



**BANKRUPTCY MANAGEMENT SOLUTIONS COMPLETES RESTRUCTURING EFFORTS
TO INCREASE FINANCIAL STABILITY AND POSITION COMPANY FOR GROWTH**

IRVINE, Calif., July 30, 2010 – Bankruptcy Management Solutions, Inc., BMS Holdings, Inc. and their affiliates (“BMS”) have reached an agreement on the material terms of a consensual debt-for-equity exchange with BMS’ lenders representing a majority of each of the Company’s outstanding first lien and second lien bank debt and over 90% of the Company’s Floating Rate Senior PIK Notes due 2012.

The transaction contemplates a partial paydown of BMS’s first-lien indebtedness and a series of debt-for-equity exchanges that will reduce BMS’s outstanding indebtedness from approximately \$536 million to \$233 million, increase the Company’s liquidity by providing for \$15 million of new capital and by reducing the Company’s annual interest expense by approximately \$16 million, and position BMS for future financial stability and operating growth.

The debt-for-equity exchange is in addition to the \$366 million paydown of BMS’ investment line completed in March 2010, marking a cumulative 75% reduction in the total debt outstanding at the beginning of this year.

“We are pleased to have reached this agreement in principle with our lenders and noteholders,” said Steve Coffey, Chief Executive Officer of BMS. “In conjunction with the earlier repayment of our investment line, this contemplated transaction will leave the Company well capitalized, allowing BMS to remain a dominant force and market leader in Chapter 7 bankruptcy case administration services.”

Based in Irvine, Calif., BMS has consistently been the Industry’s leading provider of bankruptcy case administration software and services since 1987. The Company’s innovative end-to-end technology platform software and disbursement solutions support the administrative and legislative requirements of the majority of Chapter 7 Panel trustees, as well as a variety of other bankruptcy fiduciaries. BMS products are instrumental in automating and streamlining bankruptcy administration, making trustees and bankruptcy fiduciaries more productive and profitable.