

2025 Q2 INSIGHTS

 **CAS**
Corporate Advisory Solutions
INTEGRITY, CONFIDENTIALITY, EXPERIENCE

**M&A Advisor to Global
Tech-Enabled Outsourced
Business Services Companies**

IN THIS ISSUE

3

Intro Letter

4

2025 Conferences & Webinars

6

Second Quarter Transaction Overview

7

Tech-Enabled OBS Updates

9 - Current Industry Trends

14 - Sector Outlook

17 - Valuations & Performance

19

Key Takeaways

20

About CAS

22

Publicly Traded Comparables

23

Disclaimer

24

SoloSettle Article:

Redefining Resolution: Yale Levy on How
SoloSettle is Modernizing Debt Collections

WELCOME TO OUR SECOND QUARTER 2025 NEWSLETTER

As we close the first half of 2025, the CAS team continues to maintain strong dealmaking momentum, with a robust pipeline slated for the remainder of the calendar year. In Q2 2025, CAS closed three transactions, which, combined with the two completed in Q1 2025, brings the first-half total to five closed deals.

CAS served as the exclusive sell-side M&A advisor to [VARO and BYL Services](#) in their sale to Professional Credit. We also acted as the exclusive buy-side advisor to [TrueAccord](#) in its acquisition of Sentry Credit, and we advised [Caine & Weiner](#) on completing their second transaction of 2025 with the acquisition of CCOC.

With the summer months coming to an end and busy fall and winter seasons ahead, we are excited about the active opportunities in the pipeline for the rest of 2025 and into the early months of 2026. As 2025 will be wrapping up before we know it, we encourage owners considering strategic opportunities in 2026 to connect with our team for a conversation. Early planning, process preparation, and a proactive approach significantly increase the likelihood of a successful transaction.

In this quarter's newsletter, we take a deeper look at the growing M&A appetite for lower middle-market add-on opportunities across all segments of tech-enabled outsourced business services. Inorganic growth continues to play a larger role for established players, as rising technology costs, increasing compliance demands, and limited resources for smaller competitors make consolidation an attractive strategy in the evolving tech-enabled OBS sector.

Moreover, the tech-enabled outsourced business services sector is drawing M&A interest from tech-driven acquirers aiming to acquire business services platforms, deploy emerging technologies such as AI/ML, consolidate competitors, and transform these platforms from service-based to software-driven models — a theme explored throughout this newsletter.

We also cover industry-wide developments, including the unexpected announcement of bipartisan legislation — the Keep Call Centers in America Act — as well as the macroeconomic outlook and how the average U.S. consumer is faring in the current economy.

As we plan our schedules for the remainder of 2025, please reach out to Allie Baurer to book time with the CAS team. We would be happy to discuss the latest industry trends, share insights on the current market environment, and provide an outlook on potential strategic opportunities.

- Michael Lamm & Mark Russell



2025 CONFERENCES

Conferences CAS **Attended**

HFMA Region 1 Conference (Foxwoods, CT)

2025 ACG Philadelphia SaaS & Tech-Enabled DealSource (Lafayette Hill, PA)

ACA Annual Convention (Louisville, KY)

HFMA Region 8 Mid America Summer Institute (Omaha, NE)

RMAI Executive Summit (Woodstock, VT)

Selected Webinars CAS **Presented**

ARM Tech Advisors – Margin Call: Top 10 Proven Best Practices That You Can Implement Now to Boost Margins

The Turning Point Podcast with Jon Goldman – The Surprise Ending

Conferences CAS **Is Attending**

2025 Biennial HFMA Tri-State Conference

September 16-18, 2025

Florence, IN

Canadian Society of Collection Agencies Annual Conference

September 18-19, 2025

Niagara Falls, Ontario, CAN

Nick Ciabattone is presenting, “Expert Guidance for growth and exit strategies” on Thursday, September 18 at 9:30 a.m. ET

TransUnion Third-Party Collections Summit

September 24-26, 2025

Park City, UT

Debt Connection Symposium (DCS) 2025

October 7-10, 2025

New Orleans, LA

Michael Lamm is presenting, “Debt Settlement in Transition: Perspectives from the Frontlines” on Friday, October 10 at 9:30 a.m. CT

ACG Philadelphia M&A East 2025

October 14-15, 2025

Philadelphia, PA

Conferences CAS **Is Considering Attending**

ACA International Leadership Summit

September 10-12, 2025
Charlotte, NC

Gulf States Collectors Association 2025 Unit Meeting

September 14-17, 2025
Orange Beach, AL

AADR 2025 Annual Conference

September 15-17, 2025
Palm Beach, FL

Maryland HFMA Fall Conference

October 1-3, 2025
Ocean City, MD

Commercial Collection Agencies of America Annual Conference 2025

October 8-11, 2025
Delray Beach, FL

2025 NCBA Connect

October 14-17, 2025
San Antonio, TX

ICMI Contact Center Expo 2025

October 27-30, 2025
Orlando, FL

ACA Fall Forum 2025

November 5-7, 2025
Chicago, IL

RMA Canada National Conference

November 12-13, 2025
Niagara Falls, Ontario, CAN

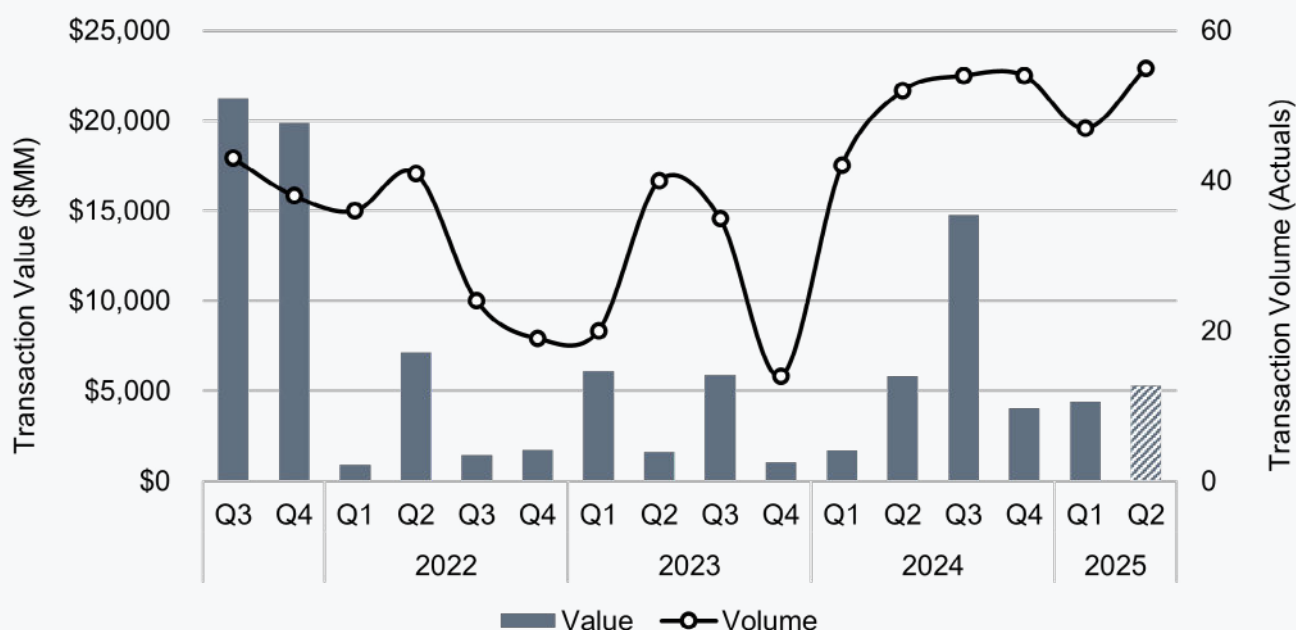
Opal Group Fintech Specialty Forum 2025

December 9-11, 2025
Dana Point, CA

SECOND QUARTER TRANSACTION OVERVIEW

In the second quarter of 2025, CAS tracked 55 transactions totaling approximately \$5.3 billion in announced deal value. This represents a modest uptick in volume compared to Q1 2025 and is broadly consistent with Q2 2024. Over the past 18 months, both transaction volume and value have remained within a steady range, reflecting consistent deal activity across our coverage areas in the tech-enabled outsourced business services sector.

Consistent with recent quarters, the following chart illustrates transaction volume trends and highlights the stable pace of deal activity within our coverage areas.



Source: Corporate Advisory Solutions.

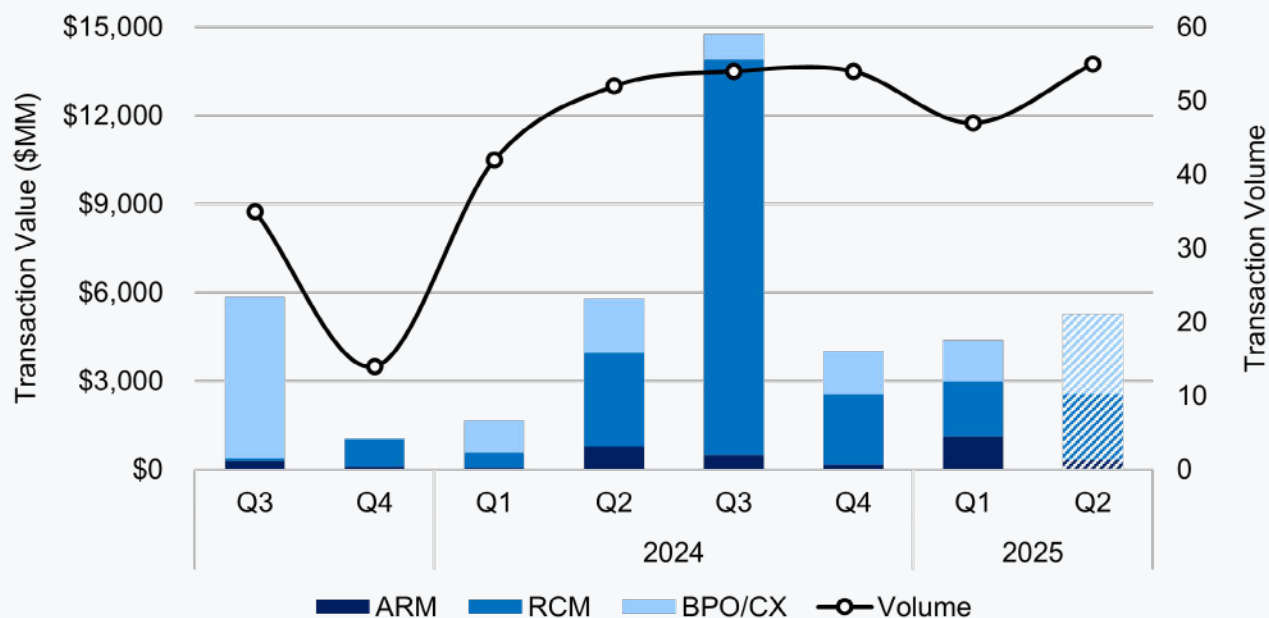
*Past performance may not recur, and there is no guarantee of future results.

