become subject to IRC Section 409A(1).

3.7. Compliance with Legal Requirements; Governmental Authorizations.

(a) Except as set forth in Schedule 3.7(a): (i) the Company has complied in all material respects with each Legal Requirement that is or was applicable to it or to the conduct or operation of the Business, or the ownership or use of any of the assets of the Company; (ii) to the

Knowledge of the Management Owners, no event has occurred or circumstance exists that (with or without notice or lapse of time) may constitute or result in a material violation by the Company of, or a failure on the part of the Company to comply with, any material Legal Requirement in the conduct of the operation of the Business; and (iii) the Company has not received any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding any actual, alleged, possible, or potential violation of, or failure to comply with, any material Legal Requirement in the conduct of the operation of the Business.

(b) Schedule 3.7(b) contains a complete and accurate list of each material Governmental Authorization that is held by the Company. Each material Governmental Authorization listed or required to be listed in Schedule 3.7(b) is valid and in full force and effect. Except as set forth in Schedule 3.7(b): (i) the Company has complied in all material respects with all of the terms and requirements of each Governmental Authorization identified or required to be identified in Schedule 3.7(b); (ii) to the Knowledge of the Management Owners, no event has occurred or circumstance exists that may (with or without notice or lapse of time) constitute or result directly or indirectly in a material violation of or a failure to comply with any term or requirement of any Governmental Authorization listed or required to be listed in Schedule 3.7(b); and (iii) the Company has not received any notice or other communication (whether oral or written) from any Governmental Body regarding any actual, alleged, possible, or potential violation of or failure to comply with any term or requirement of any material Governmental Authorization.

(c) The Company advises the Purchaser that certain legislation has been either proposed or enacted as of the Closing Date which may affect the operations of the Business. By way of example only, set forth on Schedule 3.7(c) is a list of examples of such proposed or enacted legislation.

3.8. Legal Proceedings; Orders.

(a) Except as set forth on Schedule 3.8, there is no pending Proceeding for which the Company has received service of process (or to the Knowledge of the Management Owners, there is no pending proceeding for which the Company has not received service of process): (i) that has been commenced by or against the Company with respect to the Business, the Company, the Shares, or the assets of the Company; or (ii) that challenges, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the Contemplated Transactions. To the Knowledge of the Management Owners, (A) no such Proceeding has been threatened, and (B) no event has occurred or circumstance exists that may give rise to or serve as a basis for the commencement of any such Proceeding.

(b) Except as set forth in Schedule 3.8: (i) there is no Order to which the Company or the Business is subject; (ii) there is no Order to which the Sellers or the Shares is subject which in any manner would affect or limit a Seller's or a Management Owner's ability to consummate the Contemplated Transactions, and (iii) to the Knowledge of the Management Owners, no employee of the Company is subject to any Order that prohibits such officer, manager, agent, or employee from engaging in or continuing any conduct, activity, or practice relating to the Business.

3.9. Financial Statements.

(a) Schedule 3.9(a) sets forth the unaudited balance sheet of the Company as of December 31, 2009, and December 31, 2008, and the related statement of income of the Company for the fiscal year then ended, together with all related schedules and supporting information with respect thereto (collectively referred to herein as the **"Financial Statements"**). The Financial Statements (i) were prepared in accordance with the books of account and other financial records of the Company, (ii) present fairly in all material respects the financial condition and results of operations of the Company as of the dates thereof or for the periods covered thereby, and (iii) were prepared on a basis consistent with the past practice of the Company.

(b) The Company has no Liabilities (whether accrued, absolute, contingent, unliquidated or otherwise, whether due or to become due, whether known or unknown, and regardless of when asserted) except for (i) Liabilities reflected and reserved against on the face (rather than in any notes thereto) of the Financial Statements, (ii) trade accounts payable which have arisen after the December 31, 2009, Financial Statements in the Ordinary Course or as a result of transactions contemplated in this Agreement, and (iii) Liabilities that are disclosed on Schedule 3.9(b).

(c) Schedule 3.9(c) sets forth a complete and accurate list and description of all instruments or other documents relating to any direct or indirect Indebtedness of the Company, as well as Indebtedness by way of lease-purchase arrangements, guarantees, undertakings on which others rely in extending credit and all conditional sales contracts, chattel mortgages and other security arrangements with respect to personal property used or owned by the Company. The Company has made available to the Purchaser a correct and complete copy of each of the items required to be listed on Schedule 3.9(c). After giving effect to the Closing, the Company will not have any Indebtedness.

3.10. Absence of Certain Changes and Events.

(a) Since January 1, 2009, there has not been any material adverse change in the operations, properties, assets, or condition of the Company.

(b) Since January 1, 2009, except as set forth in Schedule 3.10, there has not been any: (i) payments by the Company other than those accrued and accounted for in the 2009 Financial Statements or other than in the Ordinary Course; (ii) increases in compensation by the Company of any bonuses, salaries, or other compensation to any employee, except in the Ordinary Course; (iii) or entry into any employment, severance, or similar Contract with any employee of the Company, (iv) adoption of, or increase in the payments to or benefits under, any profit sharing, bonus, deferred compensation, savings, insurance, pension, retirement, or other employee benefit plan for or with any employees of the Company; (v) damage to or destruction or loss of any asset or property of the Company, whether or not covered by insurance, adversely affecting the assets, business, financial condition, or prospects of the Company or the Business; (vi) entry into, termination of, or receipt of notice of termination of any material agreement with respect to operation of the Company or the Business; (vii) sale, lease, or other disposition of any material amount of assets of the Company; (viii) cancellation or waiver of any material claims or

rights with respect to the Company or the Business; (ix) change in the authorized or issued equity securities of the Company; grant of any option or right to purchase equity securities of the Company; issuance of any security convertible into such equity securities; grant of any registration rights; purchase, redemption, retirement, or other acquisition by the Company of any equity securities; or declaration or payment of any dividend or other distribution or payment in respect of the equity securities of the Company; (x) amendment to the Organizational Documents of the Company; (xi) commitment by the Company to expend material funds, except for such commitments arising in the Ordinary Course; (xii) change in the accounting methods used by the Company; or (xiii) agreement, whether oral or written, by the Company or the Sellers to do any of the foregoing.

3.11. Contracts; No Defaults.

(a) Schedule 3.11(a) contains a complete and accurate list, and except for those Contracts set forth on Schedule 3.11(a) which will be provided by the Management Owners to the Purchaser within five (5) Business Days following the Closing, the Company has delivered to the Purchaser true and complete copies, of: (i) each Contract that involves performance of services or delivery of goods or materials by the Company of an amount or value in excess of Ten Thousand Dollars ($10,000.00) or having a noncancellable term of more than 60 days; (ii) each Contract that involves performance of services or delivery of goods or materials to the Company of an amount or value in excess of Ten Thousand Dollars ($10,000.00) or having a noncancellable term of more than 60 days; (iii) each Contract between the Company and Springhouse; (iv) each Contract between the Company and any cooperative (including, without limitation, the Cooperative); (v) each Contract between the Company and any vendor of any cooperative (including, without limitation, the Cooperative); (vi) each Contract to which the Company is a party which is a preferred investor agreement; (vii) each Contract pursuant to which the Company licenses other persons to use any of the assets of the Company or has agreed to support, maintain, upgrade, enhance, modify, or consult with respect to any such assets; (viii) each Contract pursuant to which other persons license the Company to use the Licensed Software; (ix) each Contract that was not entered into in the Ordinary Course; (x) each license, lease, installment and conditional sale agreement, and other Contract affecting the ownership of, leasing of, title to, use of, or any leasehold or other interest in, any of the assets of the Company; (xi) each joint venture, partnership, and other Contract (however named) involving a sharing of profits, losses, costs, or liabilities by the Company with any other Person; (xii) each Contract containing covenants that in any way purport to materially restrict the business activity of the Company, or limit the freedom of the Company to engage in any line of business or to compete with any Person; (xiii) each power of attorney of the Company that is currently effective and outstanding; (xiv) each Contract of the Company for capital expenditures; (xv) each material written warranty, guaranty, and or other similar undertaking with respect to the Company, its assets, or the Business; and (xvi) each Contract of the Company containing exclusivity (or similar) provisions.

(b) Except as set forth in Schedule 3.11(b): (i) the Company has complied with all material terms and requirements of its Contracts; (ii) no event has occurred or circumstance exists that (with or without notice or lapse of time) may contravene, conflict with, or result in a violation or breach of, or give the Company or other Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel,

terminate, or modify, the Contracts of the Company; (iii) the Company has not given to or received from any other Person any notice or other communication (whether oral or written) regarding any actual, alleged, possible, or potential material violation or breach of, or default under, the Contracts of the Company; (iv) each Contract of the Company is legal, valid, binding, enforceable, and in full force and effect; (v) the Company has not, and to the Knowledge of the Management Owners, no party to any Contract of the Company has, repudiated any material provision thereof; and (vi) to the Knowledge of the Management Owners, there are no material disputes, oral agreements, or forbearance programs in effect as to any Contract of the Company.

(c) To the Knowledge of the Management Owners, except as set forth in Schedule 3.11(c), there are no material renegotiations of, attempts to renegotiate, or outstanding rights to renegotiate any material amounts paid or payable to the Company under the Contracts of the Company, with any Person and to the Knowledge of the Management Owners, no such Person has made written demand for such renegotiation.

(d) Schedule 3.11(d) clarifies certain pricing terms of that certain Management Agreement dated December 21, 2000, as amended, between the Company and the Cooperative.

3.12. Insurance.

The Company has delivered to the Purchaser a complete summary of all policies of insurance to which the Company currently is a party or under which the Company is currently covered. Schedule 3.12 lists all insurance policies to which the Company is currently a party or under which the Company is currently covered. Neither the Company nor the Sellers have received (x) any refusal of coverage notice or any notice that a defense will be afforded with reservation of rights, or (y) any notice of cancellation or any other notification that any insurance policy is no longer in full force or effect or will not be renewed or that the issuer of any policy is not willing or able to perform its obligations thereunder.

3.13. Facilities.

(a) The Company does not own any real property.

(b) Schedule 3.13(b) describes the Facilities leased by the Company from third parties. The Company does not lease any real property except the Facilities set forth on Schedule 3.13(b). To the Knowledge of the Management Owners, no notice has been provided to the Company that the current uses of the Facilities fail to comply with applicable Legal Requirements in any material respect. To the Knowledge of the Management Owners, with respect to the Facilities: (i) each Facility has received all approvals of Governmental Bodies (including licenses and permits) required in connection with the operation thereof and has been operated and maintained in all material respects in accordance with applicable Legal Requirements; (ii) there are no material management, maintenance, service, and operating contracts or agreements affecting any Facility or any portion hereof which shall survive Closing for which the Company shall have any material obligation; (iii) there are no use and occupancy restrictions, rights of way, exceptions, reservations, or limitations affecting any Facility other than those imposed by any local zoning ordinances and building codes; and (iv) there are no assessments made against any portion of the real property in respect to the Facilities by any

Governmental Body which are unpaid (except ad valorem Taxes for the current year and current utility charges), whether or not they have become Security Interests, and whether or not they are due in installments.

3.14. Employees.

(a) Schedule 3.14(a) contains a list of the following information for each full-time, part-time or temporary employee or manager of the Company, including each employee on leave of absence or layoff status: name; job title; current employment status and current compensation. Schedule 3.14(a) also contains a list of all Contracts of employment to which the Company is a party, except for Contracts which can be terminated without liability upon not more than thirty (30) days notice.

(b) To the Knowledge of the Management Owners, no employee of the Company is a party to, or is otherwise bound by, any agreement or arrangement, including any confidentiality, noncompetition, or proprietary rights agreement, between such employee and any other Person that in any way adversely affects or will affect (i) the performance of such employee's duties as an employee, or (ii) the ability to conduct the Business. To the Knowledge of the Management Owners, except as set forth on Schedule 3.14(b), no key employee of the Company intends to terminate such employee's employment.

3.15. Labor Relations; Compliance.

(a) The Company is not a party to any collective bargaining or other labor contract, including any obligation under any agreement regarding rates of pay or working conditions of any employees of the Company. There has not been, there is not presently pending or existing, and to the Knowledge of the Management Owners, there is not threatened with respect to the Company or the Business, (i) any strike, slowdown, picketing, work stoppage, or employee grievance process, (ii) any pending proceeding against or affecting the Company relating to the alleged violation of any Legal Requirement pertaining to labor relations or employment matters, including any charge or complaint filed by an employee or union with the National Labor Relations Board, the Equal Employment Opportunity Commission, or any comparable Governmental Body, organizational activity, or other labor or employment dispute against or affecting the Company, or (iii) any application for certification of a collective bargaining agent. To the Knowledge of the Management Owners, no event has occurred or circumstance exists that could provide the basis for any work stoppage or other labor dispute. There is no lockout of any employees by the Company, and no such action is contemplated. The Company has complied with all material Legal Requirements relating to employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, collective bargaining, the payment of social security and similar Taxes, occupational safety and health, and plant closing.

(b) Schedule 3.15 contains a complete list of existing or threatened employment-related lawsuits and/or governmental administrative proceedings to which the Company is currently a party.

3.16. Intellectual Property.

(a) Schedule 3.16(a)(i) sets forth a list of all Contracts relating to the Intellectual Property Assets. There are no outstanding and, to the Knowledge of the Management Owners, no threatened, disputes or disagreements with respect to any such Contract relating to the Intellectual Property Assets. The Intellectual Property Assets owned or licensed by the Company are all those necessary for the operation of the Business as currently conducted. Except as set forth on Schedule 3.16(a)(ii), the Company does not have or use any Patents, Marks, Copyrights, or Domain Names. Except for the Licensed Software or as set forth on Schedule 3.16(a)(iii), the Company does not use any patents, trademarks, service marks, trade secrets or copyrights of any Person (other than the Company) with respect to the Business.

(b) The Company has used reasonable commercial efforts to protect the secrecy, confidentiality, and value of its Trade Secrets. To the Knowledge of the Management Owners, the Company has good title and an absolute right to use the Trade Secrets. To the Knowledge of the Management Owners, the Trade Secrets are not part of the public knowledge or literature (unless disclosed in a patent), and have not been used, divulged, or appropriated either for the benefit of any Person (other than the Company) or to the detriment of the Company. To the Knowledge of the Management Owners, no Trade Secret is subject to any adverse claim or has been challenged or threatened in any material way. To the Knowledge of the Management Owners, the Company has not given any Person the right to use or disclose any Trade Secret at any time in the future.

(c) The Company has all of the right, title, and interest in and to the source code and the object code in respect to the Owned Software. The Licensed Software and the Owned Software constitute all of the computer programs necessary to conduct the Business as currently conducted. Except as specified in Schedule 3.16(c): (A) no agreement, license or other arrangement pertaining to any of the Licensed Software to which the Company is a party will terminate or become terminable by any party thereto as a result of the execution, delivery or performance of this Agreement or the consummation of the Contemplated Transactions; and (B) all licenses covering Licensed Software are of perpetual duration (subject to provisions allowing the Company to terminate and provisions allowing the respective licensors to terminate in the event of a breach by the Company).

(d) The current use by the Company of any Intellectual Property Assets in the Business does not (i) infringe on any patent, trademark, service mark, copyright or other right of any other Person, (ii) constitute a misuse or misappropriation of any trade secret, know-how, process, proprietary information or other right of any other Person or a violation of any relevant agreement governing the license of the Licensed Software to the Company, or (iii) except in the case of fees and royalties paid to the licensors of Licensed Software set forth on Schedule 3.16(c), entitle any other Person to any interest therein, or right to compensation from the Company or any of their successors or assigns, by reason thereof. The Company has not received any complaint, assertion, threat or allegation or otherwise have notice of any lawsuit, claim, demand, proceeding or investigation involving matters of the type contemplated by the immediately preceding sentence.

3.17. Relationships with Related Persons.

Except as set forth on Schedule 3.17, no Related Person of any Seller or any

Management Owner has or has had, any interest in any property (whether real, personal, or mixed and whether tangible or intangible) used in or pertaining to the Company or the Business. Except as set forth on Schedule 3.17, no Related Person of any Seller or any Management Owner owns or has owned (of record or as a beneficial owner) an equity interest or any other financial or profit interest in, a Person that has had business dealings or a material financial interest in any transaction with the Company or the Business.

3.18. Brokers or Finders.

Except for the fees and expenses payable to Milestone Advisors, LLC, which shall be paid by the Sellers, neither the Company nor the Sellers have incurred any obligation or Liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement or the Contemplated Transactions.

