



This is the 8th affidavit
of Peter Kravitz in this case
and was made on December 14, 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**") seeking an order extending the CCAA stay of proceedings to February 16, 2024 (the "**Stay Extension**").

Status of the Transaction Agreement

4. On October 31, 2023, the Court granted an Order (the "**RVO**") which, among other things:
 - (a) approved the transaction agreement between the Petitioners and the BP Lenders (the "**Transaction Agreement**") for the acquisition of Liberty Tax and Community Tax through a reverse vesting order transaction;

- (b) vested the non-acquired property of Liberty Tax and Community Tax in 1000694777 Ontario Limited and 1000694777 USA LLC; and
 - (c) provided releases for various parties, including, but not limited to, Liberty Tax, Community Tax, the Monitor, the CRO, the DIP Lender, the Purchaser, and their respective advisors.
5. The Petitioners sought recognition of the RVO in concurrent proceedings under chapter 15 of title 11 of the United States Bankruptcy Code (the "**Chapter 15 Proceedings**") on November 6, 2023. At the hearing, there was an objection filed by certain parties to area developer agreements (the "**Area Developers**") which could not be addressed in the time available for the hearing. As a result, the Honourable Judge Horan of the United States Bankruptcy Court for the District of Delaware (the "**US Bankruptcy Court**") continued the hearing to December 11, 2023.
 6. Following the hearing on November 6, 2023, another area developer filed an objection to the recognition of the RVO. Both objections have since been resolved and withdrawn.
 7. On November 14, 2023, the Area Developers filed an application seeking to set aside the disclaimer notices in respect of their area development agreements in the CCAA Proceedings. This application has since been adjourned generally by consent.
 8. On November 21, 2023, the Area Developers filed an application for Leave to Appeal the RVO in the British Columbia Court of Appeal (the "**Court of Appeal**"). On November 29, 2023, the Area Developers abandoned their appeal by filing a Notice of Settlement or Abandonment with the Court of Appeal.
 9. On December 11, 2023, the US Bankruptcy Court entered an order recognizing and approving, among other relief, the RVO.
 10. It is anticipated that the transactions contemplated by the Transaction Agreement will close the week ending December 22, 2023.

The Stay Extension and Next Steps

11. The Petitioners anticipate proceeding with an application in January 2024 to (i) effect a distribution of the remaining assets following the closing of the Transaction Agreement to the Interim Lender; (ii) seek authorization to proceed with the wind-down of the Petitioners which remain following the closing of the Transaction Agreement; and (iii) terminate these proceedings.
12. The Petitioners are seeking an extension of the stay of proceedings, up to and including February 16, 2024, to implement the Transaction and work on the steps outlined in paragraph 11 hereof.

13. The Petitioners have been acting in good faith and with due diligence to maximize the return of value to its stakeholders through these proceedings and no creditor will be materially prejudiced by the extension of the Stay Extension.
14. The Petitioners, Province, and I have provided an updated cash flow forecast, up to and including the end of the proposed stay of proceedings (the "**Amended Cash Flow Forecast**").
15. Attached to this Affidavit and marked as **Exhibit "A"** is a true copy of the Amended Cash Flow Forecast.
16. The Amended Cash Flow Forecast was prepared in anticipation of the Petitioners being able to present a plan of compromise or arrangement to their creditors, however such an option was determined to not be viable and, as such, the professional fees in the Amended Cash Flow Forecast should not be as high as forecast therein.
17. The Amended Cash Flow Forecast shows that no additional funding is required to cover the expenses of the Petitioners up to the end of the proposed stay period.

AFFIRMED BEFORE ME at Clark County,)
Nevada, on December 14, 2023.)

E. Keaumiki Mattson)
A Notary Public in and for the State of)
Nevada.)

Peter Kravitz)
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 Stores LLC
25. LM BP Holdings, LLC

26. InsightsLogic LLC
27. LM 2020 CM I SPE, LLC


This is **Exhibit "A"** referred to in the Affidavit of Peter Kravitz sworn before me at Las Vegas, County of Clark, State of Nevada, United States of America on this the 14th day of December, 2023.

