

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re

Chapter 11

SquareTwo Financial Services
Corporation, *et al.*

Case No. 17-10659 (JLG)

Jointly Administered

Debtors.¹
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**TRUST ELECTION FORM FOR THE
SQUARETWO UNSECURED CREDITOR DISTRIBUTION TRUST**

**ELECTION FORM FOR: *Holders of Second Lien Lender Claims and
Holders of U.S. General Unsecured Claims***

Edward T. Gavin, CTP, in his capacity as Creditor Trustee (the “Creditor Trustee”) of the SquareTwo Unsecured Creditor Distribution Trust (the “Creditor Distribution Trust”), is soliciting this Trust Election Form to the all persons and entities, including individuals, partnerships, corporations, joint ventures and trusts, that are holders, as of the Effective Date (defined below), of unsecured claims against the U.S. Debtors² that arose on or before the March 19, 2017 (the “Petition Date”), specifically Second Lien Lender Claims (“Holders of Second Lien Lender Claims”) and U.S. General Unsecured Claims (“Holders of U.S. General Unsecured Claims”) (for the avoidance of doubt, excluding claims against the Canadian Debtors³ and Assumed U.S. Liabilities⁴).

¹ The Debtors that commenced these chapter 11 cases and the last four digits of each such Debtor’s federal taxpayer identification number and/or Canadian equivalent are as follows: Astrum Financial, LLC (2265); Autus, LLC (2736); CA Internet Marketing, LLC (7434); CACH, LLC d/b/a Fresh View Funding (6162); CACV of Colorado, LLC (3409); CACV of New Jersey, LLC (3499); Candeo, LLC (2809); CCL Financial Inc. (7548); Collect Air, LLC (7987); Collect America of Canada, LLC (7137); Healthcare Funding Solutions, LLC (2985); Metropolitan Legal Administration Services, Inc. (6811); Orsa, LLC (2864); Preferred Credit Resources Limited (0637); ReFinance America, Ltd. (4359); SquareTwo Financial Canada Corporation (EIN: 1034; BN: 0174); SquareTwo Financial Corporation (1849); and SquareTwo Financial Services Corporation d/b/a Fresh View Solutions (5554).

² The U.S. Debtors consist of the following entities (with the last four digits of each Debtor’s federal taxpayer identification number): Astrum Financial, LLC (2265); Autus, LLC (2736); CA Internet Marketing, LLC (7434); CACH, LLC d/b/a Fresh View Funding (6162); CACV of Colorado, LLC (3409); CACV of New Jersey, LLC (3499); Candeo, LLC (2809); Collect Air, LLC (7987); Collect America of Canada, LLC (7137); Healthcare Funding Solutions, LLC (2985); Orsa, LLC (2864); ReFinance America, Ltd. (4359); SquareTwo Financial Corporation (1849); and SquareTwo Financial Services Corporation d/b/a Freshview Solutions (5554).

³ The Canadian Debtors consist of the following entities (with the last four digits of each such Debtor’s Canadian equivalent to a U.S. federal taxpayer identification number): CCL Financial Inc. (7548); Metropolitan Legal Administration Services, Inc. (6811); Preferred Credit Resources Limited (0637); and SquareTwo Financial Canada Corporation (EIN: 1034; BN: 0174).

⁴ As defined in section 1.24 of the Confirmed Plan.

