UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO**

Commission File Number: 001-39445

MSP Recovery, Inc.

(Exact name of Registrant as specified in its Charter)

Delaware	**84-4117825**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2710 Le Jeune Road Floor 10 Coral Gables, Florida	**33134**
(Address of principal executive offices)	**(Zip Code)**

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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 $11.50 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 $0.0001 per share	**LIFWZ**	**The Nasdaq Global Market**

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☐ No ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant based on the closing price of $0.328 for the shares of common stock on the Nasdaq Stock Market on June 30, 2023, was $43,005,879.

The number of shares of Registrant's Common Stock outstanding as of July 19, 2023 was 331,235,848 shares of Class A common stock, $0.0001 par value per share, and 3,106,616,119 shares of Class V common stock, $0.0001 par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Explanatory Note

As described in our Current Report on Form 8-K filed with the SEC on April 14, 2023, we identified errors in the accounting for the indemnification asset, various intangible assets and rights to cash flows, and consolidation of an entity in connection with our business combination. As a result of these errors, management and the audit committee of our board of directors concluded that our previously issued unaudited condensed consolidated financial statements for the periods ended June 30, 2022 and September 30, 2022 were materially misstated. Accordingly, our unaudited condensed consolidated financial statements for the foregoing periods require restatement and should no longer be relied upon. The financial information that was previously filed or otherwise reported as of and for the periods ended June 30, 2022 and September 30, 2022 is superseded by the information in this Annual Report on Form 10-K. See Note 18 to our consolidated financial statements in this Annual Report on Form 10-K for additional information on the restatement and the related financial information impacts.

In addition, on April 16, 2023, the board of directors of the Company established a special committee to review matters related to the preparation and filing of this Annual Report on Form 10-K, and to address any related issues. At that time, it was decided to postpone the filing of this Annual Report on Form 10-K pending the special committee's review. On June 13, 2023, the special committee finalized its review. The findings and recommendations of the special committee are set forth in "Part II, Item 9A Controls and Procedures" of this Annual Report on Form 10-K.

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DEFINITIONS

Unless otherwise stated or unless the context otherwise requires, the terms "we," "us," "our," the "Company," and "LifeWallet" refer to MSP Recovery, Inc. d/b/a LifeWallet. As used in this annual report on Form 10-K, unless otherwise noted or the context otherwise requires, the terms below are defined as follows:

"Algorithm" The term algorithm generally refers to a set of instructions that perform a particular action. Our team of data scientists and medical professionals create proprietary instruction sets, or "Algorithms," to identify recovery opportunities within our Assignors' Claims data sets. The Algorithms incorporate various data points within our Assignors' data, which may include, but are not limited to, medical coding classification systems such as diagnosis codes (e.g., ICD-8/ICD-9/ICD-10 codes), procedure codes (e.g., CPT codes), and drug codes (e.g., NDC codes); non-medical data such as demographics and date ranges; and data from public sources such as crash reports, offense incident reports, and other reports that provide details as to an occurrence. These Algorithms are then applied to our Assignors' aggregated Claims data, filtering through the billions of lines of data from our Assignors to identify recoverable opportunities consistent with a given Algorithm's criteria. Identified potential recoveries are then further quality reviewed by our medical team.

"Amended and Restated Bylaws" means the proposed Amended and Restated Bylaws of the Company;

"Billed Amount" (a/k/a the charged amount or retail price) is the full commercial value of services billed by the provider, or the full charge that the provider would ordinarily bill for the service provided. The Billed Amount for a specific procedure code is based on the provider and varies from location to location. The Company uses historical data from claims submitted by providers to determine the Billed Amount when a Billed Amount is not provided in the data received from the Assignor.

"Board of Directors" or "Board" means the board of directors of the Company;

"Business Combination" means the business combination pursuant to that certain Membership Interest Purchase Agreement, dated as of July 11, 2021, as described in more detail in Note 1 of this Form 10-K;

"Claim" means the right, title to, and/or interest in, any and all claims or potential claims, including all related reimbursement and recovery rights, which the Company has, may have had, or may have in the future assigned to it (whether or not asserted), including all rights to causes of action and remedies against any third-party, whether a primary payer or responsible party, at law or in equity. The term "Claim" includes but is not limited to: (i) claims arising under consumer protection statutes and laws; (ii) claims arising under the Medicare and Medicare Advantage secondary payer statutes, whether based in contract, tort, statutory right, or otherwise, in connection with the payment to provide healthcare services or supplies; (iii) claims arising under any state statutes and common laws irrespective of the rights that are conferred to MSP through assignment or otherwise; and (iv) all right, title, and interest to any recovery rights that may exist for any potential cause of action where a responsible party or primary payer is liable, even where it has not been established because liability is not yet proven as of the date that the Claim is identified or discovered, together with all receivables, general intangibles, payment intangibles, and other rights to payment now existing or hereafter arising and all products and proceeds of the foregoing;

"Class A Common Stock" means the shares of the Company's Class A common stock, par value $0.0001 per share, as described in more detail in Note 3 of this Form 10-K;

"Class B Common Stock" means the shares of the Company's Class B common stock, par value $0.0001 per share, as described in more detail in Note 1 of this Form 10-K;

"Class V Common Stock" means the shares of the Company's Class V common stock, par value $0.0001 per share, as described in more detail in Note 1 of this Form 10-K;

"Class B Unit" means the non-voting economic Class B Units of the Company, as described in more detail in Note 1 of this Form 10-K;

"Closing" means the closing of the Business Combination, as described in more detail in Note 3 of this Form 10-K;

"DGCL" means the Delaware General Corporation Law, as may be amended from time to time;

"Exchange Act" means the Securities Exchange Act of 1934, as amended;

"Existing Warrant Agreement" means the Warrant Agreement dated as of August 13, 2020, by and between the Company and Continental Stock Transfer & Trust Company;

“Founder Shares” means the shares of the Class B Common Stock and the shares of Class A Common Stock issued upon the automatic conversion of the Class B Common Stock at the time of the Business Combination as provided in the Existing Charter;

“GAAP” means generally accepted accounting principles in the United States, as applied on a consistent basis;

“IPO” means the initial public offering by the Company;

“Incentive Plan” means the MSP Recovery Omnibus Incentive Plan effective May 18, 2022, a copy of which is filed as an Exhibit 10.16 to our Form S-1 Registration Statement filed on November 30, 2022;

“LCAP Board” means the board of directors of the Company prior to the Closing;

“LLC Agreement” means the first amended and restated limited liability company agreement of Opco;

“Members’ Representative” means John H. Ruiz, solely in his capacity as the representative of the Members;

“MIPA” means the Membership Interest Purchase Agreement, dated as of July 11, 2021, as described in more detail in Note 1 of this Form 10-K;

“MSP Recovery” means MSP Recovery, LLC;

“New Warrants” means 1,029,000,000 warrants, each to purchase one share of Class A Common Stock issued as a dividend to the holders of record of Class A Common Stock as of the close of business on the date of Closing;

“Nomura” means Nomura Securities International, Inc.;

“Opco” means Lionheart II Holdings, LLC, a wholly owned subsidiary of the Company;

“Paid Amount,” (a/k/a Medicare Paid Rate or wholesale price) means the amount paid to the provider from the health plan or insurer. This amount varies based on the party making payment. For example, Medicare typically pays a lower fee for service rate than commercial insurers. The Paid Amount is derived from the Claims data we receive from our Assignors. In the limited instances where the data received lacks a paid value, our team calculates the Paid Amount with a formula. The formula used provides rates for outpatient services and is derived from the customary rate at the 95th percentile as it appears from standard industry commercial rates or, where that data is unavailable, the billed amount if present in the data. These amounts are then adjusted to account for the customary Medicare adjustment to arrive at the calculated Paid Amount. Management believes that this formula provides a conservative estimate for the Medicare paid amount rate, based on industry studies which show the range of differences between private insurers and Medicare rates for outpatient services.

We periodically update this formula to enhance the calculated paid amount where that information is not provided in the Assignor data. Management believes this measure provides a useful baseline for potential recoveries, but it is not a measure of the total amount that may be recovered in respect of potentially recoverable Claims, which in turn may be influenced by any applicable potential statutory recoveries such as double damages or fines, as described below. This calculation accounts for an approximate 7% increase in the total Paid Amount. Where we have to extrapolate a Paid Amount to establish damages, the calculated amount may be contested by opposing parties.

“Private Warrants” means warrants which is exercisable for one share of Class A Common Stock, in accordance with its terms;

“Public Units” means units comprised of one share of Class A Common Stock and one-half of one Public Warrant issued in the IPO;

“Public Warrants” means warrants included in the Public Units issued in the IPO, each of which is exercisable for one share of Class A Common Stock, in accordance with its terms, as described in more detail in Note 3;

“PVPRC” means the cumulative Paid Amount value of potentially recoverable Claims. We analyze our Claims portfolio and identify potentially recoverable Claims using Algorithms that comb through historical paid Claims data and search for potential recoveries. The PVPRC is a measure of the Paid Amount in respect of those potentially recoverable Claims. In the limited instances where the data received from our Assignors lacks a paid value, the adjustment formula described in the definition of Paid Amount is applied and increases PVPRC by approximately 6.5%.

“SEC” means the U.S. Securities and Exchange Commission;

“Securities Act” means the Securities Act of 1933, as amended;

“Series MRCS” means Series MRCS, a series of MDA, Series LLC, a Delaware series limited liability company;

“Sponsor” means Lionheart Equities, LLC, a Delaware limited liability company;

“Trust Account” means the trust account established by the Company for the benefit of its stockholders with Continental Stock Transfer & Trust Company;

“Up-C Unit” means each pair consisting of one share of Class V Common Stock and one Class B Unit, as described in more detail in Note 1 of this Form 10-K.

“Virage” means Virage Capital Management LP, a Delaware limited partnership;

“Voting Rights Threshold Date” means the date on which the voting power of John H. Ruiz and his affiliates represent less than fifty percent (50%) of the voting power of all of the then outstanding shares of the Company generally entitled to vote;

“VRM” means Virage Recovery Master LP, a Delaware limited partnership and affiliate of Virage; and

“VRM MSP” means VRM MSP Recovery Partners LLC, a Delaware limited liability company and joint investment vehicle of VRM and Series MRCS.

PART I

Item 1. Business.

Industry Overview

The market for healthcare data solutions and healthcare Claims recovery solutions is large and growing. In 2020, the U.S. national health care expenditure was an estimated $4.1 trillion and accounted for 19.7% of the U.S. gross domestic product ("GDP"). The Office of the Actuary of the Center for Medicare & Medicaid Services ("CMS") estimates that the U.S. national health care expenditure will amount to $6.2 trillion, accounting for 19.7% of the GDP in 2028. National health care expenditures are projected to grow 1.1% faster than the GDP between 2019 and 2028.

CMS estimated that $1.6 trillion would be spent on Medicare and Medicaid in 2021. This $1.6 trillion includes $684 billion on Medicaid expenditures and $923 billion on Medicare expenditures. We estimate the serviceable addressable market for Medicare was $102 billion and $75 billion for Medicaid for 2021.

Further, CMS estimates that they review less than 0.2% of the over one billion Claims that Medicare processes every year, which leads to a potentially high frequency or number of improper payments of Claims submitted.

The Company's Business Overview

We are a leading data analytics company specializing in healthcare Claims recovery. Our Assignors are healthcare providers and payers (the "Assignors") that have irrevocably assigned to us their recovery rights associated with certain healthcare Claims. We obtain Claims data from the Assignors and leverage our data analytics capabilities using our Claims recovery platform to identify payments that were improperly paid by our Assignors. We then seek the full recoverable amount from those parties who, under applicable law or contract, were responsible for payment (or reimbursement). Our Assignors fall into three general categories:

- **Medicare Advantage.** Medicare Advantage organizations ("MAOs") contract with CMS to administer Medicare benefits to Medicare beneficiaries pursuant to Medicare Advantage plans; and MAOs, in turn, contract with Medicare first-tier, downstream, and related entities to assist the MAOs in administering those Medicare benefits.
- **Medicaid.** Health coverage provided to eligible low-income adults, children, pregnant women, elderly adults, and people with disabilities.
- **Commercial Insurance.** Employer-sponsored or individual purchased health insurance coverage.

In January 2022, the Company announced the launch of LifeWallet. LifeWallet is a data ecosystem that is in continuous development to provide innovative data solutions for a variety of industries, including, but not limited to, sports, education, legal, and healthcare. LifeWallet is being developed to employ sophisticated data analytics to enable informed decision-making and improved patient outcomes.

Our assets are generally comprised of recovery rights assigned by our Assignors relating to the improper payment of medical expenses. As opposed to service-based contracts, the entirety of these recovery rights have been irrevocably assigned to us, and because we own these rights, our recovery rights for Claims being pursued cannot be revoked.

Although our Assignors are primarily MAOs, Management Services Organizations ("MSO") and Independent Practitioner Associations ("IPA"), we also can (and in certain cases do) provide our Claims recovery services to other entities such as:

- Health Maintenance Organizations ("HMOs")
- Accountable Care Organization ("ACOs")
- Physicians
- Home Healthcare Facilities
- Self-Funded Plans
- States and Municipalities
- Skilled Nursing Facilities
- Hospitals/Health Systems

Our data recovery system operates across a Health Insurance Portability and Accountability Act of 1996 ("HIPAA") compliant IT platform incorporating the latest in business intelligence and data technology. Due to the sensitive nature of the data we receive from our Assignors, we ensure that our data systems comply with the security and privacy mandates by federal law. In April 2022, Marcum LLP ("Marcum"), a HITRUST authorized External Assessor Organization, completed an independent assessment of MSP

Recovery's system and service commitments, concluding that our system met the requirements to satisfy the applicable trust services criteria and HITRUST CSF criteria. This independent assessment verifies that we met the healthcare industry's highest standards in protecting healthcare information and mitigating this risk, including compliance with HIPAA rules and regulations. On March 2, 2023, Marcum provided MSP Recovery a report demonstrating that our data recovery system's commitments and system requirements meet or exceed the stringent SOC 2 Type II applicable trust services criteria. For our cloud computing services, we currently use the HITRUST certified Amazon Web Services ("AWS").

The Company's History

In April 2014, MSP Recovery's predecessor, La Ley Recovery Systems, entered into its first assignment agreement. Later that year, MSP Recovery, LLC was founded to provide data driven solutions, and La Ley Recovery Systems filed its first lawsuit against a primary payer—Allstate Insurance Company. In late 2014, we entered into assignment agreements with our second and third Assignors. To date, we have over 160 Assignors.

Since 2014, we have had significant legal victories, including several significant federal appellate court wins. In these opinions, the courts agreed with us on a variety of key issues, holding that:

- downstream entities, such as MSOs and IPAs have standing to sue primary plans under the Medicare Secondary Payer Act ("MSP Act") and associated federal regulations (collectively, the "MSP Laws"); and
- a settlement agreement with a Medicare beneficiary is evidence of constructive knowledge that the primary payer had reimbursement obligations.

Claims Recovery Model

Identifying Opportunity. Our primary focus is on the Medicare and Medicaid markets. Medicare is the second largest government program, with approximately 65 million enrollees and estimated annual expenditures of approximately $930 billion during 2022. Medicaid is a state-based program with approximately 85 million enrollees and estimated annual expenditures of approximately $864 billion during 2022. Under the MSP Laws, Medicare is the secondary payer in those instances where a primary payer is obligated to provide coverage to an insured. When Medicare (or an MAO) makes a payment for medical services that are the responsibility of a primary payer under the MSP Act, those payments are subject to recovery where, and to the extent that, one of the statutorily enumerated sources of primary coverage was contractually obligated to pay. Subsequent MSP Act legislation authorizes private parties to recover unreimbursed payments in cases where a primary plan fails to provide payment (or appropriate reimbursement) in accordance with MSP Laws.

We believe our access to large volumes of data, sophisticated data analytics, and a leading technology platform provide a unique ability to discover and recover Claims. Using Algorithms, we identify fraud, waste, and abuse in the Medicare, Medicaid, and commercial insurance segments. Our Algorithms have identified what we estimate to be significant value in potentially recoverable Claims. Of the amount spent yearly by Medicare on medical expenses for its beneficiaries, we estimate that at least 10% are improper payments by private Medicare Advantage plans where a primary payer was responsible to make the payment. We seek recoveries of the Billed Amount from responsible primary payers, and in some instances, double damages and statutory interest pursuant to the MSP Laws.

Pursuit of Recoveries. After potentially recoverable Claims are identified using our Algorithms, and vetted by our team of professionals, we formally retain counsel, including La Ley con John H. Ruiz P.A., d/b/a MSP Recovery Law Firm (the "Law Firm"), described in more detail below under "Fee Sharing Arrangement," and other law firms, to pursue recoveries using a variety of methods, including, but not limited to, demand letters, litigation, private lien resolution programs, and the submission of Claims to mass tort or antitrust settlement coordinators.

Medicare and the MSP Law

The Medicare Secondary Payer Act

The MSP Act states that, under certain conditions, Medicare is the secondary payer rather than the primary payer for its insureds. When Medicare (or an MAO) makes a payment for medical services that are the responsibility of a primary plan under the MSP Act, those payments are conditional. Conditional payments are made by Medicare (or an MAO) as an accommodation for its beneficiaries but are secondary and subject to reimbursement in all situations where one of the statutorily enumerated sources of primary coverage was obligated to pay instead.

Subsequent to the initial passage of the MSP Laws, Congress provided a private cause of action, authorizing private parties to recover unreimbursed payments in cases where a primary plan fails to pay or provide appropriate reimbursement in accordance with MSP Laws. We use the current MSP Laws, among others, including the double damages provision, to hold primary payers accountable. The U.S. Senate and the U.S. House of Representatives is currently contemplating the Repair Abuses of MSP Payments Act, re-introduced in May 2023, which seeks to limit the application of the private cause of action under the Medicare Secondary Payer Act and related double damages provisions.

Medicare Advantage Plans

In 1997, Congress enacted the Medicare Part C program to allow Medicare beneficiaries to receive Medicare Part A and B benefits through privately-run managed care plans. Under the Medicare Advantage program, a private insurance company contracts with CMS to provide Medicare Parts A and B benefits on behalf of Medicare beneficiaries enrolled in a Medicare Advantage Plan ("MA Plan"). Under such a contract, the MAO receives a fixed amount per enrollee (the “Capitation”) and must provide at least the same level of benefits that enrollees would receive under the fee-for-service option. The Capitation structure incentivizes MAOs to provide Medicare benefits more efficiently than under the fee-for-service model due to the competition among MAOs for enrollees as well as the savings recovered from primary payers resulting in additional benefits to enrollees.

An MAO’s payment obligation under Part C is coextensive with that of the Secretary under Parts A and B. Part C includes a reference to the MSP Act and renders an MAO a “secondary payer” under the Act. In addition, the CMS regulations provide that an MAO will exercise the same rights to recovery from a primary plan, entity or individual that the HHS Secretary exercises under the MSP regulations. The U.S. Court of Appeals for the Eleventh Circuit has accordingly recognized parity between MAOs and Medicare, as “Congress empowered (and perhaps obligated) MAOs to make secondary payments under the same circumstances as the Secretary.” MAOs, however, are merely the first layer of the Medicare Advantage program. Due to the customary practices within the MAO industry, the financial injury caused by a primary plan’s failure to reimburse conditional payments is often felt primarily by First Tier and Downstream Entities.

First-Tier and Downstream Entities

Federal regulations recognize Medicare first-tier and downstream entities as active participants in the provision of benefits under Medicare Part C. 42 C.F.R. § 422.2 defines a “First-Tier Entity” as “any party that enters into an acceptable written arrangement with an MA organization or contract applicant to provide administrative services or health care services for a Medicare eligible individual.” A “Downstream Entity” is an entity that enters into a similar written arrangement at a level below that of a First-Tier Entity. Such written arrangements continue down to the level of the ultimate provider of both health and administrative services. These contracts are both encouraged and regulated by CMS, which requires First-Tier and Downstream Entities to furnish healthcare services in a manner consistent with the dictates of the Medicare program and a MA plan’s obligations thereunder. In this way, First-Tier and Downstream Entities are the parties responsible for managing and providing healthcare services to Medicare beneficiaries under the Medicare Advantage program.

First-Tier entities include MSOs and IPAs. An IPA is a business entity organized and owned by a network of independent physician practices for the purpose of reducing overhead and optimizing efficiency and effectiveness in the delivery of health care to Medicare beneficiaries. Put simply, IPAs are healthcare providers who often bear the full financial risk of managing their patients’ care. An MSO is a group that owns or manages multiple physician practices for the same purpose. The core business of IPAs and MSOs within the Medicare Part C infrastructure is to manage the care of patients, leverage their delivery systems, and focus on preventive health in order to create value and cost savings.

Because of an MSO and IPA’s role as a point of service provider and manager of a beneficiary’s care, MAOs customarily pass their risk of loss onto MSOs and IPAs. Under these arrangements, an MAO deducts a percentage of the CMS capitation rate for its administrative costs and pays the balance to the IPA or MSO. In exchange, the provider (IPA or MSO) assumes the full financial risk for the care of the MAO’s enrollee. As such, “at-risk” IPAs and MSOs are charged with producing competition, innovation, progress, and savings in the Medicare Part C environment. In accepting the full financial risk of a Medicare beneficiary’s health care, an IPA or MSO assumes the MAO’s position within the Medicare Part C framework.

When a Medicare Advantage enrollee is injured in an accident, an IPA or MSO can meet its obligation to that enrollee in one of two ways. First, it can render the requisite care to the enrollee directly through its network of physicians, providers, or medical centers. Under this scenario, the MSO or IPA suffers the full cost of providing items and services to the Medicare beneficiary.

Alternatively, if the enrollee is treated in an emergency room or other facility outside of the MSO or IPA’s provider system, then the MSO or IPA may make a conditional payment for the cost of that treatment because it is financially responsible for the enrollee’s care. Under this second scenario, the contracting MAO pays the outside provider (i.e., the emergency room) and then charges the full amount of that payment to the MSO or IPA who bears the risk of loss. In other words, the MSO or IPA must reimburse the MAO for the full amount of its payment to the outside provider (or that payment is applied as a set-off against capitated funds that the MSO or IPA would otherwise receive).

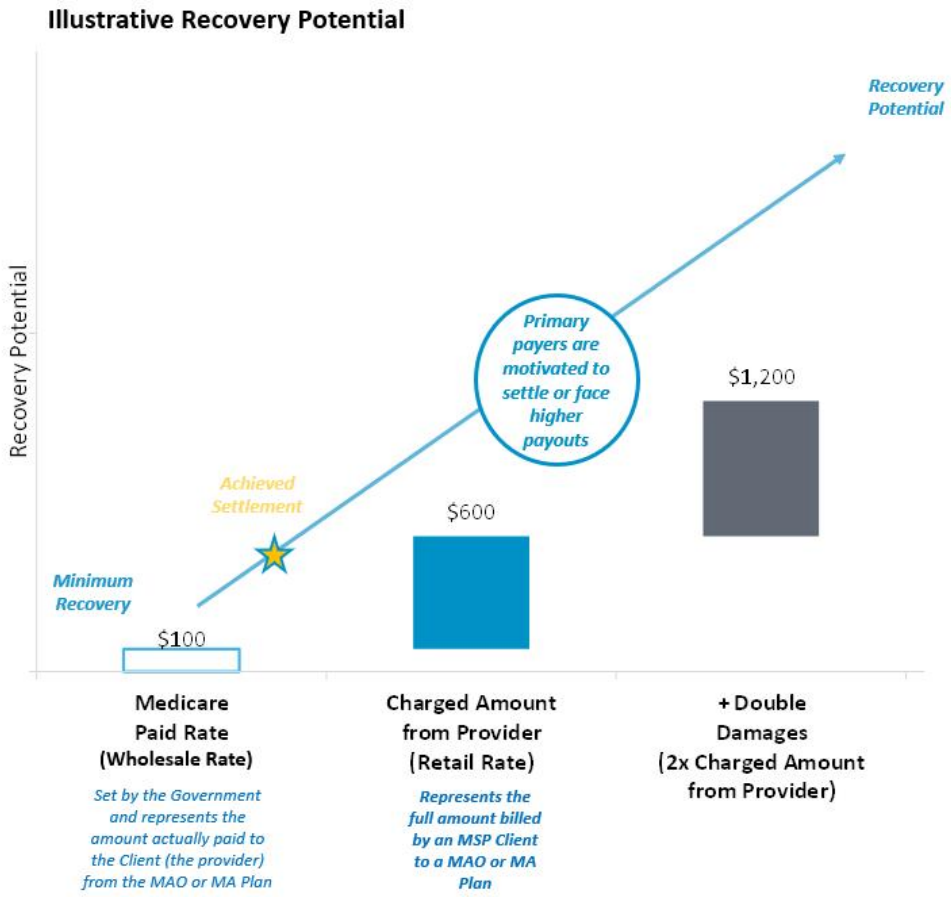
If an MAO makes a secondary payment which is later appropriately reimbursed by a primary payer, then the MAO will not charge and collect that same amount from the MSO or IPA responsible for that particular enrollee. On the other hand, if the primary payer violates the MSP Act, it is First-Tier and Downstream Entities that are damaged as a result. When an MSO or IPA is damaged by a primary payer, that entity may likewise turn to the MSP Act’s broadly worded private cause of action against the primary payer.

Double Damages. Under existing statutory and case law, the private cause of action under the MSP Act permits an award of double damages when a primary plan fails to provide for primary payment or appropriate reimbursement. We are entitled to pursue medical expenses paid by our Assignors that should have been paid by Primary Plans. Under the MSP Act, we are entitled to pursue double the amount that a provider charged. The private cause of action under 42 U.S.C. § 1395y(b)(3)(A), works in concert with 42

U.S.C. § 1395w-22(a)(4), which expressly provides MAOs with the right to "charge or authorize the provider of such services to charge, in accordance with the charges allowed under a law, plan, or policy, described in such section the insurance carrier, employer, or other entity which under such law, plan, or policy is to pay for the provision of such services…" Moreover, the MSP regulations in Part 411 also support the fact that a provider may bill its full charges for services to primary payers. The statute provides the Company the ability to seek double the charged or otherwise Billed Amounts from primary plans. The payment disparity between the Paid Amount and the Billed Amount creates a free rider scenario where the primary payer is in a better financial position if it does not comply with the law. In other words, if a primary payer's liability is capped at double the Paid Amount (an amount less than what the primary payer would have paid) then the entire purpose of the MSP Act—to make Medicare secondary—is defeated. That is why Congress set the damage amount at the amount billed by the provider; to incentivize compliance with the MSP Act. However, the Repair Abuses of MSP Payments Act (S.1607/H.R.3388) (the "RAMP Act") introduced by Senators Tim Scott (R-SC) and Maggie Hassan (D-NH) and Representatives Brad Schneider (D-IL) and Gus Bilirakis (R-FL) in the U.S. Senate and the U.S. House of Representatives, respectively, could limit potential double damage recoveries to group health plans only, as defined in paragraph 42 U.S.C. § 1395y(b)(1)(A)(v)). This legislation, if enacted as proposed, would not apply retroactively, and would not affect our existing portfolio of Claims or lawsuits filed prior to its potential enactment.

Interest Multiple. In addition to the Billed Amount, the Company is entitled to pursue interest pursuant to Section 1862(b)(2)(B)(i) of the Social Security Act and 42 C.F.R. § 411.24(m), which provides express authority to assess interest on Medicare Secondary Payer debts. Therefore, when recovery is pursued through litigation, we seek to recover double the amount owed for our Assignor's accident-related medical expenses, plus accrued statutory interest due pursuant to the MSP Laws.

Pursuant to federal and state laws, we believe the Company has an established basis for future recoveries, often in excess of the Paid Amount. By discovering, quantifying, and settling the gap between Paid Amount and Billed Amount on a large scale, we believe we are positioned to generate meaningful profit margins. Pursuant to the "right-to-charge" provision in the MSP Laws, an MAO may charge, or authorize providers to charge, insurance carriers for usual, customary, and reasonable charges permitted by the law, plan, or policy, such as the Billed Amount. As such laws, plans, and policies provide for payment of the providers' actual charges (the Billed Amount), rather than the reduced Medicare payments, we pursue recovery of the Billed Amount and in certain cases, as provided by law, double the Billed Amount for medical services and treatments. The below graphic demonstrates the difference between the Paid Amount, the Billed Amount, and the potential for double damages. For additional information, see "Development of Medicare and the MSP Law" below.



Mandatory Reporting

The Medicare, Medicaid, and SCHIP Extension Act of 2007 ("MMSEA"): MMSEA added mandatory reporting requirements with respect to Medicare beneficiaries who have coverage under group health plan arrangements as well as for Medicare beneficiaries who receive settlements, judgments, awards, or other payment from liability insurance (including self-insurance), no-fault insurance, or workers' compensation. Failure to comply with MMSEA may result in a civil money penalty of $1,000 for each day of noncompliance for each individual for which the information should have been submitted. This civil money penalty is in addition to any other penalties prescribed by law and in addition to any Medicare secondary payer Claim under this title with respect to an individual. Although we are not entitled to pursue MMSEA penalties on our own behalf, we have filed a qui tam lawsuits on behalf of the federal government to enforce this federal law.

Recent Updates - Corporate Rebranding

In January 2023, we rebranded to LifeWallet. The core strategy and business of the Company remains the same—secondary payer reimbursement recoveries. However, utilizing the name LifeWallet reflects the diverse recovery opportunities presented by the Company's growing technological innovations and consolidates current and future lines of business under one name, while positioning the Company for future revenues streams.

The LifeWallet Ecosystem

We are developing LifeWallet—a versatile, scalable, and expandable ecosystem, where tokenized data is stored in a secure, user friendly platform with multiple applications. LifeWallet is expected to provide real-time analytics at the point of care, helping identify the primary insurer, assisting providers in receiving reasonable and customary rates for accident-related treatment, shortening the company's collection time frame, and increasing revenue visibility and predictability. The platform aims to avoid the improper documenting of medical Claims that lead to improper billing, thereby preventing fraud, waste, and abuse, and is also expected to provide an application programming interface that allows patients to gain immediate access to all of their medical records when seeking medical treatments. LifeWallet incorporates extensive privacy and security standards and is HIPAA compliant.

A number of applications that will be powered by LifeWallet are currently in development, including:

- ***LifeWallet Sports.*** LifeWallet Sports empowers student-athletes to maximize their Name, Image, and Likeness ("NIL") rights by connecting them with brands and businesses. The platform assists athletes in deal negotiation and rule compliance and enables brands and businesses to identify talent, schedule events, monitor campaigns, and much more.
- ***Chase to Pay Services.*** Over time we intend to shift our core business to the Chase to Pay service platform powered by LifeWallet ("Chase to Pay"). Chase to Pay is being developed to locate and organize users' medical records to facilitate efficient access and enable informed decision-making and improved patient care. A real-time, analytics driven platform that identifies the proper primary payer at the point of care, Chase to Pay is intended to plug into the real-time medical utilization platforms used by providers at the point of care.
- ***LifeWallet Health.*** LifeWallet Health is being developed to give patients the ultimate control over their healthcare data by providing easy access to their medical history, providing healthcare notifications, and utilizing a wide variety of data points to improve overall patient care.
- ***LifeChain.*** LifeChain is being developed to tokenize healthcare Claims and patient records using blockchain technology, to enable adjudication of Claims upfront, in real-time, with complete transparency. LifeChain aims to reduce costs, maximize provider revenue, improve patient care, and eliminate fraud, while maintaining patient privacy using decentralized biometric authentication.
- ***LifeWallet 911.*** LifeWallet 911 is being developed for utilization by emergency service organizations to improve the facilitation of emergency services by providing 911 operators, dispatchers, and emergency medical providers with immediate access to vital information to reduce response times and improve patient outcomes.
- ***LifeWallet Legal.*** LifeWallet Legal is being developed to bring together clients and attorneys through a trusted, verified data platform to facilitate the efficient processing of Claims for improved legal outcomes.
- ***LifeWallet EDU.*** LifeWallet EDU is being developed to provide an intelligent infrastructure and security solutions for educational institutions, utilizing biometric technology to prevent safety breaches in real-time, thus providing unparalleled security for students, faculty, and staff.

Competitive Strengths

Irrevocable Assignments

We differ from competitors as we receive irrevocable assignments of recovery rights associated with certain healthcare related Claims. When we are assigned these rights, we obtain ownership in those rights that our competitors do not. Rather than provide services under third-party vendor services contracts, we receive the rights to our Assignors' Claims, and therefore step into the Assignor's shoes. As assignees, we are the plaintiff in any action filed in connection with such Claims, we maintain control over the direction of the litigation, and we can pursue additional recoveries under numerous legal theories that our competitors cannot.

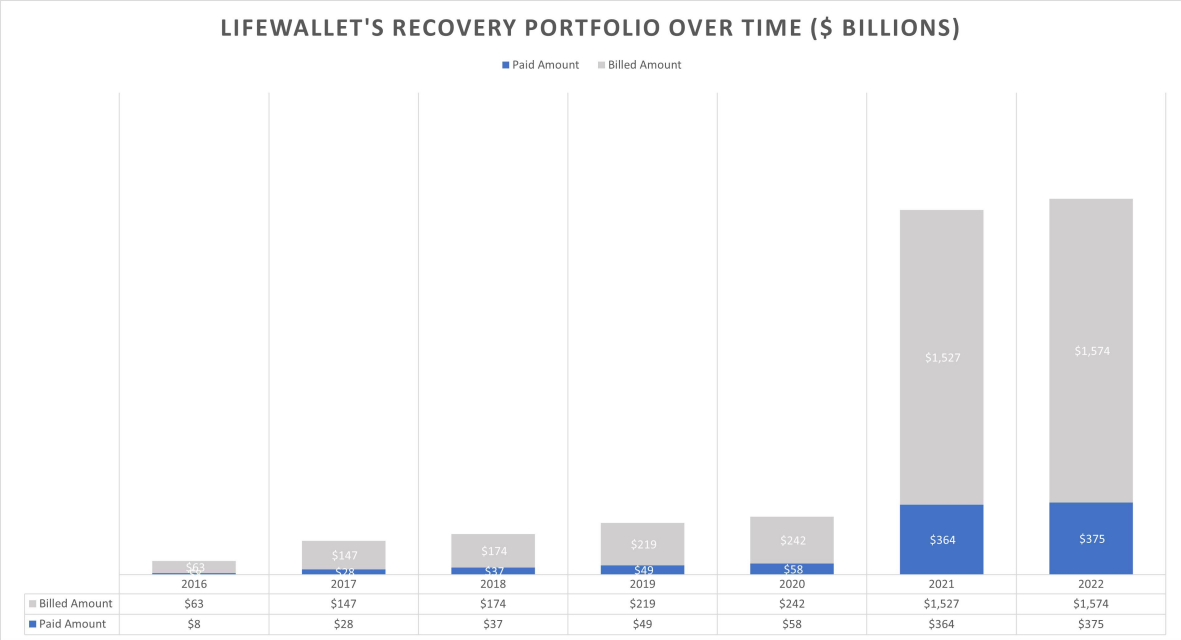
Scale of Current Portfolio

Our current portfolio has scaled significantly. As of December 31, 2022, we have been assigned recovery rights on Claims valued at approximately $1,574 billion in Billed Amount (and approximately $375 billion in Paid Amount), of which approximately $89.6 billion is PVPRC.

We are typically entitled to 100% of recoveries pursuant to our Claims cost recovery agreements ("CCRA"). From those recoveries, we are typically contractually obligated to pay 50% of recoveries to the Assignor, plus attorneys' fees and costs associated with pursuit of the recoveries. In certain cases, we have purchased the Assignor's rights to recovery proceeds in advance of any collection; therefore, entitling the Company to retain 100% of the recovery proceeds, net of attorneys' fees and costs. As of December 31, 2022, we were entitled to up to approximately 54% in the aggregate of the approximately $89.6 billion in PVPRC. Our recoveries would constitute a portion of the approximately $89.6 billion in PVPRC that may be recovered, after giving effect to our expenses, including any contingent fee payment payable to the Law Firm. See "Risk Factors—Risks Related to the Company's Business and Industry." This approximately $89.6 billion in PVPRC was identified using our Algorithms which comb through historical paid Claims data and to identify potential recoveries. As of December 31, 2022, the approximately $89.6 billion in PVPRC and approximately $375 billion in Paid Amount included approximately $5.5 billion and approximately $24.4 billion in capitated payments, respectively. Such capitated amounts are typically based on a fixed amount per enrollee in a plan rather than amounts paid on a fee-for-service basis and, in calculating the equivalent of Paid Amount for purposes of measuring potential recoveries, in cases where payments were based on capitated amounts, MSP Recovery reviews capitated encounter data typically found in Medicare Part B payments. The Company has successfully recovered full amounts on these capitated payments in prior settlements.

The typical timeline for Claims being identified as potentially recoverable Claims to actual Claims recovery revenue can vary greatly depending on the complexity of the recovery strategy and litigation, as well as the status of each Claim in the recovery process. The Company monitors the penetration status of the Claims portfolio, which categories the status of cases based on their status in the

recovery process in the following categories: in development, recovery process initiated, data collected and matched, resolution discussions in process and other cases. Potentially recoverable Claims can take years to reach resolution based on a variety of factors.



	2016	2017	2018	2019	2020	2021	2022
Billed Amount	$63	$147	$174	$219	$242	$1,527	$1,574
Paid Amount	$8	$28	$37	$49	$58	$364	$375

Our Proprietary Data Analytics System

We believe our access to large volumes of data, sophisticated data analytics, and leading technology platforms provide a unique opportunity to discover and recover Claims. Our Algorithms comb through historical paid Claims data to identify potential recovery opportunities. As of December 31, 2022, we estimate a PVPRC of $89.6 billion. Through data mining, we continue to identify new recovery opportunities.

Our Founders and Broad Team with Extensive Legal Experience

Experienced management gives us a competitive advantage. Our founder, John H. Ruiz, is recognized as one of America's pre-eminent trial lawyers, named "2019's DBR Florida Trailblazer" for groundbreaking work in integrating data analytics into the practice of law and for the impact it is having on healthcare recoveries. Over the course of a distinguished 30-year legal career, Mr. Ruiz has gained national recognition in class action, mass tort litigation, multi-district litigation ("MDL") consolidated cases, medical malpractice, products liability, personal injury, real estate, and aviation disaster cases. Our Chief Legal Officer, Frank C. Quesada, has extensive experience in healthcare litigation, including numerous legal wins in state and federal court, at the trial and appellate levels.

Due to our team's extensive knowledge of the MSP Laws, and decades of experience in data analytics within the medical industry, we believe we are well positioned to recover monies owed to our Assignors under the MSP Laws, as well as other state and federal laws. We use our proprietary software and a highly trained staff including IT personnel, accountants, statisticians, physicians, data analysts and attorneys to maximize the recovery of Claims already paid.

Growth Strategy

Expansion of Assignor Claims. CMS has projected that health spending will continue to grow at an average rate of 5.4% a year between 2019 and 2028. We anticipate that this trend will be reflected in our own growth. We plan to expand our Assignor base by implementing new strategies to secure new Assignors and continue receiving assignments of Claims from our existing Assignors. These strategies will include a platform to educate potential Assignors about our company, making strategic business partnerships, potential mergers, acquisitions of personnel, as well as other marketing strategies.

Further Development of our Chase to Pay Services. The Company is currently developing the Chase to Pay model. This model will allow payers and providers to identify the proper primary payer in real time, at the point of care. Our plan is to develop these services to form a source of revenue that does not require the acquisition costs and recovery sharing associated with our Claims recovery business.

Continued Development of our Data Analytics System. We will also continue to develop our proprietary system and anticipate shifting to AI and machine learning to better enhance our recovery potential. The development of our system will allow us to be more efficient in the services we provide our Assignors, as well as being able to attract more Assignors.

Monetizing Existing Software Applications. We intend to offer certain of our software applications, including our Claims to Med application as separate products. The Claims to Med application translates the codified component of procedural codes ("CPT codes") from medical Claims data and medical bills into medical records that are consistent with Claims records. This allows patients, providers, attorneys, corporations, and the general public to better understand their medical history.

Our Services

Claims Recovery

As part of our Claims recovery business, we pursue a number of types of recoveries, including:

Contractual Cases

When Medicare or an MAO, as a secondary payer, makes a payment on behalf of a beneficiary for injuries related to the use, maintenance, or operation of a vehicle, that payment may be recoverable from a no-fault insurer, as a primary payer. No-fault coverage does not require an assessment of liability, and thus, when a covered medical expense is incurred, the insurer must accept primary payer responsibility. The no-fault insurer's failure to pay or reimburse Medicare and MAOs constitutes a breach of the beneficiary's no-fault coverage, and a violation of the MSP Laws.

Settlement Cases

The MSP Act allows Medicare beneficiaries, providers and MAOs to seek reimbursement from any entity or person that has settled a dispute and failed to pay or reimburse Medicare and MAOs for an enrollee's medical expenses related to that dispute. We review our Assignor's Claims data and compare these records with the CMS database and court dockets to determine if any of our Assignor's enrollees have been involved in a dispute that resulted in a settlement.

Product Liability

Defective or dangerous products cause thousands of injuries every year. Many product liability cases arise from instances in which an implantable medical device causes an adverse reaction due to a design or manufacturing defect. These adverse reactions may range from minor rashes to cancer and subsequent death. Where Medicare or an MAO has paid an enrollee's medical expenses for these injuries, we can pursue recoveries.

Antitrust-Pharmaceutical

Antitrust laws, including the Sherman Antitrust Act of 1890 (the "Sherman Act") and the Clayton Antitrust Act of 1914 (the "Clayton Act") and analogous state unfair competition laws prohibit business practices that unreasonably deprive consumers of the benefits of competition, resulting in higher prices for products and services. The Sherman Act also outlaws all contracts, combinations, and conspiracies that unreasonably restrain interstate and foreign trade.

Our antitrust cases typically derive from one of the two following scenarios: (1) either a group of manufacturers who make similar products decide to raise product prices collectively irrespective of market fluctuations; or (2) a manufacturer of a branded pharmaceutical enters into a "pay for delay" agreement with a generic drug manufacturer so that the generic drug manufacturer delays the market launch of a cheaper competing drug. We bring antitrust Claims on behalf of our Assignors under both scenarios pursuant to the Sherman Act, the Clayton Act and state unfair competition laws.

False Claims Act

The False Claims Act (the "FCA") is widely regarded as an effective tool in combating waste, fraud and abuse against the federal government. The FCA prohibits the submission of false or fraudulent Claims for payment from the government. The FCA, which imposes civil penalties, fees, and treble damages for fraudulent claims, permits private individuals to file qui tam suits on behalf of the federal government.

Mass Tort and Private Lien Resolution Programs

When a defendant in an MDL settles its cases with the plaintiffs, the issues can be resolved through a Master Settlement Agreement ("MSA"), which settles all pending lawsuits and provides that the defendant(s) agrees to set aside funds to settle the MDL related cases involving various conditions.

MSAs govern the terms of the settlement and provide for the resolution of all liens against the settlement proceeds. A lien resolution administrator assists in resolving all liens that are asserted by government payers or private payers against settlement funds and ensures that all such liens are resolved prior to settlement payments being disbursed to the settling claimants.

An MSA typically provides for a Private Lien Resolution Agreement (the "PLRP Agreement") whereby the lien resolution administrator and our entities (the "MSP Group") establish an efficient procedure to resolve MSP Group's Claims and liens accordingly.

Upon payment of MSP Group's liens as provided in the PLRP Agreement, MSP Group's reimbursement Claims against recoveries by claimants as defined in the MSA are resolved, and all potential liabilities related to such liens in favor of MSP Group are

released. The only liens subject to resolution are those liens that qualify for a settlement payment pursuant to the MSA. No other Claims owned or otherwise held by the MSP Group are encompassed in the PLRP Agreement.

MSP Group conducts an analysis of the claimants in the MDL settlement and identifies liens belonging to MSP Group arising from medical care and treatment provided to claimants for which MSP Group has a legal right of recovery. A lien administrator provides the list of claimants to MSP Group. MSP Group then provides the Claims data supporting MSP Group's liens to the lien administrator, which includes the specific Billed and Paid Amount of MSP Group's liens. The lien administrator reviews and verifies MSP Group's data and confirms that the Claims included in the liens are reimbursable.

Our Claims Portfolio

As of December 31, 2022, we have received assignments to recovery rights for more than 160 Assignors in the Medicare, Medicaid, and commercial Insurance segments, associated with approximately $1.573 trillion in Billed Amount of health care Claims. We have been assigned Claims from all 50 states, as well as Puerto Rico. Each dot in the following graphic represents a ZIP code for which the Company maintains data.

We typically acquire recovery rights by entering into a CCRA with an Assignor, pursuant to which the Assignor assigns all right, title, and interest in and to its Claims recovery and reimbursement rights to the Company, or to an affiliated entity, partner, or investor, in exchange for (a) deferred compensation, typically structured as 50% of any net recovery earned by and paid to us, or (b) an upfront lump sum payment. Some of these CCRAs are "limited recovery" agreements, meaning that they are limited in time or scope as to what is assigned to us. For example, certain of our CCRAs relate specifically to claims against manufacturers, distributors, and producers of Actos, pioglitazone, metformin, glimepiride, or Duetact. Additionally, certain other CCRAs relate specifically to healthcare services rendered and paid for during a specified timeframe. In general, our CCRAs allow the Company to recover historical Claims. Under some of the CCRAs, the Company has been assigned historical Claims and the Assignor has agreed to continue assigning Claims data. The Company currently expects to generate a substantial portion of total revenue from current CCRAs through recoveries on historical Claims under our Recovery Model. The Company believes as it builds out the Chase to Pay platform and recovery model, a significant portion of the Company's revenue from these CCRAs will be derived through the Chase to Pay model by recovering on Claims as they occur.

In the cases where we acquire recovery rights for an upfront lump sum payment, instead of a CCRA, we typically enter into a Claims Purchase and Assignment Agreement ("CPAA"). Under a typical CPAA, an entity assigns all right, title, and interest in and to its Claims recovery and reimbursement rights to us (or our affiliated entity, partner or investor) in exchange for an upfront lump sum payment. In these arrangements, we (or our affiliated entity, partner or investor) would typically own 100% of all future net recoveries from those purchased Claims. Often times the CPAA includes a provision to continue acquiring future Claims from the Assignor.

MSP Lien Resolver

We intend to further develop and expand the offering for our MSP Lien Resolver. MSP Lien Resolver is a disruptive new product that helps identify, quantify, and resolve outstanding liens. Key areas of functionality for MSP Lien Resolver include modules for related lien notices, Claims history, Claims dispute and negotiation, and case settlement and payment. MSP Lien Resolver benefits us because the additional proprietary data enhances overall data quality and efficacy. This product also deepens relationships with attorneys and outside information providers.

Sales and Marketing

Our sales force is comprised of internal and external sales professionals. Our sales force identifies potential Assignors and manages relationships with existing Assignors. The sales force is incentivized via a recovery-based strategy. Once we have received recoveries for Claims related to an Assignor, the applicable sales professional is compensated. This mechanism ensures low fixed costs while offering a potentially generous commission model.

Among other things, our marketing strategies generate new Assignor leads, by educating investors and Assignors about our Company.

Licensing and Regulation

We are subject to federal and state laws and regulations governing privacy, security and breaches of patient information and the conduct of certain electronic health care transactions, including, HIPAA and other health information privacy and security requirements. Some of our Assignors with which we have or may establish business relationships, are "Covered Entities" that are regulated under HIPAA. We also are a "Business Associate" of our Assignors; as such, we must comply with HIPAA regulations. To provide our Covered Entity Assignors with services that involve the use or disclosure of protected health information, HIPAA requires us to enter into Business Associate agreements with our Assignors.

In addition to HIPAA, we may be subject to other U.S. federal and state laws relating to the collection, dissemination, use of and access to, personal information. While we believe that we are in material compliance with such laws and regulations, failure to comply with these laws could expose us to lawsuits, data security incidents, regulatory enforcement or fines.

Intellectual Property and R&D

We rely on trade secret laws. We use a combination of confidential agreements and licenses with our Assignors, employees, vendors, and other parties. We also rely on other security measures to control the access to our confidential information, software, and other intellectual property.

Our research and development team uses proprietary software and a highly trained staff including I.T. personnel, accountants, statisticians, physicians, data analysts and attorneys to search through numerous data sources. We will continue the investment of resources into our proprietary systems.

Our intellectual property licensing agreements grant, during the term of the agreement, a non-exclusive, non-transferable, non-assignable, irrevocable, worldwide, fully paid-up license under our software and technology to use, perform, import, export, and all other rights pursuant to our software and technology solely in connection with the parties' assigned Claims and the transactions contemplated in the agreements between the parties. Nothing in these agreements affect our ownership or control in our software and technology. Except for the license, all of our other rights with respect to our software and technology are reserved.

Competition

We believe we do not have any direct competitors. Other entities in the industry act as vendors and pursue reactive recoveries, while we aggressively pursue recoveries on our own behalf, using various state and federal laws. Although somewhat different in approach, we compete with in-house recovery departments, collection and financial services companies and other companies. Some of these entities are Cotiviti Holdings, Inc., MultiPlan Corporation, Encore Capital Group, Inovalon Holdings, Inc., Optum, Inc., Verisk Health, Inc., McKesson Corporation, Change Healthcare Corporation, HMS Holdings Corp., The Rawlings Group, Equian, LLC, Trover Solutions, Inc. and other, smaller companies.

Human Capital

Our employees and culture are critical components to our success and growth as a company. As of December 31, 2022, we had approximately 100 employees. None of our employees are covered by collective bargaining agreements or represented by a labor union. We believe that the relationships we have with our employees are positive.

In addition, we employ specialized contract or part-time employees on a temporary basis, which include highly trained IT personnel, accountants, statisticians, physicians, data analysts and attorneys to maximize the recovery of Claims. We have historically been able to transition many of these top performers from contract or part-time to full time employment.

We strive to attract, develop, and retain the best talent by providing competitive pay and benefits, continuous growth and development, and a diverse and inclusive workplace. Our human capital resource objectives include not only acquiring the best talent but also motivating those that drive our business forward. We aim to achieve these objectives using generous compensation programs and offering a one-of-a-kind employee experience.

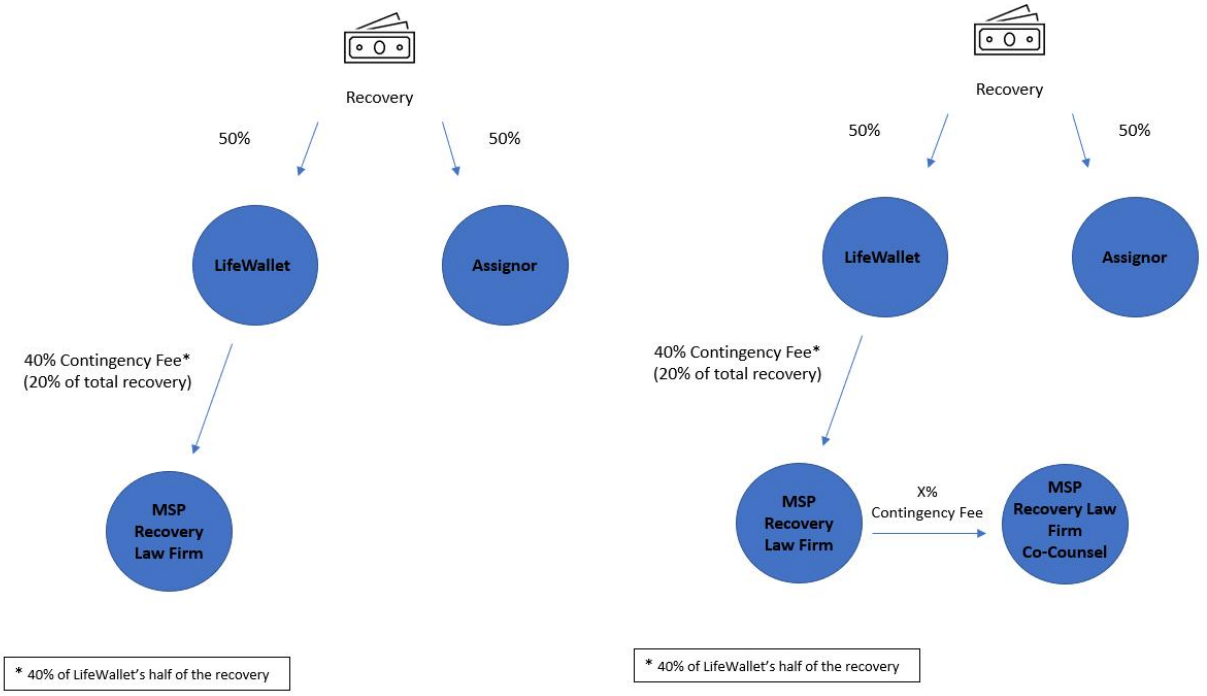
To better develop and incentivize our employees, we regularly provide employee feedback and recognition. We have an annual bonus program, and we utilize spot bonuses in order to continue to drive our employees to find opportunities and innovate our business.

Fee Sharing Arrangements

We engage with each Assignor independently. As stated above, typically our Assignors irrevocably assign to us broad recovery rights to the Claims assigned. Generally, the assignment agreements provide for the Assignor to receive 50% of the Net Proceeds of any recoveries from the Claims assigned. The "Net Proceeds" of any assigned Claim is defined as the gross amount recovered on an assigned Claim, minus any costs directly traceable to such assigned Claim(s) for which recovery was made. In some instances, we may purchase outright an Assignor's recovery rights; in this instance, we are entitled to the entire recovery.

We enter into legal services agreements with the Law Firm and the various entities that hold Claims. In this relationship, the Company (and other Claims holding entities) is the plaintiff and the Law Firm serves as its counsel. The Law Firm is engaged to act as exclusive lead counsel to represent MSP Recovery and each of its subsidiaries and affiliates (or other applicable entity) as it pertains to the Assigned Claims, on a contingency basis. The Law Firm engages outside litigation counsel from around the nation as co-counsel and these arrangements are made directly between the Law Firm and other counsel. For the services provided, the Law Firm is typically entitled 40% of our 50% portion of the Gross Proceeds (i.e., 20% of the total Gross Proceeds). This contingency fee can change in the future. The Law Firm is also entitled to attorneys' fees that are awarded pursuant to any fee shifting statute, by agreement, or court award.

The below is an illustration of how the recovery proceeds arrangement typically works when co-counsel is (and is not) involved:



Seasonality

Seasonality does not have a material impact on our business.

Other Information about MSP Recovery, Inc. d/b/a LifeWallet

We make available free of charge through our website, www.msprecovery.com, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. In addition, our website includes other items related to corporate governance matters, including, among other things, our corporate governance principles, charters of various committees of the Board of Directors, and our code of conduct applicable to all employees, officers and directors. We intend to disclose on our internet website any amendments to or waivers from our code of business conduct and ethics as well as any amendments to its corporate governance principles or the charters of various committees of the Board of Directors. Copies of these documents may be obtained, free of charge, from our website. The SEC also maintains an internet site that contains reports, proxy and information statements and other information regarding issuers that file periodic and other reports electronically with the SEC. The address of that site is www.sec.gov. The information available on or through our website is not a part of this Annual Report and should not be relied upon.

Forward-Looking Statements

Certain of the statements contained in this Annual Report on Form 10-K (this "Annual Report") are forward-looking and constitute forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act. Forward-looking statements may generally be identified by the use of words such as "anticipate," "believe," "could," "expect," "intend," "plan," "predict," "may," "should," and "will" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts, including, for example, guidance for 2023 portfolio recovery and revenue. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. As a result, these statements are not guarantees of future performance or results and actual events may differ materially from those expressed in or suggested by the forward-looking statements. Although we believe that our expectations are based on reasonable assumptions within the bounds of our knowledge of our industry, business and operations, we cannot guarantee that actual results will not differ materially from our expectations. In evaluating such forward-looking statements, you should specifically consider various factors, including the risks outlined under "Risk Factors." Any forward-looking statement made by LifeWallet herein speaks only as of the date made. The discussion of risks and uncertainties set forth in this Annual Report is not necessarily a complete or exhaustive list of all risks facing the Company at any particular point in time. New risks and uncertainties come up from time to time, and it is not possible for management to predictor identify all such events or to assess either the impact of all such risk factors on our business or the extent to which any individual risk factor, combination of factors, or new or altered factors, may cause results to differ materially from those contained in any forward-looking statement. LifeWallet has no obligation, and does not intend, to update any forward-looking statements after the date hereof for any reason, even if new information becomes available in the future, except as required by federal securities laws. Factors that could cause these differences include, but are not limited to, LifeWallet's ability to capitalize on its assignment agreements and recover monies that were paid by the assignors; the inherent uncertainty surrounding settlement negotiations and/or litigation, including with respect to both the amount and timing of any such results; the validity of the assignments of Claims to LifeWallet; the ability to successfully expand the scope of our Claims or obtain new data and Claims from LifeWallet's existing assignor base or otherwise; LifeWallet's ability to innovate and develop new solutions, and whether those solutions will be adopted by LifeWallet's existing and potential assignors; negative publicity concerning healthcare data analytics and payment accuracy; compliance with the listing standards of The Nasdaq Capital Market; and those other factors listed under "Risk Factors" below and elsewhere in this Annual Report and other reports filed by the Company with the SEC. Unless the context requires otherwise or unless otherwise noted, all references in this Annual Report to "LifeWallet," "MSP Recovery," "MSP," "the Company," "we," "us," or "our" are to MSP Recovery, Inc., d/b/a LifeWallet, a Delaware corporation.

Item 1A. Risk Factors.

An investment in our securities involves a high degree of risk. You should carefully consider the following risk factors, together with all of the other information included in this Form 10-K before making an investment decision. The occurrence of one or more of the events or circumstances described in these risk factors, alone or in combination with other events or circumstances may have an adverse effect on our business, cash flows, financial condition, and results of operations. You should also carefully consider the following risk factors in addition to the other information included in this Form 10-K, including matters addressed in the section entitled "Cautionary Note Regarding Forward-Looking Statements." We may face additional risks and uncertainties that are not presently known to us or that we currently deem immaterial, which may also impair our business or financial condition. The following discussion should be read in conjunction with the financial statements and notes to the financial statements included herein.

Risk Factors Summary

The following is a summary of some of the Company's most important risks and uncertainties that could materially adversely affect our business, financial condition, and results of operations. You should read this summary together with the more detailed description of each risk factor. Additional discussion of the risks summarized in this Risk Factors Summary, and other risks that we face, can be found below under the heading "Risk Factors" and should be carefully considered, together with other information in this Form 10-K and our other filings with the SEC, before making an investment in our securities.

Risks Related to the Company's Business and Industry:

- We have a history of net losses and no substantial revenue to date, and we may not achieve recoveries, generate significant revenue or achieve profitability.
- We have a limited history of actual recoveries to date, and there are risks associated with estimating the amount of revenue that we recognize from the recovery.
- Litigation outcomes are inherently risky, and we depend upon the due care of lawyers and the court system. Unfavorable court rulings, delays, damages limitations, and our ability to collect on judgments in our favor could adversely affect our business.

- Counterparties in our lawsuits employ dilatory tactics that delay the resolution of litigation or settlement negotiations, which increases the costs associated with recoveries and substantially delays the outcome of our cases and any associated revenue recognition.
- Our fee sharing arrangement with the Law Firm materially reduces our recoveries.
- Assignors may pursue recovery on Claims directly or may use recovery agents other than us in connection with the Assignor's efforts to recover on Claims.
- Our business and future growth depend on our ability to successfully expand the volume of our healthcare Claims and obtain data from new Assignors and healthcare Claims from our existing Assignor base.
- The positions we will typically acquire in connection with our acquisition of Claims are unsecured and may be effectively subordinated to other obligations and are at risk to fraud on the part of the Assignor of the Claim.
- Healthcare spending fluctuations, simplification of the healthcare delivery and reimbursement system, programmatic changes to the scope of benefits and limitations to payment integrity initiatives could reduce the need for our data-driven solutions.
- If our existing Assignors prematurely terminate their agreement with us or if either party materially breaches an agreement, and we can no longer receive future assignments of healthcare Claims recoveries, it could have a material adverse effect on our business, financial condition, and results of operations.
- We have long sales and implementation cycles for many of our data-driven solutions and may fail to close sales after expending time and resources, or experience delays in implementing the solutions.
- If our Assignors' risk agreements change, it can have a material adverse effect on our business, financial condition, and results of operations.
- Our use and disclosure of individually identifiable information, including health information, is subject to federal and state privacy and security regulations, and our failure to comply with those regulations or adequately secure the information we hold could result in significant liability or reputational harm.
- If we fail to innovate and develop new solutions, or if these new solutions are not adopted by existing and potential Assignors or other users, it could have a material adverse effect on our business, financial condition and results of operations.
- Changes in the United States healthcare environment, or in laws relating to healthcare programs and policies, and steps we take in anticipation of such changes, particularly as they relate to the Affordable Care Act and Medicare and Medicaid programs, could have a material adverse effect on our business, financial condition and results of operations.
- A significant portion of our Claims comes from a limited number of Assignors who have relationships with key existing payers, and the loss of one or more of these Assignors or disruptions in Assignor-payer relationships, could have a material adverse effect on our business, financial condition and results of operations.
- The data healthcare analytics and healthcare payment market are relatively new and unpenetrated, and may not develop, develop more slowly than we expect, or sustain negative publicity which may adversely affect our business.
- We face significant competition, and we expect competition to increase.
- Failure to adequately protect the confidentiality of our trade secrets, know-how, proprietary applications, business processes other proprietary information and trademarks could adversely affect the value of our technology and products.
- Our qui tam litigation may be subject to government intervention and dismissal pursuant to 31 U.S.C. § 3730(2)(A).
- We are subject to extensive government regulation. Any violation of the laws and regulations applicable to us or a negative audit or investigation finding could have a material adverse effect on our business.
- Our business depends on effective information processing systems that are compliant with current HIPAA transaction and code set standards and the integrity of the data in, and operations of, our information systems, as well as those of other entities that provide us with data or receive data from us.
- In the event we fail to maintain our Security Organization Control 2, HITRUST, or other certifications, we could be in breach of our obligations under our contracts, fines and other penalties could result and we may suffer reputational harm and damage to our business.
- We may make acquisitions of businesses or Claim recovery interests that prove unsuccessful, and any mergers, acquisitions, dispositions or joint venture activities may change our business and financial results and introduce new risks.

- We have a substantial amount of indebtedness and payment obligations, and together with any future indebtedness or payment obligations, could adversely affect our ability to operate our business.
- Failure to obtain or maintain ongoing financing to fund operations could negatively impact our business.
- Adverse judgments or settlements in litigation, regulatory or other dispute resolution proceedings could have a material adverse effect on our business, financial condition and results of operations.
- If we fail to accurately calculate the Paid Amount and Paid Value of Potential Recoverable Claims, it can have a material adverse effect on our business, results of operations, financial condition, and cash flows.
- Failure of our software vendors, utility providers and network providers to perform as expected, changes in our relationships with them, or losing access to data sources may adversely affect our business.
- We may be sued by third parties for alleged infringement of their proprietary rights.
- Changes in, or interpretations of, tax rules and regulations may adversely affect our effective tax rates.
- We will be required to pay the Tax Receivable Agreement ("TRA") Parties (as defined in the TRA) for most of the benefits relating to, among other things, an increase in tax attributes as a result of the Company's direct and indirect allocable share of existing tax basis acquired in the Business Combination, and the Company's increase in its allocable share of existing tax basis and anticipated tax basis adjustments we receive in connection with sales or exchanges of Up-C Units after the Business Combination.
- Our success is dependent upon the efforts of our key personnel. The loss of key personnel could negatively impact the operations and profitability of the Company and its financial condition could suffer as a result.
- We might be unable to successfully recruit and retain qualified employees.
- General economic, political and market forces and dislocations beyond our control could reduce demand for our solutions and our overall business may suffer from an economic downturn.
- COVID-19 or another pandemic, epidemic, or outbreak of an infectious disease may have an adverse effect on our business, the nature and extent of which are highly uncertain and unpredictable.
- We are concentrated in certain geographic regions, which makes us sensitive to regulatory, economic, environmental, and competitive conditions in those regions.

Risks Related to Our Securities:

- We are controlled by the Members, including John H. Ruiz and Frank C. Quesada, whose interests may conflict with our interests and the interests of other stockholders. Further, our status as a "controlled company" on Nasdaq removes certain corporate governance protections.
- Our stockholders will experience substantial dilution as a consequence of, among other transactions, any further issuance of common stock.
- We may not be able to comply with Nasdaq's continued listing standards, which could cause de-listing and reduce liquidity.
- Our common stock may be delisted from The Nasdaq Capital Market if we fail to comply with continued listing standards.
- We may be required to take write-downs or write-offs, restructuring, and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and our stock price, which could cause you to lose some or all of your investment.
- We may be unable to obtain additional financing to fund the operations and growth of the Company.
- Anti-takeover provisions contained in our Charter and bylaws, as well as provisions of Delaware law, could impair a takeover attempt.
- The Charter contains a provision renouncing our interest and expectancy in certain corporate opportunities.

Risks Related to Ownership of our Common Stock:

- The market price of our common stock may be significantly volatile.
- We may redeem unexpired Public Warrants and New Warrants prior to their exercise at a time that is disadvantageous to warrant holders, thereby making such warrants worthless.

- Our stockholders may experience significant dilution as a result of future equity offerings or issuances and exercise of outstanding options and warrants.
- Warrants have become exercisable for our Class A Common Stock, which has increase the number of shares eligible for future resale in the public market and may result in dilution to our stockholders.
- The Company's management has limited experience in operating a public company.
- Failure to establish and maintain effective internal controls could have a material adverse effect on the accuracy and timing of our financial reporting in future periods.

Risks Related to the Company's Business and Industry

In this section "we," "us," "our," and other similar terms refer to MSP Recovery, Inc. d/b/a LifeWallet and its subsidiaries prior to the Business Combination and to the Company following the Business Combination.

We have a history of net losses and no substantial revenue to date, and we may not achieve recoveries, generate significant revenue, or achieve profitability. Our relatively limited operating history makes it difficult to evaluate our current business and future prospects and increases the risk of your investment.

Our relatively limited operating history makes it difficult to evaluate our current business and plan for our future growth. The Company started in 2014 with its very first assignment from a health plan in Miami, Florida. To date, we have achieved no substantial revenue and limited actual recoveries from our assigned Claims, and there is no guarantee that we will achieve recoveries, revenue, or profitability as we have projected. We have encountered and will continue to encounter significant risks and uncertainties frequently experienced by new and growing companies in rapidly changing industries, such as determining appropriate investments for our limited resources, competition from other data analytics companies, acquiring and retaining Assignors, hiring, integrating, training and retaining skilled personnel, unforeseen expenses, challenges in forecasting accuracy and successfully integrating new strategies. If we are unable to achieve actual recoveries, increase our Assignor base, successfully manage our recovery efforts from third-party payers or successfully expand, our revenue and our ability to achieve and sustain profitability would be impaired. If our assumptions regarding these and other similar risks and uncertainties, which we use to plan our business, are incorrect or change as we gain more experience operating our business or due to changes in our industry, or if we do not address these challenges successfully, our operating and financial results could differ materially from our expectations and our business could suffer.

We have a limited history of actual recoveries to date, and there are risks associated with estimating the amount of revenue that we recognize from the recovery. If our estimates of revenue are materially inaccurate, it would impact the timing and the amount of our revenue recognition and have a material adverse effect on our business, results of operations, financial condition and cash flows.

We have a limited track record of generating actual recoveries and related revenue from the Claims we have purchased or otherwise been assigned. There are risks associated with estimating the value of future recoveries and revenues that we may achieve under our assigned Claims. Our estimates and projections depend on significant assumptions and involve significant risks which could cause our actual results to vary materially.

Examples of material assumptions we make include, but are not limited to:

- Our assessment that the assigned Claims are potentially recoverable Claims;
- The achievement of multiples above the PVPRC; and
- The length (and cost) of litigation required to achieve recoveries.

Any of these assumptions may prove over time to be materially inaccurate. If our estimates of revenues are materially inaccurate, it could impact the timing and the amount of our revenue recognition and have a material adverse impact on our business, results of operations, financial condition and cash flows.

Under most of our agreements with Assignors, we assume the risk of failure to recover on the assigned Claims, and if we fail to make recoveries with respect to the assigned Claims receivables and therefore, are unable to generate recovery proceeds greater than or equal to the amounts paid by us to purchase the assigned Claims, it can adversely affect our business.

In many instances, we pay our Assignors an upfront purchase price for assignment of their healthcare Claims recoveries. Accordingly, there is a risk that we may not successfully recapture the upfront purchase price if we fail to make recoveries with respect to the assigned Claims. Further, our ability to identify and recover on future Claims includes risks such as:

- underperformance relative to our expectations and the price paid for the Claims;
- unanticipated demands on our management and operational resources;
- failure to successfully recover on legal Claims;

- difficulty in integrating personnel, operations, and systems;
- maintaining current customers and securing future customers of the combined businesses;
- assumption of liabilities; and
- litigation-related charges.

Finally, our potential ability to achieve recovery revenues are based largely on the Paid Value of Potentially Recoverable Claims of our portfolio and our ability to discover, quantify, and settle the gap between Billed Amount and Paid Amount on a large scale. If we fail to accurately calculate the Paid Amount or the Paid Value of Potential Recoverable Claims, the Recovery Multiple or our recovery rights are not appropriately perfected, these factors may have a material adverse effect on our business, results of operations, financial condition, and cash flows.

Litigation outcomes are inherently risky; unfavorable court rulings, delays, damages calculations, or other limitations can adversely affect our recovery efforts, our potential to generate revenue, and our overall business.

It is difficult to predict litigation outcomes, particularly complex litigation of the type that forms the basis of our business. If we do not succeed in the litigation, if the damages awarded in our favor are less than what we expected, or if it is not possible to successfully enforce a favorable judgment, we could suffer a variety of adverse consequences, including the complete loss of potential revenue expected from that matter and, in some jurisdictions, liability for the adverse costs of the successful party to the litigation. Unfavorable litigation outcomes could, individually or in the aggregate, have a material adverse effect on our business, revenue, results of operations, and financial condition.

Typically, we must file actions in court to recover monies related to those paid by our Assignors and a substantial amount of our recoveries are dependent on the courts. Because we rely on the courts to adjudicate recoveries, we can be subject to adverse court rulings, significant delays, damages calculations or other limitations, each of which can negatively impact our recovery efforts, potential to generate revenue, and financial condition of our business.

For example, from time to time, the courts dismiss our cases, or Claims pursued in our cases, with or without prejudice. When dismissal is without prejudice, we can refile the action. Accordingly, we retain the ability to bring those Claims in a recovery action. When dismissal is with prejudice, we cannot refile the action. Accordingly, we lose the ability to pursue such Claims. We cannot guarantee that we will not receive adverse rulings in court. Historically, we have received adverse rulings such as:

- Dismissal for failure to file within the applicable statute of limitations. For example, on August 10, 2022, the United States Court of Appeals, Eleventh Circuit held that four-year statute of limitations period for civil actions arising under an Act of Congress enacted after December 1, 1990 applies to certain claims brought under the Medicare Secondary Payer private cause of action, and that the limitations period begins to run on the date that the cause of action accrued. This opinion may render certain Claims held by the Company unrecoverable and may substantially reduce PVPRC and BVPRC as calculated. As our cases were filed at different times and in various jurisdictions, and prior to data matching with a defendant we are not able to accurately calculate the entirety of damages specific to a given defendant, we cannot calculate with certainty the impact of this ruling at this time. Although this opinion is binding only on courts in the Eleventh Circuit, if the application of this statute of limitations as determined by the Eleventh Circuit was applied to all Claims assigned to us, we estimate that the effect would be a reduction of PVPRC by approximately $8.86 billion. As set forth in our Risk Factors, PVPRC is based on a variety of factors. As such, this estimate is subject to change based on the variety of legal claims being litigated and statute of limitations tolling theories that apply.
- Dismissal because an assignment did not include the Claim that was brought in court (or such assignment was found to be invalid).
- Dismissal for lack of standing to assert Claims.
- Dismissal for lack of personal jurisdiction.
- Dismissal for pleading deficiencies.

Additionally, in certain of our cases, our recoveries may be limited as a function of courts' damages calculations. Adverse court rulings could also occur from:

- Our assignment agreements with Assignors being deemed invalid by courts. We receive assignments of healthcare Claims from our Assignors via irrevocable assignments, which allow use to pursue those Claims that our Assignors originally owned. Enforceability of our assignment agreements is often challenged by defendants and if a court determines an assignment agreement is invalid (due to a technical deficiency or regulatory prohibition or otherwise) we will lose the ability to pursue those Claims.

- Our damages calculations include medical expenses paid by our Assignors that courts may deem unreasonable, unrelated, or unnecessary, and could lead to lower than anticipated recoveries.
- Our Claims may be subject to different interpretations of the applicable statutes of limitations.

For example, in certain antitrust matters, recoveries may be limited to the difference between the price that a drug manufacturer charged for the drug and the price of the drug absent the relevant anticompetitive action. The list above is not exhaustive of unfavorable rulings, damages calculations or other limitations which we may or have encountered.

We generate, and expect to generate, a significant portion of our revenue by collecting on settlements and/or judgments that are granted by courts in lawsuits filed against insurers, tortfeasors, and other liable parties. A decrease in the willingness of courts to grant these judgments, a change in the requirements for filing these cases or obtaining these judgments, or a decrease in our ability to collect on these judgments could have an adverse effect on our revenue, operating results, and the financial condition of our business. As we increase our use of the legal channels for collections, our short-term margins may decrease as a result of an increase in upfront court costs and costs related to counterclaims. We may not be able to collect on certain aged Claims because of applicable statutes of limitations, and we may be subject to adverse effects of regulatory changes.

Our recoveries may also be delayed due to inconsistent rulings on different cases which creates delays in our recovery efforts, or court and administrative closing resulting from the COVID-19 pandemic. We can be subject to many other unfavorable rulings, damages calculations or limitations which are not listed above. Such unfavorable rulings, damages calculations or other limitations can negatively affect our business and our recovery efforts.

Our litigation often involves complex, novel legal theories with little or no precedent on which courts can rely, which may adversely affect our ability to generate revenue and negatively impact our business.

The lawsuits we file in pursuit of recoveries often involve causes of action that are entirely novel, or novel as applied to the facts alleged in our complaints. For example, while the MSP Law was enacted in 1980, its use by an assignee to pursue recoveries on its own behalf is novel. As such, courts deciding litigated issues in our cases often have limited binding precedent on which to base an opinion, and often review our cases as a first impression. As a result, our cases may be delayed as courts require more time to analyze the legal issues, and outcomes are difficult to accurately predict.

We may employ rarely used causes of action, such as Florida's equitable pure bill of recovery. LifeWallet has brought numerous pure bill of discovery cases against medical device and drug manufacturers and insurance companies, seeking to identify the proper party defendant or the appropriate theory on which to base relief. As these cases do not seek money damages, success in these cases may lead to information that can used to further pursue recoveries, but not money damages that can be recognized as revenue. These cases, in and of themselves, are an expense to LifeWallet, and may negatively impact our business if, for any reason, they fail to yield actionable results.

Our counterparties likewise often assert defenses that require complex, jurisdiction specific analysis. Litigation of these issues is often time consuming, delaying potential recoveries, and costly. The success of these defenses is difficult to predict and could result in partial or the entire dismissal of a given case, reducing or eliminating potential recoveries, and any associated recognition of revenue.

Our lawsuits are brought in a diverse range of judicial venues across many jurisdictions, which may result in different outcomes on similar issues, adversely affect our recovery efforts, and limit our ability to generate revenue.

Favorable opinions from state and federal appellate courts are binding only in the jurisdiction where the opinion was published. Accordingly, appellate opinions upholding our legal position may be relied on within the issuing jurisdiction but are, at most, persuasive to other courts. Appellate courts can disagree, and we may obtain an unfavorable opinion on similar issues where another appellate court ruled in our favor. As such, we may expend substantial resources pursuing appeals to establish the validity of a legal basis for recovery, which may prove unsuccessful, thus limiting our ability to generate revenue and negatively impact our business.

Counterparties in our lawsuits employ dilatory tactics that delay the resolution of litigation or settlement negotiations, which increases the costs associated with recoveries and substantially delays the outcome of our cases and any associated revenue recognition.

Our counterparties employ strategies to delay proceedings and the ultimate resolution of our cases. Dilatory tactics include, but are not limited to, frivolous court filings, extended and improper discovery objections and disputes, delayed negotiations for data matching protocols, and protracted settlement negotiations that may or may not yield a settlement. While these delays do not adversely affect the value of the underlying assets, and in some case statutory interest continues to accrue, the costs associated with recoveries increase substantially, and our ability to successfully resolve our cases may be limited. As a result, our ability to recognize revenue is delayed and our ultimate recovery may be diminished as a result.

Our fee sharing arrangement with the Law Firm materially reduces our recoveries.

We enter into legal services agreements with the Law Firm and the various entities that hold Claims. The Law Firm is engaged to act as counsel to represent MSP Recovery and each of its subsidiaries and affiliates (or other applicable entity) on a contingency basis as it pertains to the assigned Claims. The Law Firm engages outside litigation counsel from around the U.S. as co-counsel and

these arrangements are made directly between the Law Firm and other counsel. For the services provided, the Law Firm typically collects a fee equal to 40% of our 50% portion of the Net Proceeds (i.e., 20% of the total Net Proceeds), which is paid from our portion of the Net Proceeds. Co-counsel is paid from the Law Firm's portion of the Net Proceeds. The Law Firm is also entitled to attorney's fees that are awarded to the Law Firm pursuant to any fee shifting statute, by agreement, or court award. Any increase in attorneys' fees and costs would reduce our potential net recoveries. For more information about our fee sharing arrangement, see "Business —Scale of Current Portfolio" and " —Fee Sharing Arrangements."

Assignors may pursue recovery on Claims directly or may use recovery agents other than us in connection with the Assignor's efforts to recover on Claims.

With respect to the Assignors of the assigned Claims, some of our agreements exclude from the assignment of Claims those Claims that are assigned to or being pursued by other recovery vendors of the Assignor at the time of the assignment. We have identified instances where the Assignor did not filter its data provided to us to account for such exclusions. This resulted in some Claims being identified by us for purposes of our recovery estimates. This also has resulted in other recovery agents of the Assignor making collections on Claims that we previously believed were assigned to us. Although we endeavor to seek appropriate clarification from Assignors to properly identify Claims that are being pursued by other recovery vendors, due to the nature and volume of data, it may not be possible to identify with precision all such Claims. While we do not believe that there is any overlap with other recovery vendors with respect to assigned Claims to be material, there can be no assurance as to the ultimate impact on our recoveries or our business.

If lawyers who we rely on to litigate Claims and defenses do not exercise due skill and care, or the interests of their clients do not align with the interests of our Assignors, there may be a material adverse effect on the value of our assets.

We are particularly reliant on lawyers to litigate Claims and defenses with due skill and care. If they are unable or unwilling to do this for any reason, it is likely to have a material adverse effect on the value of our assets. We may have limited experience or no prior dealings with such lawyers and there can be no guarantee that the outcome of a case will be in line with our or the lawyers' assessment of the case or that such lawyers will perform with the expected skill and care.

Our business and future growth depend on our ability to successfully expand the volume of our healthcare Claims and obtain data from new Assignors and healthcare Claims from our existing Assignor base.

We expect a significant portion of our future revenue growth to come from expanding the volume of Claims we are assigned; this includes obtaining Claims and data from new Assignors as well as our existing Assignors. Our efforts to do so may not be successful. If we are unable to successfully expand the scope of healthcare Claims assigned from potential and existing Assignors, it could have a material adverse effect on our growth and on our business, financial condition, and results of operations.

The positions we will typically acquire in connection with our acquisition of Claims are unsecured and may be effectively subordinated to other obligations and are at risk to fraud on the part of the Assignor of the Claim.

The types of Claims we invest in are typically unsecured, and therefore will be subordinated to existing or future secured obligations and may be subordinated to other unsecured obligations of the parties against which we seek recoveries. The repayment of these Claims and rights is subject to significant uncertainties. The holders of other obligations may have priority over us to collect amounts due to them and therefore would be entitled to be paid in full before assets would be available for distribution to us.

Further, the possibility of material misrepresentations or omissions on the part of an Assignor, underlying beneficiary or other counterparty (e.g., some Assignors may set out to defraud investors like us). For example, an Assignor may misrepresent the quality, validity or existence of a Claim or other information provided to us. There is no assurance we will detect such fraud and any inaccuracy or incompleteness, if undetected, may adversely affect the valuation of one or more Claims and adversely affect our business and performance. Under certain circumstances, recoveries may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance.

Internal improvements to healthcare Claims and retail billing processes by our Assignors could reduce the need for, and revenue generated by, our solutions, which could have a material adverse effect on our business, financial condition and results of operations.

We offer solutions that help our Assignors enhance payment accuracy in an increasingly complex environment, including through our Chase to Pay platform. Over time, our work may increase compliance amongst third-party payers. If such processes continue to improve, demand for our solutions could be reduced. With enough time and investment, many of our Assignors may be able to reduce or resolve recurring payment process complexities and resulting payment inaccuracies. As the skills, experience and resources of such technology, systems and personnel improve, they may be able to identify payment inaccuracies before using our services, which would reduce the payment inaccuracies identified by our solutions and our ability to generate revenue, which could have a material adverse effect on our business, financial condition and results of operations.

Healthcare spending fluctuations, simplification of the healthcare delivery and reimbursement system, programmatic changes to the scope of benefits and limitations to payment integrity initiatives could reduce the need for our data-driven solutions, which could have a material adverse effect on our business, financial condition and results of operations.

Our solutions improve our Assignors' ability to accurately pay healthcare Claims and prevent or recover inaccurate payments, which often are a result of complexities in the healthcare Claims payment system. Although the healthcare benefit and payment systems continue to grow in complexity due to factors such as increased regulation and increased healthcare enrollment, the need for and user adoption of our solutions and/or the scope and profitability of the solutions that we provide to our Assignors could be negatively affected by, among other things:

- simplification of the U.S. healthcare delivery and reimbursement systems, either through shifts in the commercial healthcare marketplace or through legislative or regulatory changes at the federal or state level;
- reductions in the scope of private sector or government healthcare benefits (for example, decisions to eliminate coverage of certain services);
- the transition of healthcare beneficiaries from fee-for-service plans to value-based plans;
- the adoption of healthcare plans with significantly higher deductibles;
- limits placed on payment integrity initiatives, including the Medicare RAC program; and
- lower than projected growth in private health insurance or the various Medicare and Medicaid programs, including Medicare Advantage.

Any of these developments could have a material adverse effect on our business, financial condition and results of operations.

If our existing Assignors prematurely terminate their agreement with us or if either party materially breaches an agreement, and we can no longer receive future assignments of healthcare Claims recoveries, it could have a material adverse effect on our business, financial condition, and results of operations.

We expect in the future to derive a significant portion of our revenue from our existing Assignors and, accordingly, we are reliant on ongoing transfer and usage of data, and associated assignments, of Claims from existing Assignors. As a result, maintaining these relationships is critical to our future growth and our business, financial condition and results of operations. We may experience significantly more difficulty than we anticipate in maintaining our existing Assignor agreements. Factors that may affect our ability to continue providing our services under such agreements for our services and our ability to sell additional solutions include:

- the price, performance, and functionality of our solutions;
- the availability, price, performance, and functionality of competing solutions;
- our Assignors' perceived ability to review Claims accurately using their internal resources;
- our ability to develop complementary solutions;
- our continued ability to access the data necessary to enable us to effectively develop and deliver new solutions to Assignors;
- the stability and security of our platform;
- changes in healthcare laws, regulations, or trends; and
- the business environment of our Assignors.

Pursuant to the Claims recovery and assignment agreements with our Assignors, the Assignors may choose to discontinue one or more services under an existing contract, may exercise flexibilities within their contracts to adjust service volumes, and may breach or terminate the contract prior to its agreed upon completion date. A material breach by either party to the agreement may also result in the termination of receiving future Claims. Any such occurrences could reduce our revenue from these Assignors. Although a cancellation or termination of a contract does not revoke the original assignment from our Assignors in many instances because such assignment was irrevocable, termination still affects future transfers of data and future assignment of Claims. Accordingly, such cancellations or terminations can constrain our growth and result in a decrease in revenue, which could have a material adverse effect on our business, financial condition and results of operations.

If an Assignor prematurely terminates its agreement with us, we may be precluded from accessing that Assignor's data and/or be forced to destroy data in our position from that Assignor, which may substantially impair our ability to recover on that Assignor's Claims.

We enter into Claims Cost Recovery Agreements ("CCRA") and Business Associate Agreements ("BAA") with our Assignors. Pursuant to the CCRAs with our Assignors, our Assignors typically agree to provide the Company with historical claims data as well

as the most updated claims data that the Assignor's systems can provide and provide ongoing data transfers and agreed upon intervals. If, for any reason, our CCRA with an Assignor is terminated, our BAA with that Assignor requires us to return and/or destroy all Protected Health Information, which may substantially impair our ability to recover on that Assignor's Claims.

If we are unable to develop new Assignor relationships, it could have a material adverse effect on our business, financial condition, and results of operations.

As part of our strategy, we seek to develop new Assignor relationships, principally among healthcare payers and providers. Our ability to develop new relationships depends on a variety of factors, including the quality and performance of our solutions, as well as the ability to market and sell our solutions effectively and differentiate ourselves from our competitors. We may not be successful in developing new Assignor relationships. If we are unable to develop new Assignor relationships, it could have a material adverse effect on our business, financial condition, and results of operations.

In some events, we may act as a servicing agent for another party. If one of these parties terminates their agreement with us or if either party materially breaches an agreement, it could have a material adverse effect on our business, financial condition and results of operations.

Sometimes, we may provide our services as a servicing agent to third parties. These services include, but are not limited to, identifying, processing, prosecuting and recovering monies related to recoverable Claims. As a servicing agent, we will act as an independent contractor on behalf of a contracting party who owns the rights to certain recoverable Claims. If a party terminates such servicing agreement with us, or if either party is in default of any servicing agreement, it could have a material adverse effect on our business, financial condition and results of operations.

We have long sales and implementation cycles for many of our data-driven solutions and may fail to close sales after expending time and resources, or experience delays in implementing the solutions, which could have a material adverse effect on our business, financial condition and results of operations.

Potential customers generally perform a thorough evaluation of available payment accuracy solutions and require us to expend time, effort, and money educating them as to the value of our solutions prior to entering into a contract with them. We may expend significant funds and management resources during the sales cycle and ultimately fail to close the sale. Our sales cycle may be extended due to our potential customer's budgetary constraints or for other reasons. In addition, following a successful sale, the implementation of our systems frequently involves a lengthy process, as we onboard the new customer's healthcare data into our proprietary systems. If we are unsuccessful in closing sales after expending funds and management resources or if we experience delays in such sales or in implementing our solutions, it could have a material adverse effect on our business, financial condition and results of operations.

If our Assignors' risk agreements change, it can have a material adverse effect on our business, financial condition, and results of operations.

Many of our Assignors are First-Tier entities, as defined in 42 CFR § 422.2. A First-Tier entity is a party that enters into a written arrangement, acceptable to CMS, with an MAO or applicant to provide administrative services or healthcare services for a Medicare eligible individual under the Medicare Advantage program. These entities enter into risk agreements with Downstream Entities, as defined under 42 CFR § 422.2. If these agreements change or include any restrictions on the assignability of Claims, it can have a material adverse effect on our recoveries, business, financial condition, and results of operations.

Our use and disclosure of individually identifiable information, including health information, is subject to federal and state privacy and security regulations, and our failure to comply with those regulations or adequately secure the information we hold could result in significant liability or reputational harm.

