RRI ENERGY INC
Form 11-K
June 29, 2009

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 11-K

(Mark One)

þ **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the Fiscal Year Ended December 31, 2008

OR

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

For the transition period from __________ to __________

Commission file number 1-16455

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

RRI Energy, Inc. Union Savings Plan
(Formerly, the Reliant Energy, Inc. Union Savings Plan)
P.O. Box 3795
Houston, TX 77253-3795

B. Name and issuer of the securities held pursuant to the plan and the address of its principal executive office:

RRI Energy, Inc.
1000 Main Street
Houston, TX 77002

RRI ENERGY, INC. UNION SAVINGS PLAN
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The following schedules required by the Department of Labor s regulations are omitted due to the absence of the conditions under which they are required:

Schedule of Reportable Transactions

Schedule of Nonexempt Transactions

Schedule of Loans or Fixed Income Obligations in Default or Classified as Uncollectible

Schedule of Leases in Default or Classified as Uncollectible

Schedule of Assets Acquired and Disposed of Within the Plan Year

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Participants in the RRI Energy, Inc. Union Savings Plan (formerly, the Reliant Energy, Inc. Union Savings Plan):

We have audited the accompanying statements of net assets available for benefits of the RRI Energy, Inc. Union Savings Plan (the Plan) as of December 31, 2008 and 2007, and the statement of changes in net assets available for benefits for the year ended December 31, 2008. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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. We were not engaged to perform an audit of the Plan s internal control over financial reporting. Our audit 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 Plan 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2008 and 2007, and the changes in net assets available for benefits for the year ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedule, listed in the Table of Contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ MELTON & MELTON, L.L.P.
Houston, Texas
June 26, 2009

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RRI ENERGY, INC. UNION SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2008 AND 2007

	December 31, 2008	December 31, 2007
ASSETS:		
Investments, at fair value	$ 84,704,259	$ 114,228,722
Contributions Receivable-Employer	248,430	597,947
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	84,952,689	114,826,669
Adjustment from fair value to contract value for interest in collective trust relating to fully benefit-responsive investment contracts	286,714	(148,723)
NET ASSETS AVAILABLE FOR BENEFITS	$ 85,239,403	$ 114,677,946

See notes to financial statements.

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RRI ENERGY, INC. UNION SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2008

ADDITIONS, LESS LOSS ON INVESTMENTS:	
Contributions:	
Employer	$ 3,631,828
Participant	7,583,315
Total contributions	11,215,143
Loss on Investments:	
Interest	1,040,341
Dividends	2,744,236
Net depreciation in fair value of investments	(37,258,106)
Total loss on investments	(33,473,529)
Other Income	396
Total additions, less loss on investments	(22,257,990)
DEDUCTIONS:	
Benefits paid to participants	6,613,673
Administrative expenses	39,978
Assets transferred out, net	526,902
Total deductions	7,180,553
NET DECREASE	(29,438,543)
NET ASSETS AVAILABLE FOR BENEFITS: BEGINNING OF YEAR	114,677,946
NET ASSETS AVAILABLE FOR BENEFITS: END OF YEAR	$ 85,239,403

See notes to financial statements.

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RRI ENERGY, INC. UNION SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN

General The RRI Energy, Inc. Union Savings Plan (the Plan) is a defined contribution plan sponsored by RRI Energy, Inc. (formerly, Reliant Energy, Inc.) covering substantially all of the eligible bargaining unit employees of RRI Energy, Inc. or a subsidiary or an affiliate of RRI Energy, Inc. (collectively, the Company) that has adopted the Plan, and whose employment is covered by a collective bargaining agreement that provides for participation in the Plan. The following description of the Plan is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan provisions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility Under the provisions of the Plan, represented employees are eligible to participate in the Plan if provided in the terms of their respective collective bargaining agreements. Represented employees who participate or who are eligible to participate in the Plan immediately preceding January 1, 2006, continue to participate or be eligible to participate in the Plan on or after January 1, 2006. From and after January 1, 2006, except as specified in the participants respective collective bargaining agreement, each eligible employee who is not a participant and who began service with the Company on or after January 1, 2006, was initially eligible to participate in the Plan as soon as practicable following the later of January 1, 2006 or the date the employee first began service with the Company. Any participant who terminates service and subsequently recommences service with the Company will again become eligible to participate in the Plan as soon as practicable following the first date the employee recommences service; provided, however, that each such participant who was a grandfathered employee of a specific bargaining unit, as defined in the plan document, prior to such termination of service, will not be a grandfathered employee on or after such re-employment date.

Contributions Participants may elect to contribute a percentage of their compensation on a pre-tax and/or after-tax basis as permitted under the terms of their respective collective bargaining agreements, and/or up to the Internal Revenue Code (the Code) section 401(a) (17) limit. The annual eligible compensation limit was $230,000 and $225,000 for 2008 and 2007, respectively. Active participants who are, or will be, age 50 or older during a calendar year are eligible to make additional pre-tax contributions (Catch-Up Contributions) to the Plan for that year in excess of the annual pre-tax contribution limit up to a maximum amount permitted by the Code.

The Plan adopted a qualified Roth contribution program for certain represented employees. Under this program, participants may elect to treat all or a portion of compensation that would otherwise be eligible to defer as pre-tax contributions as designated Roth contributions, as defined in section 402A(c)(1) of the Code. The total amount of participant pre-tax contributions combined with Roth contributions was limited to $15,500 for 2008 and 2007. The maximum Catch-Up Contribution amount was $5,000 for 2008 and 2007. The Company makes matching contributions in accordance with the terms of the participants respective collective bargaining agreement. Some collective bargaining agreements provide for a discretionary Company contribution each pay period and an annual discretionary Company contribution. At December 31, 2008 and 2007, the Plan had an annual discretionary Company contributions receivable of $248,430 and $597,947, respectively. Plan participants who are eligible for these annual discretionary Company contributions do not have to contribute to the Plan to receive the Company contribution.

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The Plan was amended, effective January 1, 2008, to determine eligible compensation for the purpose of annual discretionary contributions, to include compensation earned while participating in another qualified plan sponsored by the Company.

Participant Accounts Individual accounts are maintained for each Plan participant. Each participant s account is credited with the participant s contributions, the Company s matching contributions, allocations of Company discretionary contributions, if applicable, any rollover contributions made by the participant and Plan earnings, and may be charged with an allocation of administrative expenses. Participant accounts are funded as soon as administratively possible. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account.

Investments Participants direct the investment of their contributions, Company matching contributions (if any) and Company payroll discretionary contributions (if any) into various investment options offered by the Plan. The Company s annual discretionary contribution, if applicable, may be made in cash or Company stock. If the contribution is made in Company stock, participants can transfer this contribution to any available investment option.

Vesting Participants are fully vested in their contributions as of their participation date. Participants vest in Company contributions according to their respective collective bargaining agreements.

Participant Loans Participants may borrow from their fund accounts up to a maximum of $50,000 or 50% of their vested account balance, whichever is less. During the period from July 1, 2006 to December 31, 2006, as a result of Hurricanes Katrina, Rita, and Wilma, and in response to new federal laws and IRS guidance, the Plan was amended to provide loans of up to $100,000 or 100% of the participant s vested account balance for certain eligible participants entitled to disaster relief. Eligible participants may also request a one-year delay of the scheduled repayment date. The loans are secured by the balance in the participant s account and bear interest at rates commensurate with local prevailing rates as determined under the Plan. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits On termination of service, a participant or beneficiary may elect to receive either a lump-sum amount equal to the value of the participant s vested interest in his or her account, or monthly, quarterly, semi-annual or annual installments not to exceed ten years.

Forfeited Accounts At December 31, 2008 and 2007, forfeited nonvested accounts totaled $66,953 and $59,968, respectively. These accounts will be used to reduce future Company contributions. Company contributions were reduced by $637 from forfeited nonvested accounts during 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Presentation The accompanying financial statements of the Plan are prepared under the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Fully Benefit-Responsive Investment Contracts The Plan accounts for fully benefit-responsive contracts according to Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare Pension Plans* (the FSP). As described in the FSP, investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount

participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through participation in the Vanguard Retirement Savings Trust, a common/collective trust fund. As required by the FSP, the Statement of Net Assets Available for Benefits presents the fair value of the Vanguard Retirement Savings Trust as well as the adjustment of the portion of the Vanguard Retirement Savings Trust related to fully benefit-responsive contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis. The effect on the 2008 and 2007 financial statements was an increase and decrease to the fair value of investments of $286,714 and ($148,723), respectively.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, as of the date of the financial statements. Actual results could differ from those estimates.

