

---

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

---

**FORM 8-K**

---

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): August 2, 2024**

---

**MSP Recovery, Inc.**  
(Exact name of registrant as specified in its charter)

---

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-39445**  
(Commission  
File Number)

**84-4117825**  
(I.R.S. Employer  
Identification No.)

**3150 SW 38th Avenue  
Suite 1100  
Miami, Florida**  
(Address of principal executive offices)

**33146**  
(Zip Code)

**2701 Le Jeune Rd., Floor 10, Coral Gables, Florida 33134**  
(Former name, former address and former fiscal year, if changed since last report)

**(305) 614-2222**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
-

Securities registered pursuant to Section 12(b) of the Act:

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Class A Common stock, \$0.0001 par value per share	LIFW	The Nasdaq Global Market
Redeemable warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of \$287.50 per share	LIFWW	The Nasdaq Global Market
Redeemable warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of \$0.0025 per share	LIFWZ	The Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

---

**Item 1.01 Entry into a Material Definitive Agreement.**

On August 2, 2024, Subrogation Holdings, LLC, a wholly owned subsidiary of MSP Recovery, Inc. d/b/a LifeWallet (the “Company”) entered into a letter agreement (the “HPH Letter Agreement”) whereby the parties have set out the terms to amend the Second Amended and Restated Credit Agreement with Hazel Partners Holdings LLC (the “Credit Agreement”), to: (i) extend the period for the Company to draw up to \$14 million for working capital, accessible in eight tranches of \$1.75 million, that can be drawn at least one month apart, until September 2025; and (ii) provide for a \$2.0 million loan to be funded by August 31, 2024 for the purpose of acquiring additional Claims (the “New Claims”) that will further collateralize the Working Capital Credit Facility (collectively, (i) and (ii) the “Operational Collection Floor”). The parties have agreed that such amendment to the Credit Agreement shall be agreed and entered into at a later date.

In addition, the Company will retain the right to monetize the New Claims with a third party sale only if the aggregate consideration is greater than an amount agreed to by Hazel (the “Hazel Floor Price”), and such proceeds to be used to: (1) pay down the Operational Collection Floor, (2) to the extent proceeds are in excess of Hazel Floor Price, 50% to the Company for operational expenses and 50% to pay down Term Loan A and Term Loan B of the Working Capital Credit Facility, and (3) in the event only 50% of New Claims are monetized, then such proceeds to be used to pay down the Operational Collection Floor and to the extent any proceeds in excess of 50% of the Hazel Floor Price are available, 50% of such excess shall be made available to the Company for operational expenses and 50% of such excess shall be used to further pay down the Operational Collection Floor, and then to pay down Term Loan A and Term Loan B of the Working Capital Credit Facility.

Pursuant to the HPH Letter Agreement, Term Loan A and Term Loan B of the Working Capital Credit Facility are subordinated to the Operational Collection Floor and collateralized by the New Claims. HPH has agreed to release: (i) a mortgage on real property owned by an Affiliate of Messrs. John H. Ruiz and Frank C. Quesada; and (ii) the personal guaranty by Messrs. John H. Ruiz and Frank C. Quesada, as primary obligors, guaranteeing those additional advances of Term Loan B beginning in January 2024, as set forth in the Second Amended and Restated Credit Agreement once (x) the principal amount of Operational Collection Floor has been repaid in full (including any original issue discount) or (y) the drawn amounts under the Operation Collection Floor as of December 31, 2024 are repaid in full (on a drawn and funded basis) on a dollar per dollar basis by such date.

The Operational Collection Floor is the Company’s primary source of working capital. On August 2, 2024, the Company received funding of \$3.5 million under the Operational Collection Floor for July and August 2024. The Company may draw an additional \$10.5 million for working capital, pursuant to the terms of the HPH Letter Agreement, until September 2025.

The Company has concluded that, despite the aforementioned financing arrangements, there is substantial doubt about its ability to continue as a going concern. Unless we are successful in raising additional funds through the offering of debt or equity securities, we may not be able to continue to operate as a going concern beyond the next twelve months.