3.19. Sophistication of Investors; Access to Information.

(a) Each Seller receiving the Stock Payment has had an opportunity to review all documents and information provided by the Purchaser that such Seller has requested and considers material to his or its decision to enter into this Agreement and to ask questions of the Purchaser or persons acting on the Purchaser's behalf, concerning the Purchaser, and all such questions, if any, have been answered to the full satisfaction of such Seller. Each Seller receiving the Stock Payment has made his or its own independent examination, investigation, analysis and evaluation of common stock of the Purchaser included in the Stock Payment, including his or its own estimate of the value of such common stock and has undertaken such due diligence as it deems adequate, including that described above.

(b) Each Seller receiving the Stock Payment is an "accredited investor", as defined by Regulation D promulgated under the Securities Act of 1933, as amended, and is a sophisticated investor with such knowledge and experience in financial and business matters and investments in restricted securities that such Seller is capable of evaluating the merits and risks of acquiring the shares of common stock of the Purchaser to be issued to such Sellers in payment for the Shares.

(c) Each Seller receiving the Stock Payment understands that the shares of common stock of the Purchaser included in the Stock Payment (i) have not been registered under the Securities Act of 1933, as amended, or any state securities laws, and are being offered and sold in reliance upon United States federal and state exemptions for transactions not involving any public offering, and (ii) will bear appropriate legends with respect to transferability and registration requirements.

(d) Each Seller receiving the Stock Payment (i) is aware that acquiring shares of common stock of the Purchaser included in the Stock Payment is a speculative investment and that there is no guarantee that such Seller will realize any gain from his or its investment, (ii) is, subject to the fact that certain of the Shares are subject to a right to put shares to the Purchaser under the Put Option Agreement, able to bear the economic risk of this investment, (iii) is able to hold the shares of common stock of the Purchaser included in the Stock Payment indefinitely, (iv) has consulted with his or its own attorney, accountant or investment adviser with respect to

the suitability of such investment, and (v) acknowledges that he or it is acquiring the shares of common stock of the Purchaser included in the Stock Payment for investment purposes and not with a view to, or intention to effect, the distribution thereof in violation of the Securities Act of 1933, as amended, or any state securities laws.

4. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Sellers and the Management Owners that the statements contained in this Section 4 are true, correct and complete as of the Closing Date, as follows:

4.1. Organization and Good Standing.

The Purchaser is an entity duly organized, validly existing, and in good standing under the laws of its jurisdiction of organization. The Purchaser has the authority to own all of its properties and assets and to conduct its business.

4.2. Authority; No Conflict.

(a) This Agreement and the other Transaction Documents to which the Purchaser is a party constitute the legal, valid, and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms. The Purchaser has the right, power, and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party, and to perform its obligations under such Transaction Documents including, but not limited to, the issuance of the Stock Payment and respective rights in favor of certain Sellers pursuant to the Rights Agreement and the Put Option Agreement.

(b) Neither the execution and delivery of the Transaction Documents by the Purchaser, nor the consummation or performance of any of the Contemplated Transactions by the Purchaser, will give any Person the right to prevent, delay, or otherwise interfere with any of the Contemplated Transactions pursuant to: (i) any provision of the Organizational Documents of the Purchaser; (ii) any resolution adopted by the board of directors or the shareholders of the Purchaser; or (iii) any Legal Requirement or Order to which the Purchaser may be subject. Neither the execution and delivery of the Transaction Documents by the Purchaser, nor the consummation or performance of any of the Contemplated Transactions by the Purchaser, will result in the imposition or creation of any Security Interest upon or with respect to any Purchaser shares included in the Stock Payment or any other portion of the Purchase Price other than as specifically contemplated by this Agreement. The approval of its board of directors has been obtained by the Purchaser and no further Consent is required to be obtained by the Purchaser from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

4.3. Certain Proceedings.

There is no pending Proceeding that has been commenced against the Purchaser that challenges, or may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the Contemplated Transactions. To the Knowledge of the Purchaser, no such Proceeding has been threatened.

4.4. Brokers or Finders.

Neither the Purchaser, nor its directors, officers and agents, have incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement.

4.5. SEC Reports.

The Purchaser has filed with the SEC all forms, reports, schedules, definitive proxy statements and other documents (collectively, the "**Purchaser SEC Reports**") required to be filed by the Purchaser with the SEC. The Purchaser SEC Reports have been compiled in all material respects in accordance with the requirements of the SEC.

4.6. Governmental Consents.

The Purchaser is not required to submit any notice, report or other filing with any Governmental Body in connection with the execution, delivery or performance by it of this Agreement or the consummation of the transactions contemplated hereby. No consent, approval or authorization of any Governmental Body or any other Person is required to be obtained by the Purchaser in connection with its execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

4.7. Litigation.

There are no actions, suits or proceedings pending or, to the Knowledge of the Purchaser, overtly threatened against or affecting the Purchaser at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which would adversely affect the Purchaser's performance under this Agreement or the consummation of the transactions contemplated hereby.

5. POST-CLOSING COVENANTS

5.1. Litigation Support.

Following the Closing, in the event and for so long as any Party actively is contesting or defending against any action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand in connection with: (i) any transaction contemplated under this Agreement; or (ii) as it relates to the Company, any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving any Party, each of the other Parties will reasonably cooperate with the contesting or defending Party and his or its counsel in the contest or defense, make available at reasonable times its personnel, and provide such testimony and access to its books and records at reasonable times as shall be necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party is entitled to indemnification therefor under Section 8 below).

5.2. Tax Matters.

(a) General. For the sole purpose of appropriately apportioning any Taxes relating to a Tax year or Tax period that begins before and ends after the Effective Time (a **"Straddle Period"**), such apportionment shall be made assuming the Company had a taxable year that ended immediately prior to the Effective Time. For federal and applicable state income tax purposes, the Company shall treat the sale of the Company Interests as a termination of the partnership and file a final U.S. Return of Partnership Income (as well as any applicable state income tax returns) for the taxable period ending on the Closing Date, which return shall include the IRS Form 8038, Return of a Sale or Exchange of Certain Partnership Interests, and such other forms or information as may be required by the provisions of Section 751 and 6050K of the IRC and the Treasury Regulations thereunder. In the case of property Taxes and other Taxes that apply ratably to a taxable period, the amount of Taxes allocable to the portion of the Straddle Period ending at the Effective Time shall equal the Tax for the period multiplied by a fraction, the numerator of which shall be the number of days in the period up to and including the Effective Time, and the denominator of which shall be the total number of days in the period. All other Taxes for any Tax Return that involves a Straddle Period shall be based upon the actual events and transactions that occur within such Straddle Period.

(b) Tax Indemnification.

(i) The Sellers shall be responsible for and pay and shall indemnify and hold harmless the Purchaser from and against all Taxes of the Company for any Tax year or Tax period ending immediately prior to or before the Effective Time, and, in the case of a Straddle Period, to the extent apportioned to the period that ends immediately prior to the Effective Time in accordance with paragraph (a) of this section, except to the extent that Taxes have been accrued as a liability that has been included in the computation of Net Working Capital of the Company as of the Effective Time.

(ii) The Purchaser shall be responsible for and shall indemnify and hold harmless the Sellers against all Taxes of the Company for all Tax years or Tax periods beginning and ending after the Effective Time or, with respect to a Straddle Period, to the extent apportioned to the period beginning at and ending after the Effective Time in accordance with paragraph (a) of this section.

(c) Tax Contests.

(i) For periods following the Effective Time, the Purchaser on the one hand, and the Sellers on the other hand (as the case may be) who receives notice of a Tax proceeding shall promptly notify the other Party in writing of any proposed assessment or the commencement of any tax contest or any demand or claim on the Purchaser, its Affiliates, or the Company that, if determined adversely to the taxpayer or after the lapse of time, could be grounds for an indemnification claim by a Party against another Party under paragraph (b) of this section (a **"Tax Contest"**). Such notice shall contain factual information (to the extent known to the Purchaser and the Sellers, its Affiliates or the Company) describing the asserted Tax liability in reasonable detail and shall include copies of any notice or other document received from any taxing authority in respect of

any such asserted Tax liability.

(ii) In the case of a Tax Contest that relates to taxable periods ending before or immediately prior to the Effective Time, the Sellers shall have the sole right, at their expense, to control the conduct of such Tax Contest; provided, however, that the Seller Representative shall seek Purchaser's prior written consent of any settlement or compromise of such Tax Contest (which consent shall not be unreasonably withheld or delayed) of any resolution of the Tax Contest if such resolution materially adversely affects the computation of any item of income, expense, deduction, taxable income, credit or Tax liability for any period ending after the Effective Time.

(iii) With respect to Straddle Periods, the Sellers may elect to direct and control any Tax Contest to the extent it involves any asserted Tax liability with respect to which indemnity may be sought from the Sellers pursuant to paragraph (b) of this section. The Purchaser shall direct and control any other such Tax Contest or portion thereof. If the Sellers elect to direct a Tax Contest, the Sellers shall within ten (10) calendar days of receipt of the notice of asserted Tax liability notify the Purchaser of their intent to do so, and the Purchaser shall cooperate and shall cause the Company to fully cooperate, at the Sellers' expense, in each phase of such Tax Contest. If the Seller Representative elects to direct and control a Tax Contest with respect to a Straddle Period, the Sellers may not settle or compromise any asserted Tax liability that adversely affects the computation of any material item of income, expense, deduction, taxable income, credit, or Tax liability for any taxable period after the Closing Date without the prior written consent of the Purchaser, which consent shall not be unreasonably withheld or delayed. If the Sellers elect not to direct the Tax Contest, the Purchaser or the Company may assume control of such Tax Contest (at the Purchaser's own expense). However, in such case, neither the Purchaser nor the Company may settle or compromise any asserted Tax liability for which indemnification is to be sought under this paragraph (c) of this section or which would give rise to any other claim of indemnification without prior written consent of the Seller Representative; *provided, however*, that consent to settlement or compromise shall not be unreasonably withheld or delayed.

(iv) The Purchaser and the Sellers agree to cooperate, and the Purchaser agrees to cause the Company to cooperate, in the defense against or compromise of any claim in any Tax Contest.

(d) Tax Returns.

(i) Purchaser, at its sole cost and expense, shall prepare, or cause to be prepared, on a basis consistent with past tax accounting practices all Tax Returns of the Company for all Tax periods ending on or prior to the Effective Time, and shall provide, or cause to be provided, to the Seller Representative a substantially final draft of each such Tax Return at least thirty (30) calendar days prior to the due date, giving effect to extensions thereto, for filing such Tax Return, for

review and filing by the Purchaser. The Seller Representative shall notify Purchaser within ten (10) calendar days of the receipt of such draft Tax Return of any reasonable objections the Seller Representative may have to any items set forth in such draft Tax Return, and the Seller Representative and the Purchaser agree to consult and resolve in good faith any such objection and to mutually consent to the filing of such Tax Return. The Purchaser shall timely file, or cause to be timely filed, all such Tax Returns, and timely pay, or cause to be paid, when due, all Taxes shown due on such returns. One Business Day prior to the date on which such Tax Returns are filed, the Sellers shall pay the amount of Taxes shown due on such returns, but reduced by any Taxes that have been accrued as a liability that has been included in the computation of Net Working Capital of the Company as of the Effective Time, to the Purchaser or a Person designated by the Purchaser.

(ii) The Purchaser shall timely prepare and file, or cause to be timely prepared on a basis consistent with past tax accounting practices (as it pertains to Straddle Periods) and filed, all Tax Returns of the Company for all Tax periods ending after the Effective Time (including Straddle Periods), and timely pay, or cause to be paid, when due, all Taxes shown due on such returns. The Purchaser shall provide, or cause to be provided, to the Seller Representative a substantially final draft of each such Tax Return, but only such Tax Returns that include a Straddle Period, with respect to which the Sellers may be responsible for the payment of any Tax at least 30 calendar days prior to the due date, giving effect to extensions thereto, for filing such Tax Return, for review by the Seller Representative. The Seller Representative shall notify the Purchaser within ten (10) calendar days of receipt of such Tax Return of any reasonable objections the Seller Representative may have to any items set forth in such draft Tax Return, and the Purchaser and the Seller Representative agree to consult and resolve in good faith any such objection and to mutually consent to the filing of such Tax Return. One Business Day prior to the date on which such Tax Returns are filed, the Sellers shall pay to the Purchaser the amount of Taxes for which the Sellers are responsible under paragraph (b) of this section, but reduced by any Taxes that have been accrued as a liability that has been included in the computation of Net Working Capital of the Company as of the Effective Time.

(iii) Neither the Purchaser nor the Company nor any of the subsidiaries of the Company shall file any amended Tax Return for any period that ends on or before the Closing Date without the prior written consent of the Sellers (not to be unreasonably withheld or delayed), except as required under applicable Legal Requirements and after the receipt by Sellers Representative of a copy of such Tax Return at least 30 days in advance of such filing.

(e) Refunds. Any refunds, rebates, credits or overpayments of Taxes of the Company or any of the subsidiaries of the Company for any taxable period ending on or before the Effective Time shall be for the account of the Sellers. Any refunds, rebates, credits or overpayments of the Company or any subsidiaries of the Company for any taxable period beginning after the Effective Time shall be for the account of the Purchaser. Any refunds,

rebates, credits or overpayments of Taxes of the Company or any of their subsidiaries for a Straddle Period shall be equitably apportioned between the Sellers and the Purchaser applying the rules and regulations of the Governmental Body applicable to such Tax Return.

(f) Cooperation. After the Closing, the Purchaser and the Sellers shall promptly make available or cause to be made available to the other, as reasonably requested, and to any taxing authority, all information, records or documents relating to Tax liabilities and potential Tax liabilities relating to the Company for all periods prior to or including the Closing Date and shall not destroy any such information, records and documents without the permission of the Purchaser. Sellers shall prepare and provide to the Purchaser any Tax information packages reasonably requested by Purchaser for the Purchaser's use in preparing the Company's Tax Returns, or alternatively, will provide reasonable access to the books and records containing such information. Such Tax information packages shall be completed by the Sellers and provided to Purchaser, or such reasonable access shall be provided, within sixty (60) calendar days after the request therefor. Each Party shall bear its own expenses in complying with the foregoing provisions.

5.3. Restrictive Covenants.

In consideration for the Noncompete Payment paid by the Purchaser to each of the Sellers and the Management Owners at Closing, the Sellers and the Management Owners agree as follows:

(a) Commencing on the date of this Agreement, and ending on the fourth (4^{th}) anniversary of the Closing, the Sellers and the Management Owners will treat and hold as confidential all of the Confidential Information of the Business, the Company, and the terms and conditions contained in this Agreement and in respect to the Contemplated Transactions, refrain from using any of the Confidential Information of the Business and of the Company, and deliver promptly to the Purchaser or destroy, at the request and option of the Purchaser, all tangible embodiments (and all copies) of the Confidential Information of the Business and of the Company which are in his or its possession. In the event that any Seller or Management Owner is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information of the Business or of the Company, or the terms and conditions contained in this Agreement and in respect to the Contemplated Transactions, such Seller or Management Owner will notify the Purchaser promptly of the request or requirement so that the Purchaser may seek an appropriate protective order or waive compliance with the provisions of this Section 5.3. If, in the absence of a protective order or the receipt of a waiver hereunder, such Seller or Management Owner is, on the advice of counsel, compelled to disclose any Confidential Information of the Business or of the Company, or the terms and conditions contained in this Agreement and in respect to the Contemplated Transactions, to any tribunal or else stand liable for contempt, such Seller or Management Owner may disclose the Confidential Information of the Business or of the Company, or the terms and conditions contained in this Agreement and in respect to the Contemplated Transactions, as the case may be, to the tribunal; *provided, however,* that such Seller or Management Owner shall use its or his reasonable efforts to obtain, at the reasonable request of the Purchaser and at the sole expense of the Purchaser, an order or other assurance that confidential treatment will be accorded to such portion of the

Confidential Information of the Business or of the Company, or the terms and conditions contained in this Agreement and in respect to the Contemplated Transactions, as the case may be, required to be disclosed as the Purchaser shall designate.

(b) As a condition of the Purchaser entering into this Agreement, each of the Sellers and the Management Owners expressly covenants and agrees that for a period of four (4) years from and after the Closing Date within the Territory, each Seller and Management Owner will not, either directly or indirectly, on its or his own behalf, or in the service or on behalf of others, engage in or provide managerial, supervisory, sales, marketing, or consulting services or own (other than ownership of less than one percent of the outstanding voting securities of an entity whose voting securities are traded on a national securities exchange or quoted on the National Association of Securities Dealers, Inc. Automated Quotation System, and other than ownership of any voting securities of the Purchaser) a beneficial interest in, any Person which is engaged in, or is competitive with, the Business; *provided, however,* that the foregoing (i) shall not prevent Evan Hackel from providing services to any mortgage banking cooperative or serving on the board of directors of a mortgage banking cooperative (provided such services do not entail creating, forming, or managing any mortgage banking cooperative), or (ii) shall not prevent any Financial Investor from providing purchasing support services, real estate mortgage origination services, and other ancillary services, to the members of a mortgage banking cooperative, but only if such Financial Investor was providing such services prior to the Effective Time.