Market Risk The Plan provides for investments in various investment securities, including CenterPoint Energy, Inc. common stock (closed to new investment) and the Company s common stock, that are exposed to certain risks such as interest rate, credit, and overall market volatility. During the year ended December 31, 2008, net depreciation in fair value of investments totaled approximately ($37.3) million due to a significant amount of market volatility that was, in part, a result of a general decline in global economic conditions. Due to the level of risk, changes in the value of investment securities could occur in the near term, and these changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

Administrative Expenses Administrative expenses of the Plan are paid by either the Plan or the Plan s sponsor as provided in the Plan document.

Payment of Benefits Benefits are recorded when paid.

Investment Valuation and Income Recognition Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or net depreciation includes the Plan s gains and losses on investments bought and sold as well as held during the year.

3. ASSETS TRANSFERRED FROM THE PLAN

During 2008, assets of approximately $527,000 transferred out of the Plan as a result of net plan-to-plan transfers of participant account balances to the RRI Energy, Inc. Savings Plan.

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4. INVESTMENTS

Plan assets are held at Vanguard Fiduciary Trust Company (the Trustee). The following presents investments that represent 5% or more of the Plan s net assets:

	December 31, 2008	December 31, 2007
Mutual Funds:		
American Funds: EuroPacific Growth Fund	$	$ 6,367,200
Neuberger Berman Genesis Trust	5,940,921	10,396,501
Vanguard 500 Index Fund Investor Shares	7,985,887	11,784,798
Vanguard Total Bond Market Index Fund Investor Shares	5,194,359	
Common/Collective Trust Funds:		
Vanguard Retirement Savings Trust *	22,218,027	19,506,791
Common Stock Funds:		
RRI Energy Common Stock Fund	4,660,034	9,010,865

* The Vanguard Retirement Savings Trust, a fully benefit-responsive investment contract, as listed above represents the contract value of the Plan s investment.

During 2008 the Plan s investments, including gains and losses on investments bought and sold, as well as held during the year, depreciated in value as follows:

	Net depreciation in fair value of investments
Mutual funds	$ (7,641,415)
Common stocks	(29,616,691)
	$ (37,258,106)

5. FAIR VALUE MEASUREMENTS

As of January 1, 2008, the Plan adopted the provisions of Statement on Financial Accounting Standards No. 157 (SFAS 157), *Fair Value Measurements*, for its investments. SFAS 157 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The following is a description of the valuation methodologies used for the investments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Mutual funds

The shares of registered investment companies are valued at quoted market prices in an exchange and active market, which represent the net asset values of shares held by the Plan at year end and are classified as Level 1 investments.

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Common/collective trust fund

The Vanguard Retirement Savings Trust is a collective investment trust fund that invests solely in the Vanguard Retirement Savings Master Trust. The underlying investments of the Master Trust are primarily in pools of investment contracts that are issued by insurance companies and commercial banks and in contracts that are backed by high-quality bonds, bond and securities trusts, and mutual funds. The investments of the Master Trust are valued based on the aggregate market values of the applicable bonds, bond and securities trusts, and other investments and are classified as Level 2 investments.

Common stock funds

The common stock funds consist of the common stock of RRI Energy, Inc., the common stock of CenterPoint Energy Inc. and cash and/or money market investments sufficient to help accommodate daily transactions within each fund and are classified as Level 1 investments.

Participant loans

Participant loans are valued at their outstanding balances, which approximate fair value and are classified as Level 3 investments.

As of December 31, 2008, the Plan s investments measured at fair value on a recurring basis were as follows:

	Fair Value Measurements Using Input Type			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 55,441,500	$	$	$ 55,441,500
Common/collective trust fund		21,931,313		21,931,313
Common stock funds	5,084,311			5,084,311
Participant loans			2,247,135	2,247,135
Total	$ 60,525,811	$ 21,931,313	$ 2,247,135	$ 84,704,259

Changes in the fair value of the Plan s Level 3 investments during the year ended December 31, 2008 were as follows:

	Participant loans
Beginning balance	$ 2,277,422
Issuances and settlements (net)	(30,287)
Ending balance	$ 2,247,135

6. PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of a plan termination, participants would become 100% vested in their accounts.

7. RELATED PARTY TRANSACTIONS

The Plan invests in shares of mutual funds and a common/collective trust fund managed by an affiliate of the Trustee, as well as in shares of common stock of the Company. The Plan also provides for loans to participants. Transactions in such investments qualify as party-in-interest transactions which are exempt from the prohibited transaction rules.

8. TAX STATUS

The Plan obtained its latest determination letter dated July 23, 2007, in which the Internal Revenue Service stated that the Plan was in compliance with the applicable requirements of the Code. The plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan s financial statements.

9. SUBSEQUENT EVENT

Effective May 2, 2009, Reliant Energy, Inc. changed its name to RRI Energy, Inc. and the Plan was amended to reflect the change in the Company s name.

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RRI ENERGY, INC. UNION SAVINGS PLAN
Schedule H, Line 4(i) Schedule of Assets (Held at End of Year)
As of December 31, 2008
EIN 76-0655566
PLAN 002

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	Mutual Funds:			
	American Funds EuroPacific Growth Fund Class A	Registered Investment Company	(1)	$ 3,539,271
	American Funds: Growth Fund Of America Class A	Registered Investment Company	(1)	685,460
	American Funds: New Perspective Fund Class A	Registered Investment Company	(1)	2,235,753
	Artisan International Fund, Investor Class	Registered Investment Company	(1)	618,807
	Davis New York Venture Fund, Inc. Class A Shares	Registered Investment Company	(1)	251,752
	Dodge & Cox Balanced Fund	Registered Investment Company	(1)	1,967,190
	Neuberger Berman Genesis Trust	Registered Investment Company	(1)	5,940,921
	PIMCO Total Return Fund Administrative Class	Registered Investment Company	(1)	3,726,979
	T. Rowe Price Equity Income Fund Advisor Class	Registered Investment Company	(1)	327,881
	T. Rowe Small-Cap Stock Fund Advisor Class	Registered Investment Company	(1)	1,403,672
	Turner Small Cap Growth Fund Class I Shares	Registered Investment Company	(1)	2,043,594
*	Vanguard 500 Index Fund Investor Shares	Registered Investment Company	(1)	7,985,887
*	Vanguard Capital Opportunity Fund Investor Shares	Registered Investment Company	(1)	1,172,022
*	Vanguard Dividend Growth Fund	Registered Investment Company	(1)	2,859,951
*	Vanguard Growth Equity Fund	Registered Investment Company	(1)	2,008,511
*	Vanguard PRIMECAP Fund Investor Shares	Registered Investment Company	(1)	602,276

*	Vanguard Target Retirement 2005 Fund	Registered Investment Company	(1)	198,304
*	Vanguard Target Retirement 2010 Fund	Registered Investment Company	(1)	235,648
*	Vanguard Target Retirement 2015 Fund	Registered Investment Company	(1)	2,362,813
*	Vanguard Target Retirement 2020 Fund	Registered Investment Company	(1)	343,898

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RRI ENERGY, INC. UNION SAVINGS PLAN
Schedule H, Line 4(i) Schedule of Assets (Held at End of Year)
As of December 31, 2008 continued
EIN 76-0655566
PLAN 002

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
*	Vanguard Target Retirement 2025 Fund	Registered Investment Company	(1)	2,822,424
*	Vanguard Target Retirement 2030 Fund	Registered Investment Company	(1)	201,879
*	Vanguard Target Retirement 2035 Fund	Registered Investment Company	(1)	1,412,456
*	Vanguard Target Retirement 2040 Fund	Registered Investment Company	(1)	270,522
*	Vanguard Target Retirement 2045 Fund	Registered Investment Company	(1)	558,478
*	Vanguard Target Retirement 2050 Fund	Registered Investment Company	(1)	123,691
*	Vanguard Target Retirement Income Fund	Registered Investment Company	(1)	184,081
*	Vanguard Total Bond Market Index Fund Investor Shares	Registered Investment Company	(1)	5,194,359
*	Vanguard Total International Stock Index Fund	Registered Investment Company	(1)	1,118,859
*	Vanguard Total Stock Market Index Fund Investor Shares	Registered Investment Company	(1)	997,787
*	Vanguard Windsor II Fund Investor Shares	Registered Investment Company	(1)	2,046,374
	Common/Collective Trust Funds:			
*	Vanguard Retirement Savings Trust	Common/Collective Trust	(1)	22,218,027
	Common Stock Funds:			
	CenterPoint Energy Stock Fund	Company Stock Fund	(1)	424,277
*	RRI Energy Common Stock Fund	Company Stock Fund	(1)	4,660,034
*	Participant Loans		$ 0	2,247,135

	Interest rates between 4.0% - 9.25%	
Total assets held for investment purposes		$ 84,990,973

* Party-in-interest.