INDUSTRY TRANSACTION HIGHLIGHTS

Transaction value in the accounts receivable management (ARM) industry reverted toward historical averages after an elevated Q1 2025, signaling a normalization following a temporary surge. CAS continues to observe heightened activity from both strategic and private equity-backed acquirers, highlighting the ongoing role of M&A as a key growth lever in the ARM space. [June's Jefferson Capital IPO](#) — which stands as the first major public offering in the U.S. ecosystem since Portfolio Recovery Associates went public in 2002 (via its IPO in November 2002) — underscores the increasing maturation and investor interest in this industry.

The consolidation wave continues in healthcare revenue cycle management (RCM), driven by financial sponsors investing in platform companies that are layering on add-ons to build scale. This trend reflects a broader race to become dominant, full-service players within the U.S. healthcare services market. As rising healthcare expenditures intersect with the need to optimize thin-margin provider models, M&A fueled by technology-enabled efficiencies remains a central strategic priority.

The impact of AI in business process outsourcing/customer experience (BPO/CX) is becoming more meaningful, particularly since late 2022's acceleration of AI-driven automation. Providers able to automate Tier-1 (routine) tasks effectively and cost-efficiently — with AI agents handling repetitive workflows — are gaining a competitive advantage. Conversely, firms struggling to scale into higher-complexity (Tier-2 and above) work, due to cost or technical limitations, are increasingly at risk of being outmatched. This dynamic is becoming a notable driver of M&A activity in the space.



Source: Corporate Advisory Solutions.

*Past performance may not recur, and there is no guarantee of future results.

TRANSACTION ACTIVITY SYNOPSIS:

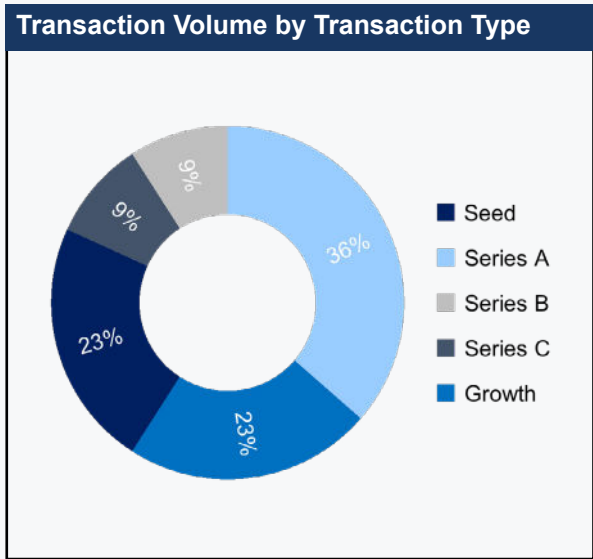
Early-stage funding rounds have grown noticeably larger in Q2 2025, fueled by the ongoing surge in AI-focused startups. AI companies accounted for approximately [53% of global venture capital dollars and 64% in the U.S. in the first half of 2025](#), emphasizing the sector's outsized role in attracting early-stage capital.

This increase is particularly evident across the ARM, healthcare RCM, and BPO/CX industries, where AI-powered agents are rapidly entering the market. Solutions leveraging similar AI/ML frameworks — such as voice AI, automated transcription, quality assurance, and “smart insights” analytics — are becoming increasingly commoditized as competition intensifies. With most players working from comparable technological baselines, the differentiators will be less about core AI capabilities and more about operational fit, pricing/billing models, and integration capabilities. The winners in this space will be the providers whose solutions can be fully and seamlessly integrated into existing infrastructure — particularly the cloud-based systems already embedded within their customers' workflows — enabling rapid deployment without costly or time-intensive reconfiguration.

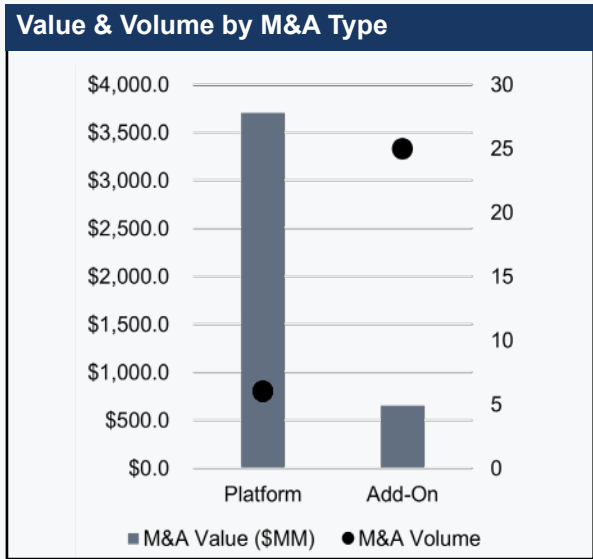
As a result, we are observing a heightened pace of venture investment into companies that can address this integration gap. These rounds are increasingly structured to fund substantial upfront infrastructure development, scale data pipelines, and hire industry-specific engineering talent. Investors recognize that speed to deployment is critical: in markets where customer acquisition cycles can stretch well beyond a year, seamless integration with existing platforms can dramatically compress adoption timelines and lock in early market share. This is especially true in lower middle market and enterprise environments, where switching costs and operational risk tolerance remain high.

In Q2 2025, platform and add-on deal counts remained consistent with the prior quarter, but platform transaction value saw a notable rebound. Several large platform acquisitions helped return overall platform deal value to more normalized levels after a slower start to the year. The market continues to operate as a strong seller's environment — high demand for quality assets combined with a limited supply of attractive targets — keeping valuations competitive and timelines compressed for well-positioned companies. Against this backdrop, CAS has taken a closer look at the evolving state of add-on transactions, which follows in the next section.

One emerging theme worth noting is the rise, albeit still limited, of the AI roll-up acquisition model. In this scenario, venture-backed AI companies — flush with recent capital raises — are pursuing acquisitions as a faster route to scale. The rationale is clear: in enterprise markets, the organic sales cycle for new AI solutions can be prohibitively long, often stalling early growth momentum. By acquiring businesses with established client bases, these AI players can integrate their technology into live environments, potentially enhancing revenue generation and expanding market reach. CAS anticipates that these dynamics will drive a sustained uptick in AI-driven add-on activity over the next several quarters, largely among buyers aiming to leverage M&A as a distribution channel for their proprietary technology.



Source: Corporate Advisory Solutions.

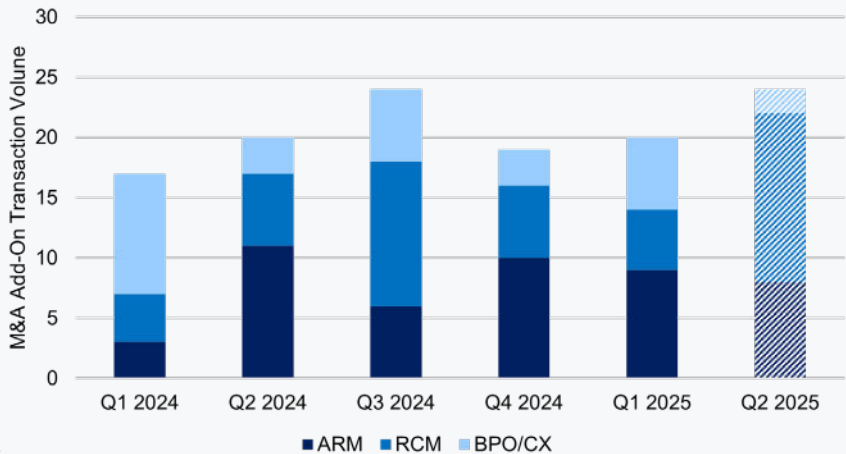


Source: Corporate Advisory Solutions.

Add-On M&A Transactions Detail

In Q2 2025, add-on transaction values reverted to their long-term averages following an elevated first quarter, yet volumes continued to trend upward. The growing prevalence of add-on activity reflects the strong seller’s market environment we have discussed previously — high-quality assets remain scarce, and competitive bidding is pushing valuations upward. Well-positioned companies with differentiated offerings are increasingly able to command premium multiples, particularly when sought after by both strategic and financial acquirers. Targets interested in discussing current valuation trends or positioning strategies are encouraged to connect with the CAS team. With strong buyer demand, a healthy pipeline of capital, and acquirers seeking scale through integration, CAS expects this robust add-on activity to continue through the second half of 2025.

The lower middle market — defined by transactions valued below \$100 million — has demonstrated consistently strong volume growth over the past 18 months. As illustrated in the chart below, the number of completed deals across all of our coverage industries has shown a steady upward trajectory, highlighting sustained momentum in the segment. Looking ahead, CAS anticipates that this trend will persist, supported by multiple reinforcing factors: increased technology investment to modernize operations, a competitive marketplace incentivizing consolidation, and buyer appetite for assets that can deliver immediate synergies. With these drivers firmly in place, we expect lower middle market activity to remain a defining feature of the M&A landscape in our coverage industries for the foreseeable future.