State and federal laws and regulations, including HIPAA, govern the collection, dissemination, use, disclosure, creation, receipt, maintenance, transmission, privacy, confidentiality, security, availability and integrity of individually identifiable information, including protected health information ("PHI"). HIPAA establishes basic national privacy and security standards for protection of PHI by covered entities such as our Assignors, and the business associates with whom such entities contract for services, including us. As a business associate, we are also directly liable for compliance with HIPAA. In addition to HIPAA, we must adhere to state patient confidentiality and other laws that are not preempted by HIPAA, including those that are more stringent than HIPAA.

In the event of a breach of our obligations under HIPAA or other state laws, we could be subject to enforcement actions by the U.S. Department for Health and Human Services Office for Civil Rights and state regulators and lawsuits, including class action lawsuits, by private plaintiffs. Mandatory penalties for HIPAA violations can be significant and OCR and state regulators may require businesses to enter into settlement or resolution agreements and corrective action plans that impose ongoing compliance requirements. If a person knowingly or intentionally obtains or discloses PHI in violation of HIPAA requirements, criminal penalties may also be imposed. In addition, state Attorneys General are authorized to bring civil actions under HIPAA or relevant state laws. Courts can award damages, costs and attorneys' fees related to violations of HIPAA or state laws in such cases. While we maintain safeguards that we believe are reasonable and appropriate to protect the privacy and security of PHI and other personally identifiable information consistent with applicable law and our contractual obligations, we cannot provide assurance regarding how these laws, regulations,

and contracts will be interpreted, enforced or applied to our operations; our systems may be vulnerable to physical break-ins, viruses, hackers, and other potential sources of security breaches or incidents. In addition, we may not be able to prevent incidents of inappropriate use or disclosure or unauthorized access to or acquisition.

We obtain and process a large amount of sensitive data. Our systems and networks may be subject to cyber-security breaches and other disruptions that could compromise our information. Any real or perceived improper use of, disclosure of, or access to such data could harm our reputation as a trusted brand, as well as have a material adverse effect on our business, financial condition and results of operations.

We rely on information technology networks and systems to process and store electronic information. We collect and store sensitive data, including personally identifiable information of our consumers, on our information technology networks. Despite the implementation of security measures, our information technology networks and systems have been, and in the future may be, vulnerable to disruptions and shutdowns due to attacks by hackers or breaches due to malfeasance by contractors, employees and others who have access to our networks and systems. The occurrence of any of these cyber security events could compromise our networks and the information stored on our networks could be accessed. Any such access could disrupt our operations, adversely affect the willingness of sellers to sell to us or result in legal Claims, liability, reputational damage or regulatory penalties under laws protecting the privacy of personal information, any of which could adversely affect our business, financial condition and operating results.

In addition, our operations are spread across the United States and Puerto Rico and we rely heavily on technology to communicate internally and efficiently perform our services. We have implemented measures that are designed to mitigate the potential adverse effects of a disruption, relocation or change in operating environment; however, we cannot provide assurance that the situations we plan for and the amount of insurance coverage that we maintain will be adequate in any particular case. In addition, despite system redundancy and security measures, our systems and operations are vulnerable to damage or interruption from, among other sources:

- power loss, transmission cable cuts and telecommunications failures;
- damage or interruption caused by fire, earthquakes and other natural disasters;
- attacks by hackers or nefarious actors;
- human error;
- computer viruses and other malware or software defects; and
- physical break-ins, sabotage, intentional acts of vandalism, terrorist attacks and other events beyond our control.

If we encounter a business interruption, if we fail to effectively maintain our information systems, if it takes longer than we anticipate to complete required upgrades, enhancements or integrations or if our business continuity plans and business interruption insurance do not effectively compensate on a timely basis, we could suffer operational disruptions, disputes with Assignors, civil or criminal penalties, regulatory problems, increases in administrative expenses, loss of our ability to produce timely and accurate financial and other reports or other adverse consequences, any of which could have a material adverse effect on our business, financial condition and results of operations.

Because of the large amount of data that we collect and manage, it is possible that hardware failures or errors in our systems could result in data loss or corruption or cause the information that we collect to be incomplete or contain inaccuracies that our partners regard as significant. If our data were found to be inaccurate or unreliable due to fraud or other error, or if we, or any of the third-party service providers we engage, were to fail to maintain information systems and data integrity effectively, we could experience operational disruptions that may hinder our ability to provide services, establish appropriate pricing for services, retain and attract Assignors, establish reserves, report financial results timely and accurately and maintain regulatory compliance, among other things. Additionally, as Assignors maintain their own supporting documentation, data and records, it is possible that they may provide us with erroneous or inaccurate data. The occurrence of any of these events could cause our solutions to be perceived as vulnerable, cause our Assignors to lose confidence in our solutions, negatively affect our ability to attract new Assignors and cause existing Assignors to terminate or not renew our solutions. If the information is lost, improperly disclosed or threatened to be disclosed, we could incur significant liability and be subject to regulatory scrutiny and penalties. Furthermore, we could be forced to expend significant resources in response to a security breach, including investigating the cause of the breach, repairing system damage, increasing cyber-security protection costs by deploying additional personnel and protection technologies, notifying and providing credit monitoring to affected individuals, paying regulatory fines and litigating and resolving legal Claims and regulatory actions, all of which could increase our expenses and divert the attention of our management and key personnel away from our business operations.

In addition, if our own confidential business information were improperly disclosed, our business could be materially adversely affected. A core aspect of our business is the reliability and security of our technology platform. Any perceived or actual breach of security could have a significant impact on our reputation as a trusted brand, cause us to lose existing Assignors, prevent us from

obtaining new Assignors, require us to expend significant funds to remedy problems caused by breaches and to implement measures to prevent further breaches and expose us to legal risk and potential liability. Any security breach at a third-party vendor providing services to us could have similar effects. Any breach or disruption of any systems or networks on which we rely could have a material adverse effect on our business, financial condition and results of operations.

Our information technology strategy and execution are critical to our continued success. We expect to continue to invest in long-term solutions that will enable us to continue being a differentiator in the market and to protect against cybersecurity risks and threats. Our success is dependent, in large part, on maintaining the effectiveness of existing technology systems and continuing to deliver and enhance technology systems that support our business processes in a cost-efficient and resource-efficient manner. Increasing regulatory and legislative changes will place additional demands on our information technology infrastructure that could have a direct impact on resources available for other projects tied to our strategic initiatives. In addition, recent trends toward greater patient engagement in health care require new and enhanced technologies, including more sophisticated applications for mobile devices. Connectivity among technologies is becoming increasingly important. We must also develop new systems to meet current market standards and keep pace with continuing changes in information processing technology, evolving industry and regulatory standards and patient needs. Failure to do so may present compliance challenges and impede our ability to deliver services in a competitive manner. Further, because system development projects are long-term in nature, they may be more costly than expected to complete and may not deliver the expected benefits upon completion. Our failure to effectively invest in, implement improvements to and properly maintain the uninterrupted operation and data integrity of our information technology and other business systems could adversely affect our results of operations, financial position and cash flow.

If we fail to innovate and develop new solutions, or if these new solutions are not adopted by existing and potential Assignors or other users, it could have a material adverse effect on our business, financial condition and results of operations.

Our results of operations and continued growth will depend on our ability to successfully develop and market new solutions that our existing and potential Assignors or other users are willing to adopt. For example, as part of our “Chase to Pay” model, we launched LifeWallet in January 2022, a platform designed to organize and facilitate access to users’ medical records. We cannot provide assurance that our new or modified solutions will be responsive to Assignor or users preferences or industry changes, or that the product and service development initiatives we prioritize will yield the gains that we anticipate, if any.

If we are unable to predict market preferences or if our industry changes, or if we are unable to modify our solutions on a timely basis, we may lose Assignors or fail to attract new ones. If existing Assignors are not willing to adopt new solutions, or if potential Assignors or other users do not value such new solutions, it could have a material adverse effect on our business, financial condition and results of operations.

We expect to make substantial investments in and changes to our operational platforms, systems and applications to compete effectively and keep up with technological advances. We may also face difficulties in integrating any upgraded platforms into our current technology infrastructure. In addition, significant technological changes could render our existing solutions obsolete. Although we have invested, and will continue to invest, significant resources in developing and enhancing our solutions and platforms, any failure to keep up with technological advances or to integrate upgraded operational platforms and solutions into our existing technology infrastructure could have a material adverse effect on our business, financial condition and results of operations.

Certain of our activities present the potential for identity theft or similar illegal behavior by our employees or contractors with respect to third parties, which could have a material adverse effect on our business, financial condition and results of operations.

Our solutions involve the use and disclosure of personal information that in some cases could be used to impersonate third parties or otherwise improperly gain access to their data or funds.

If any of our employees or contractors take, convert, or misuse such information, or we experience a data breach creating a risk of identity theft, we could be liable for damages and our business reputation could be damaged. In addition, we could be perceived to have facilitated or participated in illegal misappropriation of documents or data and, therefore, be subject to civil or criminal liability. In addition, federal and state regulators may take the position that a data breach or misdirection of data constitutes an unfair or deceptive act or trade practice. We also may be required to notify individuals affected by any data breaches. Further, a data breach or similar incident could impact the ability of our Assignors that are creditors to comply with the federal “red flags” rules, which require the implementation of identity theft prevention programs to detect, prevent and mitigate identity theft in connection with Assignor accounts, which could be costly. If data utilized in our solutions are misappropriated for the purposes of identity theft or similar illegal behavior, it could have a material adverse effect on our reputation, business, financial condition and results of operations.

If we fail to comply with applicable privacy, security and data laws, regulations and standards, including with respect to third-party service providers that utilize sensitive personal information on our behalf, it could have a material adverse effect on our reputation, business, financial condition and results of operations.

We have Assignors throughout the United States and our solutions may contain healthcare information of patients located across all 50 states and Puerto Rico. Therefore, we may be subject to the privacy laws of each such jurisdiction, which may vary and, in some cases, can impose more restrictive requirements than federal law. Where state laws are more protective, we have to comply with the

stricter provisions. In addition to fines and penalties imposed upon violators, some of these state laws also afford private rights of action to individuals who believe their personal information has been misused. California's patient privacy laws, for example, provide for penalties of up to $250,000 and permit injured parties to sue for damages. The interplay of federal and state laws may be subject to varying interpretations by courts and government agencies, creating complex compliance issues for us and our Assignors and potentially exposing us to additional expense, adverse publicity and liability. Further, as regulatory focus on privacy issues continues to increase and laws and regulations concerning the protection of personal information expand and become more complex, these potential risks to our business could intensify. Changes in laws or regulations associated with the enhanced protection of certain types of sensitive data, such as PHI or PII, along with increased customer demands for enhanced data security infrastructure, could greatly increase our cost of providing our services, decrease demand for our services, reduce our revenue and/or subject us to additional liabilities.

The following legal and regulatory developments also could have a material adverse effect on our business, financial condition and results of operations:

- amendment, enactment, or interpretation of laws and regulations that restrict the access and use of personal information and reduce the supply of data available to Assignors;
- changes in cultural and consumer attitudes to favor further restrictions on information collection and sharing, which may lead to regulations that prevent full utilization of our solutions;
- failure of our solutions to comply with current laws and regulations; and
- failure of our solutions to adapt to changes in the regulatory environment in an efficient, cost-effective manner.

Changes in the United States healthcare environment, or in laws relating to healthcare programs and policies, and steps we take in anticipation of such changes or a failure to comply with such laws, particularly as they relate to the Affordable Care Act and Medicare and Medicaid programs, could have a material adverse effect on our business, financial condition, and results of operations.

Approximately 93% of our expected recoveries arise from Claims being brought under the Medicare Secondary Payer Act private cause of action (Section 1862(b)(3)(A) of the Social Security Act (42 U.S.C. § 1395y(b)(3)(A)). This law allows us to pursue recoveries against primary payers for reimbursement of medical expenses that our Assignors paid for when primary payers (i.e., liability insurers) were responsible for payment. While we believe we have been successful at both the federal and state level in establishing a legal basis for our recoveries, changes to the laws on which we base our recoveries, particularly the Medicare Secondary Payer Act, can adversely affect our business.

For example, on May 16, 2023, Senators Tim Scott (R-SC) and Maggie Hassan (D-NH) and Representatives Brad Schneider (D-IL) and Gus Bilirakis (R-FL) introduced the Repair Abuses of MSP Payments Act (S.1607/H.R.3388) (the "RAMP Act") in the U.S. Senate and the U.S. House of Representatives, respectively, seeking to amend the private cause of action under the Medicare Secondary Payer Act, by striking "primary plan" and inserting "group health plan" (as defined in paragraph 42 U.S.C. § 1395y(b)(1)(A)(v)).

The Medicare Secondary Payer Act's private cause of action—a fundamental component of how the Company is able to calculate damages—incentivizes private parties, such as MSP Recovery, to pursue reimbursement of conditional payments by rewarding them with double damages. If the Medicare Secondary Payer Act is changed, or if the RAMP Act were enacted to apply retroactively, it could significantly reduce the Company's potential recoveries and have a material adverse effect on its business, financial condition, and results of operations.

The healthcare industry in the United States is subject to a multitude of changing political, economic and regulatory influences that affect every aspect of our healthcare system. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act (the "Affordable Care Act"), made major changes in how healthcare is delivered and reimbursed, and generally increased access to health insurance benefits to the uninsured and underinsured population of the United States. Among other things, the Affordable Care Act increased the number of individuals with Medicaid and private insurance coverage, implemented reimbursement policies that tie payment to quality, facilitated the creation of accountable care organizations that may use capitation and other alternative payment methodologies, strengthened enforcement of fraud and abuse laws and encouraged the use of information technology. However, many of these changes require implementing regulations that have not yet been drafted or have been released only as proposed rules. In addition, there have been and continue to be a number of legislative and regulatory initiatives to contain healthcare costs, reduce federal and state government spending on healthcare products and services and limit or restrict the scope of the Medicare RAC program and other program integrity initiatives.

Future changes to the Affordable Care Act and to the Medicare and Medicaid programs and other federal or state healthcare reform measures may lower reimbursement rates, establish new payment models, increase or decrease government involvement in healthcare, decrease the Medicare RAC program and otherwise change the operating environment for us and our Assignors. If efforts to waive, modify or otherwise change the Affordable Care Act, in whole or in part, are successful, if we are unable to adapt our solutions to meet changing requirements or expand service delivery into new areas, or the demand for our solutions is reduced as a

result of healthcare organizations' reactions to changed circumstances and financial pressures, it could have a material adverse effect on our business, financial condition and results of operations.

Healthcare organizations may react to such changed circumstances and financial pressures, including those surrounding the implementation of the Affordable Care Act, by taking actions such as curtailing or deferring their retention of service providers, which could reduce the demand for our data driven solutions and, in turn, have a material adverse effect on our business, financial condition and results of operations.

A significant portion of our Claims comes from a limited number of Assignors who have relationships with key existing payers, and the loss of one or more of these Assignors or disruptions in Assignor-payer relationships could have a material adverse effect on our business, financial condition and results of operations.

We have acquired a significant portion of our Claims from and entered into agreements for new services with a limited number of large Assignors. These Assignors assign these Claims with an irrevocable assignment from the Assignor to us each with different and/or staggered terms. In addition, we also rely on our reputation and recommendations from key Assignors to promote our solutions to potential new Assignors.

Further, our ability to pursue a significant portion of our Claims depends on our arrangements pursuant to which we are granted access to health care data, which may be terminated upon the occurrence of certain events. See "- We use various data sources in our business and if we lose access to those data sources it could have a material adverse effect on our business, financial condition, and results of operations." Accordingly, if any of these Assignors fail to renew or terminate their existing agreements with us, it could have a material adverse effect on our business, financial condition and results of operations.

Our revenues and operations are dependent upon a limited number of key existing payers and our Assignors' continued relationship with those payers, and disruptions in those relationships (including renegotiation, non-renewal or termination of capitation agreements) or the inability of such payers to maintain their contracts with the Centers for Medicare and Medicaid Services, or CMS, could adversely affect our business.

Our operations are dependent on a concentrated number of payers with whom our Assignors contract to provide services. The loss of these contracts for our Assignors could have a material adverse effect on our business, results of operations, financial condition and cash flows. The sudden loss of any of our Assignors' payer partners or the renegotiation of any of our Assignors' payer contracts could adversely affect our operating results.

Moreover, our inability to maintain agreements with our Assignors with respect to their health care Claims recovery rights and data or to negotiate favorable terms for those agreements in the future could result in the loss of revenue and could have a material adverse effect on our profitability and business.

The data healthcare analytics and healthcare payment markets are relatively new and unpenetrated, and may not develop, develop more slowly than we expect, or sustain negative publicity which may adversely affect our business.

The data healthcare analytics and healthcare payment accuracy markets are relatively new and the overall market opportunity remains relatively unpenetrated. It is uncertain whether this market will achieve and sustain high levels of demand, client acceptance and market adoption. Our success will depend to a substantial extent on the willingness of our Assignors to use, and to increase the frequency and extent of their utilization of our solutions, as well as on our ability to demonstrate the value of data-driven solutions and payment accuracy solutions to healthcare payers and government agencies. If our Assignors or other potential customers do not perceive the benefits of our data-driven solutions, then our market may not continue to develop, or it may develop more slowly than we expect. If any of these events occurs, it could have a material adverse effect on our business, financial condition and results of operations.

Negative publicity concerning the data healthcare analytics and healthcare payment accuracy industry or patient confidentiality and privacy could limit the future growth of the healthcare payment accuracy market.

Our data-driven solutions help prevent and recover improper payments made to healthcare providers. As a result, healthcare providers, insurers, third-party payers and others have criticized the healthcare payment accuracy industry and have hired lobbyists to discredit the reported success that payment accuracy solutions have had in improving the accuracy of payments. Further, negative publicity regarding patient confidentiality and privacy could limit market acceptance of our healthcare solutions. Many consumer advocates, privacy advocates and government regulators believe that the existing laws and regulations do not adequately protect privacy. They have become increasingly concerned with the use of personal information. As a result, they are lobbying for further restrictions on the dissemination or commercial use of personal information to the public and private sectors. If healthcare providers, privacy advocates and others are successful in creating negative publicity for the healthcare payment accuracy industry, government and private healthcare payers could hesitate to contract with payment accuracy providers, such as us, which could have a material adverse effect on our reputation, business, financial condition and results of operations.

We face significant competition, and we expect competition to increase.

Competition among providers of healthcare payment accuracy solutions to U.S. healthcare insurance companies is strong and we may encounter additional competition as new competitors enter this area.

Our current healthcare solutions competitors include:

- other payment accuracy vendors, including vendors focused on discrete aspects of the healthcare payment accuracy process;
- fraud, waste, and abuse Claim edit and predictive analysis companies;
- primary Claims processors;
- numerous regional utilization management companies;
- in-house payment accuracy capabilities;
- Medicare RACs; and
- Healthcare consulting firms and other third-party liability service providers.

We may not be able to compete successfully against existing or new competitors. In addition, we may be forced to increase the consideration we provide for assigned Claims or lower our pricing, or the demand for our data-driven solutions may decrease as a result of increased competition. Further, a failure to be responsive to our existing and potential Assignors' needs could hinder our ability to maintain or expand our Assignor base, hire and retain new employees, pursue new business opportunities, complete future acquisitions and operate our business effectively. Any inability to compete effectively could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to protect our proprietary technology, information, processes and know-how, the value of our solutions may be diminished, which could have a material adverse effect on our business, financial condition and results of operations.

We rely significantly on proprietary technology, information, processes and know-how that are not subject to patent or copyright protection. We seek to protect this information through trade secret or confidentiality agreements with our employees, consultants, subcontractors or other parties, as well as through other security measures. These agreements and security measures may be inadequate to deter misappropriation of intellectual property and may be insufficient to protect our proprietary information. Misappropriation of our intellectual property by third parties, or any disclosure or dissemination of our business intelligence, queries, Algorithms and other similar information by any means, could undermine competitive advantages we currently derive or may derive therefrom. Any of these situations could result in our expending significant time and incurring expense to enforce our intellectual property rights. Although we have taken measures to protect our proprietary rights, others may compete with our business by offering solutions or services that are substantially similar to ours. If the protection of our proprietary rights is inadequate to prevent unauthorized use or appropriation by third parties or our employees, the value of our solutions, brand and other intangible assets may be diminished and competitors may be able to more effectively offer solutions that have the same or similar functionality as our solutions, which could have a material adverse effect on our business, financial condition and results of operations.

Our success depends on our ability to protect our intellectual property rights.

Our success depends in part on our ability to protect our proprietary software, confidential information and know-how, technology and other intellectual property and intellectual property rights. To do so, we rely generally on copyright, trademark and trade secret laws, confidentiality and invention assignment agreements with employees and third parties, and license and other agreements with consultants, vendors and Assignors. There can be no assurance that employees, consultants, vendors and Assignors have executed such agreements or have not breached or will not breach their agreements with us, that we will have adequate remedies for any breach, or that our trade secrets will not otherwise become known or independently developed by competitors. Additionally, we monitor our use of open-source software to avoid uses that would require us to disclose our proprietary source code or violate applicable open source licenses, but if we engaged in such uses inadvertently, we could be required to take remedial action or release certain of our proprietary source code. These scenarios could have a material adverse effect on our business, financial condition and results of operations. In addition, despite the protections we place on our intellectual property, a third party could, without authorization, copy or otherwise obtain and use our products or technology, or develop similar technology. In addition, agreement terms that address non-competition are difficult to enforce in many jurisdictions and might not be enforceable in certain cases.

As we begin to pursue patents, we might not be able to obtain meaningful patent protection for our technology. In addition, if any patents are issued in the future, they might not provide us with any competitive advantages or might be successfully challenged by third parties.

We rely on unpatented proprietary technology. It is possible that others will independently develop the same or similar technology or otherwise obtain access to our unpatented technology. To protect our trade secrets and other proprietary information, we require employees, consultants, advisors and collaborators to enter into confidentiality agreements. We cannot assure you that these

agreements will provide meaningful protection for our trade secrets, know-how, or other proprietary information in the event of any unauthorized use, misappropriation, or disclosure of such trade secrets, know-how, or other proprietary information. Further, the theft or unauthorized use or publication of our trade secrets and other confidential business information could reduce the differentiation of our services and harm our business, and the value of our investment in development or business acquisitions could be reduced and third parties might make claims against us related to losses of their confidential or proprietary information.

We rely on our trademarks, service marks, trade names and brand names to distinguish our services from the services of our competitors and have registered or applied to register many of these trademarks. We cannot assure you that our trademark applications will be approved. Third parties may also oppose our trademark applications or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our services, which could result in loss of brand recognition and could require us to devote resources advertising and marketing new brands. Further, we cannot assure you that competitors will not infringe our trademarks or that we will have adequate resources to enforce our trademarks. Additionally, if we expand our focus to the international payment accuracy market, there is no guarantee that our trademarks, service marks, trade names and brand names will be adequately protected.

Our ability to obtain, protect, and enforce our intellectual property rights is subject to uncertainty as to the scope of protection, registrability, patentability, validity and enforceability of our intellectual property rights in each applicable jurisdiction, as well as the risk of general litigation or third-party oppositions.

Existing U.S. federal and state intellectual property laws offer only limited protection. Moreover, if we expand our business into markets outside of the United States, our intellectual property rights may not receive the same degree of protection as they would in the United States because of the differences in foreign trademark and other laws concerning proprietary rights. Governments may adopt regulations, and government agencies or courts may render decisions, requiring compulsory licensing of intellectual property rights. When we seek to enforce our intellectual property rights, we may be subject to claims that the intellectual property rights are invalid or unenforceable. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Litigation brought to protect and enforce our intellectual property rights could be costly, time consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property rights. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our solutions, impair the functionality of our solutions, delay introductions of new solutions, result in our substituting inferior or more costly technologies into our solutions, or have a material adverse effect on our business, financial condition and results of operations.

Our qui tam litigation may be subject to Government Intervention and Dismissal pursuant to 31 U.S.C. § 3730(c)(2)(A).

We file qui tam ("whistleblower") actions on behalf of the United States government ("Federal Government") under the False Claims Act, 31 U.S.C. § 3729 et seq. These actions give the Federal Government the opportunity to intervene and participate in the action. The False Claims Act authorizes the Attorney General to dismiss a qui tam action over the relator's objection. The action can be dismissed if the Federal Government determines their best interests are not served with the litigation. This can be the case if the litigation does not advance their interests, preserve their limited resources or avoid adverse precedent.

The Federal Government may dismiss an action notwithstanding the objections of the relator if the relator has received notice from the Federal Government and the person is afforded an opportunity to be heard on the Federal Government's motion to dismiss. Courts have stated that the Federal Government has an "unfettered" right to dismiss a qui tam action. Swift v. United States, 318 F.3d 250, 252 (D.C. Cir. 2003). Federal Government intervention as well as dismissal pursuant to 31 U.S.C. § 3730(c)(2)(A), can negatively affect our business and our recovery efforts.

We are subject to extensive government regulation. Any violation of the laws and regulations applicable to us or a negative audit or investigation finding could have a material adverse effect on our business.

Much of our business is regulated by the Federal Government and the states in which we operate. The laws and regulations governing our operations generally are intended to benefit and protect individual citizens, including government program beneficiaries, health plan members and providers, rather than stockholders. The government agencies administering these laws and regulations have broad latitude to enforce them. These laws and regulations regulate how we do business, what services we offer and how we interact with our Assignors, providers, other healthcare payers and the public. Increased involvement by us in analytic or audit work that can have an impact on the eligibility of individuals for medical coverage or specific benefits could increase the likelihood and incidence of us being subjected to scrutiny or legal actions by parties other than our Assignors, based on alleged mistakes or deficiencies in our work, with significant resulting costs and strain on our resources.

In addition, because we may receive payments from federal and state governmental agencies, we may become subject to various laws, including the Federal False Claims Act and similar state statutes, which permit government law enforcement agencies to institute suits against us for violations and, in some cases, to seek double or treble damages, penalties and assessments. In addition, private

citizens, acting as whistleblowers, can sue on behalf of the Federal Government under the "qui tam" provisions of the Federal False Claims Act and similar statutory provisions in many states.

The expansion of our operations into new products and services may further expose us to requirements and potential liabilities under additional statutes and legislative schemes that previously have not been relevant to our business, such as banking statutes, that may both increase demands on our resources for compliance activities and subject us to potential penalties for noncompliance with statutory and regulatory standards.

If the government discovers improper or illegal activities in the course of audits or investigations, we may be subject to various civil and criminal penalties and administrative sanctions, which may include termination of contracts, forfeiture of profits, suspension of payments, fines and suspensions and debarment from doing business with the government. Such risks, particularly under the Federal False Claims Act and similar state fraud statutes, have increased in recent years due to legislative changes that have (among other amendments) expanded the definition of a false claim to include, potentially, any unreimbursed overpayment received from, or other monetary debt owed to, a government agency. If we are found to be in violation of any applicable law or regulation, or if we receive an adverse review, audit or investigation, any resulting negative publicity, penalties or sanctions could have an adverse effect on our reputation in the industry, impair our ability to compete for new contracts and have a material adverse effect on our business, financial condition and results of operations.

We are also subject to laws, regulations and rules enacted by national, regional and local governments and Nasdaq. In particular, we are required to comply with certain SEC, Nasdaq and other legal or regulatory requirements. Compliance with, and monitoring of, applicable laws, regulations and rules may be difficult, time-consuming and costly. Those laws, regulations or rules and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws, regulations or rules, as interpreted and applied, could have a material adverse effect on our business and results of operations.

Our business depends on effective information processing systems that are compliant with current HIPAA transaction and code set standards and the integrity of the data in, and operations of, our information systems, as well as those of other entities that provide us with data or receive data from us.

Our ability to conduct our operations and accurately report our financial results depends on the integrity of the data in our information systems and the integrity of the processes performed by those systems. These information systems and applications require continual maintenance, upgrading and enhancement to meet our operational needs, satisfy Assignor requests and handle and enable our expansion and growth. Despite our testing and quality control measures, we cannot be certain that errors or system deficiencies will not be found, and that remediation can be done in a timeframe that is acceptable to our Assignors or that Assignor relationships will not be impaired by the occurrence of errors or the need for remediation. In addition, implementation of upgrades and enhancements may cost more, take longer or require more testing than originally expected. Given the large amount of data we collect and manage, it is possible that hardware failures, errors or technical deficiencies in our systems could result in data loss or corruption or cause the information that we collect, utilize or disseminate to be incomplete or contain inaccuracies that our Assignors regard as significant.

Moreover, because we submit high volumes of monetary Claims to third parties, the efficiency and effectiveness of our own operations are to some degree dependent on the Claims processing systems of these third parties and their compliance with any new transaction and code set standards. Since October 1, 2015, health plans, commercial payers and healthcare providers have been required to transition to the new ICD-10 coding system, which greatly expands the number and detail of diagnosis codes used for inpatient, outpatient and physician Claims. The transition to the new transaction and code set standard is expensive, time-consuming and may initially result in disruptions or delays as we and other stakeholders make necessary system adjustments to be fully compliant and capable of exchanging data.

In addition, we may experience delays in processing Claims and therefore earning our fees if the third parties with whom we work are not in full compliance with these new standards in the required timeframe. Claims processing systems failures, incapacities or deficiencies internal to these third parties could significantly delay or obstruct our ability to recover money, and thereby interfere with our performance and our ability to generate revenue in the timeframe we anticipate, which in turn could have a material adverse effect on our business, financial condition and results of operations.

In the event we fail to maintain our Security Organization Control 2, HITRUST or other certifications, we could be in breach of our obligations under our contracts; fines and other penalties could result, we may suffer reputational harm, and our business could be damaged, limiting our ability to generate revenue.

In addition to government regulations and securities laws, we are subject to self-regulatory standards and industry certifications that may legally or contractually apply to us. These include Security Organization Control 2 ("SOC 2"), with which we are currently compliant. In the event we fail to maintain our SOC 2 compliance or fail to receive recertification from HITRUST, we could be in breach of our obligations under Assignor and other contracts, fines, and other penalties could result, and we may suffer reputational harm and damage to our business. Further, our Assignors may expect us to comply with more stringent privacy and data security

requirements than those imposed by laws, regulations, or self-regulatory requirements, and we may be obligated contractually to comply with additional or different standards relating to our handling or protection of data.

Any failure or perceived failure by us to comply with federal or state laws or regulations, industry standards or other legal obligations, or any actual or suspected privacy or security incident, whether or not resulting in unauthorized access to, or acquisition, release or transfer of personally identifiable information ("PII") or other data, may result in governmental enforcement actions and prosecutions, private litigation, fines and penalties or adverse publicity and could cause our Assignors to lose trust in us, which could have an adverse effect on our reputation and business. We may be unable to make such changes and modifications in a commercially reasonable manner or at all, and our ability to pursue recoveries could be limited. Any of these developments could harm our business, financial condition and results of operations. Privacy and data security concerns, whether valid or invalid, may inhibit retention of our systems by existing Assignors or onboarding onto or, in the case of our Chase to Pay services, adoption of our systems by new Assignors. For more information on Chase to Pay services, please see the section entitled “Business - Chase to Pay.”

Costs associated with, and our ability to obtain and maintain adequate insurance, could adversely affect our profitability and financial condition.

We hold a number of insurance policies, including directors’ and officers’ liability insurance, business interruption insurance, property insurance and workers’ compensation insurance. If the costs of maintaining adequate insurance coverage should increase significantly in the future, our operating results could be materially adversely affected. Likewise, if any of our current insurance coverage should become unavailable to us or become economically impractical, we would be required to operate our business without indemnity from commercial insurance providers. Similarly, if we exhaust our current insurance coverage for any given policy period, we would be required to operate our business without indemnity from commercial insurance providers for any Claims made that are attributable to that policy period.

Our services could become subject to new, revised or enhanced regulatory requirements in the future, which could result in increased costs, could delay or prevent our introduction of new solutions, or could impair the function or value of our existing solutions, which could have a material adverse effect on our business, financial condition and results of operations.

The healthcare industry is highly regulated at the federal, state and local levels, and is subject to changing legislative, regulatory, political and other influences. As has been the trend in recent years, it is reasonable to assume that there will continue to be increased government oversight and regulation of the healthcare industry in the future. Changes to existing laws and regulations, or the enactment of new federal and state laws and regulations affecting the healthcare industry, could create unexpected liabilities for us, could cause us or our Assignors to incur additional costs and could restrict our or our Assignors’ operations. Many healthcare laws are complex, subject to frequent change and dependent on interpretation and enforcement decisions from government agencies with broad discretion. We cannot assure our stockholders as to the ultimate content, timing or effect of any new healthcare legislation or regulations, nor is it possible at this time to estimate the impact of potential new legislation or regulations on our business. In addition, federal and state legislatures periodically have considered programs to reform or amend the U.S. healthcare system at both the federal and state level, such as the enactment of the Affordable Care Act. It is possible that the changes to the Medicare, Medicaid or other governmental healthcare program reimbursements may serve as precedent to possible changes in other payers’ reimbursement policies in a manner adverse to us. Similarly, changes in private payer reimbursements could lead to adverse changes in Medicare, Medicaid and other governmental healthcare programs, which could have a material adverse effect on our business, financial condition and results of operations. Our failure to anticipate accurately the application of these laws and similar or future laws and regulations, or our failure to comply with them, could create liability for us, result in adverse publicity and have a material adverse effect on our business, financial condition and results of operations.

While we believe that we have structured our agreements and operations in material compliance with applicable healthcare laws and regulations, there can be no assurance that we will be able to successfully address changes in the current regulatory environment. We believe that our business operations materially comply with applicable healthcare laws and regulations. However, some of the healthcare laws and regulations applicable to us are subject to limited or evolving interpretations, and a review of our business or operations by a court, law enforcement, or a regulatory authority might result in a determination that could have a material adverse effect on us. Furthermore, the healthcare laws and regulations applicable to us may be amended or interpreted in a manner that could have a material adverse effect on our business, prospects, results of operations and financial condition.

Our services may become subject to new or enhanced regulatory requirements and we may be required to change or adapt our services in order to comply with these regulations. If we fail to successfully implement a new regulatory framework, it could adversely affect our ability to offer services deemed critical by our Assignors, which could have a material adverse effect on our business, financial condition and results of operations. New or enhanced regulatory requirements may render our solutions obsolete or prevent us from performing certain services. Further, new or enhanced regulatory requirements could impose additional costs on us, thereby making existing solutions unprofitable, and could make the introduction of new solutions more costly or time consuming than we anticipate, which could have a material adverse effect on our business, financial condition and results of operations.

Failing to accurately estimate our contract pricing may have a material adverse effect on our business.

Our Assignor contracts are generally recovery-based. We receive a fee for such contracts based on the monies identified and ultimately recovered. Our ability to earn a profit on a performance-based agreement requires that we accurately estimate the costs involved and outcomes likely to be achieved and assess the probability of completing multiple tasks and transactions within the contracted time period.

We derive a relatively small portion of our revenue on a "fee-for-service" basis whereby billing is based upon a flat fee or a fee per hour. To earn a profit on these contracts, we must accurately estimate costs involved and assess the probability of achieving certain milestones within the contracted time period. If we do not accurately estimate the costs and timing for completing projects, or if we encounter increased or unexpected costs, delays, failures, liabilities, or risks, including those outside of our control, our contracts could prove unprofitable for us or yield lower profit margins than anticipated. Although we believe that we have recorded adequate provisions in our financial statements for losses on our fee-for-service contracts where applicable, as required under GAAP, we cannot provide assurance that our contract provisions will be adequate to cover all actual future losses. The inability to accurately estimate the factors upon which we base our contract pricing could have a material adverse effect on business, financial condition and results of operations.

If we fail to cost-effectively develop widespread brand awareness and maintain our reputation, or if we fail to achieve and maintain market acceptance, our business could suffer.

We believe that maintaining and enhancing our reputation and brand recognition is critical to our relationships with our Assignors and ability to attract new Assignors. The promotion of our brand may require us to make substantial investments and we anticipate that, as our market becomes increasingly competitive, these marketing initiatives may become increasingly difficult and expensive. Our marketing activities may not be successful or yield increased revenue and to the extent that these activities yield increased revenue, the increased revenue may not offset the expenses we incur and our results of operations could be harmed. In addition, any factor that diminishes our reputation or that of our management, including failing to meet expectations, or any adverse publicity or litigation involving or surrounding us, could make it substantially more difficult for us to attract new Assignors. In addition, negative publicity resulting from any adverse government audit could injure our reputation. If we do not successfully maintain and enhance our reputation and brand recognition, our business may not grow and we could lose our relationships with Assignors, which would harm our business, results of operations and financial condition.

The registered or unregistered trademarks or trade names that we own or license may be challenged, infringed, circumvented, declared generic, lapsed or determined to be infringing on or dilutive of other marks. We may not be able to protect our rights in these trademarks and trade names, which we need in order to build name recognition with Assignors, payers and other partners. In addition, third parties may in the future file for registration of trademarks similar or identical to our trademarks. If they succeed in registering or developing common law rights in such trademarks, and if we are not successful in challenging such third-party rights, we may not be able to use these trademarks to promote our business in certain relevant jurisdictions. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our brand recognition, reputation and results of operations may be adversely affected.

Our ability to execute on business plans, maintain high levels of service, or adequately address competitive challenges will be negatively impacted if we fail to properly manage our growth, which could have a material adverse effect on our business, financial condition and results of operations.

In recent years, our size and the scope of our business operations have expanded rapidly, and we expect that we will continue to grow and expand into new areas within the healthcare industry; however, such growth and expansion has resulted in nominal revenue to date and carries costs and risks that, if not properly managed, could have a material adverse effect on our business, financial condition and results of operations. To effectively manage our business plans, we must continue to improve our operations, while remaining competitive. We must also be flexible and responsive to our Assignors' needs and to changes in the political, economic and regulatory environment in which we operate. The greater size and complexity of our expanding business puts additional strain on our administrative, operational and financial resources and makes the determination of optimal resource allocation more difficult. A failure to anticipate or properly address the demands that our growth and diversification may have on our resources and existing infrastructure may result in unanticipated costs and inefficiencies and could adversely impact our ability to execute on our business plans and growth goals, which could have a material adverse effect on our business, financial condition and results of operations.

We may require significant capital expenditures and the allocation of valuable management resources to grow and change in these areas. We must effectively increase our headcount and continue to effectively train and manage our employees. We will need to continue to hire, train and manage additional qualified information technology, operations and marketing staff, and improve and maintain our technology and information systems to properly manage our growth. If our new hires perform poorly, or if we are unsuccessful in hiring, training, managing and integrating these new employees, or if we are not successful in retaining our existing employees, our business may be adversely affected. We will be unable to manage our business effectively if we are unable to alleviate the strain on resources caused by growth in a timely and successful manner. If we fail to effectively manage our anticipated growth and change, the quality of our services may suffer, which could negatively affect our brand and reputation and harm our ability to attract and retain Assignors and employees.

We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries, including increasing expenses as we continue to grow our business. We expect our operating expenses to increase significantly over the next several years as we continue to hire additional personnel, expand our operations and infrastructure, and continue to expand to reach more Assignors. In addition to the expected costs to grow our business, we also expect to incur additional legal, accounting, investor relations and other expenses as a newly public company. These investments may be more costly than we expect, and if we do not achieve the benefits anticipated from these investments, or if the realization of these benefits is delayed, they may not result in increased revenue or growth in our business. If our growth rate were to decline significantly or become negative, it could adversely affect our financial condition and results of operations. If we are not able to achieve or maintain positive cash flow in the long term, we may require additional financing, which may not be available on favorable terms or at all and/or which could be dilutive to our stockholders. Our failure to achieve or maintain profitability could negatively impact the value of our common stock.

We may require additional financing to fund our operations or growth. The failure to secure additional financing on acceptable terms and conditions or at all could have a material adverse effect on our continued development or growth. Our access to, and the availability of, financing will be impacted by many factors, including, but not limited to, our financial performance, our credit ratings, our then current level of indebtedness, the liquidity of the overall capital markets and the state of the U.S. and global economy. None of our officers, directors or stockholders will be obligated to provide any financing to us.

We may not be able to obtain additional capital to continue the development of our business.

There can be no assurance that our future proposed operations and Claims recovery will be implemented successfully or that we will ever have profits. If we are unable to successfully recover on Claims and continue pursuing recoveries, holders of our common stock may lose their entire investment. We face all of the risks inherent in a new business and a new public company, including the expenses, difficulties, complications and delays frequently encountered in connection with conducting operations, including the need for significant additional capital requirements and management's potential underestimation of initial and ongoing costs. In evaluating our business and future prospects, these difficulties should be considered. If we are not effective in addressing these risks, we would not be able to implement our business strategy and our results of operations would be adversely affected. To date, the Company's sources of liquidity to fund working capital have been through funds from servicing agreements, member contributions and investments from other third parties. Our ability to obtain necessary financing may be impaired by factors such as the health of and access to capital markets, our limited track record, or a future doubt about our ability to continue as a going concern.

Failure to properly manage our growth or obtain additional financing to fund growth could negatively impact our business.

In order to implement our business plan and achieve and favorable results, we expect to expand our business operations and hire additional sales and support personnel. We may not have sufficient resources to do so. If we hire additional personnel and invest in additional infrastructure, we may not be effective in expanding our operations and our systems, procedures or controls may not be adequate to support any such expansion. Failure to properly manage our growth could have a material adverse effect on our business and our operating results. Failure to obtain financing, or obtain financing on favorable terms, could have a material adverse effect on future operating prospects, could require us to significantly reduce operations, and could result in a decrease in our stock price.

We may make acquisitions of businesses or Claim recovery interests that prove unsuccessful, and any mergers, acquisitions, dispositions or joint venture activities may change our business and financial results and introduce new risks.

From time to time, we may make acquisitions of, or otherwise invest in, other companies that could complement our business, including the acquisition of entities in diverse geographic regions and entities offering greater access to businesses and markets that we do not currently serve. The acquisitions we make may be unprofitable or may take some time to achieve profitability. In addition, we may not successfully operate the businesses that we acquire, or may not successfully integrate these businesses with our own, which may result in our inability to maintain our goals, objectives, standards, controls, policies, culture, or profitability. Through acquisitions, we may enter markets in which we have limited or no experience. Any acquisition may result in a potentially dilutive issuance of equity securities, and the incurrence of additional debt which could reduce our profitability. We also pursue dispositions and joint ventures from time to time. Any such transactions could change our business lines, geographic reach, financial results or capital structure. Our company could be larger or smaller after any such transactions and may have a different investment profile.

We may also invest in certain Claim recovery interests, as well as assignor interests in Claims with the intent to expand our portfolio of recoverable Claims and add to our potential revenue streams by selling these Claims at a higher rate than that paid by the Company. These purchases may prove unprofitable or may take some time to achieve profitability. These purchases may also adversely affect our liquidity and cash positions if we use our cash in order to purchase new Claims, or if we finance such purchase with debt that we are ultimately not able to repay. If we do not realize the anticipated benefits of any such acquisition, it would have a material effect on our business, financial condition and results of operations.

We have a substantial amount of indebtedness and payment obligations, and together with any future indebtedness or payment obligations, could adversely affect our ability to operate our business.

We have substantial amounts of indebtedness and payment obligations and we may incur substantial additional indebtedness or payment obligations in order to finance acquisitions of additional Claims assets or otherwise in connection with financing our operations, and such increased leverage could adversely affect our business.

For example, on March 29, 2023, we entered into a membership interest purchase agreement with Hazel Holdings I LLC (together with its affiliates, "Hazel"), which was funded partially by a purchase money loan between Hazel, as lender, and the Company, as borrower, in the amount of $250 million, which has increased our indebtedness and obligation to pay interest, and an Amended and Restated Credit Agreement with affiliates of Hazel with respect to an aggregate $80 million loan credit facility, which has also increased our indebtedness and obligations to pay interest. In addition, pursuant to the Master Transaction Agreement, dated March 9, 2022 (as amended, the "Virage MTA"), we have payment obligations to Virage in the amount of $825.0 million as of March 31, 2023.

The terms of any of our existing or future indebtedness or payment obligations may restrict or otherwise negatively impact our ability to grow and manage our business. In addition, we may not have the ability to refinance or pay such amounts when due if we do not begin generating revenue. The amount of our indebtedness and payment obligations could limit our ability to obtain further financing and limit our ability to pursue our operational and strategic goals and opportunities, and adversely affect our liquidity position if the Claims we purchase do not generate proceeds at the rate we expect, if at all. The increased leverage, potential lack of access to financing and increased expenses could have a material adverse effect on our financial condition, results of operations and cash flows.

Failure to obtain or maintain ongoing financing to fund operations would negatively impact our business.

On March 29, 2023, the Company entered into an Amended and Restated Credit Agreement with affiliates of Hazel, as the lender and administrative agent with respect to an aggregate $80 million term loan credit facility consisting of a Term Loan A commitment to fund up to $30 million (in multiple installments) in proceeds and a Term Loan B commitment to fund up to $18 million (in multiple installments) in proceeds, in each case, after taking into account an original issue discount (collectively, the "Working Capital Credit Facility"). This Working Capital Credit Facility, our continued source of funding for operations, is contingent on compliance with certain covenants, which we may not meet. If we fail to meet comply with these covenants, continued funding may cease, substantially impairing our ability to continue our operations, including the pursuit of recoveries. On May 11, 2023 and June 13, 2023, Hazel notified us that it would not disburse additional funds under the Working Capital Credit Facility until the Company satisfies certain funding conditions, including the filing of this Annual Report on Form 10-K. The parties subsequently agreed that $5.5 million will be funded under Term Loan A in accordance with the terms of the Working Capital Credit Facility subsequent to the filing of this 2022 Form 10-K and receipt of funding notices, deeming funding conditions satisfied or waived. Following such funding, the Term Loan A commitment would be terminated, with total funding of $20.5 million. In addition, the parties agreed to increase the Term Loan B commitment from $18 million to $27.5 million, which will be funded in multiple installments and in accordance with the terms of the Working Capital Credit Facility. A failure to obtain or maintain financing to fund operations would require us to significantly reduce operations and would have a material adverse effect on future operating prospects.

Adverse judgments or settlements in litigation, regulatory or other dispute resolution proceedings could have a material adverse effect on our business, financial condition and results of operations.

We are currently party to, and may in the future become party to, lawsuits and other claims against us that arise from time to time in the ordinary course of our business. These may include lawsuits and claims related to, for example, contracts, subcontracts, protection of confidential information or trade secrets, wage and benefits, employment of our workforce or compliance with any of a wide array of state and federal statutes, rules and regulations that pertain to different aspects of our business. We also may be required to initiate expensive litigation or other proceedings to protect our business interests. In addition, because of the payments we may receive from potential future government Assignors, we may become subject to unexpected inquiries, investigations, legal actions or enforcement proceedings pursuant to the False Claims Act, healthcare fraud, waste and abuse laws or similar legislation. Any investigations, settlements or adverse judgments stemming from such legal disputes or other claims may result in significant monetary damages or injunctive relief against us, as well as reputational injury that could adversely affect us. In addition, litigation and other legal claims are subject to inherent uncertainties and management’s view of currently pending legal matters may change in the future. Those uncertainties include, but are not limited to, costs of litigation, unpredictable judicial or jury decisions and the differing laws and judicial proclivities regarding damage awards among the states in which we operate. Unexpected outcomes in such legal proceedings, or changes in management’s evaluation or predictions of the likely outcomes of such proceedings (possibly resulting in changes in established reserves) could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to successfully identify and recover on future Claims, our results of operations could be adversely affected.

As a part of our business plan, we have acquired the right to pursue recoveries and we intend to continue to pursue acquiring additional Claims to support our business strategy. These recoveries can involve a number of risks and challenges, any of which could cause significant operating inefficiencies and adversely affect our growth and profitability. Such risks and challenges include:

- underperformance relative to our expectations and the price paid for the Claims;
- unanticipated demands on our management and operational resources;
- failure to successfully recover on legal Claims;
- difficulty in integrating personnel, operations, and systems;
- maintaining current customers and securing future customers of the combined businesses;
- assumption of liabilities; and
- litigation-related charges.

The profits of Claims may take considerable time to recover and certain recoveries may fall short of expected returns. If our recoveries are not successful, we may record impairment charges. Our ability to grow our capital will depend upon our success at identifying and recovering legal Claims, which requires substantial judgment in assessing their values, strengths, weaknesses, liabilities, and potential profitability, as well as the availability of capital.

If we fail to accurately calculate the Paid Amount and Paid Value of Potential Recoverable Claims, it can have a material adverse effect on our business, results of operations, financial condition, and cash flows.

Typically, we identify recoverable Claims using our proprietary Algorithms which comb through historical paid Claims data and search for potential recoveries. Our potential ability to achieve recovery revenues are based largely on the Paid Value of Potentially Recoverable Claims of our portfolio and our ability to discover, quantify and settle the gap between Billed Amount and Paid Amount on a large scale. If we fail to accurately calculate the Paid Amount or the Paid Value of Potential Recoverable Claims, the Recovery Multiple or the recovery rights we are entitled to may not be appropriately captured, which may have a material adverse effect on our business, results of operations, financial condition and cash flows.

Failure of our software vendors, utility providers and network providers to perform as expected, changes in our relationships with them, or losing access to data sources may adversely affect our business.

Our ability to service our Assignors and deliver and implement solutions requires that we work with certain third-party providers, including software vendors, utility providers and network providers, and depends on such third parties meeting our expectations in both timeliness and quality. We might incur significant additional liabilities if the services provided by these third parties do not meet our expectations, if they terminate or refuse to renew their relationships with us or if they were to offer their services to us on less advantageous terms, which could have a material adverse effect on our business, financial condition and results of operations. In addition, while there are backup systems in many of our operating facilities, an extended outage of utility or network services supplied by these vendors or providers could impair our ability to deliver our solutions, which could have a material adverse effect on our business, financial condition and results of operations.

Our ability to service our Assignors and deliver and implement solutions requires that we use several data sources when identifying recoveries. If we were to lose access to those data sources, including as a result of any termination of our data access arrangements, it could have a material adverse effect on our business, financial condition and results of operations.

We may be sued by third parties for alleged infringement of their proprietary rights.

Our success depends also in part on us not infringing the intellectual property rights of others. Our competitors, as well as a number of other entities and individuals, may own or claim to own intellectual property relating to our industry. In the future, such third parties may claim that we are infringing their intellectual property rights, and we may be found to be infringing such rights. Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our services, or require that we comply with other unfavorable terms. Even if we were to prevail in such a dispute, any litigation could be costly and time-consuming and divert the attention of our management and key personnel from our business operations.

Changes in, or interpretations of, tax rules and regulations may adversely affect our effective tax rates.

We have operations throughout the United States and in Puerto Rico. Accordingly, we are subject to taxation in many jurisdictions with increasingly complex tax laws, the application of which can be uncertain.

Unanticipated changes in our tax rates could affect our future financial condition and results of operations. Our future effective tax rates could be unfavorably affected by changes in the tax rates in jurisdictions where our income is earned and taxed, by changes in, or our interpretation of, tax rules and regulations in the jurisdictions in which we do business, by increases in expenses not

deductible for tax purposes including impairments of goodwill, by changes in GAAP or other applicable accounting standards or by changes in the valuation of our deferred tax assets and liabilities.

In addition, we are subject to the continual examination of our income tax returns by the U.S. Internal Revenue Service ("IRS") and other domestic and international tax authorities. Tax authorities in various jurisdictions may disagree with and subsequently challenge the amount of profits taxed in their state or country, which may result in increased tax liability, including accrued interest and penalties, which would cause our tax expense to increase. There can be no assurance that the final determination of any of these examinations will not have a material adverse effect on our financial condition and results of operations.

We will be required to pay the Tax Receivable Agreement ("TRA") Parties (as defined in the TRA) for most of the benefits relating to, among other things, an increase in tax attributes as a result of the Company's direct and indirect allocable share of existing tax basis acquired in the Business Combination, and the Company's increase in its allocable share of existing tax basis and anticipated tax basis adjustments we receive in connection with sales or exchanges of Up-C Units after the Business Combination.

In connection with the Business Combination, we entered into a TRA with the TRA Parties (as defined in the TRA) that provides for the payment by the Company to such TRA Parties of 85% of the benefits, if any, that the Company is deemed to realize (calculated using certain assumptions) as a result of: (i) the Company's direct and indirect allocable share of existing tax basis acquired in the Business Combination, (ii) increases in the Company's allocable share of existing tax basis and tax basis adjustments that will increase the tax basis of the tangible and intangible assets of Opco as a result of the Business Combination and as a result of sales or exchanges of Up-C Units for cash or shares of the Company's Class A common stock, and (iii) certain other tax benefits related to entering into the TRA, including tax benefits attributable to payments under the TRA. These increases in existing tax basis and tax basis adjustments generated over time may reduce the amount of tax that the Company would otherwise be required to pay in the future, although the IRS may challenge all or part of the validity of that tax basis, and a court could sustain such a challenge. Actual tax benefits realized by the Company may differ from tax benefits calculated under the TRA as a result of the use of certain assumptions in the TRA, including the use of an assumed weighted-average state and local income tax rate to calculate tax benefits. The payment obligation under the TRA is an obligation of the Company and not of Opco. While the amount of existing tax basis, the anticipated tax basis adjustments and the actual amount and utilization of tax attributes, as well as the amount and timing of any payments under the TRA, will vary depending upon a number of factors, including the timing of exchanges of Up-C Units for shares of the Company common stock, the applicable tax rate, the price of shares of the Company's Class A common stock at the time of exchanges, the extent to which such exchanges are taxable and the amount and timing of our income, we expect that as a result of the size of the transfers and increases in the tax basis of the tangible and intangible assets of Opco and our possible utilization of tax attributes, including existing tax basis acquired at the time of the Business Combination, the payments that the Company may make under the TRA will be substantial. The payments under the TRA are not conditioned on the exchanging holders of Opco Units or other TRA Parties continuing to hold ownership interests in us. To the extent payments are due to the TRA Parties under the TRA, the payments are generally required to be made within five business days after the tax benefit schedule (which sets forth the Company's realized tax benefits covered by the TRA for the relevant taxable year) is finalized. The Company is required to deliver such a tax benefit schedule to the TRA Parties' Representative (as defined in the TRA), for its review, within ninety calendar days after the due date (including extensions) of the Company's federal corporate income tax return for the relevant taxable year.

Payments under the TRA may be accelerated and/or significantly exceed the actual tax benefits the Company realizes under the TRA and such accelerations may impair our ability to consummate change of control transactions.

The Company's payment obligations under the TRA will be accelerated in the event of certain changes of control or its election to terminate the TRA early. The accelerated payments will relate to all relevant tax attributes then allocable to the Company in the case of an acceleration upon a change of control and to all relevant tax attributes allocable or that would be allocable to the Company (in the case of an election by the Company to terminate the TRA early, assuming all Up-C Units were then exchanged). The accelerated payments required in such circumstances will be calculated by reference to the present value (at a specified discount rate determined by reference to LIBOR) of all future payments that holders of Up-C Units or other recipients would have been entitled to receive under the TRA, and such accelerated payments and any other future payments under the TRA will utilize certain valuation assumptions, including that the Company will have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions and tax basis and other benefits related to entering into the TRA. In addition, recipients of payments under the TRA will not reimburse us for any payments previously made under the TRA if such tax basis and the Company's utilization of certain tax attributes is successfully challenged by the IRS (although any such detriment would be taken into account in future payments under the TRA). The Company's ability to achieve benefits from any existing tax basis, tax basis adjustments or other tax attributes, and the payments to be made under the TRA, will depend upon a number of factors, including the timing and amount of our future income. As a result, even in the absence of a change of control or an election to terminate the TRA, payments under the TRA could be in excess of 85% of the Company's actual cash tax benefits.

Accordingly, it is possible that the actual cash tax benefits realized by the Company may be significantly less than the corresponding TRA payments or that payments under the TRA may be made years in advance of the actual realization, if any, of the anticipated future tax benefits. There may be a material negative effect on our liquidity if the payments under the TRA exceed the actual cash tax benefits that the Company realizes in respect of the tax attributes subject to the TRA and/or distributions to the Company by Opco are not sufficient to permit the Company to make payments under the TRA after it has paid taxes and other

expenses. We may need to incur additional indebtedness to finance payments under the TRA to the extent our cash resources are insufficient to meet our obligations under the TRA as a result of timing discrepancies or otherwise, and these obligations could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control.

The acceleration of payments under the Tax Receivable Agreement in the case of certain changes of control may impair our ability to consummate change of control transactions or negatively impact the value of our Company common stock.

In the case of a "Change of Control" under the TRA (which is defined to include, among other things, a 50% change in control of the Company, the approval of a complete plan of liquidation or dissolution of the Company, or the disposition of all or substantially all of the Company's direct or indirect assets), payments under the TRA will be accelerated and may significantly exceed the actual benefits the Company realizes in respect of the tax attributes subject to the TRA. We expect that the payments that we may make under the TRA (the calculation of which is described in the immediately preceding risk factor) in the event of a change of control will be substantial. As a result, our accelerated payment obligations and/or the assumptions adopted under the TRA in the case of a change of control may impair our ability to consummate change of control transactions or negatively impact the value received by owners of our Company common stock in a change of control transaction.

Our success is dependent upon the efforts of our key personnel. The loss of key personnel could negatively impact the operations and profitability of the Company and its financial condition could suffer as a result.

It is possible that we will lose some key personnel, the loss of which could negatively impact the operations and profitability of the Company. We anticipate that some or all of the management of the Company will remain in place.

The Company's success depends to a significant degree upon the continued contributions of senior management, certain of whom would be difficult to replace. Departure by certain of the Company's officers could have a material adverse effect on the Company's business, financial condition or operating results. The Company does not maintain key-man life insurance on any of its officers. The services of such personnel may not continue to be available to the Company.

Our business is dependent on our ability to attract and retain qualified employees.

Our ability to operate our business and provide our solutions is dependent on our ability to recruit, employ, train and retain the skilled personnel who have relevant experience in the healthcare and data analytics industries as well as information technology professionals who can design, implement, operate and maintain complex information technology systems. For example, certain of our employees in our company must either have or rapidly develop a significant amount of technical knowledge with regard to medical insurance coding and procedures. In addition, certain of our retrospective data-driven solutions rely on a team of trained registered nurses or medical coding professionals to review medical information and provide feedback with respect to the medical appropriateness of care provided. Innovative, experienced and technologically proficient professionals, qualified nurses and experienced medical coding professionals are in great demand and are likely to remain a limited resource. Our ability to recruit and retain such individuals depends on a number of factors, including the competitive demands for employees having, or able to rapidly develop, the specialized skills we need and the level and structure of compensation required to hire and retain such employees. We may not be able to recruit or retain the personnel necessary to efficiently operate and support our business. Even if our recruitment and retention strategies are successful, our labor costs may increase significantly. In addition, our internal training programs may not be successful in providing inexperienced personnel with the specialized skills required to perform their duties. If we are unable to hire, train and retain sufficient personnel with the requisite skills without significantly increasing our labor costs, it could have a material adverse effect on our business, financial condition and results of operations.

General economic, political and market forces and dislocations beyond our control could reduce demand for our solutions and our overall business, may suffer from an economic downturn.

The demand for our data-driven solutions may be impacted by factors that are beyond our control, including macroeconomic, political and market conditions, the availability of short-term and long-term funding and capital, the level and volatility of interest rates, currency exchange rates and inflation. The United States economy recently experienced periods of contraction and both the future domestic and global economic environments may continue to be less favorable than those of prior years. Any one or more of these factors may contribute to reduced activity and prices in the securities markets generally and could result in a reduction in demand for our solutions, which could have a material adverse effect on our business, results of operations and financial condition.

COVID-19 or another pandemic, epidemic, or outbreak of an infectious disease may have an adverse effect on our business, the nature and extent of which are highly uncertain and unpredictable.

The severity, magnitude and duration of the ongoing COVID-19 pandemic is uncertain and rapidly changing. As of the date of this Form 10-K, the extent to which the COVID-19 pandemic may impact our business, results of operations and financial condition remains uncertain. Furthermore, because of our business model, the full impact of the COVID-19 pandemic may not be fully reflected in our results of operations and overall financial condition until future periods.

We are concentrated in certain geographic regions, which makes us sensitive to regulatory, economic, environmental and competitive conditions in those regions.

Due to the concentration of our operations in Florida, our business may be adversely affected by economic conditions that disproportionately affect Florida as compared to other states. In addition, our exposure to many of the risks described herein are not mitigated by a diversification of geographic focus.

Moreover, regions in and around the southeastern United States commonly experience hurricanes and other extreme weather conditions. As a result, our offices, especially those in Florida and Puerto Rico, are susceptible to physical damage and business interruption from an active hurricane season or a single severe storm. Moreover, global climate change could increase the intensity of individual hurricanes or the number of hurricanes that occur each year. Even if our facilities are not directly damaged, we may experience considerable disruptions in our operations due to property damage or electrical outages experienced in storm-affected areas by our employees. Additionally, long-term adverse weather conditions, whether caused by global climate change or otherwise, could cause an outmigration of people from the communities where our offices are located. If any of the circumstances described above occurred, there could be a harmful effect on our business and our results of operations could be adversely affected.

We depend on our senior management team and other key employees, and the loss of one or more of these employees or an inability to attract and retain other highly skilled employees could harm our business.

Our success depends largely upon the continued services of our senior management team and other key employees. We rely on our leadership team in the areas of operations, information technology and security, marketing, compliance and general and administrative functions. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. The loss (including as a result of a COVID-19 infection) of one or more of the members of our senior management team, or other key employees, could harm our business. In particular, the loss of the services of our founder and Chief Executive Officer, John H. Ruiz, could significantly delay or prevent the achievement of our strategic objectives. Changes in our executive management team may also cause disruptions in, and harm to, our business.

Our overall business results may suffer from an economic downturn.

During periods of high unemployment, governmental entities often experience budget deficits as a result of increased costs and lower than expected tax collections. These budget deficits affect federal, state and local government entities and may result in reductions in spending for health and human service programs, including Medicare, Medicaid and similar programs, which represent significant payer sources for our Assignors.

Risks Related to Our Securities

In this section, "we," "us," "our," and other similar terms refer to MSP Recovery, Inc. d/b/a LifeWallet and its subsidiaries prior to the Business Combination and to the Company following the Business Combination.

We are controlled by the Members, including John H. Ruiz and Frank C. Quesada, whose interests may conflict with our interests and the interests of other stockholders. Further, our status as a "controlled company" on Nasdaq removes certain corporate governance protections.

The Members (or their designees) hold all of our issued and outstanding Class V Common Stock, which control approximately 97.7% of the combined voting power of our common stock, and John H. Ruiz and Frank C. Quesada, as a group, control approximately 97.8% of the combined voting power of our common stock. They effectively have the ability to determine all corporate actions requiring stockholder approval, including the election and removal of directors, any amendment to our certificate of incorporation or bylaws, or the approval of any merger or other significant corporate transaction, including a sale of substantially all of our assets. This could have the effect of delaying or preventing a change in control or otherwise discouraging a potential acquirer from attempting to obtain control of the Company, which could cause the market price of our Class A Common Stock to decline or prevent stockholders from realizing a premium over the market price for Class A Common Stock. The Members' interests may conflict with our interests as a company or the interests of our other stockholders.

Our stockholders will experience substantial dilution as a consequence of, among other transactions, any future issuances of common stock.

The Company currently has an aggregate of 3,084,305 Public Warrants outstanding and no Private Warrants outstanding, which have become exercisable as of 10 days after closing of the Business Combination, on a cashless basis with an exercise price of $0.0001.

In addition, there are outstanding or designated Up-C Units that may be exchanged for 3,106,616,119 shares of Common Stock.

In addition, the Company will have the ability to issue up to 98,736,750 shares of Class A Common Stock pursuant to awards under the Incentive Plan. The shares of Class A Common Stock reserved for future issuance under the Incentive Plan will become eligible for sale in the public market once those shares are issued, subject to provisions relating to various vesting agreements, lock-up agreements and, in some cases, limitations on volume and manner of sale applicable to affiliates under Rule 144, as applicable. The aggregate number of shares that may be issued pursuant to awards under the Incentive Plan will be subject to an annual increase on

January 1 of each calendar year (commencing with January 1, 2023 and ending on and including January 1, 2031) equal to the lesser of (i) a number of shares equal to 3% of the total number of shares actually issued and outstanding on the last day of the preceding fiscal year or (ii) a number of shares as determined by the Board. The Company filed one or more registration statements on Form S-8 under the Securities Act to register shares of Class A Common Stock or securities convertible into or exchangeable for shares of Class A Common Stock issued pursuant to the Incentive Plan. Any such Form S-8 registration statements will automatically become effective upon filing. Accordingly, shares registered under such registration statements will be available for sale in the open market.

Depending upon market liquidity at the time, sales of shares of our Class A Common Stock under the Yorkville Purchase Agreement may cause the trading price of our Class A Common Stock to decline. After Yorkville has acquired shares under the Yorkville Purchase Agreement, it may sell all, some or none of those shares. Sales to Yorkville by us pursuant to the Yorkville Purchase Agreement may result in substantial dilution to the interests of other holders of our Class A Common Stock. The sale of a substantial number of shares of our Class A Common Stock to Yorkville, or anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish to effect sales. However, we have the right to control the timing and amount of any sales of our shares to Yorkville, and the Yorkville Purchase Agreement may be terminated by us at any time at our discretion without penalty.

The sale of substantial amounts of shares of our Common Stock or warrants, or the perception that such sales could occur, could cause the prevailing market price of shares of our Common Stock and warrants to decline significantly. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. We believe the likelihood that warrant holders will exercise their warrants is dependent upon the market price of our Common Stock.

We qualify as a "controlled company" within the meaning of the Nasdaq listing standards and, as a result, our stockholders may not have certain corporate governance protections that are available to stockholders of companies that are not controlled companies.

So long as more than 50% of the voting power for the election of directors is held by an individual, a group or another company, we will qualify as a "controlled company" under the Nasdaq listing requirements. Mr. Ruiz controls more than a majority of the voting power of our outstanding capital stock. As a result, we qualify as a "controlled company" under the Nasdaq listing standards and will not be subject to the requirements that would otherwise require us to have: (i) a majority of "independent directors," as defined under the listing standards of Nasdaq; (ii) a nominating and corporate governance committee comprised solely of independent directors; and (iii) a compensation committee comprised solely of independent directors. In addition, the Members, including John H. Ruiz and Frank C. Quesada have the ability to control matters requiring stockholder approval, including the election and removal of directors, any amendment to our certificate of incorporation or bylaws, or the approval of any merger or other significant corporate transaction, including a sale of substantially all of our assets. See "We are controlled by the Members, including John H. Ruiz and Frank C. Quesada, whose interests may conflict with our interests and the interests of other stockholders."

The Members, including John H. Ruiz and Frank C. Quesada (together, the "MSP Principals"), may have their interest in us diluted due to future equity issuances, repurchases under the LLC Agreement from the MSP Principals in connection with the exercise of New Warrants or Members or their designees selling shares of Class A Common Stock, in each case, which could result in a loss of the "controlled company" exemption under the Nasdaq listing rules. We would then be required to comply with those provisions of the Nasdaq listing requirements.

There can be no assurance that we will be able to comply with the continued listing standards of Nasdaq.

Our Class A Common Stock, Public Warrants and New Warrants are currently listed on Nasdaq. If Nasdaq delists our Class A Common Stock, Public Warrants or New Warrants from trading on its exchange for failure to meet the listing standards, we and our stockholders could face significant material adverse consequences including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that the Class A Common Stock is a "penny stock" which will require brokers trading in the Class A Common Stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in future.

The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as "covered securities." To the extent our Class A Common Stock, Public Warrants and New Warrants are listed on Nasdaq, they are covered securities. Although the states are preempted from regulating the sale of our securities, the federal statute does allow the states to investigate companies if there is a suspicion of fraud, and, if there is a finding of fraudulent activity, then the states can regulate or bar the sale of covered securities in a particular case.

Failure to meet the continued listing requirements of Nasdaq could result in the delisting of our common stock, thus negatively impacting the price value of our common stock and negatively impacting our ability to raise additional capital.

On April 18, 2023, we received a notification letter from the Listing Qualifications Department of the Nasdaq Stock Market LLC ("Nasdaq") stating the Company was not in compliance with the requirements of Nasdaq Listing Rule 5250(c)(1) (the "Reporting Rule") as a result of not having timely filed this Annual Report on Form 10-K (the "2022 Form 10-K") with the SEC. In addition, on May 18, 2023, we received a written notice from Nasdaq stating that the Company was not in compliance with Nasdaq's continued listing requirements under the Reporting Rule as a result our failure to file our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 in a timely manner (the "First Quarter Form 10-Q"). Under the Nasdaq rules, the Company had 60 calendar days, or until June 20, 2023, to file the 2022 Form 10-K and First Quarter Form 10-Q or to submit to Nasdaq a plan to regain compliance with the Nasdaq Listing Rules.

On April 24, 2023, we received notice from Nasdaq that the closing bid price for our common stock had been below $1.00 per share for the previous 30 consecutive business days, and that we are therefore not in compliance with the minimum bid price requirement for continued inclusion on Nasdaq under Nasdaq Listing Rule 5450(a)(1) (the "Minimum Bid Requirement"). The notice indicates that we will have 180 calendar days, or until October 23, 2023, to regain compliance with this requirement. We can regain compliance with the $1.00 minimum bid listing requirement if the closing bid price of our common stock is at least $1.00 per share for a minimum of 10 consecutive business days during the 180-day compliance period. If we do not regain compliance during such 180-day compliance period, the Company may be eligible for an additional 180 calendar days, provided that the Company meets the continued listing requirement for market value of publicly held shares and all other applicable initial listing standards for Nasdaq, and provides a written notice of its intention to cure this deficiency during the second compliance period, including by effecting a reverse stock split, if necessary.

On June 20, 2023, the Company submitted a plan of compliance to achieve and sustain compliance with all Nasdaq Capital Market listing requirements, including the Reporting Rule and Minimum Bid Requirement. On July 7, Nasdaq notified the Company that it was granting an extension to file the 2022 Form 10-K and the First Quarter Form 10-K on or before August 7, 2023. The Company intends file its First Quarter Form 10-Q on or before such date, and to actively monitor its bid price.

If we fail to achieve our plan of compliance or in the future we fail to comply with Nasdaq's continued listing requirements, including the Reporting Rule and Minimum Bid Requirement, our common stock will be subject to delisting. In the event we receive notice that our common stock is being delisted, Nasdaq rules permit us to appeal any delisting determination by the Nasdaq staff to a Hearings Panel. If our common stock were to be delisted by Nasdaq, our common stock would be subject to rules that impose additional sales practice requirements on broker-dealers who sell our securities. The additional burdens imposed upon broker-dealers by these requirements could discourage broker-dealers from effecting transactions in our common stock. This would adversely affect the ability of investors to trade our common stock and would adversely affect the value of our common stock. These factors could contribute to lower prices and larger spreads in the bid and ask prices for our common stock. The delisting of our common stock from Nasdaq would also adversely affect our ability to complete future financings.

If our shares are delisted from Nasdaq and become subject to the penny stock rules, it would become more difficult to trade our shares.

The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than $5.00, other than securities registered on certain national securities exchanges or authorized for quotation on certain automated quotation systems, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. If we do retain a listing on Nasdaq and if the price of our common stock is less than $5.00, our Common Stock will be deemed a penny stock. The penny stock rules require a broker-dealer, before a transaction in a penny stock not otherwise exempt from those rules, to deliver a standardized risk disclosure document containing specified information. In addition, the penny stock rules require that before effecting any transaction in a penny stock not otherwise exempt from those rules, a broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive: (i) the purchaser's written acknowledgment of the receipt of a risk disclosure statement; (ii) a written agreement to transactions involving penny stocks; and (iii) a signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for our common stock, and therefore stockholders may have difficulty selling their shares.

We may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and our stock price, which could cause you to lose some or all of your investment.

Although due diligence was conducted on MSP prior to the Business Combination, we cannot assure you that this diligence surfaced all material issues that may be present in MSP's business, that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside of MSP's business and outside of our and MSP's control will not later arise. As a result of these factors, we may be forced to write down or write off assets, restructure operations, or incur impairment or other charges that could result in losses. Even if our due diligence successfully identifies certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with our preliminary risk analysis. Even though these charges may

be non-cash items and not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about the Company or its securities. Accordingly, any of our stockholders could suffer a reduction in the value of their shares. Such stockholders are unlikely to have a remedy for such reduction in value.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our financial condition and results of operations.

We will be subject to federal and state income taxes in the United States and potentially in other jurisdictions. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- tax effects of stock-based compensation;
- changes in tax laws, regulations, or interpretations thereof; or
- lower than anticipated future earnings in jurisdictions where we have lower statutory tax rates and higher than anticipated future earnings in jurisdictions where we have higher statutory tax rates.

In addition, we may be subject to audits of our income, sales and other transaction taxes by taxing authorities. Outcomes from these audits could have an adverse effect on our financial condition and results of operations.

We may be unable to obtain additional financing to fund the operations and growth of the Company.

We may require additional financing to fund the operations or growth of the Company. The failure to secure additional financing could have a material adverse effect on the continued development or growth of the Company. None of our officers, directors or stockholders is required to provide any financing to us.

In some jurisdictions, our recoveries may be limited due to legal restrictions, which may have negative consequences for the value or enforcement of our contractual agreements with our counterparties, for our ability to do business in certain jurisdictions or for our cost of doing business.

There exist in various jurisdictions prohibitions or restrictions in connection with purchasing Claims from plaintiffs (known as maintenance, and a form of maintenance, called champerty), assignment of certain kinds of Claims, and/or participating in a lawyer's contingent fee interests. Such prohibitions and restrictions, to the extent they exist, are governed by the rules and regulations of each state and jurisdiction in the United States and vary in degrees of strength and enforcement in different states and federal jurisdictions. Some jurisdictions in the U.S. and other jurisdictions may not, for legal and professional ethics reasons, permit us to pursue certain recoveries, or the law and regulations in those jurisdictions may be uncertain, and accordingly we may not have the ability or the desire to pursue recoveries in these jurisdictions, thereby limiting the size of the potential market. If we, our counterparties or the lawyers handling the underlying matters were to be found to have violated the relevant prohibitions or restrictions in connection with certain matters, there could be a materially adverse effect on the value of the affected assets, our ability to enforce the relevant contractual agreements with our counterparties and the amounts we would be able to recover with respect to such matters, or our costs for such matters.

Anti-takeover provisions contained in our Charter and bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Our Second Amended and Restated Certificate of Incorporation (our "Charter") contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. We are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together, these provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. These provisions include:

- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect candidates to serve as a director of the Board;
- a classified board of directors with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of the Board;
- the requirement that, at any time from and after the date on which the voting power of John H. Ruiz and his affiliates represent less than 50% of the voting power of all of the then outstanding shares entitled to vote ("Voting Rights Threshold Date"), directors elected by the stockholders generally entitled to vote may be removed from the Board solely for cause and only by affirmative vote of the holders of at least 66 2/3% of the voting power of the then outstanding shares entitled to vote, voting together as a single class;

- the exclusive right of the Board to fill newly created directorships and vacancies with respect to directors elected by the stockholders generally entitled to vote, which prevents stockholders from being able to fill vacancies on the Board;
- the prohibition on stockholder action by written consent from and after the Voting Rights Threshold Date, which forces stockholder action from and after the Voting Rights Threshold Date to be taken at an annual or special meeting of stockholders;
- the requirement that special meetings of stockholders may only be called by the Chairperson of the Board, the Chief Executive Officer of the Company or the Board, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- the requirement that, from and after the Voting Rights Threshold Date, amendments to certain provisions of the Charter and amendments to the Amended and Restated Bylaws must be approved by the affirmative vote of the holders of at least 66 2/3% in voting power of the then outstanding shares of the Company generally entitled to vote;
- our authorized but unissued shares of common stock and preferred stock are available for future issuances without stockholder approval and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans; the existence of authorized but unissued and unreserved shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise;
- advance notice procedures set forth in the Amended and Restated Bylaws that stockholders must comply with in order to nominate candidates to the Board or to propose other matters to be acted upon at a meeting of stockholders, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of the Company;
- an exclusive forum provision which provides that, unless the Company consents in writing to the selection of an alternative forum, (i) any derivative action brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, or employee of the Company to the Company or the Company's stockholders, (iii) any action asserting a claim; and
- arising pursuant to any provision of the DGCL, the Charter or the Amended and Restated Bylaws, or (iv) any action asserting a claim governed by the internal affairs doctrine of the State of Delaware, in each case, will be required to be filed in the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware lacks jurisdiction over any such action or proceeding, then a state court located within the State of Delaware or the federal district court for the District of Delaware).

The Charter contains a provision renouncing our interest and expectancy in certain corporate opportunities.

The Charter provides that the Company will have no interests or expectancy in, or being offered an opportunity to participate in any corporate opportunity, to the fullest extent permitted by applicable law, with respect to any lines of business or business activity or business venture conducted by any holder of common stock, any affiliate of such holder or any director, officer or stockholder of such holder or any affiliate thereof ("Relevant Persons") as of the date of the filing of the Charter with the Secretary of State of the State of Delaware or received by, presented to or originated by the Relevant Persons after the date of the filing of the Charter with the Secretary of State of the State of Delaware in such person's capacity as a Relevant Person (and not in his, her or its capacity as a director, officer or employee of the Company). These provisions of the Charter create the possibility that a corporate opportunity of ours may be used for the benefit of the Relevant Persons.

Risks Related to Ownership of Our Common Stock

In this section, unless otherwise noted or the context otherwise requires, "we," "us," and "our" refer to the Company.

The market price of our common stock may be significantly volatile.

The market price for our common stock may be significantly volatile and subject to wide fluctuations in response to factors including the following:

- actual or anticipated fluctuations in our quarterly or annual operating results;
- changes in financial or operational estimates or projections;
- conditions in markets generally;
- changes in legislation that may affect our business;
- changes in the economic performance or market valuations of companies similar to ours; and
- general economic or political conditions in the United States or elsewhere.

In addition, if we fail to reach an important recovery milestone or result by a publicly expected deadline, even if by only a small margin, there could be significant impact on the market price of our common stock. Additionally, as we approach the announcement of anticipated significant information and as we announce such information, we expect the price of our common stock to be particularly volatile, and negative results would have a substantial negative impact on the price of our common stock.

In some cases, following periods of volatility in the market price of a company's securities, stockholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm our business operations and reputation.

A market for our securities may not continue, which would adversely affect the liquidity and price of our securities.

The price of our securities may fluctuate significantly due to the market's reaction to the Business Combination and general market and economic conditions. An active trading market for our securities may never develop or, if developed, it may not be sustained. In addition, the price of our securities can vary due to general economic conditions and forecasts, our general business condition and the release of our financial reports. Additionally, if our securities are not listed on, or become delisted from, Nasdaq for any reason, and are quoted on the OTC Bulletin Board, an inter-dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of our securities may be more limited than if we were quoted or listed on Nasdaq or another national securities exchange. You may be unable to sell your securities unless a market can be established or sustained.

If the Business Combination's benefits do not meet the expectations of investors, stockholders, or financial analysts, the market price of our securities may decline.

If the benefits of the Business Combination do not meet the expectations of investors or securities analysts, the market price of the Company's securities may decline.

The trading price of our common stock is highly volatile and is subject to wide fluctuations in response to various factors, some of which are beyond our control, including limited trading volume. In addition to the factors discussed in this "Risk Factors" section and elsewhere in this annual report, these factors include:

- the valuation ascribed to MSP and the Company's Class A Common Stock in the Business Combination may not be indicative of the price of the Company that will prevail in the current trading market,
- research and reports that industry or securities analysts may publish about us, our business, our market, or our competitors,
- our dual class structure could make us ineligible for inclusion in certain indices, and as a result, mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track those indices will not be investing in our stock,
- our status as an "emerging growth company" allows us exemptions from certain reporting requirements including: (i) the exemption from the auditor attestation requirements with respect to internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002 ("SOX"); (ii) the exemptions from say-on-pay, say-on-frequency and say-on-golden parachute voting requirements; (iii) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and (iv) delayed adoption of certain accounting standards. The attractiveness of our Class A Common Stock as a result of these exemptions cannot be predicted.

In such circumstances, the trading price of our securities may not recover and may experience a further decline.

If securities analysts publish negative evaluations of our stock or stop publishing research or reports about our business, the price of our stock could decline.

The trading market for our common stock relies in part on the research and reports that industry or financial analysts publish about us or our business. We currently have limited research coverage by financial analysts. Securities analysts may discontinue coverage or downgrade their evaluation of our stock. If any of the analysts who continue to cover or cover us in the future downgrade their evaluation of our common stock or publishes inaccurate or unfavorable research about our business, our common stock price may decline. If additional analysts cease to cover our stock, we could lose visibility in the market for our stock, which in turn could cause our stock price to decline.

We cannot predict the impact our dual class capital structure may have on the market price of the shares of Class A Common Stock.

We cannot predict whether our dual class structure, combined with the concentrated control of the Company, will result in a lower or more volatile market price of the Class A Common Stock or in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple-class share structures in certain of their indices. Under any such announced policies or future policies, our dual class capital structure could make us ineligible for inclusion in certain indices, and as a result, mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track those indices will not be investing in our stock. It is unclear what effect, if any, these policies will have on the

valuations of publicly traded companies excluded from such indices, but it is possible that they may depress valuations as compared to similar companies that are included. As a result, the market price of shares of Class A Common Stock could be adversely affected.

We may amend the terms of the Public Warrants in a manner that may be adverse to holders with the approval by the holders of at least 50% of the then-outstanding Public Warrants. As a result, the exercise price of a holder's Public Warrants could be increased, the exercise period could be shortened and the number of shares of our Common Stock purchasable upon exercise of a Public Warrant could be decreased, all without the approval of that warrant holder.

Our Public Warrants were issued in registered form under the Existing Warrant Agreement. The Existing Warrant Agreement provides that the terms of the Public Warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision or provide for the delivery of Alternative Issuance (as defined in the Existing Warrant Agreement) but requires the approval by the holders of at least 65% of the then-outstanding Public Warrants to make any other change, including any change that adversely affects the interests of the registered holders. Accordingly, we may amend the terms of the Public Warrants in a manner adverse to a holder if holders of at least 65% of the then-outstanding Public Warrants approve of such amendment. Although our ability to amend the terms of the Public Warrants with the consent of at least 65% of the then-outstanding Public Warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the Public Warrants, shorten the exercise period or decrease the number of shares of Class A Common Stock purchasable upon exercise of a Public Warrant.

We may redeem unexpired Public Warrants and New Warrants prior to their exercise at a time that is disadvantageous to warrant holders, thereby making such warrants worthless.

We have the ability to redeem outstanding Public Warrants and New Warrants at any time after they become exercisable and prior to their expiration, at a price of $0.01 per warrant; provided that the last reported sales price of our Class A Common Stock equals or exceeds $18.00 per share (or as otherwise adjusted pursuant to the Existing Warrant Agreement or New Warrant Agreement, as applicable) for any 20 trading days within a 30 trading-day period ending on the third trading day prior to the date on which we give proper notice of such redemption to the warrant holders and provided certain other conditions are met. During the most recent 60-day trading period, the price of our Class A Common Stock has remained below the threshold that would allow us to redeem the Public Warrants and New Warrants. If and when the Public Warrants and New Warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding Public Warrants and New Warrants could force the warrant holders: (i) to exercise their Public Warrants or New Warrants and pay the exercise price therefor at a time when it may be disadvantageous for them to do so; (ii) to sell their Public Warrants or New Warrants at the then-current market price when they might otherwise wish to hold their Public Warrants or New Warrants; or (iii) to accept the nominal redemption price which, at the time the outstanding New Warrants are called for redemption, is likely to be substantially less than the market value of their New Warrants. None of the Private Warrants will be redeemable by us so long as they are held by their initial purchasers or such initial purchasers' permitted transferees. Pursuant to the terms of the Existing Warrant Agreement, the exercise price of the Public Warrants and Private Warrants has decreased to $0.0001 after giving effect to the issuance of the New Warrants. None of the Private Warrants will be redeemable by us so long as they are held by the Sponsor or its permitted transferees.

The Company has no obligation to notify holders of the Public Warrants or the New Warrants that they have become eligible for redemption. However, in the event the Company determined to redeem the Public Warrants or the New Warrants, holders of the Public Warrants and the New Warrants, as applicable, would be notified of such redemption as described in the Existing Warrant Agreement and the New Warrant Agreement, as applicable. Specifically, in the event that the Company elects to redeem all of the redeemable warrants as described above, the Company shall fix a date for the redemption (the "Redemption Date"). Notice of redemption shall be mailed by first class mail, postage prepaid, by the Company not less than 30 days prior to the Redemption Date to the registered holders of the redeemable warrants to be redeemed at their last addresses as they appear on the registration books. Any notice mailed in the manner provided in the Existing Warrant Agreement and the New Warrant Agreement shall be conclusively presumed to have been duly given whether or not the registered holder received such notice. In addition, beneficial owners of the redeemable warrants will be notified of such redemption via the Company's posting of the redemption notice to DTC.

Our stockholders may experience significant dilution as a result of future equity offerings or issuances and exercise of outstanding options and warrants.

In order to raise additional capital or pursue strategic transactions, we may in the future offer, issue or sell additional shares of our common stock or other securities convertible into or exchangeable for our common stock, including the issuance of common stock in relation to our Incentive Plan. Our stockholders may experience significant dilution as a result of future equity offerings, issuances, or the exercising of warrants. Investors purchasing shares or other securities in the future could have rights superior to existing stockholders. As of December 31, 2022, we have the following number of securities convertible into, or allowing the purchase of, our common stock, including 3,319,304 Public Warrants outstanding, outstanding Up-C units exchangeable for 3,147,979,494 shares of our Common Stock, and 98,736,750 shares of Class A Common Stock reserved for future issuance under our stock incentive plan.

Warrants have become exercisable for our Class A Common Stock, which has increased the number of shares eligible for future resale in the public market and may result in dilution to our stockholders.

We issued Public Warrants to purchase 11,500,000 shares of Class A Common Stock as part of our IPO and, on the IPO closing date, we issued Private Warrants to the Sponsor and Nomura to purchase in the aggregate 325,000 shares of our Class A Common Stock. In addition, the Company issued an aggregate of 1,028,046,326 New Warrants to the holders of the Company's Class A Common Stock as of the close of business on the Closing Date. Pursuant to the terms of the Existing Warrant Agreement, the exercise price of the Public Warrants and Private Warrants decreased to $0.0001 per share after giving effect to the issuance of the New Warrants. Pursuant to the terms of the LLC Agreement, at least twice a month, to the extent any New Warrants have been exercised in accordance with their terms, the Company is required to purchase from the MSP Principals, proportionately, the number of Up-C Units or shares of Class A Common Stock owned by such MSP Principal equal to the Aggregate Exercise Price divided by the Warrant Exercise Price in exchange for the Aggregate Exercise Price. Notwithstanding the foregoing, the shares of Class A Common Stock issuable upon exercise of our warrants will result in dilution to the then existing holders of Class A Common Stock of the Company and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could adversely affect the market price of our Class A Common Stock.

The Private Warrants are identical to the Public Warrants sold as part of the Public Units issued in our IPO except that, so long as they are held by the Sponsor, Nomura or their permitted transferees: (i) they will not be redeemable by us; (ii) they (including the Class A Common Stock issuable upon exercise of these warrants) may not, subject to certain limited exceptions, be transferred, assigned or sold by the Sponsor until 30 days after the completion of an initial business combination; (iii) they may be exercised by the holders on a net share (cashless) basis; and (iv) are subject to registration rights. The New Warrants will be issued in registered form under the New Warrant Agreement between the Company and Continental Stock Transfer & Trust Company. The New Warrant Agreement is filed as an exhibit to the registration statement and incorporated by reference herein.