---

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit Number</b>	<b>Description</b>
4.1	<a href="#">Note by and between Subrogation Holdings, LLC and Hazel Partners Holdings, LLC dated August 2, 2024</a>
10.1†	<a href="#">Letter Agreement by and between Subrogation Holdings, LLC; MSP Recovery, LLC; JRFQ Holdings, LLC; 4601 Coral Gables Property, LLC; MSP Recovery Claims, Series LLC - Series 15-09-321; and Hazel Partners Holdings, LLC dated August 2, 2024</a>
104	Cover Page Interactive File (the cover page tags are embedded within the Inline XBRL document).

† Pursuant to Item 601(b)(2) of Regulation S-K, certain immaterial provisions of the agreement that would likely cause competitive harm to the Company if publicly disclosed have been redacted or omitted.

---



## NOTE

\$5,833,333.33 New York, NY

August 2, 2024

FOR VALUE RECEIVED, **SUBROGATION HOLDINGS, LLC**, a Delaware limited liability company (the "Borrower"), promises to pay **HAZEL PARTNERS HOLDINGS LLC**, a Delaware limited liability company (together with its permitted successors and assigns, the "Payee"), when due, whether at stated maturity, by acceleration or otherwise, the outstanding principal amount of the Loans set forth above made by the Payee to the Borrower under the Credit Agreement plus the amount of any interest that is paid-in-kind and capitalized pursuant to the Credit Agreement plus all other amounts due or owing under the Credit Agreement and required thereunder.

The Borrower also promises to pay (i) interest on the unpaid principal amount hereof, from the date hereof until paid in full, at the rates and at the times which shall be determined in accordance with the provisions of that certain Second Amended and Restated Credit Agreement, dated as of November 10, 2023, as amended by that certain Amendment No. 1 to Second Amended and Restated Credit Agreement dated as of December 15, 2023 and as further amended by that certain Amendment No. 2 to Second Amended and Restated Credit Agreement dated as of December 22, 2023 and as further amended by that certain letter agreement dated on or about the date hereof (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "Credit Agreement"), among the Borrower, MSP RECOVERY, LLC, a Florida limited liability company (the "Owner Pledgor"), JRFQ Holdings, LLC, a Delaware limited liability company ("Mortgagor Parent"), 4601 Coral Gables Property, LLC, a Florida limited liability company ("Mortgagor"), Claims RR, LLC, a Florida limited liability company, MSP Recovery Claims, Series LLC – Series 15-09-321, a registered series of MSP Recovery Claims, Series LLC, a Delaware limited liability company ("Assignee") and the Payee, as Lender (in such capacity, the "Lender") and as Administrative Agent (in such capacity, the "Administrative Agent"), and (ii) any other amounts that may become due under this Note in accordance with the Credit Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Credit Agreement.

This Note is issued pursuant to and entitled to the benefits of the Credit Agreement, to which reference is hereby made for a more complete statement of the terms and conditions under which the Loan evidenced hereby is to be made and repaid.

All payments of principal, interest and fees in respect of this Note shall be made in lawful money of the United States of America in same day funds at the location designated in writing by the Payee. Unless and until an agreement effecting the assignment or transfer of the obligations evidenced hereby shall have been duly executed and delivered and recorded in the Register, the Borrower, each other Credit Party, the Administrative Agent and the Lender shall be entitled to deem and treat the Payee as the owner and holder of this Note and the obligations evidenced hereby.

This Note is subject to mandatory prepayment and to prepayment at the option of the Borrower, each as provided in the Credit Agreement.

THIS NOTE AND THE RIGHTS AND OBLIGATIONS OF THE BORROWER AND THE PAYEE HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

Upon the occurrence of an Event of Default (as defined in the Credit Agreement), the unpaid principal amount of the Loans and accrued interest thereon, together with all other Obligations, shall, subject to the terms and conditions of the Credit Agreement, automatically become, or may be declared to be, due and payable in the manner, upon the conditions and with the effect provided in the Credit Agreement.