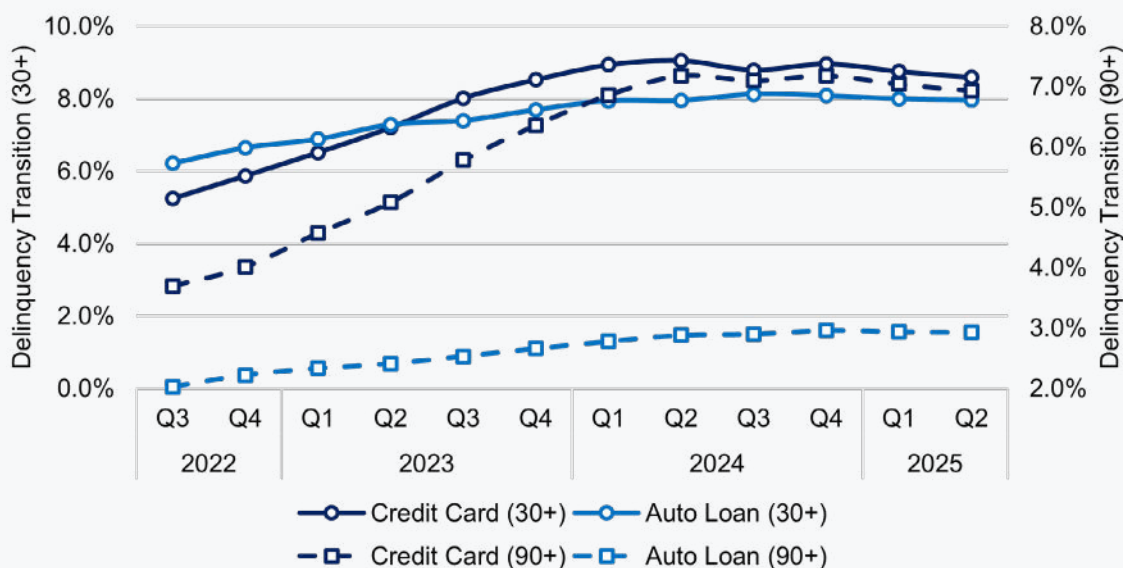


Source: Corporate Advisory Solutions.
*Past performance may not recur, and there is no guarantee of future results.

CURRENT INDUSTRY TRENDS:

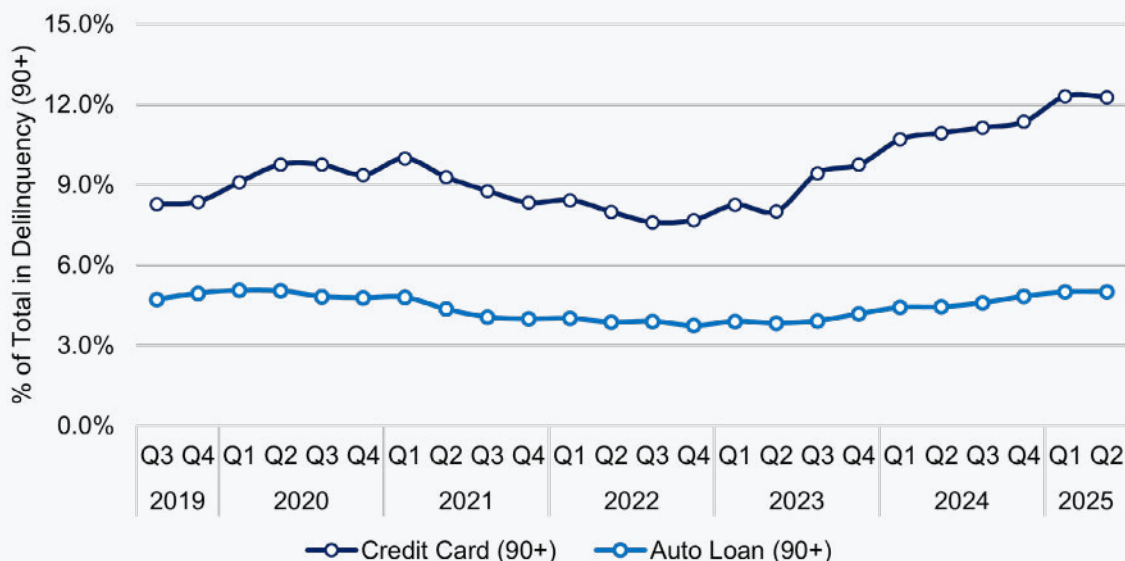
Accounts Receivable Management

The most recent [Household Debt and Credit Report](#) continues to show steady levels of credit card and auto loan delinquencies entering both the 30-day and 90-day buckets. While the percentage of loans entering delinquency may have slightly declined quarter-over-quarter, rates remain meaningfully above pre-pandemic levels. This means a growing portion of consumer debt is moving into the charged-off space — a dynamic that benefits the ARM ecosystem. As discussed in prior CAS newsletters, this “status quo” of elevated but not dangerously high delinquency rates, combined with a weakening but generally stable U.S. consumer, creates an optimal operating environment for ARM participants. The result is a steady supply of fresh paper entering the market and consistent liquidation rates, both of which support performance for debt collection agencies and debt buyers.



Source: Q2 2025 Household Debt and Credit Report (Federal Reserve Bank of New York).

Over the past six consecutive quarters, the share of delinquent debt in the economy has continued to grow, underscoring a gradual worsening in consumer leverage rather than an immediate shock. One data point that exemplifies this trend is that approximately 12.2% of outstanding U.S. credit card balances are now seriously delinquent (90+ days past due) — approaching the historically high levels reached during the Global Financial Crisis, when serious delinquencies peaked at roughly 13.7% in Q1 2010. This slow but persistent upward climb suggests that, while the current operating environment remains favorable, any significant economic downturn or recessionary event could cause serious delinquency rates to spike rapidly. Such a shift would materially expand the volume of charged-off accounts, further influencing the flow of placements across the ARM industry, but likely with lower liquidations.

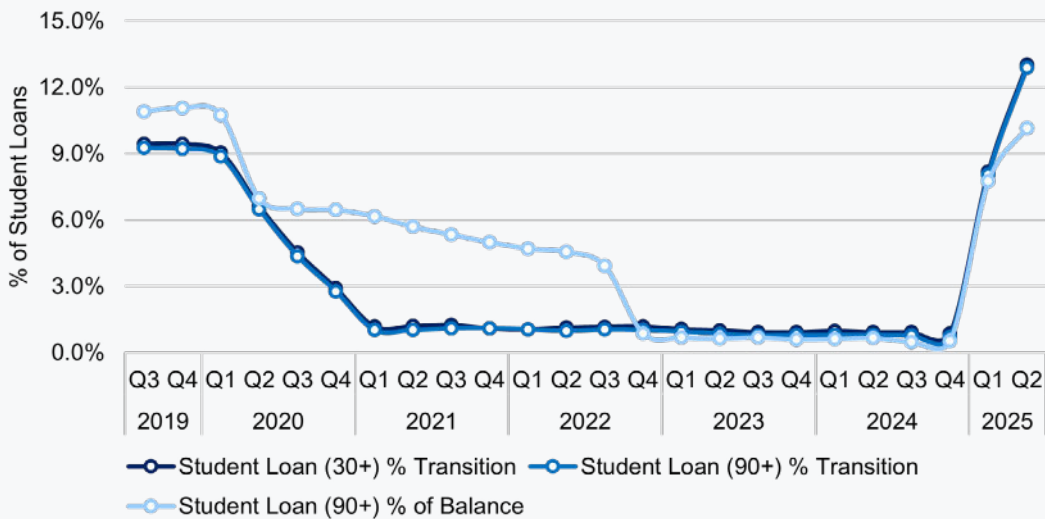


Source: Q2 2025 Household Debt and Credit Report (Federal Reserve Bank of New York).

Building on the favorable operating environment, the ARM industry recently received a considerable regulatory boost. In July, a federal judge in Texas [vacated the CFPB's ban on medical debt credit reporting](#), ruling that the agency had exceeded its authority under the Fair Credit Reporting Act. This decision effectively ends the case at the federal level and restores the ability to report medical debt in full — a major win for collection agencies specializing in healthcare receivables and for back-end RCM providers. The ruling underscores a notable improvement in the federal regulatory climate, particularly for operators that use credit reporting as a key driver of liquidation rates.

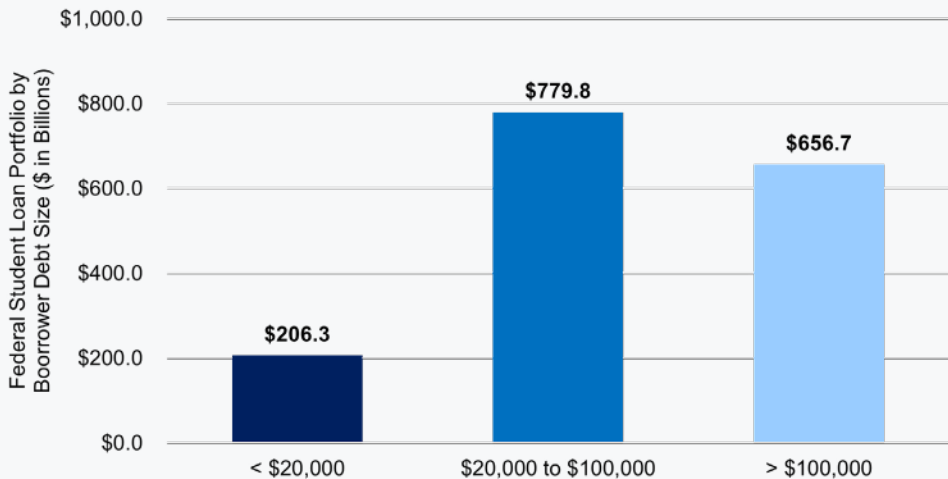
While the federal outcome is favorable, certain challenges remain. Several states are continuing to pursue their own restrictions on medical debt reporting, and the existing under-\$500 threshold — under which the major credit bureaus do not report medical collections — is still in place. Even so, for healthcare-focused agencies, the reinstatement of credit reporting practices provides a valuable complement to the growing demand for legal collection channels, positioning them to achieve higher recovery rates in an already constructive market.

The resumption of federal student loan collections, announced in early Q2, is now visible in the latest performance data. More than 10% of outstanding student loans are currently 90+ days delinquent — a rate consistent with pre-pandemic collection cycles. What is more concerning is the speed of transition into delinquency, which is now running materially higher than pre-pandemic norms. This acceleration suggests a growing subset of borrowers is struggling to keep up with newly resumed payment obligations, a dynamic that could have ripple effects across the broader ARM ecosystem.