BACKGROUND

On June 9, 2017, the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) entered (i) an order [Docket No. 298] (the “Confirmation Order”) confirming the *Modified Joint Prepackaged Chapter 11 Plan for SquareTwo Financial Services Corporation and its Affiliated Debtors* (as confirmed, the “Plan”), in the chapter 11 cases of the above-captioned debtors (collectively, the “Debtors”), and (ii) an order [Docket No. 299] (the “Settlement Order”) approving the agreement (the “Settlement Agreement”) between the (i) Debtors, (ii) the Official Committee of Unsecured Creditors of the Debtors (the “Committee”), (iii) Apollo Global Management, LLC and certain entities directly or indirectly controlled by it (“Apollo”); and (iv) KKR Credit Advisors (US) LLC and certain entities directly or indirectly controlled by it (“KKR”), resolving the Committee’s potential objections to the Plan and the claims held by Apollo and KKR. Although Holders of Second Lien Lender Claims⁵ and Holders U.S. General Unsecured Claims are not entitled to receive any distribution under the Plan on account of such Claims, such holders have an opportunity to participate in distributions to be made by the Creditor Distribution Trust established pursuant to the Settlement Agreement. On June 15, 2017 (the “Effective Date”), the Debtors’ Plan went effective and the Creditor Distribution Trust was established in accordance with the terms of the Settlement Order, Settlement Agreement and Creditor Trust Distribution Agreement (the “CTDA”).

The Creditor Distribution Trust was created for the benefit of the following beneficiaries (the “Beneficiaries”): all persons and entities, including individuals, partnerships, corporations, joint ventures and trusts, that are Holders of U.S. General Unsecured Claims and Holders of Second Lien Lender Claims that, in each case, timely (a) satisfy the requirement to file a proof of claim no later than the Trust Claim Bar Date (defined below); (b) elect to receive a distribution from the Creditor Distribution Trust Fund (and thereby consent to the Third Party Release provided for in Section 1.06(e) of the Settlement Agreement⁶) on a completed Trust Election Form, no later than the Trust Election Deadline (defined below), and (c) return the IRS Form W-9 no later than the Trust Election Deadline (collectively, the “Creditor Distribution Trust Election Procedures”).

On July 28, 2017, the Bankruptcy Court entered an order [Docket No. 387] (the “Creditor Distribution Trust Procedures Order”), which, among other things:

- a. established **5:00 p.m. Mountain Time on September 7, 2017** (the “Trust Claim Bar Date”), as the last date for all Holders of Second Lien Lender Claims⁷ and

⁵ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Creditor Distribution Trust Procedures Order (defined below).

⁶ The Third Party Release is in addition to any releases provided under the Plan.

⁷ The Second Lien Indenture Trustee has filed a proof of claim for Holders of Second Lien Lender Claims for principal and interest due and owing under the Second Lien Notes, however, each Holder of a Second Lien Lender Claim must certify the amount of their holdings on the Trust Election Form as of the Effective Date. The individual Holders of the Second Lien Lender Claims against the Creditor Distribution Trust, for the purposes of determining their share of the Creditor Distribution Trust’s actual distribution, will be based upon the principal amount of their Second Lien Notes plus unpaid interest thereon as of the Petition Date.

Holders of U.S. General Unsecured Claims to file proofs of claim against the Creditor Distribution Trust;⁸ and

- b. established **5:00 p.m. Mountain Time on September 7, 2017** (the “Election Form Deadline”). As the last date for all Holders of Second Lien Lender Claims and Holders of U.S. General Unsecured Claims to return (i) a properly completed Trust Election Form and (ii) a properly completed IRS Form W-9; and
- c. approved the Creditor Distribution Trust Election Procedures.

If you have any questions about how to properly complete this Trust Election Form, please contact JND Corporate Restructuring (the “Creditor Distribution Trust Claims Agent”) by calling 855-812-6112, e-mailing SquareTwoInfo@jndla.com, or visiting the Creditor Distribution Trust’s website at www.jndla.com/cases/SquareTwo. **THE CREDITOR DISTRIBUTION TRUST IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE.**

In order for your election to participate in the Creditor Distribution Trust to be recorded, this Trust Election Form must be properly completed, signed, and returned to the Claims Agent so that it is actually received no later than the Election Form Deadline (i.e. 5:00 p.m. prevailing Mountain Time on September 7, 2017), unless such time is extended by the Creditor Distribution Trust.

This Trust Election Form is solely for purposes of Holders of Second Lien Lender Claims and Holders of U.S. General Unsecured Claims to elect to become a beneficiary of the Creditor Distribution Trust and not for the purpose of allowance or disallowance of, or distribution on account of, such claims.

