

Court File No. CV-24-00717178-00CL

**CURO Canada Corp.
and LendDirect Corp.**

**PRE-FILING REPORT OF THE
PROPOSED INFORMATION OFFICER**

March 26, 2024

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

AND IN THE MATTER OF CURO CANADA CORP. AND LENDDIRECT CORP.

**APPLICATION OF CURO GROUP HOLDINGS CORP. UNDER SECTION 46 OF
THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c. C-36, AS AMENDED**

**PRE-FILING REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS PROPOSED INFORMATION OFFICER**

A. INTRODUCTION

1. On March 25, 2024 (the “**Petition Date**”), CURO Group Holdings Corp. (“**CURO**”) and certain of its affiliates (collectively, the “**Debtors**”), including CURO Canada Corp. and LendDirect Corp. (together, the “**Canadian Debtors**”) commenced proceedings in the United States Bankruptcy Court for the Southern District of Texas (the “**U.S. Court**”) by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “**Chapter 11 Cases**”).
2. In its capacity as the then proposed foreign representative of the Debtors in the Chapter 11 Cases (the “**Foreign Representative**”), CURO sought and, on March 25, 2024, obtained an order (the “**Interim Stay Order**”) under Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). Among other things, the Interim Stay Order granted an interim stay of proceedings in favour of the Canadian Debtors and each of their respective property, business and directors and officers. A copy of the Interim Stay Order is attached as Appendix “A”.

3. On March 25, 2024, the Debtors filed several first day motions in the Chapter 11 Cases (collectively, the “**First Day Motions**”) for various orders (collectively, the “**First Day Orders**”). Following a hearing of the First Day Motions on March 25, 2024, the U.S. Court granted, among others, the following First Day Orders (certain of which have yet to be entered):
- (a) *Order (I) Authorizing CURO Group Holdings Corp. to Act as Foreign Representative and (II) Granting Related Relief* (the “**Foreign Representative Order**”);
 - (b) *Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* (the “**Joint Administration Order**”);
 - (c) *Interim Order (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System and Maintain Existing Bank Accounts, (B) Maintain Existing Business Forms, and (C) Perform Intercompany Transactions and (II) Granting Related Relief* (the “**Interim Cash Management Order**”);
 - (d) *Interim Order (I) Authorizing Certain Debtors to Continue Selling and Servicing Consumer Loan Receivables and Related Rights Pursuant to the Securitization Facilities, (II) Modifying the Automatic Stay, (III) Scheduling a Final Hearing and (IV) Granting Related Relief* (the “**Interim Securitization Order**”);
 - (e) *Order (I) Authorizing, But Not Directing, the Debtors to (A) Pay Prepetition Employee Wages, Salaries, Other Compensation, and Reimbursable Employee Expenses and (B) Continue Compensation and Benefits Programs and (II) Granting Related Relief* (the “**Wages Order**”);
 - (f) *Interim Order (I) Authorizing the Debtors to Pay Certain Critical Vendor Claims and (II) Granting Related Relief* (the “**Interim Critical Vendors Order**”);
 - (g) *Order (I) Approving Debtors’ Proposed Form of Adequate Assurance of Payment for Future Utility Services, (II) Approving Adequate Assurance Procedures, (III)*

*Prohibiting Utility Providers from Altering, Refusing or Discontinuing Service and (IV) Granting Related Relief (the “**Utilities Order**”);*

(h) *Interim Order (I) Authorizing Payment of Certain Taxes and Fees and (II) Granting Related Relief (the “**Tax Order**”);*

(i) *Order (I) Authorizing Debtors to (A) Continue Insurance Coverage Entered into Prepetition and Satisfy Prepetition Obligations Related thereto, and (B) Renew, Amend, Supplement, Extend or Purchase Insurance Policies, (II) Authorizing Continuation of the Surety Bond and LOC Program and (III) Granting Related Relief (the “**Insurance Order**”); and*

(j) *Order (I) Authorizing the Debtors to Honor Certain Prepetition Obligations to Customers and Continue Certain Customer Programs in the Ordinary Course of Business, (II) Dispensing with Customer Noticing Requirements and (III) Granting Related Relief (the “**Customer Programs Order**”).*

4. This Pre-Filing Report (this “**Pre-Filing Report**”) has been filed by FTI Canada Consulting Inc. (“**FTI**”), in its capacity as the proposed information officer (in such capacity, the “**Proposed Information Officer**”) in these recognition proceedings (these “**Recognition Proceedings**”). The purpose of this Pre-Filing Report is to provide the Court with the following:

(a) certain background information concerning the Debtors, including the Canadian Debtors, the Chapter 11 Cases and these Recognition Proceedings (together, the “**Restructuring Proceedings**”);

(b) the qualifications of FTI to act as the information officer in these Recognition Proceedings (if appointed in such capacity, the “**Information Officer**”);

(c) the Proposed Information Officer’s views regarding the Foreign Representative’s application for an order (the “**Initial Recognition Order**”), among other things:

- (i) recognizing the Chapter 11 Cases as a “foreign main proceeding” in respect of the Canadian Debtors and CURO as the “foreign representative” in respect of the Chapter 11 Cases, as such terms are defined in section 45 of the CCAA; and
 - (ii) declaring that the Interim Stay Order shall be of no further force or effect upon the granting of the Initial Recognition Order; and
- (d) the Proposed Information Officer’s views regarding the Foreign Representative’s application for an order (the “**Supplemental Order**”), among other things:
- (i) recognizing certain of the First Day Orders;
 - (ii) granting a stay of proceedings in favour of the Canadian Debtors and each of their respective property, business and directors and officers;
 - (iii) granting a charge on the Canadian Debtors’ property in favour of Canadian counsel to the Foreign Representative and the Canadian Debtors, the Information Officer, and counsel to the Information Officer, up to a maximum amount of \$1 million, as security for their respective professional fees and disbursements incurred in respect of these Recognition Proceedings (the “**Administration Charge**”);
 - (iv) granting a charge on the Canadian Debtors’ property in favour of the directors and officers of the Canadian Debtors, up to a maximum amount of CAD\$11.1 million, as security for the Canadian Debtors’ indemnification obligations under the proposed Supplemental Order (the “**D&O Charge**”);
 - (v) granting charges (together, the “**Securitization Charges**”) on the Canadian Debtors’ property in favour of (A) the Collateral Agent (as defined in the Interim Securitization Motion) under the Canada SPV Facility (as defined below) and (B) the Collateral Agent under the Canada SPV II Facility (as defined below), to secure the obligations of the Canadian Debtors under the Canada SPV Facility and the Canada SPV II Facility (together, the

“**Canadian Securitization Facilities**”), respectively and to protect the agents in the event that the sale of receivables are recharacterized as a security interest instead of a true sale; and

(vi) appointing FTI as the Information Officer.