Source: Q2 2025 Household Debt and Credit Report (Federal Reserve Bank of New York).

Elevated delinquencies and increased account placements into collections within the student loan space have the potential to influence liquidation performance in other consumer asset classes. The reintroduction of a significant monthly payment for tens of millions of borrowers reduces disposable income and could shift repayment prioritization away from other obligations. This is particularly relevant given that 87% of all outstanding federal student loan balances are \$20,000 or more, creating meaningful additional strain on household budgets. For ARM participants active in credit cards, auto loans, and personal loans, this shift in payment hierarchy could lead to softer recovery rates if consumers begin to triage debts in favor of student loan repayment or, conversely, default on student loans first.



Source: Federal Student Loan Portfolio by Debt Size (Federal Student Aid).

This challenge is further complicated by the Supreme Court's recent decision [allowing mass layoffs at the Department of Education](#). With staffing reductions coinciding with higher balances entering the collections pipeline, the DOE will face increasing difficulty in managing the resumption process efficiently. The combination of elevated delinquency rates, significant account volumes, and a diminished federal workforce introduces operational bottlenecks that could slow processing times, delay recoveries, and create additional complexity for servicers.

In the longer term, changes under [President Trump's One Big Beautiful Bill](#) legislation are likely to reshape the federal student loan landscape. The program's new caps on how much can be borrowed federally will, over time, limit the size of the federal loan book. While this constraint may reduce future default exposure for the government, it opens the door for private student loan providers to fill part of the funding gap. ARM players active in the private student loan space stand to benefit, as increased origination volumes in the private market will expand the addressable pool of receivables over time.

While federal student loans remain a dominant focus in the consumer debt landscape, other emerging credit products are also shaping the ARM ecosystem. One of the fastest-growing segments, buy-now-pay-later (BNPL), is now moving toward mainstream integration into traditional credit reporting and scoring. This fall, [FICO will begin incorporating BNPL data into its updated credit score models](#), grouping multiple BNPL loans together to avoid disproportionately penalizing frequent short-term usage.

For the ARM industry, this shift is substantial; greater transparency into repayment behavior will allow for earlier risk identification and more precise borrower segmentation. For agencies, BNPL delinquencies entering collections will likely remain small-balance and high-volume, favoring automated outreach and other low-cost recovery methods over legal remedies. For debt buyers, richer tradeline data should improve pricing accuracy, vintaging, and segmentation — helping distinguish habitual revolvers from one-off promotional users. Over time, tighter bank underwriting for consumers with heavy BNPL activity could modestly slow originations in adjacent credit products, but the enhanced visibility should ultimately improve liquidation efficiency on BNPL placements and related asset classes.

Coming off the growing attention around BNPL, established players in more traditional receivables markets are also making moves. In June, [Jefferson Capital went public](#) — the first U.S. IPO in the ARM space in over 20 years — raising about \$150 million and giving the company a valuation north of \$1 billion. While the capital itself is notable, the bigger takeaway is what it signals: there's clear investor appetite for scaled, proven receivables management platforms. A successful public debut like this sets a visible benchmark for the industry and could open the door for other well positioned vendors to consider liquidation events in the upcoming months.

Healthcare Revenue Cycle Management

The recently passed [One Big Beautiful Bill](#) is poised to create sweeping changes across the healthcare revenue cycle industry, with providers and payors — particularly those in Medicaid-heavy states — facing the brunt of the impact. Medicaid eligibility cuts and tighter restrictions will inevitably push more patients into self-pay status, swelling outstanding balances and stretching in-house collection teams. Coupled with stricter eligibility verification requirements and shifting coverage criteria, providers are staring at a heavier administrative burden on the front end and more denials to manage mid-cycle. These pressures are further compounded by lower Medicaid reimbursement rates in certain states, which will intensify underpayment recovery efforts. While this creates clear challenges for providers, it also opens the door for specialized RCM vendors to step in with targeted solutions across eligibility screening, denial management, and contract compliance to help recover revenue and improve cash flow.

From a vendor perspective, the convergence of these policy changes could be a net positive. As administrative complexity grows, providers may increasingly opt for integrated RCM outsourcing to streamline workflows across the entire revenue cycle — from eligibility checks to collections. Vendors capable of delivering full-service solutions will be well positioned to capture market share, especially if they can consolidate services under a single platform and demonstrate measurable improvements in recovery rates. In an environment where operational strain and reimbursement pressures are rising, the ability to navigate policy-driven disruption will separate the vendors who simply adapt from those who capitalize on the opportunity.

Provision/Effect	RCM Stage	Stage Detail	Vendor Impact
Medicaid eligibility cuts and restrictions	Back-end	Collections & self-pay A/R	Reduced Medicaid coverage will shift more patients into self-pay status, driving higher outstanding balances and increasing demand for outsourced collections and patient payment plan management, especially for vendors serving hospital systems in Medicaid-heavy states.
Stricter eligibility verification rules	Front-end	Eligibility & coverage verification	Tighter verification requirements will increase the administrative burden on providers, creating opportunities for vendors specializing in outsourced eligibility screening, insurance verification, and prior authorization services, particularly for large provider groups.
Increased denial rates from coverage changes	Mid-cycle	Denial management	Shifts in coverage criteria are likely to drive higher denial rates, particularly in Medicaid-heavy geographies, prompting providers to turn to RCM vendors for denial tracking, appeals, and resubmission workflows to recover lost revenue.
Lower Medicaid reimbursement rates in certain states	Mid-cycle	Underpayment recovery & appeals	Providers in states implementing lower Medicaid reimbursement will face greater underpayment issues, creating demand for vendors skilled in contract compliance review, appeals processes, and payment variance analysis.
Administrative complexity from multiple policy changes	All stages	Integrated RCM services	The combined effect of multiple policy shifts will increase operational complexity for providers, making full-service RCM outsourcing more attractive, particularly to consolidate eligibility, billing, and collections under one vendor.

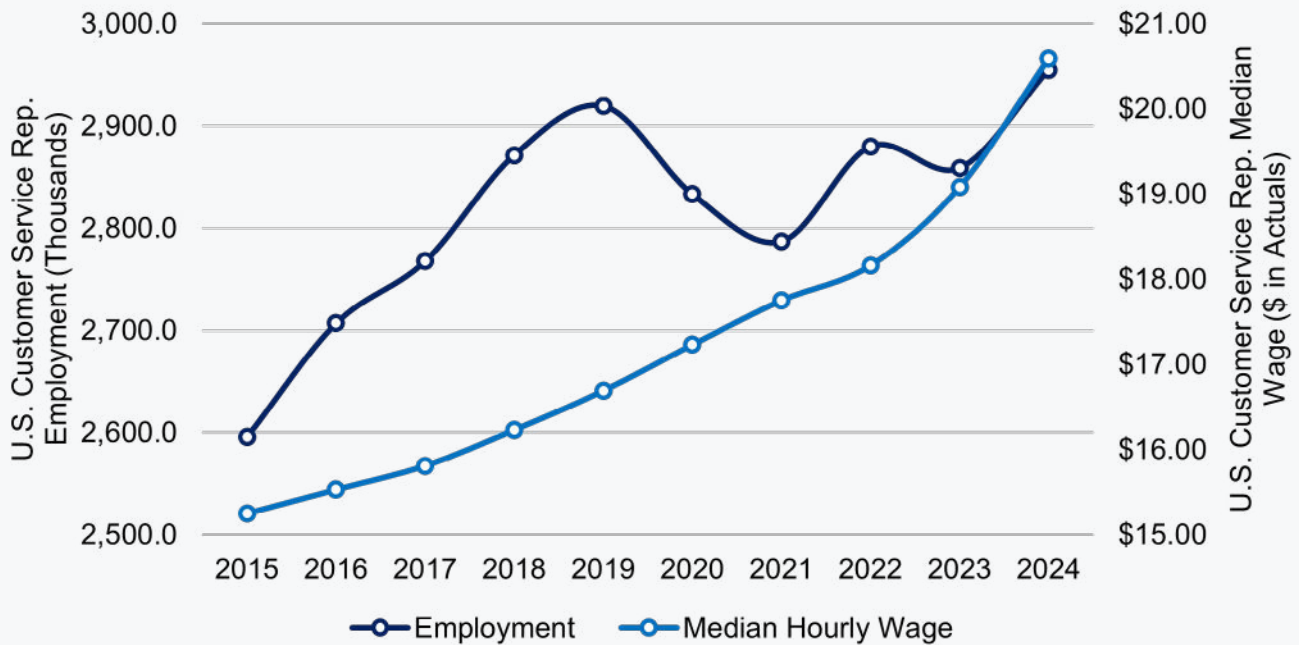
These policy shifts are likely to accelerate an outsourcing wave that was already underway. Many providers, especially those in Medicaid-heavy geographies, are operating with razor-thin or even negative margins, leaving little room to absorb new administrative costs or revenue leakage. Faced with the dual challenge of protecting financial performance while managing heightened complexity, outsourcing portions — or even the entirety — of the revenue cycle to experienced RCM vendors becomes an increasingly compelling strategy. For vendors, this environment creates a broader addressable market and a more receptive customer base, particularly for those that can deliver scalable, technology-enabled solutions with clear ROI.

All of this is unfolding against the backdrop of an active consolidation cycle in the healthcare RCM space, led largely by financial sponsor-backed platforms. These investors are aggressively acquiring complementary providers to build all-in-one solutions that span the front, mid, and back end of the revenue cycle. Alongside scale, these platforms are investing heavily in AI and automation technologies designed to streamline eligibility verification, accelerate denial resolution, and optimize collections workflows. As these capabilities mature, vendors are positioned to deliver higher efficiency, lower costs, and improved recovery rates for their clients — further strengthening the case for outsourcing in a market under increasing operational and financial strain.

Business Process Outsourcing/Customer Experience

A recently introduced bipartisan bill — the [Keep Call Centers in America Act](#) — has the potential to significantly reshape the BPO/CX landscape if it advances through Congress. The bill would require U.S.-based call centers to register with the Department of Labor, maintain detailed employment records, and notify the agency in advance of any plans to relocate operations overseas. It also proposes restrictions on awarding federal grants or guaranteed loans to companies that offshore a substantial portion of their call center work. While it is still early in the legislative process and too soon to gauge its full market impact, the proposal is framed as a pro-consumer measure aimed at safeguarding U.S. jobs. If enacted, it could create tailwinds for domestic employment but also introduce new cost pressures for service providers operating in an already tight labor market.