(1) Cost information has been omitted because all investments are participant-directed.

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SIGNATURE

THE PLAN. Pursuant to the requirements of the Securities Exchange Act of 1934, the Benefits Committee of RRI Energy, Inc. has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

RRI ENERGY, INC. UNION SAVINGS PLAN

By /s/ DAVID FREYSINGER
David Freysinger, Chairman of the Benefits
Committee of RRI Energy, Inc., Plan Administrator

June 26, 2009

	1,118	1,850			8,673
Income (loss) from operations	8,694	(1,089)	5,026	(1,850)	10,781
Other income (expense), net	(10)	(647)	(115)		(772)
Income (loss) before income taxes	$8,684	$(1,736)	$4,911	$(1,850)	$ 10,009
Depreciation and amortization	$	$646	$714	$	$ $1,360
Amortization of intangibles	$	$699	$	$	$ $699

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ALTISOURCE PORTFOLIO SOLUTIONS S.A.
NOTES TO COMBINED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)

	Mortgage Services	Financial Services	Technology Products	Corporate Items and Other	Corporate Eliminations	Business Segments Consolidated
For the three months ended June 30, 2008						
Revenue	$ 13,358	$ 19,030	$ 12,410	$	$ (3,930)	$ 40,868
Cost of revenue	9,035	16,502	8,426		(3,930)	30,033
Gross profit	4,323	2,528	3,984			10,835
Selling, general and administrative expenses	754	4,627	1,373			6,754
Income (loss) from operations	3,569	(2,099)	2,611			4,081
Other income (expense), net	(9)	(494)	(154)			(657)
Income (loss) before income taxes	$ 3,560	$ (2,593)	$ 2,457	$	$	$ 3,424
Depreciation and amortization	$	$ 848	$ 1,154	$	$	$ 2,002
Amortization of intangibles	$	$ 629	$	$	$	$ 629
For the six months ended June 30, 2009						
Revenue	$ 41,720	$ 33,787	$ 22,682	$	$ (5,767)	$ 92,422
Cost of revenue	23,780	27,879	12,460		(5,767)	58,352
Gross profit	17,940	5,908	10,222			34,070
Selling, general and administrative expenses	3,675	7,830	2,796	1,850		16,151
Income (loss) from operations	14,265	(1,922)	7,426	(1,850)		17,919
Other income (expense), net	(23)	(1,115)	(253)			(1,391)
Income (loss) before income taxes	$ 14,242	$ (3,037)	$ 7,173	$ (1,850)	$	$ 16,528
Depreciation and amortization	$ 3	$ 1,291	$ 1,501	$	$	$ 2,795
Amortization of intangibles	$	$ 1,336	$	$	$	$ 1,336
For the six months ended June 30, 2008						
Revenue	$ 28,559	$ 38,529	$ 22,894	$	$ (6,566)	$ 83,416
Cost of revenue	19,430	31,267	15,578		(6,566)	59,709

Gross profit	9,129	7,262	7,316			23,707
Selling, general and administrative expenses	2,395	8,870	3,103		(225)	14,143
Income (loss) from operations	6,734	(1,608)	4,213		225	9,564
Other income (expense), net	(37)	(962)	(92)		(225)	(1,316)
Income (loss) before income taxes	$ 6,697	$ (2,570)	$ 4,121	$	$	$ 8,248
Depreciation and amortization	$ 27	$ 1,313	$ 2,425	$	$	$ 3,765
Amortization of intangibles	$	$ 1,295	$	$	$	$ 1,295
Total Assets						
June 30, 2009	$ 4,633	$ 61,334	$ 8,502	$ 4,790	$	$ 79,259
December 31, 2008	$ 3,361	$ 59,744	$ 8,836	$ 4,734	$	$ 76,675
June 30, 2008	$ 2,819	$ 63,891	$ 11,421	$ 4,719	$	$ 82,850

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ALTISOURCE PORTFOLIO SOLUTIONS S.A.
NOTES TO COMBINED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)

(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 $529 and $880 in the three months ended June 30, 2009 and 2008, respectively, and $1,057 and $1,100 in the six months ended June 30, 2009 and 2008, respectively, for assets reflected in the Technology Products segment.

NOTE 6 COMMITMENTS AND CONTINGENCIES

Litigation

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. In total, the former vendor is seeking damages of approximately $3,100. We believe that the vendor s claims against us are without merit and intend to defend vigorously against this matter while at the same time pursue our claims against this vendor.

Altisource is subject to various other pending legal proceedings. 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

We intend for the Distribution to be a tax-free transaction under Section 355 of the Code. However, Ocwen will recognize, and pay tax on, substantially all the gain it has in the assets that comprise Altisource as a result of the Restructuring. If the Distribution were not to qualify as a tax-free transaction, Ocwen may not recognize substantial taxable gain because most, if not all, of such gain would already have been recognized pursuant to the Restructuring of Altisource. Altisource has agreed to indemnify Ocwen for certain tax liabilities. As of June 30, 2008, the Company does not believe it has an indemnity obligation.

NOTE 7 SUBSEQUENT EVENTS

In July 2009, the Company communicated to its employees a plan to close two of its offices within its Financial Services segment. The offices will be closed in August 2009, and the closures will result in severance costs, losses on the disposal of the assets that will be abandoned and lease termination costs. The Company will record the actual and estimated costs in the third quarter of 2009. The Company is unable to estimate the total costs of these office closures at this time. The Company currently is negotiating with the landlords for the leased space in order to exit the leases early and expects to incur additional costs relating to the leases.

We have evaluated subsequent events through August 4, 2009.

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ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Dollars in thousands)

The following discussion should be read in conjunction with our Interim Combined Consolidated Financial Statements and the related notes, included in Item 1 of this Quarterly Report of Form 10-Q and with our Registration Statement on Form 10 as filed with the Securities and Exchange Commission on May 13, 2009, as amended.

The discussion below contains forward-looking statements that are based upon our current expectations, which are subject to uncertainty and changes in circumstances. Our actual results may differ materially from the expectations due to changes in global, political, economic, business, competitive and market factors many of which are beyond our control. See Forward-Looking Statements included later in this Item 2.

All dollar amounts not related to compensation are in thousands, unless otherwise indicated. We have not presented actual per share data since Altisource was included within Ocwen during all periods presented.

Significant components of the management s discussion and analysis of results of operations and financial condition include:

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**MANAGEMENT S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**
(continued)

OVERVIEW

Altisource provides real estate mortgage portfolio management and related technology products as well as asset recovery and customer relationship management services.

We believe our competitive advantage is the ability to manage high value, knowledge-based job functions with our global platform while reducing operating variability. In general, we utilize integrated technology solutions that include enhanced call scripts for our customer service personnel based on psychological principles and decision models. We operate our technology platforms to manage large scale distributed networks of vendors. This allows our customers to improve their business processes while reducing costs. Along with expanding our use of integrated technology solutions, a central tenet to our strategy is a focus on selling output or solutions (the number of units we produce or manage on behalf of our client), thereby enabling us to convert operational efficiency gains into higher margins and profitability per employee.

We manage our operations through three reporting segments: Mortgage Services, Financial Services and Technology Products.