B. TERMS OF REFERENCE

5. In preparing this Pre-Filing Report, the Proposed Information Officer has relied upon unaudited financial information prepared by the Debtors and their representatives, the Debtors’ books and records, and discussions with Canadian counsel to the Foreign Representative and the Canadian Debtors (collectively, the “**Information**”).
6. Except as described in this Pre-Filing Report:
 - (a) the Proposed Information Officer has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Auditing Standards pursuant to the *Chartered Professional Accountants of Canada Handbook* (the “**Handbook**”) and, accordingly, the Proposed Information Officer expresses no opinion or other form of assurance in respect of the Information; and
 - (b) the Proposed Information Officer has not examined or reviewed forecasts and projections referred to in this Pre-Filing Report in a manner that would comply with the procedures described in the Handbook.
7. Future oriented financial information reported in or relied on in preparing this Pre-Filing Report is based on the assumptions and estimates of the Debtors’ management. Actual results may vary from such information and these variations may be material.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in United States (“**U.S.**”) dollars. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Affidavit of Douglas D. Clark sworn March 25, 2024 (the “**First**

Clark Affidavit”) or the declaration of Douglas D. Clark dated March 25, 2024 attached (without exhibits) as Exhibit “F” thereto (the “**Clark Declaration**”), as applicable.

C. FTI’S QUALIFICATIONS TO ACT AS THE INFORMATION OFFICER

9. FTI is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended. FTI has consented to act as the Information Officer if the Court grants the Initial Recognition Order and Supplemental Order sought by the Foreign Representative. A copy of FTI’s consent to act is attached as Appendix “B”.
10. FTI personnel are familiar with the business and operations of the Debtors, including the Canadian Debtors, and the key issues and stakeholders in these Recognition Proceedings. Further, FTI has substantial experience in domestic and cross-border restructuring proceedings under the CCAA, including by virtue of its role as the Court-appointed information officer in the recognition proceedings commenced by GNC Holdings, Inc. and Hartford Computer Hardware Inc.

D. BACKGROUND

11. A detailed description of the Debtors, including the Canadian Debtors, their businesses, corporate structure, prepetition capital structure and indebtedness, and the events preceding the Chapter 11 Cases and these Recognition Proceedings is provided in the Clark Affidavit and Clark Declaration. Certain of such information is summarized below.

Overview of the Debtors and Their Business

12. The Debtors comprise of CURO and its U.S. and Canadian direct and indirect subsidiaries, excluding certain bankruptcy remote special purpose vehicles (collectively, the “**Non-Debtor SPVs**”), CURO SPV, LLC and certain foreign entities. The Canadian Debtors are CURO Canada and LendDirect, each of which is a wholly owned indirect subsidiary of CURO.
13. CURO was founded in 1997 and is incorporated under the laws of Delaware. CURO’s common shares began trading on the New York Stock Exchange under the symbol

“CURO” in December 2017. As of March 11, 2024, CURO’s common shares were suspended from trading on the New York Stock Exchange and now trade on the Pink Sheets platform operated by OTC Markets Group, Inc. under the symbol “CURO”.

14. Together, CURO and its direct and indirect subsidiaries (collectively, the “**Company**”) operate as a full-spectrum consumer credit lender serving customers in the U.S. and Canada. The Company’s consumer credit services include installment loans, revolving lines of credit, single-pay loans, and ancillary insurance and financial products.
15. In the U.S., the Company operates principally under the “First Heritage Credit”, “Quick Credit”, “Covington Credit”, “Southern Finance” and “Heights Finance” brands. The Company’s operations in Canada are conducted through the Canadian Debtors under the “Cash Money” and “LendDirect” brands. The Company’s consolidated revenue for the year ended December 31, 2023, was \$672.4 million, approximately 53.4% of which was generated from services provided within the U.S.
16. As of the Petition Date, the Company operated approximately 400 store locations across 13 U.S. states and approximately 150 store locations in eight Canadian provinces. 92 of the Canadian Debtors’ approximately 150 leased store locations are in Ontario. Through LendDirect, the Company also maintains an online presence in eight Canadian provinces and one territory.
17. The Company employed approximately 2,852 employees as of the Petition Date. Approximately 1,075 employees are located in Canada. All of the Company’s employees located in Canada, approximately 730 of which are located in Ontario, are employed by CURO Canada. None of the Canadian Debtors’ employees are unionized or subject to a collective bargaining agreement.

The Company’s Pre-Petition Funded Indebtedness

18. The Debtors’ funded indebtedness totals approximately \$2.1 billion as of the Petition Date. As set out in the First Clark Affidavit and the Clark Declaration, it is comprised as follows:

| <i>(\$ in millions)</i> | Capacity | Interest Rate | Maturity | Balance (in USD) |
|--|----------|----------------|------------------|------------------|
| <u>Debtors' Corporate Debt:</u> | | | | |
| 1L Secured Term Loan | N/A | 18.0% Fixed | August 2027 | \$ 178 |
| 1.5L Secured Notes | N/A | 7.5% Fixed | August 2028 | \$ 682 |
| 2L Secured Notes | N/A | 7.5% Fixed | August 2028 | \$ 318 |
| | | | Subtotal: | \$ 1,178 |
| <u>Non-Debtor SPV Funding</u> | | | | |
| <u>Debt:</u> | | | | |
| Heights SPV | \$375 | 1-Mo SOFR + | July 2025 | \$301 |
| Heights SPV II | \$140 | 1-Mo SOFR + | November 2026 | \$136 |
| First Heritage SPV | \$200 | 1-Mo SOFR + | July 2025 | \$155 |
| Canada SPV | C\$400 | 3-Mo CDOR + 6% | August 2026 | \$252 |
| Canada SPV II | C\$150 | 3-Mo CDOR + 8% | November 2025 | \$80 |
| | | | Subtotal: | \$924 |
| | | | Total: | \$2,102 |

19. The “Debtors’ Corporate Debt”, under which the Canadian Debtors are neither borrowers nor guarantors, consists of the following:

- (a) *1L Secured Term Loan* – term loans (the “**1L Term Loans**”) provided pursuant to a First Lien Credit Agreement dated May 15, 2023, among CURO, as borrower, the other Debtors (other than the Canadian Debtors), as guarantors, Alter Domus (US) LLC, as administrative agent and collateral agent, and the lenders party thereto. As indicated within the First Clark Affidavit and the Clark Declaration, the 1L Term Loans are secured by first priority liens on substantially all of the U.S. Debtors’ assets, accrue interest at a rate of 18.00% per annum, payable quarterly, and mature on August 2, 2027;
- (b) *1.5L Secured Notes* – 7.5% senior secured notes (the “**1.5L Notes**”) issued by CURO pursuant to an Indenture dated May 15, 2023, among CURO, the other Debtors (except for the Canadian Debtors), as guarantors, and U.S. Bank Trust Company, N.A., as trustee and collateral agent. As indicated within the First Clark Affidavit and the Clark Declaration, the 1.5L Notes are secured by second priority liens on substantially all of the Debtors’ assets (except the Canadian Debtors’ assets); and