As illustrated in the chart below, U.S. customer service representative employment has remained essentially flat compared to pre-pandemic 2019 levels, with just over 350,000 call center jobs added in the past decade — representing a 1.4% CAGR. Over the same period, the median wage for these roles has grown at a 3.4% CAGR, underscoring how difficult it has become to recruit and retain domestic call center agents. This combination of stagnant headcount growth and rising wage costs highlights the structural labor supply constraints facing the U.S. BPO/CX industry.



Source: Occupational Employment and Wage Statistics (U.S. Bureau of Labor Statistics).

These constraints are naturally pushing U.S.-based companies to explore nearshore and offshore delivery options, where labor pools are larger, costs are lower, and providers can offer similar skill levels along with advantages such as time zone flexibility and bilingual capabilities. At the same time, operators are accelerating their investment in AI-driven automation to offset rising costs and improve efficiency — a shift that is already disrupting traditional service delivery models. CAS will continue to closely monitor developments related to the Keep Call Centers in America Act and assess its potential implications for the industry as the bill moves through the legislative process.

Building on the labor dynamics discussed above, AI is increasingly becoming a core variable in the BPO/CX delivery equation. In previous newsletters, we noted that providers need to strike the right balance between domestic, nearshore, offshore, and now AI-driven capacity to deliver optimal agent mixes for clients. That balance is shifting quickly. AI's capabilities are no longer limited to basic Tier 1 inquiries — its growing sophistication is starting to disrupt large-scale outsourcing markets, including India, which has historically been a cornerstone of global customer service delivery. The scale and pace of this disruption are now forcing operators to rethink where and how they source labor, as AI offers the potential to automate high-volume, repetitive tasks without sacrificing quality.

According to recent [reporting on the Indian outsourcing market](#), the rollout of AI technology is already creating crucial change, though there is no consensus on its ultimate impact. Some stakeholders foresee AI replacing a large share of existing jobs, while others believe it will primarily serve as a complement to human agents. CAS sees the likely outcome as somewhere in between: a portion of entry-level, task-based customer service roles will be fully automated, while AI will augment many others by handling repetitive components and enabling human agents to focus on more complex interactions.

At the same time, AI's adoption is expected to create entirely new roles in areas like AI data labeling, model training, and quality assurance. For providers that can adapt their delivery model and workforce strategy to integrate AI effectively, these changes represent both a challenge and an opportunity in the months and years ahead.

Transitioning from AI's impact on traditional agent roles, vendors that specialize in lead generation — especially those relying on SEO-driven, organic search traffic — are now feeling early tremors of disruption. As platforms like Google shift toward AI-powered search interfaces and provide direct answers in response to user queries, [the traditional path of driving website visits is weakening](#). For lead-gen providers, this shift means that generating inbound leads via search is no longer as reliable. While it is still the early days, companies that focus solely on lead generation need to rethink how they generate leads — possibly by leveraging AI-driven outreach, chatbots, and content designed for AI-enabled discovery.

SECTOR OUTLOOK:

Domestic Policy

In the first quarter, much of the policy discussion centered on potential tariff impacts — a topic with relatively limited direct influence on tech-enabled outsourced business services. This quarter, however, brings a legislative development with far more tangible implications for lower-middle-market owners in CAS’s coverage industries. The recently passed [One Big Beautiful Bill](#) introduces several tax and capital investment provisions that, taken together, have the potential to improve liquidity, support reinvestment, and ease operational strain. Compared to tariff-related uncertainty, these measures represent a broadly positive shift for owners operating in service-driven industries.

Noteworthy updates include extensions and enhancements to bonus depreciation, permanent relief for pass-through entities, an increased SALT deduction cap, and immediate expensing for domestic R&D. These changes are summarized in greater detail in the table below. Looking ahead, CAS will continue to observe how these provisions shape investment and operational strategies, particularly as greater clarity emerges on tariff policy in the coming quarters. When viewed alongside the macroeconomic trends discussed in the next section, the combined policy and market picture will be critical in assessing the outlook for U.S. consumers and lower-middle-market businesses.

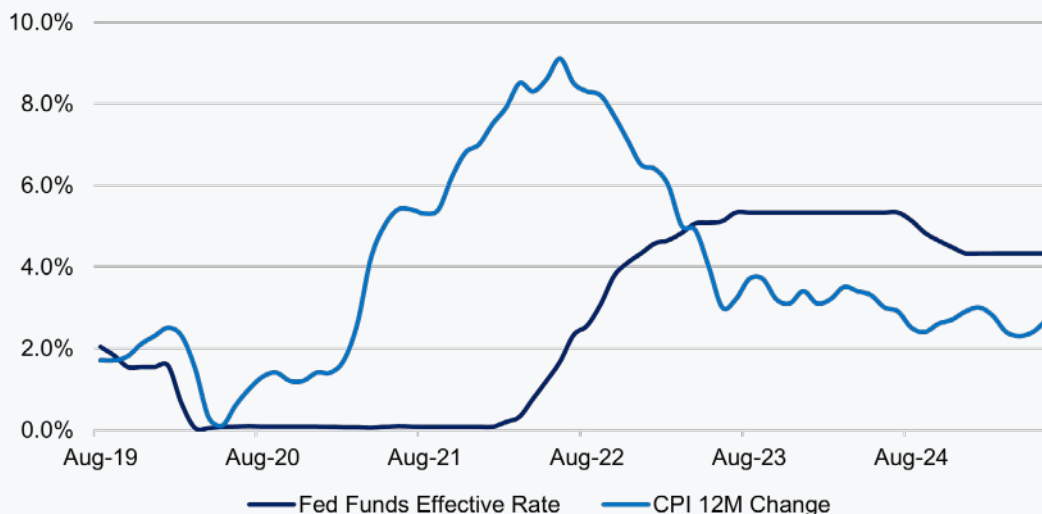
Provision/Effect	Owner Impact
Full Bonus Depreciation / Expensing	Allows businesses to immediately deduct the full cost of qualifying capital investments such as equipment, technology, and infrastructure in the year they are purchased. This can accelerate the return on investment, boost cash flow, and drive further reinvestment without the drag of multi-year depreciation schedules.
Permanent 20% Pass-Through Deduction (199A)	Provides a permanent 20% deduction on qualified business income for pass-through entities like LLCs and S-corps. This effectively lowers the tax rate for many lower-middle-market firms, increasing after-tax earnings and leaving more available cash to deploy across operations.
Raised SALT Deduction Cap to \$40K (2025–2029)	Raises the state and local tax (SALT) deduction cap from \$10K to \$40K for a set period, offering significant tax relief to owners in high-tax states. This preserves more income, supporting stronger liquidity positions and potential reinvestment into the business.
Immediate Expensing for Domestic R&D	Enables immediate expensing of domestic research and development costs rather than amortizing them over multiple years. For tech-enabled and service businesses, this reduces the tax burden on innovation-related spending, freeing up capital for continued product, software, and operational improvements.

Macroeconomy

Compared to the highly uncertain macro picture at the end of Q1 — marked by President Trump’s Liberation Day tariff announcement — the second quarter brought a wave of economic headlines but little change in the core data. For now, the average U.S. consumer remains relatively well positioned, though several key indicators are beginning to point toward a gradual softening of conditions. While we are not yet seeing signs of an abrupt downturn, the data suggests that the economy is shifting toward a slower growth trajectory.

Fears that tariffs would trigger an immediate and sharp acceleration in consumer prices have yet to materialize. CPI’s 12-month change has remained broadly in line with recent readings — flat relative to prior periods — though still above the Federal Reserve’s 2.0% target. Early evidence indicates that many tariff-sensitive companies are absorbing the added

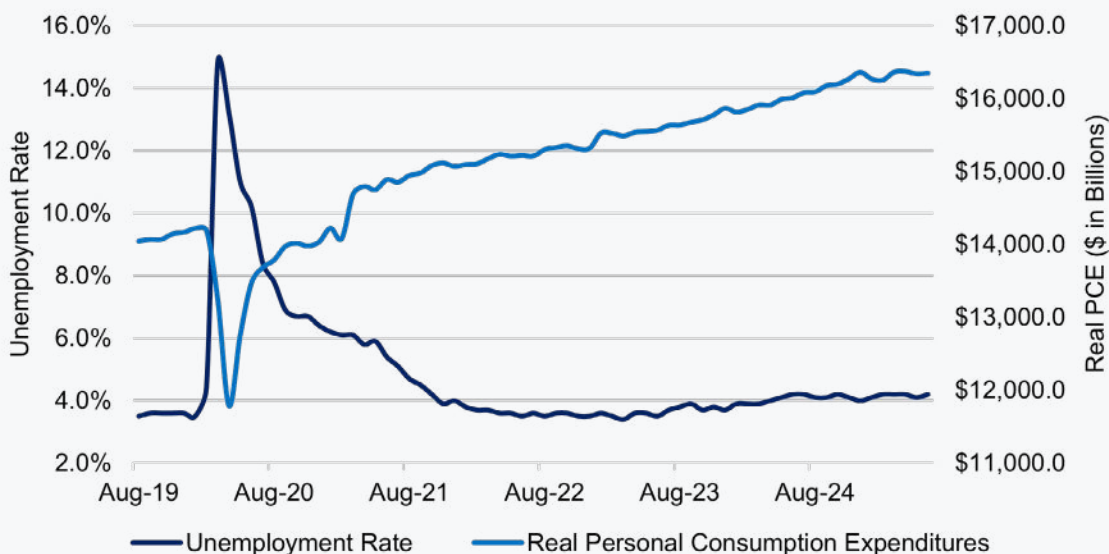
tariff costs themselves, reducing margins rather than passing price increases directly to consumers. This strategy may reflect both pricing pressures in the current weakening environment and the risk of consumer or political backlash. By potentially spreading out these cost adjustments over time, companies may be setting the stage for a more prolonged erosion in consumer purchasing power through price increases starting later in 2025.