Mortgage Services provides due diligence, valuation, real estate sales, default processing services, property inspection and preservation services, homeowner outreach, closing and title services and knowledge process outsourcing services. Our services span the lifecycle of a mortgage loan from origination through the disposition of real estate owned properties.

Financial Services comprises our asset recovery management and customer relationship management offerings to the financial services, consumer products, telecommunications and utilities industries. We specialize in, and our primary source of revenues for this segment is, contingency collections and customer relationship management for credit card issuers and other consumer credit providers.

Technology Products is responsible for the design, development and delivery of technology products and services to the mortgage industry, including our REAL suite of applications that provide technology products to serve the needs of servicing and origination businesses. Our offerings include residential and commercial loan servicing and loss mitigation software, vendor management and a patented vouchless payable system to manage and oversee payments to large-scale vendor networks and information technology services. We build all of our technology platforms to be scalable, highly secure, flexible, standards-based and web connected. Standards and web connectivity ensure that our customers find our products easy to use. Further, we bring new products to market quickly because of the investments that we made in integrating our technology.

Separation from Ocwen

In November 2008, the Board of Directors of Ocwen authorized management to pursue a reorganization of a number of predominantly non-U.S. operations including its knowledge process outsourcing business to be known as Altisource. On the Separation Date, Ocwen will distribute all of the shares of Altisource common stock to its shareholders in a tax-free distribution. Ocwen s shareholders will receive one share of Altisource common stock for every three shares of Ocwen common stock they hold on the Record Date, which is scheduled to be August 4, 2009. In addition, each holder of Ocwen s 3.25% Contingent Convertible Unsecured Senior Notes due 2024 (the Convertible Notes) will participate in the distribution of Altisource shares based on the conversion ratio of the Convertible Notes, consistent with the pro rata distribution ratio of one share of Altisource common stock for every three shares of Ocwen common stock, without conversion of the Convertible Notes into common shares of Ocwen. Upon the Separation, Altisource will no longer be part of Ocwen. We currently expect the Separation Date to be August 10, 2009.

In connection with the Separation, we and Ocwen will enter into a Separation Agreement as well as certain other agreements to govern the terms of the separation and certain ongoing relationships between Ocwen and us subsequent to the Separation. These agreements include a Transition Services Agreement, Tax Matters Agreement, Employee Matters Agreement, Intellectual Property Agreement, Services Agreement, Technology Products Services Agreement and Data Center and Disaster Recovery Services Agreement. These related party agreements are more fully described in our Registration Statement on Form 10.

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MANAGEMENT S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(continued)

Basis of Presentation

Our historical combined consolidated financial statements include assets, liabilities, revenues and expenses directly attributable to our operations carved out of the historical operations of Ocwen s consolidated financial statements. Our historical financial statements also reflect allocations of corporate expenses from Ocwen based on use, percentage of time or other methodologies management believes appropriate for such expenses. These corporate expenses primarily reflect an allocation to us of a portion of the compensation and related costs of certain senior officers and other personnel of Ocwen who will not be our employees after the Separation but who historically provided services to us.

The historical financial statements included in this information statement may not be indicative of our future performance as a separate company following the Separation and do not necessarily reflect what our financial position, results of operations and cash flows would have been had we operated as a separate, stand-alone public entity during the periods presented. As part of Ocwen, we share certain corporate functions with Ocwen, and Ocwen allocates a portion of its expenses to us to reflect our share of such expenses. We expect to enter into a Transition Services Agreement with Ocwen under which we and Ocwen will continue to share resources and provide services to each other on a fully allocated cost basis for up to two years. These services will include such services as human resources, vendor management, corporate services, six sigma activities, quality assurance, quantitative analytics, treasury, accounting, risk management, legal, strategic planning, compliance and other services. Given that these services will be at fully allocated cost, we expect that our costs will be approximately equal before and immediately after the Separation. However, we will transition from receiving such services from Ocwen over the next two years which likely will increase the overall costs that we incur as we no longer will benefit from the economies of scale we generated as part of a larger organization and likely will have duplication of functions that would not be necessary if we were to remain a part of the Ocwen organization. We expect to incur between $2,000 and $4,000 per year of other expenses as a result of being a separate publicly traded company that are not reflected in our historical financial statements as more fully described in our Registration Statement.

We generated 40.1% of our revenues in calendar year 2008 and 48.2% of our revenues in the first half of 2009 from Ocwen businesses not included in the Separation or from providing services derived from Ocwen s loan servicing portfolio. We anticipate that Ocwen will continue to be a significant customer for Altisource for the foreseeable future. We currently provide these services at rates that we consider to be market-based. We expect that the prices that we will charge for these services beginning with the Separation Date will be determined pursuant to these services agreements, which are subject to revision at specified intervals. If market conditions change and we are required to provide services to Ocwen at below market rates, we could experience decreased earnings and cash flows as well as greater variability in our performance compared to our historical results.

The assets and liabilities assigned to us pursuant to the Separation Agreement are accounted for at the historical book values of such assets and liabilities. Ocwen centrally manages the cash flows generated from our various activities and will continue to do so through the Separation Date.

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MANAGEMENT S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(continued)

COMBINED CONSOLIDATED RESULTS OF OPERATIONS

The following table summarizes our combined consolidated operating results for the periods indicated. The transactions with related parties included in this table and throughout this Management s Discussion and Analysis of Financial Condition and Results of Operations consist of transactions with Ocwen businesses not included in the Separation or transactions derived from Ocwen s loan servicing portfolio.

	Three Months Ended			Six Months Ended		
	June 30, 2009	June 30, 2008	% change	June 30, 2009	June 30, 2008	% change
Revenue	$ 49,803	$ 40,868	21.9%	$ 92,422	$ 83,416	10.8%
Cost of revenue	30,349	30,033	1.1%	58,352	59,709	(2.3)%
Gross profit	19,454	10,835	79.5%	34,070	23,707	43.7%
Selling, general and administrative expenses	8,673	6,754	28.4%	16,151	14,143	14.2%
Income from operations	10,781	4,081	164.2%	17,919	9,564	87.4%
Other income (expense), net						
Interest income		1	NM		14	NM
Interest expense	(796)	(654)	(21.7)%	(1,410)	(1,337)	(5.5)%
Other, net	24	(4)	NM	19	7	NM
Total other income (expense), net	(772)	(657)	(17.5)%	(1,391)	(1,316)	(5.7)%
Income before income taxes	10,009	3,424	192.3%	16,528	8,248	100.4%
Income tax provision	(2,994)	(961)	(211.6)%	(5,074)	(2,315)	(119.2)%
Net income	$ 7,015	$ 2,463	184.8%	$ 11,454	$ 5,933	93.1%
Transactions with related parties included above:						
Revenue	$ 24,342	$ 16,496	47.6%	$ 44,507	$ 33,290	33.7%
Selling, general and administrative expenses	$ 1,843	$ 879	109.7%	$ 3,786	$ 3,070	23.3%
Interest expense	$ (528)	$ (557)	5.2%	$ (1,097)	$ (1,166)	5.9%

NM = Not meaningful

Revenues

We completed the three and six months ended June 30, 2009 with $49,803 and $92,422 in consolidated revenues, respectively, as compared to $40,868 and $83,416, respectively, in the same periods in 2008. The following table summarizes the revenues by segment for the three and six months ended June 30, 2009 and 2008:

	Three Months Ended			**Six Months Ended**		
	June 30, 2009	**June 30, 2008**	**% change**	**June 30, 2009**	**June 30, 2008**	**% change**
Mortgage Services	$ 24,020	$ 13,358	79.8%	$ 41,720	$ 28,559	46.1%
Financial Services	16,469	19,030	(13.5)%	33,787	38,529	(12.3)%
Technology Products	12,109	12,410	(2.4)%	22,682	22,894	(0.9)%
Corporate and eliminations	(2,795)	(3,930)	28.9%	(5,767)	(6,566)	12.2%
Total revenues	$ 49,803	$ 40,868	21.9%	$ 92,422	$ 83,416	10.8%

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MANAGEMENT S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
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Mortgage Services principally generates revenue by providing professional outsourced services that span the lifecycle of a mortgage loan other than loan origination services. Although we provide services related to both mortgage originations and mortgage defaults, our revenues are subject to fluctuation based on prevailing market conditions. Revenues relating to mortgage originations declined from the three and six months ended June 30, 2008 to the three and six months ended June 30, 2009 due to the decline in mortgage originations in the overall market. We anticipated this change and began in 2008 to develop new services relating to mortgage default management including property inspection and property preservation, closing and title services, real estate sales and default management services. We also renewed and expanded a contract with a knowledge process outsourcing customer to increase the outsourcing services we provide to the customer. Revenues from these new services and from the contract expansion more than offset the decline in origination-related services in the first half of 2009, resulting in an overall increase in revenues of 79.8% and 46.1% for Mortgage Services in the three and six months June 30, 2009, respectively compared to the same periods in 2008.