The Company's management has limited experience in operating a public company.

The Company's executive officers have limited experience in the management of a publicly traded company. The Company's management team may not successfully or effectively manage its transition to a public company that will be subject to significant regulatory oversight and reporting obligations under federal securities laws. Their limited experience in dealing with the increasingly complex laws pertaining to public companies could be a significant disadvantage in that it is likely that an increasing amount of their time may be devoted to these activities which will result in less time being devoted to the management and growth of the Company. The Company may not have adequate personnel with the appropriate level of knowledge, experience, and training in the accounting policies, practices or internal controls over financial reporting required of publicly traded companies. The development and implementation of the standards and controls necessary for the Company to achieve the level of accounting standards required of a publicly traded company may require costs greater than expected. It is possible that the Company will be required to expand its employee base and hire additional employees to support its operations as a public company, which will increase its operating costs in future periods.

The provision of our Charter requiring exclusive forum in the courts in the State of Delaware for certain types of lawsuits may have the effect of discouraging lawsuits against our directors and officers.

The Charter requires that, unless the Company consents in writing to the selection of an alternative forum, (i) any derivative action brought on behalf of the Company; (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, or employee of the Company to the Company or the Company's stockholders; (iii) any action asserting a claim arising pursuant to any provision of the DGCL, the Charter or Amended and Restated Bylaws; or (iv) any action asserting a claim governed by the internal affairs doctrine of the State of Delaware, in each case, is to be filed in the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware lacks jurisdiction over any such action or proceeding, then a state court located within the State of Delaware or the federal district court for the District of Delaware). The exclusive forum provision described above does not apply to actions arising under the Securities Act or the Exchange Act. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder, and Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. The Charter provides that the federal district courts of the United States of America will, to the fullest extent permitted by law, be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the federal securities laws, including the Securities Act and the rules and regulations thereunder. Our decision to adopt such a federal forum provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While there can be no assurance that federal or state courts will follow the holding of the Delaware Supreme Court or determine that our federal forum provision should be enforced in a particular case, application of our federal forum provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder must be brought in federal court and cannot be brought in state court. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal court. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder.

Although we believe that these exclusive forum provisions benefit us by providing greater consistency in the application of Delaware law, the exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable in disputes with us or any of our directors, officers or stockholders, which may discourage lawsuits with respect to such claims. Further, in the event a court finds the exclusive forum provision contained in the Charter to be unenforceable or inapplicable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

The JOBS Act permits "emerging growth companies" like us to take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies.

We currently qualify as an "emerging growth company" as defined in Section 2(a)(19) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"). As such, we take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies for as long as we continue to be an emerging growth company, including: (i) the exemption from the auditor attestation requirements with respect to internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002 ("SOX"); (ii) the exemptions from say-on-pay, say-on-frequency and say-on-golden parachute voting requirements; and (iii) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. As a result, our stockholders may not have access to certain information they deem important. We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year: (a) following August 18, 2025, the fifth anniversary of our IPO; (b) in which we have total annual gross revenue of at least $1.07 billion; or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Class A Common Stock that is held by non-affiliates exceeds $700 million as of the last business day of our prior second fiscal quarter, and the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the exemption from complying with new or revised accounting standards provided in Section 7(a)(2)(B) of the Securities Act as long as it is an emerging growth company. An emerging growth company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies, but any such election to opt out is irrevocable. We have elected to avail ourselves of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company that is neither an emerging growth company nor an emerging growth company that has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

We cannot predict if investors will find our Class A Common Stock less attractive because we rely on these exemptions. If some investors find our Class A Common Stock less attractive as a result, there may be a less active trading market for our Class A Common Stock and our stock price may be more volatile.

Failure to establish and maintain effective internal controls could have a material adverse effect on the accuracy and timing of our financial reporting in future periods.

As a publicly traded company, we are subject to the Exchange Act and the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act" or "SOX"). The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal control over financial reporting. The standards required for a public company under Section 404 of SOX are significantly more stringent than those required of MSP as a privately held company. Further, as an emerging growth company, our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404 of SOX until the date we are no longer an emerging growth company. Our independent registered public accounting firm may issue a report that is adverse in the event that it is not satisfied with the level at which the controls of the Company are documented, designed or operating.

As noted within "Part II, Item 9A Controls and Procedures" of this Annual Report on Form 10-K, we reported material weaknesses in internal control related to the following items:

- We did not have sufficient controls related to the accounting for complex transactions.
- We did not have sufficient controls over the human resources and payroll processes. Specifically:
    - Insufficient design of controls as the outsourced system used for payroll did not have appropriate audit and we did not have appropriate compensating controls or documented segregation of duties over the system used for payroll;
    - Insufficient implementation of controls resulting in a lack of an effective control environment over payroll entries;

- Insufficient design and implementation of controls within our human resources business process; and,
- Insufficient implementation of controls resulting in a lack of proper documentation over approval of bonus payments.

- Insufficient design of controls as we did not have appropriate segregation of duties and review controls over disbursements.

On April 16, 2023, a special committee of the Board of Directors was formed to review matters related to the preparation and filing of this Annual Report on Form 10-K. On June 13, 2023, the special committee finalized its review. The findings and recommendations of the special committee are set forth in "Part II, Item 9A Controls and Procedures" of this Annual Report on Form 10-K. The special committee identified deficiencies in our internal controls which we consider material weaknesses. The material weaknesses relate to failures to develop or maintain an effective system of internal disclosure controls for the timely disclosure of material communications from external sources to the Company's management and Board of Directors for review and evaluation.

A special committee of the board of directors made unanimous recommendations to enhance and improve the public company reporting capabilities of the Company, including but not limited to:

- The implementation of certain management training,
- The hiring of a director of internal audit, and
- Enhancements to the Company's internal communication process, as well as increased reporting to the Audit Committee of Board of Directors.

We consider these recommendations to be indicative of material weaknesses related to a failure to develop or maintain an effective system of internal disclosure controls for the timely disclosure of material communications from external sources to the Company's management and Board of Directors for review and evaluation. Specifically, the material weaknesses we identified were as follows:

- We did not have sufficient controls related to training personnel to understand their respective roles and responsibilities.
- We did not have sufficient monitoring activities, including a director of internal audit.
- We did not have sufficient lines of communication internally and to the Board of Directors, and therefore did not maintain a sufficient control environment with respect to oversight of the Board of Directors.

Any failure to maintain effective internal controls, including the recommendations of the special committee, could adversely impact our ability to report our financial results on a timely and accurate basis, or may result in a restatement of our financial statements for prior periods. Any such failures could have a material adverse effect on our financial results and investor confidence and the market for our common stock. For a discussion of our internal controls over financial reporting and a description of management's plan for remediation of the material weaknesses, see "Part II, Item 9A Controls and Procedures" of this Annual Report on Form 10-K. Completion of the remediation plan does not provide assurance that our remediation or other controls will continue to operate properly.

Our internal control over financial reporting may not be effective and our independent registered public accounting firm may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business and reputation.

As a public company, we are required to comply with the SEC's rules implementing Sections 302 and 404 of SOX, which require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of internal control over financial reporting. To comply with the requirements of being a public company, the Company may be required to provide the management report on internal controls commencing with the annual report for fiscal year ended December 31, 2023, and we may need to undertake various actions, such as implementing additional internal controls and procedures and hiring additional accounting or internal audit staff. The standards required for a public company under Section 404 of SOX are significantly more stringent than those required as a privately held company. Further, as an emerging growth company, our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404 of SOX until the date we are no longer an emerging growth company. Our independent registered public accounting firm may issue a report that is adverse in the event that it is not satisfied with the level at which the controls of the Company are documented, designed or operating.

Testing and maintaining these controls can divert our management's attention from other matters that are important to the operation of our business. If we identify material weaknesses in the internal control over financial reporting of the Company or are unable to comply with the requirements of Section 404 of SOX or assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal controls over financial reporting when we no longer qualify as an emerging growth company, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected and we could become subject to investigations by the SEC or other regulatory authorities, which could require additional financial and management resources.

The restatement of our prior quarterly financial statements may affect investor confidence and raise reputational issues and may subject us to additional risks and uncertainties, including increased professional costs and the increased possibility of legal proceedings and regulatory inquiries.

As discussed in the Explanatory Note preceding Part I, Item I above and in Note 18 to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, we determined to restate our unaudited condensed consolidated financial statements as of and for the periods ended June 30, 2022 and September 30, 2022 after we identified errors in the accounting for the indemnification asset, various intangible assets, and rights to cash flows and consolidation of an entity in connection with the our business combination. As a result of this error and the resulting restatement of our unaudited condensed consolidated financial statements for the impacted periods, we have incurred, and may continue to incur, unanticipated costs for accounting and legal fees in connection with or related to the restatement and have become subject to a number of additional risks and uncertainties, including the increased possibility of litigation and regulatory inquiries. Any of the foregoing may affect investor confidence in the accuracy of our financial disclosures and may raise reputational risks for our business, both of which could harm our business and financial results.

Matters relating to or arising from the special committee of the Board of Directors' investigation, including governmental investigations, regulatory proceedings, litigation matters, and potential additional expenses, may adversely affect our business and results of operations.

On April 16, 2023, a special committee of the Board of Directors was formed to review matters related to the preparation and filing of this Annual Report on Form 10-K. On June 13, 2023, the special committee finalized its review. The findings and recommendations of the special committee are set forth in "Part II, Item 9A Controls and Procedures" of this Annual Report on Form 10-K.

We have incurred significant expenses related to legal, accounting, and other professional services in connection with the special committee review and related matters. The expenses incurred, and expected to be incurred, have adversely affected, and could continue to adversely affect, our business, financial condition, and results of operations or cash flows.

In addition, the resulting impact of our delayed filing of periodic reports on the confidence of investors, employees, and customers, and the diversion of the attention of the management team that has occurred, and is expected to continue, has adversely affected, and could continue to adversely affect, our business, financial condition and results of operations or cash flows.

As a result of the matters reported above, we are exposed to greater risks associated with litigation, regulatory proceedings and government enforcement actions. Any future investigations or additional lawsuits may adversely affect our business, financial condition, results of operations and cash flows.

The Company's stockholders may be held liable for claims by third parties against the Company to the extent of distributions received by them.

If the Company is forced to file a bankruptcy case or an involuntary bankruptcy case is filed against the Company which is not dismissed, any distributions received by stockholders could be viewed under applicable debtor/creditor and/or bankruptcy laws as either a "preferential transfer" or a "fraudulent conveyance." As a result, a bankruptcy court could seek to recover all amounts received by the Company's stockholders. Furthermore, because the Company distributed the proceeds held in the Public Shares to the Company's Public Stockholders in connection with the Closing, this may be viewed or interpreted as giving preference to the Company's Public Stockholders over any potential creditors with respect to access to or distributions from the Company's assets. Furthermore, the LCAP Board may be viewed as having breached their fiduciary duties to the Company's creditors and/or may have acted in bad faith, and thereby exposing itself and the Company to claims of punitive damages, by paying Public Stockholders from the Trust Account prior to addressing the claims of creditors. The Company cannot assure you that claims will not be brought against it for these reasons.

Risks Related to the Yorkville Purchase Agreement

In this section "we," "us," "our," and other similar terms refer to MSP Recovery, Inc. d/b/a LifeWallet and its subsidiaries prior to the Business Combination and to the Company following the Business Combination.

On January 6, 2023, we entered into the Yorkville Purchase Agreement with YA II PN, Ltd., a Cayman Island exempted company ("Yorkville"), pursuant to which Yorkville committed to purchase up to $1 billion in shares of Common Stock, subject to certain limitations and conditions set forth in the Yorkville Purchase Agreement. Our shares of Common Stock that may be issued under the Yorkville Purchase Agreement may be sold by us to Yorkville at our discretion from time to time over the 36-month period commencing on the date the registration statement became effective. No registration statement for the Yorkville Purchase Agreement is currently effective and no sales may be made under the Purchase Agreement until it becomes effective.

We generally have the right to control the timing and amount of any sales of our shares of Common Stock to Yorkville under the Yorkville Purchase Agreement. Sales of our shares of Common Stock, if any, to Yorkville under the Yorkville Purchase Agreement will depend upon market conditions and other factors to be determined by us. We may ultimately decide to sell to Yorkville all, some or none of the shares of Common Stock that may be available for us to sell to Yorkville pursuant to the Yorkville Purchase Agreement.

Because the purchase price per share to be paid by Yorkville for the shares of Common Stock that we may elect to sell to Yorkville under the Yorkville Purchase Agreement, if any, will fluctuate based on the market prices of our shares of Common Stock at the time we elect to sell shares to Yorkville pursuant to the Yorkville Purchase Agreement, if any, it is not possible for us to predict, as of the date of this Form 10-K and prior to any such sales, the number of shares of Common Stock that we will sell to Yorkville under the Yorkville Purchase Agreement, the purchase price per share that Yorkville will pay for shares purchased from us under the Yorkville Purchase Agreement, or the aggregate gross proceeds that we will receive from those purchases by Yorkville under the Yorkville Purchase Agreement.

Although the Yorkville Purchase Agreement provides that, during the term of the agreement and subject to issuance and effective registration of the shares, we may, in our discretion, from time to time direct Yorkville to purchase our shares of Common Stock from us in one or more purchases under the agreement, for a maximum aggregate purchase price of up to $1,000,000,000, the Yorkville Purchase Agreement is subject to a cap of 650,000,000 shares of Common Stock. Assuming all of the 120,000,000 shares remaining to be sold to Yorkville were sold, per the terms of the Yorkville Purchase Agreement, at a 2.0% discount to the last closing sale price of our shares of Common Stock as reported on NASDAQ on December 30, 2022, or $1.60 per share (inclusive of such discount), we would not receive aggregate gross proceeds from the sale of such shares to Yorkville equal to Yorkville's $1,000,000,000 total aggregate purchase commitment under the Yorkville Purchase Agreement. However, because the market prices of our shares of Common Stock may fluctuate from time to time and, as a result, the actual purchase prices to be paid by Yorkville for our shares of Common Stock that we direct it to purchase under the Yorkville Purchase Agreement, if any, also may fluctuate because they will be based on such fluctuating market prices of our shares of Common Stock, it is possible that we would need to issue and sell more than 650,000,000 shares of Common Stock to Yorkville under the Yorkville Purchase Agreement in order to receive aggregate gross proceeds equal to Yorkville's $1,000,000,000 total aggregate purchase commitment under the Yorkville Purchase Agreement.

The number of our shares of Common Stock ultimately offered for sale by Yorkville is dependent upon the number of shares of Common Stock, if any, we ultimately elect to sell to Yorkville under the Yorkville Purchase Agreement.

Investors who buy shares at different times will likely pay different prices.

Pursuant to the Yorkville Purchase Agreement, we will have discretion, subject to market demand, to vary the timing, prices, and numbers of shares sold to Yorkville. If and when we do elect to sell our shares of Common Stock to Yorkville pursuant to the Yorkville Purchase Agreement, after Yorkville has acquired such shares, Yorkville may resell all, some or none of such shares at any time or from time to time in its discretion and at different prices. As a result, investors who purchase shares from Yorkville at different times will likely pay different prices for those shares, and so may experience different levels of dilution and in some cases substantial dilution and different outcomes in their investment results. Investors may experience a decline in the value of the shares they purchase from Yorkville as a result of future sales made by us to Yorkville at prices lower than the prices such investors paid for their shares. In addition, if we sell a substantial number of shares to Yorkville under the Yorkville Purchase Agreement, or if investors expect that we will do so, the actual sales of shares or the mere existence of our arrangement with Yorkville may make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish to affect such sales.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties.

We lease our corporate headquarters and maintain our executive offices in an office building in Miami, Florida, which is located at 2701 S. Le Jeune Road, 10th Floor, Coral Gables, FL 33134. We also lease office space in Puerto Rico. We believe that our existing facilities are adequate for our current and planned levels of operation.

Item 3. Legal Proceedings.

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not currently party to any material legal proceedings. Regardless of outcome, such proceedings or claims can have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors and there can be no assurances that favorable outcomes will be obtained.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market for our Common Stock and Warrants

Our common stock and warrants are traded on The Nasdaq Stock Market under the symbols "LIFW", "LIFWW" and "LIFWZ," respectively.

Record Holders

As of June 30, 2023, there were approximately 42 stockholders of record of our common stock, 8 stockholders of record of our redeemable warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of $11.50 per share and 1 stockholder of record of our redeemable warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of $0.0001 per share. The actual number of stockholders may be greater than this number of record stockholders and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees. This number of stockholders of record also does not include stockholders whose shares may be held in trust by other entities.

Dividend Policy

We have never declared or paid any cash dividends on our common stock. We currently anticipate that we will retain all of our future earnings for use in the operation of our business and to fund future growth and do not anticipate paying any cash dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our Board of Directors, subject to applicable law, and will depend on our financial condition, results of operations, capital requirements, general business conditions and other factors that our Board of Directors may deem relevant.

Unregistered Sales of Equity Securities

None.

Issuer Purchases of Equity Securities

None.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

MSP RECOVERY INC.'S d/b/a LIFEWALLET'S MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis provides information that LifeWallet's management believes is relevant to an assessment and understanding of LifeWallet's consolidated results of operations and financial condition. The discussion should be read together with "Selected Historical Combined and Consolidated Financial and Operating Data of MSP" and the historical audited annual combined and consolidated financial statements as of and for the years ended December 31, 2021 and 2020 included in the S-1 Registration Statement filed on January 20, 2023 with the SEC, and our consolidated financial statements and the related notes and other information included elsewhere in this Annual Report on Form 10-K (the "Form 10-K"). Unless the context otherwise requires, all references in this subsection to "We," "the Company" or "MSP" refers to the business of the MSP Companies prior to the consummation of the Business Combination, which will be the business of the Company and its subsidiaries following the consummation of the Business Combination. This discussion may contain forward-looking statements based upon LifeWallet's current expectations, estimates and projections that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements due to, among other considerations, the matters discussed under "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements."

Our Business

We are a leading healthcare recoveries and data analytics company. Our business model includes two principal lines of business, Claims Recovery and LifeWallet. We focus on the Medicare, Medicaid and commercial insurance spaces. We are disrupting the antiquated healthcare reimbursement system, using data and analytics to identify and recover improper payments made by Medicare, Medicaid, and Commercial Health Insurers.

Medicare and Medicaid are payers of last resort. Too often, they end up being the first and only payers, because the responsible payer is not identified or billed. Because Medicare and Medicaid pay a far lower rate than what other insurers are often billed, this costs the healthcare system (and the supporting taxpayers) tens of billions of dollars a year in improper billing and lost recoveries. By discovering, quantifying and settling the billed-to-paid gap on a large-scale basis, MSP is positioned to generate meaningful annual recovery revenue at high profit margins.

Our access to large volumes of data, sophisticated data analytics and a leading technology platform provide a unique opportunity to discover and recover Claims. We have developed Algorithms to identify waste, fraud and abuse in the Medicare, Medicaid, and Commercial Health Insurance segments. Our deep team of data scientists and medical professionals analyze historical medical Claims data to identify recoverable opportunities. Once these potential recoveries are reviewed by our team, they are aggregated and pursued. Through federal statutory law and a series of legal cases and precedents, we believe we have an established basis for future recoveries.

We differ from our competitors because we receive our recovery rights through irrevocable assignments of Claims. When we are assigned these rights, we take on a risk that our competitors do not. Rather than provide services under a third-party vendor services contract, we receive the rights to certain recovery proceeds from our Assignors' Claims (and, in many cases, actually take assignment of the Claims themselves, which allow us to step into the Assignors' shoes). In the instances where we take Claims by assignment, we have total control over the direction of the litigation. We, or our affiliated entities, are the plaintiff in any action filed and have total control over the direction of the lawsuit. By receiving Claims through assignment, we can pursue additional recoveries under numerous legal theories that our competitors cannot. In the cases where we take Claims by assignment, we typically agree that 50% of the recoveries generated by those Claims is paid to the applicable Assignor. In the cases where we do not take Claims by assignment, we typically would still be entitled to receive 50% of the recoveries generated by those Claims, subject to certain expenses. Although we typically own assigned Claims, for a significant portion of assigned Claims our ability to pursue recoveries depends on our ongoing access to data through data access rights granted to us. In these cases, termination of such health care data access would substantially impair our ability to generate recoveries on those Claims.

Our current Claims portfolio has scaled significantly. We are entitled to a portion of any recovery rights associated with approximately $1,574 billion in Billed Amount (and approximately $375 billion in Paid Amount), which contains approximately $89.6 billion in Paid Value of Potentially Recoverable Claims, as of December 31, 2022. We are typically entitled to 50% of recovery rights pursuant to our CCRAs but in certain cases we have also purchased from our Assignors, from time to time, rights to 100% of the recovery. We believe it would take any competitor a long time to amass the portfolio of Claims rights currently owned by us due to, among things, the volume of our Claims data retained and strength of our data analytics, which we believe are key to attracting counterparties willing to assign Claims to us.

Our Business Model

Recovery Model

In our current business model, we receive irrevocable assignments of health Claims recovery rights through Claims Cost Recovery Agreements ("CCRA") from a variety of sources including, but not limited to, MAOs, MSOs, HMOs, Hospitals, and other at risk

entities. Prior to executing a CCRA, we utilize our proprietary internal data analytics platform to review the set of Claims and identify Claims with probable recovery paths.

Once Claims have been assigned, our data analysts run proprietary Algorithms to identify potential recoveries. Results are then quality checked by our internal Medical Team. We contract with the Law Firm and various other law firms across the country to pursue our recoveries through the legal system. Where appropriate, Law Firm reaches out to the liable parties to demand payment of amounts that are owed. Prior to litigation, there may be an incentive for the primary insurer to settle. If legal action is required for recovery from primary insurers, claimholders are entitled to pursue "double damages" under the Medicare Secondary Payer Act.

We engage with each Assignor independently. Typically, our Assignors irrevocably assign to us broad recovery rights to the Claims assigned. Generally, the assignment agreements provide for the Assignor to receive 50% of the Net Proceeds of any recoveries from the Claims assigned. The "Net Proceeds" of any assigned Claim is defined as the gross amount recovered on an assigned Claim, minus any costs directly traceable to such assigned Claim(s) for which recovery was made. In some instances, we may purchase outright an Assignor's recovery rights; in this instance, we are entitled to the entire recovery. In some cases, we have entered into arrangements to transfer CCRAs or rights to proceeds from CCRAs to other parties. Such sales include variable consideration in the form of payments that will be made only upon achievement of certain recoveries or based on a percentage of actual recoveries.

We have yet to generate substantial revenue from the Recovery Model. To date, the majority of our revenue has been generated by Claims recovery services which are either performance-based or fee for service arrangements as described below.

Chase to Pay

Over time, we plan to pivot the business to the "Chase to Pay" model. Chase to Pay is a real-time analytics driven platform that identifies the proper primary insurer at the point of care. Chase to Pay is intended to plug into the real-time medical utilization platforms used by providers at the points of care. Rather than allow an MAO to make a wrongful payment whereby we need to chase down the primary payer and collect a reimbursement for the MAO, Chase to Pay is intended to prevent the MAO from making a wrongful payment and ensures that the correct payer pays in the first instance. Furthermore, the primary payer typically will make payments at a higher multiple than the MAO would have paid, and MSP will be entitled to receive its portion of the recovery proceeds on the amounts paid by the primary payer.

As Chase to Pay works at the point of care, it is expected to decrease legal costs of recovery. As a result, Chase to Pay would improve the net recovery margin as the recovery multiple grows and variable legal costs to recover decline.

We have yet to generate revenue from this model, nor have we executed any agreements with customers to date. We are currently in the process of determining the pricing and form of these arrangements. As part of our "Chase to Pay" model, we launched LifeWallet in January 2022, a platform powered by our sophisticated data analytics, designed to locate and organize users' medical records, facilitating efficient access to enable informed decision-making and improved patient care.

Claims Recovery Services

We also recognize Claims recovery service revenue from our services to customers to assist those entities with the pursuit of Claims recovery rights. We provide services to other parties in identifying recoverable Claims as well as provide data matching and legal services. Under our Claims recovery services model, we do not own the rights to Claims but provide our services for a fee based on budgeted expenses for the month with an adjustment for the variance between budget and actual expense from the prior month.

We were a party to that certain Recovery Services Agreement (the "MSP RH Series 01 Recovery Services Agreement"), dated as of October 23, 2020, by and between MSP Recovery Holdings Series 01, LLC ("MSP RH Series 01") and MSP Recovery, LLC, pursuant to which MSP Recovery will provide services including identifying, processing, prosecuting, and recovering money for certain Claims of MSP RH Series 01. In return for these services, MSP RH Series 01 paid a one-time fee of approximately $7.2 million and has agreed to pay annual service fees of approximately $3.0 million commencing January 1, 2021, subject to adjustment based on the aggregate value of Claims of MSP RH Series 01 that is subject to the MSP RH Series 01 Recovery Services Agreement. Subsequent to December 31, 2022, this service fee agreement was terminated in connection with the loan facility executed with Hazel Partners Holdings LLC. See Note 19 to the financial statements, *Subsequent Events* for details.

The fees received pursuant to this agreement are related to expenses incurred and are not tied to the Billed Amount or potential recovery amounts. Although we believe our future business to be highly tied to the Recovery Model and Chase to Pay, we will continue to enter into these contracts as the market dictates.

Recent Updates

Hazel Transactions

On March 29, 2023, the Company entered into a membership interest purchase agreement with Hazel, whereby in exchange for a purchase price of $390 million, the Company acquired from Hazel membership interests in entities that own certain Claims recovery and reimbursement rights (the "Claims Purchase"). The purchase price for the Claims Purchase was funded by (i) the proceeds from the Claims Sale (as defined below), and (ii) a purchase money loan between Hazel, as lender, and the Company, as borrower, in the amount of $250 million (the "Purchase Money Loan").

In a separate transaction on March 29, 2023, the Company entered into a membership interest purchase agreement with Hazel, whereby in exchange for a purchase price of $150 million, Hazel acquired from the Company the membership interests in entities that own certain other Claims recovery and reimbursement rights, provided that the Company and Hazel will share in the recovery proceeds therefrom in accordance with an agreed waterfall (the "Claims Sale," and together with the Claims Purchase, the "Claims Transactions").

In addition, on March 29, 2023, the Company entered into an Amended and Restated Credit Agreement with affiliates of Hazel, as the lender and administrative agent with respect to an aggregate $80 million term loan credit facility consisting of a Term Loan A commitment to fund up to $30 million (in multiple installments) in proceeds and a Term Loan B commitment to fund up to $18 million (in multiple installments) in proceeds, in each case, after taking into account an original issue discount (collectively, the "Working Capital Credit Facility"). As previously reported, an initial $10 million in proceeds was drawn under the Term Loan A on March 6, 2023. At closing, on March 29, 2023, an additional $5 million was disbursed to the Company under the Term Loan A. On May 11, 2023 and June 13, 2023, Hazel notified us that it would not disburse additional funds under the Working Capital Credit Facility until the Company satisfies certain funding conditions, including the filing of this Annual Report on Form 10-K. The parties subsequently agreed that $5.5 million will be funded under Term Loan A in accordance with the terms of the Working Capital Credit Facility subsequent to the filing of this 2022 Form 10-K and receipt of funding notices, deeming funding conditions satisfied or waived. Following such funding, the Term Loan A commitment would be terminated, with total funding of $20.5 million. In addition, the parties agreed to increase the Term Loan B commitment from $18 million to $27.5 million, which will be funded in multiple installments and in accordance with the terms of the Working Capital Credit Facility.

Loans under the Working Capital Credit Facility accrue interest at a Term Secured Overnight Financing Rate for 12-month interest period, plus an applicable margin of 10% per annum. Accrued interest on the Working Capital Credit Facility is payable in kind and will be capitalized. The Working Capital Credit Facility has a stated maturity date of March 31, 2026, and Hazel may extend for up to one year in its sole discretion. The Purchase Money Loan accrues interest at a rate of 20% per annum, payable in kind or in cash at the Company's discretion. The Purchase Money Loan has a maturity date of March 31, 2026, extendable up to one year in Hazel's sole discretion.

The Company is permitted to prepay the loans under the Working Capital Credit Facility from time to time without prepayment premium. Prepayment of the Purchase Money Loan will be permitted after the prepayment or repayment of loans under the Working Capital Loans, and such prepayment of the Purchase Money Loan may be subject to prepayment penalty, as applicable.

The Purchase Money Loan and the Working Capital Credit Facility contains certain representations, warranties and covenants of the Company and its subsidiaries, including restrictions on debt incurrence, liens, investments, affiliate transactions, distributions and dividends, fundamental changes, certain debt prepayments and Claim settlement.

Amounts borrowed and obligations under the Purchase Money Loan and the Working Capital Credit Facility are secured by a pledge of proceeds from certain Claims in the Company's Claims portfolio, with the lien securing the Purchase Money Loan being subordinated and junior to the lien securing the Working Capital Credit Facility. Pursuant to the Purchase Money Loan and the Working Capital Credit Facility, the Company entered into a collateral administrative agreement between the Company and Hazel, which sets forth certain arrangements between the Company and Hazel in relation to the management of the litigation of certain Claims owned by the Company, the proceeds of which were pledged to Hazel to secure the Purchase Money Loan and the Working Capital Credit Facility.

Virage Amendment

On April 12, 2023, we entered into an amendment (the "Virage MTA Amendment") to the Virage MTA and the Guaranty Agreement made as of March 9, 2022 (as amended, the "Virage Guaranty") pursuant to which the payment date was extended from May 23, 2023 until September 30, 2024, subject to acceleration upon certain triggering events. Under the Virage MTA Amendment, Virage will receive a first priority lien on all sources of revenue of the Company not otherwise encumbered as of the date of the Virage MTA Amendment, to the extent in excess of the amount of revenues necessary to establish and maintain an operating reserve of $70 million for overhead expenses and applicable taxes. In addition, pursuant to the Master Transaction Agreement, dated March 9, 2022 (as amended, the "Virage MTA"), we have payment obligations to Virage in the amount of $825.0 million as of March 31, 2023.

On January 1, 2024, if the Virage Guaranty is not paid, the Company will be required to make a one-time, lump sum payment to Virage for the period starting May 24, 2023 and ending December 31, 2023, in one or a combination of: (a) cash, in an amount equal to 1.0% of each calendar month-end balance (which month-end balance shall be increased daily up to 20% per annum based on a formula set forth in the Virage MTA Amendment) of the amount owing to Virage as of each preceding calendar month end and/or (b) warrants to purchase Class A common stock at $0.0001 per share, in an amount equal to the quotient of 1.0% of each calendar month-end balance (which shall be increased daily up to 20% per annum based on a formula set forth in the Virage MTA Amendment) of the amount owing to Virage as of each preceding calendar month end and the volume weighted average price of a share of our Class A common stock for the five day period prior to the issuance. If paid in warrants, such warrants will expire on January 1, 2026.

Further, for each calendar month beginning with January 31, 2024 until the obligations to Virage are paid in full, the Company has agreed to pay to Virage an amount monthly, in one or a combination of: (a) cash, in an amount equal to 1.0% of each calendar month-end balance (which month-end balance shall be increased daily up to 20% per annum based on a formula set forth in the Virage MTA Amendment) of the amount owing to Virage as of each preceding calendar month end and/or (b) warrants to purchase Class A common

stock at $0.0001 per share, in an amount equal to the quotient of 1.0% of each calendar month-end balance (which month-end balance shall be increased daily up to 20% per annum based on a formula set forth in the Virage MTA Amendment) of the amount owing to Virage as of each preceding calendar month end and the volume weighted average price of a share of our Class A common stock. If paid in warrants, such warrants will expire two years from the date of issuance.

The warrants will contain customary provisions for a transaction of this type, including that each warrant will be exercisable in whole or in part at any time prior to the expiration date, be freely transferable, subject only to applicable securities laws, and be subject to customary anti-dilution protection regarding the exercise price and number of shares of Class A Common Stock to be issued upon the exercise of each warrant.

Nomura Promissory Note

On April 12, 2023, the Company amended the promissory note to Nomura originally issued on May 27, 2022, which amendment increased the principal amount to approximately $26.2 million and extended the maturity date of the promissory note to September 30, 2024. The amended note carries an interest rate of 16% per annum and is payable in kind or in cash, at the Company's discretion, every 30 calendar days after April 12, 2023. Upon two days prior written notice to Nomura, the Company may prepay all or any portion of the then outstanding principal amount under the promissory note together with all accrued and unpaid interest thereon.

Key Factors Affecting Our Results

Our Claims Portfolio

We differ from some of our competitors because we receive our recovery rights through irrevocable assignments. When we are assigned these rights, we take on the risk that such Claims may not be recoverable. We are entitled to pursue a portion of any recovery rights associated with approximately $1,574 billion in Billed Amount (and approximately $375 billion in Paid Amount), which contained approximately $89.6 billion in Paid Value of Potentially Recoverable Claims, as of December 31, 2022. We are typically entitled to 100% of recovery rights pursuant to our CCRAs, but contractually obligated to pay 50% of gross recoveries to the Assignor. In certain cases, we have purchased from our Assignors the rights to 100% of the recovery. By discovering, quantifying, and settling the gap between Billed Amount and Paid Amount on a large scale, we believe we are positioned to generate substantial annual recovery revenue at high profit margins for our assigned Claims. In litigation, we have a competitive advantage by our experienced management and legal teams. While our model of being assigned the Claim rights allows us the flexibility to direct the litigation and potentially generate higher margins, we have, on an opportunistic basis, paid the Assignor an upfront purchase price for these rights.

To date, we have not generated substantial revenue from our Claims portfolio, and our business model is dependent of achieving revenue from this model in the future. If we are unable to recover the upfront purchase price from the assigned Claims or the investments we have made in pursuing recoveries, it would have an adverse effect on our profitability and business.

Our potential Claims recovery revenue in a given period will be impacted by the amount of Claims we review and ultimately pursue. The number of Claims that we review is driven by the Claims we receive through assignment. As we are assigned more Claims, we can review the Claims and identify additional recoveries. To expand our Assignor base and obtain more Claims, we plan to implement new strategies to secure new Assignors. These strategies will include a platform to educate potential Assignors about our company, making strategic business partnerships, potential mergers, acquisitions of personnel, as well as other marketing strategies. Our Assignors have grown from 32 in 2015, to 105 in 2018, to 123 in 2019, to 134 in 2020 and over 160 Assignors to date. If we are unable to continue to attract new Assignors to our platform, this could adversely affect future profitability.

In addition to obtaining new Claims, our ability to collect on identified Claims on our estimated multiples is key to our future profitability. Per the Medicare Secondary Payer Act, we are entitled to pursue reasonable and customary rates. Under existing statutory and case law, the private cause of action under the Medicare Secondary Payer Act permits an award of double damages when a primary plan fails to provide for primary payment or appropriate reimbursement. In addition to double damages, MSP may pursue statutory interest from primary payers on any amounts owed. Federal law also provides express authority to assess interest on Medicare Secondary Payer debts.

As a result, we may pursue double damages and statutory interest in our Medicare Secondary Payer Act-related recoveries. We can recover these amounts under either the Recovery Model or the Chase to Pay Model. Federal law also expressly provides MAOs with the right to charge providers for the Billed Amount when auto insurer liability exists. Per the terms of various legal services agreements that MSP has with the Law Firm, for legal services provided, the Law Firm would receive a percentage of the total Claim recovery which would include double damages and additional penalties. Our ability to pursue double damages may be impacted by the RAMP Act as disclosed in *Note 13, Commitments and Contingencies.*

Our Claims recovery revenue is typically recognized upon reaching a binding settlement or arbitration with the counterparty or when the legal proceedings, including any appellate process, are resolved. A decrease in the willingness of courts to grant these judgments, a change in the requirements for filing these cases or obtaining these judgments, or a decrease in our ability to collect on these judgments could have an adverse effect on our business, financial condition and operating results. Of the Claims identified as potentially recoverable, relating to our accident-related cases as of December 31, 2022, approximately 86% are already in the recovery process; either the recovery process has been initiated, data has been collected and matched, or resolution discussions are in process.

Key Performance Indicators

To evaluate our business, key trends, risks and opportunities, prepare projections, make strategic decisions and measure our performance, we track several key performance indicators ("KPIs"). As our company has yet to achieve significant revenues and the drivers of expected revenues require significant lead time before revenue can be generated, MSP's management utilizes KPIs to assist in tracking progress and believes such KPIs are useful in evaluating the performance of our business, in addition to our financial results prepared in accordance with GAAP. The KPIs are Total Paid Amount, Paid Value of Potentially Recoverable Claims, Billed Value of Potentially Recoverable Claims, Recovery Multiple and Penetration Status of Portfolio.

Total Paid Amount: Total Paid Amount represents the total within the Claims portfolio of the amount actually paid to the provider from the health plan, including incorporation of capitated amounts. As we continue to expand, we anticipate our revenue growth will be greatly dependent on our ability to increase the Total Paid Amount and, correspondingly, the Paid Value of Potentially Recoverable Claims, in our portfolio. Management believes this metric is a useful measure to investors and is useful in managing or monitoring company performance because we view an increase in Paid Amount as a positive indicator as it should provide the Company with the ability to increase the Paid Value of Potentially Recoverable Claims. Conversely, a decrease would produce a diminishing expectation of the Paid Value of Potentially Recoverable Claims.

Paid Value of Potentially Recoverable Claims: The Paid Value of Potentially Recoverable Claims ("PVPRC") represents the cumulative Paid Amount of potentially recoverable Claims. We analyze our Claims portfolio and identify potentially recoverable Claims using our Algorithms to comb through historical paid Claims data and search for potential recoveries. The PVPRC is a measure of the actual Paid Amount that has been paid to providers in respect of those potentially recoverable Claims. Management believes this measure provides a useful baseline for potential recoveries, but it is not a measure of the total amount that may be recovered in respect of potentially recoverable Claims, which in turn may be influenced by any applicable potential statutory recoveries such as double damages or fines, as described below. We believe our ability to generate future Claims recovery income is largely dependent on our ability to accurately identify potentially recoverable Claims through our data analytics and ultimately recover on these Claims. Management believes this metric is a useful measure to investors and in managing or monitoring company performance because we view an increase in PVPRC as a positive indicator as it should provide the Company with the ability to increase Claims recovery income and otherwise shows growth.

Billed Value of Potentially Recoverable Claims: Billed Value of Potentially Recoverable Claims ("BVPRC") represents the cumulative Billed Amount of potentially recoverable Claims. We analyze our Claims portfolio and identify potentially recoverable Claims using our Algorithms to comb through historical paid Claims data and search for potential recoveries. For a majority of our Claims, the Company believes it has the ability to recover in excess of the Paid Amount by collecting the Billed Amount plus interest plus double damages under applicable law. Under existing statutory and case law, the private cause of action under the Medicare Secondary Payer Act permits an award of double damages when a primary plan fails to provide for primary payment or appropriate reimbursement. Federal law expressly provides MAOs with the right to charge, or authorize the provider of such services to charge, in accordance with the charges allowed under a law, plan, or primary plan policy. We believe our ability to generate future Claim recovery income is largely dependent on our ability to accurately identify potentially recoverable Claims through our data analytics and ultimately recover on these Claims. Management believes this metric is a useful measure to investors and in managing or monitoring company performance because we view an increase in BVPRC as a positive indicator as it should provide the Company with the ability to increase Claims recovery income and otherwise shows growth.

Recovery Multiple: The Recovery Multiple is the amount of income of any generated Claims recovery income obtained by the Company in respect of any Claims as compared to the Paid Amount of those Claims (e.g., on a $600 recovery, if the paid amount for said Claim was $100, the Recovery Multiple is 6x). For these purposes, we record values under the Recovery Multiple only once we have recorded Claims recovery income either through the receipt of cash or recognition of accounts receivable on the Claims. Management believes this metric is useful to investors and is useful in managing or monitoring company performance because the Recovery Multiple provides a measure of the Company's ability to recover on its Claims recovery rights. A Recovery Multiple above 1x would illustrate the Company's ability to collect in excess of the Paid Amount. To date, because actual recoveries have been limited, this measure has had limited utility in historical periods. However, management believes this measure will become more meaningful during the next 12 months and beyond to the extent the Company begins to report actual increases in recoveries during those periods. As of December 31, 2022, the Company has obtained settlements with two counterparties where the Recovery Multiple was or would be in excess of the Paid Amount. However, these settlements do not provide a large enough sample to be statistically significant, and are therefore not shown in the table. As the Recovery Multiple is based on actual recoveries, this measure is not based on the Penetration Status of Portfolio, as described below.

Penetration Status of Portfolio: Penetration Status of Portfolio provides a measure of the Company's recovery efforts by taking into account the current stages of recovery of Claims in the portfolio and tying it in with the estimated market share of the related primary payers. The total percentage represents the estimated aggregate market share for the respective primary payers in which the Company is in some stage of recovery. As the Company initiates additional recovery efforts against additional primary payers, the Company expects this number to increase. These stages of recovery include where (1) the recovery process has been initiated, (2) data has been collected and matched, or (3) potential resolution discussions are in process. The Company uses third-party sources to estimate the aggregate market share of those primary payers in the property and casualty auto insurance market with whom the Company is engaged

in one of these stages of recovery. Management believes this metric is useful to investors and in managing or monitoring company performance because it provides insight as to the estimated share of the market that is covered by existing recovery efforts. We estimate that cases that are in the potential resolution discussions and/or data matching are closer to generating potential future Claims recovery income.

	As of and for the,					
$ in billions	**Year Ended December 31, 2022**	**Nine Months Ended September 30, 2022**	**Six Months Ended June 30, 2022**	**Three Months Ended March 31, 2022**	**Year Ended December 31, 2021**	**Year Ended December 31, 2020**
Paid Amount	$ 374.8	$ 373.3	$ 370.2	$ 366.9	$ 364.4	$ 58.4
Paid Value of Potentially Recoverable Claims	89.6	89.2	88.3	87.3	86.6	14.7
Billed Value of Potentially Recoverable Claims	377.8	376.1	371.3	367.8	363.2	52.3
Recovery Multiple	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Penetration Status of Portfolio	85.8%	85.8%	76.3%	76.3%	75.6%	N/A

(1) During the year ended December 31, 2022, the Company has received total recoveries of $4.9 million with a recovery multiple of 3.8x. However, the settlement amounts do not provide a large enough sample to be statistically significant, and are therefore not shown in the table.

(2) On August 10, 2022, the United States Court of Appeals, Eleventh Circuit held that four-year statute of limitations period for civil actions arising under an Act of Congress enacted after December 1, 1990 applies to certain claims brought under the Medicare Secondary Payer private cause of action, and that the limitations period begins to run on the date that the cause of action accrued. This opinion may render certain Claims held by the Company unrecoverable and may substantially reduce PVPRC and BVPRC as calculated. As our cases were filed at different times and in various jurisdictions, and prior to data matching with a defendant we are not able to accurately calculate the entirety of damages specific to a given defendant, we cannot calculate with certainty the impact of this ruling at this time. Although this opinion is binding only on courts in the Eleventh Circuit, if the application of this statute of limitations as determined by the Eleventh Circuit was applied to all Claims assigned to us, we estimate that the effect would be a reduction of PVPRC by approximately $8.86 billion. As set forth in our Risk Factors, PVPRC is based on a variety of factors. As such, this estimate is subject to change based on the variety of legal claims being litigated and statute of limitations tolling theories that apply.

Healthcare Industry

Our business is directly related to the healthcare industry and is affected by healthcare spending and complexity in the healthcare industry. We estimate that our total addressable market is over $150 billion annually. Our primary focus is on the Medicare and Medicaid market segments. Medicare is the second largest government program, with estimated annual expenditures during 2021 of approximately $923 billion and approximately 63.5 million enrollees. Medicaid has a combined estimated annual expenditure during 2021 of approximately $684 billion with approximately 76.5 million enrollees. Of the billions spent yearly by Medicare on medical expenses for its beneficiaries, we estimate that at least 10% of this was improperly paid by private Medicare plans.

Our addressable market, and therefore revenue potential, is impacted by the expansion or contraction of healthcare coverage and spending, which directly affects the number of Claims available. The Centers for Medicare & Medicaid Services ("CMS") has projected that health spending will continue to grow at an average rate of 5.4% a year between 2019 and 2028. We also believe reimbursement models may become more complex as healthcare payers accommodate new markets and lines of business and as advancements in medical care increase the number of testing and treatment options available. As reimbursement models grow more complex and healthcare coverage increases, the complexity and number of Claims may also increase, which could impact the demand for our solutions. Such changes could have a further impact on our results of operations.

As of December 31, 2022, approximately 93% of our expected recoveries arise from Claims being brought under the Medicare Secondary Payer Act. While we believe the MSP Act has bipartisan support, changes to the laws on which we base our recoveries, particularly the MSP Act, can adversely affect our business. Our ability to generate future revenue is therefore significantly dependent on factors outside our control.

Key Components of Sales and Expenses

The following represent the components of our results of operations.

Claims Recovery Income

Our primary income-producing activities are associated with the pursuit and recovery of proceeds related to Claims recovery rights that the Company obtains through CCRAs, in which we become the owner of those rights. As such, this income is not generated from the transfer of control of goods or services to customers, but through the proceeds realized from perfection of Claims recoveries from rights we hold outright. We recognize Claims recovery income based on a gain contingency model that is, when the amounts are reasonably certain of collection. This typically occurs upon reaching a binding settlement or arbitration with the counterparty or when the legal proceedings, including any appellate process, are resolved.

In some cases, we would owe an additional payment to the original assignor in connection with the realized value of the recovery right. Claims recovery income is recognized on a gross basis, as we are entitled to the full value of recovery proceeds and make payment

to the original assignor similar to a royalty arrangement. Such payments to prior owners are recognized as cost of Claims recovery in the same period the Claims recovery income is recognized.

Claims Recovery Service Income

We also recognize Claims recovery service income for our services to a related party and a third party to assist those entities with pursuit of Claims recovery rights. We have determined we have a single performance obligation for the series of daily activities that comprise Claims recovery services, which are recognized over time using a time-based progress measure. We enter into Claims recovery service contracts with third parties. Amounts payable for services to third parties are typically based on budgeted expenses for the current month with an adjustment for the variance between budget and actual expenses from the prior month.

Costs of Recoveries

Costs of recoveries consist of all directly attributable costs specifically associated with Claims processing activities, including contingent payments payable to assignors (i.e., settlement expenses).

Claims Amortization Expense

Claims Amortization Expense consists of the amortization of CCRA intangible assets for those CCRAs in which we made upfront payments or commitments in order to acquire Claims recovery rights.

Operating Expenses

General and Administrative Expenses

General and administrative expenses consist primarily of personnel-related expenses for employees involved in general corporate, sales and marketing functions, including executive management and administration, legal, human resources, accounting, finance, tax, and information technology. Personnel-related expenses primarily include wages and bonuses. General and administrative expenses also consist of rent, IT costs, insurance, and other office expenses.

As we continue to grow as a company and build out our team, we expect that our sales, general and administrative costs will increase. We also expect to incur additional expenses as a result of operating as a public company, including expenses necessary to comply with the rules and regulations applicable to companies listed on a national securities exchange and related to compliance and reporting obligations pursuant to the rules and regulations of the SEC, as well as higher expenses for general and director and officer insurance, investor relations, and professional services.

Professional Fees

Professional Fees consist of consulting, accounting, and other professional services from third party providers.

Professional Fees - Legal

Professional Fees - Legal consist of payments for the expenses of the Law Firm covered by the Legal Services Agreement and other legal professional services from third party providers including payments to co-counsel.

Depreciation and Amortization

Depreciation and amortization expense consist of depreciation and amortization of property and equipment related to our investments in leasehold improvements, office and computer equipment, and internally generated capitalized software development costs. We provide for depreciation and amortization using the straight-line method to allocate the cost of depreciable assets over their estimated useful lives.

Interest Expense

In some cases, we have entered into arrangements to transfer CCRAs or rights to proceeds from CCRAs to other parties. When such transfers are considered to be sales of future revenue that are debt-like in nature as defined in Accounting Standards Codification (“ASC”) 470, these arrangements are recognized as debt based on the proceeds received and are imputed an interest rate based on the expected timing and amount of payments to achieve contractual hurdles. Our interest expense consists of the imputed interest on these payments. We anticipate that as we recognize Claims recoveries related to CCRAs in these arrangements, the interest expense on these arrangements will decrease.

Interest income consists primarily of interest on short term investments.

Other Income (expense)

Other income consists of equity investment earnings and some affiliate related income. Other expenses consist of bank service charges, airing fees, tax penalties, settlement expense, political contributions and donations, and some affiliate related expenses.

Changes in Fair Value of Warrant and Derivative Liabilities

Changes in fair value of warrants and derivative liabilities consists of the mark to market of warrant liabilities and derivatives as part of the OTC Equity Prepaid Forward Transaction noted in Note 17, *Derivative Liability* in the notes to consolidated financial statements.

Net (income) loss attributable to non-controlling members

Net (income) loss attributable to non-controlling members consists of income or loss of attributable to Class V shareholders.

Income Tax Benefit

As a result of the Business Combination, the Company became the sole managing member of MSP Recovery, LLC, which is treated as a partnership for U.S. federal, state and local income tax purposes. As a partnership, MSP Recovery, LLC is not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by MSP Recovery, LLC is passed through to and included in the taxable income or loss of its partners, including MSP Recovery, Inc. The Company is subject to U.S. federal income taxes, in addition to state and local income taxes, with respect to the Company's allocable share of income of MSP Recovery, LLC. The Company's deferred tax balances reflect the impact of temporary differences between the carrying amount of assets and liabilities and the Company's tax basis. The balances are stated at the tax rates in effect when the temporary differences are expected to be recovered or settled. The Company reviewed the anticipated future realization of the tax benefit of the Company's existing deferred tax assets and concluded that it is more likely than not that all of the deferred tax assets will not be realized in the future.

Results of Operations

Year ended December 31, 2022 versus year ended December 31, 2021

The following table sets forth a summary of our consolidated results of operations for the year ended December 31, 2022 and 2021.

	December 31, 2022			
(in thousands except for percentages)	**2022**	**2021**	**$ Change**	**% Change**	
Claims recovery income	$ 4,878	$ 126	$ 4,752	3,771	%
Claims recovery service income	18,542	14,500	4,042	28	%
Total Claims Recovery	**$ 23,420**	**$ 14,626**	**$ 8,794**	**60**	**%**
Operating expenses					
Cost of claims recoveries	$ 2,054	$ 26	$ 2,028	7,800	%
Claims amortization expense	266,929	164	266,765	162,662	%
General and administrative	23,959	12,633	11,326	90	%
Professional fees	18,497	8,502	9,995	118	%
Professional fees - legal	43,035	128	42,907	33,521	%
Depreciation and amortization	424	343	81	24	%
Total operating expenses	**$ 354,898**	**$ 21,796**	**$ 333,102**	**1,528**	**%**
Operating Income/ (Loss)	**$ (331,478)**	**$ (7,170)**	**$ (324,308)**	**4,523**	**%**
Interest expense	$ (121,011)	$ (27,046)	$ (93,965)	347	%
Other income (expense), net	63,067	1,139	61,928	5,437	%
Change in fair value of warrant and derivative liabilities	(12,483)	-	(12,483)	(100)	%
Net loss before provision for income taxes	**$ (401,905)**	**$ (33,077)**	**$ (368,828)**	**1,115**	**%**
Provision for income tax benefit (expense)	$ -	$ -	$ -	(100)	%
Net loss	**$ (401,905)**	**$ (33,077)**	**$ (368,828)**	**1,115**	**%**
Less: Net (income) loss attributable to non-controlling members	$ 394,488	$ (16)	$ 394,504	(2465650)	%
Net loss attributable to controlling members	**$ (7,417)**	**$ (33,093)**	**$ 25,676**	**(78)**	**%**

Claims recovery income. Claims recovery income increased by $4.8 million for the year ended December 31, 2022 driven by an increase in settlements during the period.

Claims recovery service income. Claims recoveries service income increased by $4.0 million, or 28%, to $18.5 million for the year ended December 31, 2022 from $14.5 million for the year ended December 31, 2021, primarily driven by a $5.0 million servicing contract completed during the year ended December 31, 2022.

Cost of Claims recoveries. Cost of Claims recoveries increased by $2.0 million, to $2.1 million for the year ended December 31, 2022 from $26 thousand for the year ended December 31, 2021, primarily driven by payments due to assignors and the Law Firm on Claims recoveries during the period.

Claims amortization expense. Claims amortization expense increased by $266.8 million, to $266.9 million for the year ended December 31, 2022 from $164 thousand for the year ended December 31, 2021, primarily driven by increased amortization due to the acquisition of CCRAs obtained as part of the business combination. In addition, the Company purchased additional CCRAs during the

year ended December 31, 2022, included in Intangible assets, net, which further contributed to the increase in Claims amortization expense.

General and administrative. General and administrative increased by $11.3 million, or 90%, to $24.0 million for the year ended December 31, 2022 from $12.6 million for the year ended December 31, 2021, primarily driven by increase in wages of $5.0 million and advertising expenses of $3.8 million.

Professional fees. Professional fees increased by $10.0 million, or 118%, to $18.5 million for the year ended December 31, 2022 from $8.5 million for the year ended December 31, 2021, primarily driven by an increase in accounting and consulting fees due to the Business Combination.

Professional fees - legal. Professional fees - legal increased by $42.9 million for the year ended December 31, 2022, primarily driven by a one-time share-based payment expense of $20.1 million, payments to the Law Firm of $9.6 million to cover expenses through the prepaid and $13.2 million fees to outsourced law firms.

Interest expense. Interest expense increased by $94.0 million, or 347%, to $121.0 million for the year ended December 31, 2022 from $27.0 million for the year ended December 31, 2021, primarily driven by an increase due to the guarantee obligation as well as due to increases in the basis for which interest is incurred on our Claims Financing Obligations, additional interest on commitments incurred at the end of 2021 and accrued interest on the related party loan obtained in June 2022.

Other income, net. Other income increased by $61.9 million, to $63.1 million for the year ended December 31, 2022 from $1.1 million for the year ended December 31, 2021 driven by a gain associated with the settlement of the Brickell Key Investment debt extinguishment.

Change in fair value of warrant and derivative liabilities. For the year ended December 31, 2022, $12.5 million of loss was recorded related to mark to market adjustments for the fair value of warrants for $2.9 million and for the fair value of derivative liabilities related to the Committed Equity facility for $9.6 million.

Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with GAAP, this Form 10-K also contains non-GAAP financial measures. We consider "adjusted net loss" and "adjusted operating loss" as non-GAAP financial measures and important indicators of performance and useful metrics for management and investors to evaluate our business's ongoing operating performance on a consistent basis across reporting periods. Adjusted net loss represents Net loss adjusted for certain non-cash and non-recurring expenses and adjusted operating loss items represents Operating loss adjusted for certain non-cash and non-recurring expenses. These measures provide useful information to investors, and a reconciliation of these measures to the most directly comparable GAAP measures and other information relating to these non-GAAP measures is included in Note 2 to our consolidated financial statements appearing elsewhere in this Form 10-K. A reconciliation of these non-GAAP measures is included below:

(In thousands)	December 31, 2022
GAAP Operating Loss	$ (331,478)
Share based compensation	20,055
Claims amortization expense	266,929
Adjusted operating loss	**$ (44,494)**
GAAP Net Loss	$ (401,905)
Share based compensation	20,055
Claims amortization expense	266,929
Gain on debt extinguishment	(63,367)
Paid-in-kind Interest	121,011
Change in fair value of warrant and derivative liabilities	12,483
Adjusted net loss	**$ (44,794)**

Liquidity and Capital Resources

Sources of Liquidity

Since inception, we have financed our operations primarily from partnership contributions and investor financing. As of December 31, 2022, we had $3.7 million in cash and cash equivalents. As of December 31, 2022, we had loan payables of $198.5 million consisting of our Claims Financing Obligations and notes payable. We had $2.8 million in interest payable related to our Claims Financing Obligations. In addition, we had a loan from related parties with a balance of $125.8 million. This loan bears interest at an annual rate of 4%, payable in kind, and will mature on the four-year anniversary of the issuance and the terms were more favorable than we could have obtained from another party.

As an early-stage growth company, the Company has incurred substantial net losses since inception. As of December 31, 2022, the Company had unrestricted cash and cash equivalents totaling $3.7 million. The Company has incurred recurring losses and negative cash flows since inception and has an accumulated deficit of $29.2 million as of December 31, 2022. For the year ended December 31, 2022, the Company used approximately $80.6 million of cash in operations. The Company's liquidity will depend on the ability to generate substantial Claims recovery income and Claims recovery services income in the near future, the timing of which is uncertain, as well as its ability to secure funding from capital sources. The Company's principal liquidity needs have been capital expenditures, working capital, debt service and Claims financing obligations.

The Company anticipates sources of liquidity to include the Hazel Working Capital Facility as disclosed in Note 19, Subsequent Events. The Company anticipates having funding through this source and has taken several actions to address liquidity concerns, including:

1. On April 12, 2023, the Company entered into the Virage MTA Amendment, which extended the due date for the payment obligations to Virage to September 30, 2024. See summary in Note 19, *Subsequent Events*.
2. On April 12, 2023, the Company entered into an amended and restated promissory note with Nomura, which extended the due date to September 30, 2024. See summary in Note 19, *Subsequent Events*.
3. On March 29, 2023, the Company entered into the Working Capital Credit Agreement consisting of commitments to fund up to $48 million in proceeds. See summary in Note 19, *Subsequent Events*.
4. Given the uncertainty with regard to the timing and amount of claims recovery income, management implemented a reduction of operating costs in 2023 through the reduction or elimination of certain controllable expenses particularly within the budgeted costs to expand and develop new solutions through LifeWallet platform, advertising expenses and non-contingent legal fees. The Company anticipates that the reductions would contribute approximately $21.5M in savings to operating expenses over the next twelve months.

The Company has concluded that such actions alleviate the substantial doubt about the Company's ability to continue as a going concern beyond one year from the date these financial statements are issued.

Hazel Working Capital Credit Facility

On March 29, 2023, the Company entered into the Working Capital Credit Facility, which provides for up to $80 million (with a 40% original issue discount), consisting of a Term Loan A commitment to fund up to $30 million (in multiple installments) in proceeds and a Term Loan B Commitment to fund up to $18 million (in multiple installments) in proceeds. An initial $10 million in proceeds was drawn under the Term Loan A on March 6, 2023. On March 29, 2023, an additional $5 million was disbursed to the Company under the Term Loan A. Loans under the Working Capital Credit Facility accrue interest at a Term Secured Overnight Financing Rate for 12-month interest period, plus an applicable margin of 10% per annum. Accrued interest is payable in kind and will be capitalized quarterly. The Working Capital Credit Facility has a stated maturity date of March 31, 2026, and Hazel may extend for up to one year in its sole discretion.

On May 11, 2023 and June 13, 2013, Hazel notified us that it would not disburse additional funds under the Working Capital Credit Facility until the Company satisfies certain milestone funding conditions, including certain servicing obligations as well as filing this Annual Report on Form 10-K. The parties subsequently agreed that $5.5 million will be funded under Term Loan A in accordance with the terms of the Working Capital Credit Facility subsequent to the filing of this 2022 Form 10-K and receipt of funding notices, deeming funding conditions satisfied or waived. Following such funding, the Term Loan A commitment would be terminated, with total funding of $20.5 million. In addition, the parties agreed to increase the Term Loan B commitment from $18 million to $27.5 million, which will be funded in multiple installments and in accordance with the terms of the Working Capital Credit Facility.

MSP Principals Promissory Note

On June 16, 2022, the MSP Principals provided cash to the Company to finance operations in an aggregate amount of $112.8 million. The Company issued the MSP Principals Promissory Note to the MSP Principals in an aggregate principal amount of $112.8 million that has an annual interest rate of 4%, payable in kind, and matures on the day that is the four-year anniversary of the issuance. On the maturity date, the Company is required to pay the MSP Principals an amount in cash equal to the outstanding principal amount, plus accrued and unpaid interest. The promissory note is prepayable by the Company at any time, without prepayment penalties, fees or other expenses. A portion of the proceeds under the MSP Principals Promissory Note in an amount equal to $36.5 million was advanced to the Law Firm for certain operating expenses as contemplated by the Legal Services Agreement. The MSP Principals Promissory Note contains customary events of default that would allow the MSP Principals to declare the MSP Principals Promissory Note immediately due and payable or the MSP Principals Promissory Note will immediately and automatically become due and payable without notice, presentment, demand, protest or other request of any kind. In addition, the MSP Principals Promissory Note may be accelerated by the MSP Principals if the Board of Directors of the Company (excluding the MSP Principals) terminates the Legal Services Agreement.

Nomura Promissory Note

On May 27, 2022, the Company issued an unsecured promissory note to Nomura in a principal amount of approximately $24.5 million related to advisory fees and deferred underwriting fees and expenses that became due and payable by the Company to Nomura, in connection with the consummation of the Business Combination (as defined herein).

On April 12, 2023, the Company amended the promissory note, increasing the principal amount to approximately $26.2 million and extending the maturity date of the promissory note to September 30, 2024. The amended note carries an interest rate of 16% per annum and is payable in cash every 30 calendar days after April 12, 2023. Upon two days prior written notice to Nomura, the Company may prepay all or any portion of the then outstanding principal amount under the promissory note together with all accrued and unpaid interest thereon.

Yorkville Purchase Agreement

On January 6, 2023, the Company entered into a Company Common Stock Purchase Agreement (the "Yorkville Purchase Agreement") with YA II PN, Ltd., a Cayman Island exempted company ("Yorkville"). Pursuant to the Yorkville Purchase Agreement, after the closing of the Business Combination, the Company will have the right to sell to Yorkville from time to time at its option up to $1 billion in Class A common stock shares, subject to the terms, conditions and limitations set forth in the Yorkville Purchase Agreement. This Purchase Agreement will not be operational until a Registration Statement is effective.

Sales of the shares of the Company's common stock to Yorkville under the Yorkville Purchase Agreement, and the timing of any such sales, will be determined by the Company from time to time in its sole discretion and will depend on a variety of factors, including, among other things, market conditions, the trading price of the common stock, as well as determinations by the Company about the use of proceeds of such common stock sales. The net proceeds from any such sales under the Yorkville Purchase Agreement will depend on the frequency with, and the price at, which the shares of common stock are sold to Yorkville.

Upon the initial satisfaction of the conditions to Yorkville's obligation to purchase shares of common stock set forth under the Yorkville Purchase Agreement, the Company will have the right, but not the obligation, from time to time, at its sole discretion and on the terms and subject to the limitations contained in the Yorkville Purchase Agreement, until no later than the first day of the month following the 36 month anniversary of the date that the registration statement of the shares is declared effective, to direct Yorkville to purchase up to a specified maximum amount of common stock as set forth in the Yorkville Purchase Agreement by delivering written notice to Yorkville prior to the commencement of trading on any trading day. The purchase price of the common stock that the Company elects to sell to Yorkville pursuant to the Yorkville Purchase Agreement will be 98% of the VWAP of the common stock during the applicable purchase date on which the Company has timely delivered a written notice to Yorkville, directing it to purchase common stock under the Yorkville Purchase Agreement.

The previous purchase agreement that the Company entered into on May 17, 2022 with Cantor Fitzgerald & Co. has been terminated.

Assignment and Sale of Proceeds Agreement

On June 30, 2022, the Company entered into an Assignment and Sale of Proceeds Agreement (the "Assignment Agreement") and a Recovery Services Agreement (the "Services Agreement" and collectively, the "Agreements") with the Prudent Group ("Prudent") in order to monetize up to $250 million of the value of the Company's net recovery interest in Claim demand letters that the Company has commenced sending to insurers who admitted they had primary payer responsibility for the underlying accidents to the federal government ("Net Recovery Proceeds"). Pursuant to the Agreements, at the Company's sole and absolute discretion, the Company has the right to direct Prudent to acquire, on a non-recourse basis, a percentage of Net Recovery Proceeds, up to an aggregate of $250 million, at a purchase price of 90% of Net Recovery Proceeds of such Claim.

Under the Services Agreement, the Company will service and recover on the demand letters and will retain any revenues generated in excess of the amount received from Prudent, plus up to an 18% annual return on the amount Prudent paid for Net Recovery Proceeds. Prudent may terminate the Services Agreement upon sixty (60) days prior written notice to the Company. The Company plans to utilize the Assignment Agreement as funding is needed. To date, the Company has not exercised its rights pursuant to the Services Agreement and does not anticipate doing so in the foreseeable future.

Actual results, including sources and uses of cash, may differ from our current estimates due to the inherent uncertainty involved in making those estimates and any such differences may impact the Company's ability to continue as a going concern in the future. The expenditures associated with the development and launch of our additional recovery services and the anticipated increase in Claims recovery capacity are subject to significant risks and uncertainties, many of which are beyond our control, which may affect the timing and magnitude of these anticipated expenditures. These risk and uncertainties are described in more detail in the section entitled "Risk Factors."

PPP Loan

During 2020, we obtained funds under the Paycheck Protection Program (the "PPP Loans") in the amount of $1.1 million. As of December 31, 2021, all of the PPP Loans have been forgiven.

Claims Financing Obligations

On February 20, 2015, the Company entered into a Claims Proceeds Investment Agreement ("CPIA") with a third-party investor to invest directly and indirectly in Claims, disputes, and litigation and arbitration Claims. For such investment, the Company assigned to the investor a portion of the future proceeds of certain Claims, albeit the Company remained the sole owner and assignee of rights to Claims because the investor was only acquiring rights to a portion of the proceeds of the Claims. The investor return was based on its investment ($23 million between the original and amended agreements) and an internal rate of return of 30% calculated from the Closing Date.

During the year ended December 31, 2022, the Company finalized an Amendment to the CPIA and a Warrant Agreement with the third-party, pursuant to which the parties have agreed to amend the original CPIA and required payment terms. See Note 11 to our consolidated financial statements for a description of the Claims financing obligations and details on the amendment.

Tax Receivable Agreement

Under the terms of the TRA, we generally will be required to pay to the Members, and to each other person from time to time that becomes a "TRA Party" under the TRA, 85% of the tax savings, if any, that we are deemed to realize in certain circumstances as a result of certain tax attributes that exist following the Business Combination and that are created thereafter, including as a result of payments made under the TRA. The term of the TRA will continue until all such tax benefits have been utilized or expired unless we exercise our right to terminate the TRA for an amount representing the present value of anticipated future tax benefits under the TRA or certain other acceleration events occur. Any payments made by us under the TRA will generally reduce the amount of overall cash flow that might have otherwise been available to us, and, to the extent that we are unable to make payments under the TRA for any reason, the unpaid amounts generally will be deferred and will accrue interest until paid by us.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	December 31,	
(in thousands)	**2022**	**2021**
Net cash used in operating activities	$ (80,635)	$ 2,249
Net cash used in investing activities	(5,684)	(2,007)
Net cash provided by (used in) financing activities	99,735	(10,457)
Net increase (decrease) in cash and cash equivalents and restricted cash	13,416	(10,215)
Cash and cash equivalents and restricted cash at beginning of period	1,664	11,879
Cash and cash equivalents and restricted cash at end of period	$ 15,080	$ 1,664

Cash Flows Used in Operating Activities

Net cash used in operating activities increased by $82.9 million to $80.6 million for the year ended December 31, 2022 compared to net cash provided of $2.2 million for the year ended December 31, 2021. During the year ended December 31, 2022, net cash used in operating activities was impacted primarily by our net loss, an increase in Prepaid and other assets of $27.6 million and decrease in affiliate payable of $25.4 million. This was partially offset by a $23.4 million increase in accounts payable and accrued liabilities. Net cash used in operating activities was further impacted by non-cash charges including a $63.4 gain on debt extinguishment partially offset by Claims amortization expense of $266.9 million, paid in kind interest of $120.0 million, share-based compensation of $20.1 million and change in fair value of derivatives of $9.6 million and change in fair value of warrant liabilities of $2.2 million.

Cash Flows Used in Investing Activities

Net cash used in investing activities increased by $3.7 million to $5.7 million for the year ended December 31, 2022 compared to $2.0 million for the year ended December 31, 2021. During the year ended December 31, 2022, our cash used in investing activities was primarily due to acquisition of additional CCRAs included in Intangible assets, net, of which $3.0 million was paid for in cash and $3.0 million of additions to property, plant and equipment.

Cash Flows Provided by (Used in) Financing Activities

Net cash provided by in financing activities increased to $99.7 million for the year ended December 31, 2022 compared to $10.5 million net cash used in financing activities for the year ended December 31, 2021. This is primarily due to proceeds from the related party loan of $125.8 million, proceeds from the Business Combination of $12.0 million, and $9.8 million from the issuance of common stock. These were partially offset by $50.2 million of transaction costs incurred in connection with the Business Combination.

Off-Balance Sheet Commitments and Arrangements

As of the balance sheet dates of December 31, 2022 and December 31, 2021, we have not engaged in any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Contractual Obligations, Commitments and Contingencies

The following table and the information that follows summarizes our contractual obligations as of December 31, 2022.

The future minimum lease payments under non-cancelable operating leases as of December 31, 2022 are as follows:

(In thousands)	Lease Payments
Year Ending December 31,	
2023 [1]	$ 217
Total	**$ 217**

(1) Operating lease expires before or during the year ending December 31, 2023

Based on Claims financing obligations and notes payable agreements, as of December 31, 2022 and December 31, 2021, the present value of amounts owed under these obligations were $201.3 million and $201.4 million, respectively, including unpaid interest to date of $2.8 million and $94.5 million, respectively. The weighted average interest rate is 6.3% based on the current book value of $201.3 million with rates that range from 2% to 11.04%. The Company is expected to repay these obligations from cash flows from Claim recovery income.

As of December 31, 2022, the minimum required payments on these agreements are $354.9 million. Certain of these agreements have priority of payment regarding any proceeds until full payment of the balance due is satisfied. The maturity of the commitments range from the date sufficient Claims recoveries are received to cover the required return or in some cases by 2031.

Critical Accounting Policies

Our consolidated financial statements and the related notes thereto included elsewhere in this Form 10-K are prepared in accordance with GAAP. The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts and related disclosures in our financial statements and accompanying notes. We base our estimates on historical experience and on various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions due to the inherent uncertainty involved in making those estimates and any such differences may be material.

We believe that the following accounting policies involve a high degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of our operations. See Note 2, *Basis of Presentation and Summary of Significant Accounting Policies* to our consolidated financial statements appearing elsewhere in this Form 10-K for a description of our other significant accounting policies.

Revenue Recognition

Claims Recovery Income

We recognize revenue based on a gain contingency model when the amounts are reasonably certain of collection, typically upon reaching a binding settlement or arbitration with the counterparty or when the legal proceedings, including any appellate process, are resolved. Claims recovery income is recognized on a gross basis, as the Company is entitled to the full value of recovery proceeds and makes a payment to the original assignor similar to a royalty arrangement. Such payments to prior owners are recognized as cost of Claims recovery in the same period the Claims recovery income is recognized.

Claims Recovery Service Income

We recognize Claims recovery service income for our services to third parties for our services to assist those entities with pursuit of Claims recovery rights. We have determined that we have a single performance obligation for the series of daily activities that comprise Claims recovery services, which are recognized over time using a time-based progress measure. Amounts owed under existing arrangements or as a result of actual settlements or resolved litigation are recognized as accounts receivable. Amounts estimated and recognized, but not yet fully settled or resolved as part of litigation are recognized as contract assets. We enter into Claims recovery service contracts with third parties. Amounts for services to third parties are typically based on budgeted expenses for the current month with an adjustment for the variance between budget and actual expenses from the prior month.

Impairment of Intangible Assets

We evaluate long-lived assets, such as property and equipment, and finite-lived intangibles, such as Claims recovery rights and capitalized software costs, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset or asset group may not be recoverable. If the estimated future cash flows (undiscounted and without interest charges) from the use of an asset group are less than the carrying value, a write-down would be recorded to reduce the related asset group to its estimated fair value. There were no impairment indicators or charges in the year ended December 31, 2022 and 2021.

For the CCRA intangibles, we will also assess the intangible assets recognized for CCRAs for impairment in accordance with ASC 350-30-35-14, whereby an impairment loss shall be recognized if the carrying amount of the intangible asset is not recoverable and its carrying amount exceeds its fair value based on the model for long-lived assets to be held and used under ASC 360-10. ASC 360-10

requires entities to evaluate long-lived assets (including finite-lived intangible assets) when indicators are present. Impairment indicators would result only when the potential recoveries under the Claim paths of all remaining Claims suggests the unamortized carrying value is not recoverable. As upfront payments for CCRAs are typically a fraction of the potential recoveries, it would typically take a substantial negative event (such as an unfavorable court ruling upheld on appeal or a change in law/statute with retroactive effect) to suggest an impairment may be triggered. There were no impairment indicators or charges in the year ended December 31, 2022 and 2021.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

Item 8. Financial Statements and Supplementary Data.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the shareholders and the Board of Directors of
MSP Recovery, Inc. and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of MSP Recovery, Inc. and Subsidiaries (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of operations, changes in equity, and cash flows, for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP

Miami, Florida

July 26, 2023

We have served as the Company's auditor since 2021.

MSP RECOVERY, INC. and Subsidiaries
Consolidated Balance Sheets

(In thousands except per share amounts)	December 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,661	$ 1,664
Restricted cash	11,420	-
Accounts receivable	6,195	-
Affiliate receivable (1)	2,425	4,070
Prepaid expenses and other current assets (1)	27,656	13,304
Total current assets	**51,357**	**19,038**
Property, plant and equipment, net	3,432	750
Intangible assets, net (2)	3,363,156	84,218
Total assets	**$ 3,417,945**	**$ 104,006**
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 8,422	$ 4,609
Affiliate payable (1)	19,822	45,252
Commission payable	545	465
Deferred service fee income	-	249
Derivative liability	9,613	-
Warrant liability	5,311	-
Other current liabilities	72,002	3,489
Total current liabilities	**115,715**	**54,064**
Guaranty obligation (1)	787,945	-
Claims financing obligation and notes payable (1)	198,489	106,805
Loan from related parties (1)	125,759	-
Interest payable (1)	2,765	94,545
Total liabilities	**$ 1,230,673**	**$ 255,414**
Commitments and contingencies (Note 13)		
Class A common stock subject to possible redemption, 1,129,589 shares at redemption value as of December 31, 2022.	1,807	-
Stockholders' Equity (Deficit):		
Class A common stock, $0.0001 par value; 5,500,000,000 shares authorized; 74,605,284 issued and outstanding as of December 31, 2022	$ 7	$ -
Class V common stock, $0.0001 par value; 3,250,000,000 shares authorized; 3,147,979,494 issued and outstanding as of December 31, 2022	315	-
Additional paid-in capital	136,760	-
Members' equity	-	(155,756)
Accumulated deficit	(29,203)	-
Total Stockholders' Equity (Deficit)	**$ 107,879**	**$ (155,756)**
Non-controlling interest	2,077,586	4,348
Total equity	**$ 2,185,465**	**$ (151,408)**
Total liabilities and equity	**$ 3,417,945**	**$ 104,006**

1. As of December 31, 2022 and 2021, the total affiliate receivable, affiliate payable, guaranty obligation and loan from related parties balances are with related parties. In addition, the prepaid expenses and other current assets, Claims financing obligation and notes payable and interest payable includes balances with related parties. See *Note 14, Related Party*, for further details.
2. As of December 31, 2022, intangible assets, net included $2.3 billion related to a consolidated VIE. See *Note 10, Variable Interest Entities*, for further details.

The accompanying notes are an integral part of these consolidated financial statements.

MSP RECOVERY, INC. and Subsidiaries
Consolidated Statements of Operations

(In thousands except per share amounts)	Year ended December 31, 2022	2021	2020
Claims recovery income	$ 4,878	$ 126	$ 255
Claims recovery service income (1)	18,542	14,500	13,632
Total Claims Recovery	**$ 23,420**	**$ 14,626**	**$ 13,887**
Operating expenses			
Cost of claim recoveries (2)	2,054	26	47
Claims amortization expense	266,929	164	125
General and administrative (3)	23,959	12,633	14,130
Professional fees	18,497	8,502	2,211
Professional fees - legal (4)	43,035	128	468
Depreciation and amortization	424	343	235
Total operating expenses	354,898	21,796	17,216
Operating Loss	**$ (331,478)**	**$ (7,170)**	**$ (3,329)**
Interest expense	(121,011)	(27,046)	(20,886)
Other income (expense), net	63,067	1,139	(51)
Change in fair value of warrant and derivative liabilities	(12,483)	—	—
Net loss before provision for income taxes	**$ (401,905)**	**$ (33,077)**	**$ (24,266)**
Provision for income tax expense	—	—	—
Net loss	**$ (401,905)**	**$ (33,077)**	**$ (24,266)**
Less: Net (income) loss attributable to non-controlling members	394,488	(16)	18
Net loss attributable to controlling members	**$ (7,417)**	**$ (33,093)**	**$ (24,248)**
Basic and diluted weighted average shares outstanding, Class A Common Stock (5)	61,825,105	N/A	N/A
Basic and diluted net income per share, Class A Common Stock (5)	**$ (0.12)**	N/A	N/A

1. For the years ended December 31, 2022, 2021 and 2020, Claims recovery service income included $10.6 million, $11.5 million, and $13.1 million, respectively, of Claims recovery service income from VRM MSP. See *Note 14, Related Party,* for further details.
2. For the year ended December 31, 2022, cost of Claim recoveries included $405 thousand of related party expenses. This relates to contingent legal expenses earned from Claims recovery income pursuant to legal service agreements with the La Ley con John H. Ruiz P.A., d/b/a MSP Recovery Law Firm (the "Law Firm"). See *Note 14, Related Party,* for further details. For the years ended December 31, 2021 and 2020, the expenses related to contingent legal expenses were de minimis.
3. For the year ended December 31, 2022, general and administrative expenses included $400 thousand of related party expenses. For the years ended December 31, 2021 and 2020, the amounts were de minimis. See *Note 14, Related Party,* for further details.
4. For the year ended December 31, 2022, professional fees - legal included $29.7 million of related party expenses related to the Law Firm. For the year ended December 31, 2021 and 2020, the amounts were de minimis, respectively, of related party expenses related to the Law Firm. See *Note 14, Related Party,* for further details.
5. Earnings per share information has not been presented for periods prior to the Business Combination (as defined in Note 1, *Description of Business*), as it resulted in values that would not be meaningful to the users of these consolidated financial statements. Refer to *Note 16, Net Loss Per Common Share* for further information.

The accompanying notes are an integral part of these consolidated financial statements.

MSP RECOVERY, INC. and Subsidiaries
Consolidated Statements of Changes in Equity

Year Ended December 31, 2022

(In thousands except shares)	Class A Common Stock Shares	Class A Common Stock Amount	Class V Stock Shares	Class V Stock Amount	Additional Paid-in Capital	Members' Deficit	Accumulated Deficit	Non-Controlling Interests	Total Equity
Balance at December 31, 2021	—	$ —	—	$ —	$ —	$ (155,756)	$ —	$ 4,348	$ (151,408)
Contributions prior to recapitalization transaction	—	—	—	—	—	15	—	—	15
Distributions prior to recapitalization transaction	—	—	—	—	—	(147)	—	—	(147)
Net loss prior to recapitalization transaction	—	—	—	—	—	(28,640)	—	—	(28,640)
Cumulative effect of recapitalization transaction	7,582,668	—	3,154,473,292	315	41,277	184,528	—	2,490,751	2,716,871
Opening net assets of Lionheart II Holdings, LLC acquired	—	—	—	—	—	—	(21,786)	—	(21,786)
Adjustment for value of derivative on temporary equity	—	—	—	—	9,613	—	—	—	9,613
Conversion of Warrants	8,505,557	1	—	—	16,702	—	—	(6,611)	10,092
Class A Issuances	58,517,059	6	(6,493,798)	—	69,168	—	—	(45,054)	24,120
Net loss	—	—	—	—	—	—	(7,417)	(365,848)	(373,265)
Balance at December 31, 2022	74,605,284	$ 7	3,147,979,494	$ 5	$ 136,760	$ —	$ (29,203)	$ 2,077,586	$ 2,185,465

Year Ended December 31, 2021

(In thousands)	Members' Deficit	Non- Controlling Interests	Total Equity
Balance at December 31, 2020	$ (120,179)	$ 4,332	$ (115,847)
Contributions	227	—	227
Distributions	(2,711)	—	(2,711)
Net loss	(33,093)	16	(33,077)
Balance at December 31, 2021	$ (155,756)	$ 4,348	$ (151,408)

The accompanying notes are an integral part of these consolidated financial statements.

MSP RECOVERY, INC. and Subsidiaries
Consolidated Statements of Changes in Equity

Year Ended December 31, 2020

(In thousands)	Members' Deficit	Non- Controlling Interests	Total Equity
Balance at December 31, 2019	**$ (104,455)**	**$ 4,350**	**$ (100,105)**
Contributions	8,524	—	8,524
Distributions	—	—	—
Net loss	(24,248)	(18)	(24,266)
Balance at December 31, 2020	**$ (120,179)**	**$ 4,332**	**$ (115,847)**

The accompanying notes are an integral part of these consolidated financial statements.

MSP RECOVERY, INC. and Subsidiaries
Consolidated Statements of Cash Flows

(In thousands)	Year ended December 31, 2022	2021	2020
Cash flows from operating activities:			
Net loss (1)	$ (401,905)	$ (33,077)	$ (24,266)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:			
Depreciation and amortization	424	343	235
Claims amortization expense	266,929	164	125
Paid in kind interest	145,321	27,023	20,843
Change in fair value of derivatives	9,613	—	—
Deferred income taxes	(531)	—	—
Share based compensation	20,055	—	—
Change in fair value of warrant liability	2,870	—	—
PPP loan forgiveness	—	(1,043)	(44)
Realized gain on equity securities	—	(201)	(18)
Unrealized losses on investments - short position	—	—	279
Gain on debt extinguishment	(63,367)	—	—
Change in operating assets and liabilities:			
Accounts receivable	(6,195)	—	—
Affiliate receivable (1)	1,645	801	(3,346)
Affiliate payable (1)	(25,430)	6,225	5,670
Prepaid expenses and other assets	(27,604)	1	(9)
Commission payable	80	—	—
Accounts payable and accrued liabilities	(2,291)	2,013	268
Deferred service fee income	(249)	—	249
Net cash (used in) provided by operating activities	**(80,635)**	**2,249**	**(14)**
Cash flows from investing activities:			
Additions to property, plant, and equipment	(2,984)	(481)	(330)
Additions to intangible assets	(2,700)	(150)	—
Proceeds from short sale of short positions	—	—	1,298
Proceeds from sale of equity securities	—	4,450	1,273
Purchases of equity securities	—	(4,056)	(1,255)
Purchase of securities to cover short position	—	(1,770)	—
Net cash (used in) provided by investing activities	**(5,684)**	**(2,007)**	**986**
Cash flows from financing activities:			
Proceeds from Business Combination	12,009	—	—
Transaction costs incurred for the Business Combination	(49,638)	(7,973)	—
Proceeds from related party loan (1)	125,759	—	—
Issuance of common stock	9,188	—	—
Issuance of temporary equity	2,417	—	—
Contribution from members	—	227	8,524
Distributions to members	—	(2,711)	—
Proceeds from debt financing	—	—	1,086
Net cash provided by (used in) financing activities	**99,735**	**(10,457)**	**9,610**
Increase (decrease) in cash and cash equivalents and restricted cash	13,416	(10,215)	10,582
Cash and cash equivalents and restricted cash at beginning of year	1,664	11,879	1,297
Cash and cash equivalents and restricted cash at end of period	**$ 15,080**	**$ 1,664**	**$ 11,879**
Supplemental cash flow information:			
Supplemental disclosure of non-cash investing and financing activities:			
Purchase of intangible asset financed by note payable	$ —	$ 83,805	$ —
Purchase of intangible asset through issuance of Class A common stock	10,963	—	
Purchase of intangible asset in accrued expenses	51,167		
Payment of professional fees through issuance of Class A common stock	1,618	—	
Transaction costs incurred included in accounts payable	29,681	—	
Cash paid during the period for:			
Interest	$ —	$ 23	$ 43

1. Balances include related party transactions. See *Note 14, Related Party*, for further details.

The accompanying notes are an integral part of these consolidated financial statements.

Note 1. DESCRIPTION OF BUSINESS

On May 23, 2022 (the “Closing Date”), MSP Recovery, Inc. d/b/a LifeWallet, a Delaware corporation (formerly known as Lionheart Acquisition Corporation II (“LCAP”) consummated the previously announced business combination pursuant to that certain Membership Interest Purchase Agreement, dated as of July 11, 2021 (as amended, the “MIPA”), by and among the Company, Lionheart II Holdings, LLC, a wholly owned subsidiary of the Company, MSP Recovery, LLC and combined and consolidated subsidiaries ("Legacy MSP"), the members of Legacy MSP (the “Members”), and John H. Ruiz, in his capacity as the representative of the Members (the “Members’ Representative”). Pursuant to the MIPA, the Members sold and assigned all of their membership interests in Legacy MSP to the Company in exchange for non-economic voting shares of Class V common stock, par value $0.0001, of the Company (“Class V Common Stock”) and non-voting economic Class B Units of the Company (“Class B Units,” and each pair consisting of one share of Class V Common Stock and one Class B Unit, an “Up-C Unit”) (such transaction, the “Business Combination”). The Up-C Units are convertible into Class A Common Stock of the Company at the discretion of holder of the Up-C Unit. See *Note 3, Business Combination* for details. Subsequent to the Closing Date, the Company's sole asset is its equity interest in MSP Recovery, LLC. The Company is the managing member and therefore consolidates Legacy MSP.

Legacy MSP was organized in 2014 as a Medicaid and Medicare Secondary Pay Act recovery specialist. The Company utilizes its proprietary internal data analytics platform to review health Claims assigned by secondary payers such as Health Plans, Management Service Organizations (“MSO”), providers of medical services and Independent Physicians Associations. This platform allows the Company to identify Claims cost recovery rights with potential recovery paths where Claims either should not have been paid by the secondary payers or should have been reimbursed by third-party entities.

MSP seeks the assignment of recovery rights from secondary payers by acquiring the recovery rights to Claims from secondary payers via Claims Cost Recovery Agreements (“CCRAs”). Prior to executing a CCRA, the Company utilizes its proprietary internal data analytics platform to review the set of Claims and identify Claims with probable recovery paths. MSP’s assets are these irrevocable assignments of health Claims recovery rights that are automatic, all-encompassing and superior to other interests supported by Federal and State laws and regulations. MSP’s operations are primarily conducted in the U.S. and Puerto Rico.

Investment Capacity Agreement

On September 27, 2021, the Company entered into an Investment Capacity Agreement (the “ICA”) providing for potential future transactions regarding select healthcare Claims recovery interests with its investment partner, Virage, which transactions may include the sale of Claims by MSP. The ICA provides that the maximum value of such Claims will be $3 billion.

When the Company takes an assignment, the Company takes an assignment of the entire recovery but often has a contractual obligation to pay the assignor 50% of any recoveries. This 50% interest typically is retained by the assignor (the “Retained Interest”), although in some cases, the Company has acquired all of the recoveries, and the applicable assignor has not kept any Retained Interest. The Retained Interest is not an asset of the Company, but an obligation to pay these assignors, with the Company keeping the other 50% interest of any recoveries. Virage’s funding in connection with future transactions generally will be used to purchase Retained Interests from existing assignors or new MSP assignors, although its funds can also be used to buy 50% of the recoveries from the Company, in the event the applicable assignor did not retain any Retained Interest. In connection with transactions consummated under the ICA, the Company may receive certain fees, including a finder's fee for identifying the recoveries and a servicing fee for servicing the Claims.