- (c) *2L Secured Notes* – 7.5% senior secured notes (the “**2L Notes**”) issued by CURO pursuant to an Indenture dated July 30, 2021, among CURO, the other Debtors (except Curo Ventures, LLC and the Canadian Debtors), as guarantors, and TMI Trust Company, as trustee and collateral agent. As indicated within the First Clark Affidavit and the Clark Declaration, the 2L Notes are secured by third priority liens on substantially all of the Debtors’ assets (except the Canadian Debtors’ assets), and mature on August 1, 2028.
20. The “Non-Debtor SPV Funding Debt” consists of five securitization facilities (collectively, the “**Securitization Facilities**”), which are used to indirectly fund the Debtors’ operations. The borrowers under the Securitization Facilities comprise of certain of the Non-Debtor SPVs, including: Heights Financing I, LLC; Heights Financing II, LLC; First Heritage Financing I, LLC; CURO Canada Receivables Limited Partnership; and CURO Canada Receivables II Limited Partnership.
21. The Securitization Facilities are primarily secured by a pool of secured and unsecured fixed-rate personal loans and related assets that have been sold to the applicable Non-Debtor SPVs by the Debtors. The Securitization Facilities are typically repaid when the Debtors, as servicers, remit to the applicable agent the monies collected on the applicable loan receivables during the amortization period on behalf of the applicable Non-Debtor SPVs.¹
22. CURO is a limited guarantor under each of the Securitization Facilities. The Canadian Debtors are the originators of loans that are sold to CURO Canada Receivables Limited Partnership and CURO Canada Receivables II Limited Partnership (together, the “**Canadian Partnerships**”) as security for the obligations under the Canadian Securitization Facilities. The Canadian Debtors have also delivered a limited guarantee in connection with the Canada SPV II Facility.

¹ The amortization period begins when the revolving period of the Securitization Facility matures.

23. As described in the First Clark Affidavit, the Canadian Securitization Facilities consist of the following:
- (a) *Canada SPV Facility* – a non-recourse revolving warehouse facility entered into on August 2, 2018 by CURO Canada Receivables Limited Partnership,² the lenders party thereto and Waterfall Asset Management, LLC, as administrative agent (as amended, modified and supplemented from time to time, the “**Canada SPV Facility**”), with a borrowing capacity at this time of approximately CAD\$400 million. The Canada SPV Facility has an effective interest rate of three-month CDOR plus 6.00%, a warehouse revolving period maturity date of July 2024, and a facility maturity date of August 2, 2026; and
 - (b) *Canada SPV II Facility* – a non-recourse revolving warehouse facility entered into on May 12, 2023 by CURO Canada Receivables II Limited Partnership,³ the lenders party thereto and Midtown Madison Management LLC, as administrative agent (as amended, modified and supplemented from time to time, the “**Canada SPV II Facility**”), with a borrowing capacity at this time of approximately CAD\$150 million. The Canada SPV II Facility has an effective interest rate of three-month CDOR plus 8.00%, and a revolving period and facility maturity date of November 12, 2025.⁴
24. The Proposed Information Officer understands that the Canadian Debtors as well as the Canadian Partnerships and their general partners, CURO Canada Receivables GP Inc. and CURO Canada Receivables II GP Inc. (collectively with the Canadian Partnerships, the “**Canadian Non-Debtor Affiliates**”), have agreed to provide the lenders under the Canadian Securitization Facilities (collectively, the “**Canadian SPV Lenders**”) certain financial concessions, liens and information in exchange for their cooperation in the Restructuring Proceedings. This includes the Canadian Debtors’ agreement to continue to

² The general partner of the limited partnership is non-Debtor CURO Canada Receivables GP Inc.

³ The general partner of the limited partnership is non-Debtor CURO Canada Receivables II GP Inc.

⁴ The Clark Declaration provides additional detail regarding the Debtors’ three other non-recourse revolving warehouse facilities, which Securitization Facilities are not used to fund the Canadian Debtors’ operations and are not discussed herein.

participate in the Cash Management System (as defined below) and the granting of the Securitization Charges.

Unsecured Obligations

25. As of the Petition Date, the Debtors owe approximately \$42 million on account of general unsecured claims, which include claims held by: (i) trade creditors and vendors; (ii) certain former employees; (iii) contingent claims held on account of pending litigation; and (iv) claims held on account of accrued rents. The Canadian Debtors owe approximate \$1.5 million of unsecured claims to third parties, including approximately \$1 million in severance obligations.
26. In addition, the Canadian Debtors have the following obligations, certain of which are not yet payable:
 - (a) approximately CAD\$1.4 million of accrued vacation pay liability and an estimated accrued sick pay liability of approximately CAD\$0.7 million;
 - (b) approximately CAD\$3.9 million in GST/HST for the 2023 tax year, which is payable in June 2024;
 - (c) approximately CAD\$9.5 million in (i) federal corporate income tax liability in respect of the 2023 tax year, which will become payable in June 2024, and (ii) accrued amounts in respect of the 2024 tax year; and
 - (d) outstanding Alberta corporate income tax.
27. The claims of all of the Canadian Debtors' general unsecured creditors, including trade, customer, employee and landlord claims are expected to be unimpaired in the Restructuring Proceedings.

The Debtors' Ordinary Course Intercompany Transactions and Management Services

28. The Proposed Information Officer understands that, as described in the First Clark Affidavit, the Debtors, including the Canadian Debtors, engage in intercompany

transactions to, among other things, provide enterprise-wide support services, split the costs of shared services agreements, and facilitate operations on a daily basis. Such intercompany transactions are not recorded as intercompany loans.

29. In addition, the Canadian Debtors have historically paid approximately CAD\$27-35 million annually pursuant to intercompany agreements with Curo Management, LLC. Namely:
- (a) approximately CAD\$12-20 million annually under two management service agreements pursuant to which the Canadian Debtors receive intercompany services essential to the operation of their businesses; and
 - (b) approximately CAD\$15 million annually under a single licensing agreement pursuant to which both CURO Canada and LendDirect (though not a party thereto) utilize Curo Management, LLC's loan tracking and management software.