Financial Services revenues declined 13.5% and 12.3%, respectively, for the three and six months ended June 30, 2009 compared to the same periods in 2008 due primarily to lower collection rates from obligors on the credit card or other consumer debt that we are attempting to collect on behalf of our customers. We experienced declining collection rates throughout 2008 and the first half of 2009. Based on collections statistics we receive from our customers and general industry data, we believe this decline is reflective of the current economic climate and is consistent with the collections industry in general.

Technology Products revenues decreased slightly in the second quarter of 2009 compared to the second quarter of 2008 due primarily to lower revenues from Ocwen as our REALServicing revenues represent the largest revenue stream in Technology Products, and these revenues have declined as Ocwen s loan servicing portfolio has contracted. We also billed less internally to NCI as we have lowered costs in this area, and our billings are based on cost. This revenue decline is offset by a decline in expense for NCI and therefore does not impact our overall profitability. The REALServicing and NCI revenue declines were mostly offset by an increase in revenues from the contract expansion noted above, as we provide services to this customer in both our Mortgage Services and our Technology Products segments. For the six month period, Technology Products revenues declined only 0.9% as we further offset the REALServicing contraction when we changed our billings to Ocwen and inter-segment charges from a cost-based method to a market-based rate card in the second quarter of 2008. This change resulted in approximately $664 greater revenues in the first quarter and first half of 2009 than we would have recorded under the cost-based method. See further discussion of these changes in the Segment Results of Operations section later in this Quarterly Report.

We intend to cross-sell our mortgage services and technology products going forward and doing so should increase the overall value we provide to our customers as well as improve our profitability.

Cost of revenue

Cost of revenue 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, agency and other outsourcing services, as well as printing and mailing costs for correspondence with debtors; and (iii) technology and telephony expenses as well as depreciation and amortization of operating assets. The components of cost of revenue were as follows:

	Three Months Ended			Six Months Ended		
	June 30, 2009	June 30, 2008	% change	June 30, 2009	June 30, 2008	% change
Compensation and benefits	$ 12,803	$ 15,558	(17.7)%	$ 25,877	$ 30,108	(14.1)%
Outside fees and services	13,677	8,723	56.8%	24,281	19,285	25.9%

Technology and communications	3,869	5,752	(32.7)%	8,194	10,316	(20.6)%
Total	$ 30,349	$ 30,033	1.1%	$ 58,352	$ 59,709	(2.3)%

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Cost of revenue increased 1.1% in the second quarter of 2009 and decreased 2.3% in the first half of 2009 compared to the same periods in 2008. We generated the decreases in compensation and benefits primarily in our Financial Services segment, where we aggressively reduced the number of collectors and further reduced their cost by relocating many positions to less expensive locations.

Outside fees and services primarily increased in our Mortgage Services segment due to greater revenues in our new services, primarily property inspection and property preservation and our default management services. Outside fees and services also increased in our Financial Services segment as we are attempting to collect on more accounts in 2009 than in 2008 and therefore incurred greater costs relating to collection letters. NCI also increased its use of external collectors, resulting in a shift in costs from compensation and benefits to outside fees and services.

Technology and communications decreased due primarily to our efforts to decrease the NCI technology expenses that we accomplished in part by reducing the number of internal collectors and in part by reducing telephony and related costs. Finally, we incurred lower depreciation in 2009 as several assets became fully depreciated late in 2008 and we accelerated the depreciation of some inadequate technology that impacted the 2008 periods but not those in 2009.

Selling, general and administrative expenses

Selling, general and administrative expenses increased 28.4% in the second quarter of 2009 and 14.2% in the first half of 2009 compared to the same periods in 2008. The components of selling, general and administrative expenses were as follows:

	Three Months Ended			Six Months Ended		
	June 30, 2009	June 30, 2008	% change	June 30, 2009	June 30, 2008	% change
Occupancy and equipment	$ 1,975	$ 2,000	(1.3)%	$ 4,110	$ 4,023	2.2%
Corporate allocations	1,843	878	109.9%	3,786	3,070	23.3%
Professional services	2,529	1,033	144.8%	3,356	1,746	92.2%
Other	2,326	2,843	(18.2)%	4,899	5,304	(7.6)%
Total	$ 8,673	$ 6,754	28.4%	$ 16,151	$ 14,143	14.2%

Occupancy and equipment was relatively unchanged from the prior year. Corporate allocations increased as Altisource represented a more significant portion of Ocwen in 2009 and incurred additional payroll and related costs as it utilized more legal, finance, executive and human resource services in connection with the growth in revenues and the planned Separation from Ocwen. The increase was magnified by our shifting certain accounting and management functions from NCI to Ocwen s corporate department late in 2008, so we recorded these expenses as Other in the table above for 2008 and as Corporate allocations in 2009, resulting in the decrease in Other above. Professional services increased in 2009 as Ocwen considered all costs of the Separation through the end of the first quarter of 2009 to be corporate expenses and recorded them within its Corporate Items and Other category, but Altisource incurred these costs in the second quarter of 2009. Ocwen initially incurred these costs while it was determining the feasibility of the Separation. By the beginning of the second quarter of 2009, it was apparent that the Separation was feasible and that Ocwen likely would receive all necessary approvals to effect the Separation, and therefore Ocwen determined that Altisource should begin incurring these costs. We anticipate that Altisource will incur additional costs in the third quarter of 2009 as well, but that these costs will cease late in the third quarter after the Separation is complete.

Income from Operations and Income Before Income Taxes

We improved income from operations by 164.2% and 87.4% in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008. We increased income before income taxes by 192.3% and 100.4% in the same periods. These increases were due primarily to our ability to scale mortgage services revenue with limited additional costs.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
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Income Tax Provision

Income tax provision was $2,994 and $5,074 in the three and six months ended June 30, 2009, respectively. Our effective tax rate was 29.9% and 30.7% in the three and six months ended June 30, 2009, respectively, compared to 28.1% in the same periods in 2008. Income tax provision on income before income tax differs from amounts that would be computed by applying the Luxembourg federal corporate income tax rate of 28.6% primarily because of the effect of differing tax rates outside of Luxembourg, indefinite deferral on earnings of non-U.S. affiliates and additional foreign income taxes. The additional non-U.S. foreign income taxes were the primary reason for the increase in our effective tax rate between periods.

SEGMENT RESULTS OF OPERATIONS

The following section provides a discussion of pre-tax results of operations of our business segments for the three and six months ended June 30, 2009 and 2008.