(c) For a period of four (4) years from and after the Closing Date, each of the Sellers and the Management Owners will not, directly or indirectly, for itself, himself or for any other Person, solicit any of the customers, vendors, or preferred investors of the Company, who were customers, vendors, or preferred investors of the Company as of the Closing Date, for the purpose of competing with the Purchaser or the Company in the Business in the Territory; *provided, however,* that the foregoing (i) shall not prevent Evan Hackel from providing services to any mortgage banking cooperative or serving on the board of directors of a mortgage banking cooperative (provided such services do not entail creating, forming, or managing any mortgage banking cooperative), or (ii) shall not prevent any Financial Investor from providing purchasing support services, real estate mortgage origination services, and other ancillary services, to the members of a mortgage banking cooperative, but only if such Financial Investor was providing such services prior to the Effective Time.

(d) For a period of four (4) years from and after the Closing Date, each of the Sellers and the Management Owners will not, directly or indirectly, for itself, himself or for any other Person, solicit any of the Cooperative Members, or any customers, vendors or preferred investors of the Cooperative, who were Cooperative Members, or customers, vendors or preferred investors of the Cooperative as of the Closing Date, for the purpose of competing with the Purchaser or the Company in the Business in the Territory; *provided, however,* that the foregoing (i) shall not prevent Evan Hackel from providing services to any mortgage banking cooperative or serving on the board of directors of a mortgage banking cooperative (provided such services do not entail creating, forming, or managing any mortgage banking cooperative), or (ii) shall not prevent any Financial Investor from providing purchasing support services, real estate mortgage origination services, and other ancillary services, to the members of a mortgage banking cooperative, but only if such Financial Investor was providing such services prior to the

Effective Time.

(e) For a period of four (4) years from and after the Closing Date, each of the Sellers and the Management Owners will not, directly or indirectly, for itself, himself, or for any other Person, solicit, attempt to employ or enter into any contractual employment arrangement with any employee or independent contractor of the Company, who is an employee or independent contractor of the Company as of the Closing Date (other than employees terminated by the Company), for the purpose of competing with the Purchaser or the Company in the Business in the Territory; *provided, however,* that the foregoing (i) shall not prevent Evan Hackel from providing services to any mortgage banking cooperative or serving on the board of directors of a mortgage banking cooperative (provided such services do not entail creating, forming, or managing any mortgage banking cooperative), or (ii) shall not prevent any Financial Investor from providing purchasing support services, real estate mortgage origination services, and other ancillary services, to the members of a mortgage banking cooperative, but only if such Financial Investor was providing such services prior to the Effective Time.

(f) Each Seller and Management Owner acknowledges that each Seller's and Management Owner's agreement to the restrictive covenants contained in this Section 5.3 was a condition of the Purchaser entering into this Agreement. Each Seller and Management Owner also acknowledges that the covenants contained in this Section 5.3 are reasonable in scope and duration. If any covenant in this Section 5.3 is held to be unreasonable, arbitrary, or against public policy, such covenant will be considered to be divisible with respect to scope, time, and geographic area, and such lesser scope, time or geographic area, or all of them, as a court of competent jurisdiction may determine to be reasonable, not arbitrary, and not against public policy, will be effective, binding, and enforceable against the Parties. Each Seller and Management Owner agrees and acknowledges that money damages may not be an adequate remedy for any breach of the provisions of this Section 5.3 and that the Purchaser may in its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive relief in order to enforce or prevent any violations of the provisions of this Section 5.3. Each Seller and Management Owner hereby waives any requirement that the Purchaser post a bond or other security as a condition to receiving injunctive relief hereunder.

(g) Notwithstanding anything contained herein to the contrary, for purposes of this Section 5.3, nothing shall prohibit: (i) Paramount Bond & Mortgage Co., Inc. from providing retail mortgage origination services; and (ii) Thomas Stern providing commercial real estate services; and (iii) the Management Owners from becoming employees of any of the Gershman family companies as long as there is no violation of the restrictive covenants set forth in Section 5.3.

5.4. Audited Financial Statements.

From and after the Closing, the Sellers shall, at the sole expense of the Purchaser, provide any reasonable assistance requested by the Purchaser to enable to the Purchaser to prepare, and file with the SEC no later than the seventy-fifth (75th) day following the Closing, audited financial statements of the Company for the periods ending December 31, 2009, and December 31, 2008 (the **"Audited Financial Statements"**). The cost of obtaining the Audited Financial Statements shall be at the sole cost and expense of the Purchaser and shall not be

charged to Sellers or the Company.

5.5. Access to Books and Records.

(a) From and after the Closing, Purchaser shall, and shall cause the Company to provide Seller Representative, Sellers and their authorized representatives with reasonable access (for the purpose of examining and copying), during normal business hours, the books and records of the Company to the extent relating to periods prior to the Effective Time, in connection with any Seller Tax filings, or for the purposes of defending any claim brought by any Person involving the Sellers or pursuant to this Agreement or for any other reasonable purpose. Unless otherwise consented to in writing by Seller Representative, Purchaser shall not permit the Company for a period of seven (7) years following the Closing Date, to destroy, alter or otherwise dispose of any books and records of the Company, relating to periods prior to the Effective Time without first giving reasonable prior written notice to Seller Representative and offering to surrender to Seller Representative such books and records or such portions thereof.

(b) Within five (5) Business Days following the Closing Date, the Management Owners shall provide to the Purchaser copies of (i) all declarations sheets with respect to the policies of insurance to which the Company has been a party or under which the Company has been covered since January 1, 2006, and (ii) those Contracts set forth on Schedule 3.11(a) which are designated to be delivered to the Purchaser following the Closing.

5.6. PIA Payments.

(a) In the event that the Company shall enter into a PIA on or before the six (6) month anniversary of the Closing Date, each of the Management Owners, collectively, may be entitled to receive additional contingent payments (collectively, the **"PIA Payments"**) in the manner described in this Section 5.6. It is acknowledged and agreed that for any period commencing after the Measurement Period ending on the third (3rd) anniversary of the date of the PIA, no new PIA Payments shall commence accruing or be payable.

(b) The PIA Payments shall be calculated as follows:

(i) As further described in this Section 5.6, following the end of each Measurement Period, the Purchaser shall calculate (x) the EBITDA of the Company during such Measurement Period, and (y) the Net Revenues during such Measurement Period.

(ii) Subject to the limitations contained in Section 5.6(b)(iii) below, with respect to each respective Measurement Period, in the event that the EBITDA of the Company equals an amount set forth in the left-hand column of the chart attached hereto as Exhibit A, then each of the Management Owners, collectively, shall be entitled to a PIA Payment equal to the amount set forth in the corresponding row in the right-hand column of the chart attached hereto as Exhibit A.

(iii) Notwithstanding the provisions of Section 5.6(b)(ii) above, in the event that (x) any one of Scott M. Stern, Timothy C. Stern, or Barry O. Sandweiss is not a full-time employee of the Purchaser, the Company, or any of their Affiliates or is under notice of resignation, as of the last day of the applicable Measurement Period, then the PIA Payment otherwise payable pursuant to Section 5.6(b)(ii) above shall be multiplied by 0.67, (y) any two of Scott M. Stern, Timothy C. Stern, or Barry O. Sandweiss is not a full-time employee of the Purchaser, the Company, or any of their Affiliates or is under notice of resignation, as of the last day of the applicable Measurement Period, then the PIA Payment otherwise payable pursuant to Section 5.6(b)(ii) above shall be multiplied by 0.33, and (z) each of Scott M. Stern, Timothy C. Stern, and Barry O. Sandweiss is not a full-time employee of the Purchaser, the Company, or any of their Affiliates or is under notice of resignation, as of the last day of the applicable Measurement Period, then no PIA Payment shall be payable hereunder; *provided, however,* that the provisions of this Section 5.6(b)(ii) shall not apply if the employment of any such Management Owner is terminated without cause (as such term is defined in the applicable Employment Agreement), Purchaser or such other employer is in material breach of such respective Employment Agreement (as determined by a court of competent jurisdiction evidenced by a final non-appealable judgment), or due to the death or disability (as such term is defined in the applicable Employment Agreement) of such Management Owner.

(c) Any amount or calculation to be made in connection with the PIA Payments shall be determined or made in accordance with GAAP. All accounting entries will be made regardless of their amount and all detected errors and omissions will be corrected regardless of their materiality.

(d) Within thirty (30) days following the last day of the calendar month in which the end of each applicable Measurement Period occurs, the Purchaser shall, at its expense, conduct a financial review of the Company, and in connection with such review, shall prepare a statement of the EBITDA of the Company during such Measurement Period, and the Net Revenues during such Measurement Period, and if applicable, a statement calculating the PIA Payment payable with respect to such Measurement Period (the **"PIA Statement"**). Promptly after completion of the review and the preparation of the PIA Statement (but in no event later than thirty (30) days following the last day of the calendar month in which the end of the applicable Measurement Period occurs), the Purchaser shall deliver to the Seller Representative a copy of such PIA Statement, together with copies of such computations and all reasonable supporting documentation. During the thirty (30) days immediately following receipt of the PIA Statement by the Seller Representative, the Seller Representative and its accountants shall be entitled to review the PIA Statement and any working papers, trial balances and similar materials relating to the PIA Statement prepared by the Purchaser or its accountants, and the Purchaser shall provide the Seller Representative and its accountants with reasonable access, during the Purchaser's normal business hours, to the Purchaser's personnel, properties, books and records for the sole purpose of verifying the PIA Statement.

(e) The PIA Statement shall become final and binding upon the Parties on the first (1st) day following written notice from the Seller Representative that the PIA Statement is

agreed to, or in the absence of such notice, on the thirty-first (31st) day following delivery of such PIA Statement, unless the Seller Representative gives written notice to the Purchaser of its disagreement with the PIA Statement (a **"Notice of Disagreement with PIA Statement"**) prior to such date. Any Notice of Disagreement with PIA Statement shall specify in reasonable detail the nature of any disagreement so asserted.

(f) If a timely Notice of Disagreement with PIA Statement is received by the Purchaser with respect to the PIA Statement, then the PIA Statement shall become final and binding upon the Parties on the earlier of (i) the date the Purchaser and the Seller Representative resolve in writing all differences they have with respect to the matters specified in a Notice of Disagreement with PIA Statement, or (ii) the date the matters in dispute are finally resolved in writing by the Arbitrator in the manner described in Section 5.6(g) below.

(g) During the thirty (30) days immediately following the delivery of any Notice of Disagreement with PIA Statement, the Purchaser and the Seller Representative shall seek in good faith to resolve in writing any differences which they may have with respect to the matters specified in such Notice of Disagreement with PIA Statement. If such differences have not been resolved by the end of such thirty (30)-day period, the Purchaser and the Seller Representative shall submit to the Arbitrator for review and resolution any and all matters which remain in dispute and which were included in any Notice of Disagreement with PIA Statement, and the Arbitrator shall reach a final, binding resolution of all matters which remain in dispute within sixty (60) days after such dispute is referred to the Arbitrator. The Sellers on the one hand, and the Purchaser on the other hand, shall bear all costs and expenses incurred by him or it in connection with such arbitration, except that the fees and expenses of the Arbitrator hereunder shall be borne by the Sellers and the Purchaser in such proportion as the Arbitrator shall determine based on the relative merit of the position of the Parties. This provision for arbitration shall be specifically enforceable by the Parties and the decision of the Arbitrator in accordance with the provisions hereof shall be final and binding with respect to the matters so arbitrated and there shall be no right of appeal therefrom.

(h) If a PIA Payment is payable with respect to the applicable Measurement Period, the Purchaser shall pay such PIA Payment to the Management Owners, subject to adjustment in Section 5.6(b)(iii), pro-rata based on the percentages set forth on Schedule 5.6(h) hereto, on the fifth (5th) Business Day following the Seller Representative's agreement to, or final resolution of, the PIA Statement.

5.7. Titleserv Proceeding.

(a) In the event the Company shall not enter into the Titleserv Settlement on or before the sixtieth (60th) day following the Closing Date, then each of the Management Trusts and the Management Owners, jointly and severally, shall (i) on the first (1st) Business Day following the sixtieth (60th) day following the Closing Date, pay to the Purchaser Fifty Thousand Dollars ($50,000.00), and (ii) on the fifteenth (15th) day of each calendar month following the payment in clause (i) above, for a period of fourteen (14) consecutive months, pay to the Purchaser Twelve Thousand Five Hundred Dollars ($12,500.00); it being acknowledged that if payments are due pursuant to this Section 5.7, then the aggregate payments to the Purchaser by the Management Trusts and the Management Owners shall equal Two Hundred Twenty Five

Thousand Dollars ($225,000.00).

(b) In the event the Company shall enter into the Titleserv Settlement on or before the sixtieth (60th) day following the Closing Date, but the aggregate payments contemplated by the Titleserv Settlement shall be less than Two Hundred Twenty Five Thousand Dollars ($225,000.00), then each of the Management Trusts and the Management Owners, jointly and severally, shall on the fifth (5th) Business Day following the date of the Titleserv Settlement, pay the Purchaser the difference between (x) Two Hundred Twenty Five Thousand Dollars ($225,000.00), less (y) the aggregate payments contemplated by the Titleserv Settlement.

6. CONDITIONS PRECEDENT TO THE PURCHASER'S OBLIGATION TO CLOSE

The Purchaser's obligation to effect the Closing and to take the other actions required to be taken by the Purchaser at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by the Purchaser in writing, in whole or in part):

6.1. Accuracy of Representations; Performance of the Sellers and the Management Owners.

(a) The representations and warranties of the Sellers and the Management Owners in this Agreement must have been accurate in all respects as of the date of this Agreement.

(b) The covenants and obligations that the Sellers and the Management Owners are required to perform or to comply with pursuant to this Agreement at or prior to the Closing must have been duly performed and complied with in all material respects.

(c) The Sellers and the Management Owners must have delivered each of the following additional executed documents:

(i) certificates, in form suitable for transfer, registered in the name of the Sellers, evidencing the Shares, endorsed in blank, and with all necessary transfer tax stamps attached thereto;

(ii) such instruments and documents as may be reasonably requested by the Purchaser in order to complete the transfer of the Shares, including, without limitation, stock powers, powers of attorney, and assignment and assumption agreements, each in form and substance satisfactory to the Purchaser (collectively, the **"Conveyancing Documents"**);

(iii) resignations of each of the managers and officers of the Company, in form and substance satisfactory to the Purchaser;

(iv) a certificate executed by each of the Sellers and the Management Owners representing and warranting to the Purchaser that each of the representations and warranties of the Sellers and the Management Owners in this Agreement was accurate in all respects as of the date of this Agreement;

(v) with respect to each Seller who is not a natural person other than a trust, a certificate of the Secretary of such Person as to the incumbency of its officers, a copy of a certificate evidencing the incorporation and good standing of such Person, and a copy of the resolutions adopted by the board of directors, board of managers, trustees, and the equity interestholders, of such Person with respect to the Contemplated Transactions, and with respect to each Seller who is a trust, a certificate of the trustee of such trust as to the authority of such trustee to act on behalf of such trust with respect to the Contemplated Transactions, and containing a copy of the trust agreement evidencing the same;

(vi) an affidavit of each Seller, as provided in Section 1445(b)(2) of the IRC, stating under penalties of perjury that such Seller is not a foreign person within the meaning of Section 1445(f)(3) of the IRC;

(vii) the Indemnity Escrow Agreement, executed by each Seller and the Escrow Agent;

(viii) the Put Escrow Agreement, executed by each of the Management Trusts and the Escrow Agent;

(ix) the Rights Agreement, executed by each Seller receiving the Stock Payment at Closing;

(x) the Put Option Agreement, executed by each of the Management Trusts;

(xi) the Put Security Agreement, executed by each of the Company and Scott M. Stern, as collateral agent;

(xii) the Put Pledge Agreement, executed by each of the Company and Scott M. Stern, as collateral agent;

(xiii) Employment Agreements, executed by each of Scott M. Stern, Timothy C. Stern, and Barry O. Sandweiss, respectively;

(xiv) a Release Agreement, executed by the Company, each Seller and each Management Owner;

(xv) the Collateral Agency Agreement, executed by each of the Management Trusts and Scott M. Stern, as collateral agent; and

(xvi) the Funds Flow and Settlement Statement, executed by the Sellers and the Management Owners.