A Notary Public in and for the State of Nevada



This notary is attesting that Peter Kravitz signed in their presence only

Sworn by:



NextPoint
Cash Flow Statement
For the 30-week period ending February 16, 2024

Week Ending (USD\$ thousands)	Weeks 1-19		Week 20	Week 21	Week 22	Week 23	Week 24	Week 25	Week 26	Week 27	Week 28	Week 29	Week 30	Total
	1-Dec-23	8-Dec-23	15-Dec-23	22-Dec-23	29-Dec-23	5-Jan-24	12-Jan-24	19-Jan-24	26-Jan-24	2-Feb-24	9-Feb-24	16-Feb-24	Forecast	
Operating Receipts														
Community Tax Operating Receipts	[1] \$ 8,818	\$ 463	\$ 463	\$ 463	\$ 463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,206
Liberty Operating Receipts	[2] 8,249	228	228	228	228	-	-	-	-	-	-	-	-	8,935
Total Operating Receipts	17,068	691	691	691	691	-	-	-	-	-	-	-	-	19,140
Operating Disbursements														
Community Tax Operating Disbursements	[3] (4,256)	(324)	(239)	(239)	(239)	-	-	-	-	-	-	-	-	(5,066)
Liberty Operating Disbursements	[4] (15,739)	(799)	(804)	(949)	(949)	-	-	-	-	-	-	-	-	(18,291)
NextPoint Operating Disbursements	[5] (832)	(27)	(27)	(28)	(28)	-	-	-	-	-	-	-	-	(914)
Loan/le Operating Disbursements	[6] 86	-	-	-	-	-	-	-	-	-	-	-	-	86
Employee Compensation	[7] (13,004)	(35)	(1,414)	(35)	(35)	-	-	-	-	-	-	-	-	(14,488)
Total Operating Disbursements	(33,754)	(1,185)	(2,484)	(1,251)	(1,251)	-	-	-	-	-	-	-	-	(38,574)
Net Change in Cash from Operations	(16,687)	(494)	(1,793)	(560)	(560)	-	-	-	-	-	-	-	-	(19,533)
Non-Operating Items														
Non-Operating Receipts	[8] 8,957	-	1,500	101	101	-	-	-	-	-	-	-	-	10,559
Restructuring Professional Fees (Excluding CRO Success Fee)	[9] (8,286)	(524)	(1,935)	(544)	(544)	(274)	(274)	(274)	(274)	(274)	(274)	(274)	(274)	(13,484)
Net Change in Cash from Non-Operating Items	671	(524)	(435)	(443)	(443)	(274)	(274)	(274)	(274)	(274)	(274)	(274)	(274)	(2,926)
Financing														
Interim Financing	[10] 25,000	-	-	-	-	-	-	-	-	-	-	-	-	25,000
Interim Financing Fees and Interest	[11] (1,068)	-	-	(425)	(425)	-	-	-	-	-	-	-	-	(1,493)
Net Change in Cash from Financing	23,932	-	-	(425)	(425)	-	-	-	-	-	-	-	-	23,507
Closing Transactions														
Transfer to Purchaser	[12] -	-	-	(3,989)	(3,989)	-	-	-	-	-	-	-	-	(3,989)
CRO Success Fee	[13] -	-	-	(1,000)	(1,000)	-	-	-	-	-	-	-	-	(1,000)
Net Change in Cash from Closing Transactions	-	-	-	(4,989)	(4,989)	-	-	-	-	-	-	-	-	(4,989)
Net Change in Cash	7,916	(1,018)	(2,228)	(6,417)	(6,417)	(274)	(274)	(274)	(274)	(274)	(274)	(274)	(274)	(3,942)
Opening Cash	4,791	12,707	11,689	9,461	3,044	2,770	2,495	2,221	1,946	1,672	1,398	1,123	849	4,791
Ending Cash	[14] \$ 12,707	\$ 11,689	\$ 9,461	\$ 3,044	\$ 2,770	\$ 2,495	\$ 2,221	\$ 1,946	\$ 1,672	\$ 1,398	\$ 1,123	\$ 849	\$ 849	\$ 849
Memo.: Operating Bank Accounts														
Operating Cash	\$ 4,791	\$ 7,060	\$ 6,566	\$ 6,273	\$ 6,273	\$ 849	\$ 849	\$ 849	\$ 849	\$ 849	\$ 849	\$ 849	\$ 849	\$ 4,791
Net Change in Cash	15,088	(494)	(293)	(4,873)	(4,873)	-	-	-	-	-	-	-	-	9,438
Transfer to Escrow Account	(12,829)	-	-	(551)	(551)	-	-	-	-	-	-	-	-	(13,380)
Ending Cash	\$ 7,060	\$ 6,566	\$ 6,273	\$ 849	\$ 849	\$ 849	\$ 849	\$ 849	\$ 849	\$ 849	\$ 849	\$ 849	\$ 849	\$ 849
Of which:														
NextPoint Remaining Cash				48	48	48	48	48	48	48	48	48	48	48
Loan/le Remaining Cash				201	201	201	201	201	201	201	201	201	201	201
Escrowed Cash for Wind Down				600	600	600	600	600	600	600	600	600	600	600
Memo.: Professional Fee Escrow Bank Accounts														
Operating Cash	\$ -	\$ 5,647	\$ 5,123	\$ 3,189	\$ 3,189	\$ 2,195	\$ 1,921	\$ 1,646	\$ 1,372	\$ 1,098	\$ 823	\$ 549	\$ 274	\$ -
Net Change in Cash	(7,182)	(524)	(1,935)	(1,544)	(1,544)	(274)	(274)	(274)	(274)	(274)	(274)	(274)	(274)	(13,380)
Transfer from Operating Account	12,829	-	-	551	551	-	-	-	-	-	-	-	-	13,380
Ending Cash	\$ 5,647	\$ 5,123	\$ 3,189	\$ 2,195	\$ 1,921	\$ 1,646	\$ 1,372	\$ 1,098	\$ 823	\$ 549	\$ 274	\$ -	\$ -	\$ -