A summary of our operating results by segment for the periods ended June 30, 2009 is as follows:

	Mortgage Services	Financial Services	Technology Products	Corporate Items and Other	Corporate Eliminations	Altisource Portfolio Solutions
Three Months Ended June 30, 2009						
Revenue	$ 24,020	$ 16,469	$ 12,109	$	$ (2,795)	$ 49,803
Cost of revenue	13,369	13,810	5,965		(2,795)	30,349
Gross profit	10,651	2,659	6,144			19,454
Selling, general and administrative expenses	1,957	3,748	1,118	1,850		8,673
Income from operations	8,694	(1,089)	5,026	(1,850)		10,781
Other income (expense), net	(10)	(647)	(115)			(772)
Income before income taxes	$ 8,684	$ (1,736)	$ 4,911	$ (1,850)	$	$ 10,009
Transactions with related parties included above:						
Revenue	$ 18,599	$ 364	$ 8,174	$	$ (2,795)	$ 24,342
Selling, general and administrative expenses	$ 1,053	$ 194	$ 596	$	$	$ 1,843
Interest expense	$ (11)	$ (424)	$ (93)	$	$	$ (528)

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**MANAGEMENT S DISCUSSION AND ANALYSIS
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	Mortgage Services	Financial Services	Technology Products	Corporate Items and Other	Corporate Eliminations	Altisource Portfolio Solutions
Six Months Ended June 30, 2009						
Revenue	$ 41,720	$ 33,787	$ 22,682	$	$ (5,767)	$ 92,422
Cost of revenue	23,780	27,879	12,460		(5,767)	58,352
Gross profit	17,940	5,908	10,222			34,070
Selling, general and administrative expenses	3,675	7,830	2,796	1,850		16,151
Income from operations	14,265	(1,922)	7,426	(1,850)		17,919
Other income (expense), net	(23)	(1,115)	(253)			(1,391)
Income before income taxes	$ 14,242	$ (3,037)	$ 7,173	$ (1,850)	$	$ 16,528
Transactions with related parties included above:						
Revenue	$ 32,960	$ 731	$ 16,583	$	$ (5,767)	$ 44,507
Selling, general and administrative expenses	$ 2,181	$ 382	$ 1,223	$	$	$ 3,786
Interest expense	$ (23)	$ (882)	$ (192)	$	$	$ (1,097)

Transactions between segments 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 cost of revenue in the segment receiving the services, except for consulting services, which we reflect in selling, general and administrative expenses. All material inter-segment transactions are eliminated.

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MANAGEMENT S DISCUSSION AND ANALYSIS
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Mortgage Services

	Three Months Ended			Six Months Ended		
	June 30, 2009	June 30, 2008	% change	June 30, 2009	June 30, 2008	% change
Revenues:						
Residential property valuation	$ 6,690	$ 7,403	(9.6)%	$ 14,035	$ 15,607	(10.1)%
Closing and title services	4,169	2,972	40.3%	8,590	7,010	22.5%
Knowledge process outsourcing	5,187	2,852	81.9%	8,252	5,694	44.9%
Property inspection and property preservation	5,057		NM	6,999		NM
Default management services	1,256		NM	1,845		NM
Real estate sales	1,613		NM	1,848		NM
Other	48	131	(63.4)%	151	248	(39.1)%
Total revenue	24,020	13,358	79.8%	41,720	28,559	46.1%
Cost of revenue	13,369	9,035	48.0%	23,780	19,430	22.4%
Gross profit	10,651	4,323	146.4%	17,940	9,129	96.5%
Selling, general and administrative expenses	1,957	754	159.5%	3,675	2,395	53.4%
Income from operations	8,694	3,569	143.6%	14,265	6,734	111.8%
Other income (expense), net	(10)	(9)	(11.1)%	(23)	(37)	37.8%
Income before income taxes	$ 8,684	$ 3,560	143.9%	$ 14,242	$ 6,697	112.7%
Transactions with related parties included above:						
Revenue	$ 18,599	$ 10,214	82.1%	$ 32,960	$ 22,192	48.5%
Selling, general and administrative expenses	$ 1,053	$ 511	106.1%	$ 2,181	$ 1,812	20.4%
Interest expense	$ (11)	$ (9)	(22.2)%	$ (23)	$ (36)	36.1%

Revenues

In our Mortgage Services segment, we generate the majority of our revenue by providing outsourced services that span the lifecycle of a mortgage loan. 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.

Our total revenues improved by $10,662 or 79.8% and by $13,161 or 46.1% in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008. While our legacy products, including valuation, pre-foreclosure title services and mortgage due diligence have declined, we offset these changes by increasing the array and geographical range of the mortgage and default services that we provide to originators and servicers. These services include property inspection and property preservation, default management services, real estate sales and post-foreclosure title services. These new services contributed $3,419 of revenues in the first quarter of 2009 and increased to $8,824 in the second quarter. We anticipate that we will continue to grow our revenues from these new products in each successive quarter of 2009.

We also expanded a contract for knowledge process outsourcing services with an existing customer that resulted in the 81.9% increase in revenues from these services for the three months ended June 30, 2009. We anticipate that we will continue to generate revenues at the current levels for the next several years.

Cost of revenue

Our revenues increased by 79.8% and our cost of revenues increased by 48.0% in the second quarter of 2009 as compared to the second quarter of 2008, resulting in a 146.4% increase in gross profit for Mortgage Services. Gross

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profit increased 96.5% for the six months ended June 30, 2009. These improvements are due to: (i) improvements in our processes relating to order placements with subcontractors that enabled us to deliver our services more timely while also lowering the fees we pay to the subcontractors; (ii) new revenue streams that generated additional gross profit dollars; and (iii) increased profitability from the knowledge process outsourcing services contract expansion. We anticipate that we will continue to benefit from these cost savings throughout 2009 and that we will continue to generate additional gross profit dollars from the new products. However, the property inspection and property preservation and the default management services have higher than average cost of revenue, so as these products grow, we expect them to lower our gross profit percentage while providing additional gross margin dollars. Also, we must increase our staffing to meet the requirements under the expanded knowledge process outsourcing contract and anticipate that our cost of revenue will increase in this line of business in the third and fourth quarters as we complete the staffing requirements.

Selling, general and administrative expenses

Selling, general and administrative expenses increased by 159.5% and 53.4% in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008 due primarily to the 2008 periods including reversals of a portion of the provision for bad debts due to collections made in the periods, whereas the 2009 periods include greater provisions for bad debts due to higher revenues and revenues from new customers for which we estimated that we would incur greater losses than for our historical business that primarily is with Ocwen. We also incurred higher travel costs in the 2009 periods primarily related to training of personnel.

Income from operations and Income before income taxes

Income from operations increased $5,125 or 143.6% and $7,531 or 111.8% in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008. Income before income taxes increased by 143.9% and 112.7% in the same periods. These changes resulted from the growth in revenue with corresponding smaller increases in cost of revenue and other expenses.

Financial Services

	Three Months Ended			Six Months Ended		
	June 30, 2009	June 30, 2008	% change	June 30, 2009	June 30, 2008	% change
Revenues:						
Asset recovery management	$ 12,950	$ 16,527	(21.6)%	$ 27,239	$ 34,002	(19.9)%
Customer relationship management	3,519	2,503	40.6%	6,548	4,527	44.6%
Total revenue	16,469	19,030	(13.5)%	33,787	38,529	(12.3)%
Cost of revenue	13,810	16,502	(16.3)%	27,879	31,267	(10.8)%
Gross profit	2,659	2,528	5.2%	5,908	7,262	(18.6)%
Selling, general and administrative expenses	3,748	4,627	(19.0)%	7,830	8,870	(11.7)%
Loss from operations	(1,089)	(2,099)	48.1%	(1,922)	(1,608)	(19.5)%
Other income (expense), net	(647)	(494)	(31.0)%	(1,115)	(962)	(15.9)%

Loss before income taxes	$	(1,736)	$	(2,593)	33.1%	$	(3,037)	$	(2,570)	(18.2)%
Transactions with related parties included above:										
Revenue	$	364	$	485	(24.9)%	$	731	$	543	34.6%
Selling, general and administrative expenses	$	194	$	85	128.2%	$	382	$	290	31.7%
Interest expense	$	(424)	$	(447)	5.1%	$	(882)	$	(928)	5.0%

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Revenues

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. Revenues declined by 13.5% and 12.3% in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008 due to lower collection rates that we experienced. We believe that our collection rates have declined due to the current economic climate and that the decline is consistent with the collections industry in general. We began performing additional customer relationship management services for an existing customer in the third quarter of 2008 that increased our revenues in this area, partially offsetting the decrease in our asset recovery management revenues. We have begun to see our collection rates, which are somewhat inversely correlated with unemployment rates, level off after several quarters of declines, but cannot predict whether these rates will stabilize at current levels, increase or continue to decline.

Cost of revenue

Cost of revenue declined 16.3% and 10.8% in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008 due primarily to reductions we made to our compensation and benefits costs and also to lower technology and communications costs, partially offset by higher outside fees and services expenses.

With respect to compensation costs, we aggressively reduced the number of collectors beginning in the fourth quarter of 2008, and continued these efforts in the first half of 2009. The lower number of collectors and the continued focus on reducing our technology costs generated positive results during the three and six months ended June 30, 2009. We lowered compensation and benefits by 24.0% in the current quarter compared to the second quarter of 2008.