(d) The Required Approvals shall have been obtained.

(e) The Company and/or the Sellers shall have paid in full all outstanding Indebtedness of the Company.

(f) The Sellers shall have delivered to the Purchaser evidence reasonably satisfactory to the Purchaser of the termination of all Equity Rights and the release of all Liability with respect to the Equity Rights.

(g) The Sellers shall have delivered to the Purchaser evidence reasonably satisfactory to the Purchaser of the termination all Company Qualified Plans effective prior to the Closing Date, including the adoption of plan amendments and appropriate resolutions by the board of managers of the Company.

(h) The Sellers shall have delivered to the Purchaser evidence reasonably satisfactory to the Purchaser that each of those certain preferred investor agreements between the Company on the one hand, and those third parties set forth on Schedule 6.1(h) on the other hand, have been renewed and have terms which extend at least twelve (12) months following the date of such renewal in 2010.

6.2. Release of Security Interests.

Subject to certain permitted obligations set forth in this Agreement, the Sellers shall have satisfied, and shall have caused the Company to satisfy, all obligations owed to its respective creditors necessary to release all Security Interests on the assets of the Company and on the Shares, and otherwise permit the Purchaser to obtain clear title to, the Shares and the assets of the Company or, at the Purchaser's option, shall have obtained payoff letters and releases from such creditors, in form and substance satisfactory to the Purchaser, which contain payoff and release information with respect to the satisfaction such obligations and the release of all such Security Interests, and provided such payoff letters to the Purchaser.

6.3. Additional Documents.

Each of the following documents shall have been delivered to the Purchaser:

(a) all transfer ledgers and minute books of the Company; and

(b) such other documents as the Purchaser may reasonably request for the purpose of (i) evidencing the accuracy of the representations and warranties of the Sellers and the Management Owners, (ii) evidencing the performance by the Sellers and the Management Owners of, or the compliance by the Sellers and the Management Owners with, any covenant or obligation required to be performed or complied with by the Sellers and the Management Owners, (iii) evidencing the satisfaction of any condition referred to in this Section 6, or (iv) otherwise facilitating the consummation or performance of any of the Contemplated Transactions.

7. CONDITIONS PRECEDENT TO THE SELLERS' AND THE MANAGEMENT OWNERS' OBLIGATION TO CLOSE

The Sellers' and the Management Owners' obligation to effect the Closing and to take the other actions required to be taken by the Sellers and the Management Owners at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by the Seller Representative in writing, in whole or in part):

7.1. Accuracy of Representations; the Purchaser's Performance.

(a) The Purchaser's representations and warranties in this Agreement must have been accurate in all respects as of the date of this Agreement.

(b) The covenants and obligations that the Purchaser is required to perform or to comply with pursuant to this Agreement at or prior to the Closing must have been performed and complied with in all material respects.

(c) The Purchaser must have delivered each of the following additional executed documents:

(i) the Indemnity Escrow Agreement, executed by the Purchaser;

(ii) the Put Escrow Agreement, executed by the Purchaser;

(iii) the Rights Agreement, executed by the Purchaser;

(iv) the Put Option Agreement, executed by the Purchaser;

(v) the Put Pledge Agreement, executed by the Purchaser;

(vi) the Employment Agreements, executed by Altisource Solutions, Inc. and the Purchaser;

(vii) the Funds Flow and Settlement Statement, executed by the Purchaser;

(viii) the Conveyancing Documents, executed by the Purchaser, to the extent a party thereto;

(ix) a certificate executed by the Purchaser representing and warranting to the Sellers and the Management Owners that each of the Purchaser's representations and warranties in this Agreement was accurate in all respects as of the date of this Agreement; and

(x) a certificate of an officer of the Purchaser as to the incumbency of its officers, a copy of a certificate evidencing the incorporation and good standing of the Purchaser, and a copy of the resolutions adopted by the board of directors of the Purchaser with respect to the transactions contemplated by this Agreement.

(d) The Required Approvals shall have been obtained.

7.2. Additional Documents.

The Purchaser must have caused to be delivered to the Sellers and the Management Owners such other documents as the Sellers and the Management Owners may reasonably request for the purpose of (i) evidencing the accuracy of any representation or warranty of the Purchaser, (ii) evidencing the performance by the Purchaser of, or the

compliance by the Purchaser with, any covenant or obligation required to be performed or complied with by the Purchaser, (iii) evidencing the satisfaction of any condition referred to in this Section 7, or (iv) otherwise facilitating the consummation of any of the Contemplated Transactions.

8. INDEMNIFICATION; REMEDIES

8.1. Survival.

All representations, warranties, covenants, rights, and obligations in this Agreement, the Disclosure Schedule, the certificates delivered pursuant to Section 6.1(c)(iv) and Section 7.1(c)(ix), and any other certificate or document delivered pursuant to this Agreement will survive the Closing, subject to the limitations described in this Section 8. The right to indemnification, payment of Damages or other remedy based on such representations, warranties, covenants, and obligations will not be affected by any investigation conducted with respect to, or any Knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or obligation. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, payment of Damages, or other remedy based on such representations, warranties, covenants, and obligations.

8.2. Indemnification and Payment of Damages by the Sellers and the Management Owners.

After the Closing, subject to the limitations set forth in this Section 8, each of the Management Trusts and each of the Management Owners, jointly and severally, and each of the Financial Investors, severally and not jointly and limited to the amount of the Purchase Price received by such Financial Investor, shall indemnify and hold harmless the Purchaser and its Representatives, shareholders, controlling persons, and Affiliates (collectively, the "**Purchaser Indemnified Persons**") for, and will pay to the Purchaser Indemnified Persons the amount of, any loss, Liability, claim, damage (including, but only with respect to claims asserted by and paid to a third party, incidental, consequential, and punitive damages and diminution of value), expense (including costs of investigation and defense and reasonable attorneys' and experts' fees and disbursements), whether or not involving a third-party claim (collectively, "**Damages**"), to the extent resulting from: (i) any breach of any representation or warranty made by the Sellers and the Management Owners in Section 3 of this Agreement, the Disclosure Schedule, or in the Transaction Documents delivered by the Sellers and the Management Owners pursuant to this Agreement; (ii) any breach by the Sellers or the Management Owners of any covenant or obligation of the Sellers or the Management Owners in this Agreement; (iii) any Liability of the Company with respect to any Proceeding relating to circumstances, occurrences, events, acts, or omissions occurring prior to the Effective Time, whether or not such Proceeding was commenced before, at, or after the Effective Time, and including, without limitation, the Titleserv Proceeding and those other Proceedings set forth on Schedule 3.8; (iv) any amount or Liability which would have been reflected on the Financial Statements, had such Financial Statements been prepared in accordance with GAAP; (v) any fact, circumstance, or Liability

which would have been included on the Disclosure Schedules, had all references to "Knowledge", "Knowledge of the Management Owners", or words of similar import, been eliminated from Section 3.5 [Taxes] herein; (vi) any fact, circumstance, or Liability which would have been included on the Disclosure Schedules, had all references to "Knowledge", "Knowledge of the Management Owners", or words of similar import, been eliminated from Section 3.6 [Employee Benefits] herein; (vii) any failure of Titleserv, Inc. to pay any amounts due or owing to the Company in accordance with the terms of the Titleserv Settlement; or (viii) the failure or inability of the Company to resolve, settle, or dismiss the matters in dispute pursuant to the Titleserv Proceeding on or prior to the sixtieth (60th) day following the Closing Date.

8.3. Indemnification and Payment of Damages by the Purchaser.

After the Closing, subject to the limitations set forth in this Section 8, the Purchaser will indemnify and hold harmless the Sellers and the Management Owners, and their respective Representatives, members, controlling persons, and Affiliates (collectively, the **"Seller Indemnified Persons"**) and will pay to the Seller Indemnified Persons the amount of any Damages arising out of or otherwise by virtue of: (i) any breach of any representation or warranty made by the Purchaser in Section 4 of this Agreement or in the Transaction Documents delivered by the Purchaser pursuant to this Agreement; or (ii) any breach by the Purchaser of any covenant or obligation of the Purchaser in this Agreement or the Transaction Documents.

8.4. Time Limitations.

(a) If the Closing occurs, the Sellers and the Management Owners will not have any liability (for indemnification or otherwise) with respect to the Operational Representations or the indemnification set forth in Section 8.2(iv) herein, unless on or before the twenty-four (24)-month anniversary of the Closing Date, the Purchaser notifies the Sellers and the Management Owners of a claim specifying the factual basis of that claim in reasonable detail to the extent then known by the Purchaser. A claim with respect to any Ultra-Fundamental Representation, Fundamental Representation, or a claim for indemnification or reimbursement based upon any other provision of this Agreement other than the Operational Representations, or any covenant or obligation to be performed and complied by the Sellers or the Management Owners, may be made at any time, subject to the applicable statute of limitations. A claim with respect to any of the representations or warranties of the Purchaser, or a claim for indemnification or reimbursement based upon any other provision of this Agreement, or any covenant or obligation to be performed and complied by the Purchaser, may be made at any time, subject to the applicable statute of limitations.

(b) No claim for indemnification hereunder for breach of any representation, warranty or covenant may be made after the expiration of the survival period applicable to such representation, warranty or covenant; provided, that any representation, warranty, or covenant in respect of which indemnity may be sought under Section 8.2 or under Section 8.3, and the indemnity with respect thereto, shall survive the time at which it would otherwise terminate pursuant to Section 8.4(a) if reasonably detailed written notice of the breach or potential breach thereof giving rise to such right or potential right of indemnity shall have been given to the Person against whom such indemnity may be sought prior to such time.

8.5. Limitations on Amount — the Sellers and the Management Owners.

(a) The Sellers and the Management Owners shall have no liability for Damages with respect to any claim for indemnification or reimbursement based on a breach of any Operational Representations or with respect to the indemnification set forth in Section 8.2(iv) herein unless and until the cumulative aggregate amount of all Damages which are otherwise recoverable by the Purchaser Indemnified Persons as a result of breaches of the Operational Representations or with respect to the indemnification set forth in Section 8.2(iv) herein, taken collectively, equals or exceeds One Hundred Fifty Thousand Dollars ($150,000.00) (the "**Basket**"), in which case the Sellers and the Management Owners shall be liable for only those Damages in excess of the Basket.

(b) The Sellers' and the Management Owners' maximum liability for Damages with respect to a claim for indemnification or reimbursement based upon a breach of the Operational Representations or with respect to the indemnification set forth in Section 8.2(iv) herein shall be limited to and shall not exceed, and shall be satisfied solely from, the General Escrow Amount. The Sellers' and the Management Owners' maximum liability for Damages with respect to a claim for indemnification or reimbursement based upon a breach of the Fundamental Representations, or with respect to the indemnification set forth in Section 8.2(v) and Section 8.2(vi) herein, shall be limited to and shall not exceed fifty percent (50%) of the Total Consideration. The Sellers' and the Management Owners' maximum liability for Damages with respect to a claim for indemnification or reimbursement based upon a breach of the Ultra-Fundamental Representations, or a claim for indemnification or reimbursement based upon any other provision of this Agreement other than the Operational Representations or the Fundamental Representations, or any covenant or obligation to be performed and complied by the Sellers and the Management Owners, shall be limited to and shall not exceed the Total Consideration. Notwithstanding anything contained herein to the contrary, the Parties acknowledge and agree that (i) no Financial Investor shall be liable for any amounts under this Agreement which exceed that portion of the Purchase Price paid to such Financial Investor, and (ii) the aggregate liability of the Sellers and the Management Owners to the Purchaser under this Agreement shall not exceed the Total Consideration.

8.6. Limitations on Amount —the Purchaser.

The Purchaser's maximum liability for Damages with respect to a claim for indemnification or reimbursement based on a breach of this Agreement shall be limited to and shall not exceed, in the aggregate, the Total Consideration.

8.7. Indemnity Escrow Agreement.

As security for the indemnification obligations of the Sellers and the Management Owners under this Agreement, the Purchaser, the Sellers, and the Escrow Agent shall enter into the Indemnity Escrow Agreement as of the Closing Date, which shall be funded with (i) **Three Hundred Fourteen Thousand, One Hundred And Thirty-Five (314,135)** shares of common stock at Closing, and (ii) such amount of shares of common stock of Purchaser payable by Sellers within two (2) days after Closing in order for the total number of shares in escrow valued at $16.84 per share to equal 10% of the final Purchase Price, determined in accordance with

GAAP (collectively, the **"General Escrow Amount"**). The amounts held in the Indemnity Escrow Agreement shall be held for a period of twenty four (24) months; *provided, however,* that (i) fifty percent (50%) of the General Escrow Amount, less the amount of any claims for Damages asserted by the Purchaser in excess of the Basket (if applicable), shall be released to the Sellers on the twelve (12) month anniversary of the Closing Date, and (ii) upon the expiration of such twenty four (24) month anniversary of the Closing Date, an amount equal to the General Escrow Amount, less the amount of any claims for Damages asserted by the Purchaser in excess of the Basket (if applicable), shall be released to the Sellers. The unsatisfied claims for Damages asserted by the Purchaser in excess of the Basket (if applicable) prior to the date thereof shall remain in escrow pending resolution of such claims. For the purpose of calculating disbursements from the General Escrow Amount, the Parties acknowledge and agree that each share of common stock of the Purchaser shall have a value of Sixteen and 84/100 Dollars ($16.84), subject to adjustment for any change in the number of shares of common stock of the Purchaser due to stock split, stock dividend, or recapitalization. Amounts held under the Indemnity Escrow Agreement shall be the exclusive source of indemnification for breaches of any of the Operational Representations or with respect to the indemnification set forth in Section 8.2(iv) herein, but otherwise shall be a non-exclusive source of indemnification hereunder.

8.8. Right of Set-Off.

(a) Each Seller and Management Owner acknowledges that, in the event of a breach of the Ultra-Fundamental Representations, the Fundamental Representations, or the provisions of Section 5.3 [Restrictive Covenants] herein, the Purchaser shall have the right to set-off any money damages suffered by the Purchaser from any amounts otherwise payable by the Purchaser to the Sellers or the Management Owners pursuant to this Agreement, including, without limitation, any PIA Payment; *provided, however,* Purchaser shall not have any right to set-off against any proceeds to be received by a Management Owner under an applicable Employment Agreement.

(b) The Purchaser acknowledges that, in the event of a breach of its representations and warranties, or a claim for indemnification or reimbursement based upon any other provision of this Agreement, or any covenant or obligation to be performed and complied by the Purchaser, the Sellers and the Management Owners shall have the right to set-off any money damages suffered by the Sellers and the Management Owners from any amounts otherwise payable by the Sellers or the Management Owners to the Purchaser pursuant to this Agreement.

(c) In the event the Purchaser, any Seller, or any Management Owner elects to exercise its right of set-off pursuant to this Section 8.8, then amounts otherwise payable by a Party to such other Party shall be paid to the Escrow Agent pursuant to a written escrow agreement which requires any disbursement of such funds to be made by the Escrow Agent only pursuant to (i) a joint written direction by each applicable Party, or (ii) a final non-appealable judgment issued by a court of competent jurisdiction, or in the case of any action or proceeding relating to or arising out of any breach of the Operational Representations, by those arbitrators contemplated by Section 9.4(a) below.

8.9. Procedure for Indemnification — Third Party Claims.

(a) Promptly after receipt of notice of the commencement of any Proceeding against an indemnified party under Section 8.2 or Section 8.3, such indemnified party will, if a claim is to be made against an indemnifying party, give notice to the indemnifying party of the commencement of such claim, but the failure to notify the indemnifying party will not relieve the indemnifying party of any liability that it may have to any indemnified party, except to the extent that the indemnifying party demonstrates that the defense of such action is prejudiced by the indemnifying party's failure to give such notice.