Pursuant to the ICA, the Company will assist Virage in acquiring these Retained Interests for a cash price. Virage will be paid the recovery generated from the purchased Retained Interests when received through litigation or settlements. The ICA is separate and distinct from the equity investment in the Company by VRM MSP (an affiliate of Virage). While the ICA is still in effect as of the date of this annual report, it is uncertain if or when the Company would transact on the ICA. To date, there have been no transactions in connection with this ICA, and the Company does not anticipate any in the foreseeable future.

LifeWallet

On January 10, 2022, the Company announced the launch of LifeWallet, LLC (“LifeWallet”). As of December 31, 2022, the Company’s investment related to LifeWallet included in the consolidated balance sheets was limited to activity and expenses incurred during the year ended December 31, 2022. Through the date the financial statements were issued, LifeWallet has executed agreements for advertising costs within the next 12 months of approximately $5.5 million. A portion of these contracts are cancellable with a 30-day notice period. For the aforementioned agreements that do not have a 30-day cancellation at will provision, the parties have mutually agreed to terminate said agreements prior to the filing of this Annual Report on Form 10-K.

Committed Equity Facility

On May 17, 2022, the Company entered into a Company Common Stock Purchase Agreement (the “Purchase Agreement”) with an affiliate of Cantor Fitzgerald (“CF”). Pursuant to the Purchase Agreement, after the closing of the Business Combination, the Company will have the right to sell to CF from time to time at its option up to $1 billion in Class A common stock shares, subject to the terms, conditions and limitations set forth in the Purchase Agreement.

On January 6, 2023, the Company entered into a Company Common Stock Purchase Agreement (the “Yorkville Purchase Agreement”) with YA II PN, Ltd., a Cayman Island exempted company (“Yorkville”), which replaced the Purchase Agreement with CF noted above. Pursuant to the Yorkville Purchase Agreement, the Company has the right to sell to Yorkville from time to time at its option up to $1 billion in shares of the Company’s Common Stock, subject to the terms, conditions and limitations set forth in the Yorkville Purchase Agreement. Sales of the shares of the Common Stock to Yorkville under the Yorkville Purchase Agreement, and the timing of any such sales, will be determined by the Company from time to time in its sole discretion and will depend on a variety of factors, including, among other things, market conditions, the trading price of the common stock, as well as determinations by the Company about the use of proceeds of such Common Stock sales. The net proceeds from any such sales under the Yorkville Purchase Agreement will depend on the frequency with, and the price at, which the shares of Common Stock are sold to Yorkville. Upon the initial satisfaction of the conditions to Yorkville’s obligation to purchase shares of Common Stock set forth under the Yorkville Purchase Agreement (the “Commencement”), including that a registration statement registering the resale by Yorkville of the shares of Common Stock under the Securities Act, purchased pursuant to the Yorkville Purchase Agreement (the “Resale Registration Statement”) is declared effective by the SEC and a final prospectus relating thereto is filed with the SEC, the Company will have the right, but not the obligation, from time to time, at its sole discretion and on the terms and subject to the limitations contained in the Yorkville Purchase Agreement, until no later than the first day of the month following the 36 month anniversary of the date that the Resale Registration Statement is declared effective, to direct Yorkville to purchase up to a specified maximum amount of Common Stock as set forth in the Yorkville Purchase Agreement by delivering written notice to Yorkville prior to the commencement of trading on any trading day. The purchase price of the common stock that the Company elects to sell to Yorkville pursuant to the Yorkville Purchase Agreement will be 98% of the volume-weighted average price ("VWAP") of the Common Stock during the applicable purchase date on which the Company has timely delivered a written notice to Yorkville, directing it to purchase common stock under the Yorkville Purchase Agreement. The purchase agreement that the Company entered into on May 17, 2022 with CF has been terminated.

Assignment and Sale of Proceeds Agreement

On June 30, 2022, the Company entered into an Assignment and Sale of Proceeds Agreement (the “Assignment Agreement”) and a Recovery Services Agreement (the “Services Agreement” and collectively, the “Agreements”) with the Prudent Group (“Prudent”) in order to monetize up to $250 million of the value of the Company’s net recovery interest in Claim demand letters that the Company has commenced sending to insurers who admitted they had primary payer responsibility for the underlying accidents to the federal government (“Net Recovery Proceeds”).

Pursuant to the Agreements, at the Company’s sole and absolute discretion, the Company has the right to direct Prudent to acquire, on a non-recourse basis, a percentage of the Company's Net Recovery Proceeds, up to an aggregate of $250 million, at a purchase price of 90% of the Net Recovery Proceeds of such Claim.

Under the Services Agreement, the Company will service and recover on the demand letters and will retain any revenues generated in excess of the amount received from Prudent, plus up to an 18% annual return on the amount Prudent paid for the Net Recovery Proceeds. Prudent may terminate the Services Agreement upon sixty (60) days prior written notice to the Company.

The Company may utilize the Assignment Agreement as funding if needed. While the Prudent Agreements are still in effect as of the date of these financial statements, it is uncertain if or when the Company would transact on the agreements.

Warrant Agreement with Brickell Key Investments, LP

On October 12, 2022, MSP Recovery, Inc., a Delaware corporation (the “Company”), finalized an Amendment to the Claim Proceeds Investment Agreement (the "Amendment") and a Warrant Agreement (the "Warrant Agreement") with Brickell Key Investments LP (the “Holder”), pursuant to which the parties have agreed to amend the original Claims Proceeds Investment Agreement ("CPIA") and required payment terms. The Amendment and Warrant Agreement were agreed effective September 30, 2022.

Pursuant to the agreements, the Company grants to the Holder the right to purchase Class A common shares in the Company (the "Class A Shares") in accordance with the terms and conditions of the Agreement. The maximum amount of Class A shares that the holder may purchase from the Company is 66,666,666 (the “Amount”) for a purchase price equal to $6,666.67 ($0.0001 per Class A Share) (the “Exercise Price”) and is payable in cash. This Warrant (the “Warrant”) will expire at 5:00 p.m. (Eastern Time), on September 30, 2027 and may be exercised in whole or in part by Holder at any time prior to such date. The Holder can only sell a maximum of 15% per month of the Class A Shares obtained through the Warrant.

In exchange for the Company issuing the Warrant, the amounts owed to the Holder pursuant to CPIA are reduced from approximately $143 million to equal $80 million (the "Reduced Obligation"), and no further interest will accrue. The Holder has the right to receive the $80 million owed through (1) proceeds as outlined in the CPIA, (2) cash paid by the Company or (3) monetization of the Warrant (through the sale of the Warrant or sale of the underlying Class A Shares). If the Holder monetizes the Warrant, the amount owed will be reduced at a measure of $1.20 per Class A Share (five-day volume weighted average price as of September 30, 2022).

Liquidity

As an early-stage growth company, the Company has incurred substantial net losses since inception. As of December 31, 2022, the Company had unrestricted cash and cash equivalents totaling $3.7 million. The Company has incurred recurring losses and negative cash flows since inception and has an accumulated deficit of $29.2 million as of December 31, 2022. For the year ended December 31, 2022, the Company used approximately $80.6 million of cash in operations. The Company's liquidity will depend on the ability to generate substantial Claims recovery income and Claims recovery services income in the near future, the timing of which is uncertain, as well as its ability to secure funding from capital sources. The Company's principal liquidity needs have been capital expenditures, working capital, debt service and Claims financing obligations.

The Company anticipates sources of liquidity to include the Hazel Working Capital Facility as disclosed in Note 19, *Subsequent Events*. The Company anticipates having funding through this source and has taken several actions to address liquidity concerns, including:

1. On April 12, 2023, the Company entered into the Virage MTA Amendment, which extended the due date for the payment obligations to Virage to September 30, 2024. See summary in Note 19, *Subsequent Events*.

2. On April 12, 2023, the Company entered into an amended and restated promissory note with Nomura, which extended the due date to September 30, 2024. See summary in Note 19, *Subsequent Events*.

3. On March 29, 2023, the Company entered into the Working Capital Credit Agreement consisting of commitments to fund up to $48 million in proceeds. See summary in Note 19, *Subsequent Events*.

4. Given the uncertainty with regard to the timing and amount of claims recovery income, management implemented a reduction of operating costs in 2023 through the reduction or elimination of certain controllable expenses particularly within the budgeted costs to expand and develop new solutions through LifeWallet platform, advertising expenses and non-contingent legal fees. The Company anticipates that the reductions would contribute approximately $21.5M in savings to operating expenses over the next twelve months.

The Company has concluded that such actions alleviate the substantial doubt about the Company's ability to continue as a going concern beyond one year from the date these financial statements are issued.

Note 2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

Basis of presentation

These statements have been prepared pursuant to the rules and regulations of the SEC and in accordance with GAAP. In the opinion of management, the consolidated financial statements (the “Financial Statements”) reflect all adjustments, which consist only of normal recurring adjustments, necessary to state fairly the results of operations, financial condition and cash flows for the periods presented herein. Prior to the Business Combination, the consolidated interim financial statements reflect Legacy MSP. All intercompany transactions and balances are eliminated from the consolidated financial statements.

Principles of consolidation

The Company consolidates all entities that it controls through a majority voting interest or otherwise and the accompanying consolidated financial statements include the accounts of the Company’s wholly owned subsidiaries and these entities for which the Company has a controlling interest in. The Company also consolidates all entities that it controls as the primary beneficiary of a variable interest entity (“VIE”). Under the VIE model, management first assesses whether the Company has a variable interest in an entity, which would include an equity interest. If the Company has a variable interest in an entity, management further assesses whether that entity is a VIE, and if so, whether the Company is the primary beneficiary under the VIE model. Generally, entities that are organized similar to a limited partnership, in which a general partner (or managing member) make the most relevant decisions that affect the entity’s economic performance, are considered to be VIEs which would require consolidation, unless the limited partners have substantive kickout or participating rights. Entities that do not qualify as VIEs are assessed for consolidation under the voting interest model.

Under the VIE model, an entity is deemed to be the primary beneficiary of a VIE if it holds a controlling financial interest. A controlling financial interest is defined as (a) the power to direct the activities of a VIE that most significantly affect the entity’s economic performance and (b) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. Management determines whether the Company is the primary beneficiary of a VIE at the time it

becomes involved with a VIE and reconsiders that conclusion at each reporting date. This analysis includes an evaluation of the Company's control rights, as well as the economic interests that the Company holds in the VIE, including indirectly through related parties. As a result of the Business Combination, the Company consolidates MSP Recovery, LLC under the VIE model.

Estimates and Assumptions

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from the Company's estimates. Estimates are periodically reviewed considering changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Significant estimates and assumptions reflected in these consolidated financial statements include but are not limited to Claims recovery income and Claims recovery service income recognition, recoverability of long-lived assets and cost of Claims recoveries.

Segments

Operating segments are defined as components of an entity for which separate financial information is available and regularly reviewed by the chief operating decision maker ("CODM"). The Company manages its operations as a single segment for the purposes of assessing performance and making decisions. The Company's CODM is its Chief Executive Officer. The Company has determined that it operates in one operating segment and one reportable segment, as the CODM reviews financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance. In addition, all of the Company's revenues and long-lived assets are attributable primarily to operations in the United States and Puerto Rico for all periods presented.

Concentration of credit risk and Off-Balance Sheet Risk

Cash and cash equivalents and affiliate receivable are financial instruments that are potentially subject to concentrations of credit risk. See *Note 14, Related Party*, for disclosure of affiliate receivables. The Company's cash and cash equivalents and restricted cash are deposited in accounts at large financial institutions, and amounts may exceed federally insured limits. The Company believes it is not exposed to significant credit risk due to the financial strength of the depository institutions in which the cash and cash equivalents are held. The Company has no other financial instruments with off-balance-sheet risk of loss.

Cash and Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Restricted Cash consists of cash held in escrow related to the Prepaid Forward Agreement with CF. See *Note 17, Derivative Liability*, for more information on the Prepaid Forward Agreement.

Fair Value Measurements

The Company applies the provisions of Accounting Standards Codification ("ASC") 820, *Fair Value Measurements*, for fair value measurements of financial assets and financial liabilities and for fair value measurements of non-financial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. The Company also applied the provisions of the subtopic to fair value measurements of non-financial assets and non-financial liabilities that are recognized or disclosed at fair value in the financial statements on a non-recurring basis. The subtopic defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The subtopic also establishes a framework for measuring fair value and expands disclosures about fair value measurements. The fair value framework requires the Company to categorize certain assets and liabilities into three levels, based upon the assumptions used to price those assets or liabilities. The three levels are defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Quoted prices for similar assets and liabilities in active markets or inputs that are observable.

Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

The Company has determined the estimated fair value of its financial instruments based on appropriate valuation methodologies; however, for Level 2 and Level 3 inputs considerable judgment is required to develop these estimates. Accordingly, these estimated fair values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair values can be materially affected by using different assumptions or methodologies. The methods and assumptions used in estimating the fair values of financial instruments are based on carrying values and future cash flows. As of December 31, 2022 and December 31, 2021, the Company did not hold any Level 2 or Level 3 assets or liabilities.

Cash and cash equivalents and restricted cash are stated at cost, which approximates their fair value. The carrying amounts reported in the balance sheets for affiliate receivable, accounts payable, affiliate payable and accrued liabilities approximate fair value, due to their short-term maturities.

Outstanding borrowings that qualify as financial instruments are carried at cost, which approximates their fair value as of December 31, 2022 and December 31, 2021.

Equity Method Investments

Equity investments that are not consolidated, but over which the Company exercises significant influence, are accounted for in accordance with ASC 323, "Investments—Equity Method and Joint Ventures" ("ASC 323"). Whether or not the Company exercises significant influence with respect to an investee company depends on an evaluation of several factors including, among others, representation on the investee company's board of directors and ownership level. An entity is presumptively assumed to have significant influence in a corporation when it holds 20% or more of the voting stock of the investee company, or at a lower level (e.g., 3% to 5%) for entities that track separate members capital accounts.

Under the equity method of accounting, an investee company's accounts are not reflected within the Company's consolidated balance sheets and statements of operations; however, the Company's share of the earnings or losses of the investee company is reflected in the caption "Other income" in the consolidated statements of operations. The Company's carrying value in equity method investee companies is not reflected in the Company's consolidated balance sheets as of December 31, 2022 or December 31, 2021 as the carrying value is zero. When the Company's carrying value in an equity method investee company is reduced to zero, no further losses are recorded in the Company's consolidated financial statements unless the Company has guaranteed obligations of the investee company or has committed additional funding. When the investee company subsequently reports income, the Company will not record its share of such income until it equals the amount of its share of losses not previously recognized.

Property, Plant and Equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Major expenditures for property and equipment and those that substantially increase useful lives are capitalized. When assets are sold or otherwise disposed of, costs and related accumulated depreciation are removed from the financial statements and any resulting gains or losses are included in general and administrative expenses within our consolidated statements of operations.

The Company provides for depreciation and amortization on property and equipment using the straight-line method to allocate the cost of depreciable assets over their estimated lives as follows:

Office and Computer Equipment	3 years
Furniture and Fixtures	3 years
Leasehold Improvements	Lesser of lease term or estimated life

Internal Use Software

Internal-use software development costs incurred in the preliminary project stage are expensed as incurred; costs incurred in the application and development stage, which meet the capitalization criteria, are capitalized and amortized on a straight-line basis over the estimated useful life of the asset and costs incurred in the post-implementation/operations stage are expensed as incurred. The estimated useful life for development costs capitalized as of December 31, 2022 and 2021 is five years. Further, internal and external costs incurred in connection with upgrades or enhancements are also evaluated for capitalization. If the software upgrade results in an additional functionality, costs are capitalized; if the upgrade only extends the useful life, it is expensed as occurred.

Intangible assets

In certain of its CCRAs, the Company makes upfront payments to acquire Claims recovery rights from secondary payers, such as health plans, managed service organizations, providers or medical services and independent physicians' associations. The Company recognizes intangible assets for costs incurred up front to acquire Claims recovery rights from various assignors.

The Company amortizes capitalized costs associated with CCRAs over 8 years, based on the typical expected timing to pursue recovery through litigation, including through potential appeals.

As part of the Business Combination, the Company acquired rights to Claims recovery cash flows. As a result of this purchase and the guarantee obligation as noted in Note 10, *Variable Interest Entities*, the Company consolidated the entity which holds these Claim rights. Upon consolidation, these Claims rights were accounted for under ASC 350 similar to other CCRAs the Company holds. As such these assets are held at cost, net of amortization.

The Company evaluates these assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. If the estimated future cash flows (undiscounted and without interest charges) from the use of an asset group are less than the carrying value, a write-down would be recorded to reduce the related asset group to its estimated fair value. There were no impairment indicators in the years ended December 31, 2022, 2021 and 2020.

Leases

Leases entered into by the Company, in which substantially all the benefits and risk of ownership are transferred to the Company, are recorded as obligations under leases. Leases that meet one of the finance lease criteria are classified as finance leases, while all others are classified as operating leases. The Company determines if an arrangement is a lease at inception and has made an accounting policy election not to recognize right of use assets and lease liabilities that arise from short term lease as defined as leases with initial terms not in excess of 12 months. As of December 31, 2022, the Company did not have any leases in excess of 12 months. See Note 8, *Short Term Leases*, for more information.

Non-controlling Interests

As part of the Business Combination and described in *Note 1, Description of Business*, the Company became the managing member of MSP Recovery, LLC, which is consolidated as the Company controls the operating decisions of MSP Recovery, LLC. The non-controlling interest relates to the Up-C Units that are convertible into Class A Common Stock of the Company at the discretion of the holder of the Up-C Unit. The Up-C Unit holders retained approximately 99.76% of the economic ownership percentage of the Company as of the Closing Date. The non-controlling interest is classified as permanent equity within the consolidated balance sheet of the Company. As of December 31, 2022, based on the Class A common stock issuances during the period, the non-controlling interest of Class V shareholders was 97.70%.

Changes in the Company's ownership interest in MSP Recovery, LLC, due to Class V shareholders converting their shares to Class A, are accounted for as equity transactions. Each issuance of the Company's Class A Common Stock requires a corresponding issuance of MSP Recovery, LLC units to the Company. The issuance would result in a change in ownership and would reduce the balance of non-controlling interest and increase the balance of additional paid-in capital.

Impairment of Long-Lived Assets

The Company evaluates long-lived assets, such as property and equipment, including capitalized software costs, and finite-lived intangibles such as Claims recovery rights, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset or asset group may not be recoverable. If the estimated future cash flows (undiscounted and without interest charges) from the use of an asset group are less than the carrying value, a write-down would be recorded to reduce the related asset group to its estimated fair value. There were no impairment indicators in the year ended December 31, 2022, 2021 and 2020.

Claims Recovery

The Company's primary income-producing activities are associated with the pursuit and recovery of proceeds related to Claims recovery rights that the Company obtains through CCRAs, in which it becomes the owner of those rights. As a result, such income is not generated from the transfer of control of goods or services to customers, but from the proceeds realized from perfection of Claims recoveries from rights the Company holds outright. The Company also generates revenue by providing Claims recovery services to other entities outside of the Company.

Claims recovery income

The Company recognizes Claims recovery income based on a gain contingency model – that is, when the amounts are reasonably certain of collection. This typically occurs upon reaching a binding settlement or arbitration with the counterparty or when the legal proceedings, including any appellate process, are resolved.

In some cases, the Company owes an additional payment to the original assignor in connection with the realized value of the recovery right. Claims recovery income is recognized on a gross basis, as the Company is entitled to the full value of recovery proceeds, and makes a payment to the original assignor similar to a royalty arrangement. Such payments to prior owners are recognized as cost of Claims recovery in the same period the Claims recovery income is recognized.

When the Company becomes entitled to recovery proceeds from the settlement of a Claim recovery pursuit or proceeding, it recognizes the amount in accounts receivable.

Claims recovery service income, ASC 606, Revenue from Contracts with Customers

The guidance under ASC 606, Revenue from Contracts with Customers, provides that an entity should apply the following steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, the entity satisfies a performance obligation.

The Company derives revenues from contracts with customers primarily from Claims recovery services arrangements ("Claims recovery services"). Claims recovery services include services to related parties or third parties to assist those entities with pursuit of Claims recovery rights. The Company has determined it has a single performance obligation for the series of daily activities that comprise Claims recovery services, which are recognized over time using a time-based progress measure and are typically based on (1) budgeted expenses for the current month with an adjustment for the variance between budget and actual expenses from the prior month or (2) on

a contingent basis dependent on actual settlements or resolved litigation. Amounts estimated and recognized, but not yet fully settled or resolved as part of litigation are recognized as contract assets. There were no contract assets on December 31, 2022 or December 31, 2021, as amounts associated with unresolved litigation were fully constrained.

Claims recovery services are generally paid in advance on a monthly basis. The Company did not recognize any material revenue for the year ended December 31, 2022 and 2021 for performance obligations that were fully satisfied in previous periods.

For the year ended December 31, 2022 and 2021, the majority of the Company's Claims recovery service income was related to a servicing agreement with VRM MSP, which was entered into on March 27, 2018. As part of the Business Combination, the Company acquired rights to cash flows in the assets, after certain required returns to VRM MSP, that had been part of the servicing agreement. As part of this acquisition, the Company no longer receives service income from this agreement and consolidates the entity in which the Company acquired rights to cash flow in the assets as outlined in Note 4, *Asset Acquisitions*. For the year ended December 31, 2022, the Company also recognized $5.0 million of servicing income related to a specific contract where the performance obligations were completed during the year.

The Company does not have material unfulfilled performance obligation balances for contracts with an original length greater than one year in any years presented. Additionally, the Company does not have material costs related to obtaining a Claims recovery service contract with amortization periods greater than one year for any period presented.

The Company applies ASC 606 utilizing the following allowable exemptions or practical expedients:

- Exemption to not disclose the unfulfilled performance obligation balance for contracts with an original length of one year or less.
- Practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.
- Election to present revenue net of sales taxes and other similar taxes, if any.
- Practical expedient not requiring the entity to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Transfers of Claims Cost Recovery Rights to Others

In some cases, the Company has entered into arrangements to transfer CCRAs or rights to proceeds from CCRAs to other parties. The Company evaluates whether such transfers are sales of nonfinancial assets, sales of future revenues treated as debt, in-kind contributions to equity method investees, or other types of arrangements.

When they are treated as sales of nonfinancial assets, the Company recognizes a gain on the sale when control transfers to the counterparty based on the difference between the fair value of consideration (including cash) received and the recognized carrying value of the CCRAs. In some cases, such sales include variable consideration in the form of payments that will be made only upon achievement of certain recoveries or based on a percentage of actual recoveries. The Company estimates and constrains the amounts that will ultimately be realized based on these variable payment terms and includes those amounts in the determination of gain or loss; the gain or loss is subsequently updated based on changes in those estimates.

In other cases, such transfers are considered to be sales of future revenue that are debt-like in nature. These arrangements are recognized as debt based on the proceeds received, and are imputed an interest rate based on the expected timing and amount of payments to achieve contractual hurdles. These are subject to revisions of estimates of that timing and amount based on the contractual provisions and the Company's assumptions from changes in facts and circumstances. Such changes are reflected through revision of the imputed interest rate on a cumulative catch-up basis.

Cost of Claims Recoveries

Costs of Claims recoveries consist of all directly attributable costs specifically associated with Claims processing activities, including contingent payments to assignors (i.e., settlement expenses).

Claims amortization expense

Claims amortization expense includes amortization of CCRAs acquired as part of the business combination, shown as Intangibles, net in the consolidated balance sheets, and CCRA intangible assets for which the Company made upfront payments for Claims recovery rights. For further details on CCRAs see *Note 7, Intangible Assets, Net*.

Income Taxes

Our income tax expense, deferred tax assets and liabilities, and reserves for unrecognized tax benefits reflect management's best assessment of estimated current and future taxes to be paid. As a result of the Business Combination, the Company became the sole

managing member of MSP Recovery, LLC, which is treated as a partnership for U.S. federal, state and local income tax purposes. As a partnership, MSP Recovery, LLC is not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by MSP Recovery, LLC is passed through to and included in the taxable income or loss of its partners, including MSP Recovery, Inc. The Company is subject to U.S. federal income taxes, in addition to state and local income taxes, with respect to the Company's allocable share of income of MSP Recovery, LLC.

The Company's deferred tax balances reflect the impact of temporary differences between the carrying amount of assets and liabilities and the Company's tax basis. The balances are stated at the tax rates in effect when the temporary differences are expected to be recovered or settled. The Company reviewed the anticipated future realization of the tax benefit of the Company's existing deferred tax assets and concluded that it is more likely than not that all of the deferred tax assets will not be realized in the future.

Comprehensive Income (Loss)

The Company has no components of other comprehensive income (loss). As such, net loss equates to comprehensive income (loss) for all periods presented in this report.

Recent Accounting Pronouncements

New Accounting Pronouncements Recently Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases*, to increase transparency and comparability among organizations by recognizing right of use assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. In July 2018, ASU 2018-10, *Codification Improvements to ASC 2016-02, Leases*, was issued to provide more detailed guidance and additional clarification for implementing ASU 2016-02. Furthermore, in July 2018, the FASB issued ASU 2018-11, *Leases: Targeted Improvements*, which provides an optional transition method in addition to the existing modified retrospective transition method by allowing a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption. Furthermore, in March 2020, ASU 2020-03, *Codification Improvements to Financial Instruments, Leases*, was issued to provide more detailed guidance and additional clarification for implementing ASU 2016-02. Additionally, on June 3, 2020, the FASB deferred by one year the effective date of the new leases standard for private companies, private not-for-profits and public not-for-profits that have not yet issued (or made available for issuance) financial statements reflecting the new standard. Furthermore, in June 2020, ASU 2020-05, *Revenue from Contracts with Customers and Leases*, was issued to defer effective dates of adoption of the new leasing standard for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company adopted this guidance utilizing the cumulative catch-up method with an effective date of January 1, 2022 and it had no material impact on our consolidated financial statements. The Company has made an accounting policy election to not to recognize right of use assets and lease liabilities that arise from short term lease as defined as leases with initial terms not in excess of 12 months. As of December 31, 2022, the Company did not have any leases in excess of 12 months. See Note 8, *Short Term Leases*, for more information.

ASU 2019-12, *Simplifying the Accounting for Income Taxes (Topic 740)*. In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes (Topic 740)*. This standard simplifies the accounting for income taxes by eliminating certain exceptions to the guidance in ASC 740 related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The standard also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021. The Company adopted this guidance on January 1, 2022 and it had no material impact on our consolidated financial statements.

ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The amendments in this Update provide optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. This standard is effective for all entities as of March 12, 2020 through December 31, 2022. Early adoption is permitted. The Company adopted this guidance on January 1, 2022 and it had no material impact on our consolidated financial statements.

ASU 2020-06, *Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815- 40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. On August 5, 2020, the FASB issued ASU 2020-06, *Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. The amendments simplify the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021. Early adoption is permitted. The Company adopted this guidance on January 1, 2022 and it had no material impact on our consolidated financial statements.

ASU 2022-03, *Fair Value Measurement (Topic 820) - Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. On June 30, 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820) - Fair Value Measurement of*

Equity Securities Subject to Contractual Sale Restrictions. The amendment clarifies that contractual sale restrictions should not be considered when measuring the equity security's fair value and prohibits an entity from recognizing a contractual sale restriction as a separate unit of account. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2024. Early adoption is permitted. The Company adopted this guidance in June 2022, which resulted in the Company recognizing the assets acquired as part of the Business Combination at values that were not discounted for contractual sale restrictions, which had a material impact on the Company's consolidated financial statements in relation to the asset acquisitions as noted in Note 4, *Asset Acquisitions*.

New Accounting Pronouncements Issued but Not Yet Adopted

ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses*. In 2016 and subsequently, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments including subsequent amendments to the initial guidance*: ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825. Financial Instruments, ASU 2019-05, Financial Instruments - Credit Losses (Topic 326): Targeted Transition Relief*, ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses*. ASU 326, and ASU 2022-02, *Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures* and related amendments require credit losses on financial instruments measured at amortized cost basis to be presented at the net amount expected to be collected, replacing the current incurred loss approach with an expected loss methodology that is referred to as CECL. This ASU is effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. While the Company does not anticipate the implementation would have a material effect on the Company’s consolidated operating results, cash flows, financial condition and related disclosures, the Company is currently evaluating the effect that implementation of this standard will have.

Note 3. BUSINESS COMBINATION

On May 23, 2022, MSP Recovery, Inc. consummated the Business Combination pursuant to the MIPA as noted in Note 1.

As a result of the closing of the Business Combination (the “Closing”), the Company is organized in an “Up-C” structure in which all of the business of Legacy MSP and its subsidiaries is held directly or indirectly by the Company, the Company is the managing member, consolidates Legacy MSP and the Company owns all of the voting economic Class A Units and the Members and their designees own all of the non-voting economic Class B Units in accordance with the terms of the first amended and restated limited liability company agreement of the Company. Each Up-C Unit may be exchanged for either, at the Company’s option, (a) cash or (b) one share of Class A common stock, par value $0.0001, of the Company (“Class A Common Stock”), subject to the provisions set forth in the LLC Agreement. The aggregate consideration paid to the Members (or their designees) at the Closing consisted of (i) 3,250,000,000 Units and (ii) rights to receive payments under the Tax Receivable Agreement ("TRA"). Of the 3,250,000,000 Units, 3,154,473,292 Units were issued in connection with the Closing and 95,526,708 Units were designated to the Company and Opco for cancellation (“Canceled Units”). Since the Closing, the Company has issued 50,022,000 Up-C Units to certain designated persons and intends to further issue shares of Class A Common Stock in respect of transaction-related bonuses or certain other designated persons, which together with the 50,022,000 Up-C Units would be equivalent in number to the Canceled Units.

In connection with the Closing, the Company changed its name from “Lionheart Acquisition Corporation II” to “MSP Recovery, Inc.” The Business Combination is accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, the Company is treated as the acquirer for financial statement reporting purposes. The reverse recapitalization was treated as the equivalent of Legacy MSP issuing stock for the net assets of LCAP, accompanied by a recapitalization. The net assets of LCAP are stated at historical cost, with no goodwill or other intangible assets recorded.

The Company received net proceeds in the business combination transaction of approximately $23.4 million, which includes the restricted cash received as part of FEF shares as defined in *Note 17, Derivative Liability*. The Company incurred direct and incremental costs of approximately $79.2 million related to the Business Combination, which consisted primarily of investment banking, legal, accounting and other professional fees. These transaction-related costs were recorded as a reduction of additional paid-in capital in the consolidated balance sheets.

Warrants

As part of the business combination transaction, the Company assumed the liability related to the LCAP public warrants ("Public Warrants") of $12.5 million. Pursuant to the terms of the Existing Warrant Agreement, and after giving effect to the issuance of the New Warrants, as defined below, the exercise price of the Public Warrants decreased to $0.0001 per share of Class A Common Stock. During the period from the Closing Date to December 31, 2022, approximately 8.5 million warrants of the original 11.8 million warrants had been exercised. For the year ended December 31, 2022, the fair value of the warrants increased resulting in other expense of $2.9 million. Following anti-dilution adjustments made in connection with the Business Combination, the Public Warrants have an exercise price of $0.0001 per share, which have become exercisable as of 10 days after closing of the Business Combination, on a cashless basis.

Additionally, in connection with the Business Combination, the Company declared the New Warrant Dividend comprising approximately 1,028 million New Warrants payable to the holders of record of the Class A Common Stock as of the close of business on the Closing Date, after giving effect to the waiver of the right, title and interest in, to or under, participation in any such dividend by the Members, on behalf of themselves and any of their designees. The New Warrants will be exercisable 30 days following the Closing Date until their expiration date, which will be the fifth anniversary of the Closing Date or earlier redemption. The record date for the determination of the holders of record of the outstanding shares of Class A Common Stock entitled to receive the New Warrant Dividend was the close of business on the Closing Date. Pursuant to the terms of the LLC Agreement, at least twice a month, to the extent any New Warrants have been exercised in accordance with their terms, the Company is required to purchase from the MSP Principals, proportionately, the number of Up-C Units or shares of Class A Common Stock owned by such MSP Principal equal to the Aggregate Exercise Price divided by the Warrant Exercise Price in exchange for the Aggregate Exercise Price. The Company determined that the New Warrants instruments meet the equity scope exception in ASC 815 to be classified in stockholders' equity, and as the repurchase right noted above has a mirrored value designed to offset the New Warrants, if exercised would be an equity only transaction. The New Warrants are each exercisable for one share of Class A Common Stock at an exercise price of $11.50 per share and will be subject to certain anti-dilution adjustments and become exercisable 30 days following the Closing, expiring five years from the date of Closing.

Public Warrants and New Warrants are currently listed on Nasdaq under the symbols "LIFWZ" and "LIFWW", respectively.

Tax Receivable Agreement

In connection with the Business Combination, the Company also entered into a TRA. Pursuant to the TRA, the Company is required to pay the sellers 85% of the amount of tax benefits that the Company actually realizes as a result of (i) the Company's direct and indirect allocable share of existing tax basis acquired in the Business Combination, (ii) increases in the Company's allocable share of existing tax basis and tax basis adjustments that will increase the tax basis of the tangible and intangible assets of the Company as a result of the Business Combination and as a result of sales or exchanges of Up-C Units for cash or shares of Class A Common Stock, and (iii) certain other tax benefits related to entering into the TRA, including tax benefits attributable to payments under the TRA.

During the year ended December 31, 2022, the Company's TRA liability associated with the allocable share of existing tax basis acquired in the Business Combination would give rise to a TRA liability of $2.5 million. Furthermore, during the year ended December 31, 2022, 6,493,798 of Class V units were exchanged for Class A common stock of the Company, which will result in an increase in its share of the tax basis in the net assets of MSP Recovery, LLC; these exchanges will not give rise to a TRA liability due to the Company not receiving a tax basis adjustment that increased the tax basis of the tangible and intangible assets as a result of a limitation on the partnership tax allocations of built-in gains and losses.

The Company has assessed the realizability of the net deferred tax assets and, in that analysis, has considered the relevant positive and negative evidence available to determine whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The Company has recorded a full valuation allowance against the deferred tax assets as of December 31, 2022, which will be maintained until there is sufficient evidence to support the reversal of all or some portion of these allowances. As the tax benefits associated with the TRA have not be recognized, based on estimates of future taxable income, the Company has concluded it is not probable to recognize any tax receivable agreement liability. If the valuation allowance recorded against the deferred tax assets is released in a future period, the Tax Receivable Agreement liability may be considered probable at that time and recorded within earnings.

Non-Controlling interest

As a result of the Business Combination, the Company reflects non-controlling interests due to the Up-C structure. The Company holds all of the voting Class A Units of Opco, whereas the Members (or their designees) hold all of the non-voting economic Class B Units of Opco (these Class B Units represent the non-controlling interest in the Company). The ownership percentage of Class V Common Stock held in the Company by the Members (or their designees) will be equivalent to the number of Class B Units held in the Company, and as such, reflects non-controlling interest in the Company, which is equivalent to the Class V Common Stock ownership percentage. See *Note 12, Noncontrolling Interest*, for more information on ownership interests in the Company.

Nomura Promissory Note

On May 27, 2022, the Company issued an unsecured promissory note to Nomura in a principal amount of approximately $24.5 million related to advisory fees and deferred underwriting fees and expenses that became due and payable by the Company to Nomura, in connection with the consummation of the Business Combination. On April 12, 2023, the Company amended the promissory note, increasing the principal amount to approximately $26.2 million and extending the maturity date of the promissory note to September 30, 2024. The amended note carries an interest rate of 16% per annum and is payable in kind or in cash, at the Company's discretion, every 30 calendar days after April 12, 2023. Upon two days prior written notice to Nomura, the Company may prepay all or any portion of the then outstanding principal amount under the promissory note together with all accrued and unpaid interest thereon. The balance of the unsecured promissory note and related interest are included within Claims financing obligations and notes payable in the consolidated balance sheet.

Note 4. ASSET ACQUISITIONS

On May 23, 2022 as part of the closing of the Business Combination, the Company acquired assets through the issuance of Up-C units. In exchange for approximately 196.6 million Up-C units, the Company acquired CCRAs previously held by Series MRCS, an affiliate of MSP. The CCRAs are included as Intangible Assets, net in the consolidated balance sheet.

The CCRAs are held at cost, which was determined using the opening market price of the Company's Class A shares as of the day subsequent to the Closing Date discounted by 4.5% for lack of marketability due to timing before shares are sellable. The Company determined the appropriate measurement date was the opening of the first trading day of the Class A shares after the Closing Date as this reflects the equivalent value of the Up-C units provided to the sellers. The Up-C units provided to the sellers did not include New Warrants and as such the Class A shares value excluding the New Warrants was reflected at the Close of the first trading day after the Closing Date. The CCRAs are treated as finite life intangible assets similar to other CCRAs that the Company has acquired and have a useful life of 8 years. For further details on this CCRA acquisition, see *Note 7, Intangible Assets, Net*.

On May 23, 2022 as part of the closing of the Business Combination, the Company acquired assets through the issuance of Up-C units. In exchange for approximately 356.8 million Up-C units, the Company acquired the rights to receive the distributable net proceeds (the "Proceeds") of a portfolio of Claims owned by VRM MSP, a Delaware limited liability company and joint investment vehicle of VRM and Series MRCS. Under this asset acquisition structure, the Company determined that the arrangements to acquire the rights to proceeds from certain Claims recovery rights along with the guarantee of the VRM Full Return (noted and defined below) result in the Company consolidating the Series. Upon consolidation, the Company included the value of the Up-C units provided and the value of the guarantee as Intangible Assets, net in the consolidated balance sheet. These are held at cost and treated as finite life intangible assets similar to other CCRAs that the Company has acquired and have a useful life of 8 years.

In connection with such transaction the Company agreed to pay Virage an amount equal to the contributions by Virage to VRM MSP plus an annual rate of return of 20% (the "VRM Full Return"). Pursuant to the terms of the agreement with Virage, such amount is payable exclusively by any of the following means (or any combination thereof): (a) the Proceeds, (b) a sale of certain reserved shares of Messrs. John Ruiz and Frank Quesada, and the delivery of the resulting net cash proceeds thereof to VRM, or (c) a sale of shares by the Company and delivery of the net cash proceeds thereof to VRM. The amount of the VRM Full Return was $787.9 million as of December 31, 2022. Upon payment of the VRM Full Return, VRM and Series MRCS would assign and transfer to the Company their respective rights to receive all Proceeds. As the Company incurred debt related to the VRM Full Return as included in the guarantee obligation within the consolidated balance sheet, this value was included in the purchase price and is included in Intangible Assets, net, in the consolidated balance sheet for the full value of the VRM Full Return at the acquisition date. Any subsequent interest accrual is reflected within interest expense in the consolidated statement of operations. Separately, the VRM Full Return was guaranteed by Messrs. John Ruiz and Frank Quesada for any remaining required payment of the VRM Full Return as of May 23, 2023.

On April 12, 2023, the Company entered into an amendment (the "Virage MTA Amendment") to the agreement with Virage pursuant to which the payment date for the VRM Full Return was extended from May 23, 2023 until September 30, 2024, subject to acceleration upon certain triggering events. See *Note 19, Subsequent Events*.

Note 5. INVESTMENT IN EQUITY METHOD INVESTEES

The Company holds three investments which are accounted for using the equity method: MAO-MSO Recovery II LLC Series PMPI (“Series PMPI”), MAO-MSO Recovery LLC and MAO-MSO Recovery II LLC (both collectively the “MAO-MSO entities”).

Series PMPI is a series of MAO-MSO Recovery II LLC. The Company exercises significant influence over the operating and financial activities of Series PMPI, but does not exercise control of the entity. In accordance with Series PMPI’s operating agreement, the controlling member is entitled to a preferred return of 20% per annum (the “Preferred Return”). Once the Preferred Return has been met, the controlling member is entitled to 50% of Claims recoveries by PMPI. The noncontrolling member is allocated 100% of the costs of PMPI. Since the Preferred Return exceeds the total members’ equity of PMPI as of both December 31, 2022 and December 31, 2021, the value of the equity method investment in the consolidated balance sheet is $0.

The MAO-MSO entities are Delaware limited liability companies formed as master series entities whose central operations are to form other series legal entities that will hold and pursue Claims recovery rights. The MAO-MSO entities are not designed to hold or pursue Claims recoveries themselves. The Company holds a 50% economic interest in both entities, and has significant influence through its equity investment, but does not control either entity. As equity method investments, the Company recognizes its proportionate share of net earnings or losses as equity earnings in Other income. The activity of these entities has been insignificant for the years ended December 31, 2022, 2021 and 2020. Since the Company did not make a contribution to the MAO-MSO entities and the entities have recorded losses, the value of the equity method investment in the consolidated balance sheets is $0 as of both December 31, 2022 and December 31, 2021.

Summary financial information for equity accounted investees, not adjusted for the percentage ownership of the Company is as follows:

Series PMPI *(in thousands)*	**December 31, 2022**	**For the year ended, December 31, 2021**	**December 31, 2020**
Revenue	22	1	34
Amortization	2,000	2,000	2,000
Other expenses	8	-	20
Profit (Loss)	(1,986)	(1,999)	(1,986)

Series PMPI (in thousands)	**December 31, 2022**	**December 31, 2021**
Total Assets	$ 3,341	5,390
Total Liabilities	$ 274	266

Note 6. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net consist of the following:

(In thousands)	**December 31, 2022**	**December 31, 2021**
Office and computer equipment	$ 430	$ 356
Leasehold improvements	113	113
Internally developed software	4,050	1,020
Other software	68	66
Property, plant and equipment, gross	**$ 4,661**	**$ 1,555**
Less: accumulated depreciation and amortization of software	(1,229)	(805)
Property, plant and equipment, net	**$ 3,432**	**$ 750**

For the years ended December 31, 2022, 2021 and 2020, depreciation expense and amortization expense was $424 thousand, $343 thousand and $235 thousand, respectively.

Note 7. INTANGIBLE ASSETS, NET

During the year ended December 31, 2022, the Company acquired CCRAs held by Series MRCS and consolidated CCRAs held by the Series. The assets were acquired through the issuance of equity as part of the Business Combination. The assets are held at cost and treated as a finite intangible asset with a useful life of 8 years.

Intangible assets, net consists of the following:

(in thousands)	**December 31, 2022**	**December 31, 2021**
Intangible assets, gross	$ 3,630,823	$ 84,955
Accumulated amortization	(267,667)	(737)
Net	**$ 3,363,156**	**$ 84,218**

During the year ended December 31, 2022, in addition to the CCRAs acquired as part of the Business Combination the Company purchased $64.8 million of CCRAs included in Intangible assets, net, of which $2.7 million was paid in cash, $11.0 million was paid through Class A Common Stock issuance and $51.2 million is recorded within Other Current Liabilities in the consolidated balance sheet as of December 31, 2022 and will be paid through the issuance of Class A Common Stock. The payment is due in the second quarter of 2023. For the CCRAs acquired through equity issuance, the Company is required to provide additional shares or cash if the value of the shares provided is not equal to $10.0 million or greater within 1 year of issuance. As such, the Company recorded a liability of $8.7 million within Other current liabilities in the consolidate balance sheet for the difference between $10.0 million and the fair value of the shares as of December 31, 2022.

For the years ended December 31, 2022, 2021 and 2020, Claims amortization expense was $266.9 million, $164 thousand, and $125 thousand, respectively.

Future amortization for CCRAs is expected to be as follows:

(in thousands)	**CCRAs Amortization**
2023	$ 453,853
2024	453,853
2025	453,780
2026	453,728
2027	453,728
Thereafter	1,094,214
Total	**$ 3,363,156**

Note 8. SHORT TERM LEASES

The Company leases office space under a non-cancellable operating lease expiring November 2023. In addition, the Company rents an office space from the Law Firm, which is on a month-to-month basis and therefore is not included in the future minimum lease payments below. Rent expense for the years ended December 31, 2022, 2021 and 2020 was $0.8 million, $0.8 million and $1.5 million, respectively. With the adoption of ASC 842 as noted in Note 2, *Basis of Presentation and Summary of Significant Accounting Policies*, the Company has made an accounting policy election to capitalize leases with initial terms in excess of 12 months. As of December 31, 2022, the Company did not have any leases in excess of 12 months.

The future minimum lease payments under non-cancellable operating leases as of December 31, 2022 for the next five years and thereafter are as follows:

(In thousands)	Lease Payments
Year Ending December 31,	
2023 [1]	$ 217
Total	**$ 217**

[1] Operating lease expires before or during the year ending December 31, 2023.

Note 9. INCOME TAX

The Company holds an economic interest in MSP Recovery, LLC and consolidates its financial position and results. The remaining ownership of MSP Recovery, LLC not held by the Company is considered a noncontrolling interest. MSP Recovery, LLC is treated as a partnership for income tax reporting and its members, including the Company, are liable for federal, state, and local income taxes based on their share of the LLC's taxable income.

There was no provision for income tax for the years ended December 31, 2022, 2021, and 2020.

A reconciliation of the United States statutory income tax rate to the Company's effective tax rate for the year ended December 31, 2022, 2021, and 2020 is as follows for the years indicated:

	December 31, 2022	December 31, 2021	December 31, 2020
Federal Statutory rate	21.00 %	21 %	21 %
Noncontrolling interests/effect of pass-through entities	-20.70 %	-21 %	-21 %
Valuation allowance	-0.40 %	0 %	0 %
Other	0.10 %	0 %	0 %
Effective Income tax rate	0.00 %	0 %	0 %

Details of the Company's deferred tax assets and liabilities at December 31, 2022 and 2021 are as follows for the years indicated:

	December 31, 2022	December 31, 2021
Deferred tax assets		
Net operating loss carryforward	$ 423	53
Investment in MSP Recovery, LLC	38,263	-
Start-up Costs	917	804
Transaction Costs	3,224	-
Total deferred tax assets	42,827	857
Valuation Allowance	-42,827	-857
Total Deferred tax assets (liability)	$ -	-

The Company has a deferred tax asset for the difference between the financial reporting and the tax basis of its investment in MSP Recovery, LLC. The deferred tax asset above does not consider the iterative impact of the TRA liability as the entire liability has not been recorded as of December 31, 2022.

As of December 31, 2022 and 2021, the Company had $3,854,829 and $446,481 of U.S. gross federal and state net operating loss carryovers available to offset future taxable income, respectively.

In assessing the realization of the deferred tax assets, management considers whether it is more likely than not that some portion of all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences representing net future deductible amounts become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. After consideration of all of the information available, management believes that significant uncertainty exists with respect to future realization of the deferred tax assets and has therefore established a full valuation allowance.

As of December 31, 2022 and 2021, the Company has not recorded any unrecognized tax benefits. The Company files income tax returns in the U.S. federal jurisdiction and Florida which remain open and subject to examination by the various taxing authorities. As of December 31, 2022, the Company's federal and state and local income tax years 2019 through 2022 remain open and are subject to examination.

Note 10. VARIABLE INTEREST ENTITIES

Investments in consolidated Variable Interest Entities

The Company evaluates its ownership, contractual, and other interests in entities to determine if they are VIEs, if the Company has a variable interest in those entities, and the nature and extent of those interests. These evaluations are highly complex and involve management judgment and the use of estimates and assumptions based on available historical information, among other factors. Based on its evaluations, if the Company determines it is the primary beneficiary of such VIEs, it consolidates such entities into its financial statements. VIEs information below is presented on aggregate basis based on similar risk and reward characteristics and MSP's involvement with the VIEs.

The Company includes a number of entities that are determined to be VIEs and for which the common control group can direct the use of the entities' assets and resources for other purposes. The Company consolidates VIEs in which one of the combined entities is the primary beneficiary.

The assets of the consolidated VIEs may only be used to settle obligations of these VIEs and to settle any investors' ownership liquidation requests. There is no recourse to MSP for the consolidated VIEs' liabilities. The assets of the consolidated VIEs are not available to MSP's creditors.

Total assets and liabilities included in its consolidated balance sheets for these VIEs were $2.3 billion and $0.4 million, respectively, at December 31, 2022 and $9.7 million and $122.7 million, respectively, at December 31, 2021. The assets at December 31, 2022 include the Intangible Assets, net included in the Series of $2.3 billion.

Investments in unconsolidated Variable Interest Entities

The Company is involved with VIEs in which it has investments in equity but does not consolidate because it does not have the power to direct the activities that most significantly impact their economic performance and thus is not considered the primary beneficiary of the entities. Those VIEs are reflected as equity method investments.

Total assets and liabilities for these VIEs were $3.4 million and $0.3 million, respectively, at December 31, 2022 and $5.4 million and $0.3 million, respectively, at December 31, 2021.

Generally, MSP's exposure is limited to its investment in those VIEs (see *Note 5, Investment in Equity Method Investees*). For MAO-MSO Recovery II, LLC and Series PMPI, MSP may be exposed to providing additional recovery services at its own cost if recovery proceeds allocated to it are insufficient to recover the costs of those services. MSP does not have any other exposures or any obligation to provide additional funding.

Note 11. CLAIMS FINANCING OBLIGATIONS AND NOTES PAYABLE

During the year ended December 31, 2022, the Company finalized an Amendment to Claim Proceeds Investment Agreement and a Warrant Agreement with Brickell Key Investments LP (the "Holder"), pursuant to which the parties have agreed to amend the original Claims Proceeds Investment Agreement ("CPIA") and required payment terms. The Amendment and Warrant Agreement were executed effective September 30, 2022. Pursuant to the agreements, the Company grants to the Holder the right to purchase Class A common shares in the Company (the "Class A Shares") in accordance with the terms and conditions of the Agreement. The maximum amount of Class A Shares that the Holder may purchase from the Company is 66,666,666 (the "Amount") for a purchase price equal to $6,666.67 ($0.0001 per Class A Share) and is payable in cash. This Warrant (the "Warrant") will expire at 5:00 p.m. (Eastern Time), on September 30, 2027 and may be exercised in whole or in part by Holder at any time prior to such date. The Holder can only sell a maximum of 15% per month of the Class A Shares obtained through the Warrant. In exchange for the Company issuing the Warrant, the amounts owed to the Holder pursuant to CPIA are amended to equal $80 million. The Holder has the right to receive the $80 million owed through proceeds as outlined in the CPIA, cash paid by the Company or monetization of the Warrant (through the sale of the Warrant or sale of the underlying Class A Shares). If the Holder monetizes the Warrant, the amount owed will be reduced at a measure of $1.20 per Class A Share. In connection with the Amendment and Warrant Agreement, the Holder also executed a Stock Pledge Agreement (the "Pledge Agreement") with MSP Founders, John H. Ruiz and Frank Quesada (the "Founders"). As part of the agreement, the Founders agreed to pledge 50 million shares to secure payment of the original principal amount of the CPIA. If the Holder were to receive amounts in excess of $80 million, the Founders would receive interest of 10% on the original principal amount of the CPIA. In addition, the Pledge Agreement provides the right to repurchase the Warrant from the Holder on or before June 30, 2023. The Founders entered into an agreement with the Company where this repurchase right has been assigned to the Company (the "Side Agreement"). The Pledge Agreement and Side Agreement were executed effective September 30, 2022. As the Company has, at its option, the ability to pay its obligation through cash proceeds or through monetization of the Warrants, the amount owed as of December 31, 2022 was included as Claims financing obligation and notes payable on the consolidated balance sheet. Also, the liability related to the remaining amounts due was recorded as $80 million as of December 31, 2022 as the Company, at its option, has the ability to repurchase the Warrants for $80 million on or before June 30, 2023. The resulting gain on debt extinguishment from the amendment was $63.4 million and was recorded in Other income (expense), net within the consolidated statement of operations for the year ended December 31, 2022.

Based on Claims financing obligations and notes payable agreements, as of December 31, 2022 and December 31, 2021, the present value of amounts owed under these obligations were $201.3 million and $201.4 million, respectively, including unpaid interest to date of $2.8 million and $94.5 million, respectively. The weighted average interest rate is 6.3% based on the current book value of $201.3 million with rates that range from 2% to 11.04%. The Company is expected to repay these obligations from cash flows from Claim recovery income or potentially through class A common stock issuances.

As of December 31, 2022, the minimum required payments on these agreements are $354.9 million. Certain of these agreements have priority of payment regarding any proceeds until full payment of the balance due is satisfied. The maturity of the commitments range from the date sufficient Claims recoveries are received to cover the required return or in some cases by 2031.

Also, during 2020, the Company obtained funds under the Paycheck Protection Program (the “PPP Loan”) in the amount of $1.1 million. Since the amount must be repaid unless forgiven in accordance with the Paycheck Protection Program, the Company accounted for the funds as debt under ASC 470. As of December 31, 2022 and December 31, 2021, the total amount of the PPP Loans have been forgiven.

Note 12. NONCONTROLLING INTEREST

The non-controlling interest balance primarily represents the Up-C Units of the Company held by the Members. The following table summarizes the ownership of Units in the Company as of December 31, 2022:

	Common Units	Ownership Percentage
Ownership of Class A Common Units	74,605,284	2.3 %
Ownership of Class V Common Units	3,147,979,494	97.7 %
Balance at end of period	3,222,584,778	100.0 %

The non-controlling interest holders have the right to exchange Up-C Units, at the Company's option, for (i) cash or (ii) one share of Class A Common Stock, subject to the provisions set forth in the LLC Agreement. As such, future exchanges of Up-C Units by non-controlling interest holders will result in a change in ownership and reduce or increase the amount recorded as non-controlling interest and increase or decrease additional paid-in-capital or retained earnings when the Company has positive or negative net assets, respectively. As of December 31, 2022, 6.5 million Up-C Units have exchanged into Class A shares.

In addition to the non-controlling interest related to Up-C Units, the Company also has non-controlling interests related to the Series as noted in Note 10, Variable Interest Entities, and MAO-MSO Recovery LLC Series FHCP (“FHCP”), which is a non-wholly owned subsidiary of MSP Recovery, LLC. In accordance with FHCP’s operating agreement, the noncontrolling member is entitled to a preferred return of 20% per annum (the “Preferred Return”). Once the Preferred Return has been met, the noncontrolling member is entitled to 80% of Claims recoveries by FHCP. The controlling member is allocated 100% of the costs of FHCP. Since the Preferred Return exceeds the total members’ equity of FHCP as of December 31, 2022 and December 31, 2021, the non-controlling interest also includes $4.3 million representing the entire members’ equity of FHCP.

Note 13. COMMITMENTS AND CONTINGENCIES

The Company is subject to certain legal proceedings, Claims, investigations, and administrative proceedings in the ordinary course of its business. The Company records a provision for a liability when it is both probable that the liability has been incurred and the amount of the liability can be reasonably estimated. These provisions, if any, are reviewed and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular case. Depending on the nature and timing of any such proceedings that may arise, an unfavorable resolution of a matter could materially affect the Company’s future consolidated results of operations, cash flows or financial position in a particular period. As of December 31, 2022, there was no material pending or threatened litigation against us.

The Company pursues Claims recoveries through settlement, arbitration and legal proceedings. The accounting policy for these activities is discussed under Claims recovery income in Note 2, *Basis of presentation and summary of significant accounting policies*.

Approximately 93% of the Company's expected recoveries arise from Claims being brought under the Medicare Secondary Payer Act private cause of action (Section 1862(b)(3)(A) of the Social Security Act (42 U.S.C. § 1395y(b)(3)(A)). This law allows the Company to pursue recoveries against primary payers for reimbursement of medical expenses that the Company's assignors paid for when primary payers (i.e., liability insurers) were responsible for payment. On May 16, 2023, Senators Tim Scott (R-SC) and Maggie Hassan (D-NH) and Representatives Brad Schneider (D-IL) and Gus Bilirakis (R-FL) introduced the Repair Abuses of MSP Payments Act (S.1607/H.R.3388) (the “RAMP Act”) in the U.S. Senate and the U.S. House of Representatives, respectively, seeking to amend the private cause of action under the Medicare Secondary Payer Act, by striking “primary plan” and inserting “group health plan” (as defined in paragraph 42 U.S.C. § 1395y(b)(1)(A)(v)).

The Medicare Secondary Payer Act’s private cause of action—a fundamental component of how the Company is able to calculate damages—incentivizes private parties, such as MSP Recovery, to pursue reimbursement of conditional payments by rewarding them with double damages. If the Medicare Secondary Payer Act is changed, or if the RAMP Act were enacted to apply retroactively, it could

significantly reduce the Company's potential recoveries and have a material adverse effect on its business, financial condition, and results of operations.

Note 14. RELATED PARTY

Loan from related parties

During the year ended December 31, 2022, the Company issued an unsecured promissory note in an aggregate principal amount of $112.8 million (the “Promissory Note”) to John H. Ruiz and Frank C. Quesada, the Company’s Chief Executive Officer and director and Chief Legal Officer and director, respectively (collectively, the “MSP Principals”), to provide cash to pay transaction costs related to the Merger, pay down affiliate payable balances and provide operating cash to the Company. In addition to the amounts in the Promissory Note, at the merger date with LCAP, the MSP Principals contributed $13.0 million through funds that had been loaned to VRM MSP to cover related service fees. The Promissory Note as well as the amount contributed at the merger date bears interest at an annual rate of 4%, payable in kind, and will mature on the four-year anniversary of the issuance. The Promissory Note is payable by the Company at any time, without prepayment penalties, fees, or other expenses. During the year ended December 31, 2022, the Company recorded $2.7 million on interest expense related to the Promissory Note.

A portion of the proceeds under the Promissory Note in an amount equal to $36.5 million was advanced to the Law Firm, an affiliate of certain Members, for certain operating expenses as contemplated by the Legal Services Agreement. This amount is reflected in prepaid expenses and other current assets within the consolidated balance sheets and had a balance of $26.9 million as of December 31, 2022. The payments of Law Firm expenses are reflected in Professional fees - legal within the consolidated statement of operations. The payments are expense as incurred as the Company doesn't have recourse to these amounts, but if the Law Firm earns fees under the legal service agreements (the "Existing LSAs") noted below, the Company would not be obligated to pay these costs until the amount of fees earned were in excess of the payments of Law Firm expenses and payments the Company has made to co-counsels. As of as December 31, 2022, the Company has paid Law Firm expenses and co-counsel fees equal to $21.9 million in excess of the fees earned under the Existing LSAs. Therefore, the Company would not be required to pay or incur expenses through cost of Claims recoveries until the amount of fees earned were in excess of the amounts already paid. As of December 31, 2022, this represents prepayments that would cover recoveries of $109.5 million assuming the 40% fees on the half owned by the Company as fees are not incurred on the half owned by the assignors.

Legal Services – MSP Recovery Law Firm

Certain Company entities have previously entered into the Existing LSAs with the Law Firm, an affiliate of certain Members, for the recovery of Claims. Pursuant to the terms of the Existing LSAs, the Law Firm provides the Company with investigation, case management, research and legal services in the pursuit of recovery of Claims in exchange for a portion of the recovered proceeds relating to such Claims. The Existing LSAs also provide that the Law Firm serves as exclusive lead counsel for any litigation relating to such Claims. As of December 31, 2022 there was no amount due as amounts paid through the prepaid noted above had covered amounts of existing LSAs due to the Law Firm for Claim recoveries. As of December 31, 2021, $5.5 million was due to the Law Firm and included in the consolidated balance sheets in Affiliate Payable. For the year ended December 31, 2022, $29.7 million was included in Professional fees - Legal for expenses related to the Law Firm in the consolidated statements of operations. The amounts were largely due to share base compensation as noted below and the payment of Law Firm expenses per the related party loan as noted above. For the years ended December 31, 2021 and 2020, the amounts were de minimis. For the year ended December 31, 2022, $405 thousand were included in cost of Claims recoveries for expenses related to the Law Firm in the consolidated statements of operations. For the years ended December 31, 2021 and 2020, no amounts were included cost of Claims recoveries for expenses related to the Law Firm in the consolidated statements of operations.

The Law Firm may also collect and/or hold cash on behalf of the Company in the ordinary course of business. As of December 31, 2022 and December 31, 2021, $2.1 million and $3.4 million, respectively, was due from the Law Firm and included in the consolidated balance sheets in Affiliate Receivable. In addition, the Company rents office space from the Law Firm as discussed in *Note 8, Short Term Leases*.

For the year ended December 31, 2022, the Company issued 8,022,000 Class A common stock shares to the Law Firm employees, which was deemed to be share based compensation. As such $20.1 million of expense was included within Professional fees - Legal for expenses related to the Law Firm in the consolidated statements of operations for the year ended December 31, 2022.

MSP Recovery Aviation, LLC

The Company may make payments related to operational expenses on behalf of its affiliate, MSP Recovery Aviation, LLC (“MSP Aviation”). MSP Aviation was created to provide aircraft rental to third party customers and the Company. The Company has made payments in the periods of the financial statements only related to specifically billed flights and these rates are at or below the market rate for such services. As of both December 31, 2022 and December 31, 2021, $153 thousand was due from MSP Aviation and included in the consolidated balance sheets in Affiliate Receivable. For the year ended December 31, 2022, $400 thousand was included in

General and Administrative expenses related to MSP Aviation in the consolidated statements of operations. For the year ended December 31, 2021 and 2020, the amounts were de minimis.

Funds held for other entities

The Company may collect and/or hold cash on behalf of its affiliates in the ordinary course of business. As of December 31, 2022 and December 31, 2021, $19.8 million and $39.7 million was due to affiliates of the Company and included in the consolidated balance sheets in Affiliate Payable. These amounts were primarily due to Series MRCS, and will be repaid either through excess cash flows from operations or other financing. During the year ended December 31, 2021, the Company also entered into a note payable with Series MRCS as outlined in *Note 7, Intangible Assets, Net*. As of December 31, 2022 and December 31, 2021, the balance of the note payable was $0.5 million and included in the consolidated balance sheets in Claims financing obligation and notes payable.

As of December 31, 2022 and December 31, 2021, there were additional receivables from other affiliates of $148 thousand and $92 thousand, respectively. As of December 31, 2021, $0.4 million was due to MSP National, LLC from Series MRCS. These were included in the consolidated balance sheets in Affiliate Receivable.

VRM

Historically, MSP Recovery, LLC has received Claims recovery service income for services provided to VRM MSP. The Company concluded that VRM MSP is a related party due to ownership interests in the entity held by Series MRCS LLC. During the years ended December 31, 2022, 2021 and 2020, $10.6 million, $11.5 million and $13.1 million, respectively, of Claims recovery service income was received from VRM MSP as part of the servicing agreement and was included in the consolidated statements of operations. As of the merger date, the VRM MSP servicing agreement was terminated.

Note 15. INVESTMENTS IN EQUITY SECURITIES AND OBLIGATIONS TO DELIVER SECURITIES

The Company had an outstanding obligation to provide equity securities (a “short position”) as of December 31, 2020. The short position was classified as a liability, marked-to-market and was evaluated at Level 1 for fair value. During the year ended December 31, 2021, the Company covered its short position by acquiring 100,000 equity shares of a publicly traded U.S. company for $1.8 million, recognizing a realized loss of $193 thousand in Other income, net in the consolidated statements of operations. As of December 31, 2022 and December 31, 2021, the Company had no investments in equity securities.

Note 16. NET LOSS PER COMMON SHARE

Basic earnings per share of Class A common stock is computed by dividing net income attributable to common shareholders by the weighted-average number of shares of Class A common stock outstanding during the period. Diluted earnings per share of Class A common stock is computed by dividing net income attributable to common shareholders adjusted for the assumed exchange of all potentially dilutive securities, by the weighted-average number of shares of Class A common stock outstanding adjusted to give effect to potentially dilutive elements. Diluted loss per share for all period presented is the same as basic loss per share as the inclusion of the potentially issuable shares would be anti-dilutive.

Prior to the Business Combination, the equity structure of MSP Recovery, LLC included units which shared in the profits and losses of MSP Recovery, LLC. In reviewing the calculation of earnings per unit for periods prior to the Business Combination, the Company concluded that it resulted in values that would not be meaningful to the users of the consolidated financial statements. As such, earnings per share information for the year ended December 31, 2021 and 2020 has not been presented. The basic and diluted earnings per share for the year ended December 31, 2022 represent loss from only the period from the Closing Date to December 31, 2022 for the Company.

The following table sets forth the computation of basic and diluted earnings per share of Class A common stock:

(In thousands except shares and per share amounts)		**Year ended December 31, 2022**
Numerator - basic and diluted:		
Net loss	$	(401,905)
Less: Net loss attributable to MSP Recovery, LLC pre Business Combination		28,640
Less: Net loss attributable to the noncontrolling interest post Business Combination		365,848
Net loss attributable to common shareholders	$	(7,417)
Denominator - basic and diluted:		
Weighted-average shares of Class A common stock outstanding - basic		61,825,105
Effect of dilutive securities:		
Weighted-average shares of Class A common stock outstanding - dilutive		61,825,105
Earnings per share of Class A common stock - basic	$	(0.12)
Earnings per share of Class A common stock - diluted	$	(0.12)

Shares of the Company’s Class V common stock do not participate in the earnings or losses of the Company and are therefore not participating securities. As such, separate presentation of basic and diluted earnings per share of Class V common stock under the two-class method has not been presented.

In the calculation for earnings per share for the year ended December 31, 2022, the Company excluded from the calculation of diluted earnings per share 3,147,979,494 shares of Class V common stock, 3,319,304 Public Warrants outstanding, 66,666,666 CPIA Warrants and 1,028,046,326 shares of New Warrants outstanding because their effect would have been anti-dilutive.

Note 17. DERIVATIVE LIABILITY

The Company and CF entered into an agreement for an OTC Equity Prepaid Forward Transaction (the “Transaction”). Pursuant to the terms of the Transaction, CF agreed to (a) transfer to the Company for cancellation any warrants to purchase shares received as a result of being the stockholder of record of a share as of the close of business on the closing date of the Business Combination, pursuant to the previously announced and declared LCAP dividend and (b) waive any redemption right that would require the redemption of the Subject Shares (as defined below) in exchange for a pro rata amount of the funds held in LCAP’s trust account.

At closing of the Business Combination, the Company transferred from the trust account to an escrow account an amount equal to (a) the aggregate number of such Subject Shares (approximately 1.1 million shares), multiplied by (b) the per share redemption price for shares out of the trust account, as a prepayment to CF of the amount to be paid to CF in settlement of the Transaction for the number of shares owned by CF at the closing of the Business Combination (the “FEF Shares”). CF may sell the Subject Shares at its sole discretion in one or more transactions, publicly or privately. Any such sale shall constitute an optional early termination of the Transaction upon which (a) CF will receive from the escrow account an amount equal to the positive excess, if any, of (x) the product of the redemption price and the aggregate number of shares over (y) an amount equal to the proceeds received by CF in connection with sales of the shares, and (b) the Company will receive from the escrow account the amount set forth in (y) above.

The Company concluded that the instrument includes an embedded derivative for the change in value of the Company's Class A common stock and as such, at the end of each period the Company will mark to market the shares through booking a derivative liability/asset. The calculation of the derivative liability/asset would be the difference between the restricted cash and current fair value of the outstanding FEF shares (number of FEF shares multiplied by market price of the Company's Class A common stock as of period end). As of December 31, 2022, CF had not sold any FEF shares. The aggregate purchase price of $11.4 million is reflected in restricted cash with the fair value of the shares of $1.8 million included as Class A common stock subject to possible redemption within temporary equity and the derivative liability of $9.6 million reflected in current liabilities in the consolidated balance sheets.

Note 18. QUARTERLY FINANCIAL DATA (UNAUDITED) RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

Description of Restatement of Financial Information

Subsequent to the issuance of the interim financial information as of and for the periods ended June 30, 2022 and September 30, 2022, management identified material errors in such financial information. As disclosed within Note 4, Asset Acquisitions, the Company acquired various intangible assets in connection with the Business Combination. The Company identified an error in the accounting for these acquisitions, in that the Class A market price as of the Closing Date utilized in the valuation included the value of the New Warrants, whereas the Up-C Units provided in the acquisition did not have rights to New Warrants. Therefore, the Class A market price didn't equate to the value of the Up-C Units until the opening of the day after the Closing Date when the New Warrants became detached from the Class A shares. This error impacts the intangible assets value that was acquired as of the Closing Date and the resulting amortization of those assets.

In addition, the Company also determined, based on analysis of the rights to cash flows from the Series and the related guaranty obligation, that the Company is the primary beneficiary of the Series, and therefore should consolidate as of the transaction date. This error impacts the intangible assets and indemnification asset value that was acquired as the balance is now reflected in Intangible Assets, net and is therefore amortized rather than recorded as a financial asset; as a result of this change, the indemnification asset is no longer recorded and the Virage Guaranty is accreted through interest expense. The Company's financial statements should also include the activity of the Series from the date of acquisition as it is now consolidated.

As a result of these errors, the Company determined that the valuation of the asset acquisitions and impacts of consolidating the Series were misstated in the Company's financial statements for the periods ending June 30 and September 30, 2022. In the following tables, the Company has presented a reconciliation of its unaudited condensed consolidated financial information as originally reported, to the as restated amounts as of and for the three and six months ended June 30, 2022, and the three and nine months ended September 30, 2022. The restatements will be reflected in the comparative financial statements included in our future filings of our 2023 unaudited condensed consolidated financial statements within our Quarterly Reports on Form 10-Q.

The table below sets forth the unaudited condensed consolidated balance sheet information, including the balances as reported, adjustments and the balances as restated:

(In thousands except per share amounts)	For the reporting period June 30, 2022		
	As previously reported	Restatement Adjustments	As Restated
ASSETS			
Current assets:			
Accounts receivable	$ 901	17	$ 918
Indemnification asset	719,413	(719,413)	-
Total current assets	**795,780**	**(719,396)**	**76,384**
Deferred tax asset	857	(857)	-
Intangible assets, net	2,095,735	1,441,475	3,537,210
Investment in rights to claim recovery cash flows	3,673,610	(3,673,610)	-
Total assets	**$ 6,566,932**	**$ (2,952,388)**	**$ 3,614,544**
Stockholders' Equity (Deficit):			
Additional paid-in capital	$ 187,269	(60,479)	$ 126,790
Accumulated deficit	(23,074)	(592)	(23,666)
Total Stockholders' Equity (Deficit)	**$ 164,517**	**$ (61,071)**	**$ 103,446**
Non-controlling interest	5,251,837	(2,891,317)	2,360,520
Total equity	**$ 5,416,354**	**$ (2,952,388)**	**$ 2,463,966**
Total liabilities and equity	**$ 6,566,932**	**$ (2,952,388)**	**$ 3,614,544**

(In thousands except per share amounts)	For the reporting period September 30, 2022		
	As previously reported	Restatement Adjustments	As Restated
ASSETS			
Current assets:			
Accounts receivable	$ 7,525	138	$ 7,663
Indemnification asset	752,510	(752,510)	-
Total current assets	**820,157**	**(752,372)**	**67,785**
Deferred tax asset	857	(857)	-
Intangible assets, net	2,077,571	1,395,955	3,473,526
Investment in rights to claim recovery cash flows	3,673,610	(3,673,610)	-
Total assets	**$ 6,574,675**	**$ (3,030,884)**	**3,543,791**
Stockholders' Equity (Deficit):			
Additional paid-in capital	$ 201,656	(66,689)	$ 134,967
Accumulated deficit	(23,537)	(2,201)	(25,738)
Total Stockholders' Equity (Deficit)	**$ 178,441**	**$ (68,890)**	**109,551**
Non-controlling interest	5,213,812	(2,961,994)	2,251,818
Total equity	**$ 5,392,253**	**$ (3,030,884)**	**2,361,369**
Total liabilities and equity	**$ 6,574,675**	**$ (3,030,884)**	**3,543,791**

The tables below set forth the unaudited condensed consolidated statements of operations, including the balances as reported, adjustments and the as restated balances:

(In thousands except per share amounts)	For the three months ended June 30, 2022			For the six months ended June 30, 2022		
	As Reported	Restatement Adjustments	As Restated	As Reported	Restatement Adjustments	As Restated
Claims recovery income	$ 1,319	38	$ 1,357	$ 1,428	38	$ 1,466
Claims recovery service income	3,971	-	3,971	12,047	-	12,047
Total Claims Recovery	**$ 5,290**	**$ 38**	**$ 5,328**	**$ 13,475**	**$ 38**	**$ 13,513**
Operating expenses						
Cost of claim recoveries	694	8	702	701	8	709
Claims amortization expense	23,818	15,173	38,991	26,535	15,173	41,708
Professional fees	3,118	13	3,131	5,056	13	5,069
Total operating expenses	57,449	15,194	72,643	69,108	15,194	84,302
Operating Loss	**$ (52,159)**	**$ (15,156)**	**$ (67,315)**	**$ (55,633)**	**$ (15,156)**	**$ (70,789)**
Interest expense	(10,977)	(13,375)	(24,352)	(21,392)	(13,375)	(34,767)
Net loss before provision for income taxes	**$ (77,450)**	**$ (28,531)**	**$ (105,981)**	**$ (91,341)**	**$ (28,531)**	**$ (119,872)**
Provision for income tax benefit (expense)	326	(326)	-	326	(326)	-
Net loss	**$ (77,124)**	**$ (28,857)**	**$ (105,981)**	**$ (91,015)**	**$ (28,857)**	**$ (119,872)**
Less: Net (income) loss attributable to non-controlling members	75,836	28,265	104,101	89,727	28,265	117,992
Net loss attributable to controlling members	**$ (1,288)**	**$ (592)**	**$ (1,880)**	**$ (1,288)**	**$ (592)**	**$ (1,880)**
Basic and diluted weighted average shares outstanding, Class A Common Stock	13,607,255	N/A	13,607,255	13,607,255	N/A	13,607,255
Basic and diluted net income per share, Class A Common Stock	**$ (0.09)**	N/A	**$ (0.14)**	**$ (0.09)**	N/A	**$ (0.14)**

(In thousands except per share amounts)	For the three months ended September 30, 2022			For the nine months ended September 30, 2022		
	As Reported	Restatement Adjustments	As Restated	As Reported	Restatement Adjustments	As Restated
Claims recovery income	$ 2,571	188	$ 2,759	$ 3,999	$ 226	$ 4,225
Total Claims Recovery	**$ 8,319**	**$ 188**	**$ 8,507**	**$ 21,794**	**$ 226**	**$ 22,020**
Operating expenses						
Cost of claim recoveries	1,160	38	1,198	1,861	45	1,906
Claims amortization expense	66,331	45,520	111,851	92,866	60,694	153,560
Professional fees	5,875	29	5,904	10,931	42	10,973
Total operating expenses	88,104	45,587	133,691	157,212	60,781	217,993
Operating Loss	**$ (79,785)**	**$ (45,399)**	**$ (125,184)**	**$ (135,418)**	**$ (60,555)**	**$ (195,973)**
Interest expense	(13,083)	(33,097)	(46,180)	(34,475)	(46,472)	(80,947)
Net loss before provision for income taxes	**$ (27,060)**	**$ (78,496)**	**$ (105,556)**	**$ (118,401)**	**$ (107,027)**	**$ (225,428)**
Provision for income tax benefit (expense)	-	-	-	326	(326)	-
Net loss	**$ (27,060)**	**$ (78,496)**	**$ (105,556)**	**$ (118,075)**	**$ (107,353)**	**$ (225,428)**
Less: Net (income) loss attributable to non-controlling members	26,597	76,887	103,484	116,324	105,152	221,476
Net loss attributable to controlling members	**$ (463)**	**$ (1,609)**	**$ (2,072)**	**$ (1,751)**	**$ (2,201)**	**$ (3,952)**
Basic and diluted weighted average shares outstanding, Class A Common Stock	69,036,899	—	69,036,899	53,138,474	—	53,138,474
Basic and diluted net income per share, Class A Common Stock	**$ (0.01)**	**$ (0.02)**	**$ (0.03)**	**$ (0.03)**	**$ (0.04)**	**$ (0.07)**

The table below sets forth the unaudited condensed consolidated statements of cash flows, including balances as reported, adjustments and balances as restated amounts. Note that only amounts that have changed have been disclosed:

(In thousands)	For the six months ended June 30,		
	As Previously Reported	**Restatement Adjustments**	**As Restated**
Cash flows from operating activities:			
Net loss	$ (91,015)	$ (28,857)	$ (119,872)
Claims amortization expense	26,535	15,173	41,708
Paid in kind interest	21,369	13,375	34,744
Deferred income taxes	(857)	326	(531)
Change in operating assets and liabilities:			
Accounts receivable	(901)	(17)	(918)
Net cash used in operating activities	**(60,912)**	**—**	**(60,912)**
Net cash used in investing activities	**(3,015)**	**—**	**(3,015)**
Net cash provided by (used in) financing activities	**98,728**	**—**	**98,728**

(In thousands)	For the nine months ended September 30, 2022		
	As Previously Reported	**Restatement Adjustments**	**As Restated**
Cash flows from operating activities:			
Net loss	$ (118,075)	$ (107,353)	$ (225,428)
Claims amortization expense	92,866	60,694	$ 153,560
Paid in kind interest	34,475	46,472	$ 80,947
Deferred income taxes	(857)	326	$ (531)
Accounts receivable	(7,525)	(139)	$ (7,664)
Net cash used in operating activities	**(70,764)**	**—**	**(70,764)**
Net cash used in investing activities	**(4,563)**	**—**	**(4,563)**
Net cash provided by (used in) financing activities	**99,351**	**—**	**99,351**

The table below sets forth the unaudited condensed consolidated statements of changes in equity, including balances as reported, adjustments and balances as restated amounts. Note that only amounts that have changed have been disclosed:

	For the reporting period June 30, 2022											
	As Previously Reported				Restatement Adjustments				As Restated			
(In thousands except shares)	Additional Paid-in Capital	Accumulated Deficit	Non-Controlling Interests	Total Equity	Additional Paid-in Capital	Accumulated Deficit	Non-Controlling Interests	Total Equity	Additional Paid-in Capital	Accumulated Deficit	Non-Controlling Interests	Total Equity
Balance at December 31, 2021	**$ —**	**$ —**	**$ 4,348**	**$ (151,408)**					**$ —**	**$ —**	**$ 4,348**	**$ (151,408)**
Contributions prior to recapitalization transaction	—	—	—	15					—	—	—	15
Distributions prior to recapitalization transaction	—	—	—	(147)					—	—	—	(147)
Net loss prior to recapitalization transaction	—	—	—	(28,640)					—	—	—	(28,640)
Cumulative effect of recapitalization transaction	48,773	—	5,406,736	5,640,353	(7,496)		(2,915,985)	(2,923,481)	41,277	—	2,490,751	2,716,872
Opening net assets of Lionheart II Holdings, LLC acquired	—	(21,786)	—	(21,786)					—	(21,786)	—	(21,786)
Adjustment for value of derivative on temporary equity	9,003	—	—	9,003					9,003	—	—	9,003
Conversion of Warrants	20,462	—	(12,287)	8,177	(6,627)			(6,627)	13,835	—	(12,287)	1,550
Class A Issuances	109,031	—	(85,872)	23,164	(46,356)			(46,356)	62,675	—	(85,872)	(23,192)
Net loss	—	(1,288)	(61,088)	(62,376)		(592)	24,668	24,075	—	(1,880)	(36,420)	(38,301)
Balance at June 30, 2022	**$ 187,269**	**$ (23,074)**	**$ 5,251,837**	**$ 5,416,354**	**$ (60,479)**	**$ (592)**	**$ (2,891,317)**	**$ (2,952,388)**	**$ 126,790**	**$ (23,666)**	**$ 2,360,520**	**$ 2,463,966**

	For the reporting period September 30, 2022											
	As Previously Reported				Restatement Adjustments				As Restated			
(In thousands except shares)	Additional Paid-in Capital	Accumulated Deficit	Non-Controlling Interests	Total Equity	Additional Paid-in Capital	Accumulated Deficit	Non-Controlling Interests	Total Equity	Additional Paid-in Capital	Accumulated Deficit	Non-Controlling Interests	Total Equity
Balance at December 31, 2021	**$ —**	**$ —**	**$ 4,348**	**$ (151,408)**					**$ —**	**$ —**	**$ 4,348**	**$ (151,408)**
Contributions prior to recapitalization transaction	—	—	—	15					—	—	—	15
Distributions prior to recapitalization transaction	—	—	—	(147)					—	—	—	(147)
Net loss prior to recapitalization transaction	—	—	—	(28,640)					—	—	—	(28,640)
Cumulative effect of recapitalization transaction	48,773	—	5,406,736	5,640,352	(7,496)		(2,915,985)	(2,923,481)	41,277	—	2,490,751	2,716,871
Opening net assets of Lionheart II Holdings, LLC acquired	—	(21,786)	—	(21,786)					—	(21,786)	—	(21,786)
Adjustment for value of derivative on temporary equity	10,065	—	—	10,065					10,065	—	—	10,065
Conversion of Warrants	22,895	—	(13,444)	9,452	(7,255)			(7,255)	15,640	—	(13,444)	2,197
Class A Issuances	119,923	—	(96,144)	23,785	(51,938)			(51,938)	67,985	—	(96,144)	(28,153)
Net loss	—	(1,751)	(87,684)	(89,435)		(2,201)	(46,009)	(48,210)	—	(3,952)	(133,693)	(137,645)
Balance at September 30, 2022	**$ 201,656**	**$ (23,537)**	**$ 5,213,812**	**$ 5,392,253**	**$ (66,689)**	**$ (2,201)**	**$ (2,961,994)**	**$ (3,030,884)**	**$ 134,967**	**$ (25,738)**	**$ 2,251,818**	**$ 2,361,369**

Note 19. SUBSEQUENT EVENTS

Hazel Transactions

On March 29, 2023 (and amended on July 17, 2023), the Company entered into a membership interest purchase agreement with Hazel, whereby in exchange for a stated purchase price of $390 million, the Company acquired from Hazel interests in certain Claims recovery and reimbursement rights (the "Claims Purchase"). The purchase price for the Claims Purchase was funded by (i) the proceeds from the Claims Sale (as defined below), and (ii) a purchase money loan between Hazel, as lender, and the Company, as borrower, in the amount of $250 million (the "Purchase Money Loan").

On March 29, 2023, the Company entered into a membership interest purchase agreement with Hazel, whereby in exchange for a purchase price of $150 million, Hazel acquired from the Company the membership interests in entities that own certain other Claims recovery and reimbursement rights, provided that the Company and Hazel will share in the recovery proceeds therefrom in accordance with an agreed waterfall (the "Claims Sale," and together with the Claims Purchase, the "Claims Transactions").

In addition, on March 29, 2023, the Company entered into an Amended and Restated Credit Agreement (the "Working Capital Credit Facility") with affiliates of Hazel, as the lender and administrative agent, which provides for up to $80 million (with a 40% original issue discount), consisting of a Term Loan A commitment to fund up to $30 million (in multiple installments) in proceeds, and a Term Loan B Commitment to fund up to $18 million (in multiple installments) in proceeds, the funding of each conditioned on certain milestones. An initial $10 million in proceeds was drawn under the Term Loan A on March 6, 2023. On March 29, 2023, an additional $5 million was disbursed to the Company under the Term Loan A. On May 11, 2023 and June 13, 2023, Hazel notified us that it would

not disburse additional funds under the Working Capital Credit Facility until the Company satisfies certain funding conditions, including the filing of this Annual Report on Form 10-K. The parties subsequently agreed that $5.5 million will be funded under Term Loan A in accordance with the terms of the Working Capital Credit Facility subsequent to the filing of this 2022 Form 10-K and receipt of funding notices, deeming funding conditions satisfied or waived. Following such funding, the Term Loan A commitment would be terminated, with total funding of $20.5 million. In addition, the parties agreed to increase the Term Loan B commitment from $18 million to $27.5 million, which will be funded in multiple installments and in accordance with the terms of the Working Capital Credit Facility.

Loans under the Working Capital Credit Facility accrue interest at a Term Secured Overnight Financing Rate for 12-month interest period, plus an applicable margin of 10% per annum. Accrued interest on the Working Capital Credit Facility is payable in kind and will be capitalized. The Working Capital Credit Facility has a stated maturity date of March 31, 2026, and Hazel may extend for up to one year in its sole discretion. The Purchase Money Loan accrues interest at a rate of 20% per annum, payable in kind or in cash at the Company's discretion. The Purchase Money Loan has a maturity date of March 31, 2026, extendable up to one year in Hazel's sole discretion.

The Company is permitted to prepay the loans under the Working Capital Credit Facility from time to time without prepayment premium. Prepayment of the Purchase Money Loans will be permitted after the prepayment or repayment of loans under the Working Capital Loans, and such prepayment of the Purchase Money Loans may be subject to prepayment penalty, as applicable.

The Purchase Money Loan and the Working Capital Credit Agreement contains certain representations, warranties and covenants of the Company and its subsidiaries, including restrictions on debt incurrence, liens, investments, affiliate transactions, distributions and dividends, fundamental changes, certain debt prepayments and Claim settlement.

Amounts borrowed and obligations under the Purchase Money Loan and the Working Capital Credit Facility are secured by a pledge of proceeds from certain Claims in the Company's Claims portfolio, with the lien securing the Purchase Money Loan being subordinated and junior to the lien securing the Working Capital Credit Facility. Pursuant to the Purchase Money Loan and the Working Capital Credit Facility, the Company entered into a collateral administrative agreement between the Company and Hazel, which sets forth certain arrangements between the Company and Hazel in relation to the management of the litigation of certain Claims owned by the Company, the proceeds of which were pledged to Hazel to secure the Purchase Money Loan and the Working Capital Credit Facility.

Yorkville Facility

Refer to Note 1 - *Description of the Business* of this Form 10-K.

Virage Amendment

On April 12, 2023, we entered into an amendment (the "Virage MTA Amendment") to the Virage MTA and Virage Guaranty pursuant to which the payment date was extended from May 23, 2023 until September 30, 2024, subject to acceleration upon certain triggering events. The guaranty obligation will become current at September 30, 2023, and the Company does not currently have available liquidity to satisfy such obligations. Under the Virage MTA Amendment, Virage will receive a first priority lien on all sources of revenue of the company not otherwise encumbered as of the date of the Virage MTA Amendment, to the extent in excess of the amount of revenues necessary to establish and maintain an operating reserve of $70 million for overhead expenses and applicable taxes.

On January 1, 2024, if the Virage Guaranty is not paid, the Company will be required to make a one-time, lump sum payment to Virage for the period starting May 24, 2023 and ending December 31, 2023, in one or a combination of: (a) cash, in an amount equal to 1.0% of each calendar month-end balance (which month-end balance shall be increased daily up to 20% per annum based on a formula set forth in the Virage MTA Amendment) of the amount owing to Virage as of each preceding calendar month end and/or (b) warrants to purchase Class A common stock at $0.0001 per share, in an amount equal to the quotient of 1.0% of each calendar month-end balance (which shall be increased daily up to 20% per annum based on a formula set forth in the Virage MTA Amendment) of the amount owing to Virage as of each preceding calendar month end and the volume weighted average price of a share of our Class A common stock for the five day period prior to the issuance. If paid in warrants, such warrants will expire on January 1, 2026.

Further, for each calendar month beginning with January 31, 2024 until the obligations to Virage are paid in full, the Company has agreed to pay to Virage an amount monthly, in one or a combination of: (a) cash, in an amount equal to 1.0% of each calendar month-end balance (which month-end balance shall be increased daily up to 20% per annum based on a formula set forth in the Virage MTA Amendment) of the amount owing to Virage as of each preceding calendar month end and/or (b) warrants to purchase Class A common stock at $0.0001 per share, in an amount equal to the quotient of 1.0% of each calendar month-end balance (which month-end balance shall be increased daily up to 20% per annum based on a formula set forth in the Virage MTA Amendment) of the amount owing to Virage as of each preceding calendar month end and the volume weighted average price of a share of our Class A common stock. If paid in warrants, such warrants will expire two years from the date of issuance.

The warrants will contain customary provisions for a transaction of this type, including that each warrant will be exercisable in whole or in part at any time prior to the expiration date, be freely transferable, subject only to applicable securities laws, and be subject to customary anti-dilution protection regarding the exercise price and number of shares of Class A Common Stock to be issued upon the exercise of each warrant.