Our technology and communications expenses were 39.4% lower in the current quarter compared to the second quarter of 2008. This decline was partially offset by our outside fees and services which increased 37.6% and 22.4% in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008. Increases in outside fees and services resulted from higher collection letter costs and greater use of outside collectors. In summary, we experienced increased account placements which increased our costs for sending letters to debtors. In addition, although we are collecting on more accounts the overall liquidation rate declined which offsets the potential increase in revenue. In addition, outside fees and services increased due to the utilization of outside collectors in an effort to limit our exposure to the declining collection rates. We continue to analyze our cost structure and intend to manage our costs to improve profitability even if collection rates remain low through the remainder of 2009.

Selling, general and administrative expenses

Selling, general and administrative expenses declined 19.0% and 11.7% in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008 primarily due to reductions we made in our compensation related to support functions. We acquired NCI in June 2007 and fully integrated its operations during 2008, allowing us to eliminate duplicate positions and reduce our overall costs. We also incurred lower overall legal fees. As with our cost of revenue, we plan to continue managing our selling, general and administrative costs through the remainder of 2009. We will close two of our six North American collections centers in the third quarter of 2009, which will increase our costs during that quarter but which we believe will allow us to operate with lower costs in the fourth quarter of 2009 and in 2010. The offices will be closed in August 2009, and the closures will result in severance costs, losses on the disposal of the assets that will be abandoned and lease termination costs. We will record the actual and estimated costs in the third quarter of 2009 and are unable to estimate the total costs of these office closures at this time. We currently are negotiating with the landlords for the leased space in order to exit the leases early and expect to incur additional costs relating to the leases.

Loss from operations and Loss before income taxes

We lowered our loss from operations by 48.1% and our loss before income taxes by 33.1% in the second quarter of 2009 compared to the second quarter of 2008 by decreasing our costs more than our revenues declined. In

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the six months ended June 30, 2009, our loss from operations increased by 19.5% and our loss before income taxes increased by 18.2% compared to the same period in 2008 as we were able to lower our costs, but the decreases were not sufficient to overcome the loss in revenues we experienced in the period. We plan to implement additional changes in the third and fourth quarters of 2009 in order to improve our results in our Financial Services segment. We expect to incur losses relating to the previously described office closures in the third quarter of 2009, but do not yet have an estimate of the extent of those losses. However, we believe that the ongoing savings from these changes will have a positive impact on our operating results in the fourth quarter of 2009 and in 2010.

Technology Products

	Three Months Ended			**Six Months Ended**		
	June 30, 2009	**June 30, 2008**	**% change**	**June 30, 2009**	**June 30, 2008**	**% change**
Revenues:						
IT infrastructure services	$ 5,389	$ 6,446	(16.4)%	$ 11,026	$ 12,297	(10.3)%
REAL suite	6,720	5,964	12.7%	11,656	10,597	10.0%
Total revenue	12,109	12,410	(2.4)%	22,682	22,894	(0.9)%
Cost of revenue	5,965	8,426	(29.2)%	12,460	15,578	(20.0)%
Gross profit	6,144	3,984	54.2%	10,222	7,316	39.7%
Selling, general and administrative expenses	1,118	1,373	(18.6)%	2,796	3,103	(9.9)%
Income from operations	5,026	2,611	92.5%	7,426	4,213	76.3%
Other income (expense), net	(115)	(154)	25.3%	(253)	(92)	(175.0)%
Income before income taxes	$ 4,911	$ 2,457	99.9%	$ 7,173	$ 4,121	74.1%
Transactions with related parties included above:						
Revenue	$ 8,174	$ 9,726	(16.0)%	$ 16,583	$ 17,120	(3.1)%
Selling, general and administrative expenses	$ 596	$ 283	110.6%	$ 1,223	$ 968	26.3%
Interest expense	$ (93)	$ (101)	7.9%	$ (192)	$ (202)	5.0%

Revenues

Our IT infrastructure services revenues declined 16.4% and 10.3% in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008 due primarily to lower billings to NCI (which we eliminate in consolidation but include in our segment presentation) for technology services. As noted in the Financial Services section above, technology and communications expenses declined for Financial Services due to fewer collectors and cost reduction efforts, and these expense reductions equate to revenue reductions for our Technology Products segment. Our REAL suite revenues increased primarily due to our expanding an agreement with a customer for its use of our REALServicing product and technology support required for the knowledge process outsourcing services we also provide to this customer. We also expanded related contracts for these knowledge process outsourcing services as discussed earlier in the Mortgage Services section. We anticipate that the contract renewal will continue to generate revenues at the current levels for the next several years.

We also changed our billings to Ocwen to a market-based rate card beginning with the second quarter of 2008 which resulted in our recording revenues of approximately $664 more in the quarter ended March 31, 2009 compared to 2008. This change did not impact the second quarter of 2009. Our market-based rate cards include charges for specific functions or services that we provide that are at rates that we believe approximate what market participants would charge in arms-length transactions. We establish the rates based on specific functions such as the number of loans processed on the Altisource licensed system or the number of employees that are using the applicable systems. We bill for these services on a monthly basis, and the billings change monthly based on activity levels. We change the rates periodically based on changes we identify in the market but generally maintain

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consistent rates from month to month. We believe these rates to be market rates as they are consistent with one or more of the following: the fees we charge to other customers for same 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 revised rates are materially consistent with the rates we will charge Ocwen under the various long-term servicing contracts into which we will enter in connection with the Separation. Other than this change and the contract expansion noted above, we generated lower revenues from external customers for our REAL suite as one customer exited the market, and we lowered the price to another customer due to changes in their usage.

Cost of revenue

Cost of revenue declined 29.2% and 20.0% in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008 due to lower: (i) compensation costs as we integrated the NCI technology personnel into the existing technology group and eliminated certain positions and also shifted some personnel to departments within our Mortgage Services segment to assist with the growth in revenues; (ii) depreciation expense as several assets became fully depreciated in 2008 and have not been replaced; (iii) expenses for hardware and software maintenance agreements as we analyzed usage of these assets and eliminated unused items; and (iv) telephony as we reduced the number of personnel, renegotiated contracts and improved technology to drive down costs. While we anticipate that these savings will continue for the remainder of 2009, we also expect to incur additional technology costs associated with the Separation as we will need to add new equipment, data links and licenses to operate as a separate company from Ocwen.

Selling, general and administrative expenses

Selling, general and administrative expenses declined 18.6% and 9.9% in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008 due to lower occupancy charges as we had fewer personnel. We also had lower travel expenses and lower bad debt expense in the 2009 periods as we completed the integration of the NCI technology in 2008 and automated processes to identify delinquent receivables more quickly for a portion of our receivables that we previously had not managed as well as our current processes allow.

Income from operations and Income before income taxes

We decreased our cost of revenue and selling, general and administrative expenses fairly substantially during the three and six months ended June 30, 2009 compared to the same periods in 2008 while revenues declined only slightly. These changes resulted in an increase in our income from operations of 92.5% and 76.3% in the three and six months ended June 30, 2009, respectively, and an increase in our income before income taxes of 99.9% and 74.1% in the comparable periods, compared to the same periods in 2008.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Management believes our ability to generate cash flow from operations coupled with cash on hand will be adequate to meet anticipated cash requirements which principally include operational expenditures, working capital and capital spending. Management believes that Altisource will have sufficient cash and other financial resources to fund current operations and meet its obligations beyond the next twelve months without incurring additional debt. Ocwen intends to contribute cash to us sufficient to ensure that we have a minimum cash balance of at least $7,000 at the Separation Date. We currently do not anticipate that such a contribution will be necessary as we had in excess of $7,000 on hand at June 30, 2009 and anticipate that we will continue to exceed this minimum level through the Separation Date.

Total borrowings, as well as cash as presented in the accompanying historical combined consolidated financial statements, reflect only those balances we required to operate as a subsidiary of Ocwen. Historically, Ocwen has managed the majority of the consolidated company s financing activities centrally in order to optimize its costs of funding and financial flexibility at a corporate level. In addition, Ocwen has allocated interest expense to us based upon our portion of assets to Ocwen s total assets which has resulted in interest charges reflected on our combined

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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.