(b) If any Proceeding referred to in Section 8.9(a) is brought against an indemnified party and it gives notice to the indemnifying party of the commencement of such Proceeding, the indemnifying party will, unless the claim involves Taxes, be entitled to participate in such Proceeding and, to the extent that it wishes (unless the indemnifying party is also a party to such Proceeding and the indemnified party determines in good faith that joint representation would be inappropriate), to assume the defense of such Proceeding with counsel reasonably satisfactory to the indemnified party and, after notice from the indemnifying party to the indemnified party of its election to assume the defense of such Proceeding, the indemnifying party will not, as long as it diligently conducts such defense, be liable to the indemnified party under this Section 8 for any fees of other counsel or any other expenses with respect to the defense of such Proceeding, in each case subsequently incurred by the indemnified party in connection with the defense of such Proceeding. If the indemnifying party assumes the defense of a Proceeding, (i) it will be conclusively established for purposes of this Agreement that the claims made in that Proceeding are within the scope of and subject to indemnification; (ii) no compromise or settlement of such claims may be effected by the indemnifying party without the indemnified party's consent unless (A) there is no finding or admission of any violation of Legal Requirements or any violation of the rights of any Person and no effect on any other claims that may be made against the indemnified party, and (B) the sole relief provided is monetary damages that are paid in full by the indemnifying party; and (iii) the indemnified party will have no liability with respect to any compromise or settlement of such claims effected without its consent. If notice is given to an indemnifying party of the commencement of any Proceeding and the indemnifying party does not, within ten business (10) days after the indemnified party's notice is given, give notice to the indemnified party of its election to assume the defense of such Proceeding, the indemnifying party will be bound by any determination made in such Proceeding or any compromise or settlement effected by the indemnified party provided such indemnified party acts in good faith in the assumption of such defense of such Proceeding.

(c) Notwithstanding the foregoing, if an indemnified party determines in good faith that there is a reasonable probability that a Proceeding may adversely affect it or its Affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the indemnified party may, by notice to the indemnifying party, assume the exclusive right to defend, compromise, or settle such Proceeding, but the indemnifying party will not be bound by any determination of a Proceeding so defended or any compromise or settlement effected without its consent (which may not be unreasonably withheld).

(d) The Parties hereby consent to the non-exclusive jurisdiction of any court in which a Proceeding is brought against any indemnified party for purposes of any claim that an indemnified party may have under this Agreement with respect to such Proceeding or the matters

alleged therein, and agree that process may be served on such Persons with respect to such a claim anywhere in the world.

8.10. Procedure for Indemnification — Other Claims.

A claim for indemnification for any matter not involving a third-party claim may be asserted by notice to the party from whom indemnification is sought.

8.11. Exclusive Remedy.

Notwithstanding anything contained in this Agreement to the contrary, after the Closing, other than with respect to an intentional misrepresentation or fraud, the indemnification provisions of this Section 8 shall constitute the sole and exclusive remedy of the Parties for any and all Damages or other claims relating to or arising from this Agreement. In no event shall any indemnified party be entitled to recover or make a claim for any amounts in respect of punitive damages, consequential damages, incidental damages or any other damages other than actual damages; *provided, however,* that pursuant to a claim asserted by and paid to a third-party, an indemnified party shall be entitled to recover or make a claim for those actual damages, punitive damages, consequential damages, incidental damages or any other damages asserted by and paid to such third party.

8.12. Determination of Damages Amount.

Notwithstanding any other provision set forth herein to the contrary, the amount of any indemnification payable under any of the provisions of this Agreement shall be net of any insurance proceeds or other recoveries from third parties actually paid to the indemnified Party by reason of the facts and circumstances giving rise to such indemnification. Notwithstanding anything herein to the contrary, (i) in no event shall the total recovery exceed the Damages incurred by the indemnified party, and (ii) in no event shall the Purchaser recover Damages from the Sellers or the Management Owners if such Damages were set forth on the face of the Closing Net Working Capital Statement, or were taken into account when preparing the Closing Net Working Capital Statement in accordance with GAAP.

9. GENERAL PROVISIONS

9.1. Expenses.

Except as otherwise expressly provided in this Agreement, each Party will bear its own expenses incurred in connection with the preparation, negotiation, execution, and performance of this Agreement and the Contemplated Transactions, including all fees and expenses of agents, representatives, counsel, and accountants (whether consummated or not).

9.2. Public Announcements.

No Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement or the Contemplated Transactions without the prior written approval of the other Party, except that either the Seller Representative or the Purchaser, upon prior written notice to the other, may make any public disclosure it believes in good faith is

required by applicable Legal Requirements, or in the case of the Purchaser, any listing or trading agreement concerning the publicly-traded securities of the Purchaser; provided, however, the Purchaser and the Seller Representative shall each have the right to review such press release, announcement or communication prior to its issuance, distribution or publication.

9.3. Notices.

All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by telecopier (with written confirmation of receipt), or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and telecopier numbers set forth below (or to such other addresses and telecopier numbers as a party may designate by notice to the other Parties):

If to the Sellers or the Management Owners:

Scott M. Stern,
as Seller Representative
801 Newcastle
St. Louis, Missouri 63132
Telephone: (314) 292-7935
Telecopier: (314) 567-4355

with a copy to:

Gallop, Johnson & Neuman, L.C.
Interco Corporate Tower
101 S. Hanley Road, Suite 1700
St. Louis, Missouri 63105
Attention: Robert H. Epstein, Esq. and Richard A. Yawitz, Esq.
Telephone: (314) 615-6000
Telecopier: (314) 615-6001

If to the Purchaser, to:

Altisource Portfolio Solutions S.A.
2 rue Jean Bertholet
L-1233 Luxembourg
Attention: William B. Shepro and Kevin J. Wilcox
Telephone: +(352) 2469-7902
Telecopier: +(352) 2744-9499

with a copy to:

Bryan Cave LLP
One Atlantic Center, Fourteenth Floor

1201 West Peachtree Street, N.E.
Atlanta, Georgia 30309-3488
Attention: Richard H. Miller, Esq. and Louis C. Spelios, Esq.
Telephone: (404) 572-6600
Telecopier: (404) 572-6999

9.4. Jurisdiction; Service of Process.

(a) Any action or proceeding relating to or arising out of any breach of the Operational Representations shall be settled by arbitration as hereinafter provided which shall be the sole and exclusive procedure for the resolution of any such dispute. Within ten (10) calendar days after receipt of written notice from the Purchaser on the one hand, or the Seller Representative on the other hand (each, a **"Submitting Person"**) that it is submitting the matter to arbitration, each Submitting Person shall designate in writing one arbitrator to resolve the dispute who shall, in turn, jointly select a third arbitrator within twenty (20) calendar days of their designation or if they fail to do so, with the third arbitrator to be selected as promptly as practicable in accordance with the procedure established by the American Arbitration Association at such time. The arbitrators so designated shall each be a lawyer experienced in commercial and business affairs who is not an employee, consultant, officer or director of any party or any Affiliate of any Party and who has not received any compensation, directly or indirectly, from any Party hereto or any Affiliate of any Party during the two (2) year period preceding the notice of arbitration. The arbitration shall be governed by the Commercial Arbitration Rules of the American Arbitration Association. The arbitrators shall have sole discretion with regard to the admissibility of evidence. The arbitration panel shall have the right to grant equitable relief in their discretion, and to award claims for specific performance. The right of each Submitting Person to move for preliminary injunction or other temporary relief before any court having jurisdiction to preserve its rights hereunder shall remain unaffected. The arbitrators shall use their best efforts to rule on each disputed issue within thirty (30) calendar days after the completion of the hearings. The determination of the arbitrators as to the resolution of any dispute shall be binding and conclusive upon all Parties hereto. All rulings of the arbitrators shall be in writing, with the reasons for the ruling given, and shall be delivered to the Parties hereto. Each Submitting Person shall pay the fees of its respective designated arbitrator and its own costs and expenses of the arbitration. The fees of the third arbitrator shall be paid fifty percent (50%) by each of the Submitting Persons. Any arbitration pursuant to this Section 9.4(a) shall be conducted in English in Wilmington, Delaware. Any arbitration award may be entered in and enforced by any court having jurisdiction thereof and the parties hereby consent and commit themselves to the jurisdiction of the courts of any competent jurisdiction for purposes of the enforcement of any arbitration award.

(b) Except as provided in Section 9.4(a) above, any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement shall be brought against any of the parties in the courts of the State of Delaware, or, if it has or can acquire jurisdiction, in the United States District Court for the District of Delaware, and each of the Parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any Party anywhere in the world. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND

ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

9.5. Further Assurances.

The Parties agree, without further compensation, (a) to furnish upon request to each other such further information, (b) to execute and deliver to each other such other documents, and (c) to do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement, the documents referred to in this Agreement, and the Contemplated Transactions.

9.6. Waiver.

The rights and remedies of the Parties are cumulative and not alternative. Neither the failure nor any delay by any Party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one Party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by each other Party; (b) no waiver that may be given by a Party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one Party will be deemed to be a waiver of any obligation of such Party or of the right of the Party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

9.7. Entire Agreement and Modification.

This Agreement supersedes all prior agreements between the Parties (except for confidentiality agreements or similar agreements executed with respect to the Contemplated Transactions) with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement between the Parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by each of the Parties.

9.8. Disclosure Schedule.

(a) If and to the extent any information required to be furnished in a particular Disclosure Schedule attached hereto is contained in this Agreement or in any other Disclosure Schedule (or updated schedule), such information shall be deemed to be included in such particular schedule to the extent that it is reasonably apparent on its face that the disclosure in such other schedule (or updated schedule) applies to the information requirement for the particular schedule. The inclusion of any information in any Disclosure Schedule (or updated schedule) shall not be deemed to be an admission or acknowledgment by the Sellers or the Management Owners, in and of itself, that such information is material or outside the Ordinary Course.

(b) In the event of any inconsistency between the statements in the body of this Agreement and those in the Disclosure Schedule (other than an exception set forth in the Disclosure Schedule in accordance with Section 9.8(a) above), the statements in the body of this Agreement will control.

(c) No due diligence conducted by the Purchaser shall limit or be used as a defense by the Sellers or the Management Owners with respect to any claim of breach of a representation, warranty or covenant by the Sellers or the Management Owners under this Agreement.

9.9. Obligations; Assignments, Successors, and No Third-Party Rights.

The obligations and liabilities of the Management Trusts and the Management Owners under the Transaction Documents shall be joint and several. No Party may assign all or any portion of its rights under this Agreement without the prior consent of the other Parties, except that the Purchaser may assign any of its rights under this Agreement to any Affiliate of the Purchaser without the consent of the Sellers or the Management Owners, but no such assignment will release the Purchaser from any obligations hereunder. This Agreement will apply to, be binding in all respects upon, and inure to the benefit of the successors and permitted assigns of the Parties. The acquisition by the Purchaser of the Shares, and the transfer thereof by the Sellers, shall in no way expand the rights or remedies of any third party against the Purchaser or its officers, directors, employees, stockholders, and advisors as compared to the rights and remedies which such third party would have had against the Sellers had the Purchaser not acquired the Shares. Nothing expressed or referred to in this Agreement will be construed to give any Person other than the Parties any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the Parties and their successors and permitted assigns.

9.10. Severability.

If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

9.11. Section Headings; Construction.

The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to "Section" or "Sections" refer to the corresponding Section or Sections of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms.

9.12. Time of Essence.

With regard to all dates and time periods set forth or referred to in this

Agreement, time is of the essence.

9.13. Governing Law.

This Agreement will be governed by the laws of the State of Delaware without regard to conflicts of laws principles.

9.14. Specific Performance.

Each of the Parties acknowledges and agrees that the other Party would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each of the Parties agrees that the other Party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having, in accordance with the terms of this Agreement, jurisdiction over the Parties and the matter, in addition to any other remedy to which it may be entitled, at law or in equity.

9.15. Counterparts.

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

9.16. Seller Representative.

(a) Each of the Sellers and the Management Owners hereby irrevocably constitutes and appoints the Seller Representative, acting as hereinafter provided, as his and its attorney-in-fact and agent in its name, place and stead in connection with the transactions contemplated by this Agreement and matters arising therefrom subsequent to the date hereof, and acknowledges that such appointment is coupled with an interest. By executing and delivering this Agreement, the Seller Representative hereby (i) accepts his appointment and authorization as Seller Representative to act as attorney-in-fact and agent in the name, place and stead of each of the Sellers and the Management Owners in accordance with the terms of this Agreement, and (ii) agrees to perform his duties and obligations hereunder.

(b) Each Seller and Management Owner authorizes the Seller Representative in the name and on behalf of such Seller and Management Owner:

(i) to give and receive any notice required or permitted under this Agreement;

(ii) to exercise any rights and to take any action required or permitted to be taken under this Agreement;

(iii) to negotiate, execute and deliver any amendment to or modification of this Agreement or any of the provisions hereof and any waiver or consent hereunder;

(iv) to dispute or to refrain from disputing any claim made by the Purchaser under this Agreement and any other agreements, instruments and documents to be delivered by or on behalf of such Seller or Management Owner pursuant to this Agreement;

(v) to negotiate and compromise any dispute which may arise, and to exercise or refrain from exercising remedies available under this Agreement and the other agreements, instruments and documents delivered or to be delivered by or on behalf of such Seller or Management Owner pursuant to this Agreement and to sign any releases or other documents with respect to any such dispute or remedy; and

(vi) to give such instructions and to do such other things and refrain from doing such other things as the Seller Representative shall deem necessary or appropriate to carry out the provisions of this Agreement and any other agreements, instruments and documents delivered or to be delivered by or on behalf of such Seller or Management Owner pursuant to this Agreement.

(c) Each of the Sellers and Management Owners agrees to be bound by all agreements and determinations made, and agreements, documents and instruments negotiated, executed and delivered by the Seller Representative under this Agreement.

(d) Each of the Sellers and Management Owners hereby expressly acknowledges and agrees that the Seller Representative is authorized to act in his and its name and on his and its behalf with respect to the matters expressly set forth in this Agreement to be performed by Seller Representative. Notwithstanding any dispute or disagreement among the Sellers, the Management Owners, and/or the Seller Representative, subject to the limitation in the preceding sentence, the Purchaser shall be entitled in good faith to rely on any and all action taken by the Seller Representative under this Agreement and the other agreements, instruments and documents to be delivered by or on behalf of the Sellers and the Management Owners pursuant to this Agreement without any liability to, or obligation to inquire of, any of the Sellers or the Management Owners. The Purchaser is hereby expressly authorized in good faith to rely on the genuineness of the signatures of the Seller Representative, and upon receipt of any writing which reasonably appears to have been signed by the Seller Representative, the Purchaser may act upon the same in good faith without any further duty of inquiry as to the genuineness of the writing.

(e) If Scott M. Stern, as the Seller Representative, ceases to function for any reason whatsoever, then Timothy C. Stern shall serve as the successor Seller Representative; if Timothy C. Stern ceases to function as the Seller Representative for any reason whatsoever, then Sellers who prior to the transactions contemplated by this Agreement held (or their successors in interest) a majority of the equity interests of the Company may appoint a successor; provided, however, that if for any reason no successor has been appointed pursuant to the foregoing within thirty (30) days, then the Purchaser shall have the right but not the obligation to petition a court of competent jurisdiction for appointment of a successor.

(f) The authorization of the Seller Representative shall be effective until such rights and obligations under this Agreement terminate by virtue of the termination of any and all

obligations of the Sellers and the Management Owners hereunder.

(g) The Seller Representative shall not be liable for any acts or omissions under this Section 9.16 except for his own gross negligence or willful misconduct. Each Seller and Management Owner agrees to indemnify and to save and hold harmless the Seller Representative of, from, against and in respect of any claim, action, cause of action, cost, liability or expense suffered or incurred by or asserted against the Seller Representative based upon or arising out of the performance by the Seller Representative of any act, matter or thing pursuant to the appointment herein made, except that no Seller or Management Owner shall be held or required to indemnify or to save or hold harmless the Seller Representative for the gross negligence or willful misconduct of the Seller Representative in the performance of his duties hereunder.

9.17. Acknowledgment by the Purchaser.

THE PURCHASER ACKNOWLEDGES THAT THE REPRESENTATIONS AND WARRANTIES BY THE SELLERS AND THE MANAGEMENT OWNERS CONTAINED IN THIS AGREEMENT CONSTITUTE THE SOLE AND EXCLUSIVE REPRESENTATIONS AND WARRANTIES OF THE SELLERS AND THE MANAGEMENT OWNERS TO THE PURCHASER IN CONNECTION WITH THE CONTEMPLATED TRANSACTIONS, AND THE PURCHASER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT ALL OTHER REPRESENTATIONS AND WARRANTIES OF ANY KIND OR NATURE EXPRESS OR IMPLIED (INCLUDING, BUT NOT LIMITED TO, ANY RELATING TO THE FUTURE OR HISTORICAL FINANCIAL CONDITION, RESULTS OF OPERATIONS, ASSETS OR LIABILITIES OF THE COMPANY) ARE SPECIFICALLY DISCLAIMED BY THE SELLERS AND THE MANAGEMENT OWNERS.