The Debtors' Cash Management System

30. As described in the Clark Declaration, the Debtors and their non-debtor affiliates maintain an integrated, centralized cash management system to collect, transfer, and disburse funds generated by their operations (the "**Cash Management System**").
31. The Cash Management System facilitates cash monitoring, forecasting, and reporting, and enables the Debtors to maintain control over the administration of approximately 250 bank accounts held in both Canada and the U.S. As of the Petition Date, the Debtors have approximately \$35 million in cash on hand across such bank accounts, of which approximately \$22 million is held by the Canadian Debtors.
32. The Debtors bank accounts include accounts at the following Canadian Banks: the Canadian Imperial Bank of Commerce (USA); the Royal Bank of Canada ("**RBC**"); and the National Bank of Canada. CURO Canada maintains its primary operating bank account and approximately 20 other accounts with RBC.

33. As discussed below, the Foreign Representative is seeking recognition of the Cash Management Order to ensure that the Debtors, including the Canadian Debtors, are able to continue to utilize the Cash Management System, and engage in intercompany transactions, in the ordinary course. As a result of the proposed continued use of the Cash Management System, the Canadian Debtors may receive funds from the \$70 million multi-draw facility approved in the Chapter 11 Cases (the “**DIP Facility**”). However, neither the Canadian Debtors nor the Canadian Non-Debtor Affiliates are obligors under the DIP Facility and no security or administrative expense priority has been granted in respect of the obligations under the DIP Facility against the Canadian Debtors.

E. THE CENTRE OF MAIN INTEREST

34. As set out in detail in the Clark Affidavit, each of the Canadian Debtors are integrated members of the Company. The Company is centrally managed by a leadership team within, and headquartered in, the U.S.
35. As a result of the Company’s centralized management structure, the Canadian Debtors are almost entirely dependent on the Debtors’ management and leadership teams within the U.S. Indeed, the Canadian Debtors rely on certain of the U.S. based Debtors and the Company’s U.S. based management and leadership teams for, among other things:
- (a) tax, accounting, cash management, finance, treasury, legal, human resources and other executive-level functions;
 - (b) directing payroll processing within Canada for the approximately 1,075 employees located in Canada;
 - (c) the provision of utilities at the Canadian Debtors’ approximately 150 leased store locations;
 - (d) proprietary software necessary to conduct their business; and
 - (e) the management of the Canadian Debtors’ overall financial position.

36. Having regard to the numerous ways in which the Canadian Debtors are integrated with the Company, and dependent upon its leadership and management teams within the U.S., the Foreign Representative asserts that the Canadian Debtors' centre of main interest is in the U.S. As such, the Foreign Representative submits that the Chapter 11 Cases constitute a "foreign main proceeding" as defined in section 45 of the CCAA.
37. In light of the foregoing and based on the evidence set out in the First Clark Affidavit, the Proposed Information Officer agrees that the Canadian Debtors' centre of main interest is in the U.S., and that it is appropriate in the circumstances to recognize the Chapter 11 Cases as a "foreign main proceeding".

F. THE RSA AND THE PLAN

38. The Debtors entered into a Restructuring Support Agreement dated March 22, 2024 (the "**RSA**"), with holders of more than (i) 82% of the 1L Term Loans, (ii) 84% of the 1.5L Notes, and (iii) 74% of the 2L Notes. The RSA contemplates a balance sheet restructuring to be effectuated by way of an equitization transaction accomplished through a pre-packaged chapter 11 plan (the "**Plan**") in the Chapter 11 Cases and the recognition of such Plan in these Recognition Proceedings. A copy of the RSA is attached as Exhibit "B" to the Disclosure Statement (as defined below), which is attached as Exhibit "D" to the First Clark Affidavit.
39. The RSA enumerates the following milestones in connection with the Debtors' implementation of the Plan:

| Milestone⁵ | Deadline |
|---|---------------------------------|
| Debtors to cause solicitation of votes on the Plan | March 25, 2024 |
| Petition Date | March 25, 2024 |
| Filing of the Plan and Disclosure Statement | Petition Date +1 business day |
| U.S. Bankruptcy Court's entry of (i) Interim DIP Order and (ii) interim order approving the Securitization Facilities | Petition Date +3 business days |
| U.S. Bankruptcy Court's entry of (i) Final DIP Order and (ii) a final order approving the Securitization Facilities | Petition Date +45 calendar days |

⁵ Capitalized terms used and not otherwise defined within this table have the meaning given to them in the RSA.

| | |
|---|-------------------------------------|
| U.S. Bankruptcy Court's entry of order confirming the Plan and approving the Disclosure Statement | Petition Date +50 calendar days |
| Occurrence of the Effective Date under the Plan | Petition Date +120 calendar days |

40. In accordance with the milestones prescribed under the RSA, the Debtors filed the Plan contemporaneously with the filing of their petitions and the commencement of the Chapter 11 Cases. A copy of the Plan is attached as Exhibit "A" to the Disclosure Statement.
41. As described in the First Clark Affidavit and the Clark Declaration, the Plan embodies a consensual deal among the Debtors and their key stakeholders. If implemented in accordance with its terms, the Plan is expected to allow the Debtors to deleverage their balance sheet and facilitate the extension of the Securitization Facilities.
42. The Plan contemplates, among other things, a distribution of equity and warrants in the reorganized CURO to the holders of the 1.5L Notes and the 2L Notes, as well as certain lenders under the DIP Facility. Further, the Plan provides that (i) CURO's existing equity holders will receive contingent value rights at a specified strike price and (ii) the claims of general unsecured creditors, such as trade creditors, customers, employees or landlords of the Debtors, including the Canadian Debtors, will be paid in full.
43. The proposed classes of creditors under the Plan and their corresponding voting rights are summarized below:

| Class | Claims and Interests | Status | Voting Rights |
|---------|----------------------------------|------------|---|
| Class 1 | Other Secured Claims | Unimpaired | Not Entitled to Vote (Deemed to Accept) |
| Class 2 | Other Priority Claims | Unimpaired | Not Entitled to Vote (Deemed to Accept) |
| Class 3 | Prepetition 1L Term Loan Claims | Impaired | Entitled to Vote |
| Class 4 | Prepetition 1.5L Notes Claims | Impaired | Entitled to Vote |
| Class 5 | Prepetition 2L Notes Claims | Impaired | Entitled to Vote |
| Class 6 | Securitization Facilities Claims | Unimpaired | Not Entitled to Vote (Deemed to Accept) |
| Class 7 | General Unsecured Claims | Unimpaired | Not Entitled to Vote (Deemed to Accept) |

| Class | Claims and Interests | Status | Voting Rights |
|----------|-------------------------|-------------------------|--|
| Class 8 | Intercompany Claims | Unimpaired/ Impaired | Not Entitled to Vote (Deemed to Accept / Deemed to Reject) |
| Class 9 | Section 510(b) Claims | Impaired | Not Entitled to Vote (Deemed to Reject) |
| Class 10 | Intercompany Interests | Unimpaired/ Impaired | Not Entitled to Vote (Deemed to Accept / Deemed to Reject) |
| Class 11 | Existing CURO Interests | Impaired | Entitled to Vote |