The terms of this Note are subject to amendment only in the manner provided in the Credit Agreement. This Note is not negotiable or shall not be subject to endorsement, and the assignment or transfer of this Note shall be subject to the terms of the Credit Agreement.

No reference herein to the Credit Agreement and no provision of this Note or the Credit Agreement shall alter or impair the obligations of the Borrower, which are absolute and unconditional, to pay all principal, interest and fees on this Note at the place, at the respective times, and in the currency herein prescribed and in the Credit Agreement.

The Borrower hereby consents to renewals and extensions of time at or after the maturity hereof, without notice (other than as required by the Credit Agreement), and hereby waives diligence, presentment, protest, and demand notice of every kind (other than as required by the Credit Agreement) and, to the full extent permitted by law, the right to plead any statute of limitations as a defense to any demand hereunder.

[Remainder of Page Intentionally Left Blank]

**IN WITNESS WHEREOF**, the Borrower has caused this Note to be duly executed and delivered by its officer thereunto duly authorized as of the date and at the place first written above.

**Borrower**

**SUBROGATION HOLDINGS, LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_

Name: John H. Ruiz

Title: Authorized Representative

[Signature Page to Note]

#506070838v1<ACTIVE> - Attestor-MSP - Section 2.1(c)(ii) \$5,833,333.33 Note dated August 2, 2024

---



CERTAIN IMMATERIAL PROVISIONS OF THIS DOCUMENT THAT WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED (INDICATED BY AN ASTERISK [\*\*]) HAVE BEEN OMITTED PURSUANT TO ITEM 601(b)(2) OF REGULATION S-K. A COPY OF THE UNREDACTED DOCUMENT WILL BE FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION UPON REQUEST.

HAZEL PARTNERS HOLDINGS LLC

August 2, 2024

**MSP Recovery, LLC**  
2701 South Le Jeune Road,  
10th Floor  
Coral Gables, FL 33134

Attn: John Ruiz, Chief Executive Officer

Dear Mr. Ruiz:

Reference is made to that certain Second Amended and Restated Credit Agreement (the “**Credit Agreement**”), dated November 10, 2023, by and among SUBROGATION HOLDINGS, LLC, a Delaware limited liability company (the “**Borrower**”), MSP RECOVERY, LLC, a Florida limited liability company (the “**MSP or Owner Pledgor**”), JRFQ HOLDINGS, LLC, a Delaware limited liability company (“**Mortgagor Parent**”), 4601 CORAL GABLES PROPERTY, LLC, a Florida limited liability company (“**Mortgagor**”), MSP RECOVERY CLAIMS, SERIES LLC – SERIES 15-09-321, a registered series of MSP Recovery Claims, Series LLC, a Delaware limited liability company, and a Subsidiary of the Borrower (the “**Assignee**”) and HAZEL PARTNERS HOLDINGS LLC, a Delaware limited liability company, as Lender (the “**Lender**”) and as Administrative Agent (in such capacity, the “**Administrative Agent**”). Capitalized terms used but not defined in this Summary shall have the meanings set forth in the Credit Agreement.

The following is a Summary of Third Amendment Terms and Purchase Option for [\*\*] Claims (the “**Summary**”) that the parties hereto have agreed will be entered into pursuant to the terms hereof (the “**Third Amendment**”):

1. Summary of Commercial Terms

- a. “**Operational Collection Floor**” to be amended to maximum aggregate amount of \$16,000,000.
- b. The Operational Collection Floor will be made available in eight (8) tranches of \$1,750,000 to be drawn (at most once per month) between July 2024 and September 2025, plus an additional funding of no more than \$2,000,000 by August 31, 2024 for the purpose of enabling MSP to purchase the [\*\*] Claims.
- c. As additional consideration for the above adjustments to the Operational Collection Floor, the [\*\*] Claims (defined below) will be granted as collateral for the Term A Loan and Term B Loan, as described in Section 5 below.
- d. For the avoidance of doubt, all amounts funded by Hazel in respect of the Operational Collection Floor, shall be deemed to be a funding of a Term Loan B and the amount set forth in Section 1(a) represents the amount available to the Borrower for drawing from the principal amount under the Term B Loan after deduction of the original issue discount.