INSTRUCTIONS FOR COMPLETING THE TRUST ELECTION FORM

This Trust Election Form is distributed to you to solicit your election to be deemed a Beneficiary of the Creditor Distribution Trust. The terms of the Creditor Distribution Trust are described in the CTDA, available at www.jndla.com/cases/SquareTwo. **PLEASE READ THE CTDA CAREFULLY BEFORE COMPLETING THIS TRUST ELECTION FORM.** You may wish to seek legal advice concerning the terms of the Creditor Distribution Trust and your election under it.

To have your election recorded, you must complete, sign, and return this Trust Election Form so that it is **actually received** by the Claims Agent at the address listed below no later than the Election Form Deadline, unless such time is extended by the Creditor Distribution Trust. Trust Election Forms must be delivered to the Claims Agent at the address listed below (or in the enclosed envelope, which may have a different zip code):

⁸ Timely filing a proof of claim does not mean such holder’s claim will be deemed allowed and paid in the asserted amount. Rather, the Creditor Distribution Trust will evaluate and reconcile each asserted claim against the Debtors’ books and records to determine the correct amount. Only Beneficiaries with valid claims will be entitled to a distribution.

SquareTwo Unsecured Creditor
Distribution Trust Processing Center
c/o JND Corporate Restructuring
8269 E. 23rd Ave., Suite 275
Denver, CO 80238

Trust Election Forms will not be accepted by telecopy, facsimile, or other electronic means of transmission.

To properly complete the Trust Election Form, you must follow the procedures described below:

1. Complete the Trust Election Form in the English language;
2. Certify the alleged amount of your claim by filling in Item 1 [Amount of Second Lien Lender Claim] or Item 2 [Amount of U.S. General Unsecured Claim], as appropriate and denominated in U.S. currency;
3. Cast an election to either (a) opt to be a Beneficiary and receive a distribution from the Creditor Distribution Trust in full and complete satisfaction, discharge, and release of your claim against Creditor Distribution Trust, or (b) decline to receive distribution from the Creditor Distribution Trust on account of your claim by opting NOT to be a Beneficiary of the Creditor Distribution Trust, by marking the appropriate box in Item **By making an election to become a Beneficiary of the Creditor Distribution Trust, the undersigned shall consent to the granting of the Third Party Release (defined below) which shall be effective upon receipt of a distribution.**
4. If you are completing this Trust Election Form on behalf of another entity, indicate your relationship with such entity and the capacity in which you are signing on the appropriate line in Item 4. By submitting the Trust Election Form you are certifying that you have authority to so act and agree to provide documents evidencing such authority upon request (*e.g.*, a power of attorney or a certified copy of board resolutions authorizing you to so act);
5. If more than one timely, properly completed Trust Election Form is received, only the latest received, properly completed Trust Election Form will be recorded;
6. Provide your name, mailing address, and any remaining information requested;
7. Sign and date your Trust Election Form; and
8. Return your Trust Election Form with an original signature to the Creditor Trustee.

IF YOU (I) HAVE ANY QUESTIONS REGARDING THE TRUST ELECTION FORM, (II) DID NOT RECEIVE A RETURN ENVELOPE WITH YOUR TRUST ELECTION FORM, (III) DID NOT RECEIVE A COPY OF THE CREDITOR DISTRIBUTION TRUST PROCEDURES ORDER, (IV) DID NOT RECEIVE A COPY OF THE CREDITOR DISTRIBUTION TRUST NOTICE, OR (V) NEED ADDITIONAL COPIES OF THE TRUST ELECTION FORM OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE CLAIMS AGENT BY PHONE AT 855-812-6112, BY E-MAIL AT SQUARETWOINFO@JNDLA.COM, OR BY THE CREDITOR DISTRIBUTION TRUST'S WEBSITE AT WWW.JNDLA.COM/CASES/SQUARETWO. PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT OR THE DEBTORS. THE CREDITOR DISTRIBUTION TRUST IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE.