Amended and Restated Nomura Promissory Note

On April 12, 2023, the Company amended the promissory note to Nomura originally issued on May 27, 2022, which amendment increased the principal amount to approximately $26.3 million and extended the maturity date of the promissory note to September 30, 2024. The note will become current at September 30, 2023, and the Company does not currently have available liquidity to satisfy said obligation. The amended note carries an interest rate of 16% per annum and is payable in kind or in cash, at the Company's discretion, every 30 calendar days after April 12, 2023. Upon two days prior written notice to Nomura, the Company may prepay all or any portion of the then outstanding principal amount under the promissory note together with all accrued and unpaid interest thereon.

Cano Health Share Issuance

On July 7, 2023, the Company issued 199,000,001 shares of Class A common stock to Cano Health, LLC (“Cano”) as payment for $61,677,419.35 million dollars in deferred compensation related to the following agreements, which the Company had the option to pay in cash or in stock and has elected to pay in stock, of which (i) 80,645,162 shares of Common Stock were issued as a deferred consideration for the assignment of certain claims pursuant to that certain Purchase Agreement, effective as of September 30, 2022, as amended to date, by and between the Company and Cano, and (ii) 118,354,839 shares of Common Stock were issued as deferred consideration for the assignment of certain claims pursuant to that certain Amended and Restated Claims Recovery and Assignment Agreement effective as of December 31, 2021, as amended to date, by and between the Company and Cano.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 9A. Controls and Procedures.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Evaluation of Disclosure Controls and Procedures

Management, including our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Management is likewise required, on a quarterly basis, to evaluate the effectiveness of its internal controls and to disclose any changes and material weaknesses identified through such evaluation of those internal controls. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected and corrected on a timely basis. Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2022. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective, due to the material weaknesses related to the items noted below. To address these material weaknesses, we performed additional analysis as deemed necessary to ensure that our financial statements were prepared in accordance with U.S. GAAP. Based on such analysis and notwithstanding the identified material weaknesses, management, including our Chief Executive Officer and Chief Financial Officer, believe the consolidated financial statements included in this Annual Report fairly represent in all material respects our financial condition, results of operations and cash flows at and for the periods presented in accordance with U.S. GAAP.

Management's Report on Internal Control over Financial Reporting

This Annual Report on Form 10-K does not include a report of management's assessment regarding internal control over financial reporting as allowed by the SEC for newly public companies. We completed the Business Combination on May 23, 2022 pursuant to which we acquired MSP Recovery, LLC. Prior to the Business Combination, we were a special purpose acquisition company (formerly known as Lionheart Acquisition Corporation II), which was formed for the purpose of effecting a merger, recapitalization, reorganization or similar business combination with one or more businesses. The existing internal controls prior to the Business Combination are no longer applicable as of the assessment date as our operations prior to the Business Combination were insignificant compared to those of the post combination consolidated entity. Additionally, as we are an "emerging growth company" as defined under the JOBS Act, we are subject to reduced public company reporting requirements. The JOBS Act provides that an emerging growth company is not required to have the effectiveness of such company's internal control over financial reporting audited by its external auditors for as long as such company is deemed to be an emerging growth company.

Material Weaknesses

As of December 31, 2021 and 2020, we identified the following material weaknesses in our internal controls over financial reporting. The material weaknesses we identified were as follows:

- We did not have sufficient accounting and financial reporting resources to address our financial reporting requirements. Specifically:
  - We did not have sufficient resources with an appropriate level of knowledge and GAAP expertise to identify, evaluate and account for transactions; and
  - We did not have an adequate segregation of duties or appropriate level of review that is needed to comply with financial reporting requirements.

- We did not design, implement or maintain an effective control environment over our financial reporting requirements. Specifically:
  - We did not have effective controls over the period end financial reporting process and preparation of financial statements due to:
    - A lack of a sufficient level of formal accounting policies and procedures that define how transactions should be initiated, recorded, processed and reported; and
    - A lack of an effective control environment over period end close procedures.
  - We did not have appropriate controls or documented segregation of duties over information technology systems used to create or maintain financial reporting records;
  - We did not design or maintain the appropriate controls related to the separation of accounting records for each entity included within our combined and consolidated financial statements.

As of December 31, 2022, we identified material weaknesses in our internal control over financial reporting. The material weaknesses we identified were as follows:

- We did not have sufficient controls related to the accounting for complex transactions.
- We did not have sufficient controls over the human resources and payroll processes. Specifically:
  - Insufficient design of controls as the outsourced system used for payroll did not have appropriate service organization report and we did not have appropriate compensating controls or documented segregation of duties over the system used for payroll;
  - Insufficient design of controls resulting in a lack of an effective control environment over payroll entries;
  - Insufficient design of controls within our human resources business process.
  - Insufficient design of controls resulting in a lack of proper documentation over approval of bonus payments.
- Insufficient design of controls as we did not have appropriate segregation of duties and review controls over cash disbursements.

A special committee of the board of directors made unanimous recommendations to enhance and improve the public company reporting capabilities of the Company, including but not limited to:

- The implementation of certain management training,
- The hiring of a director of internal audit, and
- Enhancements to the Company’s internal communication process, as well as increased reporting to the Audit Committee of Board of Directors.

We consider these recommendations to be indicative of material weaknesses related to a failure to develop or maintain an effective system of internal disclosure controls for the timely disclosure of material communications from external sources to the Company’s management and Board of Directors for review and evaluation. Specifically, the material weaknesses we identified were as follows:

- We did not have sufficient controls related to training personnel to understand their respective roles and responsibilities.
- We did not have sufficient monitoring activities, including a director of internal audit.
- We did not have sufficient lines of communication internally and to the Board of Directors, and therefore did not maintain a sufficient control environment with respect to oversight of the Board of Directors.

These control deficiencies resulted in a misstatement in our accounts or disclosures that resulted in a material misstatement to the previously filed interim unaudited financial statements. Accordingly, we determined that these control deficiencies constitute material weaknesses.

Remediation Plan

As of December 31, 2022, we have implemented measures, which addressed certain material weaknesses noted as of December 31, 2021. The following items were implemented and operated effectively as of December 31, 2022:

- To address lack of appropriate accounting and financial reporting resources and segregation of duties:
  - We hired key accounting personnel with appropriate levels of U.S. generally accepted accounting principles expertise and financial reporting knowledge and experience.
  - We completed a segregation of duty review over financial reporting and implemented changes to address any deficiencies.
- To address lack of effective control environment over our financial reporting requirements:
  - We developed formal accounting policies and procedures.
  - We designed a control environment over how transactions are initiated, recorded, processed and reported, and implemented period end close procedures.
  - We have implemented certain accounting and information technology systems to automate manual processes, to help implement segregation of duties and to assist in consolidation and period end close.

While we have implemented these measures and these have remediated the material weaknesses noted as of December 31, 2021, except for those material weaknesses noted as of December 31, 2022, there is no assurance that we have identified all material weaknesses or that there will not be additional material weaknesses or deficiencies that are identified. We are in the process of implementing measures designed to remediate the control deficiencies that led to the material weaknesses as of December 31, 2022. During 2023, we have:

- To address the material weaknesses in internal controls related to the accounting for complex financial instruments:
  - We are in process of implementing further controls over the review of complex financial instruments, which may include engaging outside advisors with specialist knowledge of GAAP and valuation.
- Within the human resources and payroll processes:
  - We have identified potential human resource outsourced vendors and have begun designing and implementing payroll and human resource related controls.
  - We have also identified third party payroll service providers with sufficient service organization reports that we expect will allow us to rely on the system once we implement appropriate complimentary user controls.
- To address segregation of duties over cash disbursement:
  - We have begun designing and implementing appropriate segregation of duties over disbursements during the current year and added controls to review cash disbursements made prior to this implementation.

In order to address the material weaknesses identified by the special committee, the special committee made recommendations to enhance and improve the public company reporting capabilities of the Company, including but not limited to:

- Enhancing development of the control environment with the implementation of certain management training,
- The hiring of a director of internal audit to improve the monitoring and effectiveness of internal controls, and
- Enhancements to the Company’s internal communication process to support controls and increase reporting to the Audit Committee of Board of Directors to allow for more effective exercise of oversight responsibilities.

We intend to implement such recommendations to remediate the weaknesses identified by the special committee.

Neither our Company, nor our independent registered public accounting firm, were required to perform an evaluation of the Company's internal control over financial reporting as of December 31, 2022 in accordance with the provisions of the Sarbanes-Oxley Act and, as such, there is no assurance that we have identified all material weaknesses or that there will not be additional material weaknesses or deficiencies that are identified. While our independent registered public accounting firm is not required to audit the effectiveness of our internal control over financial reporting until after we are no longer an “emerging growth company” as defined in the JOBS Act, a failure to design, implement or maintain effective internal control over financial reporting could adversely affect the results of annual independent registered public accounting firm audit reports regarding the effectiveness of the Company’s internal control over financial reporting that we will eventually be required to include in reports that will be filed with the SEC. If the continued existence of one or more material weaknesses in the Company’s internal control over financial reporting persist, this could have a

material and adverse effect on our business, results of operations and financial condition, and it could cause a decline in the trading price of the Company's Class A common stock.

Changes in Internal Control Over Financial Reporting

Outside of the material weaknesses noted above, there were no changes in our internal control over financial reporting during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

Not applicable.

Item 9C. Disclosure Regarding Foreign Jurisdiction that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Management and Board of Directors

The following sets forth certain information, as of June 30, 2023, concerning the persons who serve as executive officers and members of the Board following.

Name	Age	Position
Directors		
John H. Ruiz	56	Class III Director
Frank C. Quesada	43	Class III Director
Ophir Sternberg	53	Class III Director
Beatriz Assapimonwait	61	Class I Director
Michael F. Arrigo	64	Class II Director
Thomas W. Hawkins	62	Class II Director
Roger Meltzer	72	Class I Director
Executive Officers		
John H. Ruiz	56	Chief Executive Officer
Frank C. Quesada	43	Chief Legal Officer
Ricardo Rivera	51	Chief Operating Officer & Interim Chief Financial Officer
Alexandra Plasencia	38	General Counsel

Information about Executive Officers and Directors

Directors

John H. Ruiz. John Ruiz is a founder of LifeWallet and has served as Chief Executive Officer since the Company's inception (in 2014 as MSP Recovery). Mr. Ruiz was named one of Lawyers of Distinction's "2023 Power Lawyers," for his accomplishments in healthcare law. He was also named "2019's DBR Florida Trailblazer," for his work in integrating data analytics into the practice of law, and for its positive impact on healthcare recoveries across the mainland U.S. and Puerto Rico. Over the course of his 30-year legal career, Mr. Ruiz has gained national recognition in class action, mass tort litigation, MDL consolidated cases, medical malpractice, products liability, personal injury, real estate, and aviation disaster cases. Recently, Mr. Ruiz led the legal strategy in the landmark victory handed down by the U.S. Court of Appeals for the Eleventh Circuit, in MSP Recovery Claims Series v. Ace American (11th Cir.). In addition, he has certified more than 100 class actions and led MSP's participation in Humana v. Western Heritage (11th Cir.), MSP Recovery v. Allstate (11th Cir.), and MSPA Claims 1, LLC v. Kingsway Amigo Ins. Co. (11th Cir.). Mr. Ruiz has been involved as counsel in cases that have totaled more than $20 billion in settlements. These class actions resulted in some of the largest awards in Florida against major insurance companies. In total, Mr. Ruiz has certified class actions against major car insurers in the State of Florida, resulting in the current and potential redistribution of billions of dollars in improperly paid claims spanning a period of more than 10 years. Starting as early as 1996, Mr. Ruiz filed class-action lawsuits on behalf of more than 30,000 Miami-Dade County residents against the Florida Department of Agriculture for trespassing onto the private properties of homeowners and chopping down their citrus trees without any compensation. The case was ultimately certified, and the Department of Agriculture directly compensated all members of the aggrieved class. In 2001, Mr. Ruiz represented consumers in a class action lawsuit against Firestone that resulted in dozens of fatalities and thousands of serious blowouts. Mr. Ruiz was also hired as local counsel by numerous out of state law firms that had pending cases in Florida courts. The cases in aggregate settled for more than $30 million. Mr. Ruiz also represented the families of crash victims in a wrongful death suit against Chalk's International Ocean Airway. Mr. Ruiz was the first lawyer to file a limited fund class action. The case settled for a confidential agreed amount. Mr. Ruiz is licensed to practice before the Court of Appeals for the Fourth Circuit, the US Court of Appeals for the Second Circuit, the US Court of Appeals for the Third Circuit, and the Florida Supreme Court.

Frank C. Quesada. Frank C. Quesada is a founding member of LifeWallet and has served as Chief Legal Officer since its inception. Mr. Quesada is also a Partner at MSP Recovery Law Firm. With over 16 years of healthcare and complex commercial litigation experience, Mr. Quesada oversees LifeWallet's in-house attorneys and several nationally recognized law firms that assist MSP Recovery Law Firm in their recovery efforts. Additionally, he develops LifeWallet's legal strategies and spearheads execution. Notably, Mr. Quesada led the execution of federal appellate strategies in MSP Recovery cases resulting in landmark legal victories and new Medicare Secondary Payer Act precedent benefitting Medicare entities across the country. These legal victories include MSP Recovery v. Allstate (11th Cir.), MSPA Claims 1 v. Tenet (11th Cir.), MSPA Claims 1 v. Kingsway Amigo (11th Cir.), and MSP

Recovery Claims Series v. Ace American (11th Cir.). Mr. Quesada currently serves on the Board of Directors of USA Water Polo, Inc.

Ophir Sternberg. Ophir Sternberg is a Board Member of the Company, and was previously the Chairman, President and Chief Executive Officer of Lionheart Acquisition Corporation II, the SPAC through which LifeWallet became a publicly traded company. Mr. Sternberg has over 30 years of experience acquiring, developing, repositioning, and investing in all segments of the real estate industry, including office, retail, ultra-luxury residential condominiums, hospitality, industrial, and land acquisitions. Mr. Sternberg is the Founder and Chief Executive Officer of Miami/Fort Lauderdale based Lionheart Capital, founded in 2010. Mr. Sternberg began his career assembling, acquiring, and developing properties in emerging neighborhoods in New York City, which established his reputation for identifying assets with unrealized potential and combining innovative partnerships with efficient financing structures to realize above average returns. Mr. Sternberg came to the United States in 1993 after completing three years of military service within an elite combat unit for the Israeli Defense Forces. Under Mr. Sternberg's leadership, Lionheart Capital executed numerous prominent real estate transactions and repositions, including The Ritz-Carlton Residences in Miami Beach, which resulted in a total sell-out value in excess of $550 million, as well as purchase of the development's site, the former Miami Heart Institute. Additionally, Mr. Sternberg led the $120 million sale of The Seagull Hotel, making it the highest grossing hotel sale of 2020 in Miami Beach. Mr. Sternberg and Lionheart Capital are currently in development on a number of other projects, including retail properties in Miami's fashion and culture epicenter, The Design District and a pre-war building located in the Gold Coast of Greenwich Village and built in 1928. In addition to The Ritz-Carlton Residences, Miami Beach, Lionheart Capital also partnered with Ritz-Carlton to brand The Ritz-Carlton Residences Singer Island, Palm Beach, cementing a reputation for bringing to market high-end luxury branded properties. In 2017, Mr. Sternberg founded Out of the Box Ventures, LLC, a Lionheart Capital subsidiary, to acquire and reposition distressed retail properties throughout the United States. With 13 properties in 10 states, Out of the Box Ventures currently controls over 3 million square feet of big box stores, shopping centers, and enclosed regional mall properties with plans to improve and expand upon these acquisitions. Mr. Sternberg and Lionheart Capital are dedicated to working with best-in-class operators and partners such as Marriott International. Lionheart Capital has been able to execute numerous, marquee transactions due largely to Mr. Sternberg's extensive industry relationships particularly with key institutional investors. In March 2020, Mr. Sternberg became Chairman of Nasdaq-listed OPES, and on June 30, 2020, announced the SPAC's initial business combination with BurgerFi, a fast-casual "better burger" concept that consists of approximately 120 restaurants nationally and internationally. The OPES-BurgerFi business combination closed on December 16, 2020 and Mr. Sternberg is the Executive Chairman of the post-combination Nasdaq-listed company, BurgerFi International, Inc. (NASDAQ: BFI). The OPES team, led by Mr. Sternberg, evaluated over 50 potential targets and negotiated business combination terms with multiple candidates in a span of a few months and acquired BurgerFi at what it believed was an attractive multiple relative to its peers. On October 11, 2021, BurgerFi, led by Ophir Sternberg as Executive Chairman, announced the acquisition of Anthony's Coal Fired Pizza & Wings, creating a multi-brand platform of premium casual restaurant concepts. With the acquisition of Anthony's, BurgerFi now has 180 systemwide restaurant locations across the country through its two premium casual dining brands, with 61 Anthony's locations and 119 BurgerFi locations. In May 2021, Lionheart Capital acquired the legendary and iconic American speed boat racing brand, Cigarette Racing Team, synonymous with custom-made, handcrafted, high-powered luxury performance powerboats. The Cigarette brand has grown in sophistication, becoming a product excellence company which focuses on impeccable engineering and beautiful design. Cigarette now builds the finest powerboats for the most loyal and discriminating performance boaters, using only the best in materials, technology, and workmanship. Mr. Sternberg is also the Chairman, President, and Chief Executive Officer of Lionheart III Corp, a SPAC that was originally formed for a $100 million raise, but on November 8, 2021, closed on its initial public offering at an upsized $125 million. Lionheart III Corp, under the ticker symbol LION, was welcomed into the Nasdaq family. On July 26, 2022, Lionheart III announced its business combination agreement with Security Matters Limited ("SMX") (ASX:SMX), a publicly traded company on the Australian Securities Exchange, bringing the expected combined entity value to $360M. SMX creates a sustainable system within the current supply chain, designed for the 21st century economy. The SMX business combination closed on March 8, 2023.

Beatriz Assapimonwait. Beatriz (Betty) Assapimonwait has over 40 years of experience in the managed health care industry. Ms. Assapimonwait was, up until August 2021, Regional President for the South Florida region at Humana Inc. (NYSE:HUM) ("Humana"), one of the largest private insurance health insurers in the U.S. with a focus on administering Medicare Advantage plans. In her role at Humana, Ms. Assapimonwait was responsible for developing market strategies and leading all market operations for all Medicare lines of business, including HMOs and PPOs for the South Florida region. Prior to her role at Humana, she served as CEO of Family Physicians of Winter Park, Inc., until its acquisition by Humana, where from December 2016 to July 2019, she led the strategic and operational efforts of a global risk MSO with 22 primary clinics in the Central Florida Region. Additionally, she served as the Vice President of Medicare Advantage Prescription Drug Plans at Aetna, Inc. from November 2014 to November 2016; Chief Operations Officer at Innovacare Health, from January 2014 to October 2014; Founder and President of Seven Stars Quality Healthcare, from July 2013 to December 2013; and Regional President for the North Florida region at Humana, from January 2009 to June 2013. Ms. Assapimonwait was appointed to serve on the board of directors of CareMax Inc. (Nasdaq:CMAX) in September 2021 and also serves as the Chair of the Strategy and Operations Committee since September 2021. She earned her Bachelor of Arts degree from Florida International University in 1983, and is certified in Healthcare Compliance by the Health Care Compliance Association and in HIPAA Compliance from Kennesaw State University. She has won several awards and commendations, including being a

Stevie Award Finalist of the American Business Awards for Best Customer Service Organization in 2004 and appointed Preceptor and Clinical Adjunct Faculty for the Healthcare Administration Program in 1997 at the University of Houston-Clear Lake.

Michael F. Arrigo. Michael F. Arrigo is a co-founder and the chief executive officer of No World Borders, Inc., a healthcare data, regulations, and economics firm with clients in the pharmaceutical, medical device, hospital, surgical center, physician group, diagnostic imaging, laboratory and genetic testing, health information technology, and health insurance markets. In his role at No World Borders, Inc., Mr. Arrigo advises MAOs who provide health insurance under Part C of the Medicare Act and serves as an expert witness regarding medical coding and medical billing, fraud damages, HIPAA privacy, and Electronic Health Record software. Prior to his current role, Mr. Arrigo served as Vice President at First American Financial (NYSE: FAF) from October 2002 to February 2007, overseeing eCommerce and regulatory compliance technology initiatives for top mortgage banks; Vice President of Fidelity National Financial (NYSE: FNF) from 2002 to 2003; chief executive officer of one of the first cloud-based billing software companies, Erogo, from 2000 to 2002; Vice President of Marketing for an email encryption and security software company until its acquisition by a company that merged into Axway Software SA (Euronext: AXW.PA) from 1999 to 2000; CEO of LeadersOnline, an online recruiting venture of Heidrick & Struggles from 1997 to 1999; management consultant to Hewlett Packard, Oracle, and Symantec from 1994 to 1997; Vice President of Marketing for a software company acquired by a company that merged into Cincom Systems from 1992 to 1994; Product Manager at Ashton-Tate from 1987 to 1992 responsible for database software products including Microsoft/Sybase SQL Server. Mr. Arrigo earned his Bachelor of Science in Business Administration from the University of Southern California in 1981. His post-graduate studies include biomedical ethics at Harvard Medical School, biomedical informatics at Stanford Medical School, blockchain and crypto-economics at the Massachusetts Institute of Technology, and training as a Certified Professional Medical Auditor (CPMA).

Thomas W. Hawkins. Thomas Hawkins previously served as a Management Consultant for MEDNAX, Inc. from February 2014 to December 2017, after serving as General Counsel and Board Secretary from April 2003 to August 2012. Prior to that, Mr. Hawkins worked for New River Capital Partners as a Partner from January 2000 to March 2003; AutoNation, Inc. as Senior Vice President of Corporate Development from May 1996 to December 1999; Viacom, Inc. as Executive Vice President from September 1994 to May 1996; and Blockbuster Entertainment Corporation as Senior Vice President, General Counsel, and Secretary from October 1989 to September 1994. Mr. Hawkins has been a board member of MSP Recovery, Inc. since May 2022, and currently serves on the board of directors of SMX (Security Matters) Public Limited Company (from March 2023 to present), Jumptuit Inc., a data analytics technology company (from November 2019 to present), and the Alumni Association of the University of Michigan (from October 2019 to present). Mr. Hawkins received his Juris Doctor from Northwestern University in 1986 and his A.B. in Political Science from the University of Michigan in 1983.

Roger Meltzer. Mr. Meltzer practiced law at DLA Piper LLP from 2007 and held various roles: Global Co-Chairman (2015 through 2020), and currently as Chairman Emeritus; Americas Co-Chairman (2013 through 2020); Member, Office of the Chair (2011 through 2020); Member, Global Board (2008 through 2020); Co-Chairman, U.S. Executive Committee (2013 through 2020); Member, U.S. Executive Committee (2007 through 2020); and Global Co-Chairman, Corporate Finance Practice (2007 through 2015). Prior to joining DLA Piper LLP, Mr. Meltzer practiced law at Cahill Gordon & Reindel LLP from 1977 to 2007 where he was a member of the Executive Committee from 1987 through 2007, Co-Administrative Partner and Hiring Partner from 1987 through 1999, and Partner from 1984 through 2007. Mr. Meltzer currently serves on the Advisory Board of Harvard Law School Center on the Legal Profession (May 2015—Present); and the Board of Trustees, New York University Law School (September 2011—Present); and previously served on the Corporate Advisory Board, John Hopkins, Carey Business School (January 2009—December 2012). He has previously served on the board of directors of: Lionheart II Corp (March 2021 to May 2022), Lionheart III Corp (March 2021 to August 2022), Haymaker Acquisition Corp. III (February 2021 to July 2022), certain subsidiaries of Nordic Aviation Capital (December 2021 to April 2022), The Legal Aid Society (November 2013 to January 2020), Hain Celestial Group, Inc. (December 2000 to February 2020), American Lawyer Media (January 2010 to July 2014) and The Coinmach Service Corporation (December 2009 to June 2013). Mr. Meltzer has also received several awards and honors and has been actively involved in philanthropic activity throughout his career. Mr. Meltzer received Juris Doctor degree in law from New York University School of Law and an A.B. from Harvard College. In February 2021, Mr. Meltzer joined the board of directors of Haymaker Acquisition Corp. 4, a special purpose acquisition company focused on identifying and implementing value creation initiatives within the consumer and consumer-related products and services industries. In February 2021, Mr. Meltzer joined the board of directors of Ubicquia LLC, a smart solutions infrastructure company. In May 2022, Mr. Meltzer joined the board of directors of MSP Recovery, Inc. following its business combination with Lionheart Acquisition Corp. II. In June 2022, Mr. Meltzer joined the board of directors of Aearo Holding LLC and affiliated entities. In August 2022, Mr. Meltzer joined the board of directors of Empatan Public Limited Company (“SMX”) following its business combination with Lionheart III Corp, Security Matters Limited and Aryeh Merger Sub Inc. In January 2023, Mr. Meltzer joined the board of directors of AID Holdings II (“Enlivant”), a senior living facility provider and portfolio company of TPG Capital L.P. In February 2023, Mr. Meltzer joined the board of directors of Klein Hersh, an executive recruitment firm that spans the life sciences continuum and healthcare industry. In April 2023, Mr. Meltzer joined the board of directors of Cyxtera Technologies, Inc., a company specializing in colocation and interconnection services, with a footprint of more than 60 data centers in over 30 markets. In

May 2023, Mr. Meltzer joined the board of directors of John C. Heath, Attorney at Law PC d/b/a/ Lexington Law, an industry leader specializing in credit repair services.

Executive Officers

John H. Ruiz - See "*-Management and Board of Directors*."

Frank C. Quesada - See "*-Management and Board of Directors*."

Alexandra Plasencia. Alexandra Plasencia currently serves as the General Counsel of MSP Recovery, Inc. Prior to becoming General Counsel, Ms. Plasencia served as the Company's Chief Compliance Officer and Corporate Counsel. Ms. Plasencia is a corporate and healthcare attorney who focuses her practice on complex business transactions, contracting, and healthcare and organizational compliance. Ms. Plasencia utilizes her comprehensive healthcare background to advise the Company on a full spectrum of legal and regulatory business issues. Prior to her role at the Company, Alexandra was General Counsel and Corporate Secretary for Conviva Care Solutions, a management services organization overseeing 300,000 patients, throughout 300 practices and 800 clinicians throughout Florida and Texas. In that role, Ms. Plasencia worked closely with and advised the board of directors, developed the organization's legal strategy and oversaw legal affairs, including acquisitions, regulatory compliance & oversight, corporate governance, litigation oversight, and provider, payor, and physician contracting. Ms. Plasencia has extensive experience in managed care and full-risk arrangements. Prior to her role with Conviva, Ms. Plasencia was the General Counsel for MCCI Medical Group where she developed a legal team and oversaw the company's legal and organizational strategy. During her tenure, Ms. Plasencia handled various multi-million-dollar acquisitions, corporate financing, and successfully integrated various physician practices into MCCI. Most notably, Ms. Plasencia represented MCCI in its sale to Humana and played a pivotal role in the structure, development and creation of Conviva Care Solutions and Conviva Physician Group. Ms. Plasencia earned her Juris Doctor and MBA in 2011 from the University of Miami, where she also received her BBA from the School of Business. Ms. Plasencia has supported and contributed her time to Kristi House, the Leadership Learning Center, Amigos for Kids, and the Friends of St. Jude.

Ricardo Rivera. Ricardo Rivera currently serves as Chief Operating Officer and has served as the interim Chief Financial Officer of MSP Recovery, Inc. since June 29, 2023. Mr. Rivera joined the Company in September 2019, and from September 2019 until July 2021, Mr. Rivera served as the Chief of Staff. Over the past 25 years Mr. Rivera has held positions as COO & CFO at various private corporations in the US and internationally. Before joining the Company, Mr. Rivera was COO & CFO of Transatlantic Power Fund Management, LLC, a subsidiary of Transatlantic Power Holdings LLC. Mr. Rivera has a Master's in Professional Accounting and a BBA in Accounting from the University of Miami.

Family Relationships
There are no family relationships between any of our directors or executive officers.

Involvement in Certain Legal Proceedings
During the past 10 years, none of our current directors, nominees for directors or current executive officers has been involved in any legal proceeding identified in Item 401(f) of Regulation S-K that would be material to an evaluation of the ability or integrity of any director, person nominated to become a director or executive officer of the Company.

DELINQUENT SECTION 16(a) REPORTS
Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's officers and directors, and greater than 10% shareholders, to file reports of ownership and changes in ownership of the Company's securities with the SEC. Copies of the reports are required by SEC regulation to be furnished to the Company. We believe that, during 2022, our directors, executive officers, and 10% stockholders complied with all Section 16(a) filing requirements, except for: (i) a late Form 4 filing by Frank C. Quesada dated June 8, 2022 to report the purchase warrants by the reporting person; (ii) a late Form 4/A filing by Frank C. Quesada dated June 14, 2022 to report the purchase warrants by the reporting person; (iii) a late Form 4 filing by Michael F. Arrigo dated June 3, 2022 to report the purchase of Class A common shares by the reporting person; and (iv) a late Form 4 filing by John H. Ruiz dated November 23, 2022 to report to report the purchase of Class A common shares by the reporting person.

Corporate Governance Principles and Code of Ethics
Our Board is committed to sound corporate governance principles and practices. In order to clearly set forth our commitment to conduct our operations in accordance with our high standards of business ethics and applicable laws and regulations, our Board adopted Corporate Governance Guidelines applicable to our directors, executive officers and employees that complies with the rules and regulations of Nasdaq. A copy of our Corporate Governance Guidelines is available on our corporate website at https://investor.lifewallet.com, in the "Documents & Charters" section in the "Corporate Governance" tab. The information on our website shall not be deemed incorporated by reference in this Form 10-K. You also may obtain without charge a printed copy of the

Corporate Governance Guidelines by sending a written request to: LifeWallet General Counsel, 2701 South Le Jeune Road, Floor 10, Coral Gables, Florida 33134.

Board of Directors
The business and affairs of the Company are managed by or under the direction of the Board. The Board is currently composed of seven members.

The Board held eight meetings and acted by written consent without a meeting on one occasion during the year ended December 31, 2021. In 2022, each person serving as a director attended at least 75% of the total number of meetings of our Board and any Board committee on which he or she served.

Board Committees
Pursuant to our bylaws, our Board may establish one or more committees of the Board however designated, and delegate to any such committee the full power of the Board, to the fullest extent permitted by law.

The standing committees of our Board currently include an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. Each of the committees reports to the Board as such committee deems appropriate and as the Board may request. The composition, duties, and responsibilities of these committees are as follows:

Audit Committee
Mr. Hawkins, Mr. Meltzer, and Mr. Arrigo serve on the Audit Committee. Mr. Hawkins qualifies as the Audit Committee financial expert as defined in Item 407(d)(5) of Regulation S-K promulgated under the Securities Act, and serves as Chairperson of the Audit Committee. The Audit Committee operates under a written charter adopted by the Board of Directors. According to its charter, the Audit Committee shall consist of at least three members, each of whom shall be a non-employee director who has been determined by the Board to meet the independence requirements of Nasdaq, and also Rule 10A-3(b)(1) of the SEC, subject to the exemptions provided in Rule 10A-3(c). The charter contains a detailed description of the scope of the Audit Committee's responsibilities and how they will be carried out. The Audit Committee's charter is available on our website at https://investor.lifewallet.com, in the "Documents & Charters" section in the "Corporate Governance" tab. The information on our website shall not be deemed incorporated by reference in this Form 10-K. The Audit Committee held two meetings during the year ended December 31, 2022.

Item 11. Executive Compensation.

Summary Compensation Table

The following table presents information regarding the total compensation awarded to, earned by, and paid to the named executive officers of LifeWallet for services rendered to LifeWallet in all capacities for the years indicated.

Summary Compensation Table[5]

Name and Principal Position	Year	Salary ($)[1]	Bonus ($)	All Other Compensation ($)[2]	Total ($)
John H. Ruiz[3]	2022	$964,507	—	$427,382	$1,391,889
Chief Executive Officer	2021	—	—	$739,832	$739,832
Frank C. Quesada[4]	2022	$318,339	—	$190,365	
Chief Legal Officer	2021	—	—	$355,750	$355,750
Ricardo Rivera	2022	$506,130	—	—	$506,130
Chief Operating Officer	2021	$400,000	$75,000	—	$475,000

1. The salary amounts represent the actual amounts paid during the fiscal year.

2. Amounts reported in the "All Other Compensation" column reflect amounts paid to our named executive officers by the Law Firm for their services to the Company. The relationship between the Company and the Law Firm, which is an entity that is not part of the Business Combination, is fully described in "Certain Relationships and Related Party Transactions—Certain Relationships and Related Party Transactions-The Company—Legal Services-MSP Recovery Law Firm." Except as detailed below, in 2022 and 2021, the total amount of perquisites and personal benefits for each of the NEOs was less than $10,000.

3. All Other Compensation includes: In 2022: $89,832 paid by the Law Firm for life insurance premium and $48,000 for personal security paid by Law Firm to a limited liability company.

4. All Other Compensation includes: In 2021: $350,000 paid by the Law Firm to a limited liability company, which is owned by Mr. Quesada.

5. During the years 2022 and 2021, the NEOs did not receive Stock Awards, Option Awards, Nonequity incentive plan compensation nor Nonqualified deferred compensation earnings.

Narrative Disclosure to Summary Compensation Table

For 2022, the principal elements of compensation provided to the named executive officers were base salaries, bonuses, and broad-based employee benefits.

Base Salary

During 2022, each of our named executive officers received an annual base salary from the Company as a fixed component of compensation. See the "Summary Compensation Table." Base salaries were either determined when the named executive officers entered into their employment agreements or were determined by the Compensation Committee, and are intended to attract and retain individuals with superior talent commensurate with their relative expertise and experience. Considerations in determining base salary amounts include the executive's performance, level of responsibility, experience, and comparative salaries in the marketplace.

Cash Bonus Compensation

The Company did not pay cash bonuses to any of the named executive officers during the fiscal year ended December 31, 2022.

Equity Compensation

The Company did not issue any equity compensation in fiscal year ended December 31, 2022. The Company intends to issue equity awards under the Incentive Plan, a copy of which is filed as an Exhibit 10.16 to our Form S-1 Registration Statement filed on November 30, 2022.

Outstanding Equity Awards at Fiscal Year-End

As of December 31, 2022, the named executive officers did not have any outstanding equity awards.

Fiscal Year 2022 Director Compensation Table

The following table provides information regarding the total compensation that was earned by or paid to each of our non-employee directors during the fiscal year ended December 31, 2022. Other than as set forth in the table and described below, we did not pay any compensation, make any equity awards or non-equity awards to, or pay any other compensation to any of the non-employee members of our Board of Directors. John H. Ruiz, our Chief Executive Officer, did not receive any compensation for his service as a member of our Board of Directors during 2022. Frank C. Quesada, our Chief Legal Officer, did not receive any compensation for his service as a member of our Board of Directors during 2022. To the extent applicable, we reimburse non-employee directors for travel expenses incurred in attending meetings of our Board of Directors or any committee thereof.

2022 Non-Employee Director Compensation Table

Name	Fees earned or paid in cash ($)	Stock Awards ($)	Total ($)
Michael Arrigo	$73,525	$100,725	$174,250
Beatriz Assapimonwait	$54,704	$100,725	$155,429
Thomas Hawkins	$64,418	$100,725	$165,143
Roger Meltzer	$58,346	$100,725	$159,071
Ophir Sternberg	$43,168	$100,725	$143,893

Narrative Disclosure to Director Compensation Table

During the fiscal year ended December 31, 2022, the Compensation Committee and the Board determined that each non-employee director was entitled to receive a $143,893 retainer per year regardless of committee services, paid in 30% cash and 70% equity. In addition to the $143,893 retainer for each non-employee director, some directors received additional payment as follows:

- $21,250 cash retainer per year for the chairman of the audit committee or $15,179 cash retainer per year for each other member of the audit committee; and
- $15,179 cash retainer per year for the chairman of the compensation committee or $11,536 cash retainer per year for each other member of the compensation committee.

Compensation for our non-employee directors is not limited to the payments determined by our compensation policies. Our non-employee directors remain eligible to receive equity awards and cash or other compensation as may be provided from time to time at the discretion of our Board. No such awards or payments were made in 2022.

Company Executive Officer and Director Compensation

The following disclosures concern employment agreements with the Company's executive officers:

Employment Agreements. We have entered into Employment Agreements with John H. Ruiz and Frank C. Quesada.

Employment Agreement with John H. Ruiz

Mr. Ruiz serves as our Chief Executive Officer. Under the terms of his employment agreement, he will earn a base salary of not less than $1,800,000, subject to annual review for potential increase (but not decrease) by the Board. In addition, Mr. Ruiz is eligible to receive an annual cash performance bonus of up to 100% of his base salary, based upon the achievement of individual and Company performance objectives and subject to Board approval. In addition, Mr. Ruiz is entitled to: (i) participate in and be granted awards under the MSP Recovery Omnibus Incentive Plan effective as of May 18, 2022 at the discretion of the Board, (ii) participate in the employee benefit plans, including pension, medical, disability and life insurance offered by the Company, and (iii) reimbursement for all reasonable and necessary out-of-pocket business, entertainment and travel expenses.

During the term of Mr. Ruiz's employment agreement, he will be bound by non-competition and non-solicitation obligations. Upon a termination of Mr. Ruiz's employment without Cause (as defined in his employment agreement) or the resignation by Mr. Ruiz for Good Reason (as defined in his employment agreement), Mr. Ruiz will be entitled to receive all accrued, determined and unpaid compensation, a pro-rata bonus payment for the fiscal year of termination based on actual performance results for the full annual performance period and a severance payment of Mr. Ruiz' base salary for a period of six months after the date of termination.

Employment Agreement with Frank C. Quesada

Mr. Quesada serves as our Chief Legal Officer. Under the terms of his employment agreement, he will earn a base salary of not less than $600,000, subject to annual review for potential increase (but not decrease) by the Board. In addition, Mr. Quesada is eligible to receive an annual cash performance bonus of up to 100% of his base salary, based upon the achievement of individual and Company performance objectives and subject to Board approval. In addition, Mr. Quesada is entitled to: (i) participate in and be granted awards under the MSP Recovery Omnibus Incentive Plan effective as of May 18, 2022 at the discretion of the Board, (ii) participate in the employee benefit plans, including pension, medical, disability and life insurance offered by the Company, and (iii) reimbursement for all reasonable and necessary out-of-pocket business, entertainment and travel expenses.

During the term of Mr. Quesada's employment agreement, he will be bound by non-competition and non-solicitation obligations. Upon a termination of Mr. Quesada's employment without Cause (as defined in his employment agreement) or the resignation by Mr. Quesada for Good Reason (as defined in his employment agreement), Mr. Quesada will be entitled to receive all accrued, determined and unpaid compensation, a pro-rata bonus payment for the fiscal year of termination based on actual performance results for the full annual performance period and a severance payment of Mr. Quesada's base salary for a period of six months after the date of termination.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth information known by us regarding the beneficial ownership of the Common Stock as of June 30, 2023, by:

- each person who is known by us to be the beneficial owner of more than 5% of the outstanding shares of Common Stock;

• each of our current Named Executive Officers and directors; and

• all of our current executive officers and directors as a group.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options and warrants that are currently exercisable or exercisable within 60 days.

The percentage of beneficial ownership is based on 132,235,874 shares of Class A Common Stock issued and outstanding as of June 30, 2023, and 3,106,616,119 shares of Class V Common Stock issued and outstanding as of June 30, 2023, as applicable, the only outstanding classes of the Company's common stock. At the Closing, the Class B Common Stock was automatically converted into shares of Class A Common Stock on a one-for-one basis. Unless otherwise indicated, the address for each of the persons listed in the table is c/o MSP Recovery, Inc. 2701 Le Jeune Road, Floor 10 Coral Gables, Florida 33134.

	Class A Common Stock (1)		Class V Common Stock (2)	
Beneficial Owner Name	**Number of Shares**	**%**	**Number of Shares**	**%**
Named Executive Officers & Directors				
John H. Ruiz(3)(4)	2,085,176,055	94.11%	2,084,157,566	67.09
Frank C. Quesada(5)(6)	901,928,778	87.32%	901,390,330	29.02
Ricardo Rivera(7)	46,691	*	—	
Alexandra Plasencia(8)	35,825	*	—	
Michael F. Arrigo	6,355	*	—	
Beatriz Assapimonwait	—	—	—	
Roger Meltzer(9)(10)(11)	1,190,000	0.90%	—	
Thomas W. Hawkins(9)(12)(13)	2,380,000	1.78%	—	
Ophir Sternberg(14)	601,367,495	82.67%	—	
All directors and officers as a group (9 individuals)	3,592,131,199	96.62%	2,985,547,896	
5% Stockholders				
Virage Recovery Master LP(15)	96,552,851	42.41%		
Oliver SPV Holdings LLC(9)(16)	59,540,075	31.32%		
Alex Ruiz(17)	42,000,000	32.04%		
Paul Rapisarda	21,675,732	14.34%		
JLS Equities LLC(18)	11,912,499	8.34%		
Jessica Wasserstrom(9)(19)	9,440,000	6.72%		
Leviathan Group LLC	8,260,000	5.93%		
John H. Ruiz, II(20)	7,420,004	5.36%	7,420,004	*
Virage Recovery Participation LP(21)	17,095,368	11.54%	17,095,368	*
Series MRCS(22)	413,478,000	75.93%	413,478,000	13.11%
Brickell Key Investments LP(23)	66,666,666	47.01%		

* Less than one percent (1%)

1.Includes shares of Class A Common Stock issuable pursuant to derivatives (including Up-C Units and warrants) exercisable within 60 days of June 30, 2023.

2.Includes shares of Class V Common Stock, which are non-economic voting shares of the Company.

3.Includes 172,489 shares of Class A Common Stock and 846,000 warrants directly held by Mr. Ruiz. In addition to securities directly held by Mr. Ruiz in his individual capacity, includes shares held by the following entities Jocral Family LLLP, Ruiz Group Holdings Limited, LLC and Series MRCS, a series of MDA, Series LLC, a Delaware series limited liability company ("Series MRCS"), including shares held by Series MRCS for the benefit of Jocral Holdings LLC. Reported figures do not include securities held by John Ruiz II, Mr. Ruiz's son, in his capacity as a Member, or by Alex Ruiz, Mr. Ruiz's son, of which Mr. Ruiz disclaims beneficial ownership.

4.Reported figures do not include any attributed ownership based on Mr. Ruiz's investment in VRM, which have been transferred to affiliated trusts of Mr. Ruiz and of which Mr. Ruiz disclaims beneficial ownership. Messrs. Ruiz and Quesada together invested in VRM, which investment represented a 1.14% ownership interest in VRM. Mr. Ruiz is entitled to 70% of such investment,

and Mr. Quesada is entitled to 30% of such investment. As a result, the indirect beneficial ownership attributable to such affiliated trusts would be 0.8% of VRM.

5.Includes 138,909 shares of Class A Common Stock and 399,539 warrants directly held by Mr. Quesada. In addition to securities directly held by Mr. Quesada in his individual capacity, includes shares held by Quesada Group Holdings LLC and Series MRCS.

6.Reported figures do not include any attributed ownership based on Mr. Quesada's investment in VRM, which have been transferred to affiliated trusts of Mr. Quesada and of which Mr. Quesada disclaims beneficial ownership. Messrs. Ruiz and Quesada together invested in VRM, which investment represented a 1.14% ownership interest in VRM. Mr. Ruiz is entitled to 70% of such investment, and Mr. Quesada is entitled to 30% of such investment. As a result, the indirect beneficial ownership attributable to such affiliated trusts would be 0.3% of VRM.

7.Includes 46,691 shares of Class A Common Stock.

8.Consists of 35,825 shares of Class A Common Stock held by the spouse of Alexandra Plasencia.

9.The business address for each of these individuals is c/o, Lionheart Equities LLC, 4218 NE 2nd Avenue, Miami FL 33137.

10.Roger Meltzer has been a member of the Board since 2021.

11.Beneficial ownership includes 10,000 shares of Class A Common Stock and 1,180,000 shares of Class A Common Stock underlying New Warrants.

12.Thomas Hawkins has been a member of the Board since 2021. Beneficial ownership includes (i) 50,000 shares of Class A Common Stock and 2,360,000 shares of Class A Common Stock underlying New Warrants held in an individual capacity and (ii) 10,000 shares of Class A Common Stock and 1,180,000 shares of Class A Common Stock underlying New Warrants held by the Estate of Steven R. Berrard. Thomas Hawkins holds sole voting and investment control over the shares held by the Estate of Steven R. Berrard as the personal representative.

13.Beneficial ownership includes 50,000 shares of Class A Common Stock and 2,360,000 shares of Class A Common Stock underlying New Warrants.

14.Beneficial ownership includes 114,945,825 shares of Class A Common Stock issuable upon exchange of the Up-C Units.

15.Includes (i) 832,498 shares of Class A Common Stock and 87,320,000 shares of Class A Common Stock underlying New Warrants owned by Lionheart Investments, LLC; (ii) 1,000,000 shares of Class A Common Stock and 118,000,000 shares of Class A Common Stock underlying New Warrants owned by Star Mountain Equities, LLC; (iii) 2,435,060 shares of Class A Common Stock and 273,029,937 shares of Class A Common Stock underlying New Warrants owned by Sponsor; and (iv) 1,000,000 shares of Class A Common Stock and 118,000,000 shares of Class A Common Stock underlying New Warrants owned by the 2022 OS Irrevocable Trust. Mr. Sternberg holds sole voting and investment control over the shares held by each of Lionheart Investments, LLC, Star Mountain Equities, LLC, and Sponsor as the sole manager. Mr. Sternberg's spouse holds sole voting and investment control over the shares owned by the 2022 OS Irrevocable Trust as its trustee and as a result, Mr. Sternberg may be deemed to have beneficial ownership of the shares owned by the 2022 OS Irrevocable Trust.

16.Beneficial ownership includes 58,990,077 shares of Class A Common Stock underlying New Warrants. Alan Rubenstein holds sole voting and investment control over the shares held by Oliver SPV Holdings, LLC as its manager. The address for Mr. Rubenstein and Oliver SPV Holdings, LLC is 822 Oliver St, Woodmere, NY 11598.

17.Alex Ruiz is the son of John H. Ruiz, the Company's Chief Executive Officer.

18.Beneficial ownership includes 112,499 shares of Class A Common Stock and 11,800,000 shares of Class A Common Stock underlying New Warrants. Jacob Sod holds sole voting and investment control over the shares held by JLS Equities LLC as its manager. The address for Jacob Sod and JLS Equities LLC is 58 Larch Hill Rd, Lawrence, NY 11559.

19.Beneficial ownership includes 87,499 shares of Class A Common Stock and 9,440,000 shares of Class A Common Stock underlying New Warrants.

20.John H. Ruiz, II is the son of John H. Ruiz, the Company's Chief Executive Officer. Beneficial ownership includes 7,420,004 shares of Class A Common Stock issuable upon exchange of the Up-C Units held in an individual capacity.

21.Beneficial ownership includes 5,065,769 shares of Class A Common Stock issuable upon exchange of the Up-C Units.

22.Includes 124,043,400 Up-C Units held by Series MRCS that are beneficially owned by Frank C. Quesada and 289,434,600 shares beneficially owned by John H. Ruiz (including through his affiliate, Jocral Holdings, LLC).

23.Includes 66,666,666 shares of Class A Common Stock issuable upon exercise of the CPIA Warrant pursuant to the Amendment and the Warrant Agreement with the Holder.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Advances and Promissory Notes

Pursuant to a loan agreement dated May 20, 2022, John H. Ruiz and Frank C. Quesada provided a cash loan to the Company in the amount of $13,272,176.64 in order to satisfy the Service Fee Account condition as described in the Membership Interest Purchase Agreement dated July 11, 2021 (the "Closing Loan"). The Closing Loan has an annual interest rate of 4% and was set to mature on November 23, 2022; however, the maturity date of the Closing Loan may be extended, at the option of the Company, for up to three successive six-month periods (for a total of 24 months). The Company exercised this right and extended the maturity date of the Closing Loan. This loan agreement was ratified by the Audit Committee on June 15, 2022.

Pursuant to a loan agreement dated June 16, 2022, La Ley con John H. Ruiz d/b/a MSP Recovery Law Firm and MSP Law Firm, PLLC (collectively, "Law Firm") made a cash loan to the Company in the amount of approximately $112,000,000 (the "New Loan") in order to: (i) to fund the obligations to pay costs and expenses incurred in connection with the SPAC transaction undertaken by Lionheart II Holdings, LLC, and (ii) to fund operating expenses and other obligations of MSP Recovery, Inc., including repayment of certain funds that had been previously advanced to the Company by John H. Ruiz and Frank C. Quesada of approximately $24,000,000. The New Loan has an annual interest rate of 4%, paid in kind, and will mature four years from the effective date of the New Loan, with no prepayment penalty. This loan agreement was approved by the Audit Committee on June 15, 2022.

In addition to the New Loan, John H. Ruiz and Frank C. Quesada advanced an additional $4.95 million to the Company to cover certain expenses (the "Bridge Loan"). The Bridge Loan does not accrue interest on the unpaid balance and becomes due and payable upon funding of a credit facility that was being negotiated, but had not closed, at the end of fiscal year 2022, as set forth in Note 18 - Subsequent Events of the 2022 Form 10-K. Company can repay the Bridge Loan at any time, without prepayment penalties, fees, or other expenses.

Legal Services Agreement

At the closing of the business combination between the Company and Lionheart Acquisition Corporation II, the Company entered into a Legal Services Agreement ("LSA") with La Ley con John H. Ruiz, P.A. d/b/a MSP Recovery Law Firm and MSP Law Firm, PLLC (collectively the "Law Firm"), dated May 23, 2022. Pursuant to the LSA, the Company engaged the Law Firm to act as its exclusive lead counsel to represent the Company, and each of its subsidiaries, as it pertains to certain assigned Claims, causes of actions, proceeds, products, and distribution. Under the LSA, the Company will pay the Law Firm all of the Law Firm's documented costs related to representation of the Company or its subsidiaries approved in accordance with an agreed budget. For the services described in the LSA, the Law Firm will be entitled to: (i) any attorneys' fees that are awarded to the Law Firm pursuant to a fee shifting statute by agreement or court award in such case, and (ii) an amount, if greater than zero, equal to the difference between 40% of the recovery proceeds due to the Company or its subsidiaries for recovered Claims, less any amount due to the Law Firm under the foregoing clauses ((i) and (ii) together, the "Compensation").

The LSA also contains an advance provision, whereby the Company will advance to the Law Firm a monthly amount equal to: (x) $1,000,000 of the Compensation due to the Law Firm to fund certain resources necessary to provide services by the Law Firm, plus (y) overhead costs (i.e., salaries rent, utilities, and similar expenses; provided that any compensation paid to John Ruiz or Frank Quesada by the Law Firm shall not be included in such overhead costs) to operate the Law Firm in an amount necessary to pay such overhead costs reasonably anticipated by the Law Firm to become due in such month. This Advance shall be offset from the Compensation, and in the event that the Legal Services Agreement is terminated, certain additional fees may become payable to the Law Firm pursuant to the terms of the Legal Services Agreement. The LSA was ratified by the Audit Committee on June 15, 2022.

Air Transportation Services Agreement

Historically, MSP has been provided with aviation services pursuant to an Air Transportation Services Agreement, dated June 3, 2019, by and between MSP Recovery Aviation, LLC ("MSP Aviation") and Series MRCS, a designated series of MDA Series, LLC, pursuant to which MSP Aviation agreed to provide Series MRCS and its affiliates with air transportation services via its private, non-commercial plane. In exchange for such services, Series MRCS agreed to reimburse MSP Aviation for aircraft rental and flight time along with related fees, expenses, and taxes in accordance with a lease agreement for each flight. MSP Aviation is owned by John H. Ruiz.

As of both December 31, 2022 and 2021, $153 thousand was due from MSP Aviation and included in the condensed consolidated balance sheets in Affiliate Receivable. For the year ended December 31, 2022, $400 thousand was included in General and Administrative expenses related to MSP Aviation in the condensed consolidated statements of operations. For the year ended December 31, 2021, the amounts were de minimis. Management of MSP intends to continue its relationship with MSP Aviation under an informal arrangement that provides MSP and its representatives with economic terms that are at least no less favorable than the terms it would receive if it were to engage an unrelated third party to provide substantially similar services. This agreement was approved by the Audit Committee on June 15, 2022.

Registration Rights

The Company has entered into the Registration Rights Agreement August 13, 2020 with the Holders (as defined therein). Pursuant to the terms of the Amended and Restated Registration Rights Agreement, (i) the Founder Shares and the shares of Class A common stock issued or issuable upon the conversion of any Founder Shares, (ii) the Units (as defined therein), (iii) the shares of Class A common stock included in such Units, (iv) the Original Warrants included in such Units (including any shares of Class A common stock issued or issuable upon the exercise of any such Original Warrants), (v) the New Warrants (including any shares of Class A common stock issued or issuable upon the exercise of any such New Warrants), (vi) the equity securities that Nomura purchased from the Company pursuant to that certain Forward Purchase Agreement described in the section entitled "Business – Company History." (the "Forward Purchase Shares"), (vii) any outstanding share of the Class A common stock or any other equity security (including the shares of Class A common stock issued or issuable upon the exercise or conversion of any other equity security) of the Company held by a Holder as of the date of the Registration Rights Agreement, (viii) any shares of the Company issued or to be issued to any Additional Holders (as defined in the Registration Rights Agreement) in connection with the Business Combination and (ix) any other equity security of the Company issued or issuable with respect to any of the securities described in the foregoing clauses (i) - (ix) by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or reorganization will be entitled to certain registration rights, subject to the terms and conditions set forth in the Registration Rights Agreement.

The foregoing summary of the Registration Rights Agreement is not complete and is qualified in its entirety by reference to the complete text of the Registration Rights Agreement as set forth in an exhibit to the registration statement.

Director Independence

Our Board has determined that five of our directors, Michael F. Arrigo, Beatriz Assapimonwait, Thomas Hawkins, Ophir Sternberg, and Roger Meltzer, qualify as "independent" directors within the meaning of the independent director guidelines of Nasdaq and applicable SEC rules. The Nasdaq independence definition includes a series of objective tests regarding a director's independence and requires that the Board make an affirmative determination that a director has no relationship with us that would interfere with such director's exercise of independent judgment in carrying out the responsibilities of a director. As part of the Board's determination, among other factors, the Board considered certain relationships of directors, including employment by LifeWallet.

Item 14. Principal Accounting Fees and Services.

The following is a summary of the fees billed to us by Deloitte & Touche LLP ("Deloitte") for professional services rendered for the fiscal year ending December 31, 2022 and 2021.

Accounting Fees and Services

Fee Category	2022	2021
Audit Fees	$1,444,002	$557,796
Audit-Related Fees	$895,821	—
Tax Fees	—	—
All Other Fees	—	—
Total Fees	$2,339,823	$557,796

Audit Fees. The aggregate audit fees (inclusive of out-of-pocket expenses) billed by Deloitte were for professional services rendered for the audit of our annual financial statements and review of financial statements included in our Annual Report on Form 10-K filed with the SEC, and for services that are normally provided by the independent registered certified public accountants in connection with such filings, including amendments, or engagements for the fiscal year ended December 31.

Audit Related Fees. This category consists of assurance and related services by the independent registered public accounting firm that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under "Audit Fees." The services for the fees that would normally be disclosed under this category include consultation regarding our correspondence with the SEC and other accounting consulting.

Tax Fees. This category consists of professional services rendered by our independent registered public accounting firm for tax compliance, tax advice and tax planning. The services for the fees that would normally be disclosed under this category include tax return preparation and technical tax advice.

All Other Fees. This consists of fees billed for products and services other than those described above.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

1. FINANCIAL STATEMENTS

The following is a list of the consolidated financial statements of MSP Recovery, Inc. filed with this Annual Report, together with the reports of our independent registered public accountants and Management's Report on Internal Control over Financial Reporting:

Financial Statements

2. FINANCIAL STATEMENT SCHEDULES

All financial statement schedules are omitted because the information is inapplicable or presented in the notes to the consolidated Financial Statements.

3. EXHIBITS

The following documents are included as exhibits to this report:

		Incorporated by Reference			
Exhibit Number	**Description**	**Form**	**File No.**	**Exhibit**	**Filing Date**
2.1+	Membership Interest Purchase Agreement	8-K	001-39445	2.1	May 27, 2022
2.2+	Amendment No. 1 to Membership Interest Purchase Agreement	8-K	001-39445	2.2	May 27, 2022
2.3+	Amendment No. 2 to Membership Interest Purchase Agreement	8-K	001-39445	2.3	May 27, 2022
2.4+	Amendment No. 3 to Membership Interest Purchase Agreement	8-K	001-39445	2.4	May 27, 2022
2.5+	Amendment No. 4 to Membership Interest Purchase Agreement	8-K	001-39445	2.5	May 27, 2022
3.1+	Second Amended and Restated Certificate of Incorporation of the Company	8-K	001-39445	3.1	May 27, 2022
3.2+	Amended and Restated Bylaws of the Company	8-K	001-39445	3.2	May 27, 2022
4.1+	Specimen Unit Certificate of the Registrant	8-K	001-39445	4.1	May 27, 2022
4.2+	Specimen Class A Common Stock Certificate of the Registrant	8-K	001-39445	4.2	May 27, 2022
4.3+	Specimen Warrant Certificate of the Registrant	8-K	001-39445	4.3	May 27, 2022
4.4+	Warrant Agreement, dated August 13, 2020, by and between the Registrant and Continental Stock Transfer & Trust Company, LLC	8-K	001-39445	4.4	May 27, 2022
4.5+	New Warrant Agreement	8-K	001-39445	4.5	May 27, 2022
4.6+	Form of New Warrant Certificate	8-K	001-39445	4.6	May 27, 2022
4.7+	CPIA Warrant Agreement	10-Q	001-39445	10.1	November 10, 2022
10.1+	Letter Agreement, dated August 13, 2020, by and among the Registrant and its officers, directors, Nomura and the Sponsor	S-4	6770	10.1	April 29, 2022
10.2+	Investment Management Trust Agreement, dated August 13, 2020, by and between the Registrant and Continental Stock Transfer & Trust Company, LLC	S-4	6770	10.2	April 29, 2022
10.3+	Registration Rights Agreement, dated August 13, 2020, by and among the Registrant and certain security holders	S-4	001-39445	10.3	April 29, 2022
10.4+	Securities Purchase Agreement, dated July 27, 2020, by and between the Sponsor and Nomura	S-4	001-39445	10.4	April 29, 2022
10.5+	Private Placement Unit Subscription Agreement, dated August 13, 2020, by and between the Registrant and the Sponsor	S-4	6770	10.5	April 29, 2022

10.6+	Private Placement Unit Subscription Agreement, dated August 13, 2020, by and between the Registrant and Nomura	S-4	6770	10.6	April 29, 2022
10.7+	Indemnification Agreement	8-K	001-39445	10.7	May 27, 2022
10.8+	Administrative Support Agreement, dated August 13, 2020, by and between the Registrant and the Sponsor	S-4	6770	10.8	April 29, 2022
10.9+	Forward Purchase Agreement, dated August 13, 2020, by and between the Company and Nomura	S-4	6770	10.9	April 29, 2022
10.10+	Form of Limited Liability Agreement of Opco	S-4	6770	10.10	April 29, 2022
10.11+	Amended and Restated Registration Rights Agreement	8-K	001-39445	10.11	May 27, 2022
10.12+	Tax Receivable Agreement	8-K	001-39445	10.12	May 27, 2022
10.13+	Sponsor Agreement	S-4	6770	10.13	April 29, 2022
10.14+	Employment Agreement, entered into as of May 23, 2022 by and between John H. Ruiz and Lionheart II Holdings, LLC	8-K	001-39445	10.5	May 27, 2022
10.14+	Employment Agreement, entered into as of May 23, 2022 by and between Frank C. Quesada and Lionheart II Holdings, LLC	8-K	001-39445	10.6	May 27, 2022
10.15+	Escrow Agreement	8-K	001-39445	10.7	May 27, 2022
10.16+	2022 Omnibus Incentive Plan	8-K	001-39445	10.8	May 27, 2022
10.17+	Lock-Up Agreement	8-K	001-39445	10.9	May 27, 2022
10.18+	Legal Services Agreement	8-K	001-39445	10.10	May 27, 2022
10.19+	Side Letter Agreement	8-K	001-39445	10.11	May 27, 2022
10.20+	Virage Side Letter Agreement	8-K	001-39445	10.12	May 27, 2022
10.21+	VRM Full Return Guaranty Agreement	S-4	6770	10.21	April 29, 2022
10.22+	Asset and Interest Transfer Agreement in relation to the Series MRCS Asset Acquisition	S-4	6770	10.22	April 29, 2022
10.23+	Transfer Agreement in relation to the VRM MSP Asset Acquisition	S-4	6770	10.23	April 29, 2022
10.24+	Master Transaction Agreement in relation to the VRM MSP Asset Acquisition	S-4	6770	10.24	April 29, 2022
10.25+	Common Stock Purchase Agreement, dated January 6, 2023, between MSP Recovery, Inc. and YA II PN, Ltd.	8-K	001-39445	10.1	January 12, 2023
10.26+	Registration Rights Agreement, dated January 6, 2023, between MSP Recovery, Inc. and YA II PN, Ltd.	8-K	001-39445	10.2	January 12, 2023
10.27+	Second Amended and Restated Claims Proceeds Investment Agreement, dated January 24, 2019, between MSPA Claims 1, LLC and Brickell Key Investments LP	S-1/A	333-268616	10.27	January 20, 2023
10.28+	Amendment to Claim Proceeds Investment Agreement, dated September 30, 2022, between MSP Recovery, Inc. and Brickell Key Investments LP	S-1/A	333-268616	10.28	January 20, 2023
10.29+	MTA Amendment and Binding Term Sheet, by and between Virage Recovery Master LP, Series MRCS, a series of MDA, Series LLC, John H. Ruiz, Frank C. Quesada, Virage Capital Management LP, MSP Recovery, LLC, La Ley con John H. Ruiz, MSP Recovery, Inc. and Lionheart II Holdings, LLC, dated April 12, 2023	8-K	001-39445	10.1	April 17, 2023
10.30+	Amended and Restated Secured Promissory Note, dated April 12, 2023 by and between the Company and Nomura Securities International, Inc.	8-K	001-39445	10.2	April 17, 2023
10.31*	Membership Interest Purchase Agreement, dated March 29, 2023, by and among MSP Recovery LLC, MSP Recovery Claims, Series, LLC and Hazel Holdings I LLC				
10.32*	Membership Interest Purchase Agreement, dated March 29, 2023 by and among MSP Recovery, LLC, MSP Recovery Claims Series 44, LLC, MSP Recovery Holding Series 01, LLC and Hazel Holdings I LLC				
10.33*	Credit Agreement, dated March 29, 2023 by and between Subrogation Holdings LLC, MSP Recovery, LLC, MSP Recovery Claims, Series LLC - Series 15-09-321 and Hazel Holdings I LLC				

10.34*	Amended and Restated Credit Agreement, dated March 29, 2023 by and between Subrogation Holdings LLC, MSP Recovery, LLC, MSP Recovery Claims, Series LLC - Series 15-09-321 and Hazel Holdings I LLC
10.35*	Amended and Restated Collateral Administration Agreement, dated March 29, 2023, by and between Hazel Partners Holdings LLC, Subrogation Holdings, LLC and MSP Recovery LLC
23.1*	Consent of Deloitte & Touche LLP
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1#	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2#	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.
\# Furnished herewith.
\+ Previously filed.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized**.**

MSP Recovery, Inc.

July 26, 2023 By: /s/ John H. Ruiz
John H. Ruiz
Chief Executive Officer

July 26, 2023 By /s/ Ricardo Rivera
Ricardo Rivera
Interim Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Name	Title	Date
/s/ John H. Ruiz **John H. Ruiz**	Chief Executive Officer/Director (Principal Executive Officer)	July 26, 2023
/s/ Ricardo Rivera **Ricardo Rivera**	Chief Operating Officer and Interim Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	July 26, 2023
/s/ Frank C. Quesada **Frank C. Quesada**	Chief Legal Officer/Director	July 26, 2023
/s/ Alexandra Plasencia **Alexandra Plasencia**	General Counsel	July 26, 2023
/s/ Ophir Sternberg **Ophir Sternberg**	Director	July 26, 2023
/s/ Beatriz Assapimonwait **Beatriz Assapimonwait**	Director	July 26, 2023
/s/ Michael Arrigo **Michael Arrigo**	Director	July 26, 2023
/s/ Thomas W. Hawkins **Thomas W. Hawkins**	Director	July 26, 2023
/s/ Roger Meltzer **Roger Meltzer**	Director	July 26, 2023

NEW CLAIMS INTEREST MEMBERSHIP INTEREST PURCHASE AGREEMENT

This New Claims Interest Membership Interest Purchase Agreement ("**Agreement**") is made and entered into as of March 29, 2023 (the "**Effective Date**") by and among (i) MSP Recovery LLC, a Florida limited liability company ("**Seller**"), (ii) each of the designated series of MSP Recovery Claims, Series, LLC, a Delaware limited liability company, set forth on Exhibit A attached hereto (each an "**Acquired Company**", and collectively the "**Acquired Companies**"), and (iii) Hazel Holdings I LLC, a Delaware limited liability company ("**Buyer**"). Buyer, Seller and the Acquired Companies are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Seller is the sole member of the each Acquired Company, and owns of record and beneficially one hundred percent (100%) of the membership interests of each of the Acquired Companies (collectively, the "**Purchased Interest**");

WHEREAS, Seller, the Acquired Companies and Buyer are parties to that certain Investment Agreement of even date herewith (the "**Investment Agreement**"). Capitalized terms not defined herein shall have the meaning set forth in the Investment Agreement; and

WHEREAS, the Parties desire for Seller to sell to Buyer, and Buyer to purchase from Seller, the Purchased Interest, on the terms and subject to the conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in reliance on the foregoing recitals, and for other good and valuable consideration, including, without limitation, the mutual representations, warranties, covenants and agreements set forth in this Agreement, the receipt and sufficiency of which hereby are acknowledged, the Parties hereto agree as follows:

ARTICLE I
PURCHASE OF MEMBERSHIP INTEREST

In accordance with the terms and conditions of this Agreement, the Parties hereby agree that at the Closing (as defined below), Seller shall sell, transfer, assign, convey and deliver to Buyer, free and clear of all Liens (as defined below), and Buyer shall purchase and accept from Seller, the Purchased Interest in exchange for One Hundred Fifty Million Dollars ($150,000,000.00) (the "**Closing Payment**") to be paid within one (1) day following the Closing Date. At the Closing, Attestor Value Master Fund LP, on behalf of Buyer, shall pay to Seller the Closing Payment, by wire transfer of immediately available funds, to be delivered within one (1) day following the Closing, to the account specified by Seller. At the Closing, Seller shall deliver to Buyer membership interest assignment instruments, duly executed by such Seller for transfer of the Purchased Interests to Buyer, and such other documents as Buyer may reasonably request for

the purpose of evidencing the consummation of any of the transactions contemplated hereby.

ARTICLE II
THE CLOSING

The Parties confirm that the completion of the purchase and sale of the Purchased Interest (the "**Closing**") shall take place through the exchange of electronic copies of original signatures of the documents and agreements contained herein on the Effective Date (the "**Closing Date**"). All transactions contemplated herein to occur on and as of the Closing Date (the "**Transactions**") shall be deemed to have occurred simultaneously and to be effective as of 12:00 a.m. Eastern Time on the Closing Date.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

Section 3.01Seller's Representations and Warranties. Seller and each Acquired Company, jointly and severally, represent and warrant to Buyer that the statements set forth in this Section 3.1 are true, complete and accurate as of the Effective Date.

(a) Each Acquired Company is a company duly formed, validly existing and in good standing under the laws of the State of Delaware, with full power and authority to to hold CCRAs and pursue the recovery of Assigned Claims.

(b) The authorized equity interests of an Acquired Company consist solely of the Purchased Interest, all of which is validly issued and fully paid. There are no outstanding subscriptions, options, profits interests, warrants, commitments, preemptive rights, agreements, arrangements or commitments of any kind relating to the issuance or sale of, or outstanding units convertible into or exercisable or exchangeable for, equity interests of any Acquired Company.

(c) This Agreement is a valid and binding obligation of each of Seller and each Acquired Company, enforceable in accordance with its terms, and each of Seller and each Acquired Company has the power and authority to execute and deliver this Agreement, to consummate the Transactions and perform its obligations hereunder.

(d) Seller is the sole member of each Acquired Company, has good and marketable title to the Purchased Interest, and will, on the Closing Date, sell, assign, transfer, convey and deliver good and marketable title to the Purchased Interest to Buyer, free and clear of all liens, encumbrances, equities, or claims of any nature ("**Liens**"), other than Liens imposed by federal and state securities laws.

(e) Each Acquired Company has good and marketable title to all of the assets it holds as of the Effective Date, including its rights and interests in each CCRA and the applicable Assigned Claims.

(f) No authorization, approval, or consent of any court, governmental body or other third party is necessary in order to make the execution and delivery of this Agreement, the consummation of the Transactions, or the performance of its obligations hereunder, legally enforceable against each of Seller and each Acquired Company.

(g) Neither the execution and delivery of this Agreement, nor the consummation of the Transactions, will conflict with or violate any provision of any (i) agreement or instrument to which any of Seller or any Acquired Company is a party or by which such Person is bound or affected, or (ii) law, rule, order or regulation applicable to any of Seller or any Acquired Company or by which the Purchased Interest is bound or affected.

(h) There are no certificate(s) or similar documentation representing the Purchased Interest that need to be endorsed and transferred to effectuate the terms of this Agreement. As of the Closing, Buyer shall be authorized to record in the books of each Acquired Company the sale of the Purchased Interest.

(i) None of Seller, any Acquired Company or any of their Affiliates has any liability to pay any fees or commissions to any broker, finder, or agent with respect to the Transactions for which Buyer could become liable or obligated.

In the event that any CCRA is hereafter held by a Governmental Authority to have been, as of the Effective Date, invalid, void or unenforceable for any reason, or any assignment by or in favor of Seller or an Affiliate of Seller to be invalid, void or unenforceable, the Buyer shall maintain its remedies, including the rights set set forth in Section 7.02 of the Investment Agreement. Seller does not by this Section 3.1 represent or warrant the outcome of any Action related to recovery under any CCRA.

Section 3.02Buyer's Representations and Warranties. Buyer represents and warrants to Seller that the statements set forth in this Section 3.2 are true, complete and accurate as of the Effective Date.

(a) This Agreement is a valid and binding obligation of Buyer, enforceable in accordance with its terms, and Buyer has the power and authority to execute and deliver this Agreement, to consummate the Transactions, and perform its obligations hereunder.

(b) No authorization, approval, or consent of any court, governmental body or other third party is necessary in order to make the execution and delivery of this Agreement, the consummation of the Transactions, or the performance of its obligations hereunder, legally enforceable against Buyer.

(c) Neither the execution and delivery of this Agreement, nor the consummation of the Transactions, will conflict with or violate any provision of any (i) agreement or instrument to which Buyer is a party or by which Buyer is bound or affected or (ii) law, rule, order or regulation applicable to Buyer.

ARTICLE IV
TAXES

All Parties agree that no Party, nor any Affiliate or Representative of any Party, has made any warranty or representation regarding the tax consequences of the Transactions. No Party shall be responsible or liable in any way for the tax consequences of the Transactions to the other Parties hereto. Each Party shall look solely to, and rely solely upon, such Party's own tax advisors with respect to the tax consequences of the Transactions.

ARTICLE V
CONFIDENTIALITY

The Parties understand and acknowledge that the terms of this Agreement are confidential and, except as required by law or any governmental authority, no Party shall provide such information to any third party without the prior written consent of the other Parties. Notwithstanding the foregoing, the Parties shall be permitted to disclose such information to a Party's attorneys, accountants, and other such professional advisors as necessary in the course of the completion of the Transactions, or to a court or other adjudicatory forum. This provision shall survive and shall remain a continuing obligation of the Parties hereto even after the completion of all obligations set forth herein.

ARTICLE VI
GENERAL PROVISIONS

Section 6.01Entire Agreement. This Agreement, including without limitation the recitals and exhibits hereto, which are hereby incorporated by reference, and the Investment Agreement, constitute the entire agreement and understanding among the Parties with respect to the transfer of the Purchased Interest and are a final expression of their agreement, and no evidence or oral or other written promises shall be binding.

Section 6.02Governing Law; Arbitration; Jurisdiction.

(a) All issues and questions concerning the application, construction, validity, interpretation and enforcement of this Agreement will be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of Delaware.

(b) Any dispute, controversy or claim arising out of or in relation to this Agreement, including the validity, invalidity, breach or termination thereof, shall be resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers' Arbitration Institution (the "**Rules**") in force on the date on which the Notice of Arbitration (as defined in the Rules) is submitted in accordance with the Rules. The number of arbitrators shall be three (3) and shall be selected in accordance with the Rules, whereby each of Buyer and Seller shall designate one arbitrator, and the two appointed arbitrators shall designate the presiding arbitrator, in consultation with the respective parties. The seat of the arbitration shall be Paris, France; provided that that proceedings may be conducted remotely by video conference at the request of any Party, to the extent allowed under the Rules. The arbitral proceedings shall be conducted in English. The time-limit with respect to the designation of an arbitrator shall be fifteen (15) days, provided that the tribunal may extend or shorten this time limit if the circumstances so justify. Notwithstanding the foregoing, the parties may agree at any time to submit the dispute to mediation in accordance with the Swiss Rules of Commercial Mediation of the Swiss Chambers' Arbitration Institution.

Section 6.03Further Actions. Each of the Parties hereto agrees to use all reasonable efforts to take, or cause to be taken all actions and to do, or cause to be done, all things necessary,

proper, or advisable to consummate and make effective the Transactions. If at any time, including but not limited to after the Effective Date, any further actions are necessary or desirable to carry out the purposes of this Agreement, the Parties shall use their reasonable efforts to take such actions.

Section 6.04Assignment. No Party shall assign its rights or obligations under this Agreement without the prior written consent of the other Parties. This Agreement shall be binding on the Parties and their respective legal successors and permitted assigns.

Section 6.05Amendments; Non-Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 6.06Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[End of Text; Signature Page and Exhibit Follow]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

BUYER:

Hazel Holdings I LLC

Name:
Title:

SELLER:

MSP Recovery, LLC

Name:
Title:

ACQUIRED COMPANIES:

[_____]

Name:
Title:

EXHIBIT A

ACQUIRED COMPANIES
SERIES 21-12-1644, a designated series of MSP Recovery Claims, Series, LLC
SERIES 23-03-1907, a designated series of MSP Recovery Claims, Series, LLC
SERIES 21-06-1592, a designated series of MSP Recovery Claims, Series, LLC

Exhibit 10.32

HHI INTEREST MEMBERSHIP INTEREST PURCHASE AGREEMENT

This HHI Interest Membership Interest Purchase Agreement ("**Agreement**") is made and entered into as of March 29, 2023 (the "**Effective Date**") by and among MSP Recovery, LLC, d/b/a LifeWallet, a Florida limited liability company ("**Buyer**"), Hazel Holdings I LLC, a Delaware limited liability company ("**Seller**"), MSP Recovery Claims Series 44, LLC, a Delaware limited liability company (the "**Company**"), and MSP Recovery Holding Series 01, LLC, a Delaware limited liability company ("**Series 01**"). Buyer, Seller, the Company and Series 01 are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Seller is the sole member of the Company, and owns of record and beneficially one hundred percent (100%) of the membership interests of the Company (collectively, the "**Purchased Interest**");

WHEREAS, the Company owns of record and beneficially one hundred percent (100%) of the membership interests of the series companies listed on Exhibit A hereto (each, a "**Subsidiary**" and collectively, the "**Subsidiaries**");

WHEREAS, certain of the Parties are also party to that certain:

(a) Investment Agreement, dated as of October 23, 2020, by and among Buyer (as assignee of Series MRCS ("**Series MRCS**"), a designated series of MDA, Series LLC, a Delaware series limited liability company), Series 01 and Seller (as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms therein, the "**Investment Agreement**");

(b) Membership Interest Pledge Agreement, dated as of October 23, 2020, by and between Buyer (as assignee of Series MRCS) and Series 01 (as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms therein, the "**Pledge Agreement**"); and

(c) Intellectual Property License Agreement, dated as of October 23, 2020, by and between Buyer and Series 01 (as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms therein, the "**License Agreement**").

WHEREAS, the Parties desire for Seller to sell to Buyer, and Buyer to purchase from Seller, the Purchased Interest, on the terms and subject to the conditions set forth in this Agreement (the "**Transaction**").

AGREEMENT

NOW, THEREFORE, in reliance on the foregoing recitals, and for other good and valuable consideration, including, without limitation, the mutual representations, warranties, covenants and agreements set forth in this Agreement, the receipt and sufficiency of which hereby are acknowledged, the Parties hereto agree as follows:

ARTICLE 1
PURCHASE OF MEMBERSHIP INTEREST AND OTHER COVENANTS

(a) In accordance with the terms and conditions of this Agreement, the Parties hereby

agree that at the Closing (as defined below), Seller shall sell, transfer, assign, convey and deliver to Buyer, free and clear of all liens, encumbrances or claims, in each case, created by Seller, (solely in its capacity as equity holder of the Purchased Interests), and Buyer shall purchase and accept from Seller, the Purchased Interest in exchange for Three Hundred Ninety Million Dollars ($390,000,000.00) (the "**Closing Payment**") to be paid on the Closing Date. At the Closing, Buyer shall pay to Seller the Closing Payment, by wire transfer of immediately available funds, to the account specified by Seller. At the Closing, Seller shall deliver to Buyer a membership interest assignment instrument, duly executed by Seller for transfer of the Purchased Interest to Buyer, and such other documents as Buyer may reasonably request for the purpose of evidencing the consummation of any of the transactions contemplated hereby.

(b) Effective as of the Closing, (i) each of the Investment Agreement, the Pledge Agreement and the License Agreement shall terminate and shall be of no further force or effect, (ii) each Party hereby unconditionally and irrevocably releases, waives and forever discharges each other Party and each of its affiliates, members, successors, predecessors, and subsidiaries, and each of their respective directors, owners, members, shareholders, officers, agents, and employees from any and all causes of action, claims and damages, including attorneys' fees, whether known or unknown, foreseen or unforeseen, presently asserted or otherwise arising through the Closing based upon, related to, or in connection with, the Investment Agreement, the Pledge Agreement and the License Agreement and the ownership and operation of the Company and its subsidiaries, and (iii) Series 01 hereby releases and forever discharges the Buyer from all obligations under the Pledge Agreement and agrees to (i) file a UCC-3 Termination Statement to terminate the UCC-1 Financing Statement on file in the State of Delaware with respect to the Pledge Interests (as defined in the Pledge Agreement), and deliver a stamped copy of such UCC-3 Termination Statement to Buyer, and (ii) execute and deliver such documentation prepared by Buyer as Buyer may reasonably request to evidence such release and discharge.

(c) All Parties acknowledge and agree that no Party, nor any affiliate or representative of any Party, has made any express or implied warranty, representation, assurance or other commitment with respect to the Purchased Interests, the Company, its business or its operations of any kind, including any warranty or representation of fitness for specific purpose, or as to the accuracy or completeness of any information regarding the Purchased Interests, the Company, its business or its operations, furnished or made available to Buyer or its representatives.

ARTICLE 2 THE CLOSING

The Parties confirm that the completion of the purchase and sale of the Purchased Interest (the "**Closing**") shall take place through the exchange of electronic copies of original signatures of the documents and agreements contained herein on the Effective Date (the "**Closing Date**"). All transactions contemplated herein to occur on and as of the Closing Date (the "**Transactions**") shall be deemed to have occurred simultaneously and to be effective as of 12:00 a.m. Eastern Time on the Closing Date.

ARTICLE 3 TAXES

All Parties agree that no Party, nor any affiliate or representative of any Party, has made any warranty or representation regarding the tax consequences of the Transaction. No Party shall be responsible or liable in any way for the tax consequences of the Transaction to the other Parties hereto. Each Party shall look solely to, and rely solely upon, such Party's own tax advisors with respect to the tax consequences of the Transaction.

ARTICLE 4 CONFIDENTIALITY

The Parties understand and acknowledge that the terms of this Agreement are confidential and, except as required by law or any governmental authority, no Party shall provide such information to any third party without the prior written consent of the other Parties. Notwithstanding the foregoing, the Parties shall be permitted to disclose such information to a Party's attorneys, accountants, and other such professional advisors as necessary in the course of the completion of the Transaction, or to a court or other adjudicatory forum. This provision shall survive and shall remain a continuing obligation of the Parties hereto even after the completion of all obligations set forth herein.

ARTICLE 5 GENERAL PROVISIONS

6.1Entire Agreement. This Agreement, including without limitation the recitals and exhibits hereto, which are hereby incorporated by reference, constitutes the entire agreement and understanding among the Parties with respect to the transfer of the Purchased Interest and is a final expression of their agreement, and no evidence or oral or other written promises shall be binding.

6.2Governing Law; Arbitration; Jurisdiction.

(a) All issues and questions concerning the application, construction, validity, interpretation and enforcement of this Agreement will be governed by, and construed in accordance with, the internal laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of Delaware.

(b) Any dispute, controversy or claim arising out of or in relation to this Agreement, including the validity, invalidity, breach or termination thereof, shall be resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers' Arbitration Institution (the "**Rules**") in force on the date on which the Notice of Arbitration (as defined in the Rules) is submitted in accordance with the Rules. The number of arbitrators shall be three (3) and shall be selected in accordance with the Rules, whereby each of Buyer and Seller shall designate one arbitrator, and the two appointed arbitrators shall designate the presiding arbitrator, in consultation with the respective parties. The seat of the arbitration shall be Paris, France; provided that that proceedings may be conducted remotely by video conference at the request of any Party, to the extent allowed under the Rules. The arbitral proceedings shall be conducted in English. The time-limit with respect to the designation of an arbitrator shall be fifteen (15) days, provided that the tribunal may extend or shorten this time limit if the circumstances so justify. Notwithstanding the foregoing, the parties may agree at any time to submit the dispute to mediation in accordance with the Swiss Rules of Commercial Mediation of the Swiss Chambers' Arbitration Institution.

6.3Further Actions. Each of the Parties hereto agrees to use all reasonable efforts to take, or cause to be taken all actions and to do, or cause to be done, all things necessary, proper, or advisable to consummate and make effective the Transaction. If at any time, including but not limited to after the Effective Date, any further actions are necessary or desirable to carry out the purposes of this Agreement, the Parties shall use their reasonable efforts to take such actions.

6.4Assignment. No Party shall assign its rights or obligations under this Agreement without the prior written consent of the other Parties. This Agreement shall be binding on the Parties and their respective legal successors and permitted assigns.

6.5Amendments; Non-Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so

waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

6.6Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[End of Text; Signature Page and Exhibit Follow]

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement as of the Effective Date.

BUYER:

MSP Recovery, LLC

Name:
Title:

SELLER:

Hazel Holdings I LLC

Name:
Title:

COMPANY:

MSP Recovery Claims Series 44, LLC

Name:
Title:

SERIES 01:

MSP Recovery Holding Series 01, LLC

Name:
Title:

EXHIBIT A SUBSIDIARIES

1. Series 44-20-934, a designated series of MSP Recovery Claims Series 44, LLC
2. Series 44-20-461, a designated series of MSP Recovery Claims Series 44, LLC
3. Series 44-20-388, a designated series of MSP Recovery Claims Series 44, LLC
4. Series 44-20-354, a designated series of MSP Recovery Claims Series 44, LLC
5. Series 44-20-634, a designated series of MSP Recovery Claims Series 44, LLC
6. Series 44-20-583, a designated series of MSP Recovery Claims Series 44, LLC
7. Series 44-20-456, a designated series of MSP Recovery Claims Series 44, LLC
8. Series 44-20-1262, a designated series of MSP Recovery Claims Series 44, LLC
9. Series 44-20-931, a designated series of MSP Recovery Claims Series 44, LLC

EXECUTION VERSION

Exhibit 10.33

CREDIT AGREEMENT

dated as of March 29, 2023

among

SUBROGATION HOLDINGS, LLC,
as Borrower,

MSP RECOVERY, LLC,
as Owner Pledgor and Guarantor,

HAZEL HOLDINGS I LLC,
as Lender and as Administrative Agent

and

MSP Recovery Claims, Series LLC – Series 15-09-321, a registered series of MSP Recovery Claims, Series LLC, and a Subsidiary of the Borrower,
as Assignee

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CREDIT AGREEMENT

This CREDIT AGREEMENT, dated as of March 29, 2023 (the "Effective Date") (as amended, restated, increased, extended, supplemented or otherwise modified from time to time, this "Agreement"), is entered into by and among SUBROGATION HOLDINGS, LLC, a Delaware limited liability company (the "Borrower"), MSP RECOVERY, LLC, a Florida limited liability company (the "Owner Pledgor"), 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 HOLDINGS I LLC, a Delaware limited liability company, as Lender (the "Lender") and as Administrative Agent (in such capacity, the "Administrative Agent").

RECITALS:

WHEREAS, the Borrower has requested that the Lenders provide a term loan facility for the purposes set forth herein; and

WHEREAS, the Lenders have agreed to make the requested facility available on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of these premises and the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

SECTION 1
DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. The following terms used herein, including in the introductory paragraph, recitals, exhibits and schedules hereto, shall have the following meanings:

"2022 Borrower" means La Ley con John H. Ruiz P.A., d/b/a MSP Recovery Law Firm, a Florida corporation, and MSP Law Firm, PLLC, a Florida professional limited liability company, jointly and severally.

"2022 Credit Agreement" means the Credit Agreement dated as of June 16, 2022, among La Ley Con John H. Ruiz PA., d/b/a MSP Recovery Law Firm, and MSP Law Firm, PLLC, jointly and severally, as Borrower, MSP1 Funding 2022, LLC, as Lender and as Administrative Agent and Deer Finance, LLC, as Servicer.

"Account" shall have the meaning set forth in Article 9 of the UCC.

"Account Administrator" means, the Servicer as third party administrator pursuant to the Account Administration Agreement, and any additional, successor or replacement third party administrator approved in writing by the New Money Agent in its sole and absolute discretion.

"Account Administration Agreement" means the Account Administration Agreement, if any, among the Borrower, the New Money Agent and the Account Administrator.

"Account Administrator Fees" means collectively, the fees, indemnification amounts and expenses due and owing to the Account Administrator, whether pursuant to the terms of the Account Administration Agreement or otherwise.

"Account Bank" means City National Bank of Florida, in its capacity as account bank under the Control Agreements, and any other Qualified Institution approved in writing by the New Money Agent from time to time in its sole and absolute discretion.

"Account Debtor" means any Person who is or may become obligated with respect to, or on account of, an Account.

"Additional Claims" means additional rights, title to, and/or interest in any and all Claims or potential claims, which Owner Pledgor or any Affiliates is contractually entitled to (whether or not asserted), including all rights to causes of action and remedies against any Payor at law or in equity, in each case, as acquired by the Owner Pledgor or its Affiliates following the Effective Date, but solely to the extent that such claims relate to P&C Carriers as the primary responsible parties and solely with respect to recoveries from Claims up to December 31, 2022.

"Additional Control Agreement" as defined in Section 2.9(c).

"Additional Controlled Account" as defined in Section 2.9(c).

"Administrative Agent" has the meaning set forth in the introductory paragraph hereto, together with its successors and assigns.