9.18. Transfer Taxes.

Notwithstanding anything herein to the contrary, the Sellers will pay, and will indemnify and hold the Purchaser harmless against, any transfer, stamp, stock transfer, recording or other similar tax imposed on the transfer of the Shares, whether assessed against the Company or one or more Sellers as a result of the Contemplated Transactions (collectively, **"Transfer Taxes"**), and any penalties or interest with respect to the Transfer Taxes. The Purchaser agrees to cooperate with the Sellers in the filing of any returns with respect to the Transfer Taxes, including promptly supplying any information in their possession that is reasonably necessary to complete such returns.

9.19. Delivery by Electronic Means.

This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or other electronic means, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any Party hereto or to any such agreement or instrument, each other Party hereto or thereto shall re-execute original forms thereof and deliver them to all other Parties. No Party hereto or to any such

agreement or instrument shall raise the use of a facsimile machine or other electronic means to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or other electronic means as a defense to the formation or enforceability of a contract and each such Party forever waives any such defense.

[The Remainder of this Page has been Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first written above.

THE "PURCHASER":

ALTISOURCE PORTFOLIO SOLUTIONS S.A.

By: _____
Name: _____
Title: _____

THE "SELLERS":

SCOTT M. STERN REVOCABLE TRUST

By: _____
Scott M. Stern
Trustee

TIMOTHY C. STERN, REVOCABLE TRUST

By: _____
Timothy C. Stern
Trustee

BARRY O. SANDWEISS REVOCABLE TRUST

By: _____
Barry O. Sandweiss
Trustee

THE THOMAS A. STERN REVOCABLE TRUST

By: _____
Thomas A. Stern
Trustee

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

EVAN HACKEL

PARAMOUNT BOND & MORTGAGE CO., INC.

By: _____
Name: _____
Title: _____

The "Management Owners":

SCOTT M. STERN

TIMOTHY C. STERN

BARRY O. SANDWEISS

ANNEX I

"Affiliate" — used to indicate a relationship to a specified person, firm, corporation, partnership, limited liability company, association or entity, and means any person, firm, corporation, partnership, limited liability company, association or entity that, directly or indirectly or through one or more intermediaries, controls, is controlled by or is under common control with such person, firm, corporation, partnership, limited liability company, association or entity.

"Arbitrator" — as defined in Section 2.6(c).

"Audited Financial Statements" — as defined in Section 5.4.

"Baseline EBITDA" — means the EBITDA of the Company during the period commencing at 12:00 AM Eastern Time on January 1, 2009, and ending at 11:59 PM Eastern Time on December 31, 2009, as determined based on the Audited Financial Statements.

"Business" — means the business of the Company as conducted at and prior to Closing, which is the business of (i) managing and operating a mortgage banking cooperative, and (ii) providing purchasing support services, real estate mortgage origination services, and other ancillary services, to the members of such mortgage banking cooperative.

"Business Day" — means any day except Saturday, Sunday or any day on which banks are generally not open for business in New York, New York.

"Cash Payment" — as defined in Section 2.2.

"Closing" — as defined in Section 2.4.

"Closing Date" — as defined in Section 2.4.

"Closing Net Working Capital Statement" — as defined in Section 2.6(b)(i).

"Collateral Agency Agreement" — means that certain Collateral Agency Agreement by and among the Management Trusts and Scott M. Stern, as collateral agent, the form of which is attached hereto as Exhibit J.

"Company" — means The Mortgage Partnership of America, L.L.C., a limited liability company organized under the laws of the State of Missouri.

"Company Group" — as defined in Section 3.6(a).

"Company Plans" — as defined in Section 3.6(b).

"Company Qualified Plans" — as defined in Section 3.6(c).

"Confidential Information" — information with respect to the terms of the transactions contemplated by this Agreement, and trade secrets, discoveries, ideas, concepts, know-how, techniques, designs, specifications, data, computer programs, pricing information,

interpretations, financial statements, forecasts, reports, records, plans, studies and other technical and business information of the disclosing party, whether in oral, written, graphic, electronic or other form as well as analyses, compilations, studies or other documents, whether or not prepared by the receiving party or its representatives, which contain or otherwise reflect such information. Notwithstanding the foregoing, the following information shall not be Confidential Information: (i) information which has become generally available to the general public other than as a result of a disclosure by the receiving party or its representatives, (ii) information which is known or was available to the receiving party prior to disclosure to the receiving party pursuant to the Contemplated Transactions, or (iii) information which becomes available to the receiving party on a non-confidential basis from a third party who was itself not prohibited from transmitting the information to the receiving party by a contractual, legal or fiduciary obligation.

"Consent" — any approval, consent, ratification, waiver, expiration of waiting period, or other authorization (including any Governmental Authorization).

"Contemplated Transactions" — all of the transactions contemplated by this Agreement, including, but not limited to, (a) the acquisition of the Shares by the Purchaser from the Sellers and the payment of the Purchase Price therefor; (b) the execution and delivery of the Transaction Documents; and (c) the performance by the Parties hereto and thereto of their respective covenants and obligations under the Transaction Documents.

"Contract" — any agreement, contract, obligation, promise, or undertaking (whether written or oral and whether express or implied) that is legally binding.

"Conveyancing Documents" — as defined in Section 6.1(c)(ii).

"Cooperative" — means Best Partners Mortgage Cooperative, Inc., a Delaware corporation.

"Cooperative Members" — means those Persons who are members of the Cooperative.

"Damages" — as defined in Section 8.2.

"Disclosure Schedule" — as defined in Section 3.

"EBITDA" — means, with respect to the applicable Measurement Period, (A) the Net Income of the Company, plus to the extent such charges are deducted in determining Net Income of the Company, (i) any interest on Indebtedness attributable to the Company, (ii) all income Taxes attributable to the Company, (iii) any depreciation expenses attributable to the Company, (iv) any amortization of goodwill and other intangibles attributable to the Company, and (v) solely with respect to the period commencing on the Effective Time, and ending on the three (3) month anniversary of the Closing Date, those restructuring and transition costs which are approved by the Purchaser and which are legitimately attributable to the integration of the Company with the Purchaser's business operations, plus (B) the product of (x) the Gross Revenue earned by the Purchaser and its Affiliates (other than the Company) from the Cooperative Members, multiplied by (y) 0.2.

"Effective Time" — means _____ Eastern Time on the Closing Date.

"Employees" — as defined in Section 3.6(b).

"Employment Agreements" — means each of those certain employment agreements between Altisource Solutions, Inc., a Delaware corporation, on the one hand, and each of Scott M. Stern, Timothy C. Stern, and Barry O. Sandweiss, on the other hand, the forms of which are attached hereto as Exhibit H-1, Exhibit H-2, and Exhibit H-3, respectively.

"Equity Rights" — means (a) all plans or agreements permitting the issuance of the equity securities of the Company, (b) options to acquire the equity securities of the Company, (c) securities, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind to which the Company is a party or by which they are bound obligating the Company to issue, sell, redeem or otherwise acquire equity securities of the Company, and (d) other rights to acquire equity securities of the Company that are valued in whole or in part by reference to the equity securities of the Company or that may be settled in the equity securities of the Company.

"ERISA" — as defined in Section 3.6(b)(i).

"Escrow Agent" — means Bank of New York Mellon Trust Company.

"Facility" or **"Facilities"**— any plant, structure, improvement, land or other real property, whether owned, leased or otherwise, of the Company.

"Final Adjustment Schedule" — as defined in Section 2.6(b)(ii).

"Financial Investors" — means each of the following Sellers: The Thomas A. Stern Revocable Trust; Evan Hackel; and Paramount Bond & Mortgage Co., Inc.

"Financial Statements" — as defined in Section 3.9.

"Fundamental Representations" — means those representations and warranties of the Sellers and the Management Owners contained in Section 3.5 [Taxes] and Section 3.6 [Employee Benefits].

"Funds Flow and Settlement Statement" — means the Funds Flow and Settlement Statement dated as of the Closing Date and entered into by and among the Parties, with regard to any adjustments to, and the payment of, the Purchase Price.

"GAAP" — United States generally accepted accounting principles, consistently applied, as in effect on the date hereof.

"General Escrow Amount" — as defined in Section 8.7.

"Good Faith Efforts" — the efforts that a prudent Person desirous of achieving a result would use in similar circumstances to ensure that such result is achieved as reasonably expeditiously as possible.

"Governmental Authorization" — any approval, consent, license, permit, waiver, or other authorization issued, granted, given, or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

"Governmental Body" — any federal, state, local, municipal, foreign, or other government, or governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal).

"Gross Revenue" — means gross revenue, as determined in accordance with GAAP.

"Indebtedness" — (i) all indebtedness for borrowed money or for the deferred purchase price of property or services (including, without limitation, reimbursement and all other obligations with respect to surety bonds, letters of credit and bankers' acceptances, whether or not matured), including the current portion of such indebtedness, but excluding trade payables incurred by the Company in the Ordinary Course, (ii) all obligations evidenced by notes, bonds, debentures or similar instruments, and (iii) all capital lease obligations; it being acknowledged that Indebtedness does not include operating lease obligations.

"Indemnity Escrow Agreement" — means the Escrow Agreement dated as of the Closing Date, entered into by and among the Purchaser, the Sellers, and the Escrow Agent with respect to the indemnification obligations of the Sellers and the Management Owners under Section 8 of this Agreement, the form of which is attached hereto as Exhibit D-1.

"Intellectual Property Assets" — the term "Intellectual Property Assets" includes:

(i) the name, all fictional business names, trade names, styles, registered and unregistered trademarks, service marks, and trademark applications of the Company (collectively, **"Marks"**);

(ii) all patents, patent applications, and inventions and discoveries that may be patentable of the Company (collectively, **"Patents"**);

(iii) all copyrights in both published works and unpublished works of the Company (collectively, **"Copyrights"**);

(iv) all confidential know-how, trade secrets, confidential information, confidential technical information, confidential data, confidential process technology, confidential plans, confidential drawings, and confidential blue prints owned, used, or licensed by the Company (collectively, **"Trade Secrets"**);

(v) all computer programs (source code or object code) owned by the Company (collectively, "**Owned Software**");

(vi) all license agreements covering computer programs (source code or object code) licensed to the Company by a third party, whether as integrated or bundled with any of the computer programs of the Company or as a separate stand-alone product (including any off-the-

shelf computer program licensed under a shrink-wrap license) (collectively, "**Licensed Software**");

(vii) all Internet domain names (**"Domain Names"**);

(viii) all other proprietary rights of the Company; and

(ix) all copies and tangible embodiments of the foregoing (in whatever form or medium).

"IRC" — the Internal Revenue Code of 1986, as amended, or any successor law, and regulations issued by the IRS pursuant to the Internal Revenue Code of 1986, as amended, or any successor law.

"IRS" — the United States Internal Revenue Service and, to the extent relevant, the United States Department of the Treasury and, to the extent relevant, the counterpart agencies of other countries.

"Knowledge" — with respect to the Sellers and/or the Management Owners shall mean the actual or constructive knowledge as of the date hereof of the Management Owners. Constructive knowledge shall be that which a prudent individual would be expected to discover or otherwise become aware of such fact or other matter in the course of conducting a reasonable investigation concerning the existence of such fact or other matter.

"Legal Requirement" — any federal, state, local, municipal, foreign, international, multinational, or other administrative order, constitution, law, decree, code, ordinance, principle of common law, rule, regulation, statute, or treaty.

"Liability" — any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes.

"Management Owners" — as defined in the first paragraph of this Agreement.

"Management Trusts" — means each of the following Sellers: Scott M. Stern Revocable Trust; Timothy C. Stern, Revocable Trust; and Barry O. Sandweiss Revocable Trust.

"Measurement Period" — means, respectively, (i) the period commencing at 12:00 AM Eastern Time on the date of the PIA, and ending at 11:59 PM Eastern Time on the first anniversary of the date of the PIA, (ii) the period commencing at 12:00 AM Eastern Time on the first day following the first anniversary of the date of the PIA, and ending at 11:59 PM Eastern Time on the second anniversary of the date of the PIA, and (iii) the period commencing at 12:00 AM Eastern Time on the first day following the second anniversary of the date of the PIA, and ending at 11:59 PM Eastern Time on the third anniversary of the date of the PIA.

"Net Income" — means (x) net income, less (y) the amount of all PIA Payments calculated and payable to each of the Management Owners hereunder during the Measurement Period in which net income is calculated, as determined in accordance with GAAP.

"Net Revenues" — means net revenues received by the Company following the Closing pursuant to the terms of the PIA, as determined in accordance with GAAP; *provided,* that net revenues (i) shall be calculated using the accrual method of accounting, it being acknowledged that reserves and write-downs shall be deducted for the purpose of calculating Net Revenues, and (ii) shall include only net revenues related to the Company's pro-rata portion of the amount of the improved loan sale execution achieved for the Company's Cooperative Members (it being acknowledged that all other net revenues under the PIA shall be excluded from the calculation of Net Revenues).

"Net Working Capital" — with respect to the Company, the excess of current assets (excluding the current portion of any amounts paid or payable to the Company pursuant to the Titleserv Settlement, and excluding any cash or cash equivalents paid or distributed to any Seller prior to the Effective Time) over current liabilities (excluding the current portion of long-term Indebtedness), in each case (x) determined in accordance with GAAP, and (y) incurred in the Ordinary Course.

"Noncompete Payment" — as defined in Section 2.2.

"Notice of Disagreement with PIA Statement" — as defined in Section 5.6(e).

"Notice of Disagreement with Price Adjustment" — as defined in Section 2.6(c).

"Operational Representations" — means those representations and warranties of the Sellers and the Management Owners contained in Section 3 of this Agreement which are not Ultra-Fundamental Representations or Fundamental Representations.

"Order" — any award, decision, injunction, judgment, order, ruling, subpoena, or verdict entered, issued, made, or rendered by any court, administrative agency, or other Governmental Body or by any arbitrator.

"Ordinary Course" — an action taken by the Company will be deemed to have been taken in the "Ordinary Course" only if such action is consistent with the past practices of the Company and is taken in the ordinary course of the normal day-to-day operations of the Company.

"Organizational Documents" — means (a) the articles or certificate of incorporation of, the bylaws of, and any shareholder agreement relating to, a corporation; (b) the partnership agreement and any statement of partnership of a general partnership; (c) the limited partnership agreement and the certificate of limited partnership of a limited partnership; (d) the articles or certificate of formation and operating agreement of a limited liability company; (e) any trust agreement adopted in connection with any trust; and (f) any amendment to any of the foregoing.

"Party" and **"Parties"** — as defined in the first paragraph of this Agreement.

"PBGC" — as defined in Section 3.6(b).

"Pension Benefit Plan" — as defined in Section 3.6(q).

"Person" — any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union, or other entity or Governmental Body.

"PIA" — means a preferred investor agreement executed by the Company and either Bank of America or Wells Fargo (whichever occurs first, but not both), which contains terms and conditions which are materially consistent with preferred investor agreements executed by the Company prior to Closing with similarly-situated clients.

"PIA Payments" — as defined in Section 5.6(a).

"PIA Statement" — as defined in Section 5.6(d).

"Price Adjustment" — as defined in Section 2.6(a).

"Proceeding" — any action, arbitration, audit, hearing, charge, investigation, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

"Purchase Price" — as defined in Section 2.2.

"Purchase Price Allocation" — as defined in Section 2.7.

"Purchaser" — as defined in the first paragraph of this Agreement.

"Purchaser Indemnified Person" — as defined in Section 8.2.

"Purchaser SEC Reports" — as defined in Section 4.5.

"Put Escrow Agreement" — means the Put Right Escrow Agreement dated as of the Closing Date, entered into by and among the Purchaser, the Management Trusts, and the Escrow Agent with respect to certain of the obligations of the Purchaser under the Put Option Agreement, the form of which is attached hereto as Exhibit D-2.

"Put Option Agreement" — means that certain Put Option Agreement by and among the Purchaser and the Management Trusts, the form of which is attached hereto as Exhibit E-2.

"Put Pledge Agreement" — means that certain pledge and security agreement by the Purchaser in favor of the Management Trusts, and acknowledged by the Company and Scott M. Stern, as collateral agent, with respect to the Purchaser's obligations arising under the Put Option Agreement, the form of which is attached hereto as Exhibit G.

"Put Security Agreement" — means that certain security agreement by the Company in favor of the Management Trusts, and acknowledged by Scott M. Stern as collateral

agent, with respect to the Purchaser's obligations arising under the Put Option Agreement, the form of which is attached hereto as Exhibit F.