PLEASE COMPLETE THE FOLLOWING:

Item 1. Amount of Second Lien Lender Claim. For the purposes electing to become a beneficiary of the Creditor Distribution Trust, the undersigned certifies that as of the June 15, 2017, the Effective Date, the undersigned holds a Second Lien Lender Claims against the Debtors listed below in the amount set forth below.

Claim Amount:	\$ _____
Debtor:	_____

Item 2. Amount of U.S. General Unsecured Claim. For the purposes electing to become a beneficiary of the Creditor Distribution Trust, the undersigned certifies that as of June 15, 2017, the Effective Date, the undersigned holds a U.S. General Unsecured Claims against the Debtors listed below in the amount set forth below.

Claim Amount:	\$ _____
Debtor:	_____

[continued on the next page]

Item 3. Trust Election. The undersigned Holder of a Second Lien Lender Claim or Holder of a U.S. General Unsecured Claims in the amount set forth in Item 1 or Item 2 above hereby elects to:

- Mark one box only:**
- Opt to become a Beneficiary of the Creditor Distribution Trust and receive a distribution from the Creditor Distribution Trust in full satisfaction of the claim set out in Item 1 or Item 2 above.
 - Opt to NOT become a Beneficiary of the Creditor Distribution Trust and receive no distribution from the Creditor Distribution Trust.

BY MAKING AN ELECTION TO BECOME A BENEFICIARY OF THE CREDITOR DISTRIBUTION TRUST, THE UNDERSIGNED HAS CONSENTED TO THE GRANTING OF THE FOLLOWING THIRD PARTY RELEASE, AS PROVIDED FOR IN SECTION 1.06(e) OF THE SETTLEMENT AGREEMENT, WHICH SHALL BE EFFECTIVE UPON RECEIPT OF A DISTRIBUTION:

Third Party Release: The undersigned Holder of a Second Lien Lender Claim or Holder of a U.S. General Unsecured Claims waives, discharges and releases all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action and liabilities against (i) each of the directors of the Debtors, serving in such capacities, from and after May 24, 2016 through the Effective Date and (ii) the 1.25 Lien Lenders and the Consenting 1.5 Lien Lenders, or any of their respective officers, directors, employees, agents, attorneys, consultants, financial advisors, affiliates, assigns, or successors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, now existing or hereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Reorganized Debtors, including the Acquired Debtors, and the Dissolving Debtors, the purchase, sale or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the Chapter 11 Cases, the Canadian Proceeding, the RSA, the DIP Facility, the Plan Funding Agreement, or the Plan or the Disclosure Statement.

[concluded on the next page]

Acknowledgements and Certification. By signing this Trust Election Form, the undersigned acknowledges that the undersigned has been provided with: (i) a copy of the *Notice of (I) Establishment of the Creditor Distribution Trust and (II) Deadlines and Procedures for Holders of Second Lien Lender Claims and U.S. General Unsecured Claims to Elect to Participate in the Creditor Distribution Trust* (the “Creditor Distribution Trust Notice”); (ii) a copy of the proof of claim form; and (iii) a copy of the IRS Form W-9.

The undersigned certifies that it (a) is the Holder of a Second Lien Lender Claim or Holder of a U.S. General Unsecured Claim identified in Item 1 or Item 2 above and (b) has full power and authority to make the elections herein. The undersigned further acknowledges that the Creditor Distribution Trust’s solicitation of Trust Election Form is subject to all terms and conditions set forth in the CTDA, the Creditor Distribution Trust Procedures Order, the Creditor Distribution Trust Notice.

Print or Type Name of Claimant: _____
Social Security or Federal Tax I.D. No. of Claimant: _____
Signature: _____
Name of Signatory (if different than claimant): _____
If by Authorized Agent, Title of Agent: _____
Street Address: _____
City, State, Zip Code: _____
Telephone Number: _____
E-mail Address: _____
Date Completed: _____

Please check one or both of the below boxes if the above address is a change of address for the purpose(s) of:

- Future notice mailings by the Creditor Distribution Trust; and/or
- Distributions, if any, upon your Claim by the Creditor Distribution Trust