"Administrative Questionnaire" means an administrative questionnaire provided by the Lenders in a form supplied by the Administrative Agent.

"Adverse Proceeding" means any action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of any Credit Party or any of its Subsidiaries) at law or in equity, or before or by any Governmental Authority, whether pending or, to the knowledge of such Credit Party or any of its Subsidiaries, threatened in writing, against any Credit Party or any of its Subsidiaries or any material property of any Credit Party or any of its Subsidiaries.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreed Recoverable Claims" means, the pool of medically-related claim lines (as agreed between by Owner Pledgor and Allstate Insurance Company) corresponding to identified medical claims paid by Assignor for beneficiaries that match with an Allstate claimant, on a paid basis, as reviewed in sample and extrapolated with the statistical method to the full contended sample period; after taking into account and crediting prior collections by the Assignor or related parties as well as capping any contended reimbursement amounts at actual or expected policy limits, but independent of the following legal defenses: policy limit exhaustion and statute of limitations.

"Agreement" has the meaning set forth in the introductory paragraph hereto.

"Anti-Corruption Laws" means the Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1, *et seq*, the UK Bribery Act of 2010 and all other laws, rules, and regulations of any jurisdiction applicable to any Credit Party or any of its Affiliates from time to time concerning or relating to bribery or corruption.

"Applicable Laws" means all applicable laws, including all applicable provisions of constitutions, statutes, rules, ordinances, regulations and orders of all Governmental Authorities and all orders, rulings, writs and decrees of all courts, tribunals and arbitrators.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Asset Sale" means with respect to the Borrower and/or any of its Subsidiaries, a sale, lease, Sale and Leaseback Transaction, assignment, conveyance, license (as licensor), Securitization Transaction, transfer or other disposition to, or any exchange of property with, any Person, in one transaction or a series of transactions, of all or any part of the Borrower or any of its Subsidiaries' businesses, assets or properties of any kind, whether real, personal, or mixed and whether tangible or intangible, whether now owned or hereafter acquired, created, leased or licensed, (including, for the avoidance of doubt (i) the issuance of Equity Interests by a Subsidiary of the Borrower or (ii) any such transaction in respect of any HC Claims or any other Claims of a Credit Party), other than (a) dispositions of surplus, obsolete or worn out property or property no longer used or useful in the business of the Credit Parties and their respective Subsidiaries, whether now owned or hereafter acquired, in the ordinary course of business; (b) dispositions of inventory sold, and Intellectual Property licensed, in the ordinary course of business; (c) dispositions of accounts or payment intangibles (each as defined in the UCC) resulting from the compromise or settlement thereof in the ordinary course of business for less than the full amount thereof; and (d) dispositions of Cash Equivalents in the ordinary course of business.

"Assignee" means the Person set forth in the introductory paragraph hereto and identified as the Assignee in the CAA.

"Assignor" means the Person identified as the Assignor in the CAA.

"Assignment Agreement" means an assignment agreement entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.5(b)) and accepted by the Administrative Agent, in substantially the form of Exhibit 11.5 or any other form (including electronic documentation generated by MarkitClear or other electronic platform) approved by the Administrative Agent.

"Authorized Officer" means, with respect to any Person, any individual holding the position of chairman of the board (if an officer), chief executive officer, president or one of its vice presidents (or the equivalent thereof), chief financial officer or treasurer and, solely for purposes of making the certifications required under Sections 5.1(b)(ii) and (c), any secretary or assistant secretary.

"Available Funds" means, with respect to any Settlement Date, the sum (without duplication) of the following (b) all Collections on deposit in the Borrower Lockbox Account since the immediately preceding Settlement Date and (b) all other amounts deposited in the Borrower Lockbox Account since the immediately preceding Settlement Date pursuant to this Agreement or any other Credit Document.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or

rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute.

"Beneficial Ownership Certification" has the meaning specified in Section 5.1(r).

"BHC Act Affiliate" has the meaning specified in Section 11.23(b).

"Borrower" has the meaning set forth in the introductory paragraph hereto.

"Borrower Operating Account" means the deposit account maintained by Account Bank in the name of the Borrower in accordance with the terms of this Agreement, the Borrower Security Agreement and the Borrower Operating Account Control Agreement.

"Borrower Operating Account Control Agreement" means that certain springing control Deposit Account Control Agreement in respect of the Borrower Operating Account or as an amendment to an existing Control Agreement in respect of the Borrower Operating Account, to the extent satisfactory to New Money Agent.

"Borrower Lockbox Account" means the deposit account maintained by Account Bank in the name of the Borrower in accordance with the terms of this Agreement, the Borrower Security Agreement and the Borrower Lockbox Account Control Agreement.

"Borrower Lockbox Account Control Agreement " means that certain blocked control (or control without activation or notice) Deposit Account Control Agreement in respect of the Borrower Lockbox Account or as an amendment to an existing Control Agreement in respect of the Borrower Lockbox Account, to the extent satisfactory to New Money Agent.

"Borrower Security Agreement" means that certain Subordinated Borrower Security Agreement dated on or about the date hereof and given by Borrower, as pledgor, to the Administrative Agent for the benefit of the holders of the Obligations granting a security interest in favor of the Administrative Agent, as such agreement may be amended, supplemented, modified or amended and restated from time to time.

"Business Day" means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in such state are authorized or required by law or other governmental action to close.

"CAA" means that certain Claims Assignment Agreement together with the Side Agreement, each dated as of December 23, 2021, between the Assignee and the Assignor, pursuant to which the Assignor assigned its rights to HC Claims to the Assignee, as such agreements may be amended, supplemented or modified from time to time.

"Calendar Month" means, with respect to a particular Calendar Year, a calendar quarter corresponding to such Calendar Year.

"Calendar Quarter" means, with respect to a particular Calendar Year, a calendar quarter corresponding to such Calendar Year.

"Calendar Year" means any consecutive twelve-month period commencing on January 1 and ending on December 31.

"Capital Lease" means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is or should be accounted for as a capitalized lease or financing lease on the balance sheet of that Person.

"Cash Equivalents" means, as of any date of determination, any of the following: (a) marketable securities (i) issued or directly and unconditionally guaranteed as to interest and principal by the United States government, or (ii) issued by any agency of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one (1) year after such date, (b) marketable direct obligations issued by any state of the United States or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one (1) year after such date and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's, (c) commercial paper maturing no more than one (1) year from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's, (d) certificates of deposit or bankers' acceptances maturing within one (1) year after such date and issued or accepted by any Lender or by any commercial bank organized under the laws of the United States or any state thereof or the District of Columbia that (i) is at least "adequately capitalized" (as defined in the regulations of its primary federal banking regulator), and (ii) has Tier 1 capital (as defined in such regulations) of not less than $100,000,000 and (e) shares of any money market mutual fund that (i) has substantially all of its assets invested continuously in the types of investments referred to in clauses (a) through (d) above, (ii) has net assets of not less than $500,000,000, and (iii) has the highest rating obtainable from either S&P or Moody's.

"Change in Law" means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided, that, notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III and (iii) all requests, rules, guidelines or directives issued by a Governmental Authority in connection with a Lender's submission or re-submission of a capital plan under 12 C.F.R. § 225.8 or a Governmental Authority's assessment thereof, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means an event or series of events by which:

(a) any "person" or "group" (as such terms are used or defined in Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), other than one or more Permitted Holders, becomes the beneficial owner ((as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, more than 50% of the outstanding Equity Interests in each of the Owner Pledgor and the Borrower entitled to vote (on a diluted basis); or

(b) Owner Pledgor shall cease to own and control, of record and beneficially, directly, at least one hundred percent (100.0%) of the outstanding Equity Interests in the Borrower; or

(c) Borrower shall cease to own and control, of record and beneficially, directly at least one hundred percent (100.0%) of the Equity Interests in the Assignee or Assignee shall cease to be a designated or registered series of the Borrower (provided that, on the registration of the series after the Effective Date, the reference to "designated series" shall be substituted with "registered series"); or

(d) the death or disability of either John Ruiz or Frank Quesada, unless a replacement acceptable to the Administrative Agent, in its sole and absolute discretion, is appointed within thirty (30) days after the date of such person's death or disability; or

(e) either John Ruiz or Frank Quesada ceases to be actively involved in the management of Owner Pledgor, Borrower or Assignee (other than such person's death or disability), unless a replacement acceptable to the Administrative Agent, in its sole and absolute discretion, is appointed within thirty (30) days after the date on which such person ceases to be actively involved in the management of Owner Pledgor, Borrower or Assignee; or

(f) the disposition of all or substantially all assets of the Owner Pledgor, Borrower or of any other Credit Party (including the Assignee) to a third party; or

(g) the occurrence of any "Change in Control" as defined in the CRSA.

"Claims" means any and all of a Person's right, title, ownership, and interest in payments owed by Payors under Medicare Advantage Plans (under Parts A, B, and C of the Social Security Act only) pursuant to the Medicare Secondary Payer Act, 42 U.S.C. §1395y(b), recovered by and through the following causes of action: (1) actions stemming from the MSPA, (2) breach of contract; (3) pure bills of discovery or equivalent; (4) depositions or discovery before action as set forth by Federal Rule of Civil Procedure 27; (5) subrogation; (6) declaratory action; and (7) unjust enrichment, whether known or unknown, or arising in the future.

"Claims Data" has the meaning ascribed to such term in the CRSA.

"Collateral" means (a) the "Collateral" as defined in the Security Agreements and (b) a collective reference to all real, personal and mixed property of the Borrower and its Subsidiaries with respect to which Liens in favor of the Administrative Agent, for the benefit of the holders of the Obligations, are granted or purported to be granted pursuant to and in accordance with the terms of the Collateral Documents, excluding payments, receivables and amounts that are not in respect of the HC Claims (and not part of the Collateral) but are inadvertently paid into the Borrower Lockbox Account or another Controlled Account; it being understood and agreed that for purposes of this Agreement and the other Credit Documents, the Collateral shall not include any Claims or any pledge of the Equity Interests of the Borrower or Assignee (other than those specifically described in the Security Agreements).

"Collateral Administration Agreement" means that certain Collateral Administration Agreement dated on or about the New Money Initial Closing Date, entered into by the Borrower, the Owner Pledgor and the certain third parties signatory thereto.

"Collateral Documents" means each Security Agreement, the IP License Agreement, and all other instruments, documents and agreements delivered by any Credit Party pursuant to this Agreement or any of the other Credit Documents in order to grant to the Administrative Agent, for the benefit of the holders of the Obligations, a Lien on the Collateral.

"Collection System" as defined in Section 7.9(a)(i).

"Collections" means (a) all cash collections, remittances, payments, prepayments, amounts received as a result of any exercise of rights or any sale or other disposition and other cash proceeds of any Collateral (including, without limitation HC Case Proceeds and, if the 75% Trigger has occurred, 50% of (i) the recoveries from Additional Claims and (ii) proceeds of financing of Additional Claims (in each case, net of reasonable transaction costs and expenses associated therewith), any other property constituting payments for the account of the any Credit Party or the Assignee in respect of any HC Claim or, if the 75% Trigger has occurred, the assignee or owner of the Additional Claim, and all interest, fees (including referral fees), recoveries, all other amounts payable in respect thereof, (b) any amounts paid to or for the account of any of the Credit Parties pursuant to the terms of any Credit Document, in each case, for the avoidance of doubt, excluding any amount or proceeds of the Loan funded to any Credit Party, and (c) all other collections and other cash proceeds of any Collateral, in each case, whether paid to a Controlled Account or otherwise.

"Commitment" means the Term Loan Commitment.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 *et seq*.).

"Compliance Certificate" means a Compliance Certificate substantially in the form of Exhibit 6.2(d).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated Taxes" means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the aggregate of all taxes, as determined in accordance with GAAP.

"Contractual Obligation" means, as applied to any Person, any provision of any Security (as defined in the UCC) issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, power to vote twenty percent (20%) or more of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent.

"Control Agreements" means, collectively, the Borrower Operating Account Control Agreement, the Borrower Lockbox Account Control Agreement , and the Additional Control Agreements (if any).

"Controlled Accounts" means, collectively, the Borrower Operating Account, Borrower Lockbox Account and the Additional Controlled Accounts (if any).

"Covered Entity" has the meaning set forth in Section 11.23(b).

"Covered Party" has the meaning set forth in Section 11.23(a).

"Credit Documents" means this Agreement, each Note, the Collateral Documents, any Account Administration Agreement, the IP License Agreement and, to the extent evidencing or securing the Obligations, all other documents, instruments or agreements executed and delivered by any Credit Party for the benefit of the Administrative Agent or any Lender in connection herewith or therewith (for the

avoidance of doubt, it being understood and agreed that none of the Material Contracts constitute Credit Documents).

"Credit Parties" means, collectively, the Borrower, any Subsidiary of the Borrower, Assignee and Owner Pledgor.

"CRSA" means the Claims Recovery Services Agreement, dated as of December 23, 2021, between Owner Pledgor and the Assignor, relating to the provisions of data analysis and claims recovery services in connection with the HC Claims.

"Debt Issuance" means, with respect to the Borrower or any of its Subsidiaries, any incurrence, issuance, placement, or assumption of Indebtedness, whether or not evidenced by a promissory note or other written evidence of Indebtedness, except for Indebtedness permitted to be incurred pursuant to Section 8.1.

"Debtor Relief Laws" means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

"Default Rate" means the interest rate applicable to the Loan plus 2% per annum.

"Default Right" has the meaning set forth in Section 11.23(b).

"Defaulting Lender" means, subject to Section 2.13(b), any Lender that (a) has failed to pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two (2) Business Days of the date when due, or (b) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-in Action; provided, that, a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (b) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.13(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

"Defendant" means, with respect to any HC Claim, (a) if such HC Claim has commenced, the named defendant therein, or (b) if such HC Claim has not commenced, the Persons threatened with the HC Claim.

"Disciplinary Action" means, with respect to any Person, any motion or action by or before any Governmental Authority (including, without limitation, any court, arbitrator, arbitration panel, State Bar

Association and any other regulatory authority relating to attorney professional conduct) which alleges that such Person committed any professional misconduct (including, without limitation, any violation of any Disciplinary Rules) and for which a penalty is sought (whether such penalty is money damages or restitution, the referral of such Person to any such Governmental Authority, or the suspension or disbarment of any such Person).

"Disciplinary Rules" means, with respect to any Person, any and all disciplinary rules and professional ethics rules applicable to such Person, or any lawyers employed by such Person, including the rules of professional conduct of any State or State Bar Association applicable to such Person.

"Disqualified Persons" means (1) each and all of the Persons listed on Schedule 1.1(c), as such schedule may be updated from time to time by the Borrower to include additional direct competitors engaged in the medical subrogation business, subject to the consent of the Administrative Agent in its reasonable discretion and (2) any defendant against which any of the Credit Parties or its Affiliates has filed suit, from time to time, with respect to HC Claims owned by any of the Credit Parties or its Subsidiaries, including but not limited to property and casualty insurers, pharmaceutical companies, group health insurers, and healthcare device manufacturers.

"Dollars" and the sign "$" mean the lawful money of the United States.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" has the meaning set forth in the preamble to this Agreement.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 11.5(b), subject to any consents and representations, if any as may be required therein.

"Equity Interests" means, with respect to any Person, any and all shares, rights to purchase, options, warrants, general, limited or limited liability partnership interests, member interests, participation or other equivalents of or interest in (regardless of how designated) equity of such Person, whether voting or nonvoting, including common stock, preferred stock, convertible securities or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Exchange Act), including in each case all of the following rights relating to such Equity Interests, whether arising under the Organizational Documents of the Person issuing such Equity Interests (the "issuer") or under the applicable Laws of such issuer's jurisdiction of organization relating to the formation, existence and governance of corporations, limited liability companies or partnerships or business trusts or other legal entities, as the case may be: (i) all economic rights (including all rights to receive dividends and distributions) relating to such Equity Interests; (ii) all voting rights and rights to consent to any particular action(s) by the applicable issuer; (iii) all management rights with respect to such issuer; (iv) in the case of

any Equity Interests consisting of a general partner interest in a partnership, all powers and rights as a general partner with respect to the management, operations and control of the business and affairs of the applicable issuer; (v) in the case of any Equity Interests consisting of the membership or limited liability company interests of a managing member in a limited liability company, all powers and rights as a managing member with respect to the management, operations and control of the business and affairs of the applicable issuer; (vi) all rights to designate or appoint or vote for or remove any officers, directors, manager(s), general partner(s) or managing member(s) of such issuer and/or any members of any board of members/managers/partners/directors that may at any time have any rights to manage and direct the business and affairs of the applicable issuer under its Organizational Documents as in effect from time to time or under Applicable Law; (vii) all rights to amend the Organizational Documents of such issuer, (viii) in the case of any Equity Interests in a partnership or limited liability company, the status of the holder of such Equity Interests as a "partner", general or limited, or "member" (as applicable) under the applicable Organizational Documents and/or Applicable Law; and (ix) all certificates evidencing such Equity Interests.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means, as applied to any Person, any trade or business (whether or not incorporated) which is a member of a group of trades or businesses under common control within the meaning of Section 414(b) or (c) of the Internal Revenue Code (and Sections 414(m) and (o) of the Internal Revenue Code for purposes of provisions relating to Section 412 of the Internal Revenue Code).

"Erroneous Payment" has the meaning set forth in Section 10.11(a).

"Erroneous Payment Deficiency Assignment" has the meaning set forth in Section 10.11(d).

"Erroneous Payment Impacted Class" has the meaning set forth in Section 10.11(d).

"Erroneous Payment Return Deficiency" has the meaning set forth in Section 10.11(d).

"Erroneous Payment Subrogation Rights" has the meaning set forth in Section 10.11(e).

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default" means each of the conditions or events set forth in Section 9.1.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.15) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 3.3, amounts with respect to such Taxes were payable either to such

Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.3(f) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"Existing Legal Services Agreement" means that certain Legal Services Agreement dated as of May 23, 2022, by and between Lionheart II Holdings, LLC and 2022 Borrower.

"Facility" means any real property including all buildings, fixtures or other improvements located on such real property now, hereafter or heretofore owned, leased, operated or used by the Borrower or any of its Subsidiaries or any of their respective predecessors.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code.

"Federal Funds Rate" means for any day, the rate per annum (expressed, as a decimal, rounded upwards, if necessary, to the next higher one one-hundredth of one percent (1/100 of 1%)) equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, that, (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the Federal Funds Rate for the last day on which such rate was announced.

"Financial Officer Certification" means, with respect to the financial statements for which such certification is required, the certification of the chief financial officer of the Borrower that such financial statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as of the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments.

"Foreign Lender" means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"Funded Debt" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations for borrowed money, whether current or long-term (including the Obligations hereunder), all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than sixty (60) days after the date on which such trade account payable was created); and

(c) all obligations under letters of credit (including standby and commercial), bankers' acceptances and similar instruments (including bank guaranties).

For purposes hereof, the amount of Funded Debt shall be determined (x) based on the outstanding principal amount in the case of borrowed money indebtedness under clause (a) and deferred purchase obligations under clause (b) and (y) based on the maximum amount available to be drawn in the case of letter of credit obligations and the other obligations under clause (c).

"Funding Notice" means a notice substantially in the form of Exhibit 2.1(d).

"GAAP" means, subject to the limitations on the application thereof set forth in Section 1.2, accounting principles generally accepted in the United States in effect as of the date of determination thereof.

"Governmental Acts" means any act or omission, whether rightful or wrongful, of any present or future *de jure* or *de facto* government or Governmental Authority.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra- national bodies such as the European Union or the European Central Bank and any group or body charged with setting financial accounting or regulatory capital rules or standards).

"Governmental Authorization" means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guaranteed Obligations" has the meaning set forth in Section 4.1.

"Guarantors" means (a) each Person identified as a "Guarantor" on the signature pages hereto, (b) each other Person that joins as a Guarantor pursuant to Section 7.14, (c) with respect to (i) Secured Swap

Obligations, (ii) Secured Treasury Management Obligations, and (iii) Swap Obligations of a Specified Credit Party (determined before giving effect to Sections 4.1 and Section 4.8) under the Guaranty, the Borrower, and (d) their successors and permitted assigns.

"Guaranty" means the Guarantee made by the Guarantors in favor of the Administrative Agent, the Lenders and the other holders of the Obligations pursuant to Section 4.

"HC Agreements" means, collectively, the CAA, CRSA and the Side Agreement.

"HC Case Proceeds" means all proceeds, receivables, property, cash, and other consideration constituting payables to any Credit Party with respect to each HC Claim after deducting: (i) pursuant to Exhibit F to the CRSA, Assignor's 50% of Net Proceeds as defined therein, and (ii) the legal contingency fees payable pursuant to the Existing Legal Services Agreement, which does not exceed 40% of the remaining 50% of such Net Proceeds after deducting Assignor's 50% payable to Assignor referenced in clause (i) hereof.

"HC Claims" means those certain Claims assigned by Assignor to Assignee pursuant to the CAA including any additional Claims or additional years of Claims (up to December 31, 2022) that may be assigned by Assignor to Assignee, from time to time, pursuant to any amendment or supplement to the CAA. For the avoidance of doubt, any other Claims or rights of recoveries that may be assigned by Assignor to an assignee pursuant to agreements that are not the CAA or any of the other HC Agreements, are not HC Claims.

"Healthcare Assignor" means any Person who (a) is (i) a Medicare Advantage Organization or health maintenance organization or (ii) a management service organization, an independent physician association, a medical center, a hospital or other health care organization that is not subject to a downstream capitation agreement in respect of its Claims, (b) contracts with governmental healthcare programs to provide Medicare benefits to persons who are covered under such programs (i.e., Medicare insureds) and (c) has a statutory right to recover from a Responsible Party for conditional payments for healthcare, services or supplies provided to such beneficiary.

"Healthcare Claim" means a Healthcare Assignor's right, title to, and/or interest in, any and all claims or potential claims, which the Healthcare Assignor now has, or may have in the future (whether or not asserted), including all rights to causes of action and remedies against any Responsible Party at law or in equity. The term "Claim" includes but is not limited to: (i) claims arising under consumer protection statutes and laws; (ii) claims arising under the Medicare Act, 42 U.S.C. § 1395 et seq., including but not limited to the Medicare and Medicare Advantage secondary payer statutes (42 U.S.C. § 1395y(b); 42 U.S.C. § 1395w-22(a)(4)), whether arising from contract, tort, statutory right, or otherwise, in connection with the conditional payment to providers of healthcare services or supplies, and (iii) all right, title, and/or interest in any recovery rights that may exist for any potential cause of action where "secondary payer" status is appropriate under 42 U.S.C. § 1395y(b), 42 C.F.R. § 411.20 et seq., 42 U.S.C. § 1395w-22(a)(4) and 42 C.F.R. § 422.108, even where "secondary payer" status has not been established because liability is not yet proven as of the date that the Claim is identified or discovered, together with all receivables, general intangibles, payment intangibles, and other rights to payment now existing or hereafter arising and all products and proceeds of the foregoing. Notwithstanding the foregoing, the term Claim does not include any payments other than those payments made by Healthcare Assignor pursuant to the Healthcare Assignor's (1) Medicare Advantage Organization agreement with the Center for Medicare & Medicaid Services or (2) downstream risk agreement with a Medicare Advantage Organization, as a management services organization, independent practice association, or other entity.

"Healthcare Legal Services Agreement" means that certain HC Claims Servicing Agreement dated on or about the New Money Initial Closing Date, among the Owner Pledgor, the Borrower and the certain third parties signatory thereto.

"Highest Lawful Rate" means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under Applicable Laws relating to any Lender which are currently in effect or, to the extent allowed under such Applicable Laws, which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than Applicable Laws now allow.

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following:

(a) all Funded Debt;

(b) all guarantees in respect of Indebtedness of another Person; and

(c) all Indebtedness of the types referred to in clauses (a) and (b) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to such Person.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Credit Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Indemnitee" has the meaning set forth in Section 11.2(b).

"Insurance Company" means, in relation to any Defendant, any duly licensed insurance company that shall have issued an insurance policy that will pay the gross litigation proceeds due (if any) in respect of the related HC Claim.

"Intellectual Property" means all trademarks, service marks, trade names, copyrights, patents, patent rights, franchises related to intellectual property, licenses related to intellectual property and other intellectual property rights.

"Interest Payment Date" means (i) the last Business Day of each three (3) month interval and, without duplication, the last Business Day of such Interest Period and (ii) the Maturity Date.

"Interest Period" means an interest period of twelve (12) months commencing on the Effective Date; provided, that, (i) if an Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day unless no further Business Day occurs in such month, in which case such Interest Period shall expire on the immediately preceding Business Day, (ii) any Interest Period that begins on the last Business Day of a Calendar Month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (iii) of this definition, end on the last Business Day of a Calendar Month, and (iii) no Interest Period with respect to the Term Loan shall extend beyond the Maturity Date.

"Internal Revenue Code" means the Internal Revenue Code of 1986.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, or

(b) a loan, advance or capital contribution to, guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor guarantees Indebtedness of such other Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"IP License Agreement" means, the intellectual property licensing agreement dated on or about the date hereof, entered into by the Owner Pledgor and the Administrative Agent.

"IRS" means the United States Internal Revenue Service.

"Key Person" means John Ruiz and Frank Quesada.

"Lender" means each party with a Term Loan Commitment, together with its successors and permitted assigns. The initial Lenders are identified on the signature pages hereto and are set forth on Appendix A.

"Lender Authorization Letter" means a (i) prior to the payment in full of the Obligations under the New Money Credit Agreement (other than un-asserted contingent obligations), a Lender Authorization Letter (as such term is defined the New Money Credit Agreement), and (ii) following the payment in full of the Obligations under the New Money Credit Agreement (other than un-asserted contingent obligations), a letter in substantially the form attached hereto as Exhibit 1.1 which grants the Administrative Agent and the Servicer (on behalf of the Lender) the power of attorney to deal directly with any QSF, any case management entity or any other entity that is dispensing HC Case Proceeds. The Lender agrees (and shall direct the Servicer) not to deliver a Lender Authorization Letter to any Person unless an Event of Default shall have occurred and be continuing.

"Lien" means (a) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease or license in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing, and (b) in the case of Securities, any purchase option, call or similar right of a third party with respect to such Securities.

"Loan" means the Term Loan.

"Make-Whole Amount" means on any prepayment date, 50% of the interest that would have accrued based on 20% per annum (payable in cash) interest rate on the principal amount of the Loan (including capitalized interest as of the date of the prepayment date) subject to the proposed prepayment for the period commencing from the prepayment date through the Maturity Date assuming such principal amount of the Loan would remain outstanding through the Maturity Date. (For example, if repayment after 1 year, no prepayments has been made, and no cash interest had been paid, principal amount including capitalized interest would be $300,000,000. Interest due at 20% for the remaining 2 years to maturity would be $120,000,000 (20% * 2 years * $300,000000), so Make-Whole amount would be $60,000,000.)

"Margin Stock" has the meaning ascribed thereto in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

"Material Adverse Effect" means any event, condition, action, omission, change or state of facts that, individually or in the aggregate, has resulted in, or could reasonably be expected to result in, a material adverse effect with respect to (a) the business operations, properties, assets, or financial condition of a

Credit Party; (b) the ability of the Credit Parties, taken as a whole, to fully and timely perform the Obligations; (c) the legality, validity, binding effect, or enforceability against a Credit Party of any Credit Document to which it is a party; (d) the value of the whole or any material part of the Collateral or the priority of Liens in the whole or any material part of the Collateral in favor of the Administrative Agent for the holders of the Obligations; or (e) the rights, remedies and benefits available to, or conferred upon, the Administrative Agent and any Lender or any holder of Obligations under any Credit Document.

"Material Contract" means each of the HC Agreements, the Collateral Administration Agreement and the Healthcare Legal Services Agreement.

"Maturity Date" means March 31, 2026; provided, that, if as of such date the Obligations shall not have been satisfied in full, upon the Borrower's request, Administrative Agent, in its sole discretion, may extend such date by up to one (1) Calendar Year, provided further, that, in each case, if such date is not a Business Day, the Maturity Date shall be the first Business Day immediately preceding such date.

"Medicare Advantage Organization" means a company that has a contract with the Center for Medicare & Medicaid Services to provide Medicare Advantage plans and benefits to individuals.

"Milberg" means Milberg Coleman Bryson Phillips Grossman LLC.

"MIPA" means Membership Interest Purchase Agreement dated as of the Effective Date by and among MSP Recovery, as buyer, and Lender, as seller, and the Target.

"Moody's" means Moody's Investor Services, Inc., together with its successors.

"MSPA" means the Medicare Secondary Payer Laws and various corresponding legal or equitable theories that provide for the reimbursement by persons or entities which may be liable to reimburse Assignor under applicable law, including, but not limited to, the secondary payer provisions of the Medicare statute, 42 U.S.C. § 1395y(b), 42 C.F.R. § 411.20 et seq., the Medicare Advantage statute, 42 U.S.C. § 1395w-22(a)(4), 42 C.F.R. § 422.108, or under any other theories of law or causes of action, for the provision of healthcare, services or supplies that have been conditionally paid for by the Assignor.

"MSP Instruction Letters" means instruction letters delivered to Payors to deliver or pay all recoveries under the HC Claims.

"MSP Operating Account" means the account set forth Annex I hereto, whereby the Owner Pledgor has instructed the Administrative Agent in writing to deposit the Term Loan.

"Multiemployer Plan" means any "multiemployer plan" as defined in Section 3(37) of ERISA which is sponsored, maintained or contributed to by, or required to be contributed to by, any Credit Party or any of its ERISA Affiliates or with respect to which any Credit Party or any of its ERISA Affiliates previously sponsored, maintained or contributed to or was required to contributed to, and still has liability.

"New Money Agent" means Hazel Partners Holdings LLC, a Delaware limited liability company, together with its permitted successors and assigns in such capacity.

"New Money Credit Agreement" means that certain Amended and Restated Credit Agreement dated as of the date hereof by and among Borrower, Owner Pledgor, Assignee, New Money Lender and New Money Agent in connection with a proposed term loan in the original funded amount of approximately $48,000,000 to be made by the New Money Lender or its affiliate to the Borrower.

"New Money Initial Closing Date" means March 6, 2023.

"New Money Lender" means, collectively, Hazel Partners Holdings LLC, a Delaware limited liability company and any other party that becomes a "Lender" under the New Money Credit Agreement pursuant to the terms thereof.

"New Money Loan Documents" means the agreements, instruments and documents executed and delivered in connection with the New Money Credit Agreement.

"New Money Obligations" means the "Obligations" as defined in the the New Money Credit Agreement.

"Non-Consenting Lender" has the meaning set forth in Section 2.15.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Note" means a Term Loan Note.

"Obligations" means all obligations, indebtedness and other liabilities of every nature (a) of each Credit Party from time to time owed to the Administrative Agent (including former Administrative Agents), the Lenders (including former Lenders in their capacity as such) or any of them under any Credit Document, and (b) with respect to the Administrative Agent, consisting of Erroneous Payment Subrogation Rights.

"OFAC" means the U.S. Department of the Treasury's Office of Foreign Assets Control.

"Operating Budget" means, with respect to any Calendar Year, a detailed projection of all estimated income, expenses and costs of the Borrower for each quarter of such Calendar Year based on projected operating expenses and other related overhead expenses during such Calendar Year, as prepared by the Borrower on a basis consistent with the intent and purposes of this Agreement (with the understanding that the operations and the related expenses of the Borrower are expected to grow during the term) and after consultation with and taking into account the recommendations of the Administrative Agent, and as amended or restated from time to time in accordance with, Section 7.2(e).

"Operating Committee" means the "Operating Committee" as defined in the Collateral Administration Agreement dated on or about the date hereof.

"Organizational Documents" means (a) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, and its by-laws, as amended, (b) with respect to any limited partnership, its certificate of limited partnership, as amended, and its partnership agreement, as amended, (c) with respect to any general partnership, its partnership agreement, as amended, (d) with respect to any limited liability company, its articles of organization, certificate of formation or comparable documents, as amended, and its operating agreement, as amended. In the event any term or condition of this Agreement or any other Credit Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "Organizational Document" shall only be to a document of a type customarily certified by such governmental official, and (e) with respect to any designated or registered series of a limited liability company, a certificate of designated or registered series, as amended, and any operating agreement that governs such series, as amended.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than

connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.15).

"Outstanding Amount" means on any date, the aggregate outstanding principal amount thereof after giving effect to any prepayments or repayments of Term Loan on such date.

"Owner Pledgor" has the meaning set forth in the introductory paragraph hereto.

"Owner Security Agreement" means that certain Subordinated Owner Security Agreement, dated on or about the date hereof, executed by the Owner Pledgor in favor of the Administrative Agent for the benefit of the holders of the Obligations, as such agreement may be amended, supplemented, modified or amended and restated from time to time.

"P&C Carriers" shall mean any property and casualty insurance companies, auto insurance companies, no fault insurance companies, and/or workers' compensation laws or plans.

"P&C Claims Paid Value" means the aggregate of potentially recoverable amounts from any Person with respect to any Claim related to the P&C Carriers, to which the Owner Pledgor or any of its Affiliates is contractually entitled, as reasonably identified by the Owner Pledgor in the "Funnel Calculations", based on the aggregate amount such Person has indicated as the "Paid Amount" in the Claims Data and information provided by such Person in respect of such Claim. If the Claims Data provided by such Person with respect to such Claims show a "Paid Amount" value of zero or otherwise refer to "encounter data" under a capitation agreement, then the "Paid Amount" for any such Claims shall be determined by reference to the applicable Medicaid and Medicare rate tables. When these rate tables do not specifically identify a "Geo Zip", the lowest possible rates shall be used. Any Claims listed with "encounter data" or "Paid Amount" values of zero and not otherwise related to a capitation agreement will have a Paid Amount of zero.

"Participant" has the meaning set forth in Section 11.5(d).

"Participant Register" has the meaning set forth in Section 11.5(d).

"Patriot Act" has the meaning set forth in Section 6.18(f).

"Payment Recipient" has the meaning set forth in Section 10.11(a).

"Payor" means, with respect to a HC Claim, the payor, the related Defendant, Insurance Company, third party administrator, QSF, trustee, agent, lien resolution party, or plaintiff steering committee (or related sub-committee) handling distributions with respect to such HC Claim, or, if such Person is not handling such distributions, the court in which such HC Claim is currently filed or the court-appointed party responsible for making such distributions, including without limitation, the Person directed or obligated to make the scheduled payments under the CAA, including, any Responsible Party, and/or any guarantor of any of the same.

"Pension Plan" means any "employee pension benefit plan" as defined in Section 3(2) of ERISA other than a Multiemployer Plan, which is subject to Section 412 of the Internal Revenue Code or Section 302 of ERISA and which is sponsored, maintained or contributed to by, or required to be contributed to by, any Credit Party or any of its ERISA Affiliates or with respect to which any Credit Party or any of its ERISA Affiliates previously sponsored, maintained or contributed to, or was required to contribute to, and still has liability.

"Permitted Holders" means, collectively, direct and indirect natural person owners and any other equity holders of Owner Pledgor as of the Effective Date.

"Permitted Lender Expenses" means the reasonable costs and expenses incurred by the Lender (and its professional advisors) following the Effective Date in connection with the amendment, waivers and due diligence (following occurrence of an Event of Default) of this Agreement and the other Credit Documents, and which costs and expenses the Borrower shall reimburse to the Lender or shall pay or cause to be paid. "Permitted Lender Expenses" shall include, without limitation, the expenses set forth in Section 7.12 hereof.

"Permitted Liens" means each of the Liens permitted pursuant to Section 8.2.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Platform" has the meaning set forth in Section 11.1(d).

"Principal Office" means, for the Administrative Agent, such Person's "Principal Office" as set forth on Appendix B, or such other office as it may from time to time designate in writing to the Borrower and each Lender.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"QFC" means as defined in Section 11.23(b).

"QFC Credit Support" means as defined in Section 11.23.

"QSF" means any qualified settlement fund under Section 468B of the Internal Revenue Code into which any HC Case Proceeds may at any time be deposited.

"QSF Instruction Letter" means (i) prior to the payment in full of the Obligations under the New Money Credit Agreement (other than un-asserted contingent obligations), a QSF Instruction Letter (as such term is defined the New Money Credit Agreement), and (ii) following the payment in full of the Obligations under the New Money Credit Agreement (other than un-asserted contingent obligations), a letter in substantially the form of Exhibit 1.2 executed by any QSF pursuant to which the QSF manager agrees to directly deposit into a Controlled Account any HC Case Proceeds from any HC Claims being administered by said QSF.

"Qualified Institution" means any Depository Institution or trust company organized under the laws of the United States or any State (or any domestic branch of a foreign bank) that (i) either (a) has or the parent of which has no less than $3 billion in total assets, is not subject to a cease and desist order issued by any Governmental Authority, and has a long-term senior unsecured debt rating of Baa3 or better by Moody's and BBB- or better by S&P or (b) is otherwise acceptable to the Administrative Agent, and (ii) whose deposits are insured by the Federal Deposit Insurance Corporation.

"Recipient" means (a) the Administrative Agent and (b) any Lender, as applicable.

"Register" has the meaning set forth in Section 11.5(c).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Relevant Governmental Body" means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

"Removal Effective Date" has the meaning set forth in Section 10.6(b).

"Required Lenders" means, as of any date of determination, (a) if there is one (1) Lender, such Lender, (b) if there are two (2) or more Lenders and all such Lenders are affiliated, all of such Lenders, (c) if there are two (2) or more Lenders (other than as provided in clause (2)), at least two (2) unaffiliated Lenders having Total Credit Exposure representing more than fifty percent (50%) of the Total Credit Exposures of all Lenders; provided, that, the Total Credit Exposure of any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"Resignation Effective Date" has the meaning set forth in Section 10.6(a).

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Party" means an insurance carrier, employer, or other person which may be liable to reimburse an Assignor and/or a Healthcare Assignor under applicable law, including but not limited to the secondary payer provisions of the Medicare statute, 42 U.S.C. §1395y(b), 42 C.F.R. §411.20 et seq., the Medicare Advantage statute, 42 U.S.C. §1395w-22(a)(4), 42 C.F.R. §422.108, or under any other theories of law or causes of action, for the provision of healthcare, services or supplies that have been conditionally paid for by the Assignor.

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc., together with its successors.

"Sale and Leaseback Transaction" means, with respect to the Borrower or any Subsidiary, any arrangement, directly or indirectly, with any Person (other than a Credit Party) whereby the Borrower or such Subsidiary shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

"Sanctioned Country" means (a) a country, territory or a government of a country or territory, (b) an agency of the government of a country or territory, or (c) an organization directly or indirectly owned or controlled by a country, territory or its government, that is subject to Sanctions.

"Sanctioned Person" means (a) a Person named on the list of "Specially Designated Nationals" or any other Sanctions related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union or any European Union member state, (b) any

Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, (b) the United Nations Security Council, (c) the European Union, (d) any European Union member state, (e) Her Majesty's Treasury of the United Kingdom or (f) any other relevant sanctions authority.

"SEC" means the United States Securities and Exchange Commission.

"Secured Parties" and "Secured Party" means, collectively, the Administrative Agent, the Servicer and the Lender.

"Securities" means any stock, shares, partnership interests, limited liability company interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement (e.g., stock appreciation rights), options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"Securitization Transaction" means any financing or factoring or similar transaction (or series of such transactions) entered by the Borrower or any of its Subsidiaries pursuant to which the Borrower or such Subsidiary may sell, convey or otherwise transfer, or grant a security interest in, accounts, payments, receivables, rights to future lease payments or residuals or similar rights to payment (the "Securitization Receivables") to a special purpose subsidiary or affiliate (a "Securitization Subsidiary") or any other Person.

"Security Agreements" means, collectively, the Owner Pledge Agreement, the Borrower Pledge Agreement, the Series Security Agreement and any other pledge agreements or security agreements that may be given by any Credit Party pursuant to the terms hereof, in each case as the same may be amended and modified from time to time; and "Security Agreement" means any such agreement.

"Series Security Agreement" means that certain Subordinated Series Security Agreement, dated as of the Effective Date, executed by the Assignee in favor of the Administrative Agent for the benefit of the holders of the Obligations.

"Servicer" means the entity appointed by the Administrative Agent (at its own expense) to be the "Servicer" under this Agreement and any Account Administration Agreement, and its successors and assigns, or such other servicer as the Lender (at its own expense) may designate from time to time.

"Settlement Date" means (a) the twentieth (20^{th}) Business Day of January, April, July and October (or such earlier Business Day in any such Calendar Month to which the Administrative Agent may agree in writing in its sole and absolute discretion), beginning with April 2023, and ending on (and including) the Maturity Date, and/or (b) as applicable, the second Business Day after the Borrower's notice to the Administrative Agent that the balance of the Available Funds deposited in the Borrower Lockbox Account equals to or exceeds $1,250,000.

"Settlement Report" as defined in Section 7.1(b)(i).

"Side Agreement" means that certain Side Agreement, dated December 23, 2021, between the Assignor and the Assignee.

"Solvent" or "Solvency" means, with respect to any Person as of a particular date, that on such date (a) such Person is able to pay its debts and other liabilities, contingent obligations and other commitments as they mature, (b) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature in their ordinary course, (c) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged or is to engage, (d) the fair value of the property and assets of such Person is greater than the total amount of liabilities, including, contingent liabilities, of such Person and (e) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Subordinated Debt" means any Indebtedness of the Borrower or any of its Subsidiaries that by its terms is expressly subordinated in right of payment to the prior payment of the Obligations under this Agreement and the other Credit Documents on terms and conditions, and evidenced by documentation, reasonably satisfactory to the Administrative Agent.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture, other business entity, including, if such Person is a limited liability company, a designated or registered series of such Person, of which, in each case, more than fifty percent (50%) of the Equity Interests or Voting Stock is at the time owned or controlled, directly or indirectly, by that Person; provided, that, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a "qualifying share" of the former Person shall be deemed to be outstanding. Unless otherwise provided, "Subsidiary" shall refer to a Subsidiary of the Borrower.

"Supported QFC" has the meaning set forth in Section 11.23.

"Synthetic Lease" means a lease transaction under which the parties intend that (a) the lease will be treated as an "operating lease" by the lessee pursuant to Statement of Financial Accounting Standards No. 13, as amended and (b) the lessee will be entitled to various tax and other benefits ordinarily available to owners (as opposed to lessees) of like property.

"Target" means MSP Recovery Claims Series 44, LLC, a Delaware limited liability company.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Loan" has the meaning set forth in Section 2.1 and the principal amount of such Term Loan is computed as set forth in such section.

"Term Loan Commitment" means, for each Lender, the Credit of such Lender to make a portion of the Term Loan hereunder. The Term Loan Commitment of each Lender as of the Effective Date is set forth on Appendix A. Term Loan Commitments of all of the Lenders as in effect on the Effective Date is TWO HUNDRED AND FIFTY MILLION DOLLARS ($250,000,000.00).

"Term Loan Note" means a promissory note in the form of Exhibit 2.1, as it may be amended, supplemented or otherwise modified from time to time.

"Term Loan Commitment Percentage" means for each Lender providing a portion of the Term Loan, a fraction (expressed as a percentage carried to the ninth decimal place), (i) the numerator of which is the outstanding principal amount of such Lender's portion of the Term Loan, and (ii) the denominator of which is the aggregate outstanding principal amount of the Term Loan.

"Total Credit Exposure" means, as to any Lender at any time, the sum of the Outstanding Amount of the portion of the Term Loan of such Lender at such time.

"U.S. Person" means any Person that is a "United States person" as defined in Section 7701(a)(30) of the Internal Revenue Code.

"U.S. Special Resolution Regimes" has the meaning set forth in Section 11.23.

"U.S. Tax Compliance Certificate" has the meaning set forth in Section 3.3(f).

"UCC" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in the State of New York (or any other applicable jurisdiction, as the context may require).

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority ("FCA"), which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"United States" or "U.S." means the United States of America.

"Unpaid Principal Balance" means, as of any date of determination, the aggregate unpaid principal balance of the Term Loan, including without limitation, any and all interest that has been added to the principal balance of the Term Loan in accordance with Section 2.5(d).

"Voting Stock" means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors or managing members (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

"Withholding Agent" means any Credit Party and the Administrative Agent.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail- In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised

under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.2 Accounting Terms.

(a) Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP. Financial statements and other *information* required to be delivered by the Credit Parties to the Lenders pursuant to clauses (a), (b), (c) and (d) of Section 7.2 shall be prepared in accordance with GAAP as in effect at the time of such preparation (and delivered together with the reconciliation statements provided for in Section 7.2(h), if applicable). If at any time any change in GAAP or in the consistent application thereof would affect the computation of any financial covenant or requirement set forth in any Credit Document, and either the Borrower or the Required Lenders shall object in writing to determining compliance based on such change, then the Lenders and the Borrower shall negotiate in good faith to amend such financial covenant, requirement or applicable defined terms to preserve the original intent thereof in light of such change to GAAP, provided, that, until so amended such computations shall continue to be made on a basis consistent with the most recent financial statements delivered pursuant to clauses (a), (b), (c) and (d) of Section 7.2 as to which no such objection has been made.

(b) Notwithstanding anything to the contrary contained herein, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(c) Notwithstanding anything to the contrary contained herein, all liability amounts shall be determined *excluding* any liability relating to any operating lease, all asset amounts shall be determined *excluding* any right-of-use assets relating to any operating lease, all amortization amounts shall be determined *excluding* any amortization of a right-of-use asset relating to any operating lease and all interest amounts shall be determined *excluding* any deemed interest comprising a portion of fixed rent payable under any operating lease, in each case of the foregoing, to the extent that such liability, asset, amortization or interest pertains to an operating lease under which the covenantor, or a member of its consolidated group, is the lessee and would *not* have been accounted for as such under GAAP as in effect on December 31, 2015.

Section 1.3 Rules of Interpretation.

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Credit Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “hereto”, “herein,” “hereof” and “hereunder,” and words of similar import when used in any Credit Document, shall be construed to refer to such Credit Document in its entirety and not to any particular provision hereof or thereof, (iv) all

references in a Credit Document to Sections, Exhibits, Appendices and Schedules shall be construed to refer to Sections of, and Exhibits, Appendices and Schedules to, the Credit Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory rules, regulations, orders and provisions consolidating, amending, replacing or interpreting such law and any references to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) The terms lease and license shall include sub-lease and sub-license.

(c) All terms not specifically defined herein or by GAAP, which terms are defined in the UCC, shall have the meanings assigned to them in the UCC of the relevant jurisdiction, with the term "instrument" being that defined under Article 9 of the UCC of such jurisdiction.

(d) Unless otherwise expressly indicated, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including", the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including".

(e) To the extent that any of the representations and warranties contained in Section 6 under this Agreement or in any of the other Credit Documents is qualified by materiality or reference to "Material Adverse Effect" and the qualifier "in any material respect" contained in Section 9.1(e) shall not apply.

(f) Whenever the phrase "to the knowledge of" or words of similar import relating to the knowledge of a Person are used herein or in any other Credit Document, such phrase shall mean and refer to the actual knowledge of the Authorized Officers of such Person.

(g) This Agreement and the other Credit Documents are the result of negotiation among, and have been reviewed by counsel to, among others, the Administrative Agent and the Credit Parties, and are the product of discussions and negotiations among all parties. Accordingly, this Agreement and the other Credit Documents are not intended to be construed against the Administrative Agent or any of the Lenders merely on account of the Administrative Agent's or any Lender's involvement in the preparation of such documents.

(h) Unless otherwise indicated, all references to a specific time shall be construed to Eastern Standard Time or Eastern Daylight Savings Time, as the case may be. Unless otherwise expressly provided herein, all references to dollar amounts and "$" shall mean Dollars.

(i) Any reference herein or in any other Credit Document to a merger, transfer, consolidation, amalgamation, assignment, sale or disposition, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale or disposition, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder and under each other Credit Document (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

Section 1.4 [Reserved].

Section 1.5 [Reserved].

Section 1.6 Servicer. Each party hereto acknowledges and agrees that the Administrative Agent appoint a "Servicer" and that upon the execution by the Servicer of a joinder to this Agreement it shall automatically become a party hereto and shall be entitled to all the rights and benefits and be subject to the obligations of the "Servicer" set forth in this Agreement. Until the execution of such joinder by the Servicer, all references to "Servicer" in this Agreement shall refer to the "Administrative Agent" and the Administrative Agent shall be entitled to all the right and benefits and be subject to the obligations of the Servicer set forth in this Agreement until a Servicer is appointed in its place.

SECTION 2
THE LOAN

Section 2.1 Term Loan. Subject to the terms and conditions set forth herein, the Lender will make advances of its Term Loan Commitment Percentage of the term loan (the "Term Loan") in a funded amount not to exceed the aggregate Term Loan Commitment. The Term Loan shall be evidenced by one or more secured promissory notes (collectively, the "Term Loan Note") in substantially the form attached hereto as Exhibit 2.1. Amounts repaid on the Term Loan may not be reborrowed. For the avoidance of doubt, Lender shall not be under any obligation to fund all or any portion of the Term Loan until the Borrower has satisfied the conditions in Section 5.1 hereof.

Section 2.2 Pro Rata Shares; Availability of Funds.

(a) Pro Rata Shares. All Loans shall be made, and all participations purchased, by the Lenders simultaneously and proportionately to their respective pro rata shares of the Loans, it being understood that no Lender shall be responsible for any default by any other Lender in such other Lender's obligation to make a Loan requested hereunder or purchase a participation required hereby nor shall any Term Loan Commitment, or the portion of the aggregate outstanding principal amount of the Term Loan, of any Lender be increased or decreased as a result of a default by any other Lender in such other Lender's obligation to make a Loan requested hereunder or purchase a participation required hereby.

(b) Availability of Funds.

(i) [Reserved].

(ii) Payments by the Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

Notices given by the Administrative Agent under this subsection (b) shall be conclusive absent manifest error.

Section 2.3 Evidence of Debt; Register; Lenders' Books and Records; Notes.

(a) Lenders' Evidence of Debt. Each Lender shall maintain on its internal records an account or accounts evidencing the Obligations of the Borrower and each other Credit Party to such Lender, including the amounts of the Loans made by it and each repayment and prepayment in respect thereof. Any such recordation shall be conclusive and binding on the Borrower, absent manifest error; provided, that the failure to make any such recordation, or any error in such recordation, shall not affect any Lender's Commitment or the Borrower's obligations in respect of the Loan; provided, further, that, in the event of any inconsistency between the Register and any Lender's records, the recordations in the Register shall govern in the absence of demonstrable error therein.

(b) Notes. The Borrower shall execute and deliver to each (i) Lender on the Effective Date and (ii) Person who is a permitted assignee of such Lender pursuant to Section 11.5, in each case to the extent requested by such Person, a Note or Notes to evidence such Person's portion of the Term Loan, as applicable.

Section 2.4 Scheduled Principal Payments. Commencing with the first full month ending after the advance of Term Loan, the Borrower shall repay the outstanding principal amount of the Term Loan from and to the extent of Available Funds, if any, applied in accordance with Section 2.11 and subject to the Section 11 of the New Money Credit Agreement; provided, that, the aggregate principal amount of the Term Loan (including any amount of interest that has been added to the principal balance pursuant to Section 2.5(d)), shall be repaid in full on the Maturity Date.

Section 2.5 Interest on Loan.

(a) Except as otherwise set forth herein, each Loan shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) at a rate equal to 20% per annum and may be paid in kind in accordance with Section 2.5(d). For the avoidance of doubt, all interest that accrues and is payable prior to the payment in full of the New Money Loan shall be paid in kind in accordance with Section 2.5(d).

(b) Interest payable pursuant to this Section 2.5 shall be computed on the basis of a year of three hundred sixty-five (365) or three hundred sixty-six (366) days, as the case may be, for the actual number of days elapsed in the period during which it accrues. In computing interest on any Loan, the date of the making of such Loan or the first day of an Interest Period applicable to such Loan, shall be included, and the date of payment of such Loan or the expiration date of an Interest Period applicable to such Loan, shall be excluded; provided, that, if a Loan is repaid on the same day on which it is made, one (1) day's interest shall be paid on that Loan.

(c) Except as otherwise set forth herein, interest on each Loan shall accrue on a daily basis and shall be payable in arrears on: (i) each Interest Payment Date, (ii) upon any prepayment of that Loan (other than a voluntary prepayment of the Term Loan which interest shall be payable in accordance with clause (i) above), to the extent accrued on the amount being prepaid and (iii) at maturity, including final maturity.

(d) Any interest that accrues on the Loan during any Interest Period that remains unpaid on the related Interest Payment Date shall be paid-in-kind and added to the principal balance of the

Loan as of such Interest Payment Date automatically and without the requirement for any notice by any party.

Section 2.6 Default Rate of Interest.

(a) If any amount of principal of any Loan is not paid when due, whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Laws.

(b) If any amount (other than principal of any Loan) payable by any Credit Party under any Credit Document is not paid when due (after the expiration of any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then at the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Laws.

(c) During the continuance of an Event of Default under Section 9.1(g) or Section 9.1(h), the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Laws.

(d) During the continuance of any Event of Default (other than an Event of Default under Section 9.1(g) or Section 9.1(h)), the Borrower shall, at the request of the Required Lenders, pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Laws.

(e) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(f) Payment or acceptance of the increased rates of interest provided for in this Section 2.6 is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the Administrative Agent or any Lender.

Section 2.7 Payment of Collections into Borrower Operating Account. On any day the Borrower or other Credit Party receives a Collection, the Borrower or such other Credit Party on behalf of itself and the Borrower, shall deposit (or cause to deposit), in cash, the amount of such Collection in the Borrower Lockbox Account for application in accordance with Section 2.11.

Section 2.8 Prepayments/Commitment Reductions.

(a) Voluntary Prepayments.

(i) After the New Money Obligations have been paid in full, the Loans may be repaid in whole on any Business Day, and the outstanding Commitment may be reduced or terminated by the Borrower in part (in minimum Commitment amounts of no less than $20,000,000) or in whole at 100% of the unpaid principal amount plus the accrued and unpaid interest accrued to but excluding the date of payment, plus the Make-Whole Amount, on any Business Day upon at least 5 Business Days' prior written notice to the Lender;

(ii) All such prepayments shall be made upon not less than five (5) Business Days' prior written or telephonic notice, given to the Administrative Agent by 11:00 a.m. on the date required and, if given by telephone, promptly confirmed in writing to the Administrative Agent. Upon the giving of any such notice, the principal amount of the Loans specified in such notice shall become due and payable on the prepayment date specified therein. Any such voluntary prepayment shall be applied as specified in Section 2.10(a).

(b) Mandatory Prepayments.

(i) If the P&C Claims Paid Value in respect of the HC Claims become less than 75% of the consolidated P&C Claims Paid Value in respect of all Claims in which the Owner Pledgor or its Affiliates has ownership or interest (including Medicare or any other lines of recovery, such as Medicaid or Commercial) (such occurrence being referred to as the "75% Trigger"), then 50% of (1) any recoveries from Additional Claims and (2) financing raised from Additional Claims or rights thereto (in each case net of reasonable transaction costs and expenses associated therewith) (collectively, the "Lender Portion of Additional Claims") shall be used by the Owner Pledgor to prepay the Loans in a maximum amount not to exceed $135,000,000 (on behalf of the Borrower), and Owner Pledgor or its Affiliates, as applicable, shall cause the Lender Portion of Additional Claims to be deposited in the Borrower Lockbox Account, to be applied in accordance with Section 2.11 and Section 11 of the New Money Credit Agreement.

Section 2.9 Accounts and Amounts.

(a) Borrower Lockbox Account. The Credit Parties shall cause to be established and maintained a deposit account at the Account Bank in the name of the Borrower designated as the Borrower Lockbox Account and the Borrower shall provide the account number of the Borrower Lockbox Account to the Administrative Agent as to which the New Money Agent shall have control within the meaning of Section 9-104(a)(2) of the UCC pursuant to the Borrower Lockbox Account Control Agreement. The taxpayer identification number associated with the Borrower Lockbox Account shall be that of the Borrower and the Borrower will report for federal, state and local income taxes, the income, if any, represented by the Borrower Lockbox Account. No checks shall be issued, printed or honored with respect to the Borrower Lockbox Account. In the event that any initial or any successor Account Bank ceases to be a Qualified Institution, the Borrower shall, within thirty (30) days thereof, establish new Accounts at a Qualified Institution, and if the related Account is a Controlled Account, prior to establishing any such new Account, the Borrower shall cause each Qualified Institution with which it seeks to establish such Account to enter into a control agreement similar to the Borrower Lockbox Account Control Agreement with respect thereto in form and substance reasonably satisfactory to the New Money Agent.

(b) Borrower Operating Account. The Credit Parties shall cause to be established and maintained a deposit account at the Account Bank in the name of the Borrower designated as the Borrower Operating Account and the Borrower shall provide the account number of the Borrower Operating Account to the Administrative Agent as to which the New Money Agent shall have control within the meaning of Section 9-104(a)(2) of the UCC pursuant to the Borrower Operating Account Control Agreement. The taxpayer identification number associated with the Borrower Operating Account shall be that of the Borrower and the Borrower will report for federal, state and local income taxes, the income, if any, represented by the Borrower Operating Account. No checks shall be issued, printed or honored with respect to the Borrower Operating Account. In the event that any initial or any successor Account Bank ceases to be a Qualified Institution, the Borrower

shall, within thirty (30) days thereof, establish new Accounts at a Qualified Institution, and if the related Account is a Controlled Account, prior to establishing any such new Account, the Borrower shall cause each Qualified Institution with which it seeks to establish such Account to enter into a control agreement similar to the Borrower Operating Account Control Agreement with respect thereto in form and substance reasonably satisfactory to the New Money Agent.

(c) Additional Controlled Accounts. The Borrower may from time to time open a new deposit account with the Account Bank, or designate an existing Borrower Account, in each case for the purpose of receiving HC Case Proceeds (any such account, an "Additional Controlled Account"); provided, that, prior to opening any such deposit account or so designating any Borrower Account as an Additional Controlled Account, (a) the New Money Agent shall have, in its sole and absolute discretion, consented thereto in writing, and (b) the Borrower shall have caused the Account Bank to enter into a control agreement similar to the Borrower Lockbox Account Control Agreement with respect thereto in form and substance satisfactory to the Administrative Agent in its sole and absolute discretion (an "Additional Control Agreement"), (c) the parties to the MSP Instruction Letters shall have amended or supplemented the terms thereof to apply to such accounts in form and substance satisfactory to the New Money Agent in its sole and absolute discretion (where the New Money Agent determines in its sole and absolute discretion that any such amendment or supplement is necessary), and (d) the Borrower provided the Administrative Agent an updated Schedule 1.1(a) including all information relating to such Additional Controlled Account. Each Additional Control Agreement shall provide that all funds deposited into the Additional Controlled Account will be swept daily into the Borrower Lockbox Account.

(d) Borrower Lockbox Account in favor of Administrative Agent. In the event that the New Money Credit Agreement is terminated and the Obligations (as such term is defined therein) are paid in full, Borrower shall enter into control agreements in form and substance reasonably satisfactory to HHI Agent with respect to the the Borrower Lockbox Account, Borrower Operating Account and any Additional Controlled Account such that New Money Agent shall have control of such accounts within the meaning of Section 9-104(a)(2) of the UCC.

Section 2.10 Application of Prepayments.

(a) Voluntary Prepayments. Voluntary prepayments pursuant to Section 2.8(a) will be subject to Section 2.11 and Section 11 of the New Money Credit Agreement.

(b) Mandatory Prepayments. Mandatory prepayments pursuant to Section 2.8(b) will be will be subject to Section 2.11 and Section 11 of the New Money Credit Agreement.

(c) Subject to Section 2.11 and Section 11 of the New Money Credit Agreement, Prepayments on the Obligations will be paid by the Administrative Agent to the Lenders ratably in accordance with their respective interests therein (except for Defaulting Lenders where their share will be applied as provided in Section 2.14(a)(ii) hereof).

Section 2.11 Application of Available Funds. Prior to the Maturity Date, and upon satisfactory receipt by the Administrative Agent of the applicable Settlement Report and other supporting documents from the Borrower which the Administrative Agent may reasonably request to appropriately identify pertinent information of all Collections on deposit in the Borrower Lockbox Account as of such date, (i) the New Money Agent (or, pursuant to an Account Administration Agreement, the Account Administrator on the Lender's behalf), and (ii) after payment in full of the obligations under the New Money Loan Documents (other than un-asserted reimbursement or contingent obligations), the Administrative Agent, shall instruct the Account Bank, on each Settlement Date in accordance with the Settlement Report

delivered by the Borrower to Administrative Agent and the New Money Agent in connection with such Settlement Date (as such report may be adjusted by the New Money Agent in its good faith discretion), to apply all Available Funds in the priority detailed in Section 2.11 of the New Money Credit Agreement. Any amounts due to Administrative Agent pursuant to Section 2.11 of the New Money Credit Agreement and in accordance with Section 11 of the New Money Credit Agreement shall be applied as follows:

(a) *First*, to the Lenders and the Administrative Agent, pari passu, to pay all due and unpaid Permitted Lender Expenses;

(b) *Second*, to the Lender to pay all accrued and unpaid interest on the Loan that has not been paid or capitalized prior to the applicable Settlement Date;

(c) *Third*, to the Lender to repay the Unpaid Principal Balance (including, for the avoidance of doubt, any interest that has been added to principal in accordance with Section 2.5(d)) until paid in full;

(d) *Fourth*, to the Lender for the payment of all other Obligations (other than un-asserted contingent obligations) until paid in full; and

(e) *Fifth*, to Owner Pledgor, all remaining amounts and proceeds.

All payments made hereunder to the Lender shall be made to the account designated by the Lender in writing from time to time.

Section 2.12 General Provisions Regarding Payments. The following payment provisions are subject in each case to Section 11 of the New Money Credit Agreement and to payment in full of the New Money Obligations:

(a) All payments by the Credit Parties of principal, interest, fees and other Obligations hereunder or under any other Credit Document shall be made in Dollars in immediately available funds, without defense, recoupment, setoff or counterclaim, free of any restriction or condition. The Administrative Agent shall, and the Credit Parties hereby authorize the Administrative Agent to, debit a deposit account of the Borrower or any of its Subsidiaries held with the Administrative Agent or any of its Affiliates and designated for such purpose by the Borrower or such Subsidiary in order to cause timely payment to be made to the Administrative Agent of all principal, interest and fees due hereunder or under any other Credit Document (subject to sufficient funds being available in its accounts for that purpose).

(b) In the event that the Administrative Agent is unable to debit a deposit account of the Borrower or any of its Subsidiaries held with the Administrative Agent or any of its Affiliates in order to cause timely payment to be made to the Administrative Agent of all principal, interest and fees due hereunder or any other Credit Document (including because insufficient funds are available in its accounts for that purpose), payments hereunder and under any other Credit Document shall be delivered to the Administrative Agent, for the account of the Lenders, not later than 2:00 p.m. on the date due at the Principal Office of the Administrative Agent or via wire transfer of immediately available funds to an account designated by the Administrative Agent (or at such other location as may be designated in writing by the Administrative Agent from time to time); for purposes of computing interest and fees, funds received by the Administrative Agent after that time on such due date shall be deemed to have been paid by the applicable Credit Party on the next Business Day.

(c) All payments in respect of the principal amount of any Loan shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid, and all such payments (and, in any event, any payments in respect of any Loan on a date when interest is due and payable with respect to such Loan) shall be applied to the payment of interest then due and payable before application to principal.

(d) The Administrative Agent shall promptly distribute to each Lender at such address as such Lender shall indicate in writing, such Lender's applicable pro rata share of all payments and prepayments of principal and interest due (including any Make-Whole Amount) to such Lender hereunder, together with all other amounts due with respect thereto, including all fees payable with respect thereto, to the extent received by the Administrative Agent.

(e) Subject to the provisions set forth in the definition of "Interest Period," whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of the payment of interest hereunder, but such payment shall be deemed to have been made on the date therefor for all other purposes hereunder.

(f) The Administrative Agent may, but shall not be obligated to, deem any payment by or on behalf of any Credit Party hereunder that is not made in same day funds prior to 2:00 p.m. to be a non-conforming payment. Any such payment shall not be deemed to have been received by the Administrative Agent until the later of (i) the time such funds become available funds, and (ii) the applicable next Business Day. The Administrative Agent shall give prompt telephonic notice to the Borrower and each applicable Lender (confirmed in writing) if any payment is non-conforming. Any non-conforming payment may constitute or become a Default or Event of Default in accordance with the terms of Section 9.1(a). Interest shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) at the Default Rate (unless otherwise provided by the Required Lenders) from the date such amount was due and payable until the date such amount is paid in full.

Section 2.13 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of such Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided, that:

(a) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this Section shall not be construed to apply to (A) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (B) any payment obtained by a Lender as consideration for the assignment of any of its Loans or other

obligations hereunder to any assignee or participant, other than to the Borrower or any Subsidiary (as to which the provisions of this Section shall apply).

Each of the Credit Parties consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Credit Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Credit Party in the amount of such participation.

Section 2.14 Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 11.4(a)(iii).

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts (other than fees which any Defaulting Lender is not entitled to receive pursuant to Section 2.14(a)(iii)) received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 9 or otherwise, and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 11.3), shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; second; to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; third, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and fourth, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender shall be deemed paid to (and the underlying obligations satisfied to the extent of such payment) and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

Section 2.15 Removal or Replacement of Lenders. If (a) any Lender requests compensation under Section 3.2, (b) any Credit Party is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.3, (c) any Lender is a Defaulting Lender, or (d) any Lender (a "Non-Consenting Lender") does not consent (including by way of a failure to respond in writing to a proposed amendment, consent or waiver by the date and time specified by the Administrative Agent) to a proposed amendment, consent, change, waiver, discharge or termination hereunder or with respect to any Credit Document that has been approved by the Required Lenders, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.5), all of its interests, rights (other than its rights under Section 3.2, Section 3.3 and Section 11.2) and obligations under this Agreement and the related

Credit Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided, that:

(a) the Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 11.5(b)(iv);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Credit Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.2 or payments required to be made pursuant to Section 3.3, such assignment is reasonably expected to result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with Applicable Law; and

(e) in the case of any such assignment resulting from a Non-Consenting Lender's failure to consent to a proposed amendment, consent, change, waiver, discharge or termination, the successor replacement Lender shall have consented to the proposed amendment, consent, change, waiver, discharge or termination.

Each Lender agrees that in the event it, or its interests in the Loans and obligations hereunder, shall become subject to the replacement and removal provisions of this Section, it will cooperate with the Borrower and the Administrative Agent to give effect to the provisions hereof, including execution and delivery of an Assignment Agreement in connection therewith, but the replacement and removal provisions of this Section shall be effective regardless of whether an Assignment Agreement shall have been given.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 3
YIELD PROTECTION

Section 3.1 [Reserved].

Section 3.2 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital and Liquidity Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity ratios or requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the commitments of such Lender hereunder or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and the circumstances giving rise thereto shall be delivered to the Borrower and shall be conclusive absent manifest error. In the absence of any such manifest error, the Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided, that, the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than six (6) months prior to the date that such Lender delivers to the Borrower the certificate referenced in Section 3.2(c) and notifies the Borrower of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 3.3 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes. Any and all payments by or on account of any obligation of any Credit Party hereunder or under any other Credit Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an

Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Credit Parties. The Credit Parties shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnification. (1) The Credit Parties shall jointly and severally indemnify each Recipient and shall make payment in respect thereof within ten (10) Business Days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(i) Each Lender shall severally indemnify the Administrative Agent within ten (10) Business Days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Credit Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.5(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Credit Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Credit Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section, such Credit Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of a return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders; Tax Documentation. (2) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall

deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in clauses (ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(i) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(ii) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Credit Document, executed originals of IRS Form W-8BEN-E (or W-8BEN as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Credit Document, IRS Form W-8BEN-E (or W-8BEN as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(iii) executed originals of IRS Form W-8ECI;

(iv) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit 3.3-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Internal Revenue Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN-E (or W-8BEN as applicable); or

(v) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN- E (or W-8BEN as applicable), a U.S. Tax Compliance Certificate substantially in the form of Exhibit 3.3-2 or Exhibit 3.3-3, IRS Form W-9, and/or other certification documents from

each beneficial owner, as applicable; provided, that, if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit 3.3-4 on behalf of each such direct and indirect partner;

(A) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(B) if a payment made to a Lender under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by Applicable Law, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender, or have any obligation to pay to any Lender, any refund of Taxes withheld or deducted from funds paid for the account of such Lender. If any indemnified party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of the indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 3.3(g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such

indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 3.3(g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 3.3(g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(g) Survival. Each party's obligations under this Section 3.3 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

Section 3.4 Mitigation Obligations; Designation of a Different Lending Office. If any Lender requests compensation under Section 3.2, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.3, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.2 or Section 3.3, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

SECTION 4
GUARANTY

Section 4.1 The Guaranty.

Each of the Guarantors hereby jointly and severally guarantees to the Administrative Agent, the Lenders, the Qualifying Swap Providers, the Qualifying Treasury Management Banks, and the other holders of the Obligations as hereinafter provided, as primary obligor and not as surety, the prompt payment of the Obligations (the "Guaranteed Obligations") in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) strictly in accordance with the terms thereof; provided that Guarantor's liability hereunder shall not exceed the value of the Collateral unless an Event of Default has occurred and is continuing under Section 9.1(a). The Guarantors hereby further agree that if any of the Obligations are not paid in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise), the Guarantors will, jointly and severally, promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) in accordance with the terms of such extension or renewal.

Notwithstanding any provision to the contrary contained herein, in any other of the Credit Documents, Swap Agreements, Treasury Management Agreements, or other documents relating to the Obligations, (a) the obligations of each Guarantor under this Agreement and the other Credit Documents

shall be limited to an aggregate amount equal to the largest amount that would not render such obligations subject to avoidance under the Debtor Relief Laws or any comparable provisions of any applicable state law and (b) the Guaranteed Obligations of a Guarantor shall exclude any Excluded Swap Obligations with respect to such Guarantor.

Section 4.2 Obligations Unconditional.

The obligations of the Guarantors under Section 4.1 are joint and several, absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Credit Documents, Swap Agreements, or Treasury Management Agreements, or any other agreement or instrument referred to therein, or any substitution, release, impairment or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by Applicable Law, irrespective of any law or regulation or other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 4.2 that the obligations of the Guarantors hereunder shall be absolute and unconditional under any and all circumstances. Each Guarantor agrees that such Guarantor shall have no right of subrogation, indemnity, reimbursement or contribution against the Borrower or any other Guarantor for amounts paid under this Section 4 until such time as the Obligations have been paid in full (other than contingent indemnification obligations for which no claim has been asserted) and the Commitments have expired or terminated. Without limiting the generality of the foregoing, it is agreed that, to the fullest extent permitted by law, the occurrence of any one or more of the following shall not alter or impair the liability of any Guarantor hereunder, which shall remain absolute and unconditional as described above:

(a) at any time or from time to time, without notice to any Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of any of the Credit Documents, any Secured Swap Agreement between any Credit Party or any Subsidiary and any Qualifying Swap Provider, or any Secured Treasury Management Agreement between any Credit Party or any Subsidiary and any Qualifying Treasury Management Bank, or any other agreement or instrument referred to in the Credit Documents, such Secured Swap Agreements, or such Secured Treasury Management Agreements shall be done or omitted;

(c) the maturity of any of the Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right under any of the Credit Documents, any Secured Swap Agreement between any Credit Party or any Subsidiary and any Qualifying Swap Provider or any Secured Treasury Management Agreement between any Credit Party or any Subsidiary and any Qualifying Treasury Management Bank, or any other agreement or instrument referred to in the Credit Documents, such Secured Swap Agreements, or such Secured Treasury Management Agreements shall be waived or any other guarantee of any of the Obligations or any security therefor shall be released, impaired or exchanged in whole or in part or otherwise dealt with;

(d) any Lien granted to, or in favor of, the Administrative Agent or any Lender or Lenders as security for any of the Obligations shall fail to attach or be perfected; or

(e) any of the Obligations shall be determined to be void or voidable (including, without limitation, for the benefit of any creditor of any Guarantor) or shall be subordinated to the claims of any Person (including, without limitation, any creditor of any Guarantor).

With respect to its obligations hereunder, each Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that the Administrative Agent or any Lender exhaust any right, power or remedy or proceed against any Person under any of the Credit Documents, any Secured Swap Agreement between any Credit Party or any Subsidiary and any Qualifying Swap Provider or any Secured Treasury Management Agreement between any Credit Party or any Subsidiary and any Qualifying Treasury Management Bank, or any other agreement or instrument referred to in the Credit Documents, such Secured Swap Agreements, or such Secured Treasury Management Agreements, or against any other Person under any other guarantee of, or security for, any of the Obligations.

Section 4.3 Reinstatement.

The obligations of the Guarantors under this Section 4 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and each Guarantor agrees that it will indemnify the Administrative Agent and each Lender on demand for all reasonable costs and expenses (including the fees, charges and disbursements of counsel) incurred by the Administrative Agent or such Lender in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

Section 4.4 Certain Additional Waivers.

Each Guarantor agrees that such Guarantor shall have no right of recourse to security for the Obligations, except through the exercise of rights of subrogation pursuant to Section 4.2 and through the exercise of rights of contribution pursuant to Section 4.6.

Section 4.5 Remedies.

The Guarantors agree that, to the fullest extent permitted by law, as between the Guarantors, on the one hand, and the Administrative Agent and the Lenders, on the other hand, the Obligations may be declared to be forthwith due and payable as provided in Section 9.2 (and shall be deemed to have become automatically due and payable in the circumstances provided in said Section 9.2) for purposes of Section 4.1 notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing the Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or the Obligations being deemed to have become automatically due and payable), the Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by the Guarantors for purposes of Section 4.1. The Guarantors acknowledge and agree that their obligations hereunder are secured in accordance with the terms of the Collateral Documents and that the Lenders may exercise their remedies thereunder in accordance with the terms thereof.

Section 4.6 Rights of Contribution.

The Guarantors agree among themselves that, in connection with payments made hereunder, each Guarantor shall have contribution rights against the other Guarantors as permitted under Applicable Law. Such contribution rights shall be subordinate and subject in right of payment to the obligations of such Guarantors under the Credit Documents and no Guarantor shall exercise such rights of contribution until all Obligations have been paid in full (other than contingent indemnification obligations for which no claim has been asserted) and the Commitments have terminated.

Section 4.7 Guarantee of Payment; Continuing Guarantee.

The guarantee in this Section 4 is a guaranty of payment and not of collection, is a continuing guarantee, and shall apply to all Obligations whenever arising.

Section 4.8 Keepwell.

Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each Specified Credit Party to honor all of such Specified Credit Party's obligations under the Guaranty and the Collateral Documents in respect of Swap Obligations (provided, that, each Qualified ECP Guarantor shall only be liable under this Section 4.8 for the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this Section 4, voidable under applicable Debtor Relief Laws, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section 4.8 shall remain in full force and effect until the Guaranteed Obligations have been indefeasibly paid in full and the commitments relating thereto have expired or terminated, or, with respect to any Guarantor, if earlier, such Guarantor is released from its Guaranteed Obligations in accordance with Section 10.10(a). Each Qualified ECP Guarantor intends that this Section 4.8 constitute, and this Section 4.8 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each Specified Credit Party for all purposes of section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

SECTION 5
CONDITIONS PRECEDENT

Section 5.1 Conditions Precedent to Loan. This Agreement shall become effective as of the date hereof upon the execution of this Agreement by each of the parties signatory hereto. The obligation of each Lender to make the Loan on the Effective Date is subject to the satisfaction of the following conditions on or before the Effective Date:

(a) Executed Credit Documents. Receipt by the Administrative Agent of executed counterparts of this Agreement and the other Credit Documents (including the IP License Agreement) and the equivalent counterpart documents for the loan transaction between the New Money Lender and the Owner Pledgor, in each case, in form and substance reasonably satisfactory to the Administrative Agent and the Lenders and duly executed by the appropriate parties thereto.

(b) Organizational Documents. Receipt by the Administrative Agent of the following:

(i) Charter Documents. Copies of articles of incorporation, certificate of organization or formation, or other like document for each of the Credit Parties certified as of a recent date by the appropriate Governmental Authority.

(ii) Organizational Documents Certificate. (A) Copies of bylaws, operating agreement, partnership agreement or like document, (B) copies of resolutions approving the transactions contemplated in connection with the financing and authorizing execution and delivery of the Credit Documents, and (C) incumbency certificates, in each case, for each of the Credit Parties, and certified by an Authorized Officer thereof, in form and substance reasonably satisfactory to the Administrative Agent.

(iii) Good Standing Certificate. Copies of certificates of good standing, existence or the like of a recent date for each of the Credit Parties from the appropriate Governmental Authority of its jurisdiction of formation or organization.

(c) Closing Certificate. Receipt by the Administrative Agent of a certificate from an Authorized Officer of the Credit Parties, in form and substance reasonably satisfactory to the Administrative Agent and the Required Lenders, confirming, among other things, (A) all consents, approvals, authorizations, registrations, or filings required to be made or obtained by the Credit Parties, if any, in connection with this Agreement and the other Credit Documents and the transactions contemplated herein and therein have been obtained and are in full force and effect, (B) no investigation or inquiry by any Governmental Authority regarding this Agreement and the other Credit Documents and the transactions contemplated herein and therein is ongoing, (C) since the date of the most-recent annual audited financial statements for the Credit Parties, there has been no event or circumstance which could be reasonably expected, either individually or in the aggregate, to have a Material Adverse Effect, (D) the most-recent annual audited financial statements were prepared in accordance with GAAP consistently applied, except as noted therein, and fairly presents in all material respects the financial condition and results from operations of the Credit Parties and their Subsidiaries, and (E) each Credit Party, individually, and each Credit Party and their Subsidiaries, taken as a whole, are Solvent after giving effect to the transactions contemplated hereby and the incurrence of Indebtedness related thereto.

(d) Opinions of Counsel. Receipt by the Administrative Agent of customary opinions of counsel for each of the Credit Parties, including, among other things, opinions regarding the due authorization, execution and delivery of the Credit Documents and any other document entered into by a Credit Party evidencing an obligation of such Credit Party, the enforceability thereof and the creation and perfection of security interests created thereby.

(e) Collateral. In order to create in favor of the Administrative Agent (for the benefit of the Lenders) a valid, perfected Lien in the Collateral, the Administrative Agent shall have received:

(i) evidence satisfactory to the Administrative Agent of the compliance by each Credit Party with its obligations under each Credit Document to which it is a party (including, without limitation, their obligations to authorize or execute, as the case may be, and deliver UCC financing statements, originals of securities, instruments and chattel paper, and any agreements governing deposit accounts as provided therein);

(ii) the results of a recent search of all effective UCC financing statements (or equivalent filings), federal, state and local judgment liens, Federal, State and local tax liens and Federal and State litigation made with respect to or affecting any personal or mixed property of the Credit Parties in their respective jurisdictions of organization and jurisdiction of their respective principal place of business, together with copies of all such filings disclosed by such search, which shall be provided by each such Credit Party;

(iii) UCC termination statements (or similar documents) duly approved by all applicable Persons for filing in all applicable jurisdictions as may be necessary to terminate any effective UCC financing statements (or equivalent filings) disclosed in such search with respect to the Collateral;

(iv) evidence that each Credit Party shall have taken or caused to be taken any other action, executed and delivered or caused to be executed and delivered any other

agreement, document and instrument and made or caused to be made any other filing and recording (other than as set forth herein) reasonably required by the Administrative Agent;

(v) evidence that the Borrower has no existing indebtedness for borrowed money secured by the Collateral other than indebtedness pursuant to the New Money Loan Documents;

(vi) any other Indebtedness secured by the Collateral (other than the Obligations) has been indefeasibly paid in full, and any and all Collateral is delivered free and clear of any Lien other than Permitted Liens; and

(vii) such patent, trademark and copyright notices, filings and recordations as are necessary or appropriate to perfect the security interests in intellectual property and intellectual property rights constituting Collateral, as determined by the Administrative Agent.

(f) Management Team Meetings. The Administrative Agent shall have completed such meeting with the management team of the Credit Parties as deemed reasonably necessary.

(g) Financial Statements. The Administrative Agent shall have received copies of: (i) the most recent audited consolidated financial statements of the public parent of the Owner Pledgor, and (ii) the most recent unaudited consolidated financial statements of the Owner Pledgor.

(h) Bankruptcy Matters. There shall not be any order of any court of competent jurisdiction, or any action, suit, investigation or proceeding pending or, to the knowledge of the Borrower, threatened in any court or before any arbitrator or Governmental Authority that could reasonably be expected to have a Material Adverse Effect or to prevent or restrain the consummation of this Agreement or the transactions contemplated hereby.

(i) Operating Budget. The Administrative Agent shall have received, the Operating Budget from the Borrower and the other Credit Parties prepared by the Credit Parties in accordance with terms and provisions hereof.

(j) No Litigation. There shall not exist any action, suit, investigation, litigation or proceeding or other legal or regulatory developments, pending or to the knowledge of the Credit Parties, threatened, in any court or before any arbitrator or Governmental Authority with respect to any of the Credit Parties, any of the Key Persons or the transactions contemplated by the Credit Documents, except as set forth on Schedule 5.1(k) or otherwise disclosed to the Administrative Agent and acceptable to the Lender in its sole and absolute discretion.

(k) No New Information. The Administrative Agent shall not have become aware of any new information or other matters not previously disclosed to the Administrative Agent relating to the Credit Parties or their respective Affiliates, or the transactions contemplated herein that the Administrative Agent, in its reasonable judgment, deems inconsistent in a material and adverse manner with the information or other matters previously disclosed to the Administrative Agent relating the Credit Parties or their respective Affiliates, or the transactions contemplated herein.

(l) Diligence.

(i) [Reserved];

(ii) The Administrative Agent shall be satisfied, in its sole and absolute discretion, with the results of background investigations, if any, performed on any Key Person and any other principals and employees of any Credit Parties;

(iii) The Administrative Agent shall be satisfied, in its sole and absolute discretion, with the Credit Parties' cash management systems and other general operating procedures and systems;

(iv) The Administrative Agent shall have received and reviewed Lender Authorization Letters (and any QSF Instruction Letters as the Administrative Agent may request), in accordance with procedures satisfactory to the Administrative Agent, and in each case executed by the Credit Parties and executed by the applicable QSF;

(v) The Administrative Agent shall have received and reviewed copies of the Heathcare Legal Services Agreement (and any amendments, supplements or modification thereof).

(m) Flow of Funds. The Administrative Agent shall have received (a) a duly executed Funding Notice with respect to the Term Loan (together with the documentation and certifications required therein) and (b) duly executed disbursement instructions (with wiring instructions and account information) for all disbursements to be made on the Effective Date.

(n) Amendment to Existing Legal Services Agreement. The Administrative Agent shall have received an executed amendment to the Existing Legal Services Agreement, the terms and conditions of which shall be satisfactory to Administration Agent in its sole discretion.

(o) [Reserved].

(p) Termination of Existing Indebtedness. Receipt by the Administrative Agent of evidence that all existing Indebtedness of the Borrower and its Subsidiaries (other than Indebtedness permitted under Section 8.1), concurrently with the Effective Date, is being terminated and all Liens securing obligations thereunder concurrently with the Effective Date are being released other than Permitted Liens.

(q) [Reserved].

(r) Patriot Act; Anti-Money Laundering Laws. The Administrative Agent and the Lenders shall have received all documentation and other information that the Administrative Agent or any Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and including without limitation the certification regarding beneficial ownership of legal entity customers (the "Beneficial Ownership Certification").

(s) Borrower Lockbox Deposit Account. The Administrative Agent shall have received an executed deposit account control agreement in form and substance satisfactory to Administrative Agent which shall give the New Money Agent "control" (for purposes of Articles 8 and 9 of the Uniform Commercial Code) over the Borrower Lockbox Account which account is to receive all recovery proceeds from the HC Claims and appoint a depository agent to distribute funds in the Borrower Lockbox Account in accordance with Section 2.11 of the New Money Credit Agreement.

(t) Completion of Corporate Reorganization. The Administrative Agent shall have received all documentation and other information satisfactory to the Administrative Agent to evidence the completion of the corporate restructuring resulting in the Owner Pledgor owning 100% of the membership interests in the Borrower and the Borrower owning 100% of the series equity interests in the Assignee.

(u) Registered Series. The Administrative Agent shall have received all documentation and other information satisfactory to the Administrative Agent in order to evidence the conversion of the Assignee to a registered series of Borrower and the transfer of 100% of its series equity interests to Borrower.

(v) Exhibits, Appendices and Schedules. The Administrative Agent shall have received all Exhibits, Appendices and Schedules to be attached to this Agreement in form and substance satisfactory to the Administrative Agent.

(w) Amended and Restated Owner Pledge and Borrower Pledge Agreement. The Administrative Agent shall have received an Amended and Restated Owner Pledge Agreement and Borrower Pledge Agreement in form and substance satisfactory to the Administrative Agent.

(x) [Reserved].

(y) MIPA. Receipt by the Administrative Agent of MIPA and all documents related thereto, in form and substance satisfactory to the Administrative Agent, together with the consummation of the transactions contemplated therein.

For purposes of determining compliance with the conditions specified in this Section 5.1, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the Effective Date specifying its objection thereto.

SECTION 6
REPRESENTATIONS AND WARRANTIES

In order to induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loan to be made thereby, the Borrower and each other Credit Party represents and warrants to the Administrative Agent and Lender as follows on the Effective Date:

Section 6.1 Organization; Requisite Power and Authority; Qualification. Each Credit Party and its Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization as identified on Schedule 6.1, (b) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Credit Documents to which it is a party and to carry out the transactions contemplated thereby, and (c) is qualified to do business and in good standing in every jurisdiction where necessary to carry out its business and operations, except in jurisdictions where the failure to be so qualified or in good standing has not had, and could not be reasonably expected to have, a Material Adverse Effect.

Section 6.2 Equity Interests and Ownership.

(a) Schedule 6.2 correctly sets forth the ownership interest of each Credit Party and its Subsidiaries as of the Effective Date. The Equity Interests of each Credit Party and its Subsidiaries have been duly authorized and validly issued and are fully paid and non-assessable. Except as set forth on Schedule 6.2, as of the Effective Date, there is no existing option, warrant, call, right, commitment, buy-sell, voting trust or other shareholder agreement or other agreement to which any Subsidiary is a party requiring, and there is no membership interest or other Equity Interests of any Subsidiary outstanding which upon conversion or exchange would require, the issuance by any Subsidiary of any additional membership interests or other Equity Interests of any Subsidiary or other Securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, a membership interest or other Equity Interests of any Subsidiary.

(b) Borrower owns 100% of the membership interests in Assignee, free and clear of any Liens, other than the Liens in favor of the Administrative Agent and the Lenders pursuant to the Credit Documents and Liens in favor of the New Money Agent and the New Money Lender pursuant to the New Money Loan Documents, and Borrower is the sole member and manager of Assignee.

Section 6.3 Due Authorization. The execution, delivery and performance of the Credit Documents have been duly authorized by all necessary corporate or similar action on the part of each Credit Party that is a party thereto.

Section 6.4 No Conflict. The execution, delivery and performance by Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and will not (a) violate in any material respect any provision of any Applicable Laws relating to any Credit Party, any of the Organizational Documents of any Credit Party, or any order, judgment or decree of any court or other agency of government binding on any Credit Party; (b) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any other Contractual Obligations of any Credit Party; (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of any Credit Party (other than any Liens created under any of the Credit Documents in favor of the Administrative Agent for the benefit of the holders of the Obligations) whether now owned or hereafter acquired; or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any Contractual Obligation of any Credit Party that shall not have been obtained.