"Related Person" — means with respect to a particular individual: (a) each other member of such individual's Family; (b) any Person that is directly or indirectly controlled by such individual or one or more members of such individual's Family; (c) any Person in which such individual or members of such individual's Family hold (individually or in the aggregate) a Material Interest; and (d) any Person with respect to which such individual or one or more members of such individual's Family serves as a director, manager, officer, partner, executor, or trustee (or in a similar capacity). With respect to a specified Person other than an individual: (A) any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with such specified Person; (B) any Person that holds a Material Interest in such specified Person; (C) each Person that serves as a director, manager, officer, partner, executor, or trustee of such specified Person (or in a similar capacity); (D) any Person in which such specified Person holds a Material Interest; (E) any Person with respect to which such specified Person serves as a general partner or a trustee (or in a similar capacity); and (F) any Related Person of any individual described in clause (B) or (C).

For purposes of this definition, (a) the "Family" of an individual includes (i) the individual, (ii) the individual's spouse, (iii) any other natural person who is related to the individual or the individual's spouse within the second degree, and (iv) any other natural person who resides with such individual, and (b) "Material Interest" means direct or indirect beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended) of voting securities or other voting interests representing at least 10% of the outstanding voting power of a Person or equity securities or other equity interests representing at least 10% of the outstanding equity securities or equity interests in a Person.

"Release Agreement" — means each of those certain mutual release agreements by the Company, each of the Sellers and each of the Management Owners, the form of which is attached hereto as Exhibit I.

"Representative" — with respect to a particular Person, any director, manager, officer, employee, agent, consultant, advisor, or other representative of such Person, including legal counsel, accountants, and financial advisors.

"Required Approvals" — each matter, and each approval from each Person, specifically identified in Exhibit C.

"Restricted Stock" — means shares of common Stock of the Purchaser issued as part of the Stock Payment hereunder, which are not Unrestricted Stock.

"Rights Agreement" — means that certain Rights Agreement by and among the Purchaser and the Sellers receiving the Stock Payment at Closing, the form of which is attached hereto as Exhibit E-1.

"SEC" — means the United States Securities and Exchange Commission.

"Security Interest" — means any charge, claim, community property interest,

equitable interest, encumbrance, mortgage, lien, option, pledge, security interest, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership other than restrictions pursuant to applicable securities laws.

"Seller Indemnified Person" — as defined in Section 8.3.

"Seller Representative" — means Scott M. Stern, who as a result of the due authorization of this Agreement by the Sellers and the Management Owners, has been appointed by the Sellers and the Management Owners for the purpose of acting on behalf of the Sellers and the Management Owners with respect to the transactions contemplated by this Agreement, and making decisions with respect to indemnity claims and amendments to the Agreement or any ancillary agreements.

"Sellers" — as defined in the first paragraph of this Agreement.

"Shares" — means one hundred percent (100%) of the issued and outstanding limited liability company interests of the Company.

"Springhouse" — means Springhouse, LLC, a Missouri limited liability company.

"Stock Payment" — as defined in Section 2.2.

"Straddle Period" — as defined in Section 5.2(a).

"Submitting Person" — as defined in Section 9.4(a).

"Tax" — means all tax (including, but not limited to, income tax, payroll tax, capital gains tax, tax imposed under IRC Section 1374, value added tax, excise tax, sales tax, property tax, escheat tax, or unclaimed property tax), levy, assessment, tariff, duty (including, but not limited to, customs duty), deficiency or other fee and any related charge or amount (including, but not limited to, fine, penalty and interest) imposed, assessed or collected by or under the authority of any Governmental Body.

"Tax Contest" — as defined in Section 5.2(c)(i).

"Tax Item" — means any item of income, gain, loss, deduction, credit, recapture of credit or any other item that increases or decreases Taxes paid or payable.

"Tax Return" — means any return (including, but not limited to, any information return), report, statement, schedule, notice, form, or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection, or payment of any Tax or in connection with the administration, implementation, or enforcement of or compliance with any Legal Requirement relating to any Tax.

"Territory" — means the United States of America.

"Titleserv Proceeding" — means that certain action styled The Mortgage Partnership of America v. Titleserv, Inc., Cause No. 08SL-CC03387, in the Circuit Court of St. Louis County, Missouri.

"Titleserv Settlement" — means any Contract entered into between or on behalf of the Company and Titleserv, Inc., and/or its designated agent, either before, on, or after the Closing, which is in respect to the settlement or dismissal of the Titleserv Proceeding.

"Total Consideration" — means the sum of the Purchase Price, plus the aggregate amount of all PIA Payments.

"Transaction Documents" — means each of this Agreement, the Indemnity Escrow Agreement, the Put Escrow Agreement, the Rights Agreement, the Put Option Agreement, the Put Security Agreement, the Put Pledge Agreement, each Employment Agreement, each Release Agreement, the Collateral Agency Agreement, the Conveyancing Documents, and each other document, instrument, and certificate delivered in connection with the transfer of Shares.

"Transfer Taxes" — as defined in Section 9.18.

"Ultra-Fundamental Representations" — means those representations and warranties of the Sellers and the Management Owners contained in Section 3.1 [Organization and Good Standing], Section 3.2 [Authority; No Conflict], Section 3.3 [Title to Properties; Capitalization of the Company; Security Interests], Section 3.18 [Brokers or Finders], and Section 3.19 [Sophistication of Investors; Access to Information].

"Unrestricted Stock" — means shares of common Stock of the Purchaser issued as part of the Stock Payment hereunder, which are not subject to any restriction pursuant to the terms of the Transaction Documents other than the restriction on the volume of shares which may be sold and applicable restrictions arising under securities Legal Requirements. Without limiting the foregoing, the Unrestricted Stock will be lettered stock and must be held for six (6) months after the Closing Date and will be subject to applicable limitations pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended.

"Working Capital Target" — means Zero Dollars ($0.00).

Schedule 2.3

[OMITTED]

Schedule 2.3(f)

[OMITTED]

Schedule 5.6(h)

[OMITTED]

Schedule 6.1(h)

[OMITTED]

Exhibit A

[OMITTED]

Exhibit B

[OMITTED]

Exhibit C

[OMITTED]

Exhibit D-1

Form of Indemnity Escrow Agreement

Exhibit D-2

Form of Put Escrow Agreement

Exhibit E-1

Form of Rights Agreement

Exhibit E-2

Form of Put Option Agreement

Exhibit F

Form of Put Security Agreement

Exhibit G

Form of Put Pledge Agreement

Exhibit H-1

Form of Scott M. Stern Employment Agreement

Exhibit H-2

Form of Timothy C. Stern Employment Agreement

Exhibit H-3

Form of Barry O. Sandweiss Employment Agreement

Exhibit I

Form of Release Agreement

Exhibit J

Form of Collateral Agency Agreement

FORM OF
PUT OPTION AGREEMENT

This PUT OPTION AGREEMENT (the "Agreement") is dated as of February _____, 2010 by and among Altisource Portfolio Solutions S.A., an entity organized under the laws of Luxembourg (the "Company"), and _____ (the "Management Trust").

WHEREAS, the Company, the Management Trust and other parties thereto are parties to the Purchase Agreement; and

WHEREAS, pursuant to the terms of the Purchase Agreement, the Company has agreed to issue shares of Common Stock to the Management Trust and to enter into this Agreement granting certain put rights with respect to 157,613 shares of such Common Stock (the "Put Eligible Shares") on the terms and subject to the conditions set forth herein; and

WHEREAS, the Management Trust has agreed to certain transfer restrictions on the disposition of the Common Stock as set forth herein and in the Rights Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Certain Definitions.

As used in this Agreement, the following terms shall have the following meanings:

"Affiliate" shall mean, with respect to any Person, any direct or indirect subsidiary of such Person and any other Person directly or indirectly controlling, controlled by, or under common control with such Person. As used in this definition, "control" (including with correlative meanings, "controlled by" and "under common control with") means possession, directly or indirectly, of the power to direct or cause the direction of management or policies, or the power to appoint and remove a majority of the board or other governing body (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise), of a Person.

"Agreement" shall have the meaning set forth in the opening paragraph.

"Anniversary Date" shall mean the first Business Day subsequent to each anniversary of the date of the closing of the transactions contemplated by the Purchase Agreement.

"Business Day" shall mean a day other than a Saturday, Sunday or other day on which commercial banks in St. Louis, Missouri are authorized or required by Law to remain closed. Any event the scheduled occurrence of which would fall on a day that is not a Business Day shall be deferred until the next succeeding Business Day.

"Change in Control" with respect to any company shall occur upon (A) the closing of the sale, conveyance, lease, license, transfer or other disposition of all or substantially all of such

company's assets, property or business to any Person or "group" (within the meaning of Section 13(d) or 14(d) of the 1934 Act), (B) the consummation of a merger or consolidation of such company with or into another entity (except a merger or consolidation in which the holders of voting securities of such company immediately prior to such merger or consolidation continue to hold at least 50% of the voting securities of the surviving entity after the transaction), or (C) the closing of the transfer of such company's securities (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to any Person or "group", if after such closing, such Person or "group" would hold more than 50% of the outstanding voting securities of such company (or the surviving entity); provided, however, that no Change in Control shall occur under subsections (A), (B) or (C) if 50% or more of the outstanding voting securities of such Person or "group" that acquires such assets, property, business or securities or that is a party to such merger or consolidation is owned, directly or indirectly, by a Person or a "group" that owns, directly or indirectly, a majority of the voting securities of such company. Without limiting the applicability of the forgoing and by example only, a Change in Control with respect to MPA would not occur after the date hereof upon the transfer of the assets or equity of MPA to any entity of which the Company owns, directly or indirectly, at least 50% of the outstanding voting securities of such entity.

"Common Stock" shall mean the Company's common stock, par value $1.00 per share, and any securities into which such shares may hereinafter be reclassified.

"Company" shall have the meaning set forth in the opening paragraph.

"Excluded Members" shall have the meaning set forth in Section 2(d) of the Agreement.

"Indemnity Escrow Agreement" shall have the meaning set forth in Section 2(b) of the Agreement.

"MPA" shall mean The Mortgage Partnership of America, L.L.C., a Missouri limited liability company.

"Net Payment" shall have the meaning set forth in Section 2(c) of the Agreement.

"Notice of Objection" shall have the meaning set forth in Section 2(e) of the Agreement.

"Person" shall mean any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, governmental authority or other entity.

"Purchase Agreement" shall mean the Purchase and Sale Agreement, dated the date hereof, by and among the Company, the Management Trust and any other parties identified on the signature pages thereto, as such agreement may be amended from time to time after the date hereof.

"Put" shall have the meaning set forth in Section 2 of the Agreement.

"Put Eligible Shares" shall have the meaning set forth in the Recitals to this Agreement.

"Put Failure" shall have the meaning set forth in Section 2(f) of the Agreement.

"Put Failure Escrow" shall mean the amount held in escrow pursuant to the Put Right Escrow Agreement.

"Put Notice" shall have the meaning set forth in Section 2(a) of the Agreement.

"Put Obligation" shall have the meaning set forth in Section 2(a) of the Agreement.

"Put Purchase Price" shall have the meaning set forth in Section 2(a) of the Agreement.

"Put Right Escrow Agreement" shall mean the Put Right Escrow Agreement dated as of the date hereof by and among the Company, each management owned trust and the escrow agent.

"Redemption" shall have the meaning set forth in Section 2(c) of the Agreement.

"Registration Statement" shall mean any registration statement of the Company filed with the SEC under the 1933 Act that covers the resale of any of the Shares, amendments and supplements to such registration statement, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"Rights Agreement" shall mean the Rights Agreement dated as of the date hereof by and between the Company and the Management Trust and any other parties identified on the signature pages thereto.

"SEC" shall mean the U.S. Securities and Exchange Commission.

"Shares" shall mean the total shares of Common Stock initially issued pursuant to the Purchase Agreement and held by the Management Trust and any permitted assignees to which shares have been transferred.

"Threshold Insider Sale Amount" shall have the meaning set forth in Section 3(a)(ii) of the Agreement.

"Top 20 Members" shall mean twenty (20) members of MPA and shall include the following members: (x) the fifteen members of MPA who have been both members of MPA during each of the last 24 consecutive months and were the fifteen highest revenue generators for MPA in the prior calendar year; and (y) five other members of MPA not listed in (x) above that the Company and the Management Owner mutually agree are members that are integral to the overall success of MPA regardless of revenue. The initial Top 20 Members shall be scheduled as of the entering into of this Agreement on Schedule 1, attached hereto, and such Top 20 Members shall be redetermined as of each Anniversary Date subject to the mutual agreement of the Company and the Management Owner; provided, however, the initial Top 20 Members and subsequent Top 20 Members shall be subject to changes caused as a result of a member becoming an Excluded Member, as described in Section 2(d)(ii). To the extent the parties are to

mutually agree on the five other members, such parties agree to be reasonable in determining the five other members without delay or intent to hinder the process.

"1933 Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

2. Put Rights

(a) Grant of Right. The Management Trust shall have the right on each Anniversary Date through the fourth Anniversary Date, subject to the limitations set forth below, to require the Company to redeem (the "Put") up to 25% of the Put Eligible Shares (the "Put Obligation"); provided, however, that, to the extent the Management Trust sells or otherwise disposes of any Shares during the preceding 12-month period, the number of Put Eligible Shares eligible to be Put to the Company on the subsequent Anniversary Date shall be reduced by the number of Shares so sold or otherwise disposed during such preceding 12-month period. For purposes of the above sentence and this Agreement, to the extent any Shares are transferred to successors or assigns as described in Section 4(c) herein, then such Shares shall not be treated as "sold or otherwise disposed of" in the above definition. The Management Trust may exercise its Put right independently of any other Person. The price per share under the Put Obligation shall be US$16.84 as equitably adjusted for any stock splits, reverse stock splits, stock dividends, reorganizations, recapitalization or other similar corporate events following the date hereof (the "Put Purchase Price"). The Management Trust must provide an irrevocable notice to the Company of its desire to exercise its Put on or before the relevant Anniversary Date (a "Put Notice"). Except in the event of death or transfer to the grantor of the revocable trust, the rights pursuant to this Section 2 shall not be transferrable by the Management Trust without the Company's prior written consent.

(b) Shares Ineligible for Put. No Share owned by the Management Trust shall be subject to the Put Obligation that: (i) is held in escrow pursuant to the Indemnity Escrow Agreement (the "Indemnity Escrow Agreement"); or (ii) is eligible for sale by the Management Trust pursuant to Section 3(b)(i) of this Agreement; or (iii) was eligible to be Put under the Put Obligation on any prior Anniversary Date (collectively, "Ineligible Shares"), and such Put right with respect to such Share shall be forfeited. It is understood and agreed that Ineligible Shares shall be included as part of the initial calculation of the total Shares eligible for the Put and further described in Section 2(b) above. Notwithstanding the foregoing, for purposes of calculating the total number of Put Eligible Shares subject to the Put Obligation, any Shares held in escrow pursuant to the Indemnity Escrow Agreement that are released as a result of a calculation made on an applicable Anniversary Date, shall not be deemed an "Ineligible Share".

(c) Satisfaction of Put Obligation. The Company shall satisfy the Put Obligation by paying to the Management Trust an amount equal to the number of Shares that are Put to the Company by the Management Trust multiplied by either (i) the Put Purchase Price (a "Redemption") or (ii) the amount by which the Put Purchase Price exceeds the average closing price of the Common Stock for the ten trading days preceding the most recent Anniversary Date

(a "Net Payment"); provided that if the Company elects to make a Net Payment, the Management Trust shall retain the Shares subject to the Put. Such payment shall be by wire transfer or other immediately available funds to a bank or other account designated by the Management Trust, which bank or other accounts were designated in writing by the Management Trust to the Company at least two (2) Business Days prior to such payment date by the Company. The Company's election of method to satisfy the Put Obligation shall be in its sole discretion, may vary among Anniversary Dates and may vary among the other Persons exercising the Put. If the Company elects Redemption, the Management Trust shall deliver to the Company within 30 days after the applicable Anniversary Date assignments of stock or similar documentation as might be required by the Company's transfer agent to effect the transfer of ownership of such Shares Put to the Company. The Company shall deliver to the Management Trust the funds necessary to satisfy the Redemption or Net Payment, as applicable, within 45 days after the applicable Anniversary Date.

(d) Conditions Precedent to Put Obligation. The Put Obligation shall terminate:

(i) If the employment with the Company or one of its Affiliates of _____ ("Management Owner") is terminated by the Company based solely upon a felony conviction or the Management Owner resigns for other than "good reason" (as defined in the Management Owner's employment agreement). Notwithstanding the foregoing, if the Management Owner's employment is terminated for other than a felony conviction, or the Management Owner resigns for "good reason," dies or becomes permanently disabled, the Management Owner will retain the rights under the Put Obligation.