44. In connection with the Plan’s implementation, the Debtors are asking the U.S. Court to enter the *Order (I) Scheduling a Combined Disclosure Statement Approval and Plan Confirmation Hearing, (II) Conditionally approving the Disclosure Statement, (III) Establishing a Plan and Disclosure Statement Objection Deadline and Related Procedures, (IV) Approving the Solicitation Procedures, (V) Approving the Combined Notice, (VI) Extending the Time by which the U.S. Trustee Convenes a Meeting of Creditors and (VII) Granting Related Relief* (the “**Disclosure Statement Order**”). A hearing is scheduled for Wednesday, March 27, 2024 at 5:00 p.m. CT in respect of the Disclosure Statement Order.
45. Pursuant to the Disclosure Statement Order, the Debtors ask the U.S. Court to, among other things:
- (a) conditionally approve the Debtors’ disclosure statement (the “**Disclosure Statement**”);
 - (b) approve solicitation and voting procedures; and
 - (c) establish an objection and other deadlines with respect to the Plan and Disclosure Statement.
46. The proposed deadlines with respect to voting on, objecting to, and confirming the Plan and approving the Disclosure Statement are summarized below:

| Event | Date |
|--------------------------------|----------------|
| Voting Record Date | March 13, 2024 |
| Solicitation Commencement Date | March 21, 2024 |

| Event | Date |
|--------------------|--|
| Voting Deadline | April 19, 2024, at 4:00 p.m., prevailing Central Time |
| Opt-Out Deadline | April 19, 2024, at 4:00 p.m., prevailing Central Time |
| Objection Deadline | April 19, 2024, at 4:00 p.m., prevailing Central Time |
| Combined Hearing | April 26, 2024, or such other date as the Court may direct |

47. No relief in connection with the Plan, the Disclosure Statement Order or the Disclosure Statement is sought by the Foreign Representative at this time. Although the Foreign Representative had anticipated seeking recognition of the Disclosure Statement Order, in light of the rescheduled hearing in the U.S. Court, the Disclosure Statement Order will not be available before the attendance on March 26, 2024.

G. THE FIRST DAY ORDERS PROPOSED TO BE RECOGNIZED

48. The First Day Motions and the First Day Orders are described in the Clark Declaration and the First Clark Affidavit, respectively. Copies of the First Day Motions and the First Day Orders, together with all other publicly filed information in the Chapter 11 Cases, are available on the case website maintained by Epiq Corporate Restructuring, LLC at the following address: <https://dm.epiq11.com/case/curo/dockets> (the “Docket”).
49. CURO, in its capacity as the Foreign Representative, is seeking recognition of certain of the First Day Orders that have been entered by the U.S. Court in the Chapter 11 Cases. The First Day Orders to be recognized pursuant to the proposed Supplemental Order or a subsequent order of the Court (as the case may be), are listed and described in the First Clark Affidavit. Copies of such First Day Orders that have been entered by the U.S. Court to date are appended to the Affidavit of Alec Hoy sworn March 25, 2024 as Exhibits “A” – “H”.
50. The Proposed Information Officer has reviewed the First Day Orders, as proposed and, where applicable, entered, and discussed them with its independent counsel and counsel to the Foreign Representative. The Proposed Information Officer is of the view that much of the relief contained in the First Day Orders is common in chapter 11 cases and is frequently

recognized by Canadian courts in cross-border insolvency proceedings. A summary of each of the First Day Orders proposed to be recognized is set out below:

- (a) *Foreign Representative Order* – the Foreign Representative Order, among other things, authorizes CURO to: (i) act as the Foreign Representative on behalf of the Debtors in any judicial or other proceedings in Canada; (ii) seek recognition of the Chapter 11 Cases in these Recognition Proceedings; (iii) consistent with any orders of the Court, retain and compensate Canadian professionals on behalf of the Foreign Representative; and (iv) request that the Court grant comity to the Foreign Representative and the Chapter 11 Cases. The Foreign Representative Order also requests the aid and assistance of the Court to recognize the Chapter 11 Cases as “foreign main proceedings” and CURO as a “foreign representative” pursuant to the CCAA, and to give full force and effect in all provinces and territories of Canada to the Foreign Representative Order;
- (b) *Joint Administration Order* – the Joint Administration Order authorizes the joint administration and consolidation of the Chapter 11 Cases for procedural purposes only;
- (c) *Interim Cash Management Order* – the Interim Cash Management Order, among other things, authorizes the Debtors to continue: (i) operating the Cash Management System in the normal course, including maintaining their existing bank accounts in both the U.S. and Canada; (ii) using preprinted business forms, such as company checks, letterhead, correspondence forms, and invoices; and (iii) performing intercompany transactions, including with the Canadian Debtors, in the ordinary course. To ensure that no Debtor will permanently fund the operations of any affiliate, all intercompany claims arising after the petition date are afforded administrative expense status pursuant to the Interim Cash Management Order. As referenced above, the Canadian SPV Lenders have conditioned their support for the Chapter 11 Cases and these Recognition Proceedings upon the continuation of the Cash Management System;

- (d) *Interim Securitization Order* – the Interim Securitization Order, among other things: (i) memorializes certain stipulations made by the Debtors, including that neither the Receivables (as defined in the Interim Securitization Order) nor proceeds thereof shall constitute property of the bankruptcy estate of any of the Debtors and that, upon any Originator’s transfer of Receivables to the applicable Non-Detor Purchasers (each as defined in the Interim Securitization Order), the Receivables constitute property of the applicable Non-Detor Purchasers; (ii) authorizes each of the Debtors to execute or otherwise perform its obligations under certain instruments and agreements (as supplemented, restated and amended from time to time) in relation to the Securitization Facilities (collectively, the “**Securitization Transaction Documents**”); (iii) authorizes the Debtors to cause the Non-Debtor Purchasers to continue performing their obligations under the Securitization Facilities in the ordinary course, including the Canadian Partnerships under the Canadian Securitization Facilities; (iv) declares that the obligations under the Securitization Transaction Documents constitute senior administrative claims in favour of the Lenders against each of the applicable Securitization Facilities Debtors (each as defined in the Interim Securitization Order), subject to a prescribed carve-out and certain other enumerated super-priority claims; (v) grants liens on certain of the applicable Debtors’ property in favour of the respective agents under the Securitization Facilities in the event any transfer of Receivables originated and purported to be sold through the Securitization Facilities on or after the Petition Date is avoided or recharacterized as a pledge; (vi) grants first-priority security interests in favour of the respective Collateral Agent under the Canadian Securitization Facilities in the equity of the applicable Canadian Non-Debtor Affiliates with respect to credit extended by the Canadian SPV Lenders on or after the Petition Date, subject to the terms of the Interim Securitization Order; and (vii) declares that any payments on account of the Receivables or other Collateral (as defined in the Credit Agreements (as defined in the in the Interim Securitization Order)) coming into the possession or control of any Debtor shall be held in trust for the benefit of the Agents, the Lenders, and the other Secured Parties (each as

defined in the Interim Securitization Order) under and in accordance with the Credit Agreements;