As a separate company, Altisource intends to employ a disciplined cash policy that seeks first to maintain a strong balance sheet and second to invest in compelling growth opportunities that include development of new services, primarily within our Mortgage Services segment, as well as acquisitions. In most cases, we are able to grow our business organically with little to no additional capital. In addition, for over 60% of the revenues we earn, we are paid as we provide the service or within a limited timeframe (i.e., within one week) which minimizes our working capital requirements and ensures sufficient timely cash flows to fund operations. Furthermore, our operations generated positive cash flow in each of the past three years and we only required a contribution from Ocwen in order to acquire NCI in June 2007. We expect to continue to generate positive cash flow from operations throughout 2009 and in 2010.

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 equity markets (subject to the limitations described in our Registration Statement on Form 10) to finance our operations for at least the next twelve months without this facility.

Cash Flows

	For the six months ended June 30,		
	2009	2008	% Change
Net income adjusted for non-cash	$ 15,481	$ 10,993	40.8%
Working capital	(2,380)	(12)	NM
Cash flow from operating activities	13,101	10,981	19.3%
Cash flow from investing activities	(1,553)	(770)	(101.7)%
Cash flow from financing activities	(6,331)	(11,182)	43.4%
Net change in cash	5,217	(971)	637.3%
Cash at beginning of period	6,988	5,688	22.9%
Cash at end of period	$ 12,205	$ 4,717	158.7%

Cash flow from operations consists of two components including (i) net income adjusted for depreciation, amortization and certain other non-cash items and (ii) working capital. We generated $13,101 in cash flow from operations in the first half of 2009 which includes $15,481 in positive cash flows from operations which primarily reflects our profitability adjusted for non-cash items in the period. We had negative working capital changes that partially offset these cash flows and that resulted primarily from growth in accounts receivable associated with our 21.9% increase in revenues in the second quarter of 2009.

Our cash flows from investing activities include our purchases of premises and equipment. We had relatively low purchases in the six months ended June 30, 2009 and 2008 and anticipate based on our internal forecasts that our purchases will increase in the later quarters of 2009 to be relatively consistent with the levels of 2008 and 2007. A large portion of these future purchases will be driven by technology needs being created by our Separation from Ocwen as we must operate in separate offices and plan to open a new data center to better service the technology needs of Ocwen and Altisource.

Our cash flows from financing activities primarily include payments on debt and the net change in our invested equity balance. We participate 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 are no formal financing arrangements with Ocwen, and we recorded all cash receipts and disbursement activity between Ocwen and us through invested equity in the combined consolidated balance sheets and as net distributions or contributions to parent in the combined consolidated statements of invested equity and

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cash flows because we consider such amounts to have been contributed by or distributed to Ocwen. The decrease in the amount of the distribution to Ocwen from the first half of 2008 to the first half of 2009 is due to growth in the cash balances within NCI which are not part of the centralized cash management program. Ocwen paid approximately $2,400 of expenses on behalf of NCI in the first half of 2009 and did not require repayment of the related cash amounts.

Capital Resources

Changes in Financial Condition

Total assets increased by 3.4% in the first half of 2009 primarily due to contributions from Ocwen to NCI and an increase in accounts receivable, partially offset by reductions due to accumulated depreciation on premises and equipment in excess of new additions and amortization of intangible assets with no additions.

Total liabilities decreased by 14.8% in the first half of 2009 due primarily to payments we made on our line of credit and on capital lease obligations.

At June 30, 2009, we had $56,177 of invested equity, an increase of $1,690 from December 31, 2008 that primarily was due to income we generated in the period, net of distributions we made to Ocwen.

Contractual Obligations

Our contractual obligations consist primarily of our capital lease obligations and operating leases. We believe that we have adequate resources to meet all contractual obligations as they come due.

Off-Balance Sheet Arrangements

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have prepared our financial statements in accordance with GAAP. These principles are numerous and complex. We have summarized our significant accounting policies in the notes to our combined consolidated financial statements as of and for the year ended December 31, 2008 included in our Registration Statement on Form 10. In many instances, the application of GAAP requires management to make estimates or to apply subjective principles to particular facts and circumstances. A variance in the estimates used or a variance in the application or interpretation of GAAP could yield a materially different accounting result. It is impracticable for us to summarize every accounting principle that requires us to use judgment or estimates in our application. Nevertheless, in our Registration Statement on Form 10, we discuss the areas for which we believe that the estimations, judgments or interpretations that we have made, if different, would have yielded the most significant differences in our combined consolidated financial statements. For information regarding significant accounting policies, see Note 2 to our combined consolidated financial statements in our Registration Statement on Form 10.

RECENT ACCOUNTING PRONOUNCEMENTS

For information regarding recent accounting pronouncements, see Note 3 to our combined consolidated financial statements in our Registration Statement on Form 10.

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OTHER MATTERS

Related Party Ocwen

For the six months ended June 30, 2009, approximately $32,960 of the Mortgage Services, $16,583 of the Technology Products and $731 of the Financial Services segment revenues were from sales 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, default management services, property inspection and property preservation, closing and title services, core technology back office support and multiple business technologies including our REAL suite of products. We provided all services at rates we believe to be comparable to market rates.

We expect to enter into various arrangements with Ocwen in conjunction with the Separation. These arrangements may involve, or may appear to involve, conflicts of interest. See the detailed discussion in the Risk Factors and Affiliate Relationships and Related Party Transactions sections of our Registration Statement on Form 10 for more information about these arrangements.

FORWARD-LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements that relate to, among other things, our future financial and operating results. In many cases, you can identify forward-looking statements by terminology such as may, will, should, expect, intend, plan, anticipate, believe, estimate, predict, potential or continue, or the ne and other comparable terminology including, but not limited to the following:

- assumptions related to the sources of liquidity and the adequacy of financial resources;
- assumptions about our ability to grow our business;
- assumptions about our ability to reduce our cost structure;
- expectations regarding collection rates in our Financial Services segment;
- expectations as to the effect of resolution of pending legal proceedings on our financial condition; and
- estimates regarding our reserves and valuations.

Forward-looking statements are not guarantees of future performance and involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially. Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, the risks discussed in Risk Factors in our Registration Statement on Form 10 and the following:

- our ability to retain existing customers and attract new customers
- general economic and market conditions;
- governmental regulations, taxes and policies; and
- availability of adequate and timely sources of liquidity.

Forward-looking statements speak only as of the date they are made and should not be relied upon. Altisource undertakes no obligation to update or revise forward-looking statements.

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ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK (Dollars in thousands)

Market risk includes risks relating to derivative financial instruments, other financial instruments and derivative commodity instruments. These risks may be classified as liquidity risk, interest rate risk and foreign currency exchange rate risk.

Prior to the Separation, we primarily incurred market risks associated with interest rate movements. Since we terminated outstanding lines in the second quarter, we do not expect to incur this risk going forward unless we re-establish borrowings. We expect to assess market risks regularly and to establish policies and business practices to protect against the adverse effects of these exposures.

We are exposed to foreign currency exchange rate risk in connection with our investment in non-U.S. dollar functional currency operations to the extent that our foreign exchange positions remain unhedged. Our operations in Luxembourg, Canada, Uruguay and India expose us to foreign currency exchange rate risk, but we consider this risk to be insignificant.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 6, Commitments and Contingencies of the Interim Combined Consolidated Financial Statements for information regarding legal proceedings.

ITEM 1A. RISK FACTORS

We include a discussion of the principal risks and uncertainties that affect or could affect our business operations on pages 11 through 23 of our Registration Statement on Form 10.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description
3.1	Articles of Incorporation of Altisource Portfolio Solutions S.A.*
10.8	Form of Altisource Portfolio Solutions 2009 S.A Equity Incentive Plan*
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
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 (filed herewith)
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)

* Incorporated by reference from the similarly described exhibit filed in connection with Amendment No. 1 to our Registration Statement on Form 10 (File No. 001-34354), as filed with the Commission on June 29, 2009.

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PART II OTHER INFORMATION

Signatures

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

ALTISOURCE PORTFOLIO SOLUTIONS S.A.

Date: August 4, 2009

/s/ Robert D. Stiles
Robert D. Stiles,
Chief Financial Officer
(On behalf of the Registrant and as its principal financial officer

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