Source: Federal Funds Effective Rate (FRED); Consumer Price Index (U.S. Bureau of Labor Statistics).

The relatively stable macro backdrop has so far kept the Fed from adjusting its policy stance. The federal funds rate remains in the 4.25% to 4.50% range, and the [June dot plot](#) revealed a split among governors between holding at current levels and cutting by 50 bps before year-end. While the Fed’s caution reflects present economic stability, an eventual rate cut appears likely as growth slows and political pressure from the administration increases toward the end of the chair’s term.

Labor market and spending data mirror the broader macro theme — stable, but softening. The unemployment rate remains low by historical standards, but recent monthly job additions have been effectively flat over the last three reporting periods, hinting at waning labor market momentum. Real personal consumption expenditures are also decelerating, suggesting that households are becoming more cautious in their spending.



Source: Unemployment Rate (FRED); Real Personal Consumption Expenditures (FRED).

While it is still early to draw definitive conclusions, the data points to the U.S. entering a period of mild macro headwinds. The economy appears to be positioning for a gradual slowdown rather than a sharp contraction, with the coming quarters likely to provide greater clarity on the trajectory for both consumers and lower-middle-market businesses.

Regulatory, Legal, & Compliance

We are continuing to see a wave of deregulation at the federal level, as both human and capital resources are being pulled from essential agencies, reducing their ability to regulate within their focus areas. This effort is supported by a conservative Supreme Court that has aligned with the administration in several major cases — including allowing [mass reduction in force at the Department of Education](#), significantly limiting its authority. A parallel example is the CFPB, where layoffs are being informally pursued, and, under the One Big Beautiful Bill, [funding was cut by roughly half](#). This will force the agency to narrow its enforcement priorities to be in line with current leadership.

While this federal deregulation trend is generally positive for operators in regulated industries, it may come at a cost. Many of the responsibilities dropped at the federal level are being picked up by states, creating the possibility of a more fragmented and burdensome regulatory environment. Differing state-level rules could increase compliance costs, particularly for smaller operators without the capital to absorb new requirements. We are still early in the new administration, but the shift in “who regulates who” is underway — and CAS will continue to monitor its evolution closely.

Technology & Cybersecurity

For owners and operators, determining the right agent mix has become a critical operational decision. As discussed throughout this newsletter, success increasingly depends on having a defined plan, strategy, and framework that balances domestic, near/offshore, and AI agents. No single approach can address the diverse range of tasks, complexities, and client expectations within tech-enabled outsourced business services. Ideally, operators should calculate ROI at the agent level — assessing the value generated by a domestic agent, an offshore agent, and an AI agent for specific functions — to ensure resources are allocated effectively. Betting heavily on one model carries real risk, as seen with Klarna, which announced its chatbot could replace 700 human representatives, only to later rehire agents after a measurable decline in service quality. This reinforces the need for a thoughtful, data-driven approach to workforce composition.

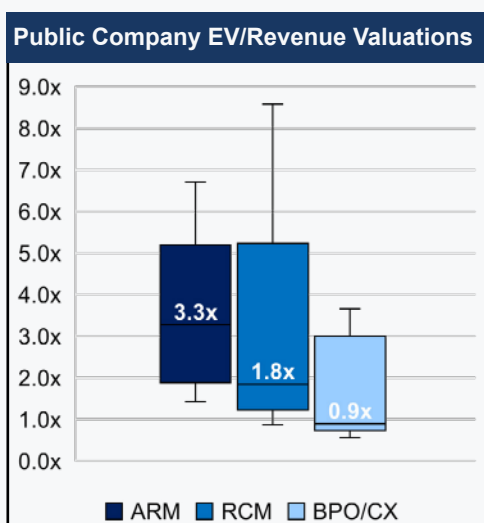
While AI is becoming more prominent within the agent mix, pricing remains a major hurdle. The technology is still expensive to develop, and prevailing subscription-based pricing models often fail to deliver sufficient ROI for operators. As a result, more AI providers — specifically in Voice AI and agent AI services — are exploring alternative billing structures, including value-based or revenue-linked models, to align pricing with measurable outcomes. Shifting away from flat subscriptions toward performance-driven models could make AI adoption more economically viable, enabling companies to scale AI usage without overextending budgets.

VALUATION & PERFORMANCE:

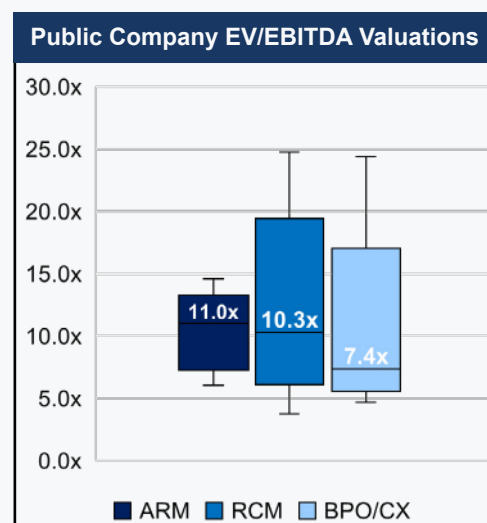
As of June 30, 2025, valuation multiples across the tech-enabled outsourced business services sector remained largely stable compared to the prior quarter, with changes occurring more on an idiosyncratic basis than through broad market trends. In the ARM industry, median EV/EBITDA multiples are holding around ~11.0x, driven mainly by large publicly traded debt buyers. Private collection agency valuations typically fall below these levels, reflecting differences in scale/size, business model, and investor appetite.

The healthcare RCM industry has also seen limited movement this quarter, with EBITDA multiples remaining above 10.0x. This is largely due to the composition of the representative public company set, which leans heavily toward HCIT providers rather than pure-play healthcare RCM firms comparable to lower-middle-market operators. As a result, public market multiples in this basket may not fully reflect the valuations observed in private market transactions for core RCM businesses.

In the BPO/CX space, traditional outsourcing providers continue to trade at depressed valuations, as they are increasingly categorized by investors as “AI-risk” businesses. In contrast, BPOs that have successfully integrated AI into their delivery models – and positioned themselves as complementary to AI rather than replaceable by it — are seeing stronger multiples and more favorable investor sentiment.



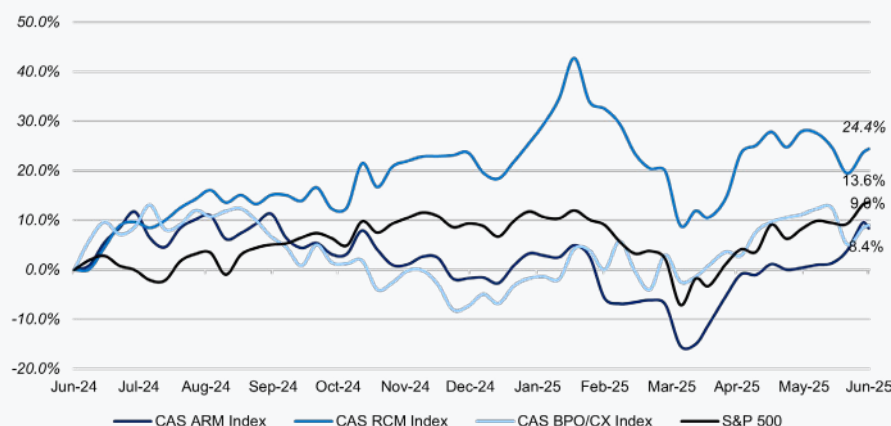
Source: FactSet; Corporate Advisory Solutions.



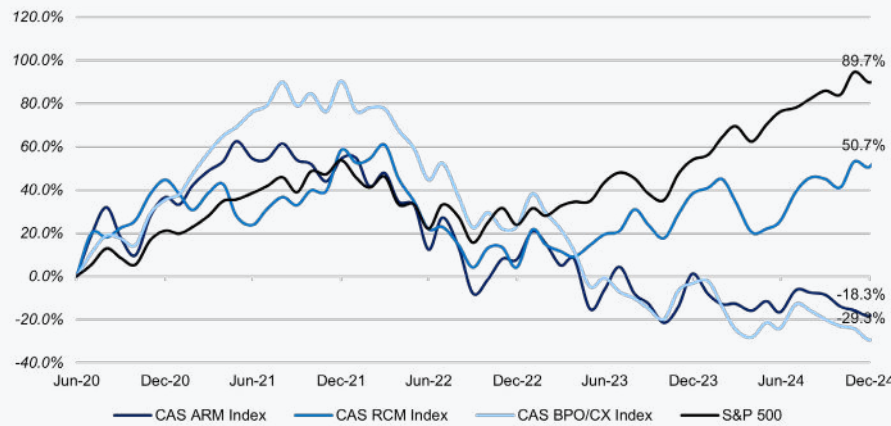
Source: FactSet; Corporate Advisory Solutions.

Performance across the representative company baskets in all three industries has remained within similar ranges over the past quarter, with healthcare RCM valuations normalizing from the elevated levels seen at the end of 2024. Looking ahead, both company-specific factors — such as the scale and pace of AI implementation — and broader macroeconomic conditions will be key drivers of sector performance in the coming quarters.

From a five-year perspective, the market's evolving view is clear. BPO/CX providers that commanded high valuations and strong demand during the pandemic have since experienced a reversal in investor sentiment. AI, once considered primarily a growth driver, is now viewed by many as a significant headwind to the traditional outsourcing model.



Source: FactSet, Corporate Advisory Solutions – Trailing Twelve Months (TTM) – Data as of June 30, 2025.



Source: FactSet, Corporate Advisory Solutions – Last Five Years – Data as of June 30, 2025.

Please note that the valuations and performance discussed pertain specifically to publicly traded companies, which typically command higher valuations compared to private companies due to various factors, resulting in lower multiples for private entities.

KEY TAKEAWAYS

The strong seller's market across the tech-enabled outsourced business services sector persisted in the second quarter of 2025 and is showing signs of further expansion. Fueled by a combination of well-capitalized strategic and financial acquirers, limited availability of premium assets, and the entrance of new AI roll-up strategies, buyer appetite continues to drive competitive processes and premium valuations. Many of these new AI-driven platforms are targeting add-on opportunities to rapidly expand scale, geographic reach, and embedded customer relationships, further reinforcing the supply-demand imbalance.