- (e) *Wages Order* – the Wages Order, among other things, authorizes but does not require the Debtors to: (i) pay prepetition wages, salaries, reimbursable employee expenses and other forms of compensation in the ordinary course; and (ii) continue to offer their existing compensation, severance and benefits programs in the ordinary course, including the payment of certain pre-filing obligations related thereto;
- (f) *Interim Critical Vendors Order* – the Interim Critical Vendors Order, among other things, authorizes, but does not require, the Debtors to pay certain prepetition obligations to critical vendors, subject to a prescribed maximum amount and the continuation of the applicable critical vendor’s services on customary trade terms post-petition. The Canadian Debtors have identified a limited number of vendors that are vital to their ongoing business operations, which are expected to be paid pursuant to the Interim Critical Vendors Order;
- (g) *Utilities Order* – the Utilities Order, among other things: (i) approves the Debtors’ proposed form of adequate assurance of payment for future utility services and certain procedures for resolving any objections by the Debtors’ utility providers related thereto; and (ii) prohibits the Debtors’ utility providers from altering, refusing or discontinuing service on account of any unpaid prepetition charges, the commencement of the Chapter 11 Cases or any perceived inadequacy of the proposed adequate assurance of payment;
- (h) *Tax Order* – the Tax Order, among other things, authorizes the Debtors to remit taxes, fees, and related obligations as they become due in the ordinary course, including Canadian federal taxes, provincial income taxes, and Canadian goods and services taxes/harmonized sales taxes. CAD\$4.4 million of the \$4.5 million in taxes authorized to be paid under the Tax Order relates to taxes owing by the Canadian Debtors;

- (i) *Insurance Order* – the Insurance Order, among other things, authorizes the Debtors to: (i) continue, renew, amend, supplement or extend their insurance coverage in accordance with their prepetition practices and procedures; (ii) satisfy prepetition and post-petition obligations related to such insurance coverage in the ordinary course; and (iii) continue to maintain and renew certain surety bonds as required by several U.S. state licensing regulations; and
 - (j) *Customer Programs Order* – the Customer Programs Order, among other things: (i) authorizes the Debtors to maintain and administer certain customer-related programs in the ordinary course of business and honour prepetition obligations on account thereof; and (ii) relieves the Debtors from providing notice of the Chapter 11 Cases to their customers.
51. As at the time of this Pre-Filing Report, the Utilities Order and the Interim Critical Vendors Order have not been entered by the U.S. Court. The Monitor understands that if such First Day Orders are not entered by the U.S. Court prior to the hearing of the Foreign Representative’s application for the proposed Supplemental Order, recognition of such First Day Orders may be sought subsequently in these Recognition Proceedings.
52. The Proposed Information Officer is supportive of the Foreign Representative’s request for recognition of the above-noted First Day Orders pursuant to the proposed Supplemental Order given, among other things, that:
- (a) Canadian and U.S. stakeholders are treated in the same manner under each of the First Day Orders for which recognition is sought;
 - (b) the granting of the proposed Supplemental Order would be consistent with the principles of comity and facilitate the efficient coordination of the Chapter 11 Cases and these Recognition Proceedings;
 - (c) the First Day Orders for which recognition is sought are primarily procedural or administrative in nature, commonplace in the context of complex chapter 11

proceedings, and generally consistent with the forms of first day orders frequently recognized by this Court in large cross-border insolvency proceedings;

- (d) the First Day Orders were supported by the Debtors' key stakeholders; and
- (e) the Proposed Information Officer is not aware of any objection having been filed in the Chapter 11 Cases by a Canadian stakeholder in respect of the First Day Orders for which recognition is sought.

H. THE CHARGES PROPOSED UNDER THE SUPPLEMENTAL ORDER

53. Pursuant to the proposed Supplemental Order, the Foreign Representative seeks the granting of the Administration Charge, the Securitization Charges and the D&O Charge (together, the “**Charges**”) over the Canadian Debtor' property. The priorities of the Charges are proposed to be as follows:
- (a) First – Administration Charge (up to the maximum amount of \$1 million);
 - (b) Second – Securitization Charges (in an amount consistent with the Interim Securitization Order) on a *pari passu* basis; and
 - (c) Third – D&O Charge (up to the maximum amount of CAD\$11.1 million).
54. Each of the Charges and the Proposed Information Officer's views with respect thereto are discussed below.

The Administration Charge

55. The proposed Supplemental Order provides for an Administration Charge up to the maximum amount of \$1 million in favour of Canadian counsel to the Foreign Representative and the Canadian Debtors, the Information Officer and counsel to the Information Officer. The Administration Charge is intended to provide security for the fees and disbursements of such professionals, each of which is expected to have a distinct role in these Recognition Proceedings and has and will continue to contribute to the Canadian Debtors' restructuring efforts.

56. The quantum of the Administration Charge was determined with the assistance of the Proposed Information Officer. It is commensurate with the nature, scope and complexity of these Recognition Proceedings, the size of the retainers provided to the beneficiaries of the Administration Charge and the professional costs expected to be incurred by such beneficiaries.
57. In the circumstances, the Proposed Information Officer is of the view that the proposed Administration Charge is both reasonable and appropriate. Moreover, the Proposed Information Officer is of the view that it will ensure that the Canadian Debtors have the benefit of the professional advice and expertise necessary for the success of these Recognition Proceedings. For these reasons, the Proposed Information Officer respectfully recommends that the proposed Administration Charge be granted under the Supplemental Order.

The Securitization Charges

58. The Debtors require indirect access to liquidity under the Securitization Facilities to continue their ordinary course business operations during the Restructuring Proceedings. To facilitate such access, the Debtors have sought and obtained the Interim Securitization Order in the Chapter 11 Cases, which, among other things: (i) grants liens on the applicable Debtors' property, including certain of the Canadian Debtors' property, in favour of the Collateral Agents under the Securitization Facilities; and (ii) authorizes such Debtors, to perform their obligations under the Securitization Transaction Documents.
59. The proposed Supplemental Recognition Order grants the Securitization Charges on the Canadian Debtors' property in favour of the respective Collateral Agent under the Canadian Securitization Facilities to secure certain of the Canadian Debtors' obligations thereunder. The Securitization Charges will only attach to the Canadian Debtors' property identified in the Interim Securitization Order, which is principally comprised of: (i) in respect of postposition advances of credit, equity in the Non-Debtor Canadian Affiliates owned by the Canadian Debtors; and (ii) solely to the extent that any transfer of Receivables from a Canadian Debtor is subsequently avoided or recharacterized as an extension of credit or a pledge rather than a true sale, all of the applicable Canadian

Debtors' rights in the Receivables originated and purported to be sold through the Securitization Facility on or after the Petition Date.