[\*\*] Information has been omitted pursuant to Item 601(b)(2) of Regulation S-K.

---

## 2. [\*\*\*] Claims and Claims Subsidiary

- a. The [\*\*\*] Claims shall cover any and all claim recovery rights associated with [\*\*\*] CCRAs for Claims with date of service commencing September 30, 2017 and ending July 23, 2024 (such Claims, the “[\*\*\*] Claims”). MSP/Virage Recovery Master LP will retain all rights to Claims under such CCRA with date of service prior to September 30, 2017 (the “[\*\*\*] Prior Claims”).
- b. The [\*\*\*] Claims from Series 16-08-483, a designated series of MSP Recovery Claims, Series, LLC, will be transferred to a new Subsidiary of MSP (such Subsidiary to be a limited liability company under Delaware law, the “**New Claims Subsidiary**”), such that the New Claims Subsidiary will be a sister company to the Borrower in the Owner Pledgor organizational structure.
- c. The New Claims Subsidiary (and its membership interests as well the [\*\*\*] Claims) must be designated to be part of the security collateral package.
- d. MSP will use its best efforts to enter into a standalone agreement in favor of the New Claims Subsidiary that will be acknowledged by both [\*\*\*] and Virage Recovery Master LP that will substantially provide that [\*\*\*] will directly perform obligations owed to the New Claims Subsidiary in respect of the [\*\*\*] Claims to the same extent it performs those obligations in respect of the [\*\*\*] Prior Claims under the CCRAs.
- e. The New Claims Subsidiary will have substantially the same governance structure as the Borrower, with a deciding voting control with an independent operating committee representative.
- f. Following the repayment in full of the Operational Collection Floor and prior to any Third Party Sale pursuant to Section 3(a) (as defined below), Hazel will have a further right to be paid an upside share of (i) 50% of collections until Hazel has recovered \$8 million in collections from the [\*\*\*] Claims and (ii) 25% of collections thereafter from the [\*\*\*] Claims. For the avoidance of doubt, such sharing shall apply to all remaining [\*\*\*] Claims following any sale pursuant to Section 3 below.

## 3. Third-Party Sale Option for [\*\*\*] Claims

- a. MSP will have the option to remove the [\*\*\*] Claims from the collateral pool if the New Claims Subsidiary monetizes any such [\*\*\*] Claims with a third party sale with an unrelated third party (a “**Third Party Sale**”) but only if the aggregate consideration for the monetization of such claims is greater than an amount agreed by Hazel (“**Hazel Floor Price**”) at the time of such third party sale (the “**Third Party Price**”). In such case, Borrower must prepay principal amount of the Operational Collection Floor in full and, to the extent there are any proceeds from such Third Party Sale in excess of the Hazel Floor Price available, then 50% of such excess shall be made available to MSP solely for use for the operational expenses of the Parent, and 50% of such excess shall be used to pay down Term A Loan and Term B Loan, pro-rata.
- b. MSP will further have the option to remove only 50% of the [\*\*\*] Claims through a Third Party Sale (including a sale to Virage or its Affiliates on an arms-length basis) following the prepayment of the principal amount of the Operational Collection Floor and, to the extent of any proceeds in excess of 50% of the Hazel Floor Price after such prepayment are available, 50% of such excess shall be made available to MSP solely for use for the operational expenses of the Parent, and 50% of such excess shall be used to (i) further pay down the remaining principal amount of the Operational Collection Floor, and then to pay down Term A Loan and Term B Loan pro rata; in such case the [\*\*\*] Claims remain an asset of the New Claims Subsidiary but MSP (or the purchaser) will receive 50% of any collections for use solely for use for the operational expenses of MSP.

[\*\*\*] Information has been omitted pursuant to Item 601(b)(2) of Regulation S-K.