In the accounts receivable management (ARM) industry, delinquent debt volumes have continued to accumulate alongside a slightly weakening but still generally resilient U.S. consumer. While the current operating environment remains attractive for collection agencies and debt buyers, macroeconomic data and sector-specific indicators point to growing headwinds. Inflationary pressures, elevated interest rates, and rising credit card and personal loan balances are weighing on consumer capacity, and serious delinquency rates are inching upward in several asset classes. These conditions support robust paper supply and collections performance in the near term but could shift quickly in the event of a more pronounced slowdown.

The healthcare revenue cycle management (RCM) industry is undergoing a period of significant adjustment in response to the One Big Beautiful Bill (OB BB). Major provisions, including reductions in Medicaid eligibility, changes to reimbursement rates, and increased administrative requirements, are compounding existing provider and payor pressures. As a result, more healthcare organizations are potentially looking to outsource in-house functionalities to end-to-end RCM vendors capable of improving recoveries, streamlining processes, and enhancing the patient financial experience. This environment is fostering heightened M&A activity, as investors and strategic buyers seek to build or expand comprehensive, tech-enabled RCM platforms that can navigate the evolving policy landscape.

In the business process outsourcing/customer experience (BPO/CX) industry, providers are monitoring the impact of the proposed Keep Call Centers in America Act. If enacted, the bill would require U.S.-based call centers to register with the Department of Labor, maintain employment records, and face restrictions on offshoring operations, potentially raising costs while supporting domestic employment. These developments coincide with advances in AI adoption beyond Tier-1 automation into higher-complexity workflows, enabling providers to rebalance delivery models across domestic, nearshore, offshore, and AI-driven capacity. Together, these policy and technology shifts are shaping service delivery strategies and M&A priorities, as acquirers target capabilities that enhance efficiency, scalability, and competitiveness in a still-evolving operating environment.

From a broader industry perspective, the quarter was marked by a steady stream of policy announcements, many of which offer targeted tax or investment incentives. However, an undercurrent of concern is emerging that the U.S. economy is beginning to soften. Slowing consumer indicators, rising delinquencies, and weakening jobs data suggest that the expansion may be losing some momentum.

Looking ahead, CAS anticipates that the seller's market will remain intact through the remainder of 2025, supported by sustained buyer demand, active consolidation due to increased expenditures, and the ongoing emergence of AI-driven acquisition platforms. For owners considering an exit, the current market offers various strategic opportunities, and early engagement with CAS can help position businesses to maximize transaction goals in an active M&A environment.

ABOUT CAS,

Global Tech-Enabled OBS Focus

Corporate Advisory Solutions, LLC (“CAS”) is an independent investment and merchant banking firm (Securities conducted through Finalis Securities Member FINRA/SIPC)* dedicated to partnering with clients to maximize shareholder value through a suite of transaction advisory and strategic advisory services on a domestic and international basis. While we serve a broad range of clients within the tech-enabled outsourced business services (OBS) industries, our specialized focus is on partnering with tech-forward companies that are innovating within this space.

Valuation Services

- Market Valuation Assessment
- Compliance Assessment
- Key Value Drivers and Detractors
- General Market Trend Analysis
- Technology Review and Research
- Financial and Operational Information

Transaction Advisory

- M&A and Merchant Banking
- Sell-Side and Buy-Side Representation
- Recapitalization and Capital Raising
- Strategic Partnership / Joint Venture
- Fairness Opinions / Market Valuations
- Distressed Asset Sales

Strategic Advisory

- Board Level Consulting
- Comprehensive Business Assessment
- Financial Performance / Margin Analysis
- Market Research
- Executive Recruitment
- Regulatory Compliance Assessment

CAS works with businesses operating within heavily regulated sectors at both the state and federal levels. In recent years, there has been a significant shift in technology adoption, leading to disruption within the OBS industries. Consequently, CAS has accumulated substantial experience advising companies adopting advanced technology models, such as digital collections, artificial intelligence, machine learning, fraud and verification technology, real-time analytics, omnichannel tech, and payment processing. This positions us as a strategic advisor adept at navigating the rapidly evolving tech landscape within OBS.

CAS Competitive Advantage

- **Expertise:** CAS has one of the largest proprietary databases of OBS companies currently in the systems boosted by big media presence.
- **Deal Experience:** CAS has completed over 20 tech-enabled OBS transactions in the past three years with over 25 valuations each year for industry participants.
- **Track Record:** At CAS, we focus 100% of our time in the OBS sector, offering services from transaction and strategic advisory to M&A exit-prep engagements.
- **Industry Trends:** CAS is well-versed in the latest trends within the OBS sector, allowing us to best position our clients for future changes and long-term success.
- **Relationships:** CAS is a leader in a niche OBS market. Knowing the majority of players provides a well-rounded view on different verticals.
- **Global Network:** CAS frequently attends and presents at industry conferences and networks with a diverse set of industry professionals.

Dedicated Tech-Enabled OBS Expertise



MICHAEL LAMM
Managing Partner

Michael, a Managing Partner at CAS, leads M&A engagements, investment opportunities, and strategic consulting while guiding the firm's growth. With over a decade's experience, he's a respected voice in industry associations and frequently speaks on M&A trends, contributing expertise to publications.



MARK RUSSELL
Managing Partner

As a CAS Co-Founder, Mark oversees operations and transaction advisory engagements, including the firm's merchant banking. With extensive experience, he provides valuation and strategic consulting services, guiding clients through acquisitions and managing securities transactions as a Registered Representative of Finalis Securities LLC.

* Michael Lamm, Mark Russell, and Nick Ciabattone are Registered Representatives of Finalis Securities, LLC. Finalis Securities is not affiliated with Corporate Advisory Solutions, LLC.

ABOUT CAS,

Recent Transactions & OBS Expertise

In the last 18 months, CAS successfully closed nine transactions, including five in the first half of 2025. With over 150 successful M&A engagements in the OBS sector, these transactions demonstrate our skilled guidance through both acquisition and divestiture processes, confirming our deep insight and expertise in the M&A landscape, particularly within the OBS sector.

Industry Expertise: During our tenure in the tech-enabled OBS sector, the CAS team members have completed more than 150 M&A engagements (both buy-side and sell-side), an average of 25 company valuations each year, and an increasing number of market intelligence reports and operational reviews. CAS is geographically agnostic, having provided services worldwide — with the principals of CAS having past clients based in Germany, Luxembourg, the UK, France, Canada, Australia, the Philippines, and India (e.g., EOS, Natixis Bank, Altisource Holdings, CIBC, etc.).

150+

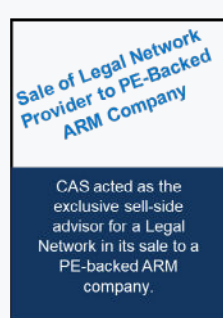
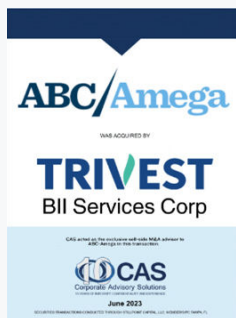
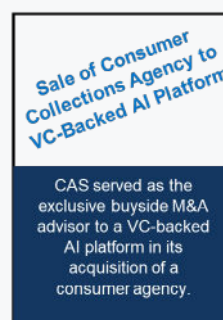
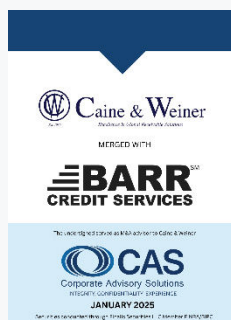
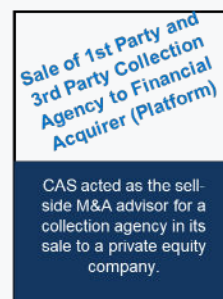
Completed OBS M&A Engagements

\$2.5+ Billion

Deal Value in OBS M&A Engagements

25+

Years of OBS M&A Experience



PUBLIC COMPARABLES

\$ in Millions	As of 06/30/2025	Price	% of 52 Week High	MarketCap	EnterpriseValue	Revenue	EBITDA	EBITDA Margin	EV/Revenue	EV/EBITDA
Accounts Receivable Management (ARM)	Jefferson Capital, Inc.	\$18.5	94.4%	\$1,193.4	\$1,193.4					
	Heritage Global Inc.	\$2.2	92.9%	\$77.1	\$64.9	\$45.4	\$7.6	16.8%	1.4x	8.5x
	Kruk S.A.	\$111.2	91.3%	\$2,156.1	\$3,727.1	\$555.6	\$338.0	60.8%	6.7x	11.0x
	doValue S.p.A.	\$2.9	87.4%	\$550.6	\$1,220.9	\$525.1	\$145.1	27.6%	2.3x	8.4x
	B2 Impact ASA	\$1.4	81.5%	\$519.3	\$1,378.2	\$319.4	\$164.4	51.5%	4.3x	8.4x
	Intrum AB	\$6.3	81.2%	\$758.8	\$5,560.4	\$1,698.1	\$383.3	22.6%	3.3x	14.5x
	Hoist Finance AB	\$8.8	77.3%	\$765.9	\$1,624.8	\$499.1	\$135.8	27.2%	3.3x	12.0x
	Encore Capital Group, Inc.	\$38.7	74.8%	\$894.0	\$4,497.6	\$1,304.8	\$308.1	23.6%	3.4x	14.6x
	Credit Corp Group Limited	\$8.9	72.4%	\$603.5	\$829.2	\$355.5	\$137.6	38.7%	2.3x	6.0x
	PRA Group, Inc.	\$14.8	58.0%	\$576.3	\$4,192.1	\$1,136.3	\$377.9	33.3%	3.7x	11.1x
Median			81.3%	\$681.2	\$1,501.5	\$525.1	\$164.4	27.6%	3.3x	11.0x
Healthcare Revenue Cycle Management (RCM)	Cognizant Technology Solutions	\$78.0	85.9%	\$38,156.7	\$37,343.7	\$19,736.0	\$3,543.0	18.0%	1.9x	10.5x
	Waystar Holding Corp.	\$40.9	85.0%	\$7,117.3	\$8,102.4	\$943.5	\$327.5	34.7%	8.6x	24.7x
	TruBridge, Inc.	\$23.4	73.2%	\$351.7	\$512.4	\$342.6	\$51.1	14.9%	1.5x	10.0x
	Everyday People Financial Inc.	\$0.5	69.4%	\$63.6	\$77.5	\$41.7			1.9x	
	Streamline Health Solutions, Inc.	\$5.2	54.9%	\$22.4	\$33.4	\$18.1			1.8x	
	CareCloud, Inc.	\$2.4	48.8%	\$99.9	\$96.4	\$110.8	\$25.9	23.4%	0.9x	3.7x
Median			71.3%	\$225.8	\$304.4	\$226.7	\$189.3	20.7%	1.8x	10.3x
Business Process Outsourcing/ Customer Experience (BPO/CX)	IBEX Ltd.	\$29.1	90.7%	\$389.1	\$467.9	\$521.7	\$63.6	12.2%	0.9x	7.4x
	Firstsource Solutions Limited	\$4.4	88.5%	\$3,004.4	\$3,278.3	\$895.1	\$134.5	15.0%	3.7x	24.4x
	TaskUs, Inc. Class A	\$16.8	85.5%	\$1,504.1	\$1,613.4	\$995.0	\$152.5	15.3%	1.6x	10.6x
	Teleperformance SE	\$96.6	80.6%	\$5,680.4	\$9,846.7	\$11,119.8	\$2,098.3	18.9%	0.9x	4.7x
	TELUS Corporation	\$16.0	92.9%	\$24,442.5	\$45,435.4	\$14,700.4	\$5,165.8	35.1%	3.1x	8.8x
	TTEC Holdings, Inc.	\$4.8	76.6%	\$232.8	\$1,226.6	\$2,205.0	\$176.1	8.0%	0.6x	7.0x
	Concentrix Corporation	\$52.9	68.6%	\$3,326.2	\$8,591.1	\$9,608.7	\$1,458.6	15.2%	0.9x	5.9x
Median			85.5%	\$3,004.4	\$3,278.3	\$2,205.0	\$176.1	15.2%	0.9x	7.4x
Overall Median			81.2%	\$758.8	\$1,613.4	\$725.3	\$170.2	23.0%	2.1x	9.4x