60. Given the Debtors' need to indirectly access the Securitization Facilities, the scope of the liens granted under the Interim Securitization Order and the conditions on which the Canadian SPV Lenders' support for the Restructuring Proceedings is predicated, the Proposed Information Officer is of the view that the Securitization Charges are reasonable in the circumstances.

The D&O Charge

61. The proposed Supplemental Order requires that the Canadian Debtors indemnify their directors and officers against obligations and liabilities that they may incur in their capacity as directors and officers of the Canadian Debtors following the commencement of these Recognition Proceedings. Such indemnity explicitly excludes any obligation or liability arising from a director's or officer's gross negligence or wilful misconduct. As security for such indemnity, the proposed Supplemental Order grants a charge over the Canadian Debtors' property in the amount of CAD\$11.1 million in favour of the Canadian Debtors' directors and officers.
62. The Proposed Information Officer assisted the Debtor Companies in determining the appropriate quantum of the D&O Charge, taking into consideration the amount of the Canadian Debtors' anticipated payroll, vacation pay and federal and provincial sales tax liabilities during these Recognition Proceedings, as set out below:

| CAD\$ | |
|---|---------------------|
| Payroll | \$4,138,122 |
| Accrued Vacation and Sick Days | \$2,216,122 |
| Sales Tax | \$4,735,890 |
| D&O Charge Total (Unrounded) | \$11,090,134 |

63. The Proposed Information Officer understands that CURO maintains directors' and officers' insurance for the benefit of itself and its direct and indirect subsidiaries, including the Canadian Debtors, which provides coverage for certain director and officer obligations.

However, the Proposed Information Officer also understands that such insurance contains certain exceptions, exclusions and carve-outs, and as a result, may not provide adequate coverage to the Canadian Debtors' directors and officers during these Recognition Proceedings. The Canadian Debtors' directors and officers will only be entitled to the benefit of the D&O Charge to the extent they do not have coverage under directors' and officers' insurance policies or to the extent such coverage is insufficient to pay an indemnified amount.

64. The Proposed Information Officer understands that the directors and officers of the Canadian Debtors are not willing to continue in their current roles absent the protection to be afforded to them under the proposed D&O Charge. In the circumstances, the Proposed Information Officer is of the view that the D&O Charge is necessary and reasonable in the circumstances.
65. Having regard to the foregoing, the Proposed Information Officer respectfully recommends that the proposed D&O Charge be granted under the Supplemental Order.

I. ACTIVITIES OF THE PROPOSED INFORMATION OFFICER TO DATE

66. To date, the activities of the Proposed Information Officer have included, among other things:
 - (a) attending the hearing of the Debtors' First Day Motions in the Chapter 11 Cases via telephone;
 - (b) monitoring the Docket to remain apprised of materials filed in the Chapter 11 Cases;
 - (c) preparing for and attending the Foreign Representative's application for the Interim Order in these Recognition Proceedings;
 - (d) reviewing each of the First Day Motions and the First Day Orders in respect of which recognition is sought;

- (e) engaging in discussions with the Canadian Debtors' management and assisting the Canadian Debtors in determining the appropriate quantum of both the Administration Charge and the D&O Charge;
 - (f) corresponding with Canadian counsel to the Foreign Representative and the Canadian Debtors, and Bennett Jones LLP, the Proposed Information Officer's independent counsel, regarding the Chapter 11 Cases and these Recognition Proceedings; and
 - (g) preparing this Pre-Filing Report.
67. If appointed in these Recognition Proceedings, the proposed Supplemental Order contemplates that FTI, in its capacity as the Information Officer, will:
- (a) assist the Foreign Representative in the performance of its duties in such capacity as the Foreign Representative may request;
 - (b) report to the Court with respect to the status of these Recognition Proceedings and the Chapter 11 Cases;
 - (c) provide creditors of the Canadian Debtors with non-confidential information provided by the Canadian Debtors or the Foreign Representative in response to reasonable requests for such information;
 - (d) publish a notice substantially in the form attached to the Supplemental Order, once a week for two consecutive weeks, in *The Globe and Mail (National Edition)*; and
 - (e) establish a case website on which, among other things, materials filed in these Recognition Proceedings will be posted, including any orders granted by the Court and the Information Officer's reports to the Court.

H. CONCLUSION

68. For the reasons set out in this Pre-Filing Report, the Proposed Information Officer supports the relief sought by the Foreign Representative on the within application and respectfully

recommends that the Court grant the proposed Initial Recognition Order and Supplemental Order.

The Proposed Information Officer respectfully submits to the Court this, its Pre-Filing Report.

Dated this 26th day of March, 2024.

FTI Consulting Canada Inc.,
solely in its capacity as Proposed Information Officer of CURO Canada Corp. and LendDirect Corp., and not in its personal or corporate capacity.



Jeffrey Rosenberg
Senior Managing Director

APPENDIX “A”

See attached.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) MONDAY, THE 25th
JUSTICE OSBORNE) DAY OF MARCH, 2024

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

AND IN THE MATTER OF CURO CANADA CORP. AND
LENDIRECT CORP.

APPLICATION OF CURO GROUP HOLDINGS CORP. UNDER
SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT
ACT*, R.S.C. 1985, c. C-36, AS AMENDED

**INTERIM STAY ORDER
(FOREIGN MAIN PROCEEDING)**

THIS APPLICATION, made pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and section 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, by CURO Group Holdings Corp. (the "**CURO Parent**") in its capacity as the proposed foreign representative (in such capacity, the "**Proposed Foreign Representative**") of itself and the Canadian Debtors (as defined below) in respect of the proceedings commenced on March 25, 2024, in the United States Bankruptcy Court for the Southern District of Texas pursuant to chapter 11 of title 11 of the United States Code (the "**Foreign Proceeding**"), for an Order substantially in the form enclosed in the Application Record, was heard this day by judicial videoconference in Toronto, Ontario.