Section 6.5 Governmental Consents. The execution, delivery and performance by the Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and will not require, as a condition to the effectiveness thereof, any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority except for filings and recordings with respect to the Collateral to be made, or otherwise delivered to the Administrative Agent for filing and/or recordation, as of the Effective Date and other filings, recordings or consents which have been obtained or made, as applicable.

Section 6.6 Binding Obligation. Each Credit Document has been duly executed and delivered by each Credit Party that is a party thereto and is the legally valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its respective terms, except as may be limited by Debtor Relief Laws or by equitable principles relating to enforceability.

Section 6.7 Independent Evaluation. Each Credit Party is sophisticated, experienced in borrowing funds to finance litigation and other business expenses, and has sufficient resources and legal knowledge to review and interpret this Agreement and the other Credit Documents or seek qualified counsel to do so. In making its decision to enter into this financing transaction, each Credit Party has relied or shall

rely solely on its own independent investigation and evaluation of applicable law and the advice of its own counsel and not on any comments, statements or other materials made or given by or on behalf of the Lender, the Agents or any of their Affiliates.

Section 6.8 Financial Statements.

(a) The audited consolidated balance sheet of the public parent of the Owner Pledgor for the most recent Calendar Year ended, and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for such Calendar Year, including the notes thereto (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, (ii) fairly present, in all material respects, the financial condition of the public parent of the Owner Pledgor as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein and (iii) show all material indebtedness and other liabilities, direct or contingent, of the public parent of the Owner Pledgor as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited financial statements of the Owner Pledgor and the Borrower for the most recent Calendar Year ended, and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for such Calendar Year, including the notes thereto (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, (ii) fairly present, in all material respects, the financial condition of operations the Owner Pledgor and the Borrower as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments, and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Owner Pledgor and the Borrower as of the date of such financial statements, including liabilities for taxes, material commitments and Indebtedness.

(c) The unaudited financial statements of the Owner Pledgor and the Borrower for the most recent Calendar Quarter ended, and the related consolidated and consolidating statements of income or, shareholders' equity and cash flows for such Calendar Quarter (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, (ii) fairly present, in all material respects, the financial condition of operations the Owner Pledgor and the Borrower as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments, and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Owner Pledgor and the Borrower as of the date of such financial statements, including liabilities for taxes, material commitments and Indebtedness.

Section 6.9 No Material Adverse Effect; No Default.

(a) No Material Adverse Effect. Since the date of this Agreement, no event, circumstance or change has occurred that has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) No Default. No Default has occurred and is continuing.

Section 6.10 Tax Matters. Each Credit Party and its Subsidiaries have filed all federal, state and other material tax returns and reports required to be filed, and have paid all federal, state and other material

taxes, assessments, fees and other governmental charges levied or imposed upon them or their respective properties, assets, income, businesses and franchises otherwise due and payable, except those being actively contested in good faith by appropriate proceedings for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against any Credit Party or any of its Subsidiaries that would, if made, have a Material Adverse Effect.

Section 6.11 Properties.

(a) Title. Each of the Borrower and its Subsidiaries has (i) good, sufficient and legal title to (in the case of fee interests in real property), (ii) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (iii) good title to (in the case of all other personal property), all of their respective properties and assets reflected in their financial statements and other information referred to in Section 6.7 and in the most recent financial statements delivered pursuant to Section 7.2, in each case except for assets disposed of since the date of such financial statements as permitted under Section 8.11. All such properties and assets the Borrower and its Subsidiaries are free and clear of Liens other than Permitted Liens.

(b) Intellectual Property. Each Borrower and its Subsidiaries owns or is validly licensed to use all Intellectual Property that is necessary for the present conduct of its business, free and clear of Liens (other than Permitted Liens), without conflict with the rights of any other Person unless the failure to own or benefit from such valid license could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. To the knowledge of each Credit Party, the Borrower nor any of its Subsidiaries is infringing, misappropriating, diluting, or otherwise violating the Intellectual Property rights of any other Person unless such infringement, misappropriation, dilution or violation could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Without limiting the foregoing, Borrower’s immediate subsidiary, Assignee, a registered series of MSP Recovery Claims, Series LLC and a wholly owned Subsidiary of the Borrower is entitled to all of the Claims assigned to it under the CAA, free and clear of all Liens (other than Liens in favor of the Administrative Agent and the Lender pursuant to the Credit Documents and Liens in favor of the New Money Agent and the New Money Lender pursuant to the New Money Loan Documents), and the Borrower has taken all actions necessary, including delivery of the MSP Instruction Letters, pursuant to the requirements under this Agreement, to cause all of the HC Case Proceeds to be deposited by the Payors directly into the Borrower Lockbox Account; provided that, on and from the Effective Date, the reference to "designated Series" shall be substituted with "registered Series".

Section 6.12 [Reserved].

Section 6.13 No Indebtedness. No Credit Party has any Indebtedness for borrowed money, other than (a) the existing Indebtedness as permitted under Section 8.1, (b) Indebtedness incurred under the terms of this Agreement or the other Credit Documents, and (c) in the case of Owner Pledgor, as set forth on Schedule 6.13.

Section 6.14 No Defaults. No Credit Party nor any of its Subsidiaries is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its Contractual Obligations, except in each case where the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 6.15 No Litigation or other Adverse Proceedings. There are no Adverse Proceedings that (a) purport to affect or pertain to this Agreement or any other Credit Document, or any of the transactions contemplated hereby or (b) could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. No Credit Party nor any of its Subsidiaries is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any Governmental Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Other than as set forth on Schedule 5.1(k), as of the date hereof, there are no suits, proceedings, Disciplinary Actions or internal review or investigations, whether existing, pending or threatened, relating to allegations of employee discrimination or sexual harassment against any Credit Party or Key Person.

Section 6.16 Information Regarding the Credit Parties and their Subsidiaries. Set forth on Schedule 6.16, is the jurisdiction of organization, the exact legal name (and for the prior five (5) years or since the date of its formation has been) and the true and correct U.S. taxpayer identification number (or foreign equivalent, if any) of each Credit Party and each of its Subsidiaries as of the Effective Date.

Section 6.17 [Reserved].

Section 6.18 Governmental Regulation.

(a) No Credit Party or any of its Subsidiaries is subject to regulation under the Investment Company Act of 1940. No Credit Party or any of its Subsidiaries is an "investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

(b) No Credit Party nor any of its Subsidiaries is an "enemy" or an "ally of the enemy" within the meaning of Section 2 of the Trading with the Enemy Act of the United States of America (50 U.S.C. App. §§ 1 *et seq*.), as amended. To its knowledge, no Credit Party or any of its Subsidiaries is in violation of (x) the Trading with the Enemy Act, as amended, (y) any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto or (z) the Patriot Act. No Credit Party or any of its Subsidiaries (i) is a blocked person described in Section 1 of the Anti-Terrorism Order or (ii) to the best of its knowledge, engages in any dealings or transactions, or is otherwise associated, with any such blocked person.

(c) Each Credit Party and its Subsidiaries has implemented and maintains in effect policies and procedures designed to ensure compliance by such Credit Party, its Subsidiaries and their respective directors, officers, employees and agents with applicable Sanctions, and such Credit Party, its Subsidiaries and their respective officers and employees and, to the knowledge of such Credit Party, its directors and agents, are in compliance with applicable Sanctions and are not engaged in any activity that would reasonably be expected to result in any Credit Party being designated as a Sanctioned Person. None of the Credit Parties, their Subsidiaries and their respective Affiliates is in violation of any of the country or list based economic and trade sanctions administered and enforced by OFAC that are described or referenced at or as otherwise published from time to time.

(d) None of the Credit Parties and their Subsidiaries or, to the knowledge of each Credit Party or its Subsidiaries, any of their respective directors, officers, employees or Affiliates (i) is a Sanctioned Person, (ii) has any of its assets located in a Sanctioned Country (unless approved by the Lenders), or (iii) derives any of its operating income from investments in, or transactions with Sanctioned Persons (unless approved by the Lenders). The proceeds of the Loan Extension or other

transaction contemplated by this Agreement or any other Credit Document have not been used (x) in violation of any Sanctions, (y) to fund any operations in, finance any investments or activities in or make any payments to, a Sanctioned Person or a Sanctioned Country or (z) in any other manner that would result in a violation of Sanctions by any Person (including the Administrative Agent, the Administrative Agent, the Lenders or any other Person participating in the Loan, whether as an underwriter, advisor, investor or otherwise).

(e) Each of the Credit Parties and their Subsidiaries and, to the knowledge of each Credit Party and its Subsidiaries, each of their respective directors, officers, employees and Affiliates, is in compliance with Anti-Corruption Laws. Each Credit Party and its Subsidiaries has implemented and maintains in effect policies and procedures designed to ensure compliance by such Credit Party, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws. None of the Credit Parties or their respective Subsidiaries has made a payment, offering, or promise to pay, or authorized the payment of, money or anything of value (a) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (b) to a foreign official, foreign political party or party official or any candidate for foreign political office, or (c) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to such Credit Party or any of its Subsidiaries or to any other Person, in violation of any Anti-Corruption Law. No part of the proceeds of the Loan or other transactions contemplated by this Agreement or any other Credit Document will violate Anti-Corruption Laws.

(f) To the extent applicable, each Credit Party and its Subsidiaries are in compliance with Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001) (as amended from time to time, the "Patriot Act").

(g) No Credit Party or any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Loan made to such Credit Party will be used (i) to purchase or carry any such Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates, or is inconsistent with, the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System as in effect from time to time or (ii) to finance or refinance any (A) commercial paper issued by such Credit Party or (B) any other Indebtedness, except for Indebtedness that such Credit Party incurred for general corporate or working capital purposes.

(h) No Credit Party is an Affected Financial Institution.

Section 6.19 Employee Matters. No Credit Party or any of its Subsidiaries is engaged in any unfair labor practice that could reasonably be expected to have a Material Adverse Effect. There is (a) no unfair labor practice complaint pending against any Credit Party or any of its Subsidiaries, or to the best knowledge of each Credit Party, threatened against any of them before the National Labor Relations Board and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement that is so pending against any Credit Party or any of its Subsidiaries or to the best knowledge of each Credit Party, threatened against any of them, (b) no strike or work stoppage in existence or to the knowledge of each Credit Party, threatened that involves any Credit Party or any of its Subsidiaries, and (c) to the best knowledge of each Credit Party, no union representation question existing with respect to the employees of any Credit Party or any of its Subsidiaries and, to the best knowledge of each Credit Party, no union organization activity that is taking place, except (with respect to any matter specified in clause (a), (b) or (c) above, either individually or in the aggregate) such as could not reasonably be expected to have a Material Adverse Effect.

Section 6.20 No Employee Benefit Plans. None of the Credit Parties or any of their Subsidiaries have any Pension Plans, "employee benefit plan" as defined in Section 3(2) of ERISA, or any Multiemployer Plan subject to Section 412 of the Internal Revenue Code or Section 302 of ERISA which is sponsored, maintained or contributed to by, or required to be contributed to by, any Credit Party or any of its ERISA Affiliates or with respect to which any Credit Party or any of its ERISA Affiliates previously sponsored, maintained or contributed to, or was required to contribute to, and still has liability, except for what could not reasonably be expected to result in a Material Adverse Effect.

Section 6.21 Solvency and Fraudulent Conveyance. As of the Effective Date, each Credit Party and its Subsidiaries taken as a whole on a consolidated basis are and, upon the incurrence of the Loan will be, Solvent. No Credit Party is transferring or pledging any Collateral with any intent to hinder, delay or defraud any of its creditors or equity holders. No Credit Party shall use the proceeds from the transactions contemplated by this Agreement to give preference to any class of creditors.

Section 6.22 Compliance with Laws, Statutes, Disciplinary Rules, etc. Each Credit Party and its Subsidiaries is in compliance with (a) the Patriot Act and OFAC rules and regulations as provided in Section 7.15 and (b) except such non-compliance with such other Applicable Laws that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, all other Applicable Laws. Each Credit Party and its Subsidiaries possesses all certificates, authorities or permits issued by appropriate Governmental Authorities necessary to conduct the business now operated by them and the failure of which to have could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit the failure of which to have or retain could reasonably be expected to have a Material Adverse Effect. Each Credit Party has complied with all applicable laws, including applicable federal, state and local attorney ethics rules and regulations (including those relating to attorney financing) except for failure to do so could not reasonably be expected to have a Material Adverse Effect. No Credit Party has solicited or procured any HC Claim or advertised in any manner which constitutes a violation of any applicable law or Disciplinary Rule. Each Credit Party has independently reviewed all applicable professional ethics rules and standards that govern the practice of law. The provisions of this Agreement, and all of the Credit Documents, comply with all Disciplinary Rules. No Lender has solicited any HC Claim on behalf of the Credit Parties or recommended any client to the Credit Parties. All decisions of the clients have and will be voluntary and of each client's own free will, and no Credit Party did nor will try to force, coerce, trick, mislead, harass, deceive or intimidate any Client into any settlement decision.

Section 6.23 Disclosure.

(a) No representation or warranty of any Credit Party contained in any Credit Document or in any other documents, certificates or written statements furnished to the Administrative Agent or Lender by or on behalf of any Credit Party or any of its Subsidiaries for use in connection with the transactions contemplated hereby (other than projections and pro forma financial information contained in such materials) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in any material manner in light of the circumstances in which the same were made; provided, that, any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions believed by the Credit Parties to be reasonable at the time made, it being recognized by the Administrative Agent and the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results and that such differences may be material. There are no facts known to any Credit Party (other than matters of a general economic nature) that, individually or in the aggregate, could reasonably be expected to result in a

Material Adverse Effect and that have not been disclosed herein or in such other documents, certificates and statements furnished to the Administrative Agent and the Lenders.

(b) The information included in the Beneficial Ownership Certification is true and correct in all respects at the time of issuance.

Section 6.24 Insurance. The properties of the Credit Parties and their Subsidiaries are insured with financially sound and licensed insurance companies not Affiliates of such Persons, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the applicable Credit Party or the applicable Subsidiary operates. The insurance coverage of the Credit Parties and their Subsidiaries as in effect on the Effective Date is outlined as to carrier, policy number, expiration date, type, amount and deductibles on Schedule 6.24.

Section 6.25 Use of Proceeds. The Credit Parties will use the proceeds of the Loan to partially fund the purchase by the Owner Pledgor and/or its affiliates from Seller of 100% of the membership interests of the Target pursuant to the terms of the MIPA, subject to the terms and conditions set forth therein.

Section 6.26 Agreements Relating to the Claims and Related Agreements.

(a) Agreements Generally.

(i) As of the date of this Agreement, none of the Credit Parties have an agreement with any third party in respect of HC Claims that could result in the obligation to pay any third party other than as set forth on Schedule 6.26(a) hereto. Schedule 6.26(b) hereto sets forth a complete and accurate list of the HC Claims to which the Borrower or another Credit Party is entitled as of the date of this Agreement.

(ii) The HC Agreements are the sole agreements relating to the assignment of the HC Claims to the Assignee and the recovery services provided to the Assignor in connection therewith. All of the HC Claims have been irrevocably assigned to the Assignee pursuant to the CAA and Assignee has made no assignment of any of its rights, titles, interests, remedies and privileges under the CAA or the CRSA, nor made any assignment of the HC Claims or the HC Case Proceeds, other than pursuant to this Agreement, the other Credit Documents, the New Money Credit Agreement and the New Money Loan Documents. Owner Pledgor and its Affiliates are in full compliance with all of the terms and provision of the CRSA, and the Assignor has not alleged any breach or potential breach of the CRSA. Without limiting the foregoing, neither Owner Pledgor nor any of its Affiliates has suffered a "Security Incident" (as such term is defined in the CRSA) since the date of the CRSA.

(iii) Assignee has made, when due, full payment of any and all amounts required to have been paid to the Assignor under the applicable HC Agreement and (b) otherwise with respect to the HC Claims, in each case, as of the Effective Date. No HC Agreement has been restricted, terminated or revoked by any party thereto or any successors or assigns. No party to any HC Agreement is in breach of any contractual obligations under such HC Agreement, including without limitation, any contractual requirement to provide Claims Data or claims information as required pursuant to the HC Agreements, or to take certain actions related to data accessibility, data privacy and security. Assignee has made any and all such requests for Claims Data and claims

information necessary to file and prosecute the HC Claims. Assignee has received the requested Claims Data and claims information from Assignor, and such Claims Data and claims information resides on servers owned or controlled by MSP or Assignee and access to which is neither controlled by nor could be terminated by Assignor. Assignor has not failed to provide Claims Data or claims information in respect of the HC Claims or requested Owner Pledgor or Assignee to return any such Claims Data or claims information that would materially impair the Owner Pledgor or Assignee from pleading and prosecuting causes of actions in respect of the HC Claims with necessary completeness or particularity in accordance with the terms of the CRSA. The Owner Pledgor and Assignee has obtained all consents, approvals and permits, and has provided all notices, required to transfer the HC Claims Proceeds and the recovery proceeds in respect of the HC Claims to repay any amounts under the Loans including any consents required under any HC Agreement, and to perform any and all obligations under the HC Agreements, and otherwise in connection with the consummation of the transactions contemplated hereby.

(iv) Each of Owner Pledgor and Assignee is, and to its actual knowledge, for the past six (6) years preceding the date of this Agreement has been, in compliance in all material respects with applicable law with respect to the conduct of the claims analysis and claims recovery business, and neither of Owner Pledgor nor Assignee has received any notice or communication of any material non-compliance with any such applicable law that has not been cured. Neither the Owner Pledgor nor Assignee, to its actual knowledge, within the past six (6) years preceding the date of this Agreement, has entered into or been subject to any judgment, consent decree, compliance order or administrative order with respect to any aspect of such business, and the related affairs, properties or assets of such Person or received any request for information, notice, demand letter, administrative inquiry or formal or informal complaint or claim from any regulatory agency with respect to any aspect of such business, affairs, properties or assets of such Person other than ordinary course inquiries and correspondence from governmental agencies and judgments, decrees and orders entered in by the court in actions relating to the recovery of proceeds from the HC Claims.

(v) The Credit Parties possess full legal right, title, standing, and interest in the HC Case Proceeds. The Credit Parties hold and possess (a) all rights, authorizations, title, interest in, and ownership of the HC Case Proceeds, free and clear of all Encumbrances (other than as permitted under Section 8.2, and (b) licenses, authorizations and clearances necessary to access Claims Data and other claims information directly from United States' Department of Health and Human Services Centers for Medicare & Medicaid Services Medicare Data Communications Network (MDCN) portal and other similar or analogous portals and platforms. To Credit Parties' knowledge (i) Assignor has borne the cost of, either by making payment on, or assuming full risk, obligation, and responsibility for the payment of, claims for healthcare services provided, to, for, or on behalf of the members that are the subject of the HC Claims, or otherwise, (ii) Assignor has not received reimbursement, in whole or in part, for any such payment from any source, and (iii) Credit Parties have no knowledge of any attempted recovery of any such HC Claim where there was a finding of waiver or any other barrier to recovery by the Credit Parties.

(vi) The Owner Pledgor provides recovery services in respect of the HC Claims to the Assignee and no other agreement exists between any of the Credit Parties and any other Person in respect of the HC Claims and none of the Credit Parties provide any services in respect of the HC Claims to any Person other than the Borrower and its Subsidiaries. All information that the Credit Parties have provided to the Lender with

respect to the HC Claims, as supplemented by the Credit Parties from time to time in writing prior to the date of this Agreement, is true and accurate in all material respects representation.

(b) CAA. The CAA has been executed by the Assignor and the Assignee, and identifies each HC Claim that has been assigned to the Assignee.

(c) Agreements. True, complete and correct copies of the HC Agreements (including all related amendments and modifications of such agreements as of the Effective Date), in each case that are related to the HC Claims, have been provided by the Borrower or its Affiliates to the Administrative Agent and are listed on Schedule 6.26(b) hereto. Other than the agreements identified in the immediately preceding sentence and the Credit Documents, there are no other agreements relating to the assignment of the HC Claims to the Assignee, the recovery services being provided to the Assignor in respect of the HC Claims, the holding and management of the HC Claims by the Assignee and its Affiliates.

Section 6.27 Controlled Accounts; etc. Within ten (10) Business Days after the Effective Date, the Borrower has instructed all Payors with respect to each HC Claim to pay all Collections directly into the Collection System. Each Controlled Account is maintained solely in the name of the Borrower. No Credit Party has granted any Person, other than the New Money Agent as contemplated by the New Money Loan Documents and Credit Documents and the Account Administrator to the limited extent provided by the Account Administration Agreement, dominion and control of any Controlled Account, as applicable, or the right to take dominion and control of any Account of the Borrower or its Subsidiaries at a future time or upon the occurrence of a future event.

Section 6.28 Case Management System. All HC Claims have been boarded on the Owner Pledgor's case management system for the benefit of the Borrower.

Section 6.29 Security Agreements. Each of the Security Agreements is effective to create in favor of the Administrative Agent, for the ratable benefit of the holders of the Obligations, a legal, valid and enforceable security interest in the Collateral identified therein, except to the extent the enforceability thereof may be limited by applicable Debtor Relief Laws affecting creditors' rights generally and by equitable principles of law (regardless of whether enforcement is sought in equity or at law), and each Security Agreement creates a fully perfected Lien on, and security interest in, all right, title and interest of the obligors thereunder in such Collateral, in each case prior and superior in right to any other Lien (other than Permitted Liens, including Liens in favor the New Money Agent) (i) with respect to any such Collateral that is a "security" (as such term is defined in the UCC) and is evidenced by a certificate, when such Collateral is delivered to the Administrative Agent with duly executed stock powers with respect thereto, (ii) with respect to any such Collateral that is a "security" (as such term is defined in the UCC) but is not evidenced by a certificate, when UCC financing statements in appropriate form are filed in the appropriate filing offices in the jurisdiction of organization of the pledgor or when "control" (as such term is defined in the UCC) is established by the Administrative Agent over such interests in accordance with the provision of Section 8-106 of the UCC, or any successor provision, and (iii) with respect to any such Collateral that is not a "security" (as such term is defined in the UCC), when UCC financing statements in appropriate form are filed in the appropriate filing offices in the jurisdiction of organization of the pledgor (to the extent such security interest can be perfected by filing under the UCC).

SECTION 7
AFFIRMATIVE COVENANTS

Each Credit Party covenants and agrees that until the Obligations shall have been paid in full (other than contingent indemnification obligations for which no claim has been asserted) and the Commitments hereunder shall have expired or been terminated, such Credit Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this Section 7.

Section 7.1 Reports.

(a) [Reserved].

(b) Settlement Reports; Account Statements.

(i) Settlement Reports. On or prior to each Settlement Date, the Borrower shall prepare and deliver to the Administrative Agent, the Servicer and the Account Administrator a written report substantially in the form attached as Exhibit 7.1, detailing (A) all Collections received since the immediately preceding Settlement Date and until the most recently ended quarter preceding such Settlement Date, (B) the Borrower's calculations of the amounts payable to the applicable Persons on such Settlement Date pursuant to Section 2.11 (as applicable) and (C) all information which was necessary for preparation by the Borrower of such report (each such written report, statement or document, a "Settlement Report"). Each Settlement Report shall be delivered no later than three (3) Business Days prior to the applicable Settlement Date.

(ii) Account Statements. No later than five (5) Business Days after receipt by or on behalf of the Borrower of each bank statement in respect of the Borrower Lockbox Account, any other account into which proceeds from the HC Claims are received and the Borrower Operating Account, the Borrower shall deliver to the Administrative Agent, the Servicer and the Account Administrator true, correct and complete copies of the same.

(c) Ongoing Case Reporting Requirements. The Borrower agrees to keep the Administrative Agent and the Servicer fully informed about the progress of the cases in which HC Claims are being pursued and the collection of HC Case Proceeds, as hereinafter provided, unless such information has been provided to the Operating Committee. The Borrower shall deliver to the Administrative Agent and the Servicer together with the delivery of the quarterly Compliance Certificate as required pursuant to Section 7.2(d), a reporting detailing the occurrence of any of the items specified below, in each case specifically excluding any privileged information under applicable Disciplinary Rules, provided, if the occurrence of any such specified event could result in a Material Adverse Effect then the Borrower shall promptly (and in any event within ten (10) Business Days) notify the Administrative Agent and the Servicer in writing; provided further, if any of the items specified below has been notified to the Operating Committee as required, the Borrower shall be deemed to have satisfied its corresponding obligations hereunder to report such:

(i) any equity partner, shareholder or member of the Borrower leaves the Borrower, whether voluntarily or involuntarily, by resignation, dismissal, retirement or otherwise;

(ii) any Credit Party learns of any information with respect to any HC Claim (or the participation therein of any Credit Party's or Co-Counsel Law Firm (as defined in the 2022 Credit Agreement)) that could reasonably be expected to have a Material Adverse Effect;

(iii) any Credit Party learns of any change in the status of any HC Claim or the recovery or potential recovery related thereto that could reasonably be expected to result in a Material Adverse Effect;

(iv) any Credit Party learns of any information indicating that any HC Case Proceeds that shall have become due and owing may not be timely paid in full to the extent failure to pay in full when due could reasonably be expected to result in a Material Adverse Effect;

(v) [reserved]; or

(vi) any Credit Party learns of any malpractice claim, ethics complaint or inquiries or any other Disciplinary Action pending or threatened in writing against a Credit Party.

(d) Notice of Default; Material Adverse Effect. Promptly upon any Authorized Officer of any Credit Party obtaining knowledge (i) of any condition or event that constitutes a Default or an Event of Default, (ii) of any condition or event that constitutes a default or event of default under the CRSA or any condition or event that would otherwise give the Assignor the right to terminate the CRSA or notice from any Person or action taken by any such Person with respect thereto, (iii) the occurrence of a Security Incident (as such term is defined in the CRSA), or (iv) of the occurrence of any Material Adverse Effect, including as a result of a lost HC Claim, to the extent such lost HC Claim could reasonably be expected to have a Material Adverse Effect on the business, operations, assets, condition (financial or otherwise) or liabilities of a Credit Party, the Credit Parties shall deliver, or cause to be delivered, to the Administrative Agent a certificate of one of its Authorized Officers specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, default, event or condition, and what action the applicable Credit Party has taken, is taking and proposes to take with respect thereto.

(e) Notice of Litigation. Promptly upon any Authorized Officer of any Credit Party obtaining actual knowledge of (i) the institution of, or threat of, any material Adverse Proceeding against any Credit Party, (ii) any material development in any Adverse Proceeding, or any proceeding seeking to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, or (iii) the institution, or threat of, any suit, proceedings, Disciplinary Action or internal review or investigation relating to allegations of employee discrimination or sexual harassment against any Credit Party or Key Person, then, in each case, the Borrower shall deliver, or cause to be delivered, to the Administrative Agent, written notice thereof together with such other information as may be reasonably available to such Credit Party to enable the Administrative Agent and its counsel to evaluate such matters.

(f) Breach of Representations and Warranties. Promptly upon any Credit Party becoming aware of a material breach with respect to any representation or warranty made or deemed made by such Credit Party in any Credit Document to which it is a party or in any certificate at any time given by such Credit Party in writing pursuant hereto or thereto or in connection herewith or therewith, the Borrower shall deliver, or cause to be delivered, to the Administrative Agent, a certificate of its Authorized Officers specifying the nature and period of existence of such breach and what action such Credit Party has taken, is taking and proposes to take with respect thereto.

(g) Information Regarding Collateral. The Borrower shall furnish to the Administrative Agent no less than five (5) Business Days' prior written notice of any change in such Credit Party's (i) corporate name, (ii) address, including the address of its chief executive office or principal place of business, (iii) identity, organizational structure or jurisdiction of organization, (iv) federal taxpayer identification number or (v) conducting business under any assumed, trade, fictitious or "d/b/a" names, except for the names set forth on Appendix B hereto. Each of the Credit Parties agrees not to effect or permit any change referred to in the preceding sentences unless all filings have been made under the UCC or otherwise that are required in order for the Administrative Agent to continue at all times following such change to have a valid, legal and perfected security interest in all of the Collateral and such Credit Party and its Affiliates have delivered all other documents and opinions requested by the Administrative Agent as determined in its sole and absolute discretion. Each of the Credit Parties also agrees promptly to notify the Administrative Agent if any material portion of the Collateral is damaged or destroyed.

(h) Tax Returns. As soon as practicable and in any event within 15 days following the filing thereof, the Borrower shall provide to the Administrative Agent copies of each U.S. federal income Tax return or information return or report filed by or on behalf of the Borrower and its Subsidiary.

(i) Other Information. The Credit Parties shall deliver such additional reports, documents, notices or information in its possession or held on its behalf or readily available or preparable by the Credit Parties as the Administrative Agent may reasonably request from time to time.

Section 7.2 Financial Statements and Other Reports. The Borrower will deliver, or will cause to be delivered, to the Administrative Agent:

(a) [Reserved];

(b) Quarterly Financial Statements for the Borrower and its Subsidiaries. Within sixty (60) days after the end of each Calendar Quarter of each Calendar Year (other than the fourth quarter thereof), the consolidated balance sheets of the public parent of the Owner Pledgor as of the end of such Calendar Quarter and the related consolidated and consolidating statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for such Calendar Quarter and for the period from the beginning of the then current Calendar Year to the end of such Calendar Quarter, setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Calendar Year, all in reasonable detail and consistent in all material respects with the manner of presentation as of the Effective Date and prepared in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes, together with a Financial Officer Certification with respect thereto and a summary narrative discussion and analysis (which may be by conference call confirmed in writing by the Administrative Agent) providing an update on the financial condition and results of operations of the Borrower and its Subsidiaries for such Calendar Quarter, as compared to the portion of the budget covering such periods and to the comparable periods of the previous year;

(c) Audited Annual Financial Statements for the Borrower and its Subsidiaries. Upon the earlier of the date that is one hundred eighty (180) days after the end of each Calendar Year of the Borrower, (i) the consolidated balance sheets of the public parent of the Owner Pledgor as of the end of such Calendar Year and the related consolidated and consolidating statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for such Calendar Year, setting forth in each case in comparative form the corresponding figures for the previous Calendar

Year, all in reasonable detail, consistent in all material respects with the manner of presentation as of the Effective Date and prepared in accordance with GAAP, together with a Financial Officer Certification with respect thereto and (ii) with respect to such consolidated financial statements a report thereon of Deloitte or independent certified public accountants selected by the Credit Parties and reasonably acceptable to the Administrative Agent, which report shall be unqualified as to going concern and scope of audit, and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of the Borrower and its Subsidiaries as of the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as otherwise disclosed in such financial statements) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards;

(d) Compliance Certificate. Together with each delivery of the financial statements pursuant to Section 7.2(b) and Section 7.2(c) a duly completed Compliance Certificate (including affirmation that the each Credit Party is Solvent at such time);

(e) Operating Budget. Within sixty (60) days following the end of each Calendar Year of the Borrower, forecasts prepared by management of the Borrower, in form reasonably satisfactory to the Administrative Agent and the Required Lenders, of consolidated balance sheets and statements of income or operations and cash flows of the Borrower and its Subsidiaries on a quarterly basis for the then current Calendar Year (including the Calendar Year(s) of the Maturity Date);

(f) Information Regarding Collateral. Each Credit Party will furnish to the Administrative Agent (a) prior written notice of any change to (i) any Credit Party's legal name, (ii) any Credit Party's corporate structure, (iii) any Credit Party's Federal Taxpayer Identification Number or (iv) any Credit Party's jurisdiction of incorporation, formation or organization, as applicable and (b) upon request any filing of a Schedule 13D or Schedule 13G with the SEC;

(g) [Reserved];

(h) Notice of Default and Material Adverse Effect. Promptly upon any Authorized Officer of any Credit Party obtaining knowledge (i) of any condition or event that constitutes, or the occurrence of, a Default or an Event of Default or that notice has been given to any Credit Party with respect thereto, (ii) that any Person has given any notice to any Credit Party or any of its Subsidiaries or taken any other action with respect to any event or condition set forth in Section 9.1(b), or (iii) of the occurrence of any Material Adverse Effect, a certificate of its Authorized Officers specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, event or condition or change, and what action the Credit Parties have taken, are taking and propose to take with respect thereto;

(i) [Reserved];

(j) Securities and Exchange Commission Investigations. Promptly (and in any event within five (5) Business Days) after receipt thereof by any Credit Party or any Subsidiary, copies of each notice or other correspondence received from the Securities and Exchange Commission (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of any Credit Party or any Subsidiary;

(k) Other Information. Such other information and data with respect to the Owner Pledgor, the public parent of the Owner Pledgor, Borrower or any of its Subsidiaries as from time to time may be reasonably requested by the Administrative Agent or the Required Lenders.

Each notice, certificate or other correspondence pursuant to clauses (h) and (j) of this Section 7.2 shall be accompanied by a statement of an Authorized Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower and/or the other applicable Credit Party has taken and proposes to take with respect thereto. Each notice, certificate or other correspondence pursuant to Section 7.2(h) shall describe with particularity any and all provisions of this Agreement and any other Credit Document that have been breached.

Section 7.3 Existence. Each Credit Party will, and will cause the Borrower's Subsidiaries to, at all times preserve and keep in full force and effect its existence and all rights and franchises, licenses and permits material to its business, except to the extent (a) permitted by Section 8.11 or (b) not constituting an Asset Sale.

Section 7.4 Payment of Taxes and Claims. Each Credit Party will, and will cause the Borrower's Subsidiaries to, pay (a) all federal, state and other material taxes imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty or fine accrues thereon and (b) all claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided, no such tax or claim need be paid if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as (i) adequate reserve or other appropriate provision, as shall be required in conformity with GAAP shall have been made therefor, and (ii) in the case of a tax or claim which has or may become a Lien against any of the Collateral, such contest proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such tax or claim. The Borrower will not, nor will it permit any of its Subsidiaries to, file or consent to the filing of any consolidated income tax return with any Person (other than the Owner Pledgor, its direct or indirect parent, the Borrower or any Subsidiary).

Section 7.5 Lenders Meetings. The Borrower will, upon the request of the Administrative Agent or the Required Lenders, participate in a meeting of the Administrative Agent and the Lenders once during each Calendar Year to be held at the Borrower's corporate offices (or at such other location, which may be remotely, as may be agreed to by the Borrower and the Administrative Agent) at such time as may be agreed to by the Borrower and the Administrative Agent.

Section 7.6 Compliance with Laws and Material Contracts. Each Credit Party will comply, and will cause each of its Subsidiaries and all other Persons, if any, on or occupying any Facility to comply, with (a) the Patriot Act and OFAC rules and regulations, (b) all other Applicable Laws and (c) all Material Contracts, noncompliance with which, with respect to clauses (b) and (c), could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 7.7 Further Assurances. At any time or from time to time upon the request of the Administrative Agent, each Credit Party will, at its expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as the Administrative Agent may reasonably request in order to effect fully the purposes of the Credit Documents, including providing the Administrative Agent with any information reasonably requested pursuant to Section 7.1, and executing such new or revised QSF Instruction Letters, MSP Instruction Letters or Lender Authorization Letters.

Section 7.8 General Corporate Obligations. Each Credit Party, respectively, agrees that it has not and shall not:

(a) fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its formation, or without the prior written consent of the Administrative Agent, amend, modify, change, repeal, terminate or fail to comply with the provisions of such Credit Party's Organizational Documents, as the case may be;

(b) commingle its assets with the assets of any of its general partners, members, Affiliates, principals or any other Person or entity;

(c) [Reserved];

(d) fail to maintain its records, books of account and bank accounts, separate and apart from those of the general partners, members, principals and Affiliates of the Borrower or the Affiliates of a general partner or member of the Borrower or any other Person, which records shall reasonably identify its assets, including by specific listing, category, type, quantity, computational or allocational formula or procedure (including a percentage or share of any asset or assets) or by any other method where the identity of such assets is objectively determinable;

(e) except for (i) the Credit Documents, or permitted by the Credit Documents or (ii) the New Money Loan Documents, or permitted by the New Money Loan Documents, enter into any contract or agreement with any general partner, member, principal or Affiliate of the Borrower, or any general partner, member, principal or Affiliate of any Credit Party, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any general partner, member, principal or affiliate of the Borrower, or any general partner, member, principal or Affiliate of any Credit Party, or fail to maintain separate financial statements from those of its general partners, members, principles and Affiliates;

(f) seek the dissolution or winding up, in whole or in part, of the Borrower or take any action that would cause the Borrower to become insolvent;

(g) with respect to the Borrower and the SPV, after giving effect to any contributions and indemnifications, and on a consolidated basis, fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(h) fail to observe all requisite organizational formalities required under applicable law; and

(i) fail to use commercially reasonable efforts to cause its members, managers, directors, officers, agents and other representatives to act at all times with respect to the Borrower consistently and in furtherance of the foregoing and in the best interests of the Borrower.

In the event of any inconsistency between the covenants set forth in this Section 7.8 or the other covenants set forth in this Agreement, or in the event that any covenant set forth in this Section 7.8 poses a greater restriction or obligation than is set forth elsewhere in this Agreement, the covenants set forth in this Section 7.8 shall control.

Section 7.9 Cash Management Systems. The Credit Parties shall establish and maintain cash management systems as set forth below.

(a) Collection System.

(i) (A) The Credit Parties shall maintain the Borrower Lockbox Account in accordance with the terms hereof and the other Credit Documents, into which all Collections shall be deposited, and (B) the Credit Parties shall have established, for the benefit of the New Money Agent, if applicable, one or more Additional Controlled Accounts pursuant to one or more Additional Control Agreements, as described in Section 2.9(c), providing for all amounts deposited in such Additional Controlled Account to be transferred daily into the Borrower Lockbox Account (collectively, the "Collection System").

(ii) No Credit Party shall modify the Collection System or establish any new Collection System without the prior written consent of the New Money Agent in its sole and absolute discretion, and prior to establishing any such new Collection System, the Borrower shall cause each bank or financial institution (as may be consented to by the Administrative Agent in its sole and absolute discretion) with which it seeks to establish such a Collection System to enter into a control agreement in form and substance satisfactory to the Administrative Agent in its sole and absolute discretion in respect of each account receiving any Collections, and the parties to the Account Administration Agreement, if any, shall have amended or supplemented the terms thereof to apply to each account receiving any Collections.

(iii) Without the prior written consent of the New Money Agent, no Credit Party shall, in a manner adverse to the New Money Agent, change any instructions given to any Payor which in any manner redirects Collections to any account which is not the Borrower Lockbox Account or a Controlled Account.

(iv) The Borrower acknowledges and agrees that the funds on deposit in the Collection System shall continue to be collateral security for the Obligations secured thereby.

(v) The Borrower shall timely pay in full all Account Bank Fees and all Account Administrator Fees.

(vi) If the Servicer's on-line daily access to the Accounts is terminated or interrupted or the Servicer otherwise requests, no later than five (5) Business Days after receipt by or on behalf of the Borrower of each bank statement in respect of the Controlled Accounts, the Borrower shall deliver to the New Money Agent, the Servicer and the Account Administrator, if any, true, correct and complete copies of the same.

(b) Receivables Payment; Collection.

(i) Instructions to Payors. The Credit Parties shall (i) instruct each Payor (with a copy to the New Money Agent), to make all payments with respect to any amount due to the Borrower or Assignee directly to the Collection System by wire (and/or by check), and such instructions shall not be amended, terminated or revoked without the prior written consent of the New Money Agent, and may, as directed by the New Money Agent, be issued directly by the New Money Agent or its representatives, pursuant to authority granted in a Lender Authorization Letter and (ii) promptly (and in no event any later than five (5) Business Day) deposit, or cause to be deposited, all Collections received by any Credit Party, whether in the form of cash, checks, notes, drafts, bills of exchange, money orders or otherwise, into the Collection System in precisely the form in which they are received (but with any endorsements of such Credit Party, as applicable, necessary for

deposit or collection), and until they are so deposited to hold such payments in trust for and as the property of the New Money Agent. In connection with any HC Claim in respect of which a QSF is established, the Credit Parties shall promptly, and in any event before any amounts are paid to or for the benefit of any Credit Party in respect of any such HC Claim, execute a QSF Instruction Letter.

(ii) Collections Received Outside of Collection System. In the event any Credit Party receives any Collections other than by such amounts being deposited by the applicable payor directly to the Collection System, the Borrower shall (and shall cause any other Credit Party that receives such Collections to) promptly (and in any event no later than five (5) Business Days following receipt) notify the New Money Agent, the Servicer and the Account Administrator in writing, and deposit all such Collections, whether in the form of cash, checks, notes, drafts, bills of exchange, money orders or otherwise into the Collection System in accordance with Section 7.9(a) in precisely the form in which they are received (but with any endorsements of such Credit Party, as applicable, necessary for deposit or collection), and until they are so deposited to hold such payments in trust for and as the property of the New Money Agent.

(c) Duties of Borrower.

(i) The Credit Parties shall at all times have electronic access to data, concerning the payment status of each HC Claim and the related Payors' names and addresses. In the event any HC Case Proceeds become payable by a new Payor during the term hereof, the Borrower shall promptly (and in any event, within five (5) Business Days) notify the Administrative Agent in writing of such new Payor, which notice shall include the name, address and other contact information of such Payor and a schedule of HC Claims subject to such new Payor.

(ii) The Credit Parties shall hold (in physical or electronic form) in trust for the Administrative Agent all Records that evidence or relate to the Collateral or that are otherwise necessary or desirable to collect HC Case Proceeds, and shall, as soon as reasonably practicable upon demand of the Administrative Agent, deliver or make available to the Administrative Agent all such Records at a place selected by the Administrative Agent; provided, that, the Credit Parties have not and shall not be required to disclose to the Administrative Agent any information relating to any HC Claim that is privileged and/or confidential under applicable Disciplinary Rules or pursuant to the CAA and/or the CRSA. Unless and until such Records are delivered to the Administrative Agent, the Credit Parties agree that it will, respectively, maintain possession of such Records as agent for the Administrative Agent for purposes of perfecting the Administrative Agent's security interest therein. All such Records shall be conspicuously marked with a notice stating that a security interest in such Records has been granted to the Administrative Agent hereunder.

(iii) The Credit Parties agree that HC Case Proceeds includes any HC Case Proceeds that are due to the Borrower or Assignee and paid to a Credit Party or any Affiliate of a Credit Party (in error) and the Owner Pledgor and Borrower shall (and shall cause any of their Affiliates that receives such HC Case Proceeds to) promptly notify the Administrative Agent, the Servicer and the Account Administrator in writing, and deposit all such HC Case Proceeds, whether in the form of cash, checks, notes, drafts, bills of exchange, money orders or otherwise into the Collection System in accordance with Section 7.9(a) in precisely the form in which they are received (but with any endorsements

of such Credit Party or Affiliate, as applicable, necessary for deposit or collection), and until they are so deposited to hold such payments in trust for and as the property of the Administrative Agent.

Section 7.10 Maintenance of Properties. Each Credit Party will, and will cause the Borrower's Subsidiaries to, maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear and casualty and condemnation excepted, all property reasonably necessary to the normal conduct of business of such Credit Party and Subsidiaries and from time to time will make or cause to be made all appropriate repairs, renewals and replacements thereof, in each case, except where the failure to maintain such properties or make such repairs or renewals could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect.

Section 7.11 Insurance. The Credit Parties will, and will cause each of their Subsidiaries and the Key Persons, as applicable, to, maintain or cause to be maintained, with financially sound and licensed insurers, property insurance, cyber insurance and a professional liability insurance policy in sufficient coverage as required by the HC Agreements (against which amount no claims are made), in each case in such amounts, with such deductibles, covering such risks and otherwise substantially consistent with the existing insurance the Credit Parties and Subsidiaries maintain as of the Effective Date and as scheduled on Schedule 7.11 (or is otherwise reasonably acceptable to the Administrative Agent).

Section 7.12 Due Diligence; Access to Certain Documentation.

(a) The Administrative Agent, and its agents or professional advisors, shall have the right under this Agreement, from time to time, at its discretion and upon reasonable prior written notice to the relevant party, to examine, audit, copy, run comparative analysis on and take extracts from, during business hours or at such other times as might be reasonable under applicable circumstances, any and all of the books, records, financial statements, credit and collection policies, legal and regulatory compliance, operating and reporting procedures and information systems, its directors, officers and employees, or other information and information systems (including without limitation customer service and/or whistleblower hotlines) of the Borrower, or held by another for any Credit Party or on its behalf, concerning or otherwise affecting the Collateral or this Agreement, as applicable, in each case, subject to applicable Disciplinary Rules relating to attorney-client privilege; provided, however, that prior to the occurrence of an Event of Default that is then continuing, the Administrative Agent shall exercise such right no more than once in any Calendar Year. The Administrative Agent, and its agents and professional advisors, shall treat as confidential any information obtained during the aforementioned examinations which is not already publicly known or available; provided, however, that the Administrative Agent, and its agents or professional advisors, may disclose such information (i) if required to do so by law or by any regulatory authority or (ii) if otherwise permitted to do so pursuant to Section 11.15.

(b) Upon reasonable prior written notice and during regular business hours, each Credit Party agrees to promptly provide the Administrative Agent, and its respective agents or professional advisors, with access to, copies of and extracts from any and all documents, records, agreements, instruments or information (including, without limitation, any of the foregoing in computer data banks and computer software systems) which the Administrative Agent, or its respective agents or professional advisors, may reasonably require in order to conduct periodic due diligence relating to such Credit Party in connection with any Credit Document or any Collateral, in each case, subject to applicable Disciplinary Rules relating to attorney-client privilege.

(c) [Reserved].

(d) All reasonable costs and expenses incurred by the Administrative Agent and the Lender, and its respective agents or professional advisors, in connection with the due diligence and other matters outlined in this Section 7.12 shall, if an Event of Default shall have occurred and be continuing, be Permitted Lender Expenses, subject to Section 7.12(a), which the Borrower shall reimburse to the Administrative Agent and the Lender, or shall pay or cause to be paid.

(e) Without limiting the generality of the foregoing, the Borrower acknowledges that the Lender shall make the Loan to the Borrower based solely upon the information provided by the Credit Parties to the Administrative Agent and the representations, warranties and covenants contained herein, and that the Administrative Agent and the Lender shall have the right at any time and from time to time to conduct a partial or complete due diligence review, at its option and, to the extent that the expense of such review is not a Permitted Lender Expense, at its expense, on some or all of the Cases or other Collateral.

Section 7.13 Use of Proceeds. The Credit Parties will use the proceeds of the Loans in accordance with the provisions of Section 6.25.

Section 7.14 Claims Data. Owner Pledgor and the Borrower hereby agree to, and shall use commercially reasonable efforts to cause Assignee to, exercise and enforce its rights under the HC Agreements to cause the Assignor or its Affiliates to continue to make available the Claims Data to Assignee, and attorneys and law firms engaged in prosecuting or otherwise pursuing recoveries through the conclusion of all recovery efforts, in each case, pursuant to the terms of the CRSA and any formal or informal processes or pattern or practice Owner Pledgor and its Affiliates have established to maximize the information flow in respect of the HC Claims, including the accessing of the patient and other claims data in respect of the HC Claims directly from the United States' Department of Health and Human Services Centers for Medicare & Medicaid Services Medicare Data Communications Network (MDCN) portal and other similar or analogous portals and platforms and any other data collection processes that MSP has utilized or may utilize in the future to prosecute HC Claims and maximize recoveries thereunder. In furtherance and not by way of limitation of the foregoing, Owner Pledgor and its Affiliates agrees to and acknowledges Borrower's rights to exercise or enforce any of the remedies pursuant to agreements between Affiliates of Assignee and Owner Pledgor and its Affiliates in respect of the HC Claims. To help avoid or resolve any dispute or disagreement concerning the availability of Claims Data in respect of the HC Claims, Owner Pledgor hereby agrees to, and shall use commercially reasonable efforts to cause Assignee to, exercise and enforce their respective rights under the HC Agreements to pursue by formal action or informal arrangements to cause Assignor to make available to Assignee, and attorneys and law firms engaged in prosecuting or otherwise pursuing recoveries from or under the HC Claims any underlying claims files or other data relating to such Claims Data, for any HC Claims, including in the event of the expiration or termination of the HC Agreements, and/or any agreement in furtherance of such arrangements, in order to allow such attorneys or law firms to use such Claims Data and related data to pursue recovery of the HC Claims.

Section 7.15 Equity Interests. Each Credit Party shall cause (i) one hundred percent (100%) of the issued and outstanding Equity Interests in the Borrower to be owned by the Owner Pledgor and one hundred percent (100%) of the issued and outstanding Equity Interests in the Assignee to be owned by the Borrower, and (ii) pursuant to the terms and conditions of the Collateral Documents, together with opinions of counsel and any filings and deliveries or other items reasonably requested by the Administrative Agent necessary in connection therewith (to the extent not delivered on the Effective Date) perfection of the security interests granted in such Collateral Documents, all in form and substance reasonably satisfactory to the Administrative Agent.

Section 7.16 Books and Records. Each Credit Party will keep, and will cause each of the Borrower's Subsidiaries to keep, proper books of record and account in which full, true and correct entries sufficient to enable the preparation of financial statements in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of such Credit Party or such Subsidiary, as the case may be.

Section 7.17 Legal Counsels. Pursuant to the terms of the Healthcare Legal Services Agreement and the Collateral Administration Agreement,

(a) The Credit Parties shall ensure that at all times, one or more legal counsel(s) are engaged to provide high quality legal work and service in connection with, and use best efforts to prevail on behalf of, the Credit Parties in the related HC Claim(s) and the collection of HC Case Proceeds, including by pursuing any and all available enforcement strategies necessary to confirm and collect upon any award in favor of the Credit Parties in connection with each HC Claim; provided, however, that any such legal counsel may cease such representation (with respect to any single HC Claim) and withdraw as counsel, if the Credit Parties reasonably and in good faith determine that (x) the applicable HC Claim no longer has merit and (y) such withdrawal would not have a Material Adverse Effect; provided further, however, such withdrawal may only be made with the consent of the Administrative Agent or the Servicer (on behalf of the Lender). The fact that such HC Claim is no longer being handled by the Borrower will then be expressly noted on the next applicable monthly report delivered by the Credit Parties to the Administrative Agent and the Servicer pursuant to the Credit Documents.

(b) The Credit Parties hereby irrevocably authorize the Administrative Agent and the Servicer, upon the occurrence of an Event of Default, to the extent not prohibited by the Disciplinary Rules or any other applicable law, to communicate directly with the legal counsel(s) retained to pursue an HC Claim or any other third party regarding the status of the Collateral, to enforce the rights and remedies of the Credit Parties under any retainer agreements with such legal counsel(s), and to deliver to the applicable payor a QSF Instruction Letter and, if applicable, direct instructions to a court. To that end, the Credit Parties shall comply with all directions made by the Administrative Agent and/or the Servicer regarding the preparation, execution and delivery of such QSF Instruction Letters and direct instructions to a court and/or Responsible Party.

Section 7.18 Anti-Terrorism; OFAC; Anti-Corruption. Each of the representations and warranties set out in Section 6.18 shall be deemed here restated and, *mutatis mutandis*, construed as covenants made and given under this Section 7.18.

Section 7.19 Other HC Claims Transactions. Any Credit Party may only finance or otherwise transact in the HC Claims with the prior written consent of the Administrative Agent, such consent not to be unreasonably withheld, provided, that, all Obligations have been paid in full (or will be repaid in full as a result of such transaction).

Section 7.20 Post-Closing Covenants.

(a) MSP Instruction Letters. Within ten (10) Business Days after the Effective Date, the Credit Parties shall execute, (or the Credit Parties shall cause to be executed), MSP Instruction Letters (in a form acceptable to the Administrative Agent (in its sole and absolute discretion)).

SECTION 8
NEGATIVE COVENANTS

Each Credit Party covenants and agrees that until the Obligations shall have been paid in full or (other than contingent indemnification obligations for which no claims has been asserted), and the Commitments hereunder shall have expired or been terminated, such Credit Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this Section 8.

Section 8.1 Indebtedness. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, other than:

(a) the Obligations;

(b) Guarantees with respect to Indebtedness permitted under this Section 8.1;

(c) Indebtedness existing on the Effective Date and described in Schedule 8.1; and

(d) The Indebtedness in connection with the New Money Loan Documents.

provided, that, the Owner Pledgor may incur any Indebtedness so long as such Indebtedness is not secured by the Collateral (including any rights, proceeds, security interests, remedies or privileges thereof).

Section 8.2 Liens. No Credit Party (other than the Owner Pledgor) shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of any Credit Party (other than the Owner Pledgor) or any of its Subsidiaries, including any Lien on or pledge of the equity interests of Borrower and the Series, whether now owned or hereafter acquired, created or licensed or any income, profits or royalties therefrom, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income, profits or royalties under the UCC of any State or under any similar recording or notice statute or under any Applicable Laws related to intellectual property, except:

(a) Liens granted pursuant to any Credit Document, the 2022 Credit Agreement (and related collateral documents) and the New Money Loan Documents;

(b) Liens for Taxes not yet due or for Taxes if obligations with respect to such Taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted;

(c) statutory Liens of landlords, banks, carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens imposed by law that would constitute an Event of Default;

(d) any interest or title of a lessor or sublessor under any lease of real estate permitted hereunder;

(e) purported Liens evidenced by the filing of precautionary UCC financing statements relating solely to operating leases of personal property entered into in the ordinary course of business;

(f) licenses of patents, trademarks and other intellectual property rights granted by any Credit Party or any of its Subsidiaries in the ordinary course of business and not interfering in any respect with the ordinary conduct of the business of such Credit Party or such Subsidiary;

(g) Liens existing as of the Effective Date and described in Section 8.2;

(h) Liens in favor of collecting banks under Section 4-210 of the UCC;

(i) Liens (including the right of set-off) in favor of a bank or other depository institution arising as a matter of law encumbering deposits.

Section 8.3 No Further Negative Pledges. No Credit Party shall, nor shall it permit any of its Subsidiaries to, enter into any Contractual Obligation (other than this Agreement and the other Credit Documents and the New Money Loan Documents) that limits the ability of any Credit Party or any such Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person that constitutes Collateral.

Section 8.4 Subsidiaries. No Credit Party (other than the Owner Pledgor) shall form any Subsidiary, unless such Subsidiary (i) at Administrative Agent's sole discretion, expressly joins this Agreement as a borrower and becomes jointly and severally liable for the obligations of Borrower hereunder, under the Notes, and under any other agreement between Borrower and Lender, and (ii) Administrative Agent shall have received all documents, including without limitation, legal opinions and appraisals it may reasonably require to establish compliance with each of the foregoing conditions in connection therewith.

Section 8.5 Parties under 2022 Credit Agreement. Borrower may not discharge Milberg under the 2022 Credit Agreement if, and to the extent, Milberg is required to be retained to pursue the Cases in respect of the HC Claims.

Section 8.6 Existing Legal Services Agreement. Borrower may not terminate the Existing Legal Services Agreement without the Administrative Agent's prior written consent.

Section 8.7 Accounts. The Borrower shall not establish or maintain a deposit account or a securities account other than the Accounts identified on Schedule 1.1(a), as such Schedule 1.1(a) may be updated from time to time with the prior written consent of the New Money Agent or as otherwise updated pursuant to Section 2.9. The Credit Parties shall not, and shall not direct or permit any Person to, deposit Collections in any account that is not a Controlled Account (except in accordance with Section 7.9(b)(ii)).

Section 8.8 Burdensome Agreements. The Borrower shall not, nor shall it permit any of its Subsidiaries to, enter into, or permit to exist, any Contractual Obligation that encumbers or restricts the ability of any such Person to (a) pay dividends or make any other distributions to the Borrower on its Equity Interests or with respect to any other interest or participation in, or measured by, its profits, (b) pay any Indebtedness or other obligation owed to any Credit Party (other than the Owner Pledgor), (c) make loans or advances to any Credit Party (other than the Owner Pledgor), (d) sell, lease or transfer any of its property to any Credit Party (other than the Owner Pledgor), (e) pledge its property pursuant to the Credit Documents or any renewals, refinancings, exchanges, refundings or extension thereof or (f) act as a Credit Party pursuant to the Credit Documents or any renewals, refinancings, exchanges, refundings or extensions thereof, except (in respect of any of the matters referred to in clauses (a)-(e) above) for (i) this Agreement and the other Credit Documents, (ii) any document or instrument governing Indebtedness incurred pursuant to Section 8.1(f); provided, that, any such restriction contained therein relates only to the asset or assets constructed or acquired in connection therewith, (iii) any Permitted Lien or any document or instrument governing any Permitted Lien, provided, that, any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien or (iv) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 8.11 pending the consummation of such sale.

Section 8.9 Investments. The Borrower shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly, make or own any Investment in any Person (including any joint venture), except:

(a) Investments in cash and Cash Equivalents and deposit accounts or securities accounts in connection therewith;

(b) equity Investments owned as of the Effective Date in any Subsidiary as disclosed on Schedule 6.2;

(c) guarantees to the extent permitted under Section 8.1(b).

Section 8.10 Use of Proceeds. No Credit Party shall use the proceeds of the Loan except in a manner and to the extent permitted by Section 6.25. No Credit Party shall use, and each Credit Party shall not permit its Subsidiaries and its or their respective directors, officers, employees and agents to use, the proceeds of the Loan (a) to refinance any commercial paper, (b) in any manner that causes or might cause the Loan or the application of such proceeds to violate any applicable Sanctions, Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System as in effect from time to time or any other regulation thereof or to violate the Exchange Act, (c) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, or (d) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country.

Section 8.11 Fundamental Changes; Disposition of Assets; Acquisitions. The Borrower shall not, nor shall it permit any of its Subsidiaries to, enter into any acquisition or transaction of merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or make any Asset Sale, or acquire by purchase or otherwise the business, property or fixed assets of, or Equity Interests or other evidence of beneficial ownership of, any Person or any division or line of business or other business unit of any Person, except any Subsidiary of the Borrower may be merged with or into the Borrower or any Subsidiary, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to the Borrower; provided, in the case of such a merger if the Borrower is party to the merger, the Borrower shall be the continuing or surviving Person.

Section 8.12 Disposal of Subsidiary Interests. Except for any sale of all of its interests in the Equity Interests of any of its Subsidiaries in compliance with the provisions of Section 8.11 and except for Liens securing the Obligations, the Borrower shall not, nor shall it permit any of its Subsidiaries to, (a) directly or indirectly sell, assign, pledge or otherwise encumber or dispose of any Equity Interests of any of its Subsidiaries; or (b) permit any of its Subsidiaries directly or indirectly to sell, assign, pledge or otherwise encumber or dispose of any Equity Interests of any of its Subsidiaries, except to another Credit Party (subject to the restrictions on such disposition otherwise imposed hereunder), or to qualify directors if required by Applicable Laws.

Section 8.13 Capital Leases, Synthetic Leases, Securitization Transactions and Sale and Leaseback Transactions. The Borrower shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any Capital Lease, Synthetic Lease, Securitization Transaction or Sale and Leaseback Transaction.

Section 8.14 Transactions with Affiliates and Insiders. The Borrower shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any officer, director or Affiliate of the Borrower or any its Subsidiaries without the consent of the Administrative Agent,

provided, that, the activities and transactions among the Credit Parties that are not otherwise prohibited hereunder or under any Material Contract shall be permitted.

Section 8.15 Prepayment of Other Funded Debt. The Borrower shall not, nor shall it permit any of its Subsidiaries to:

(a) after the issuance thereof, amend or modify (or permit the termination, amendment or modification of) the terms of any Funded Debt;

(b) amend or modify, or permit or acquiesce to the amendment or modification (including waivers) of, any provisions of any Subordinated Debt, including any notes or instruments evidencing any Subordinated Debt and any indenture or other governing instrument relating thereto;

(c) make any payment in contravention of the terms of any Subordinated Debt; or

(d) make any voluntary prepayment, redemption, defeasance or acquisition for value of (including by way of depositing money or securities with the trustee with respect thereto before due for the purpose of paying when due), or refund, refinance or exchange of, any Funded Debt (other than the Indebtedness under the Credit Documents, intercompany Indebtedness permitted hereunder and Indebtedness permitted under Section 8.1(c)).

Section 8.16 Conduct of Business. No Credit Party shall, nor shall it permit any of the Borrower's Subsidiaries to, engage in any business other than the businesses engaged in by such Credit Party or such Subsidiary on the Effective Date and businesses reasonably related, ancillary, or complimentary thereto or reasonable extensions or expansions thereof.

Section 8.17 Calendar Year. No Credit Party shall, nor shall it permit any of the Borrower's Subsidiaries to change its Calendar Year-end from December 31.

Section 8.18 Amendments to Organizational Agreements/Material Agreements. No Credit Party shall, nor shall it permit any of the Borrower's Subsidiaries to, amend or permit any amendments to its Organizational Documents if such amendment could reasonably be expected to be materially adverse to the Lenders or the Administrative Agent. No Credit Party shall, nor shall it permit any of the Borrower's Subsidiaries to, amend or permit any amendment to, or terminate or waive any provision of, any Material Contract unless such amendment, termination, or waiver would not have a Material Adverse Effect on the Administrative Agent or the Lenders.

Section 8.19 Assignor Agreements. No Credit Party shall, nor shall it permit any of the Borrower's Subsidiaries to, take or permit any action that could reasonably result in a default under, or the termination of, any of the HC Agreements.

Section 8.20 Settlement of Claims. No Credit Party shall, nor shall it permit any of the Borrower's Subsidiaries to, settle or compromise any HC Claim or litigation or apply the HC Case Proceeds without the prior written consent of the Operating Committee and, in connection with any such settlement, the Credit Parties shall notify the relevant Payor that all proceeds of such settlement shall be paid to the Borrower Lockbox Account.

Section 8.21 Assignments. No Credit Party shall, nor shall it permit the Borrower's Subsidiaries to, sell, convey or otherwise transfer, or grant a security interest in any of its rights, titles, interests, remedies and privileges under the CAA or the CRSA, nor make any assignment of the HC Claims or the HC Case

Proceeds, other than pursuant to this Agreement, the other Credit Documents and/or the New Money Loan Documents.

Section 8.22 Owner Pledgor. Notwithstanding the foregoing, Owner Pledgor shall not take any action that the Borrower or its Subsidiary is not permitted to take under this Section 8 if and solely to the extent that such action could reasonably be expected to have a Material Adverse Effect on the Administrative Agent's or any Lender's rights and security interests under this Agreement or any HC Agreement.

SECTION 9
EVENTS OF DEFAULT; REMEDIES; APPLICATION OF FUNDS.

Section 9.1 Events of Default. If any one or more of the following conditions or events shall occur:

(a) Material Contracts. (i) Any termination or breach of any of the Collateral Administration Agreement (other than by approval of the Operating Committee), Healthcare Legal Services Agreement (other than by approval of the Operating Committee), IP License Agreement, or (ii) the HC Agreements are cancelled or otherwise terminated and such cancellation or termination would have a material adverse effect on the scope, timing or recoverability of the HC Claims or (iii) failure of any Credit Party to pay the Threshold Amount (as defined in Exhibit F to the CRSA) pursuant to the terms thereof (unless such failure is a direct result of the Administrative Agent's failure to comply with the provisions of Section 2.11 following receipt of an agreed Settlement Report).

(b) Failure to Make Payments When Due. Failure by any Credit Party or any Owner Pledgor to pay (i) the principal of any Loan when due, whether at stated maturity, by acceleration or otherwise; or (ii) within three (3) Business Days of when due any interest on any Loan or any fee or any other amount due hereunder; or

(c) Default in Other Agreements. (i) Failure of any Credit Party, any Subsidiary or any Owner Pledgor to pay when due any principal of or interest on or any other amount payable in respect of one or more items of Indebtedness for borrowed money (other than Indebtedness referred to in Section 8.1(a)) in an aggregate principal amount of $5,000,000 or more, in each case beyond the grace or cure period, if any, provided therefor; or (ii) breach or default by any Credit Party, any Subsidiary or any Owner Pledgor with respect to any other term of (1) one or more items of such Indebtedness in the aggregate principal amount referred to in clause (i) above, or (2) any loan agreement, mortgage, indenture or other agreement relating to such Indebtedness, in each case beyond the grace or cure period, if any, provided therefor, if the effect of such breach or default is to cause, or to permit the holder or holders of such Indebtedness (or a trustee on behalf of such holder or holders), to cause, such Indebtedness to become or be declared due and payable (or subject to a compulsory repurchase or redeemable) prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be; or

(d) Breach of Certain Covenants. (A) Failure of any Credit Party to perform or comply with any term or condition contained in Section 7.1(d)(i), Section 7.3, Section 7.8, Section 7.9, Section 7.13, or Section 8; or (B) failure of any Credit Party to perform or comply with any term or condition contained in Section 7.1(b), Section 7.1(c), Section 7.1(d)(ii)-(iv) Section 7.1(f), or Section 7.2 and such failure shall not have been remedied or waived within 20 Business Days (60 days, in the case of failure to deliver unqualified audit report from accountant pursuant to Section

7.2(c)(ii)) after the earlier of (i) an Authorized Officer of any Credit Party or any Owner Pledgor becoming aware of such default, and (ii) receipt by the Borrower of notice from the Administrative Agent or any Lender of such default; or

(e) Breach of Representations, etc. Any representation, warranty, certification or other statement made or deemed made by any Credit Party or any Owner Pledgor in any Credit Document or in any statement or certificate at any time given by any Credit Party, any of its Subsidiaries or any Owner Pledgor in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect as of the date made or deemed made; or

(f) Other Defaults Under Credit Documents. Any Credit Party or any Owner Pledgor shall default in the performance of or compliance with any term contained herein or any of the other Credit Documents, other than any such term referred to in any other Section of this Section 9.1, and such default shall not have been remedied or waived within thirty (30) days after the earlier of (i) an Authorized Officer of any Credit Party or any Owner Pledgor becoming aware of such default, and (ii) receipt by the Borrower of notice from the Administrative Agent or any Lender of such default; or

(g) Involuntary Bankruptcy; Appointment of Receiver, etc. (i) A court of competent jurisdiction shall enter a decree or order for relief in respect of any Credit Party, any Subsidiary or any Owner Pledgor in an involuntary case under the Bankruptcy Code or Debtor Relief Laws now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law; or (ii) an involuntary case shall be commenced against any Credit Party, any Subsidiary or any Owner Pledgor under the Bankruptcy Code or other Debtor Relief Laws now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over any Credit Party, any Subsidiary or any Owner Pledgor, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of any Credit Party, any Subsidiary or any Owner Pledgor for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of any Credit Party, any Subsidiary or any Owner Pledgor, and any such event described in this clause (ii) shall continue for sixty (60) days without having been dismissed, stayed, bonded or discharged; or

(h) Voluntary Bankruptcy; Appointment of Receiver, etc. (i) Any Credit Party, any Subsidiary or any Owner Pledgor shall have an order for relief entered with respect to it or shall commence a voluntary case under the Bankruptcy Code or other Debtor Relief Laws now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or any Credit Party, any Subsidiary or any Owner Pledgor shall make any general assignment for the benefit of creditors or (ii) any Credit Party, any Subsidiary or any Owner Pledgor shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the board of directors (or similar governing body) of any Credit Party or any Subsidiary or any committee thereof shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in Section 9.1(f); or

(i) Judgments and Attachments. (i) Any one or more money judgments, writs or warrants of attachment or similar process involving an aggregate amount at any time in excess of $500,000 (to the extent not adequately covered by insurance as to which a solvent and unaffiliated

insurance company has acknowledged coverage) shall be entered or filed against any Credit Party, any Subsidiary or any Owner Pledgor or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days; or (ii) any non- monetary judgment or order shall be rendered against any Credit Party, any Subsidiary or any Owner Pledgor that could reasonably be expected to have a Material Adverse Effect, and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days; or

(j) Dissolution. Any order, judgment or decree shall be entered against any Credit Party, any Subsidiary or any Owner Pledgor decreeing the dissolution or split up of such Credit Party, such Subsidiary or such Owner Pledgor (other than into another Credit Party) and such order shall remain undischarged or unstayed for a period in excess of thirty (30) days; or

(k) Termination of Series. MSP Recovery Claims, Series LLC liquidates, winds-up or dissolves itself (or suffers any liquidation or dissolution);

(l) Change of Control. A Change of Control shall occur; or

(m) Invalidity of Credit Documents and Other Documents. At any time after the execution and delivery thereof, (i) this Agreement or any other Credit Document ceases to be in full force and effect (other than by reason of a release of Collateral in accordance with the terms hereof or thereof or the satisfaction in full of the Obligations (other than contingent indemnification obligations for which no claim has been asserted) in accordance with the terms hereof) or shall be declared null and void, or the Administrative Agent shall not have or shall cease to have a valid and perfected (to the extent perfection is required by this Agreement or the Collateral Documents) Lien in any material portion of the Collateral purported to be covered by the Collateral Documents with the priority required by the relevant Collateral Document (except as a result of the Administrative Agent's failure to (x) maintain possession of any stock certificates, promissory notes or other instruments delivered to it under the Collateral Documents, or (y) make any filing of UCC continuation statements), (ii) any Credit Party or any Owner Pledgor shall contest the validity or enforceability of any Credit Document in writing or deny in writing that it has any further liability, including with respect to future advances by the Lenders, under any Credit Document to which it is a party, or (iii) any litigation challenging, enjoining or otherwise having a material adverse impact on the rights and obligations of the Parties hereunder is commenced or threatened in writing; or

(n) Subordination Agreement. Any subordination agreement for the benefit of the Lenders in respect of the Indebtedness of the Credit Parties shall cease to be in full force and effect, or the Credit Parties, any holder of any Subordinated Debt, or any other party shall contest in any manner the validity, binding nature or enforceability of any such subordination agreement.

Section 9.2 Remedies. (1) Upon the occurrence of any Event of Default described in Section 9.1(g), Section 9.1(h) or Section 9.1(l), automatically, and (2) upon the occurrence and during the continuance of any other Event of Default, at the request of (or with the consent of) the Required Lenders, upon notice to the Borrower by the Administrative Agent, (A) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by each of the Credit Parties: (I) the unpaid principal amount of and accrued interest on the Loans, and (II) all other Obligations, and (B) the Administrative Agent may cause the Administrative Agent to enforce any and all Liens and security interests created pursuant to Collateral Documents. Notwithstanding anything herein or otherwise to the contrary, any Event of Default occurring hereunder shall continue to exist (and shall be deemed to be continuing) until such time as such

Event of Default has been cured to the satisfaction of the Required Lenders or waived in writing in accordance with the terms of Section 11.4.

Section 9.3 Application of Funds. After the exercise of remedies provided for in Section 9.2 (or after the Loans have automatically become immediately due and payable), any amounts received on account of the Obligations shall be applied by the Administrative Agent pursuant to the waterfall specified in Section 2.11.

SECTION 10
AGENCY

Section 10.1 Appointment and Authority.

(a) Each of the Lenders hereby irrevocably appoints HAZEL HOLDINGS I LLC to act on its behalf as the Administrative Agent hereunder and under the other Credit Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section are solely for the benefit of the Administrative Agent and the Lenders, and no Credit Party nor any of its Subsidiaries shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Credit Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) Each of the Lenders hereby irrevocably appoints, designates and authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each Collateral Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any Collateral Document, together with such powers as are reasonably incidental thereto. In addition each of the Lenders authorizes the Administrative Agent to be bound by and agree to the intercreditor related provisions included in Section 11 of the New Money Credit Agreement. Notwithstanding any provision to the contrary contained elsewhere herein or in any Collateral Document, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein or therein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender or participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any Collateral Document or otherwise exist against the Administrative Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" herein and in the Collateral Documents with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. The Administrative Agent shall act on behalf of the Lenders with respect to any Collateral and the Collateral Documents, and the Administrative Agent shall have all of the benefits and immunities (i) provided to the Administrative Agent under the Credit Documents with respect to any acts taken or omissions suffered by the Administrative Agent in connection with any Collateral or the Collateral Documents as fully as if the term "Administrative Agent" as used in such Credit Documents included the Administrative Agent with respect to such acts or omissions,

and (ii) as additionally provided herein or in the Collateral Documents with respect to the Administrative Agent.

Section 10.2 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary of the Borrower or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 10.3 Exculpatory Provisions.

(a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Credit Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Documents); provided, that, the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Credit Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11.4 and 9.2) or (ii) in the absence of its own gross negligence or willful misconduct, as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent in writing by the Borrower or a Lender.

(c) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Credit Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth Section 5 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 10.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Credit Parties and their Subsidiaries), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 10.5 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facility provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence, bad faith or willful misconduct in the selection of such sub-agents.

Section 10.6 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as the Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by Applicable Law by notice in writing to such Person remove such Person as the Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the Required Lenders (the "Removal Effective Date")), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Credit Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Credit Documents, the provisions of this Section 10 and Section 11.2 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

Section 10.7 Non-Reliance on Administrative Agent and Other Lenders. Each of the Lenders acknowledge that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each of the Lenders also acknowledge that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder.

Section 10.8 No Other Duties, etc. Anything herein to the contrary notwithstanding, none of the Joint Bookrunners, Joint Lead Arrangers, Co-Documentation Agents or Co-Syndication Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Credit Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

Section 10.9 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the

Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Section 2.7 and Section 11.2) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 2.7 and Section 11.2).

Section 10.10 Collateral Matters.

(a) The Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion,

(i) to release any Lien on any property granted to or held under any Credit Document securing the Obligations (x) upon termination of the commitments under this Agreement and payment in full of all Obligations, (y) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted under the Credit Documents or consented to in accordance with the terms of this Agreement, or (z) subject to Section 11.4, if approved, authorized or ratified in writing by the Required Lenders; and

(ii) to subordinate any Lien on any property granted to or held under any Credit Document securing the Obligations to the holder of such Lien.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property.

(b) The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

(c) Anything contained in any of the Credit Documents to the contrary notwithstanding, each of the Credit Parties, the Administrative Agent and each holder of the Obligations hereby agree that (i) no holder of the Obligations shall have any right individually to realize upon any of the Collateral or to enforce this Agreement, the Notes or any other Credit Document, it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the holders of the Obligations in accordance with the terms hereof and all powers, rights and remedies under the Collateral Documents may be exercised solely by the Administrative Agent, and (ii) in the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Administrative Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale or other disposition and the Administrative Agent, as agent for and representative of the holders of the Obligations (but not any Lender or Lenders in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Administrative Agent at such sale or other disposition.

Section 10.11 Erroneous Payments.

(a) If the Administrative Agent notifies a Lender, other holder of the Obligations or any Person who has received funds on behalf of a Lender or other holder of the Obligations (any such Lender, other holder of the Obligations or other recipient, (and each of their respective successors and assigns), a "Payment Recipient") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under the immediately succeeding clause (b)) that any funds (as set forth in such notice from the Administrative Agent) received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, other holder of the Obligations or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and (y) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent pending its return or repayment as contemplated below in this Section 10.11 and held in trust for the benefit of the Administrative Agent and such Lender or other holder of the Obligations shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two (2) Business Days thereafter, (or such later date as the Administrative Agent may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender, other holder of the Obligations or any Person who has received funds on behalf of a Lender or other holder of the Obligations (and each of their respective successors and assigns) hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or

repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender, other holder of the Obligations or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(i) it acknowledges and agrees that (A) in the case of immediately preceding clauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) in the case of immediately preceding clause (z), an error and mistake has been made, in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender or other holder of the Obligations shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one (1) Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 10.11(b).

For the avoidance of doubt, the failure to deliver a notice to the Administrative Agent pursuant to this Section 10.11(b) shall not have any effect on a Payment Recipient's obligations pursuant to Section 10.11(a) or on whether or not an Erroneous Payment has been made.

(c) Each Lender or other holder of the Obligations hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender or other holder of the Obligations under any Credit Document, or otherwise payable or distributable by the Administrative Agent to such Lender or other holder of the Obligations under any Credit Document with respect to any payment of principal, interest, fees or other amounts, against any amount that the Administrative Agent has demanded to be returned under immediately preceding clause (a).

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor in accordance with immediately preceding clause (a), from any Lender or other holder of the Obligations that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon the Administrative Agent's notice to such Lender or other holder of the Obligations at any time, then effective immediately (with the consideration therefor being acknowledged by the parties hereto), (A) such Lender or other holder of the Obligations shall be deemed to have assigned its Loans (but not its Commitments) of the relevant class with respect to which such Erroneous Payment was made (the "Erroneous Payment Impacted Class") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "Erroneous Payment Deficiency Assignment") (on a cashless basis and such amount calculated at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance)), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment Agreement (or, to the extent

applicable, an agreement incorporating an Assignment Agreement by reference pursuant to a Platform as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender or other holder of the Obligations shall deliver any Notes evidencing such Loans to the Borrower or the Administrative Agent (but the failure of such Person to deliver any such Notes shall not affect the effectiveness of the foregoing assignment), (B) the Administrative Agent as the assignee Lender shall be deemed to have acquired the Erroneous Payment Deficiency Assignment, (C) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender or other holder of the Obligations, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender or other holder of the Obligations shall cease to be a Lender or other holder of the Obligations, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender or other holder of the Obligations, (D) the Administrative Agent and the Borrower shall each be deemed to have waived any consents required under this Agreement to any such Erroneous Payment Deficiency Assignment, and (E) the Administrative Agent shall reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement.

(i) Subject to Section 11.5 (but excluding, in all events, any assignment consent or approval requirements (whether from the Borrower or otherwise)), the Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender or other holder of the Obligations shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender or other holder of the Obligations (and/or against any recipient that receives funds on its respective behalf). In addition, an Erroneous Payment Return Deficiency owing by the applicable Lender (x) shall be reduced by the proceeds of prepayments or repayments of principal and interest and any Make-Whole Amount, or other distribution in respect of principal and interest, received by the Administrative Agent on or with respect to any such Loans acquired from such Lender pursuant to an Erroneous Payment Deficiency Assignment (to the extent that any such Loans are then owned by the Administrative Agent), and (y) may in the sole discretion of the Administrative Agent be reduced by an amount specified by the Administrative Agent in writing to the applicable Lender from time to time.

(e) The parties hereto agree that (x) irrespective of whether the Administrative Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Lender or Secured Party, to the rights and interests of such Lender or Secured Party, as the case may be) under the Credit Documents with respect to such amount (the "Erroneous Payment Subrogation Rights") (provided, that, the Obligations under the Credit Documents in respect of the Erroneous Payment Subrogation Rights shall not be duplicative of such Obligations in respect of Loans that have been assigned to the Administrative Agent under an Erroneous Payment Deficiency Assignment) and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by any Credit Party; provided, that, this Section 10.11(e) shall not be

interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Obligations relative to the amount (and/or timing for payment) of the Obligations that would have been payable had such Erroneous Payment not been made by the Administrative Agent; provided, further, that, for the avoidance of doubt, the immediately preceding clauses (x) and (y) shall not apply except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower for the purpose of making such Erroneous Payment.

(f) To the extent permitted by Applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation, any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this Section 10.11 shall survive the resignation or replacement of the Administrative Agent any transfer of rights or obligations by, or the replacement of, a Lender or other holder of the Obligations, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Credit Document.

SECTION 11
MISCELLANEOUS

Section 11.1 Notices; Effectiveness; Electronic Communications.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier or electronic mail as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Administrative Agent or any Credit Party, to the address, telecopier number, electronic mail address or telephone number specified in Appendix B:

(ii) if to any Lender, to the address, telecopier number, electronic mail address or telephone number in its Administrative Questionnaire on file with the Administrative Agent.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and

Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided, that, the foregoing shall not apply to notices to any Lender pursuant to Section 2 if such Lender has notified the Administrative Agent and the Borrower that it is incapable of receiving notices under such Section by electronic communication. The Administrative Agent or any Credit Party may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided, that, approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor, provided, that, with respect to clauses (i) and (ii) above, if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient

(c) Change of Address, Etc. Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

(d) Platform.

(i) Each Credit Party agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the other Lenders by posting the Communications on Debtdomain, Intralinks, Syndtrak or a substantially similar electronic transmission system (the "Platform").

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Credit Party, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Credit Party's or the Administrative Agent's transmission of communications through the Platform. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Credit Party pursuant to any Credit Document or the transactions contemplated therein which is distributed to the Administrative Agent or any Lender by means of electronic communications pursuant to this Section, including through the Platform.

Section 11.2 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Credit Parties shall pay all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent or any Lender (including the reasonable

and documented out-of-pocket fees, charges and disbursements of counsel for the Administrative Agent or any Lender) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Credit Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans and all other Permitted Lender Expenses. Notwithstanding the foregoing, Administrative Agent agrees to pay certain expenses in respect of the Collateral Administration Agreement, as determined by the Administrative Agent in its sole discretion, which shall not be subject to reimbursement per this Section 11.2(a).

(b) Indemnification by the Credit Parties. The Credit Parties shall indemnify the Administrative Agent (and any sub-agent thereof) and each Lender (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable and documented out-of-pocket fees, charges and disbursements of counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Credit Party) other than such Indemnitee or its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Credit Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any of its Subsidiaries, and regardless of whether any Indemnitee is a party thereto; provided, that, that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by any Credit Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Credit Document, if such Credit Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This Section 11.2(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Credit Parties for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such Lender's pro rata share (in each case, determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided, that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent). The obligations of the Lenders under this subsection (c) are subject to the provisions of this Agreement that provide that their obligations are several in nature, and not joint and several.

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, none of the parties hereto shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No

Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable promptly, but in any event within ten (10) Business Days after written demand therefor (including delivery of copies of applicable invoices, if any).

(f) Survival. The provisions of this Section shall survive resignation or replacement of the Administrative Agent or any Lender, termination of the commitments hereunder and repayment, satisfaction and discharge of the loans and obligations hereunder.

Section 11.3 Set-Off. If an Event of Default shall have occurred and be continuing, each Lender, and each of their respective Affiliates, with the prior written consent of the Administrative Agent, is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of any Credit Party against any and all of the obligations of such Credit Party now or hereafter existing under this Agreement or any other Credit Document to such Lender or their respective Affiliates, irrespective of whether or not such Lender or such Affiliate shall have made any demand under this Agreement or any other Credit Document and although such obligations of such Credit Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender different from the branch or office holding such deposit or obligated on such indebtedness; provided, that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.14 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or their respective Affiliates may have. Each of the Lenders agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided, that, the failure to give such notice shall not affect the validity of such setoff and application.

Section 11.4 Amendments and Waivers.

(a) Required Lenders' Consent. Subject to Section 11.4(b) and Section 11.4(c), no amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party therefrom, shall in any event be effective without the written concurrence of the Administrative Agent and the Required Lenders; provided, that, (i) the Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement to cure any ambiguity, omission, defect or inconsistency, so long as such amendment, modification or supplement does not adversely affect the rights of any Lender, (ii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitments and/or Loans of such Lender may not be increased or extended without the consent of such Lender, (iii) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code of the United States

supersedes the unanimous consent provisions set forth herein, and (iv) the Required Lenders shall determine whether or not to allow any Credit Party to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Lenders.

(b) Affected Lenders' Consent. Without the written consent of each Lender (other than a Defaulting Lender except as provided in clause (a)(iii) above) that would be affected thereby, no amendment, modification, termination, or consent shall be effective if the effect thereof would:

(i) extend the Maturity Date;

(ii) waive, reduce or postpone any scheduled repayment (but not prepayment) of principal, interest, fees or other amounts or any scheduled or mandatory commitment reduction or alter the required application of any prepayment pursuant to Section 2.10 or the application of funds pursuant to Section 9.3;

(iii) reduce the principal amount of or the rate of interest on any Loan (other than any waiver of the imposition of the Default Rate pursuant to Section 2.6) or any fee or premium payable hereunder; provided, that, only the consent of the Required Lenders shall be necessary (A) to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest at the Default Rate or (B) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or to reduce any fee payable hereunder;

(iv) extend the time for payment of any such interest or fees;

(v) reduce or increase the principal amount of any Loan;

(vi) amend, modify, terminate or waive any provision of this Section 11.4(b) or Section 11.4(c) or any other provision of this Agreement that expressly provides that the consent of all Lenders is required;

(vii) change the percentage of the outstanding principal amount of Loans that is required for the Lenders or any of them to take any action hereunder or amend the definition of "Required Lenders";

(viii) release all or substantially all of the Collateral, except as expressly provided in the Credit Documents; or

(ix) consent to the assignment or transfer by the Borrower of any of its rights and obligations under any Credit Document (except pursuant to a transaction permitted hereunder).

(c) Other Consents. No amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party therefrom, shall amend, modify, terminate or waive any provision of this Section 11 as the same applies to the Administrative Agent, or any other provision hereof as the same applies to the rights or obligations of the Administrative Agent, in each case without the consent of the Administrative Agent.

Notwithstanding any of the foregoing to the contrary, (A) the consent of the Credit Parties shall not be required for any amendment, modification or waiver of the provisions of this Section 11 (other than the provisions of Sections 11.6, 11.10 or 11.11) so long as such amendment is not adverse to

the interests of the Borrower and the other Credit Parties, (B) the Credit Parties and/or the Administrative Agent, without the consent of any Lender, may enter into any amendment, modification or waiver of any Credit Document, or enter into any new agreement or instrument, to effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the holders of the Obligations, or as required by local law to give effect to, or protect any security interest for the benefit of the holders of the Obligations, in any property or so that the security interests therein comply with applicable law; (C) the Administrative Agent and the Borrower may amend, modify or supplement this Agreement or any other Credit Document to cure or correct administrative or technical errors or omissions or any ambiguity, mistake, defect, inconsistency, obvious error or to make any necessary or desirable administrative or technical change, and such amendment shall become effective without any further consent of any other party to such Credit Document so long as such amendment, modification or supplement does not adversely affect the rights of any Lender or any other holder of the Obligations in any material respect; and (D) this Agreement may be amended and restated without the consent of any Lender (but with the consent of the Borrower and the Administrative Agent) if, upon giving effect to such amendment and restatement, such Lender shall no longer be a party to this Agreement (as so amended and restated), the Commitments of such Lender shall have been terminated, such Lender shall have no other commitment or other obligation hereunder and shall have been paid in full all principal, interest and other amounts owing to it or accrued for its account under this Agreement.

(d) Execution of Amendments, etc. The Administrative Agent may, but shall have no obligation to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on any Credit Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 11.4 shall be binding upon the Administrative Agent, each Lender at the time outstanding, each future Lender and, if signed by the Borrower, on the Borrower.

Section 11.5 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Credit Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a

portion of its Commitments, Loans and obligations hereunder at the time owing to it); provided, that, any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's commitments and the loans at the time owing to it (in each case with respect to any credit facility) or contemporaneous assignments to Approved Funds that equal at least to the amounts specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the commitment (which for this purpose includes loans and obligations in respect thereof outstanding thereunder) or, if the commitment is not then in effect, the principal outstanding balance of the loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment Agreement with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment Agreement, as of the Trade Date) shall not be less than $1,000,000, in the case of any assignment in respect of any Term Loan Commitment and/or Term Loan, unless each of the Administrative Agent and, so long as no Event of Default shall have occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Commitments and Loans assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default shall have occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided, that, the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of the Term Loan to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund.

(iv) Assignment Agreement. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment Agreement. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (B) to any Defaulting

Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to any Disqualified Person.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person.

