

BPO Management Services  
Form 4  
October 09, 2007

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
CLEVELAND RUSSELL

2. Issuer Name and Ticker or Trading Symbol  
BPO Management Services  
[OTC:BPOM]

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)

(Last) (First) (Middle)  
8080 N. CENTRAL  
EXPRESSWAY, SUITE 210  
  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
10/04/2007

Director  10% Owner  
 Officer (give title below)  Other (specify below)

DALLAS, TX 75206

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative Securities Acquired (A) or	6. Date Exercisable and Expiration Date	7. Title Underly
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Disposed of (D)		(Month/Day/Year)		(Instr. 3)
				(A)	(D)	Date Exercisable	Expiration Date	
Series D Convertible Preferred	\$ 0.6	10/04/2007	X	52,083		10/04/2007	<u>(3)</u>	Com Sto
Series D Convertible Preferred	\$ 0.6	10/04/2007	X	65,104		10/04/2007	<u>(3)</u>	Com Sto
Series D Convertible Preferred	\$ 0.6	10/04/2007	X	65,104		10/04/2007	<u>(3)</u>	Com Sto
Series D Convertible Preferred	\$ 0.6	10/04/2007	X	26,042		10/04/2007	<u>(3)</u>	Com Sto
C Warrant (Right to Buy)	\$ 0.01	10/04/2007	J <u>(6)</u>	416,667		<u>(4)</u>	06/13/2010	Com Sto
C Warrant (Right to Buy)	\$ 0.01	10/04/2007	J <u>(6)</u>	520,834		<u>(4)</u>	06/13/2010	Com Sto
C Warrant (Right to Buy)	\$ 0.01	10/04/2007	J <u>(6)</u>	520,834		<u>(4)</u>	06/13/2010	Com Sto
C Warrant (Right to Buy)	\$ 0.01	10/04/2007	J <u>(6)</u>	208,333		<u>(4)</u>	06/13/2010	Com Sto
D Warrant (Right to Buy)	\$ 1.1	10/04/2007	J <u>(6)</u>	833,333		<u>(5)</u>	05/13/2012	Com Sto
D Warrant (Right to Buy)	\$ 1.1	10/04/2007	J <u>(6)</u>	1,041,667		<u>(5)</u>	06/13/2012	Com Sto

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D Warrant (Right to Buy)	\$ 1.1	10/04/2007	J <sup>(6)</sup>	1,041,667		<sup>(5)</sup>	06/13/2012	Com Sto
D Warrant (Right to Buy)	\$ 1.1	10/04/2007	J <sup>(6)</sup>	416,667		<sup>(5)</sup>	06/13/2012	Com Sto
J Warrant (Right to Buy)	\$ 9.6 <sup>(7)</sup>	10/04/2007	X	52,083	06/13/2007	06/13/2008		Seri Conve Prefe
J Warrant (Right to Buy)	\$ 9.6 <sup>(7)</sup>	10/04/2007	X	65,104	06/13/2007	06/13/2008		Seri Conve Prefe
J Warrant (Right to Buy)	\$ 9.6 <sup>(7)</sup>	10/04/2007	X	65,104	06/13/2007	06/13/2008		Seri Conve Prefe
J Warrant (Right to Buy)	\$ 9.6 <sup>(7)</sup>	10/04/2007	X	26,042	06/13/2007	06/13/2008		Seri Conve Prefe
C Warrant (Right to Buy)	\$ 1.35	10/04/2007	J <sup>(6)</sup>	416,667		<sup>(4)</sup>	06/13/2010	Com Sto
C Warrant (Right to Buy)	\$ 1.35	10/04/2007	J <sup>(6)</sup>	520,834		<sup>(4)</sup>	06/13/2010	Com Sto
C Warrant (Right to Buy)	\$ 1.35	10/04/2007	J <sup>(6)</sup>	520,834		<sup>(4)</sup>	06/13/2010	Com Sto
C Warrant (Right to Buy)	\$ 1.35	10/04/2007	J <sup>(6)</sup>	208,333		<sup>(4)</sup>	06/13/2010	Com Sto
D Warrant (Right to Buy)	\$ 1.87	10/04/2007	J <sup>(6)</sup>	833,333		<sup>(5)</sup>	06/13/2012	Com Sto
	\$ 1.87	10/04/2007	J <sup>(6)</sup>	1,041,667		<sup>(5)</sup>	06/13/2012	

