



This is the 2nd affidavit  
of Peter Kravitz in this case  
and was made on September 18, 2023

No. S235288  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C., 1985 c. C-36, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF NEXTPOINT  
FINANCIAL, INC. AND THOSE PARTIES LISTED ON SCHEDULE "A"

PETITIONERS

**AFFIDAVIT**

I, Peter Kravitz, of 2360 Corporate Circle, Suite 340, Henderson, Nevada 89074,  
professional fiduciary, AFFIRM THAT:

1. I am the Chief Restructuring Officer of the Petitioners and as such I have personal knowledge of the facts and matters to which I depose in this affidavit, except where stated to be based on information and belief, and where so stated, I verily believe them to be true.
2. All capitalized terms used, but not otherwise defined herein have the meanings given to them in my first Affidavit, sworn July 25, 2023.
3. I make this affidavit in support of the Petitioners' application under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA"), filed September 13, 2023.

**Sales Process Update**

*Sales and Investment Solicitation Process Order*

4. On August 3, 2023, the Court amended and restated the Initial Order (the "ARIO"). Also on August 3, 2023, the Court granted an order (the "SISP Order") approving the Sales and Investment Solicitation Process (the "SISP"), including the Stalking Horse Asset Purchase Agreement, and approving the Restructuring Support Agreement (the "RSA").

5. In accordance with the SISP and ARIO, the NextPoint Group, with the assistance of Province and in consultation with the Monitor, has, *inter alia*, marketed the NextPoint Group's property and assets to secure the highest or otherwise best bid.

#### Identifying Prospective Purchasers

6. In accordance with the SISP, and in consultation with the Monitor, Province considered and prepared a list of credible financial and strategic prospective purchasers (the "**Prospective Purchasers**").
7. The Prospective Purchasers included companies and other investors active in the market for distressed assets, companies active in the financial services industry, and customers and competitors of NextPoint Group. The Prospective Purchasers also included strategic buyers that become aware of the SISP independently because of the public nature of these proceedings and related public disclosures.
8. The list of Prospective Purchasers included 158 separate parties, of which 112 were financial sponsors and 46 were strategic buyers. Based on my experience in restructuring and sales processes, I believe that the list of Prospective Purchasers was comprehensive and included the parties most likely to make a credible bid.

#### Contacting Prospective Purchasers

9. In accordance with the SISP, Province prepared a summary of the acquisition opportunity (the "**Teaser**"), which included notification of the SISP and related timelines. The NextPoint Group and Province also worked with DLA Piper to prepare an appropriate form of confidentiality agreement (an "**NDA**") for Prospective Purchasers to sign if they wished to advance in the process and receive further information. The form NDA was utilized for negotiations with potential financial buyers, with additional protections added as necessary for strategic buyers who also posed a competitive risk. After signing an NDA, a Prospective Purchaser received access to a virtual data room (the "**Data Room**").
10. The Data Room contained information that allowed parties to further assess the acquisition opportunity, including various corporate, financial, tax, and other business documents, as well as a confidential information memorandum (the "**CIM**") prepared by Province and the NextPoint Group. The CIM provided a detailed summary of the NextPoint Group's assets and operations, a summary of the industry and opportunities within the market, and certain financial information with respect to the company, including an analysis of historical results and future projections. The Data Room also included a form of LOI and form of asset purchase agreement.
11. On August 8, 2023, Province emailed each Prospective Purchaser a copy of the Teaser, form NDA, and SISP Order and invited them to execute an NDA to gain access to the Data Room and continue participating in the SISP (each such email referred to herein as a "**Sale Solicitation Email**").

12. On August 24, 2023, Province followed up by email to 127 Prospective Purchasers that had not responded to the initial Sale Solicitation Email.

Due Diligence Period

13. Of the 158 Prospective Purchasers that received a Sale Solicitation Email, 12 parties, not including the Stalking Horse Bidder, executed an NDA (each of these 12 Prospective Purchasers is referred to herein as a "**Potential Bidder**").
14. Of the 12 Potential Bidders, Province provided access to the Data Room to 11 of these parties, as one of the Potential Bidders declined the acquisition opportunity subsequent to executing an NDA.
15. Province ensured that all Potential Bidders were given access to the same information and materials for the purposes of conducting proper due diligence. Out of the 11 Potential Bidders that were given access to the Data Room, I confirm that:
  - (a) 10 Potential Bidders recorded activity in the Data Room by accessing the Data Room and reviewing documents stored there; and
  - (b) Province received follow-up inquiries or questions from 7 of the Potential Bidders. Any additional documents provided in response to these due diligence inquiries were uploaded to the Data Room to be available to all Potential Bidders.
16. Pursuant to the SISP, interested parties were required to submit a letter of intent to bid by September 4, 2023 (the "**Phase 1 Deadline**"). On September 3, Province emailed a reminder of the Phase 1 Deadline to the 7 Potential Bidders who had yet to submit an LOI or decline the opportunity.