Source: FactSet, Corporate Advisory Solutions – Data as of June 30, 2025.

DISCLAIMER:

This market report is prepared by Corporate Advisory Solutions, LLC ("CAS"). While CAS makes every effort to use reliable and comprehensive data, it does not warrant the accuracy or completeness of the information contained within this document. The information presented reflects the authors' understanding as of the date of publication and is subject to change without notice. Forward-looking statements included in this report are made based on current expectations and are inherently subject to risks and uncertainties, which could cause actual results to differ materially.

Readers should not solely rely on this information for investment decisions and are encouraged to consult with CAS associates for further clarification or questions.

No part of this publication may be reproduced or utilized for any purpose other than personal review without the express written permission of CAS, its affiliates, or representatives.

This information is for general and educational purposes and not intended as legal, tax, accounting, securities, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type.

Securities offered through Finalis Securities LLC Member FINRA/SIPC.

All inquiries should be directed to any of the individuals at CAS listed below:

Michael Lamm

Managing Partner

mlamm@corpadvisorysolutions.com

202-904-7192

Mark Russell

Managing Partner

mrussell@corpadvisorysolutions.com

301-404-5757

Nick Ciabattone

Director

nciabattone@corpadvisorysolutions.com

609-203-7602

Mickey Kaiser

Vice President

mkaiser@corpadvisorysolutions.com

570-242-5644

Drew Sacher

Vice President

dsacher@corpadvisorysolutions.com

631-603-2280

Pat Felstedt

Senior Analyst

pfelstedt@corpadvisorysolutions.com

732-664-0580

Simon Skala-Rosenbaum

Analyst

srosenbaum@corpadvisorysolutions.com

267-588-1121

Allie Baurer

Ops & Admin

abaurer@corpadvisorysolutions.com

Redefining Resolution: Yale Levy on How SoloSettle Is Modernizing Debt Collections

By SoloSettle (Yale Levy)

Disclaimer: The content in this presentation is third-party material and has not been independently verified for accuracy. It should be taken with caution and not relied upon as authoritative or guaranteed information. This material was not created, reviewed, or endorsed by Corporate Advisory Solutions, and we assume no responsibility for its completeness or correctness.

After decades in the trenches of collections litigation — founding and managing a multi-jurisdictional law firm and serving as President of the National Creditors Bar Association (NCBA) — Yale Levy could have coasted into consulting or retirement. Instead, he joined SoloSettle to help rewrite the rules on debt collections.

In this exclusive conversation, Yale shares his journey and how SoloSettle is closing one of the industry's most persistent gaps: turning contentious (and sometimes antagonistic) negotiations into streamlined, win-win digital settlements.

From Legal Legacy to Digital Innovation

"I spent years fighting the inefficiencies of the traditional collections process — from endless phone tag to stressed-out consumers and backlogged dockets," Yale says. "When I saw what SoloSettle was building, I knew it wasn't just innovative — it was overdue."

SoloSettle provides a neutral platform where consumers can initiate settlement of their debt(s) digitally, without confrontation. What sets the SoloSettle platform apart is how it blends financial empathy with operational precision. On one end, consumers are guided through simple, informed decision-making. On the other, collectors get a compliant, streamlined process that saves them time and manpower while simultaneously reducing risk and boosting recovery.

Since its launch in 2018, Solo has helped more than 297,000 consumers manage \$1.92 billion in debt, offering tools that simplify and accelerate resolution. Roughly 10 million U.S. consumers are sued for debt yearly, and many use Solo to respond to lawsuits, to engage with collectors, and to negotiate debt digitally — often reaching a resolution in just days.

SoloSuit remains committed to closing the justice gap by delivering scalable, accessible legal tools that empower individuals to effectively navigate the complexities of the legal system.

The Core Problem: Mistrust and Miscommunication

Despite shared goals — resolution, speed, efficiency — consumers and collectors remain worlds apart. The culprit? A fragmented information ecosystem and a lot of bad information.

"The minute a consumer gets sued, they Google what to do. They don't find clarity — they find fear and horror stories," Yale explains. "Collector sites are often intimidating. TikTok, Instagram, and Facebook tell them to lawyer up and fight. 60% of consumers don't even know that a settlement for less than the full balance is an option."

This confusion fosters distrust, leading consumers to avoid communication altogether. In turn, collectors waste time and resources chasing unresponsive parties or explaining basics that could be answered in seconds — if only the right information were available.

Based on Solo's latest financial analysis, the average consumer is sued for more than 11x their bank account balance. This comes out to roughly 80% of their monthly income, so it's no wonder so many people struggle to respond to debt lawsuits, negotiate settlements, or pay off their debts. Solo's latest features are designed to flip the script and empower consumers to get out of debt while allowing collectors to recover unpaid debts with less friction and manpower.

Building the Bridge: What SoloSettle Actually Does

SoloSettle eliminates the need for adversarial conversations. Instead, it creates a digital bridge between consumers and collectors — replacing anxiety with clarity and intuitive resolutions.

For consumers:

- Offers are submitted **on their own time**, without phone calls or pressure.
- Settlement steps are clearly explained through expert-led videos and plain-English blog content.
- The average consumer saves **45%** compared to post-judgment outcomes — avoiding interest, court fees, and post-judgment garnishments.

What used to happen was a consumer would be sued for a debt, they wouldn't respond, and the consumer's case would end in default judgment for the Plaintiff. Then the law firm would expend time, money, and effort in order to undertake post-judgment actions such as wage garnishments, bank attachments, and lien on property — all of which are now out of the consumer's control. Now, with SoloSettle, consumers can settle their case digitally and have input on not only on the settlement amount but also on how much and when their payments are going to be.

For collectors and law firms:

- Offers can be reviewed through a secure dashboard, fully integrated into existing workflows.
- Time-consuming tasks like answering calls or making settlement offers over the phone are automated.
- Recovery rates improve, cases close faster, and resources can be re-allocated to high-value activities.

What used to take over 20 minutes on the phone now takes under three minutes on SoloSettle. The impact on scalability is enormous.

Real Results: From Dormant Accounts to Active Recoveries

One law firm had an account that was not responded to by the law firm for over a year — no engagement, no progress. After meeting with SoloSettle, the collection manager made an offer — even though it was 53 weeks past due — and lo and behold, not a month later, not a week later, but the same day, the consumer accepted the offer and paid the settlement — \$13,000 in the bank.

"It wasn't a one-off," Yale says. "We're seeing stories like this all of the time. These aren't just resolved accounts — they're opportunities that were hiding in plain sight."

This kind of digital reactivation is a game-changer for law firms with aging portfolios or limited staff. What was once considered dead weight now becomes recovered revenue.

Bringing Legal Insight to Tech Disruption

Yale's role at SoloSettle has gone far beyond advisory. He has led substantial shifts in company policy and industry messaging:

- **Eliminating** outdated tactics like Motions to Compel Arbitration (MCAs) and overly aggressive Debt Validation Notices (DVNs).
- **Rewriting 3,000+ pages** of content to reflect neutrality and clarity.
- **Bridging the relationship gap** with law firms by speaking their language and understanding their workflow needs.

"Before I came on, SoloSettle understood consumers. I brought in the other side of the equation: what collectors need, what moves the needle, and how to make it happen without friction."

The Future: Scaling Trust at Speed

What does success look like for SoloSettle?

It is not just faster settlements. It is **a cultural reset**: one where consumers feel empowered, and law firms feel supported — not opposed.

“We’re restoring dignity to the process,” Yale says. “And when you do that, people respond — not just emotionally, but financially.”

The results are real. Consumers are more likely to engage when they are not scared. Law firms are more likely to accept offers when the process is efficient. And everyone saves time, money, and stress.

Final Word: Time for a Smarter Collections Process

The collections industry is changing. Consumer behavior, regulatory scrutiny, and operational costs demand innovation. SoloSettle meets that moment — with empathy, efficiency, and expertise.

“This isn’t about disruption for the sake of disruption,” Yale says. “It’s about making collections work better — for everyone.”

Interested in seeing how SoloSettle works for your firm?

Reach out to Yale Levy @ yale@solosuit.com to schedule a walkthrough or in-person visit.