---

4. Certain Edits to Credit Agreement to be included in Amendment No. 1 to Second Amended and Restated Credit Agreement (non-inclusive summary below)
- a. Additional Defined Terms: Add new defined terms for “[\*\*\*] Security Agreement”, “[\*\*\*]” and “[\*\*\*] Claims”.
  - b. Certain amendments to Section 2.1(c)(ii) and others as necessary to reflect commercial agreement.
  - c. The New Claims Subsidiary to join the Credit Agreement as a “Credit Party”.
  - d. Amendments to Credit Agreement to ensure that the Operational Collection Floor advances are repaid in priority to Term Loan A and Term Loan B. Lender shall release the Mortgage and the Guaranty Agreement once (x) the principal amount of Operational Collection Floor has been repaid in full (the equivalent of dollar amounts drawn under 2(c)(ii) of the Credit Agreement) or (y) the drawn amounts under the Operation Collection Floor as of December 31, 2024 are repaid in full (on a drawn and funded basis) on a dollar per dollar basis by such date. For the avoidance of doubt, to the extent proceeds are applied to the Operational Collection Floor pursuant to 3(a) or 3(b), the Mortgage and Guaranty Agreement will be released once the principal amount of the Operational Collection Floor is repaid in full.

5. [\*\*\*] Claims Security Package and Amendment to Security Documents

New Claims Subsidiary to enter into a Security Agreement, in form similar to the security agreement existing between the HC subsidiary and Hazel, pursuant to which the [\*\*\*] Claims and the [\*\*\*] Claims Case Proceeds and all other assets of the New Claims Subsidiary along with the membership interest of the New Claims Subsidiary are pledged as collateral security for the Operational Collection Floor, Term A Loan and Term B Loan pro rata.

Pursuant to the above Summary, Hazel will make available to the Borrower the first and second tranches of the Operational Collection Floor in the amount of \$1,750,000 each (and an aggregated funding of \$3,500,000) to be borrowed and funded on August 2, 2024 (the “**Initial Tranches**”), subject in all respects to the satisfaction or waiver of the draw down conditions set forth in the Credit Agreement. By electing to borrow the Initial Tranches, MSP and its Affiliates agree that they shall enter into the Third Amendment on the terms of the Summary prior to the availability of any other amounts under the Operational Collection Floor as set forth herein and all of the terms of such Third Amendment shall apply *mutatis mutandis* to the Initial Tranches (which shall represent the July 2024 and the August 2024 tranches).

This letter agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflicts of law principles of such state to the extent that the application of the laws of another jurisdiction would be required thereby. This letter may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single agreement. Electronic signatures shall be of the same legal effect, validity or enforceability as a manually executed signature to the extent and as provided for in any Applicable Laws, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

This letter constitutes the entire agreement among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

[Signature pages follow]

[\*\*\*] Information has been omitted pursuant to Item 601(b)(2) of Regulation S-K.

---

ADMINISTRATIVE AGENT AND LENDER:

**HAZEL PARTNERS HOLDINGS LLC**

By: \_  
Name:  
Title:

[Signature page for the Summary continues]

[\*\*\*] Information has been omitted pursuant to Item 601(b)(2) of Regulation S-K.

---

Agreed and acknowledged:

**SUBROGATION HOLDINGS, LLC, as Borrower**

By: \_\_\_\_\_  
Name: John H. Ruiz  
Title: Authorized Representative

**MSP RECOVERY, LLC, as Owner Pledgor and Guarantor and Parent hereunder**

By: \_\_\_\_\_  
Name: John H. Ruiz  
Title: Authorized Representative

**MSP Recovery Claims, Series LLC – Series 15-09-321, as a Subsidiary of the Borrower**

By: Subrogation Holdings, LLC, its manager

By: \_\_\_\_\_  
Name: John H. Ruiz  
Title: Authorized Representative

**JOHN RUIZ, in his personal capacity**

\_\_\_\_\_

**FRANK QUESADA, in his personal capacity**

\_\_\_\_\_

[Signature page for the Summary continues]

Solely for the purpose of acknowledging the first priority security interest of Lender pursuant to Section 5 above and not as a party to this letter agreement.

**Virage Recovery Master LP, a Delaware limited partnership**

By: Virage Recovery LLC, its general partner

By: \_\_\_\_\_

Name: Edward Ondarza

Title: Manager