Receipt of LOIs

17. Under the SISP, Potential Bidders had until the Phase 1 Deadline to submit a general description of the assets or businesses of the NextPoint Group that would be the subject of the bid and that reflected a reasonably likely prospect of culminating in a Qualified Bid (as defined in the SISP), as determined by the NextPoint Group in consultation with the Monitor and the BP Lenders.
18. The NextPoint Group and the Monitor received two indications of interest (the "**IOIs**"). However, in consultation with myself in my capacity as CRO, the Monitor, and the BP Lenders, the Petitioners determined that neither of the IOIs was reasonably likely to culminate in a "Qualified Bid" (as defined in the Sale Process). This is because, to be a "Qualified Bid" under the SISP, the bid needed to, among other things, pay in full or assume the BP NP-Liberty Claims (unless the BP Lenders agreed to waive this requirement). After discussions with the Monitor and DIP Lenders, I, in my capacity as CRO, concluded that neither IOI had a reasonable prospect of meeting this requirement

for the Qualified Bid Deadline. I discussed my conclusion with the board of the NextPoint Group and the company's advisors.

19. Counsel for the Petitioner has canvassed dates with the Court to return at the end of September or early October to close in on the Stalking Horse and further, more detailed, information will be furnished at that application.
20. Accordingly, the Petitioners terminated the SISP and, on September 11, 2023, notified the IOI parties and the service list of this termination.
21. Attached to this Affidavit as **Exhibit "A"** is a copy of the emailed termination notice that was served to the Service List in these proceedings.

### **LM BP Holdings**

22. LM BP Holdings, LLC is one of the LoanMe companies who is not currently a petitioner in these proceedings.
23. The Petitioners were unable to file LM BP Holdings, LLC into the CCAA proceeding as LM BP Holdings, LLC was subject to an agreement with BasePoint that prevented the filing.
24. Under the RSA, the BP Lenders and the Petitioners agreed to discuss a strategy to wind up LoanMe.
25. The Petitioners and the BP Lenders expect the approved strategy will likely be in the form of a plan of arrangement, subject to further approval by this Court, and requires that LM BP Holdings, LLC be included as a Petitioner in these proceedings.
26. I have now been advised by the BP Lenders that BasePoint consents to LM BP Holdings, LLC's inclusion in these proceedings for the purposes of winding down LM BP Holdings, LLC with the other LoanMe Entities.

### **LoanMe Trusts**

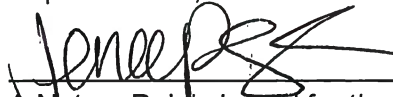
27. Two entities in these proceedings, LoanMe Trust Prime 2018-1 ("**2018**") and LoanMe Trust SBL 2019-1 ("**2019**", and collectively with 2018, the "**LM Income Trusts**") are statutory trusts created under the provisions of the Delaware Statutory Trust Act.
28. The LM Income Trusts are unincorporated entities that hold various performing LoanMe loans and pay out regular distributions to investors who have bought trust units.
29. The Petitioners now realize that the LM Income Trusts were included in the proceedings in error. Following the last hearing, and further investigation undertaken by the Petitioners, it was determined that the filing did not have the requisite consents of the owner trustees and unitholders prior to the filing. To my knowledge, no party has been adversely affected by the inclusion of the LM Income Trusts in these proceedings.

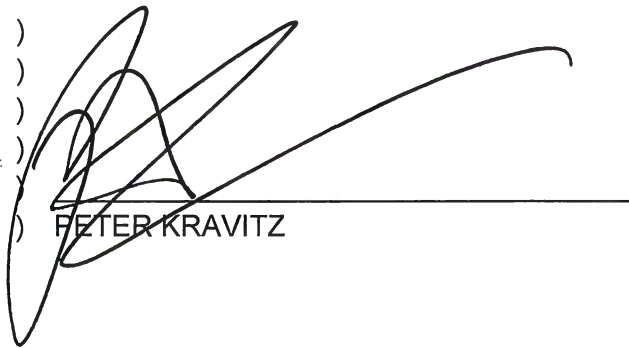
- 30. As a significant unitholder of the LM Income Trusts (100% of 2019, approx. 5% of 2018), the Petitioners and their creditors benefit from any value that can be derived from them.
- 31. The BP Lenders have requested that certain limited relief be granted that would protect the assets and portfolios of the LM Income Trusts and prevent third parties from taking enforcement steps, proceedings, or actions based solely on the filing of the Petitioners for protection of the CCAA.
- 32. I am advised that counsel for the Petitioners has been in contact with the Wilmington Trust, National Association ("**Wilmington Trust**"), the owner trustee of 2018, and their counsel, to discuss the details of the CCAA filing. Wilmington Trust has expressed their support for the relief sought by the Petitioners in this proceeding as it relates to 2018. In particular, Wilmington Trust supports the removal of 2018 from these proceedings.
- 33. I am advised that the Petitioners' counsel has also had a telephone call with counsel for TMI Trust Company, which is the trustee for notes issued by 2019, and that discussions are ongoing between Petitioners' counsel and counsel for TMI Trust Company.
- 34. I am also advised that counsel for the Petitioners have reached out to the Delaware Trust Company, the owner trustee of 2019, and are waiting for a response.