Peter Kravitz, Chief Restructuring Officer
Nextpoint Financial Inc.

Notes:

Management has prepared this Cash Flow Statement solely for the purposes of determining the liquidity requirements of NextPoint during the CCAA Proceedings. The Cash Flow Statement is based on the probable and hypothetical assumptions detailed below. Actual results will likely vary from performance projected and such variations may be material.

- [1] Community Tax operating receipts are forecast based on 2022 actuals, adjusted for differences in Internal Revenue Service (IRS) activity in pursuing collections, with the accompanying impact on demand for debt resolution work.
- [2] Liberty Tax operating receipts are primarily derived from collections relating to financial products and royalties from franchisees, and are assumed to be consistent with current run rates and seasonality. The December period forecast is the low point in the year for Liberty Tax operating receipts.
- [3] The most material component of Community Tax operating disbursements is advertising expenses which are critical to the Petitioners for customer relationship and revenue origination.
- [4] Liberty Tax operating disbursements relates to software licenses, rent, utilities and general accounts payable.
- [5] NextPoint operating disbursements are primarily comprised of corporate overhead costs, adjusted for recent restructuring initiatives.
- [6] LoanMe operating disbursements are forecast to be nil as the entity is in the process of being wound down.
- [7] Employee compensation consists of total payroll and benefits on a consolidated basis between the NextPoint, Liberty Tax, and Community Tax. Compensation is at its low point currently with the limited amount of temporary employees.
- [8] Non-operating receipts are assumed to include an installment of the initial service fee from Republic Bank & Trust Company related to Liberty Tax's refund-based loans product, and pursuant to the Republic Facility Agreement as defined in the affidavit of Peter Kravitz sworn July 25, 2023, as well as a sweep of cash held in LoanMe settlement accounts not previously reported as part of closing cash.
- [9] Restructuring professional fees include the fees and disbursements of the Petitioners' legal counsel, Chief Restructuring Officer, the Monitor, the Monitor's legal counsel, and the financial advisor and legal counsel to the lending syndicate. It is understood an agreement has been reached between BasePoint and their legal counsel for the bilateral payment of their fees going forwards. Fees for other professionals from close to completion were estimated on the assumption a LoanMe Plan of Arrangement would be implemented, and so it is anticipated there will be favourable variances through to completion with a reduced amount of professional input required.
- [10] Interim financing of \$25.0m has been advanced over the forecast period.
- [11] Interim financing fees and interest include a commitment fee of 1% payable in full on the date of the initial advance, interest of SOFR, plus 6.5% per annum and an exit fee of 2% of total commitment.
- [12] Any residual cash not held by either of NextPoint or LoanMe, or required to be held in escrow for wind down (specifically \$600,000 plus forecast professional fee amounts to completion), is to be transferred to the Purchasers.
- [13] A success fee of \$1.0m is to be paid to the CRO upon closing.
- [14] Ending cash includes advanced amounts under the Interim Facility including amounts held in a segregated, escrow bank account in support of professional fees.

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R.S.C., 1985 c. C-36, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND
ARRANGEMENT OF NEXTPOINT

PETITIONER

AFFIDAVIT

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