D Warrant  
(Right to  
Buy)

Com  
Sto

D Warrant  
(Right to  
Buy)

\$ 1.87

10/04/2007

J<sup>(6)</sup>

1,041,667

<sup>(5)</sup>

06/13/2012

Com  
Sto

D Warrant  
(Right to  
Buy)

\$ 1.87

10/04/2007

J<sup>(6)</sup>

416,667

<sup>(5)</sup>

06/13/2012

Com  
Sto

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director    10% Owner    Officer    Other

CLEVELAND RUSSELL

8080 N. CENTRAL EXPRESSWAY

SUITE 210

DALLAS, TX 75206

X

RENAISSANCE CAPITAL GROWTH & INCOME FUND III INC

C/O RENN CAPITAL GROUP

8080 N. CENTRAL EXPRESSWAY, SUITE 210

DALLAS, TX 75206

X

RENAISSANCE US GROWTH INVESTMENT TRUST PLC

C/O RENN CAPITAL GROUP

8080 N. CENTRAL EXPRESSWAY, SUITE 210

DALLAS, TX 75206

X

BFS US SPECIAL OPPORTUNITIES TRUST PLC

C/O RENN CAPITAL GROUP

8080 N. CENTRAL EXPRESSWAY, SUITE 210

DALLAS, TX 75206

X

Premier RENN US Emerging Growth Fund Ltd

8080 N. CENTRAL EXPRESSWAY

SUITE 210, LB-59

DALLAS, TX 75206

X

## Signatures

Russell  
Cleveland

10/09/2007

\*\*Signature of  
Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Russell Cleveland is President of RENN Capital Group, Inc., Investment Advisor to Renaissance Capital Growth & Income Fund III, Inc.,

(1) US Special Opportunities Trust PLC, Renaissance US Growth Investment Trust PLC, and Premier RENN US Emerging Growth Fund Limited, and therefore may be considered beneficial owner of such shares. Russell Cleveland disclaims such beneficial ownership.

(2) In this report "RUS" means Renaissance US Growth Investment Trust PLC, "RCG" means Renaissance Capital Growth & Income Fund III, Inc., "USSO" means US Special Opportunities Trust PLC, and "PREM" means Premier RENN US Emerging Growth Fund Limited.

There is no set termination date for the right of conversion except to the extent triggered by the Redemption Provision in Section 8 of the

(3) Certificate of Designation of the Relative Rights and Preferences of the Series D Convertibles Preferred Stock of BPO Management Services, Inc.

The C Warrant may each be exercised in whole or in part prior to the expiration of the warrant for such number of shares of common

(4) stock equal to 50% of the number of shares of common stock issuable upon conversion of the shares of preferred stock that have been exercised pursuant to the Series J warrant.

The D Warrant may each be exercised in whole or in part prior to the expiration of the warrant for such number of shares of common

(5) stock equal to 100% of the number of shares of common stock issuable upon conversion of the shares of preferred stock that have been exercised pursuant to the Series J warrant.

In connection with the exercise of the J Warrant, the Company amended each of the Series C Warrants and Series D Warrants, to provide that, in the event that any portion of the Series J Warrants was exercised during a reduced warrant price period, the per-share warrant

(6) exercise price payable upon exercise of its Series C Warrant is to be reduced from \$1.35 to \$0.01 and the per-share warrant exercise price payable upon exercise of its Series D Warrant is to be reduced from \$1.87 to \$1.10 for the same percentage of such investor's Series C Warrants and Series D Warrants as the percentage of Series J Warrants then exercised.

The Company reduced the per-share warrant exercise price payable upon exercise of its Series J Warrant from \$14.40 to \$9.60, effective

(7) only for exercises during the period between September 28, 2007 and October 10, 2007. Any remaining warrants remain exercisable at \$14.40.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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