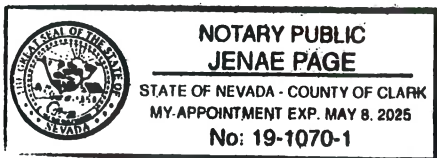
**DIP Financing Update**

- 35. I have reviewed the cash flow forecast provided by the Petitioners and prepared with the assistance of Province, which shows a positive variance in the Petitioners' cash flow. An increase in the DIP is therefore not required at this time.

*State of NV, County of Clark*  
 AFFIRMED BEFORE ME at Las Vegas  
 Nevada, United States of America, on  
 September 18, 2023

  
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 A Notary Public in and for the State of  
 Nevada

  
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 PETER KRAVITZ



**Schedule "A"**

1. NextPoint Financial, Inc.

2. NPI Holdco LLC

**Liberty Tax Entities**

1. LT Holdco, LLC

2. LT Intermediate Holdco, LLC

3. SiempreTax+ LLC

4. JTH Tax LLC

5. Liberty Tax Holding Corporation

6. Liberty Tax Service, Inc.

7. JTH Financial, LLC

8. JTH Properties 1632, LLC

9. Liberty Credit Repair, LLC

10. Wefile LLC

11. JTH Tax Office Properties, LLC

12. LTS Software LLC

13. JTH Court Plaza, LLC

14. 360 Accounting Solutions, LLC

15. LTS Properties, LLC

**Community Tax Entities**

16. CTAX Acquisition LLC

17. Community Tax Puerto Rico LLC

18. Community Tax LLC

**LoanMe Entities**

19. NPLM Holdco LLC

20. MMS Servicing LLC

21. LoanMe, LLC

22. LoanMe Funding, LLC

23. LM Retention Holdings, LLC

24. LoanMe Trust Prime 2018-1

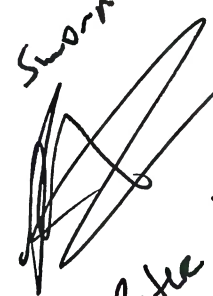
25. LoanMe Trust SBL 2019-1

26. LoanMe Stores LLC
27. InsightsLogic LLC
28. LM 2020 CM I SPE, LLC

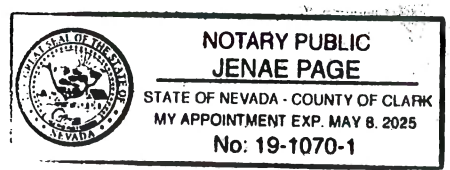
The notary is attesting  
that Peter signed in  
Sworn by: presence only.

State of Nevada  
County of CLARK

This is **Exhibit "A"** referred to in the  
Affidavit of Peter Kravitz sworn before  
me at Las Vegas, Nevada  
on this the 18th day of September, 2023.

  
Peter Kravitz

  
A Notary Public in and for the State of  
Nevada





## Yang, Dannis

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**From:** Yang, Dannis  
**Sent:** Monday, September 11, 2023 3:42 PM  
**To:** 'Munro, Craig'; 'Tom.Powell@fticonsulting.com'; 'Parks, Huw'; 'paul.bishop@fticonsulting.com'; michael.clark@fticonsulting.com; Kibben Jackson; 'lhiebert@fasken.com'; 'svolkow@fasken.com'; 'lwilliams@mccarthy.ca'; 'abowron@mccarthy.ca'; 'jkrclark@mccarthy.ca'; 'sdanielisz@mccarthy.ca'; 'Wasserman, Marc'; 'drosenblat@osler.com'; 'epaplowski@osler.com'; 'mbuttery@osler.com'; 'msennott@boughtonlaw.com'; 'Sherri Evans'; sweisz@cozen.com  
**Cc:** Bradshaw, Jeffrey; Arbor, Samantha; Brousson, Colin  
**Subject:** In the Matter of NextPoint Financial, Inc.; SCBC No. S-235288

To: The Service List

Please be advised that the Petitioners have not received any Letters of Intent that have any reasonable prospect of culminating in a Qualified Bid and will be proceeding with a declaration to terminate the SISF and will seek, *inter alia*, a sale approval for the stalking horse bid at the hearing scheduled for 10:00 am on September 19, 2023, in Vancouver. Court materials will be circulated to the Service List when they are available.

Regards,

**Dannis Yang**

Legal Administrative Assistant to Colin Brousson,  
Jeffrey Bradshaw and Alex McCawley

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**AFFIDAVIT**

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File No.: 109926-00007

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