ON READING the Notice of Application and the affidavit of Douglas D. Clark, filed,

AND UPON HEARING the submissions of counsel for the Proposed Foreign Representative, counsel for FTI Consulting Canada Inc., in its capacity as the proposed information officer (the “**Proposed Information Officer**”), and counsel appearing on the participant information form, no one else appearing although duly served as appears from the affidavit of service of Alec Hoy sworn March 25, 2024, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

STAY OF PROCEEDINGS

2. **THIS COURT ORDERS** that from the date hereof until and unless otherwise ordered by the Court (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal in Canada (each, a “**Proceeding**” and, collectively, “**Proceedings**”) including, without limitation, a Proceeding taken or that might be taken under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended, or the *Winding-up and Restructuring Act*, R.S.C., 1985, c. W-11, as amended, shall be commenced or continued against or in respect of CURO Canada Corp. and LendDirect Corp. (collectively, the “**Canadian Debtors**” and each a “**Canadian Debtor**”) or affecting their business (the “**Business**”) or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”), except with the written consent of the applicable Canadian Debtor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Canadian Debtors, or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

3. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, agency, governmental or quasi-governmental body or agency, or any other entities or person (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against, in respect of, or affecting any of the Canadian Debtors, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the applicable Canadian Debtor, or with leave of this Court, provided that nothing in this Order shall (i) prevent the assertion of or the exercise of rights and remedies in the Foreign Proceeding, (ii) empower any Canadian Debtor to carry on any business in Canada which such Canadian Debtor is not lawfully entitled to carry on, or (iii) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA.

NO INTERFERENCE WITH RIGHTS

4. **THIS COURT ORDERS** that, during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate, or cease to perform any right, renewal right, contract, agreement, lease, licence, or permit in favour of or held by any of the Canadian Debtors and affecting the Business or Property in Canada, except with written consent of the applicable Canadian Debtor or with leave of this Court.

ADDITIONAL PROTECTIONS

5. **THIS COURT ORDERS** that, during the Stay Period, all Persons having oral or written agreements with any of the Canadian Debtors or statutory or regulatory mandates for the supply of goods and/or services in Canada, including, without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility, or other services provided in respect of the Property or Business of any of the Canadian Debtors, are hereby restrained until further Order of this Court from

discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the applicable Canadian Debtors, and that the Canadian Debtors shall be entitled to the continued use in Canada of their, among other things, current premises, bank accounts, telephone numbers, facsimile numbers, internet addresses, and domain names.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

6. **THIS COURT ORDERS** that, during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current, or future directors or officers of any of the Canadian Debtors with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the applicable Canadian Debtors whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

NO SALE OF PROPERTY

7. **THIS COURT ORDERS** that each of the Canadian Debtors is prohibited from selling or otherwise disposing of:

- (a) outside the ordinary course of the Business, any of the Property in Canada that relates to the Business; and
- (b) any of the other Property in Canada,

provided, however, that nothing herein shall prevent the Canadian Debtors from seeking approval in the Foreign Proceeding or from this Court to sell or otherwise dispose of the Property.

SERVICE OF COURT MATERIALS

8. **THIS COURT ORDERS** that The Guide Concerning Commercial List E-Service (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List Website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*, R.R.O. 1990. Reg. 194 (the “**Rules of Civil Procedure**”). Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission.

9. **THIS COURT ORDERS** that the Canadian Debtors, the Proposed Foreign Representative, the Proposed Information Officer, and their respective counsel are at liberty to serve or distribute this Order, the Recognition Order, and any other materials and Orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Canadian Debtors’ creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, SOR 2013-221.

10. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Canadian Debtors, the Proposed Foreign Representative, the Proposed Information Officer, and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, and any notices, or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or electronic transmission to the Canadian Debtors’ creditors or other interested parties at their respective addresses (including e-mail addresses) as last shown

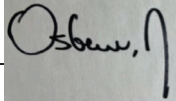
on the records of the applicable Canadian Debtor and that any such service or distribution shall be deemed to be received (a) in the case of delivery by personal delivery, facsimile or electronic transmission, on the date of delivery or transmission, (b) in the case of delivery by courier, on the next business day following the date of forwarding thereof, and (c) in the case of delivery by prepaid ordinary mail, on the third business day after mailing.

GENERAL

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or in any other foreign jurisdiction to give effect to this Order and to assist the Canadian Debtors, Proposed Foreign Representative and their counsel and agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Canadian Debtors and the Proposed Foreign Representative as may be necessary or desirable to give effect to this Order or to assist the Canadian Debtors, the Proposed Foreign Representative, and their respective agents, in carrying out the terms of this Order.

12. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days' notice to the Canadian Debtors, the Proposed Foreign Representative, the Proposed Information Officer and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order

13. **THIS COURT ORDERS AND DECLARES** that this Order shall be effective as of 12:01 a.m. on the date of this Order without the need for entry or filing of this Order.


2024.03.25
16:38:35 -04'00'
The Honourable Justice Peter J. Osborne

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF CURO CANADA CORP. AND LENDIRECT CORP.
APPLICATION OF CURO GROUP HOLDINGS CORP. UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

| |
|---|
| <p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p>PROCEEDING COMMENCED AT TORONTO</p> |
| <p>INTERIM STAY ORDER (FOREIGN MAIN PROCEEDING)</p> |
| <p>CASSELS BROCK & BLACKWELL LLP Suite 3200, Bay Adelaide Centre – North Tower 40 Temperance Street Toronto, Ontario M5H 0B4</p> <p>Ryan Jacobs LSO#: 59510J Tel: 416.860.6465 rjacobs@cassels.com</p> <p>Jane Dietrich LSO#: 49302U Tel: 416.860.5223 jdietrich@cassels.com</p> <p>Natalie E. Levine LSO#: 64908K Tel: 416.860.6568 nlevine@cassels.com</p> <p>Alec Hoy LSO#: 85489K Tel: 416.860.2978 ahoy@cassels.com</p> <p><i>Lawyers for the Proposed Foreign Representative</i></p> |

APPENDIX “B”

See attached.

Court File No.: _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

AND IN THE MATTER OF CURO CANADA CORP. AND LENDDIRECT CORP.

**APPLICATION OF CURO GROUP HOLDINGS CORP. UNDER SECTION 46 OF
THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C-36, AS AMENDED**

CONSENT TO ACT AS INFORMATION OFFICER

FTI CONSULTING CANADA INC. hereby consents to act as the information officer in respect of the above-captioned proceedings pursuant to the terms of the Supplemental Order (Foreign Main Proceeding) contained in the Applicant's Application Record.

Dated at Toronto, Ontario this 25th day of March, 2024

FTI CONSULTING CANADA INC.

Per: _____

Name: Jeffrey Rosenberg

Title: Senior Managing Director

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF CURO CANADA CORP. AND LENDDIRECT CORP.
APPLICATION OF CURO GROUP HOLDINGS CORP. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**PRE-FILING REPORT OF THE PROPOSED
INFORMATION OFFICER**

BENNETT JONES LLP

One First Canadian Place
Suite 3400, P.O. Box 130
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M5X 1A4

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Tel: (416) 777-7867

Email: ernstj@bennettjones.com

Lawyers for FTI Consulting Canada Inc., solely in its capacity as the proposed Information Officer and not in its personal or corporate capacity