(ii) With respect to the Shares that may be Put to the Company as of any Anniversary Date if either (A) 80% of the Top 20 Members of the Best Mortgage Cooperative, Inc. (the "Cooperative") during the prior twelve months determined as of the date hereof, and determined on each Anniversary Date, respectively, are not members of the Cooperative on the subsequent Anniversary Date, provided, however, that the Top 20 Members shall be determined after excluding those members of the Cooperative that are (x) acquired in an arm's length transaction by an unaffiliated third party, (y) asked by the Company to resign as a member due to failure to follow a management directive, or (z) who cease operations (each, an "Excluded Member") or (B) the overall number of members of the Cooperative fails to grow annually on a cumulative basis, after exclusion of the Excluded Members for all prior twelve (12) month periods. By way of example, if a Top 20 Member as of the date hereof ceased operations as of the first Anniversary Date, then such member would not be counted as a Top 20 Member in such calculation set forth in Section 2(d)(ii)(A) above and such member would be replaced by the next member on the list of members that would otherwise qualify as a potential Top 20 Member and did not become an Excluded Member as a result of a subsequent event in the succeeding 12 months.

(iii) If the conditions set forth in Section 2(d)(ii)(A) are not satisfied as of an applicable Anniversary Date, the Management Trust shall forfeit its Put right with respect to such Anniversary Date, but the Management Trust may exercise its Put right with respect to a successive Anniversary Date (through the fourth Anniversary Date), if the other conditions set

forth in Section 2(d)(ii)(A) and otherwise contained in this Agreement are satisfied for such subsequent Anniversary Date.

(e) Dispute Resolution. If the Management Trust submits a Put Notice with respect to Shares that the Company disputes are eligible to be Put because such Share is ineligible to be Put under Section 2(b) or one or more conditions precedent to the Put Obligation under Section 2(d) are not satisfied, then the Company shall provide a "Notice of Objection" to such Management Trust by the tenth (10th) Business Day following the Company's receipt of the applicable Put Notice. The Company's failure to provide timely a Notice of Objection shall be deemed an acceptance by the Company of the Put Notice and upon such failure, with respect to such Put Notice only, then the following shall occur (i) the conditions precedent under Section 2(d) shall automatically be deemed satisfied, (ii) the Company shall have waived its right to object under the Put Failure Escrow and (iii) Section 2(d) shall not be applicable. The Notice of Objection shall contain information sufficient to support the Company's objection. The Company and the Management Trust shall attempt to resolve the dispute during the successive 10-Business Day period, after which either party may submit the dispute to binding arbitration to be conducted in Indianapolis, Indiana, or such other location mutually agreed to by the Company and the Management Trust with whom an unresolved objection remains. The arbitration shall be governed by the Commercial Arbitration Rules of the American Arbitration Association and decided by a panel of three impartial and independent arbitrators. The Management Trust shall select one arbitrator; the Company shall select one arbitrator; and the two selected arbitrators shall select the third arbitrator within 15 days of the day the last of the two arbitrators is selected. If the two arbitrators cannot agree on the third arbitrator, the third arbitrator shall be selected pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Within 45 days of the date of submission of the matter(s) to binding arbitration, the arbitrators shall convene a preliminary hearing to determine the schedule for the arbitration, including the date of the arbitration hearing which shall be conducted as expeditiously as possible after the demand for arbitration and in any event within 120 days after the submittal of the matter(s) to arbitration, unless otherwise agreed to by the parties thereto. The award rendered by the arbitrators shall be final, non-appealable and binding on all parties, and judgment may be entered upon it by any court of competent jurisdiction.

(f) Put Failure. In the event the conditions precedent under Section 2(d) are deemed to have been satisfied, either automatically or as determined by binding arbitration, and the Shares Put to the Company are Put Eligible Shares, and the Company then fails to duly satisfy a Put Obligation within the next five Business Days (each, a "Put Failure"), the following rights and remedies will be available to the Management Trust in addition to the Management Trust having the right to enforce its rights under any other agreement and pursue any other rights and remedies available to the Management Trust at law or in equity including, but not limited to, seeking specific performance (subject to the case of (i) and (ii) below of the Management Trust's compliance with its share transfer obligations under Section 2(c)):

(i) that amount of the Put Failure Escrow required to satisfy such Put Obligation would be released to the Management Trust; and

(ii) any non-compete and non-poaching obligations of the Management Trust and Management Owner would be eliminated in the Purchase Agreement,

such Management Owner Employment Agreement and any other Transaction Documents (as defined in the Purchase Agreement) (unless the parties otherwise agree in writing), and all Shares held by the Management Trust would fully vest and immediately become Unrestricted Stock (as defined in the Purchase Agreement) if such stock were previously Restricted Stock (as defined in the Purchase Agreement); and

(iii) all transfer restrictions imposed by this Agreement or imposed by the Rights Agreement on all Shares of the Management Trust shall terminate, and all Shares of the Management Trust shall fully vest.

(g) Funding of Put Right Escrow Agreement. The Company shall deposit a total of $1,063,896 in cash into escrow pursuant to the Put Right Escrow Agreement, which shall satisfy the Company's obligation to fund such escrow with respect to the Management Trust and all other parties to the Put Right Escrow Agreement and shall be deposited in 12 monthly installments of $88,658 on the first Business Day of each calendar month following the closing of the transactions contemplated by the Purchase Agreement.

3. Transfer Restrictions.

(a) Volume Limitations.

(i) Until the fourth Anniversary Date, after the Shares are transferrable pursuant to an effective Registration Statement or otherwise not subject to volume limitations imposed by the 1933 Act, the Management Trust may only sell up to 25% of the shares of Restricted Stock (as defined in the Purchase Agreement) received by the Management Trust (excluding any shares of Restricted Stock then held pursuant to the Indemnity Escrow Agreement) during any twelve-month period ending on an Anniversary Date.

(ii) The number of Shares that may be sold by the Management Trust will be increased (subject to any federal or state securities laws) if the Insider Shareholders (defined as William B. Shepro, Robert D. Stiles and Kevin J. Wilcox) sell, a weighted average based on holdings of each such Insider Shareholder on the date hereof or such Anniversary Date as appropriate, during the applicable twelve-month period ending on an Anniversary Date more than 25% of the Company shares (excluding shares acquired pursuant to any Company incentive compensation program) that they own as of the date hereof or the immediately preceding Anniversary Date, as applicable (the "Threshold Insider Sale Amount"). If sales by the Insider Shareholders during any twelve-month period ending on an Anniversary Date exceed the Threshold Insider Sale Amount, then the Management Trust may sell, during the next applicable twelve-month period ending on the subsequent Anniversary Date only, a number of additional Shares not to exceed the absolute percentage of total shares sold by the Insider Shareholders in excess of 25%. Any increase in the number of Shares eligible for sale by the Management Trust pursuant to this subsection shall not increase the number of Shares subject to the Put Obligation. If the Management Trust elects to sell Shares that become transferrable pursuant to this subsection, the Management Trust must give the Company ten Business Days' notice, and the Company may elect to redeem such Shares within five Business Days at the then market price.

(iii) Notwithstanding anything to the contrary in this Agreement, Section 3(a)(i) of this Agreement shall not be applicable to any Shares held by a Management Trust that were eligible to be sold under Section 3(a)(i) during the twelve-month period ending on any prior Anniversary Date but were not sold by such Management Trust.

(b) Vesting.

(i) If at any time after the second Anniversary Date, shares of Common Stock reach or exceed at closing a price of $45.00 per share (as adjusted for any stock splits, stock dividends or recapitalizations following the date hereof) for thirty (30) consecutive trading days, all Shares shall fully vest with such holder and all transfer restrictions imposed by this Agreement and all rights under Section 2(a) shall terminate.

(ii) All transfer restrictions imposed by this Agreement on all Shares of the Management Trust shall terminate and all Shares and all rights under Section 2(a) of the Management Trust shall fully vest (resulting, without limitation, in the Management Trust having the right to Put, and the associated Put Obligation covering up to, 100% of the Put Eligible Shares received by the Management Trust pursuant to the Purchase Agreement less the number of Ineligible Shares) upon (i) a Change in Control of the Company or MPA and (ii) the occurrence of one of the following events within six (6) months from the date of such Change in Control: (A) the Management Owner has his responsibilities significantly reduced, his employment is terminated without "cause" (as defined in the Management Owner's employment agreement), or the Management Owner resigns from the Company for "good reason" (as defined in the Management Owner's employment agreement) or (B) the business of MPA is discontinued by the Person or "group" that is the successor to the Company after the Change in Control.

4. Miscellaneous.

(a) Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (i) delivered by hand (with written confirmation of receipt), (ii) sent by telecopier (with written confirmation of receipt), or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and telecopier numbers set forth below (or to such other addresses and telecopier numbers as a party may designate by notice to the other Parties):

If to the Management Trust:

_____,
_____
_____
Attention: _____
Telephone: _____
Telecopier: _____
Email: _____

with a copy to:

Gallop, Johnson & Neuman, L.C.
Interco Corporate Tower
101 S. Hanley Road, Suite 1700
St. Louis, Missouri 63105
Attention: Robert H. Epstein and Richard A. Yawitz
Telephone: (314) 615-6000
Telecopier: (314) 615-6001
Email: rhepstein@gjn.com and rayawitz@gjn.com

If to the Parent or the Purchaser, to:

Altisource Portfolio Solutions S.A.
2 rue Jean Bertholet
L-1233 Luxembourg
Attention: William B. Shepro and Kevin J. Wilcox
Telephone: +(352) 2469-7902
Telecopier: +(352) 2744-9499
Email: William.Shepro@altisource.lu and Kevin.Wilcox@altisource.lu

with a copy to:

Bryan Cave LLP
One Atlantic Center, Fourteenth Floor
1201 West Peachtree Street, N.E.
Atlanta, Georgia 30309-3488
Attention: Richard H. Miller and Louis C. Spelios
Telephone: (404) 572-6600
Telecopier: (404) 572-6999
Email: Rick.Miller@BryanCave.com and Lou.Spelios@BryanCave.com

(b) Construction. Within this Agreement, the singular shall include the plural and the plural shall include the singular, and any gender shall include all other genders, all as the meaning and the context of this Agreement shall require. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder and any successor statute or law thereto, unless the context requires otherwise. Unless otherwise expressly provided, the word “including” does not limit the preceding words or terms.

(c) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns. Neither this

Agreement, nor any of the rights hereunder or thereunder, may be assigned by any party, nor may any party delegate any obligations hereunder or thereunder, without the written consent of the other party hereto or thereto, provided that the Management Trust may, without the consent of the Company and without affecting the Management Trust's rights and obligations hereunder, assign the Management Trust's same rights and obligations under this Agreement to any of its respective Affiliates or subsidiaries, and to the grantor of such trust's heirs, to the extent they are transferees of Shares. This Agreement shall not be construed as giving any Person, other than the parties hereto and their permitted successors, heirs and assigns, any legal or equitable right, remedy or claim under or in respect of this Agreement or any of the provisions herein contained, this Agreement and all provisions and conditions hereof being intended to be, and being, for the sole and exclusive benefit of such parties, and their respective permitted successors, heirs and assigns and for the benefit of no other Person or entity.

(d) Amendment and Waiver. The parties hereto may amend or modify, or may waive any right or obligation under, this Agreement in any respect, provided that any such amendment, modification or waiver shall be in writing and executed by each of the Company and the Management Trust. No waiver of any breach of any provision of this Agreement shall constitute or operate as a waiver of any other breach of such provision or of any other provision hereof, nor shall any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof.

(e) Governing Law; Consent to Jurisdiction. This Agreement is made pursuant to, and shall be construed and enforced in accordance with, the laws of the State of Delaware applicable to contracts executed in and to be performed in that State, irrespective of the principal place of business, residence or domicile of the parties hereto, and without giving effect to otherwise applicable principles of conflicts of law. Any legal action, suit or proceeding arising out of or relating to this Agreement (other than as covered by Section 2(e)) shall be instituted, heard and determined exclusively in any federal court or in any state court located in Wilmington, Delaware, and each party hereto hereby waives any objection which such party may now or hereafter have to the laying of the venue of any such action, suit or proceeding, and hereby irrevocably and unconditionally submits to the jurisdiction of any such court. Any and all service of process and any other notice in any such action, suit or proceeding shall be effective against any party hereto if given as provided in Section 4(a) hereof. Nothing herein contained shall be deemed to affect the right of any party to serve process in any other manner permitted by applicable law.

(f) Section Headings and Defined Terms. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning and interpretation of any of the provisions of this Agreement. Except as otherwise indicated, all agreements defined herein refer to the same as from time to time amended or supplemented or the terms thereof waived or modified in accordance herewith and therewith.

(g) Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other

provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

(h) Counterparts. This Agreement and the other documents required to consummate the transactions contemplated herein may be executed in one or more counterparts, each of which shall be deemed an original (including facsimile and PDF signatures), and all of which together shall be deemed to be one and the same instrument. The parties hereto may deliver this Agreement and the other documents required to consummate the transactions contemplated herein by telecopier machine/facsimile or via e-mail and each party shall be permitted to rely upon the signatures so transmitted to the same extent and effect as if they were original signatures.

(i) Entire Agreement. This Agreement supersedes all prior agreements and understandings (written or oral), between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement and the Purchase Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by each of the parties.

[*Remainder of the page is intentionally left blank.*]

IN WITNESS WHEREOF, the parties have executed this Agreement or caused their duly authorized officers to execute this Agreement as of the date first above written.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.

By: _____
Name: _____
Title: _____

THE "MANAGEMENT TRUST":

_____ **REVOCABLE TRUST**

_____

_____**, Trustee**

Exhibit 21.1

LIST OF SUBSIDIARIES

The following are subsidiaries of Altisource Portfolio Solutions S.A. as of December 31, 2009 and the jurisdictions in which they are organized.

Name	Jurisdiction of Incorporation or Organization
Altisource Solutions S.à.r.l.	Luxembourg
Altisource Asia Holdings, Ltd.	Mauritius
Altisource Business Solutions Private Limited	India
Altisource US Holdings, Inc.	Delaware
Nationwide Credit, Inc.	Georgia
Altisource Solutions, Inc.	Delaware
Altisource US Data, Inc.	Delaware
Altisource Fulfillment Operations, LLC	Florida
Premium Title Services, Inc.	Florida
Real Home Services and Solutions, Inc.	Florida
Western Progressive Trustee, LLC	Delaware
Portfolio Management Outsourcing Solutions, LLC	Florida
Altisource Outsourcing Solutions S.R.L. (99.9% of outstanding stock)	Uruguay
Altisource Holdings, LLC	Delaware
Altisource Outsourcing Solutions S.R.L. (0.01% of outstanding stock)	Uruguay

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-161175 on Form S-8 of Altisource Portfolio Solutions S.A. and subsidiaries (the "Company") of our report dated March 16, 2010 relating to the 2009 consolidated financial statements and the earnings per share information and related disclosures included in the 2008 and 2007 consolidated financial statements (which report expresses an unqualified opinion and includes an explanatory paragraph related to the significant transactions with Ocwen Financial Corporation, a related party) appearing in this Annual Report on Form 10-K of the Company for the year ended December 31, 2009.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
March 16, 2010

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-161175) of our report dated May 12, 2009, except for the termination of the line of credit maturing July 2011 discussed in Note 10 and the completion of the conversion of Altisource Portfolio Solutions S.à r.l. into a Luxembourg société anonyme discussed in Note 1, which are as of June 26, 2009, with respect to the combined consolidated balance sheet of Altisource Solutions S.à r.l. as of December 31, 2008, and the related consolidated statements of income, invested equity, and cash flows for each of the years in the two-year period ended December 31, 2008 which appears in this Annual Report on Form 10-K of Altisource Portfolio Solutions S.A. for the year ended December 31, 2009.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Fort Lauderdale, Florida
March 16, 2010

Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, William B. Shepro, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2009 of Altisource Portfolio Solutions S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date: March 16, 2010

/s/ William B. Shepro
William B. Shepro
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Robert D. Stiles, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2009 of Altisource Portfolio Solutions S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date: March 16, 2010

/s/ Robert D. Stiles
Robert D. Stiles
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

Exhibit 32.1

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Altisource Portfolio Solutions S.A. (the "Company") on Form 10-K for the year ended December 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William B. Shepro, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 16, 2010

/s/ William B. Shepro
William B. Shepro
Chief Executive Officer
(Principal Executive Officer)

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* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Altisource Portfolio Solutions S.A. (the "Company") on Form 10-K for the year ended December 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert D. Stiles, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 16, 2010

/s/ Robert D. Stiles
Robert D. Stiles
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

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* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.