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment Agreement, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment Agreement, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment Agreement, be released from its obligations under this Agreement (and, in the case of an Assignment Agreement covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 2.14, Section 2.15 and Section 11.2 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that, except to the extent expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. The Borrower will execute and deliver on request, at its own expense, Notes to the assignee evidencing the interests taken by way of assignment hereunder. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in the United States, a copy of each Assignment Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the

Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided, that, (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent, and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.2(c) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided, that, such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (b) or (c) of Section 11.4 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Section 3.2 and Section 3.3 (subject to the requirements and limitations therein, including the requirements under Section 3.3(f) (it being understood that the documentation required under Section 3.3(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided, that, such Participant (A) agrees to be subject to the provisions of Sections Section 2.15 and 3.4 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 3.2 or 3.3, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.15 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.3 as though it were a Lender; provided, that, such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Credit Documents (the "Participant Register"); provided, that, no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Credit Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement, or any promissory notes evidencing its interests hereunder, to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section 11.5 shall not apply to any such pledge or assignment of a security interest; provided, that, no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 11.6 Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

Section 11.7 Survival of Representations, Warranties and Agreements. All representations, warranties and agreements made herein shall survive the execution and delivery hereof and the making of the Loan. Notwithstanding anything herein or implied by law to the contrary, the agreements of each Credit Party set forth in Section 3.2, Section 3.3, Section 11.2, Section 11.3, and Section 11.10 and the agreements of the Lenders and the Administrative Agent set forth in Section 2.13, Section 10.3 and Section 11.2(c) shall survive the payment of the Loans and the termination hereof.

Section 11.8 No Waiver; Remedies Cumulative. No failure or delay on the part of the Administrative Agent or any Lender in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to the Administrative Agent and each Lender hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Credit Documents. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

Section 11.9 Marshalling; Payments Set Aside. Neither the Administrative Agent nor any Lender shall be under any obligation to marshal any assets in favor of any Credit Party or any other Person or against or in payment of any or all of the Obligations. To the extent that any Credit Party makes a payment or payments to the Administrative Agent or the Lenders (or to the Administrative Agent, on behalf of Lenders), or the Administrative Agent or the Lenders enforce any security interests or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any Debtor Relief Law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

Section 11.10 Severability. In case any provision in or obligation hereunder or any Note or other Credit Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 11.11 Obligations Several; Independent Nature of Lenders' Rights. The obligations of the Lenders hereunder are several and no Lender shall be responsible for the obligations of any other Lender

hereunder. Nothing contained herein or in any other Credit Document, and no action taken by the Lenders pursuant hereto or thereto, shall be deemed to constitute the Lenders as a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt, and, subject to Section 10.10(c), each Lender shall be entitled to protect and enforce its rights arising under this Agreement and the other Credit Documents and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose.

Section 11.12 Headings. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

Section 11.13 Applicable Laws.

(a) Governing Law. This Agreement and the other Credit Documents (except, as to any other Credit Document, as expressly set forth therein) shall be governed by, and construed in accordance with, the law of the State of New York.

(b) Submission to Jurisdiction. Each party hereto irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the State of New York sitting in the Borough of Manhattan and of the United States District Court of the Southern District, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Credit Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Credit Document shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement or any other Credit Document against any Credit Party or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Each party hereto irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Credit Document in any court referred to in subsection (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 11.1. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

Section 11.14 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS

AGREEMENT AND THE OTHER CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 11.15 Confidentiality. Each of the Administrative Agent, the Servicer and the Lenders agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Credit Document or any action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in (including, for purposes hereof, any new lenders invited to join hereunder on an increase in the Loans and Commitments hereunder, whether by exercise of an accordion, by way of amendment or otherwise), any of its rights or obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower or its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facility provided for herein, or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facility provided for herein, (h) with the consent of the Borrower, (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, the Servicer any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than any Credit Party or (j) for purposes of establishing a “due diligence” defense.

For purposes of this Section, “Information” means all information received from the Owner Pledgor, Borrower or any of its Subsidiaries (or on behalf thereof) relating to the Credit Parties or any of their affiliates or Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Credit Parties or any of its Subsidiaries; provided, that, in the case of information received from the Borrower or any of its Subsidiaries after the Effective Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Servicer and the Lenders acknowledges that (i) the Information may include material non-public information concerning the Credit Parties or their affiliates, as the case may be, (ii) it has developed compliance procedures regarding the use of material non-public information and (iii) it will handle such material non-public information in accordance with Applicable Law, including United States federal and state securities laws.

The Credit Parties consent to the use of information related to the arrangement of the Loans by each of the Lenders and their Affiliates in connection with marketing, press releases or other transactional announcements or updates provided to investor or trade publications, including the placement of “tombstone” advertisements in publications of its choice at its own expense; provided, that, to the extent that such marketing, press releases or other transactional announcements include material information about the Credit Parties, their Subsidiaries and/or their businesses other than the names and logos of the Credit

Parties and their Subsidiaries and the amount, type and closing date of the Loan established hereby, each such Lender or Affiliate of a Lender shall obtain prior written consent of the Borrower (which approval shall not be unreasonably withheld).

Section 11.16 Usury Savings Clause. Notwithstanding any other provision herein, the aggregate interest rate charged or agreed to be paid with respect to any of the Obligations under this Agreement, including all charges or fees in connection therewith deemed in the nature of interest under Applicable Laws shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the aggregate outstanding amount of the Loan made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Loan made hereunder is repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, the Borrower shall pay to the Administrative Agent an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of the Lenders and each of the Credit Parties to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the aggregate outstanding amount of the Loan made hereunder or be refunded to each of the applicable Credit Parties. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Highest Lawful Rate, such Person may, to the extent permitted by Applicable Laws, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest, throughout the contemplated term of the Obligations hereunder.

Section 11.17 Counterparts; Integration; Effectiveness. This Agreement 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 contract. This Agreement and the other Credit Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means (e.g. "pdf" or "tif" format) shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 11.18 No Advisory of Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Credit Document), each of the Credit Parties acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a)(i) the arranging and other services regarding this Agreement provided by the Administrative Agent, are arm's-length commercial transactions between the Credit Parties, on the one hand, and the Administrative Agent, on the other hand, (ii) the Credit Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) each of the Credit Parties is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents, (b)(i) the

Administrative Agent is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not and will not be acting as an advisor, agent or fiduciary, for any Credit Party or any of their Affiliates or any other Person and (ii) the Administrative Agent does not have any obligation to any Credit Party or any of their Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Documents; and (c) the Administrative Agent and its respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Credit Parties and their Affiliates, and the Administrative Agent does not have any obligation to disclose any of such interests to any Credit Party or its Affiliates. To the fullest extent permitted by law, each of the Credit Parties hereby waives and releases, any claims that it may have against the Administrative Agent with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 11.19 Electronic Execution of Assignments and Other Documents. The words "execution," "signed," "signature," and words of like import in any Assignment Agreement or in any amendment, waiver, modification or consent relating hereto shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, 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.

Section 11.20 USA PATRIOT Act. Each Lender subject to the Patriot Act hereby notifies each of the Credit Parties that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies each of the Credit Parties, which information includes the name and address of each of the Credit Parties and other information that will allow such Lender to identify each of the Credit Parties in accordance with the Patriot Act.

Section 11.21 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an Affected Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by (a) the application of any Write- Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an Affected Financial Institution; and (b) the effects of any Bail-in Action on any such liability, including, if applicable: (i) a reduction in full or in part or cancellation of any such liability, (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document or (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

Section 11.22 [Reserved].

Section 11.23 Acknowledgement Regarding Any Supported QFCs. To the extent that the Credit Documents provide support, through a guarantee or otherwise, for any agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special

Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Credit Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Credit Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Credit Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 11.23, the following terms have the following meanings:

"BHC Act Affiliate" means, with respect to any Person, an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. § 1841(k)) of such Person.

"Covered Entity" means any of (i) a "covered entity" (as such term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b)), (ii) a "covered bank" (as such term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b)); or (iii) a "covered FSI" (as such term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b)).

"Default Right" shall have the meaning assigned to such term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" means a "qualified financial contract" (as defined in, and interpreted in accordance with, 12 U.S.C. § 5390(c)(8)(D)).

Section 11.24 Subordination. Administrative Agent, on behalf of and for the benefit of the Lender, hereby acknowledges and agrees that the security interests in the Collateral granted by this Agreement are junior and subordinate to the liens created by the New Money Loan Documents and the security interests which New Money Agent or New Money Lender has or may hereafter acquire in the Collateral, provided that notwithstanding the foregoing, the Administrative Agent shall not be prohibited from exercising remedies available to it under the this Agreement, the Note, or any other Credit Document, in each case, in accordance with the terms of Section 11 of the New Money Credit Agreement. Debtor and Administrative Agent agree that Senior Administrative Agent is a third party beneficiary of this Section 11.24 and is entitled to rely on it as if an original party to this Agreement.

[Signatures on Following Page(s)]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

BORROWER: SUBROGATION HOLDINGS, LLC,
a Delaware limited liability company

By:
Name:
Title:

OWNER PLEDGOR: MSP RECOVERY, LLC,
a Florida limited liability company

By:
Name:
Title:

GUARANTOR: MSP RECOVERY, LLC,
a Florida limited liability company

By:
Name:
Title:

ASSIGNEE: SERIES 15-09-321,
a registered series of MSP Recovery Claims, Series LLC and a Subsidiary of the Borrower,

By:
Name:
Title:

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ADMINISTRATIVE AGENT: HAZEL HOLDINGS I LLC

By:
Name:
Title:

LENDERS: HAZEL HOLDINGS I LLC,
as a Lender

By:
Name:
Title:

ANNEX I

Domestic wires

Beneficiary Bank: **City National Bank of Florida. Miami, Florida**
Bank Address: 1450 Brickell Ave Ste. 100 Miami, FL 33131 ABA: 066004367
ACCT: 30000245008
Acct Name: MSP RECOVERY LLC VRM
Account Address: 2701 S LEJEUNE RD 10TH FLOOR
CORAL GABLES FL 33134

International wires

Beneficiary Bank: **City National Bank of Florida. Miami, Florida**
Bank Address: 1450 Brickell Ave Ste 100 Miami, FL 33131
BIC/SWIFT CODE: **CNBFUS3M**
Beneficiary Account: 30000245008
Acct Name: MSP RECOVERY LLC VRM
Account Address: 2701 S LEJEUNE RD 10TH FLOOR
CORAL GABLES FL 33134

EXECUTION VERSION

Exhibit 10.34

AMENDED AND RESTATED CREDIT AGREEMENT

dated as of March 29, 2023

among

SUBROGATION HOLDINGS, LLC,
as Borrower,

MSP RECOVERY, LLC,
as Owner Pledgor and Guarantor,

HAZEL PARTNERS HOLDINGS LLC,
as Lender and as Administrative Agent

and

MSP Recovery Claims, Series LLC – Series 15-09-321, a registered series of MSP Recovery Claims, Series LLC, and a Subsidiary of the Borrower,
as Assignee

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AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDED AND RESTATED CREDIT AGREEMENT, dated as of March 29, 2023 (the "Effective Date") (as amended, restated, increased, extended, supplemented or otherwise modified from time to time, this "Agreement"), is entered into by and among SUBROGATION HOLDINGS, LLC, a Delaware limited liability company (the "Borrower"), MSP RECOVERY, LLC, a Florida limited liability company (the "Owner Pledgor"), 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").

RECITALS:

WHEREAS, the Borrower, the Owner Pledgor, the Assignee, the Lender and the Administrative Agent have entered into that certain Credit Agreement dated as of March 6, 2023 (the "Existing Credit Agreement"), pursuant to which Existing Credit Agreement, the Lenders agreed to make term loan facilities available to Borrower on the terms and conditions set forth therein;

WHEREAS, the Borrower, the Owner Pledgor, the Assignee, the Lender and the Administrative Agent have agreed to amend and restate the Existing Credit Agreement in its entirety;

NOW, THEREFORE, in consideration of these premises and the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Existing Credit Agreement is amended and restated in its entirety as follows, effective immediately as of the Effective Date:

SECTION 1
DEFINITIONS AND INTERPRETATION; AMENDMENT AND RESTATEMENT; REAFFIRMATION

Section 1.1 Definitions. The following terms used herein, including in the introductory paragraph, recitals, exhibits and schedules hereto, shall have the following meanings:

"2022 Borrower" means La Ley con John H. Ruiz P.A., d/b/a MSP Recovery Law Firm, a Florida corporation, and MSP Law Firm, PLLC, a Florida professional limited liability company, jointly and severally.

"2022 Credit Agreement" means the Credit Agreement dated as of June 16, 2022, among La Ley Con John H. Ruiz PA., d/b/a MSP Recovery Law Firm, and MSP Law Firm, PLLC, jointly and severally, as Borrower, MSP1 Funding 2022, LLC, as Lender and as Administrative Agent and Deer Finance, LLC, as Servicer.

"Account" shall have the meaning set forth in Article 9 of the UCC.

"Account Administrator" means, the Servicer as third party administrator pursuant to the Account Administration Agreement, and any additional, successor or replacement third party administrator approved in writing by the Administrative Agent in its sole and absolute discretion.

"Account Administration Agreement" means the Account Administration Agreement, if any, among the Borrower, the Administrative Agent and the Account Administrator.

"Account Administrator Fees" means collectively, the fees, indemnification amounts and expenses due and owing to the Account Administrator, whether pursuant to the terms of the Account Administration Agreement or otherwise.

"Account Bank" means City National Bank of Florida, in its capacity as account bank under the Control Agreements, and any other Qualified Institution approved in writing by the Administrative Agent from time to time in its sole and absolute discretion.

"Account Debtor" means any Person who is or may become obligated with respect to, or on account of, an Account.

"Additional Claims" means additional rights, title to, and/or interest in any and all Claims or potential claims, which Owner Pledgor or any Affiliates is contractually entitled to (whether or not asserted), including all rights to causes of action and remedies against any Payor at law or in equity, in each case, as acquired by the Owner Pledgor or its Affiliates following the Closing Date, but solely to the extent that such claims relate to P&C Carriers as the primary responsible parties and solely with respect to recoveries from Claims up to December 31, 2022.

"Additional Control Agreement" as defined in Section 2.9(c).

"Additional Controlled Account" as defined in Section 2.9(c).

"Administrative Agent" has the meaning set forth in the introductory paragraph hereto, together with its successors and assigns.

"Administrative Questionnaire" means an administrative questionnaire provided by the Lenders in a form supplied by the Administrative Agent.

"Adverse Proceeding" means any action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of any Credit Party or any of its Subsidiaries) at law or in equity, or before or by any Governmental Authority, whether pending or, to the knowledge of such Credit Party or any of its Subsidiaries, threatened in writing, against any Credit Party or any of its Subsidiaries or any material property of any Credit Party or any of its Subsidiaries.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreed Recoverable Claims" means, the pool of medically-related claim lines (as agreed between by Owner Pledgor and Allstate Insurance Company) corresponding to identified medical claims paid by Assignor for beneficiaries that match with an Allstate claimant, on a paid basis, as reviewed in sample and extrapolated with the statistical method to the full contended sample period; after taking into account and crediting prior collections by the Assignor or related parties as well as capping any contended

reimbursement amounts at actual or expected policy limits, but independent of the following legal defenses: policy limit exhaustion and statute of limitations.

"Agreement" has the meaning set forth in the introductory paragraph hereto.

"Anti-Corruption Laws" means the Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1, *et seq*, the UK Bribery Act of 2010 and all other laws, rules, and regulations of any jurisdiction applicable to any Credit Party or any of its Affiliates from time to time concerning or relating to bribery or corruption.

"Applicable Laws" means all applicable laws, including all applicable provisions of constitutions, statutes, rules, ordinances, regulations and orders of all Governmental Authorities and all orders, rulings, writs and decrees of all courts, tribunals and arbitrators.

"Applicable Margin" means an amount equal to ten percent (10%).

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Asset Sale" means with respect to the Borrower and/or any of its Subsidiaries, a sale, lease, Sale and Leaseback Transaction, assignment, conveyance, license (as licensor), Securitization Transaction, transfer or other disposition to, or any exchange of property with, any Person, in one transaction or a series of transactions, of all or any part of the Borrower or any of its Subsidiaries' businesses, assets or properties of any kind, whether real, personal, or mixed and whether tangible or intangible, whether now owned or hereafter acquired, created, leased or licensed, (including, for the avoidance of doubt (i) the issuance of Equity Interests by a Subsidiary of the Borrower or (ii) any such transaction in respect of any HC Claims or any other Claims of a Credit Party), other than (a) dispositions of surplus, obsolete or worn out property or property no longer used or useful in the business of the Credit Parties and their respective Subsidiaries, whether now owned or hereafter acquired, in the ordinary course of business; (b) dispositions of inventory sold, and Intellectual Property licensed, in the ordinary course of business; (c) dispositions of accounts or payment intangibles (each as defined in the UCC) resulting from the compromise or settlement thereof in the ordinary course of business for less than the full amount thereof; and (d) dispositions of Cash Equivalents in the ordinary course of business.

"Assignee" means the Person set forth in the introductory paragraph hereto and identified as the Assignee in the CAA.

"Assignor" means the Person identified as the Assignor in the CAA.

"Assignment Agreement" means an assignment agreement entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 12.5(b)) and accepted by the Administrative Agent, in substantially the form of Exhibit 11.5 or any other form (including electronic documentation generated by MarkitClear or other electronic platform) approved by the Administrative Agent.

"Authorized Officer" means, with respect to any Person, any individual holding the position of chairman of the board (if an officer), chief executive officer, president or one of its vice presidents (or the equivalent thereof), chief financial officer or treasurer and, solely for purposes of making the certifications required under Section 5.1(b)(ii) and (c), any secretary or assistant secretary.

"Available Funds" means, with respect to any Settlement Date, the sum (without duplication) of the following (b) all Collections on deposit in the Borrower Lockbox Account since the immediately

preceding Settlement Date and (b) all other amounts deposited in the Borrower Lockbox Account since the immediately preceding Settlement Date pursuant to this Agreement or any other Credit Document.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute.

"Base Rate" means a rate equal to Federal Funds Rate plus eleven percent (11%).

"Base Rate Loan" means a Loan that bears interest at the Base Rate.

"Benchmark" means, initially, Term SOFR; or if any Benchmark Replacement is incorporated into this Agreement pursuant to Section 3.1, then "Benchmark" means the applicable Benchmark Replacement.

"Benchmark Conforming Changes" means, with respect to the use, administration of or any conventions associated with Term SOFR or any implementation of a Benchmark Replacement, any technical, administrative or operational changes (including the definition of "Term SOFR," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides, in its reasonable discretion, may be appropriate to reflect such use, administration or conventions or the adoption and implementation of such applicable rate and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such applicable rate exists, in such other manner of administration as the Administrative Agent decides, is reasonably necessary in connection with the administration of this Agreement and any other Credit Document).

"Benchmark Illegality/Impracticability Event" means the occurrence of any one or more of the following: (a) that the making, maintaining or continuation of the then-current Benchmark by any Lender has become unlawful as a result of compliance by such Lender in good faith with any law, treaty, governmental rule, regulation, guideline or order (or would conflict with any such treaty, governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), (b) with respect to any Benchmark, that any successor administrator of the

published screen rate for such Benchmark or a Governmental Authority having jurisdiction over the Administrative Agent or administrator of such Benchmark has made a public statement establishing a specific date (expressly or by virtue of such public statement) after which an Available Tenor of such Benchmark or the published screen rate for such Benchmark shall or will no longer be representative or made available, or used for determining the interest rate of loans, or shall or will otherwise cease, provided, that, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent that will continue to provide such representative interest periods of such Benchmark after such specific date, (c) that the making, maintaining or continuation of the then-current Benchmark by any Lender has become impracticable, as a result of contingencies occurring after the Closing Date which materially and adversely affect the ability of a Lender to make, maintain or continue its Loans at the then- current Benchmark (including because the published screen rate for such Benchmark in any relevant tenor is not available or published on a current basis and such circumstances are unlikely to be temporary) or (d) with respect to any Lender, that the then-current Benchmark (including any related mathematical or other adjustments thereto) will not adequately and fairly reflect the cost to such Lender of making, funding or maintaining its Loans at the then-current Benchmark. For the avoidance of doubt, a "Benchmark Illegality/Impracticability Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Replacement" means the first available alternative set forth in the order below for any payment period for interest calculated that can be determined by the Administrative Agent, in each case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document:

(a) the sum of: (i) Daily Simple SOFR and (ii) the related Benchmark Replacement Adjustment; and

(b) the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar- denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

"Benchmark Replacement Date" has the meaning specified in Section 3.1(b)(ii).

"Beneficial Ownership Certification" has the meaning specified in Section 5.1(r).

"BHC Act Affiliate" has the meaning specified in Section 12.23(b).

"Borrower" has the meaning set forth in the introductory paragraph hereto.

"Borrower Operating Account" means the deposit account maintained by Account Bank in the name of the Borrower in accordance with the terms of this Agreement, the Borrower Security Agreement and the Borrower Operating Account Control Agreement.

"Borrower Operating Account Control Agreement" means that certain springing control Deposit Account Control Agreement in respect of the Borrower Operating Account or as an amendment to an existing Control Agreement in respect of the Borrower Operating Account, to the extent satisfactory to Administrative Agent.

"Borrower Lockbox Account" means the deposit account maintained by Account Bank in the name of the Borrower in accordance with the terms of this Agreement, the Borrower Security Agreement and the Borrower Lockbox Account Control Agreement.

"Borrower Lockbox Account Control Agreement " means that certain blocked control (or control without activation or notice) Deposit Account Control Agreement in respect of the Borrower Lockbox Account or as an amendment to an existing Control Agreement in respect of the Borrower Lockbox Account, to the extent satisfactory to Administrative Agent.

"Borrower Security Agreement" means that certain Amended and Restated Borrower Security Agreement dated on or about the date of this Agreement and given by Borrower, as pledgor, to the Administrative Agent for the benefit of the holders of the Obligations granting a security interest in favor of the Administrative Agent, as such agreement may be amended, supplemented, modified or amended and restated from time to time.

"Borrowing" means a borrowing consisting of simultaneous Loans having the same Interest Period.

"Business Day" means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in such state are authorized or required by law or other governmental action to close; provided, that, with respect to notices and determinations in connection with, and payments of principal and interest on SOFR Loans, such day is also a U.S. Government Securities Business Day.

"CAA" means that certain Claims Assignment Agreement together with the Side Agreement, each dated as of December 23, 2021, between the Assignee and the Assignor, pursuant to which the Assignor assigned its rights to HC Claims to the Assignee, as such agreements may be amended, supplemented or modified from time to time.

"Calendar Month" means, with respect to a particular Calendar Year, a calendar quarter corresponding to such Calendar Year.

"Calendar Quarter" means, with respect to a particular Calendar Year, a calendar quarter corresponding to such Calendar Year.

"Calendar Year" means any consecutive twelve-month period commencing on January 1 and ending on December 31.

"Capital Lease" means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is or should be accounted for as a capitalized lease or financing lease on the balance sheet of that Person.

"Cash Equivalents" means, as of any date of determination, any of the following: (a) marketable securities (i) issued or directly and unconditionally guaranteed as to interest and principal by the United States government, or (ii) issued by any agency of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one (1) year after such date, (b) marketable direct obligations issued by any state of the United States or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one (1) year after such date and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's, (c) commercial paper maturing no more than one (1) year from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's, (d) certificates of deposit or bankers' acceptances maturing within one (1) year after such date and issued or accepted by any Lender or by any commercial bank organized under the laws of the United States or any state thereof or the District of Columbia that (i) is at least "adequately capitalized" (as defined in the regulations of its primary federal banking regulator), and (ii) has Tier 1 capital (as defined in such regulations) of not less than $100,000,000 and (e) shares of any money market mutual fund that (i) has substantially all of its assets invested continuously in the types of investments referred to in clauses (a) through (d) above, (ii) has net assets of not less than $500,000,000, and (iii) has the highest rating obtainable from either S&P or Moody's.

"Change in Law" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided, that, notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III and (iii) all requests, rules, guidelines or directives issued by a Governmental Authority in connection with a Lender's submission or re-submission of a capital plan under 12 C.F.R. § 225.8 or a Governmental Authority's assessment thereof, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means an event or series of events by which:

(a) any "person" or "group" (as such terms are used or defined in Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), other than one or more Permitted Holders, becomes the beneficial owner ((as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, more than 50% of the outstanding Equity Interests in each of the Owner Pledgor and the Borrower entitled to vote (on a diluted basis); or

(b) Owner Pledgor shall cease to own and control, of record and beneficially, directly, at least one hundred percent (100.0%) of the outstanding Equity Interests in the Borrower; or

(c) Borrower shall cease to own and control, of record and beneficially, directly at least one hundred percent (100.0%) of the Equity Interests in the Assignee or Assignee shall cease to be a designated or registered series of the Borrower (provided that, on the registration of the series after the Closing Date, the reference to "designated series" shall be substituted with "registered series"); or

(d) the death or disability of either John Ruiz or Frank Quesada, unless a replacement acceptable to the Administrative Agent, in its sole and absolute discretion, is appointed within thirty (30) days after the date of such person's death or disability; or

(e) either John Ruiz or Frank Quesada ceases to be actively involved in the management of Owner Pledgor, Borrower or Assignee (other than such person's death or disability), unless a replacement acceptable to the Administrative Agent, in its sole and absolute discretion, is appointed within thirty (30) days after the date on which such person ceases to be actively involved in the management of Owner Pledgor, Borrower or Assignee; or

(f) the disposition of all or substantially all assets of the Owner Pledgor, Borrower or of any other Credit Party (including the Assignee) to a third party; or

(g) the occurrence of any "Change in Control" as defined in the CRSA.

"Claim Filing Milestone" means the filing of HC Claims for the P&C Carriers with a detailed timeline to be agreed between the parties in the Healthcare Legal Services Agreement, but no later than within the next three (3) months commencing on the Effective Date.

"Claims" means any and all of a Person's right, title, ownership, and interest in payments owed by Payors under Medicare Advantage Plans (under Parts A, B, and C of the Social Security Act only) pursuant to the Medicare Secondary Payer Act, 42 U.S.C. §1395y(b), recovered by and through the following causes of action: (1) actions stemming from the MSPA, (2) breach of contract; (3) pure bills of discovery or equivalent; (4) depositions or discovery before action as set forth by Federal Rule of Civil Procedure 27; (5) subrogation; (6) declaratory action; and (7) unjust enrichment, whether known or unknown, or arising in the future.

"Claims Data" has the meaning ascribed to such term in the CRSA.

"Closing Date" means the date on which the conditions set forth in Section 5.1 and Section 5.2 have been met to Administrative Agent's satisfaction after the Initial Closing Date.

"Collateral" means (a) the "Collateral" as defined in the Security Agreements and (b) a collective reference to all real, personal and mixed property of the Borrower and its Subsidiaries with respect to which Liens in favor of the Administrative Agent, for the benefit of the holders of the Obligations, are granted or purported to be granted pursuant to and in accordance with the terms of the Collateral Documents, excluding payments, receivables and amounts that are not in respect of the HC Claims (and not part of the Collateral) but are inadvertently paid into the Borrower Lockbox Account or another Controlled Account; it being understood and agreed that for purposes of this Agreement and the other Credit Documents, the Collateral shall not include any Claims or any pledge of the Equity Interests of the Borrower or Assignee (other than those specifically described in the Security Agreements).

"Collateral Administration Agreement" means that certain Amended and Restated Collateral Administration Agreement dated on or about the Effective Date, entered into by the Borrower, the Owner Pledgor and the certain third parties signatory thereto.

"Collateral Documents" means each Security Agreement, the IP License Agreement, and all other instruments, documents and agreements delivered by any Credit Party pursuant to this Agreement or any of the other Credit Documents in order to grant to the Administrative Agent, for the benefit of the holders of the Obligations, a Lien on the Collateral.

"Collection System" as defined in Section 7.9(a)(i).

"Collections" means (a) all cash collections, remittances, payments, prepayments, amounts received as a result of any exercise of rights or any sale or other disposition and other cash proceeds of any Collateral (including, without limitation HC Case Proceeds and, if the 75% Trigger has occurred, 50% of (i) the recoveries from Additional Claims and (ii) proceeds of financing of Additional Claims (in each case, net of reasonable transaction costs and expenses associated therewith), any other property constituting payments for the account of the any Credit Party or the Assignee in respect of any HC Claim or, if the 75% Trigger has occurred, the assignee or owner of the Additional Claim, and all interest, fees (including referral fees), recoveries, all other amounts payable in respect thereof, (b) any amounts paid to or for the account of any of the Credit Parties pursuant to the terms of any Credit Document, in each case, for the avoidance of doubt, excluding any amount or proceeds of the Loans funded to any Credit Party, and (c) all other collections and other cash proceeds of any Collateral, in each case, whether paid to a Controlled Account or otherwise.

"Commitments" means the Term Loan Commitments.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 *et seq*.).

"Compliance Certificate" means a Compliance Certificate substantially in the form of Exhibit 6.2(d).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated Taxes" means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the aggregate of all taxes, as determined in accordance with GAAP.

"Contractual Obligation" means, as applied to any Person, any provision of any Security (as defined in the UCC) issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, power to vote twenty percent (20%) or more of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent.

"Control Agreements" means, collectively, the Borrower Operating Account Control Agreement, the Borrower Lockbox Account Control Agreement , and the Additional Control Agreements (if any).

"Controlled Accounts" means, collectively, the Borrower Operating Account, Borrower Lockbox Account and the Additional Controlled Accounts (if any).

"Covered Entity" has the meaning set forth in Section 12.23(b).

"Covered Party" has the meaning set forth in Section 12.23(a).

"Credit Date" means the date of a Credit Extension.

"Credit Documents" means this Agreement, each Note, the Collateral Documents, any Account Administration Agreement, the IP License Agreement and, to the extent evidencing or securing the Obligations, all other documents, instruments or agreements executed and delivered by any Credit Party for the benefit of the Administrative Agent or any Lender in connection herewith or therewith (for the avoidance of doubt, it being understood and agreed that none of the Material Contracts constitute Credit Documents).

"Credit Extension" means the making of a Loan.

"Credit Parties" means, collectively, the Borrower, any Subsidiary of the Borrower, Assignee and Owner Pledgor.

"CRSA" means the Claims Recovery Services Agreement, dated as of December 23, 2021, between Owner Pledgor and the Assignor, relating to the provisions of data analysis and claims recovery services in connection with the HC Claims.

"Daily Simple SOFR" means, for any day, the Secured Overnight Financing Rate, with the conventions for such rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for such rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for business loans; provided, that, if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

"Debt Issuance" means, with respect to the Borrower or any of its Subsidiaries, any incurrence, issuance, placement, or assumption of Indebtedness, whether or not evidenced by a promissory note or other written evidence of Indebtedness, except for Indebtedness permitted to be incurred pursuant to Section 9.1.

"Debtor Relief Laws" means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

"Default Rate" means the interest rate (including any Applicable Margin) applicable to such Loan plus 2% per annum.

"Default Right" has the meaning set forth in Section 12.23(b).

"Defaulting Lender" means, subject to Section 2.13(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder, or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit) within two (2) Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect, (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided, that, such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower),

or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-in Action; provided, that, a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.13(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

"Defendant" means, with respect to any HC Claim, (a) if such HC Claim has commenced, the named defendant therein, or (b) if such HC Claim has not commenced, the Persons threatened with the HC Claim.

"Disciplinary Action" means, with respect to any Person, any motion or action by or before any Governmental Authority (including, without limitation, any court, arbitrator, arbitration panel, State Bar Association and any other regulatory authority relating to attorney professional conduct) which alleges that such Person committed any professional misconduct (including, without limitation, any violation of any Disciplinary Rules) and for which a penalty is sought (whether such penalty is money damages or restitution, the referral of such Person to any such Governmental Authority, or the suspension or disbarment of any such Person).

"Disciplinary Rules" means, with respect to any Person, any and all disciplinary rules and professional ethics rules applicable to such Person, or any lawyers employed by such Person, including the rules of professional conduct of any State or State Bar Association applicable to such Person.

"Disqualified Persons" means (1) each and all of the Persons listed on Schedule 1.1(c), as such schedule may be updated from time to time by the Borrower to include additional direct competitors engaged in the medical subrogation business, subject to the consent of the Administrative Agent in its reasonable discretion and (2) any defendant against which any of the Credit Parties or its Affiliates has filed suit, from time to time, with respect to HC Claims owned by any of the Credit Parties or its Subsidiaries, including but not limited to property and casualty insurers, pharmaceutical companies, group health insurers, and healthcare device manufacturers.

"Dollars" and the sign "$" mean the lawful money of the United States.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" has the meaning set forth in the preamble to this Agreement.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 12.5(b), subject to any consents and representations, if any as may be required therein.

"Enforcement Action" means any (i) judicial or non-judicial foreclosure or enforcement proceeding, the obtaining of a receiver or the taking of any other enforcement action against any Credit Party, including, without limitation, the taking of possession or control of the Collateral, (ii) acceleration of, or demand or action taken in order to collect, all or any indebtedness secured by the Collateral (other than giving of notices of default and statements of overdue amounts) or (iii) exercise of any right or remedy available to Administrative Agent or Lender under the Credit Documents, at law, in equity or otherwise with respect to any Credit Party.

"Equity Interests" means, with respect to any Person, any and all shares, rights to purchase, options, warrants, general, limited or limited liability partnership interests, member interests, participation or other equivalents of or interest in (regardless of how designated) equity of such Person, whether voting or nonvoting, including common stock, preferred stock, convertible securities or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Exchange Act), including in each case all of the following rights relating to such Equity Interests, whether arising under the Organizational Documents of the Person issuing such Equity Interests (the "issuer") or under the applicable Laws of such issuer's jurisdiction of organization relating to the formation, existence and governance of corporations, limited liability companies or partnerships or business trusts or other legal entities, as the case may be: (i) all economic rights (including all rights to receive dividends and distributions) relating to such Equity Interests; (ii) all voting rights and rights to consent to any particular action(s) by the applicable issuer; (iii) all management rights with respect to such issuer; (iv) in the case of any Equity Interests consisting of a general partner interest in a partnership, all powers and rights as a general partner with respect to the management, operations and control of the business and affairs of the applicable issuer; (v) in the case of any Equity Interests consisting of the membership or limited liability company interests of a managing member in a limited liability company, all powers and rights as a managing member with respect to the management, operations and control of the business and affairs of the applicable issuer; (vi) all rights to designate or appoint or vote for or remove any officers, directors, manager(s), general partner(s) or managing member(s) of such issuer and/or any members of any board of members/managers/partners/directors that may at any time have any rights to manage and direct the business and affairs of the applicable issuer under its Organizational Documents as in effect from time to time or under Applicable Law; (vii) all rights to amend the Organizational Documents of such issuer, (viii) in the case of any Equity Interests in a partnership or limited liability company, the status of the holder of such Equity Interests as a "partner", general or limited, or "member" (as applicable) under the applicable Organizational Documents and/or Applicable Law; and (ix) all certificates evidencing such Equity Interests.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means, as applied to any Person, any trade or business (whether or not incorporated) which is a member of a group of trades or businesses under common control within the meaning of Section 414(b) or (c) of the Internal Revenue Code (and Sections 414(m) and (o) of the Internal Revenue Code for purposes of provisions relating to Section 412 of the Internal Revenue Code).

"Erroneous Payment" has the meaning set forth in Section 10.11(a).

"Erroneous Payment Deficiency Assignment" has the meaning set forth in Section 10.11(d).

"Erroneous Payment Impacted Class" has the meaning set forth in Section 10.11(d).

"Erroneous Payment Return Deficiency" has the meaning set forth in Section 10.11(d).

"Erroneous Payment Subrogation Rights" has the meaning set forth in Section 10.11(e).

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default" means each of the conditions or events set forth in Section 10.1.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.15) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 3.3, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.3(f) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"Existing Legal Services Agreement" means that certain Legal Services Agreement dated as of May 23, 2022, by and between Lionheart II Holdings, LLC and 2022 Borrower.

"Facility" means any real property including all buildings, fixtures or other improvements located on such real property now, hereafter or heretofore owned, leased, operated or used by the Borrower or any of its Subsidiaries or any of their respective predecessors.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code.

"Federal Funds Rate" means for any day, the rate per annum (expressed, as a decimal, rounded upwards, if necessary, to the next higher one one-hundredth of one percent (1/100 of 1%)) equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, that, (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding

Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the Federal Funds Rate for the last day on which such rate was announced.

"Financial Officer Certification" means, with respect to the financial statements for which such certification is required, the certification of the chief financial officer of the Borrower that such financial statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as of the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments.

"First Milestone" shall have the meaning ascribed to such term in the Collateral Administration Agreement and shall be fulfilled by the date set forth in the Collateral Administration Agreement.

"Foreign Lender" means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"Funded Debt" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations for borrowed money, whether current or long-term (including the Obligations hereunder), all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than sixty (60) days after the date on which such trade account payable was created); and

(c) all obligations under letters of credit (including standby and commercial), bankers' acceptances and similar instruments (including bank guaranties).

For purposes hereof, the amount of Funded Debt shall be determined (x) based on the outstanding principal amount in the case of borrowed money indebtedness under clause (a) and deferred purchase obligations under clause (b) and (y) based on the maximum amount available to be drawn in the case of letter of credit obligations and the other obligations under clause (c).

"Funding Notice" means a notice substantially in the form of Exhibit 2.1(d).

"GAAP" means, subject to the limitations on the application thereof set forth in Section 1.2, accounting principles generally accepted in the United States in effect as of the date of determination thereof.

"Governmental Acts" means any act or omission, whether rightful or wrongful, of any present or future *de jure* or *de facto* government or Governmental Authority.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing,

regulatory or administrative powers or functions of or pertaining to government (including any supra- national bodies such as the European Union or the European Central Bank and any group or body charged with setting financial accounting or regulatory capital rules or standards).

"Governmental Authorization" means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guaranteed Obligations" has the meaning set forth in Section 4.1.

"Guarantors" means (a) each Person identified as a "Guarantor" on the signature pages hereto, (b) each other Person that joins as a Guarantor pursuant to Section 7.14, (c) with respect to (i) Secured Swap Obligations, (ii) Secured Treasury Management Obligations, and (iii) Swap Obligations of a Specified Credit Party (determined before giving effect to Section 4.1 and Section 4.8) under the Guaranty, the Borrower, and (d) their successors and permitted assigns.

"Guaranty" means the Guarantee made by the Guarantors in favor of the Administrative Agent, the Lenders and the other holders of the Obligations pursuant to SECTION 4.

"HC Agreements" means, collectively, the CAA, CRSA and the Side Agreement.

"HC Case Proceeds" means all proceeds, receivables, property, cash, and other consideration constituting payables to any Credit Party with respect to each HC Claim after deducting: (i) pursuant to Exhibit F to the CRSA, Assignor's 50% of Net Proceeds as defined therein, and (ii) the legal contingency fees payable pursuant to the Existing Legal Services Agreement, which does not exceed 40% of the remaining 50% of such Net Proceeds after deducting Assignor's 50% payable to Assignor referenced in clause (i) hereof.

"HC Claims" means those certain Claims assigned by Assignor to Assignee pursuant to the CAA including any additional Claims or additional years of Claims (up to December 31, 2022) that may be assigned by Assignor to Assignee, from time to time, pursuant to any amendment or supplement to the CAA. For the avoidance of doubt, any other Claims or rights of recoveries that may be assigned by Assignor

to an assignee pursuant to agreements that are not the CAA or any of the other HC Agreements, are not HC Claims.

"Healthcare Assignor" means any Person who (a) is (i) a Medicare Advantage Organization or health maintenance organization or (ii) a management service organization, an independent physician association, a medical center, a hospital or other health care organization that is not subject to a downstream capitation agreement in respect of its Claims, (b) contracts with governmental healthcare programs to provide Medicare benefits to persons who are covered under such programs (i.e., Medicare insureds) and (c) has a statutory right to recover from a Responsible Party for conditional payments for healthcare, services or supplies provided to such beneficiary.

"Healthcare Claim" means a Healthcare Assignor's right, title to, and/or interest in, any and all claims or potential claims, which the Healthcare Assignor now has, or may have in the future (whether or not asserted), including all rights to causes of action and remedies against any Responsible Party at law or in equity. The term "Claim" includes but is not limited to: (i) claims arising under consumer protection statutes and laws; (ii) claims arising under the Medicare Act, 42 U.S.C. § 1395 et seq., including but not limited to the Medicare and Medicare Advantage secondary payer statutes (42 U.S.C. § 1395y(b); 42 U.S.C. § 1395w-22(a)(4)), whether arising from contract, tort, statutory right, or otherwise, in connection with the conditional payment to providers of healthcare services or supplies, and (iii) all right, title, and/or interest in any recovery rights that may exist for any potential cause of action where "secondary payer" status is appropriate under 42 U.S.C. § 1395y(b), 42 C.F.R. § 411.20 et seq., 42 U.S.C. § 1395w-22(a)(4) and 42 C.F.R. § 422.108, even where "secondary payer" status has not been established because liability is not yet proven as of the date that the Claim is identified or discovered, together with all receivables, general intangibles, payment intangibles, and other rights to payment now existing or hereafter arising and all products and proceeds of the foregoing. Notwithstanding the foregoing, the term Claim does not include any payments other than those payments made by Healthcare Assignor pursuant to the Healthcare Assignor's (1) Medicare Advantage Organization agreement with the Center for Medicare & Medicaid Services or (2) downstream risk agreement with a Medicare Advantage Organization, as a management services organization, independent practice association, or other entity.

"Healthcare Legal Services Agreement" means that certain HC Claims Servicing Agreement dated on or about the Initial Closing Date, among the Owner Pledgor, the Borrower and the certain third parties signatory thereto.

"HHI Agent" means Hazel Holdings I LLC, a Delaware limited liability company.

"HHI Lender" means Hazel Holdings I LLC, a Delaware limited liability company.

"HHI Loan Modification" has the meaning set forth in Section 11.9(b).

"HHI Credit Agreement" means that certain Credit Agreement by and among Borrower, Owner Pledgor, Assignee, HHI Agent and HHI Lender to be dated as of the Effective Date in connection the HHI Loan.

"HHI Loan" means the term loan in the original principal amount of approximately $250,000,000 to be made by the HHI Lender or its affiliate to the Owner Pledgor pursuant to the HHI Credit Agreement.

"HHI Loan Documents" means the agreements, instruments and documents executed and delivered in connection the HHI Credit Agreement.

"Highest Lawful Rate" means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under Applicable Laws relating to any Lender which are currently in effect or, to the extent allowed under such Applicable Laws, which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than Applicable Laws now allow.

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following:

(a) all Funded Debt;

(b) all guarantees in respect of Indebtedness of another Person; and

(c) all Indebtedness of the types referred to in clauses (a) and (b) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to such Person.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Credit Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Indemnitee" has the meaning set forth in Section 12.2(b).

"Initial Closing Date" means March 6, 2023.

"Insurance Company" means, in relation to any Defendant, any duly licensed insurance company that shall have issued an insurance policy that will pay the gross litigation proceeds due (if any) in respect of the related HC Claim.

"Intellectual Property" means all trademarks, service marks, trade names, copyrights, patents, patent rights, franchises related to intellectual property, licenses related to intellectual property and other intellectual property rights.

"Interest Payment Date" means (i) the last Business Day of each three (3) month interval and, without duplication, the last Business Day of such Interest Period and (ii) the Maturity Date.

"Interest Period" means, in connection with a SOFR Loan, an interest period of twelve (12) months, (a) initially, commencing on the Credit Date thereof; and (b) thereafter, commencing on the day on which the immediately preceding Interest Period expires; provided, that, (i) if an Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day unless no further Business Day occurs in such month, in which case such Interest Period shall expire on the immediately preceding Business Day, (ii) any Interest Period that begins on the last Business Day of a Calendar Month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (iii) of this definition, end on the last Business Day of a Calendar Month, and (iii) no Interest Period with respect to any Term Loan shall extend beyond the Maturity Date.

"Interest Rate Determination Date" means, with respect to any Interest Period, the date that is two (2) Business Days prior to the first day of such Interest Period.

"Internal Revenue Code" means the Internal Revenue Code of 1986.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, or (b) a loan, advance or capital contribution to, guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor guarantees Indebtedness of such other Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"IP License Agreement" means, the intellectual property licensing agreement dated on or about March 6, 2023, entered into by the Owner Pledgor and the Administrative Agent.

"IRS" means the United States Internal Revenue Service.

"Key Person" means John Ruiz and Frank Quesada.

"Lender" means each party with a Term Loan Commitment, together with its successors and permitted assigns. The initial Lenders are identified on the signature pages hereto and are set forth on Appendix A.

"Lender Authorization Letter" means a letter in substantially the form attached hereto as Exhibit 1.1 which grants the Administrative Agent and the Servicer (on behalf of the Lender) the power of attorney to deal directly with any QSF, any case management entity or any other entity that is dispensing HC Case Proceeds. The Lender agrees (and shall direct the Servicer) not to deliver a Lender Authorization Letter to any Person unless an Event of Default shall have occurred and be continuing.

"Lien" means (a) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease or license in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing, and (b) in the case of Securities, any purchase option, call or similar right of a third party with respect to such Securities.

"Loan" means any Term Loan.

"Loan Modification" has the meaning set forth in Section 11.9(a).

"Loan Purchase Price" has the meaning set forth in Section 11.6(a).

"Margin Stock" has the meaning ascribed thereto in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

"Material Adverse Effect" means any event, condition, action, omission, change or state of facts that, individually or in the aggregate, has resulted in, or could reasonably be expected to result in, a material adverse effect with respect to (a) the business operations, properties, assets, or financial condition of a Credit Party; (b) the ability of the Credit Parties, taken as a whole, to fully and timely perform the Obligations; (c) the legality, validity, binding effect, or enforceability against a Credit Party of any Credit Document to which it is a party; (d) the value of the whole or any material part of the Collateral or the priority of Liens in the whole or any material part of the Collateral in favor of the Administrative Agent for the holders of the Obligations; or (e) the rights, remedies and benefits available to, or conferred upon, the Administrative Agent and any Lender or any holder of Obligations under any Credit Document.

"Material Contract" means each of the HC Agreements, the Collateral Administration Agreement and the Healthcare Legal Services Agreement.

"Maturity Date" means March 31, 2026; provided, that, if as of such date the Obligations shall not have been satisfied in full, upon the Borrower's request, Administrative Agent, in its sole discretion, may extend such date by up to one (1) Calendar Year, provided further, that, in each case, if such date is not a Business Day, the Maturity Date shall be the first Business Day immediately preceding such date.

"Medicare Advantage Organization" means a company that has a contract with the Center for Medicare & Medicaid Services to provide Medicare Advantage plans and benefits to individuals.

"Milberg" means Milberg Coleman Bryson Phillips Grossman LLC.

"Monetary Cure Period" has the meaning set forth in Section 11.4.

"Moody's" means Moody's Investor Services, Inc., together with its successors.

"MSPA" means the Medicare Secondary Payer Laws and various corresponding legal or equitable theories that provide for the reimbursement by persons or entities which may be liable to reimburse Assignor under applicable law, including, but not limited to, the secondary payer provisions of the Medicare statute, 42 U.S.C. § 1395y(b), 42 C.F.R. § 411.20 et seq., the Medicare Advantage statute, 42 U.S.C. § 1395w-22(a)(4), 42 C.F.R. § 422.108, or under any other theories of law or causes of action, for the provision of healthcare, services or supplies that have been conditionally paid for by the Assignor.

"MSP Instruction Letters" means instruction letters delivered to Payors to deliver or pay all recoveries under the HC Claims.

"MSP Operating Account" means the account set forth Annex I hereto, whereby the Owner Pledgor has instructed the Administrative Agent in writing to deposit the Initial Advance.

"Multiemployer Plan" means any "multiemployer plan" as defined in Section 3(37) of ERISA which is sponsored, maintained or contributed to by, or required to be contributed to by, any Credit Party or any of its ERISA Affiliates or with respect to which any Credit Party or any of its ERISA Affiliates previously sponsored, maintained or contributed to or was required to contributed to, and still has liability.

"Non-Consenting Lender" has the meaning set forth in Section 2.15.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Note" means a Term Loan Note.

"Obligations" means all obligations, indebtedness and other liabilities of every nature (a) of each Credit Party from time to time owed to the Administrative Agent (including former Administrative Agents), the Lenders (including former Lenders in their capacity as such) or any of them under any Credit Document, and (b) with respect to the Administrative Agent, consisting of Erroneous Payment Subrogation Rights.

"OFAC" means the U.S. Department of the Treasury's Office of Foreign Assets Control.

"Operating Budget" means, with respect to any Calendar Year, a detailed projection of all estimated income, expenses and costs of the Borrower for each quarter of such Calendar Year based on projected

operating expenses and other related overhead expenses during such Calendar Year, as prepared by the Borrower on a basis consistent with the intent and purposes of this Agreement (with the understanding that the operations and the related expenses of the Borrower are expected to grow during the term) and after consultation with and taking into account the recommendations of the Administrative Agent, and as amended or restated from time to time in accordance with, Section 7.2(e).

"Operating Committee" means the "Operating Committee" as defined in the Collateral Administration Agreement dated on or about the date hereof.

"Operational Collection Escrow" means an escrow account to be held in the name of the Administrative Agent up to a maximum amount of thirty-five million dollars ($35,000,000.00).

"Operational Collection Payments" means payments made from the Operational Collection Escrow pursuant to Section 2.1(c).

"Organizational Documents" means (a) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, and its by-laws, as amended, (b) with respect to any limited partnership, its certificate of limited partnership, as amended, and its partnership agreement, as amended, (c) with respect to any general partnership, its partnership agreement, as amended, (d) with respect to any limited liability company, its articles of organization, certificate of formation or comparable documents, as amended, and its operating agreement, as amended. In the event any term or condition of this Agreement or any other Credit Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "Organizational Document" shall only be to a document of a type customarily certified by such governmental official, and (e) with respect to any designated or registered series of a limited liability company, a certificate of designated or registered series, as amended, and any operating agreement that governs such series, as amended.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.15).

"Outstanding Amount" means on any date, the aggregate outstanding principal amount thereof after giving effect to any prepayments or repayments of such Term Loan on such date.

"Owner Pledgor" has the meaning set forth in the introductory paragraph hereto.

"Owner Security Agreement" means that certain Amended and Restated Owner Security Agreement, dated on or about the date of this Agreement, executed by the Owner Pledgor in favor of the Administrative Agent for the benefit of the holders of the Obligations, as such agreement may be amended, supplemented, modified or amended and restated from time to time.

"P&C Carriers" shall mean any property and casualty insurance companies, auto insurance companies, no fault insurance companies, and/or workers' compensation laws or plans.

"P&C Claims Paid Value" means the aggregate of potentially recoverable amounts from any Person with respect to any Claim related to the P&C Carriers, to which the Owner Pledgor or any of its Affiliates is contractually entitled, as reasonably identified by the Owner Pledgor in the "Funnel Calculations", based on the aggregate amount such Person has indicated as the "Paid Amount" in the Claims Data and information provided by such Person in respect of such Claim. If the Claims Data provided by such Person with respect to such Claims show a "Paid Amount" value of zero or otherwise refer to "encounter data" under a capitation agreement, then the "Paid Amount" for any such Claims shall be determined by reference to the applicable Medicaid and Medicare rate tables. When these rate tables do not specifically identify a "Geo Zip", the lowest possible rates shall be used. Any Claims listed with "encounter data" or "Paid Amount" values of zero and not otherwise related to a capitation agreement will have a Paid Amount of zero.

"Participant" has the meaning set forth in Section 12.5(d).

"Participant Register" has the meaning set forth in Section 12.5(d).

"Patriot Act" has the meaning set forth in Section 6.18(f).

"Payment Recipient" has the meaning set forth in Section 10.11(a).

"Payor" means, with respect to a HC Claim, the payor, the related Defendant, Insurance Company, third party administrator, QSF, trustee, agent, lien resolution party, or plaintiff steering committee (or related sub-committee) handling distributions with respect to such HC Claim, or, if such Person is not handling such distributions, the court in which such HC Claim is currently filed or the court-appointed party responsible for making such distributions, including without limitation, the Person directed or obligated to make the scheduled payments under the CAA, including, any Responsible Party, and/or any guarantor of any of the same.

"Pension Plan" means any "employee pension benefit plan" as defined in Section 3(2) of ERISA other than a Multiemployer Plan, which is subject to Section 412 of the Internal Revenue Code or Section 302 of ERISA and which is sponsored, maintained or contributed to by, or required to be contributed to by, any Credit Party or any of its ERISA Affiliates or with respect to which any Credit Party or any of its ERISA Affiliates previously sponsored, maintained or contributed to, or was required to contribute to, and still has liability.

"Permitted Holders" means, collectively, direct and indirect natural person owners and any other equity holders of Owner Pledgor as of the Closing Date.

"Permitted Lender Expenses" means the reasonable costs and expenses incurred by the Lender (and its professional advisors) following the Effective Date in connection with the amendment, waivers and due diligence (following occurrence of an Event of Default) of this Agreement and the other Credit Documents, and which costs and expenses the Borrower shall reimburse to the Lender or shall pay or cause to be paid. "Permitted Lender Expenses" shall include, without limitation, the expenses set forth in Section 7.12 hereof.

"Permitted Liens" means each of the Liens permitted pursuant to Section 9.2.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Platform" has the meaning set forth in Section 12.1(d).

"Principal Office" means, for the Administrative Agent, such Person's "Principal Office" as set forth on Appendix B, or such other office as it may from time to time designate in writing to the Borrower and each Lender.

"Proceeding" has the meaning set forth in Section 11.3(c).

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Purchase Notice" has the meaning set forth in Section 11.6(a).

"Purchase Option Event" has the meaning set forth in Section 11.6(a).

"QFC" means as defined in Section 12.23(b).

"QFC Credit Support" means as defined in Section 12.23.

"QSF" means any qualified settlement fund under Section 468B of the Internal Revenue Code into which any HC Case Proceeds may at any time be deposited.

"QSF Instruction Letter" means a letter in substantially the form of Exhibit 1.2 executed by any QSF pursuant to which the QSF manager agrees to directly deposit into a Controlled Account any HC Case Proceeds from any HC Claims being administered by said QSF.

"Qualified Institution" means any Depository Institution or trust company organized under the laws of the United States or any State (or any domestic branch of a foreign bank) that (i) either (a) has or the parent of which has no less than $3 billion in total assets, is not subject to a cease and desist order issued by any Governmental Authority, and has a long-term senior unsecured debt rating of Baa3 or better by Moody's and BBB- or better by S&P or (b) is otherwise acceptable to the Administrative Agent, and (ii) whose deposits are insured by the Federal Deposit Insurance Corporation.

"Recipient" means (a) the Administrative Agent and (b) any Lender, as applicable.

"Register" has the meaning set forth in Section 12.5(c).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Relevant Governmental Body" means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

"Removal Effective Date" has the meaning set forth in Section 10.6(b).

"Required Lenders" means, as of any date of determination, (a) if there is one (1) Lender, such Lender, (b) if there are two (2) or more Lenders and all such Lenders are affiliated, all of such Lenders, (c) if there are two (2) or more Lenders (other than as provided in clause (2)), at least two (2) unaffiliated Lenders having Total Credit Exposure representing more than fifty percent (50%) of the Total Credit

Exposures of all Lenders,; provided, that, the Total Credit Exposure of any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"Resignation Effective Date" has the meaning set forth in Section 10.6(a).

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Party" means an insurance carrier, employer, or other person which may be liable to reimburse an Assignor and/or a Healthcare Assignor under applicable law, including but not limited to the secondary payer provisions of the Medicare statute, 42 U.S.C. §1395y(b), 42 C.F.R. §411.20 et seq., the Medicare Advantage statute, 42 U.S.C. §1395w-22(a)(4), 42 C.F.R. §422.108, or under any other theories of law or causes of action, for the provision of healthcare, services or supplies that have been conditionally paid for by the Assignor.

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc., together with its successors.

"Sale and Leaseback Transaction" means, with respect to the Borrower or any Subsidiary, any arrangement, directly or indirectly, with any Person (other than a Credit Party) whereby the Borrower or such Subsidiary shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

"Sanctioned Country" means (a) a country, territory or a government of a country or territory, (b) an agency of the government of a country or territory, or (c) an organization directly or indirectly owned or controlled by a country, territory or its government, that is subject to Sanctions.

"Sanctioned Person" means (a) a Person named on the list of "Specially Designated Nationals" or any other Sanctions related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union or any European Union member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, (b) the United Nations Security Council, (c) the European Union, (d) any European Union member state, (e) Her Majesty's Treasury of the United Kingdom or (f) any other relevant sanctions authority.

"SEC" means the United States Securities and Exchange Commission.

"Second Milestone" shall have the meaning ascribed to such term in the Collateral Administration Agreement and shall be fulfilled by the date set forth in the Collateral Administration Agreement.

"Secured Parties" and "Secured Party" means, collectively, the Administrative Agent, the Servicer and the Lender.

"Securities" means any stock, shares, partnership interests, limited liability company interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement (e.g., stock appreciation rights), options, warrants, bonds, debentures, notes, or other evidences

of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"Securitization Transaction" means any financing or factoring or similar transaction (or series of such transactions) entered by the Borrower or any of its Subsidiaries pursuant to which the Borrower or such Subsidiary may sell, convey or otherwise transfer, or grant a security interest in, accounts, payments, receivables, rights to future lease payments or residuals or similar rights to payment (the "Securitization Receivables") to a special purpose subsidiary or affiliate (a "Securitization Subsidiary") or any other Person.

"Security Agreements" means, collectively, the Owner Security Agreement, the Borrower Security Agreement, the Series Security Agreement, and any other pledge agreements or security agreements that may be given by any Credit Party pursuant to the terms hereof, in each case as the same may be amended and modified from time to time; and "Security Agreement" means any such agreement.

"Series Security Agreement" means that certain Series Security Agreement, dated as of the date of this Agreement, executed by the Assignee in favor of the Administrative Agent for the benefit of the holders of the Obligations.

"Servicer" means the entity appointed by the Administrative Agent (at its own expense) to be the "Servicer" under this Agreement and any Account Administration Agreement, and its successors and assigns, or such other servicer as the Lender (at its own expense) may designate from time to time.

"Settlement Date" means (a) the twentieth (20^{th}) Business Day of January, April, July and October (or such earlier Business Day in any such Calendar Month to which the Administrative Agent may agree in writing in its sole and absolute discretion), beginning with April 2023, and ending on (and including) the Maturity Date, and/or (b) as applicable, the second Business Day after the Borrower's notice to the Administrative Agent that the balance of the Available Funds deposited in the Borrower Lockbox Account equals to or exceeds $1,250,000.

"Settlement Report" as defined in Section 7.1(b)(i).

"Side Agreement" means that certain Side Agreement, dated December 23, 2021, between the Assignor and the Assignee.

"SOFR Loan" means a Loan that bears interest at a rate based on Term SOFR.

"Solvent" or "Solvency" means, with respect to any Person as of a particular date, that on such date (a) such Person is able to pay its debts and other liabilities, contingent obligations and other commitments as they mature, (b) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature in their ordinary course, (c) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged or is to engage, (d) the fair value of the property and assets of such Person is greater than the total amount of liabilities, including, contingent liabilities, of such Person and (e) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured. In computing the amount of contingent liabilities at any time, it is intended that such

liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Subordinated Debt" means any Indebtedness of the Borrower or any of its Subsidiaries that by its terms is expressly subordinated in right of payment to the prior payment of the Obligations under this Agreement and the other Credit Documents on terms and conditions, and evidenced by documentation, reasonably satisfactory to the Administrative Agent.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture, other business entity, including, if such Person is a limited liability company, a designated or registered series of such Person, of which, in each case, more than fifty percent (50%) of the Equity Interests or Voting Stock is at the time owned or controlled, directly or indirectly, by that Person; provided, that, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a "qualifying share" of the former Person shall be deemed to be outstanding. Unless otherwise provided, "Subsidiary" shall refer to a Subsidiary of the Borrower.

"Supported QFC" has the meaning set forth in Section 12.23.

"Synthetic Lease" means a lease transaction under which the parties intend that (a) the lease will be treated as an "operating lease" by the lessee pursuant to Statement of Financial Accounting Standards No. 13, as amended and (b) the lessee will be entitled to various tax and other benefits ordinarily available to owners (as opposed to lessees) of like property.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Loan" means, collectively, the Term Loan A and Term Loan B.

"Term Loan A" has the meaning set forth in Section 2.1(a) (and includes the Initial Advance) and the principal amount of each Term Loan A is computed as set forth in such section.

"Term Loan A Commitment" means, for each Lender, the commitment of such Lender to make a portion of the Term Loan A hereunder. The Term Loan A Commitment of each Lender as of the Effective Date is set forth on Appendix A. Term Loan A Commitments of all of the Lenders as in effect on the Effective Date is THIRTY MILLION DOLLARS ($30,000,000.00).

"Term Loan A Commitment Percentage" means, for each Lender, a fraction (expressed as a percentage carried to the ninth decimal place), (a) the numerator of which is the outstanding principal amount of such Lender's portion of the Term Loan A, and (b) the denominator of which is the aggregate outstanding principal amount of the Term Loan A. The initial Term Loan A Commitment Percentage of each Lender as of the Effective Date is set forth on Appendix A.

"Term Loan Note A" means a promissory note in the form of Exhibit 2.1(a), as it may be amended, supplemented or otherwise modified from time to time.

"Term Loan B" has the meaning set forth in Section 2.1(b) and the principal amount of each Term Loan B is computed as set forth in such section .

"Term Loan B Commitment" means, for each Lender, the commitment of such Lender to make a portion of the Term Loan B hereunder. The Term Loan B Commitment of each Lender as of the Effective Date is set forth on Appendix A. Term Loan B Commitments of all of the Lenders as in effect on the Effective Date is EIGHTEEN MILLION DOLLARS ($18,000,000.00).

"Term Loan B Commitment Percentage" means, for each Lender, a fraction (expressed as a percentage carried to the ninth decimal place), (a) the numerator of which is the outstanding principal amount of such Lender's portion of the Term Loan B, and (b) the denominator of which is the aggregate outstanding principal amount of the Term Loan B. The initial Term Loan B Commitment Percentage of each Lender as of the Effective Date is set forth on Appendix A.

"Term Loan Note B" means a promissory note in the form of Exhibit 2.1(b), as it may be amended, supplemented or otherwise modified from time to time.

"Term Loan Commitment Percentage" means for each Lender providing a portion of a Term Loan, a fraction (expressed as a percentage carried to the ninth decimal place), (i) the numerator of which is the outstanding principal amount of such Lender's portion of such Term Loan, and (ii) the denominator of which is the aggregate outstanding principal amount of such Term Loan.

"Term Loan Commitments" means, for each Lender, (a) such Lender's Term Loan A Commitment and (b) such Lender's Term Loan B Commitment.

"Term Loan Notes" means the Term Loan A Note, the Term Loan B Note and any other promissory notes given to evidence Term Loans hereunder.

"Term SOFR" means the forward-looking term Secured Overnight Financing Rate (SOFR) for the Interest Period provided by the Term SOFR Administrator, and displayed on the CME Market Data Platform (or, if the Administrative Agent elects, Bloomberg, Refinitiv or another other commercially available source authorized by the Term SOFR Administrator and selected by the Administrative Agent) at approximately 6:00 a.m. (New York City time) two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period (the "Observation Date"); provided, that, if Term SOFR shall be less than 0.00%, then Term SOFR shall be deemed to be 0.00% for purposes of this Agreement. Any change in Term SOFR from one month to the next shall be effective from and including the first day of each month with or without notice to the Borrower.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited, or a successor administrator of Term SOFR.

"Total Credit Exposure" means, as to any Lender at any time, the sum of (a) the Outstanding Amount of the portion of the Term Loan A of such Lender at such time, plus (b) the Outstanding Amount of the portion of the Term Loan B of such Lender at such time.

"U.S. Government Securities Business Day" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

"U.S. Person" means any Person that is a "United States person" as defined in Section 7701(a)(30) of the Internal Revenue Code.

"U.S. Special Resolution Regimes" has the meaning set forth in Section 12.23.

"U.S. Tax Compliance Certificate" has the meaning set forth in Section 3.3(f).

"UCC" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in the State of New York (or any other applicable jurisdiction, as the context may require).

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority ("FCA"), which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"United States" or "U.S." means the United States of America.

"Unpaid Principal Balance" means, as of any date of determination, the aggregate unpaid principal balance of the Term Loan (without giving effect to any original issue discount), including without limitation, any and all interest that has been added to the principal balance of the Term Loan in accordance with Section 2.5(d).

"Voting Stock" means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors or managing members (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

"Withholding Agent" means any Credit Party and the Administrative Agent.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail- In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.2 Accounting Terms.

(a) Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP. Financial statements and other *information* required to be delivered by the Credit Parties to the Lenders pursuant to clauses (a), (b), (c) and (d) of Section 7.2 shall be prepared in accordance with GAAP as in effect at the time of such preparation (and delivered together with the reconciliation statements provided for in Section 7.2(h), if applicable). If at any time any change in GAAP or in the consistent application thereof would affect the computation of any financial covenant or requirement set forth

in any Credit Document, and either the Borrower or the Required Lenders shall object in writing to determining compliance based on such change, then the Lenders and the Borrower shall negotiate in good faith to amend such financial covenant, requirement or applicable defined terms to preserve the original intent thereof in light of such change to GAAP, provided, that, until so amended such computations shall continue to be made on a basis consistent with the most recent financial statements delivered pursuant to clauses (a), (b), (c) and (d) of Section 7.2 as to which no such objection has been made.

(b) Notwithstanding anything to the contrary contained herein, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(c) Notwithstanding anything to the contrary contained herein, all liability amounts shall be determined *excluding* any liability relating to any operating lease, all asset amounts shall be determined *excluding* any right-of-use assets relating to any operating lease, all amortization amounts shall be determined *excluding* any amortization of a right-of-use asset relating to any operating lease and all interest amounts shall be determined *excluding* any deemed interest comprising a portion of fixed rent payable under any operating lease, in each case of the foregoing, to the extent that such liability, asset, amortization or interest pertains to an operating lease under which the covenantor, or a member of its consolidated group, is the lessee and would *not* have been accounted for as such under GAAP as in effect on December 31, 2015.

Section 1.3 Rules of Interpretation.

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Credit Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “hereto”, “herein,” “hereof” and “hereunder,” and words of similar import when used in any Credit Document, shall be construed to refer to such Credit Document in its entirety and not to any particular provision hereof or thereof, (iv) all references in a Credit Document to Sections, Exhibits, Appendices and Schedules shall be construed to refer to Sections of, and Exhibits, Appendices and Schedules to, the Credit Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory rules, regulations, orders and provisions consolidating, amending, replacing or interpreting such law and any references to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) The terms lease and license shall include sub-lease and sub-license.

(c) All terms not specifically defined herein or by GAAP, which terms are defined in the UCC, shall have the meanings assigned to them in the UCC of the relevant jurisdiction, with the term "instrument" being that defined under Article 9 of the UCC of such jurisdiction.

(d) Unless otherwise expressly indicated, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including", the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including".

(e) To the extent that any of the representations and warranties contained in Section 6 under this Agreement or in any of the other Credit Documents is qualified by materiality or reference to "Material Adverse Effect", the qualifier "in all material respects" contained in Section 5.2(c) and the qualifier "in any material respect" contained in Section 9.1(e) shall not apply.

(f) Whenever the phrase "to the knowledge of" or words of similar import relating to the knowledge of a Person are used herein or in any other Credit Document, such phrase shall mean and refer to the actual knowledge of the Authorized Officers of such Person.

(g) This Agreement and the other Credit Documents are the result of negotiation among, and have been reviewed by counsel to, among others, the Administrative Agent and the Credit Parties, and are the product of discussions and negotiations among all parties. Accordingly, this Agreement and the other Credit Documents are not intended to be construed against the Administrative Agent or any of the Lenders merely on account of the Administrative Agent's or any Lender's involvement in the preparation of such documents.

(h) Unless otherwise indicated, all references to a specific time shall be construed to Eastern Standard Time or Eastern Daylight Savings Time, as the case may be. Unless otherwise expressly provided herein, all references to dollar amounts and "$" shall mean Dollars.

(i) Any reference herein or in any other Credit Document to a merger, transfer, consolidation, amalgamation, assignment, sale or disposition, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale or disposition, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder and under each other Credit Document (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

Section 1.4 Rates. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement) or any related spread or other adjustment, including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Benchmark Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of the Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain

Term SOFR or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

Section 1.5 Conforming Changes Relating to Term SOFR. In connection with the use or administration of Term SOFR the Administrative Agent will have the right to make Benchmark Conforming Changes from time to time and, notwithstanding anything to the contrary contained herein or in any other Credit Document, any amendments implementing such Benchmark Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Credit Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Benchmark Conforming Changes in connection with the use or administration of Term SOFR.

Section 1.6 Servicer. Each party hereto acknowledges and agrees that the Administrative Agent appoint a "Servicer" and that upon the execution by the Servicer of a joinder to this Agreement it shall automatically become a party hereto and shall be entitled to all the rights and benefits and be subject to the obligations of the "Servicer" set forth in this Agreement. Until the execution of such joinder by the Servicer, all references to "Servicer" in this Agreement shall refer to the "Administrative Agent" and the Administrative Agent shall be entitled to all the right and benefits and be subject to the obligations of the Servicer set forth in this Agreement until a Servicer is appointed in its place.

Section 1.7 Amendment and Restatement. On the Effective Date, the Existing Credit Agreement shall be amended, restated and superseded in its entirety hereby. The parties hereto acknowledge and agree that (i) this Agreement and the other Credit Documents executed and delivered in connection herewith do not constitute a novation or termination of the obligations under the Existing Credit Agreement as in effect prior to the Effective Date and (ii) such obligations are in all respects continuing with only the terms thereof being modified as provided in this Agreement in full respects.

Section 1.8 Reaffirmation of Credit Documents.

(a) Each of the Credit Parties hereby (a) acknowledges and consents to the execution and delivery of each of the instruments, documents and agreements required in connection with this Agreement, (b) agrees that this Agreement and the transactions contemplated hereby shall not limit or diminish the obligations of such Person arising under or pursuant to the Collateral Documents and the other Credit Documents to which it is a party effective immediately prior to the date hereof except to the extent modified, amended, amended and restated, limited or diminished in any amendments or amendments and restatements thereto, and (c) reaffirms all of its obligations and Liens on any collateral which have been granted by it in favor of the Administrative Agent under the Credit Documents to which it is a party effective immediately prior to the date hereof except to the extent modified, amended, amended and restated, limited or diminished in any amendments or amendments and restatements thereto.

(b) Notwithstanding the modifications and amendment and restatement effected by this Agreement of the representations, warranties and covenants of Credit Parties contained in the Existing Credit Agreement, the Credit Parties acknowledge and agree that (i) any causes of action or created prior to the Effective Date in favor of any Secured Party and its successors arising out of the representations and warranties of the Credit Parties contained in or delivered (including representations and warranties delivered in connection with the making of the loans or other extensions of credit thereunder) in connection with the Existing Credit Agreement shall survive the

execution and delivery of this Agreement and be subject to the terms of this Agreement; and (ii) indemnification obligations of the Credit Parties pursuant to the Existing Credit Agreement arising immediately prior to the Effective Date shall survive the amendment and restatement of the Existing Credit Agreement pursuant to this Agreement.

Section 1.9 No Novation. Neither this Agreement nor the effectiveness of the amendments to the Existing Credit Agreement effected hereby shall extinguish the obligations for the payment of money outstanding under the Existing Credit Agreement prior to the Effective Date. Nothing herein contained shall be construed as a substitution or novation of any of the obligations outstanding under the Existing Credit Agreement, outstanding and continue on the terms thereof as being modified and amended and restated by this Agreement.

SECTION 2
THE LOANS

Section 2.1 Term Loan A and Term Loan B.

(a) Term Loan A.

(i) Subject to the terms and conditions set forth herein, the Lender will make advances of its Tranche A Commitment Percentage of a term loan (the "Term Loan A") in an actually funded amount not to exceed the aggregate Term Loan A Commitment. The Lender intended to disburse Term Loan A in Dollars in equal consecutive monthly installments commencing on January 25, 2023 (the "January Installment"), with the final installment being funded on June 25, 2023. However, the Parties agree that as of the Initial Closing Date, the conditions set forth in Section 5.1 and Section 5.2 (the "Funding Conditions") have not been satisfied and as an accommodation to the Borrower, the Lender has agreed to fund the first two installments of $10,000,000 that would have been funded on January 25, 2023 and February 25, 2023 into the MSP Operating Account two (2) Business Days after the Initial Closing Date (the "Initial Advance") prior to such Funding Conditions being satisfied. Other installments of Term Loan A other than the Initial Advance will be funded on the 25th day of each month following the Initial Closing Date (each, a "Funding Date"); provided, that, subject to Section 2.1(a)(iii) below, if on any Funding Date the Borrower has not satisfied the Funding Conditions, Lender shall be under no obligation to disburse any portion of the Term Loan A; provided further that, if the Closing Date occurs on or after March 27, 2023, the Lender hereby agrees that it shall fund on the Closing Date the third installment of $5,000,000 that would have been funded on March 27, 2023 (the "March Installment") so long as the conditions precedent to the Closing Date in Section 5.1 and Section 5.2 (other than Section 5.2(e)) shall have been satisfied; provided further, that no disbursement will be made after the final disbursement on June 25, 2023. The Borrower and Lenders agree that each such installment actually funded by the Lenders represent 60% of the principal amount of such Loan. Accordingly, the principal amount of each Term Loan A funded under this clause equals such amount actually funded by the Lenders divided by 0.6 and the aggregate principal amount of Term Loan A is the sum of the principal amount of all such Loans. For the avoidance of doubt, on each such borrowing date each Lender shall advance to Borrower an amount equal to 60% of its ratable share of all the Loans requested by Borrower as of such date in exchange for Borrower's obligations to repay in full the principal amount of such Loans, plus interest accrued thereon in accordance with the terms hereof.

(ii) Term Loan A shall be evidenced by one or more secured promissory notes (collectively, the "Term Loan Note A") in substantially the form attached hereto as Exhibit 2.1(a). The Term Loan A shall consist of SOFR Loans. Amounts repaid on the Term Loan A may not be reborrowed. For the avoidance of doubt, Lender shall not be under any obligation to fund all or any portion of the Term Loan A (except for the Initial Advance, which shall be funded by the Lenders within two days after execution of this Agreement, without regards to any conditions in Section 4.1 and Section 4.2 hereof or any other conditions) until the Borrower has satisfied the conditions in Section 4.1 and Section 4.2 hereof (except for Section 5.2(e) in respect of the March Installment) and subject always to the terms of Section 2.1(a)(ii).

(iii) Notwithstanding the provisions of Section 2.1(a)(i) and Section 2.1(a)(ii), in the event that the conditions in Section 5.1 and Section 5.2 have been met but any of the Claim Filing Milestone, First Milestone or Second Milestone has not been met, at the request of the Borrower, the Lenders shall fund, on the applicable Funding Date, 50% of the applicable monthly installment of Term Loan A (except for the Initial Advance and the March Installment which shall be funded in full pursuant to Section 2.1(a)(i) above) to the Borrower.

(b) Term Loan B.

(i) Subject to the terms and conditions set forth herein, the Lender will make advances of its Tranche B Commitment Percentage of a term loan (the "Term Loan B") in an amount not to exceed the aggregate Term Loan B Commitment, which Term Loan B will be disbursed to the Borrower in Dollars in six (6) equal consecutive monthly installments commencing on July 25, 2023 and continuing on the 25th day of each month thereafter, subject to the provision of Section 2.1(b)(iii). The Borrower and Lenders agree that each such installment funded by the Lenders represent 60% of the principal amount of such Loan. Accordingly, the principal amount of each Term Loan B funded under this clause equals such amount funded by the Lenders divided by 0.6 and the aggregate principal amount of Term Loan B is the sum of the principal amount of all such Loans. For the avoidance of doubt, on each such borrowing date each Lender shall advance to Borrower an amount equal to 60% of its ratable share of all the Loans requested by Borrower as of such date in exchange for Borrower's obligations to repay in full the principal amount of such Loans, plus interest accrued thereon in accordance with the terms hereof.

(ii) The Term Loan B shall be evidenced by one or more secured promissory notes (collectively, the "Term Loan Note B") in substantially the form attached hereto as Exhibit 2.1(b). The Term Loan B shall consist of SOFR Loans. Amounts repaid on the Term Loan B may not be reborrowed. For the avoidance of doubt, Lender shall not be under any obligation to fund all or any portion of the Term Loan B until the Borrower has satisfied the conditions in Section 4.1 and Section 4.2 hereof and subject always to the terms of Section 2.1(b)(iii).

(iii) Notwithstanding the provisions of Section 2.1(b)(i) and Section 2.1(b)(ii), in the event that the conditions in Section 5.1 and Section 5.2 have been met but any of the Claim Filing Milestone, First Milestone or Second Milestone has not been met the Lenders shall fund, on the applicable Funding Date, 50% of the applicable monthly installment of Term Loan B to the Borrower (or, if in accordance with agreed Cost Savings directly to recovery service providers, as described in the Healthcare Legal Services Agreement),

provided that if and to the extent any amount of Cost Savings agreed as below, such funding amount (i..e, 50% of the applicable monthly installment of Term Loan B) shall be reduced, on a dollar for dollar basis, by such amount of Cost Savings. Cost Savings shall be identified and agreed by the Operating Committee prior to the applicable Funding Date, and shall be determined as the minimum cash cost necessary to enable the Borrower to service the HC Claims, according to the principles set out in the Healthcare Legal Services Agreement, as compared to the funding amount; it being understood and agreed that such Cost Savings shall not be reduced by any expenses required to implement such Cost Savings. The Operating Committee shall begin its review of costs upon the first to occur of (i) failure to meet the First Milestone, (ii) failure to meet the Second Milestone and (iii) failure to meet the Claim Filing Milestone, and shall identify the aggregate amount of Cost Savings to be deducted from the funding amount of the applicable monthly installment of Term Loan B at least three (3) Business Days prior to the first installment payment; provided, however, that if such failure occurs less than thirty (30) days prior to July 25, 2023, then the first installment payment shall be delayed to provide the Operating Committee at least thirty (30) days to review the cost savings that may be achieved and make its determination.

(c) Operational Collection Payments. Subject to the terms and conditions set forth herein, and subject to the satisfaction of the Operating Committee, in its sole discretion, that the Credit Parties lack sufficient financial resources for funding of general corporate purposes and working capital needs, the Administrative Agent will make payments to the Borrower or recovery service providers (as described in the Healthcare Legal Services Agreement) from the Operational Collection Escrow (the "Operational Collection Payments") in an amount necessary for servicing the HC Claims as determined by the Operating Committee, according to an agreed budget as set out in the Healthcare Legal Services Agreement, and not to exceed the aggregate amount of the funds available in the Operational Collection Escrow. Payments will be disbursed to the Borrower in Dollars in twelve (12) consecutive monthly installments, in amounts not to exceed $3,000,000 (except for the last installment which will be in an amount of $2,000,000) commencing on January 25, 2024 and continuing on the 25th day of each month thereafter until December 2024. After 2024, any amounts in the Operational Collection Escrow will be funded at the Lender's discretion for servicing the HC Claims. Notwithstanding anything to the contrary, the Credit Parties do not have to repay any Operational Collection Payments received and none of the Operational Collection Payments shall accrue any interest, and, for the avoidance of doubt, Lender shall not be under any obligation to fund all or any portion of the Operational Collection Payments until the Borrower has satisfied the conditions in Section 4.1 and Section 4.2 hereof.

(d) Mechanics for Term Loans.

(i) (a) Any Term Loan A shall be made in integral multiples of $5,000,000 and (b) any Term Loan B shall be made in integral multiples of $3,000,000.

(ii) Whenever the Borrower desires that the Lenders make a Loan, the Borrower shall deliver to the Administrative Agent a fully executed Funding Notice (the "Funding Notice") in substantially the form attached hereto as Exhibit 2.1(d), no later than 1:00 p.m. at least three (3) U.S. Government Securities Business Days in advance of the proposed Credit Date. Except as otherwise provided herein, any Funding Notice shall be irrevocable on and after the related Interest Rate Determination Date, and the Borrower shall be bound to make a borrowing in accordance therewith.

(iii) Notice of receipt of each Funding Notice in respect of each Term Loan, together with the amount of each Lender's Term Loan Commitment Percentage thereof, if any, together with the applicable interest rate, shall be provided by the Administrative Agent to each applicable Lender by telefacsimile with reasonable promptness, but (provided the Administrative Agent shall have received such notice by 1:00 p.m.) not later than 4:00 p.m. on the same day as the Administrative Agent's receipt of such notice from the Borrower.

(iv) Each Lender shall make its Term Loan Commitment Percentage of the requested Term Loan available to the Administrative Agent not later than 11:00 a.m. on the applicable Credit Date by wire transfer of same day funds in Dollars, at the Administrative Agent's Principal Office. Except as provided herein, upon satisfaction or waiver of the applicable conditions precedent specified herein, the Administrative Agent shall make the proceeds of such Credit Extension available to the Borrower on the applicable Credit Date by causing an amount of same day funds in Dollars equal to the proceeds of all Loans received by the Administrative Agent in connection with the Credit Extension from the Lenders to be paid to the Borrower Operating Account.

(e) Initial Advance. Lender will fund the Initial Advance (regardless of whether the conditions in Section 5.1 or Section 5.2 have been satisfied). The Initial Advance will be subject to the terms of the Credit Documents and subject to the security interest agreed therein and will accrue interest from the date of the Initial Advance, until repaid in full and for the avoidance of doubt, the Initial Advance will reduce the Term Loan A Commitment as set forth herein. If the Closing Date does not occur and all of the Credit Documents are not consummated for any reason (including the failure to satisfy the conditions in Section 5.1 or Section 5.2 hereof or an election by the Lender not to consummate the transaction), the Initial Advance (plus accrued interest at the interest rate applicable to the Term Loan set forth in this Agreement) will be due and payable in full by the Borrower (including the accrued interest thereon) two (2) Business Days following any notice by Lender that it has elected not to consummate the Loan.

Section 2.2 Pro Rata Shares; Availability of Funds.

(a) Pro Rata Shares. All Loans shall be made, and all participations purchased, by the Lenders simultaneously and proportionately to their respective pro rata shares of the Loans, it being understood that no Lender shall be responsible for any default by any other Lender in such other Lender's obligation to make a Loan requested hereunder or purchase a participation required hereby nor shall any Term Loan Commitment, or the portion of the aggregate outstanding principal amount of the Term Loans, of any Lender be increased or decreased as a result of a default by any other Lender in such other Lender's obligation to make a Loan requested hereunder or purchase a participation required hereby.

(b) Availability of Funds.

(i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.1(e). In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender agrees to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds

with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to SOFR Loans, plus, in either case, any administrative, processing or similar fees customarily charged by the Administrative Agent in connection therewith. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by the Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

Notices given by the Administrative Agent under this subsection (b) shall be conclusive absent manifest error.

Section 2.3 Evidence of Debt; Register; Lenders' Books and Records; Notes.

(a) Lenders' Evidence of Debt. Each Lender shall maintain on its internal records an account or accounts evidencing the Obligations of the Borrower and each other Credit Party to such Lender, including the amounts of the Loans made by it and each repayment and prepayment in respect thereof. Any such recordation shall be conclusive and binding on the Borrower, absent manifest error; provided, that the failure to make any such recordation, or any error in such recordation, shall not affect any Lender's Commitment or the Borrower's obligations in respect of any applicable Loans; provided, further, that, in the event of any inconsistency between the Register and any Lender's records, the recordations in the Register shall govern in the absence of demonstrable error therein.

(b) Notes. The Borrower shall execute and deliver to each (i) Lender on the Closing Date and (ii) Person who is a permitted assignee of such Lender pursuant to Section 12.5, in each case to the extent requested by such Person, a Note or Notes to evidence such Person's portion of the Term Loans, as applicable.

Section 2.4 Scheduled Principal Payments. Commencing with the first full month ending after each advance of a Term Loan, the Borrower shall repay the outstanding principal amount of the Term Loan from and to the extent of Available Funds, applied in accordance with Section 2.11 without penalty or premium; provided, that,, the aggregate principal amount of the Term Loans (including any amount of interest that has been added to the principal balance pursuant to Section 2.5(d)), shall be repaid in full on the Maturity Date.

Section 2.5 Interest on Loans.

(a) Except as otherwise set forth herein, each Loan shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) at a rate equal to Term SOFR plus the Applicable Margin and may be paid in kind in accordance with Section 2.5(d).

(b) Interest payable pursuant to this Section 2.5 shall be computed on the basis of (i) for interest at the Base Rate, a year of three hundred sixty-five (365) or three hundred sixty-six (366) days, as the case may be, and (ii) for all other computations of fees and interest, a year of three hundred sixty (360) days, in each case for the actual number of days elapsed in the period during which it accrues. In computing interest on any Loan, the date of the making of such Loan or the first day of an Interest Period applicable to such Loan, shall be included, and the date of payment of such Loan or the expiration date of an Interest Period applicable to such Loan, shall be excluded; provided, that, if a Loan is repaid on the same day on which it is made, one (1) day's interest shall be paid on that Loan.

(c) Except as otherwise set forth herein, interest on each Loan shall accrue on a daily basis and shall be payable in arrears on: (i) each Interest Payment Date applicable to that Loan, (ii) upon any prepayment of that Loan (other than a voluntary prepayment of a Term Loan which interest shall be payable in accordance with clause (i) above), to the extent accrued on the amount being prepaid and (iii) at maturity, including final maturity.

(d) Any interest that accrues on the Loan during any Interest Period that remains unpaid on the related Interest Payment Date shall be paid-in-kind and added to the principal balance of the Loans as of such Interest Payment Date automatically and without the requirement for any notice by any party.

Section 2.6 Default Rate of Interest.

(a) If any amount of principal of any Loan is not paid when due, whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Laws.

(b) If any amount (other than principal of any Loan) payable by any Credit Party under any Credit Document is not paid when due (after the expiration of any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then at the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Laws.

(c) During the continuance of an Event of Default under Section 9.1(g) or Section 9.1(h), the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at

a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Laws.

(d) During the continuance of any Event of Default (other than an Event of Default under Section 9.1(g) or Section 9.1(h)), the Borrower shall, at the request of the Required Lenders, pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Laws.

(e) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(f) Payment or acceptance of the increased rates of interest provided for in this Section 2.6 is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the Administrative Agent or any Lender.

Section 2.7 Payment of Collections into Borrower Operating Account. On any day the Borrower or other Credit Party receives a Collection, the Borrower or such other Credit Party on behalf of itself and the Borrower, shall deposit (or cause to deposit), in cash, the amount of such Collection in the Borrower Lockbox Account for application in accordance with Section 2.11.

Section 2.8 Prepayments/Commitment Reductions.

(a) Voluntary Prepayments.

(i) The Loans may be repaid in whole without premium or penalty on any Business Day (subject to Section 3.1), and the outstanding Commitments may be reduced or terminated by the Borrower in part (in minimum Commitment amounts of no less than $20,000,000) or in whole without premium or penalty on any Business Day upon at least 5 Business Days' prior written notice to the Lender;

(ii) All such prepayments shall be made upon not less than three (3) U.S. Government Securities Business Days' prior written or telephonic notice, given to the Administrative Agent by 11:00 a.m. on the date required and, if given by telephone, promptly confirmed in writing to the Administrative Agent (and the Administrative Agent will promptly transmit such telephonic or original notice for a Credit Extension by telefacsimile or telephone to each Lender). Upon the giving of any such notice, the principal amount of the Loans specified in such notice shall become due and payable on the prepayment date specified therein. Any such voluntary prepayment shall be applied as specified in Section 2.10(a).

(b) Mandatory Prepayments.

(i) If the P&C Claims Paid Value in respect of the HC Claims become less than 75% of the consolidated P&C Claims Paid Value in respect of all Claims in which the Owner Pledgor or its Affiliates has ownership or interest (including Medicare or any other lines of recovery, such as Medicaid or Commercial) (such occurrence being referred to as the "75% Trigger"), then 50% of (1) any recoveries from Additional Claims and (2) financing raised from Additional Claims or rights thereto (in each case net of reasonable transaction costs and expenses associated therewith) (collectively, the "Lender Portion of

Additional Claims") shall be used by the Owner Pledgor to prepay the Loans (on behalf of the Borrower), and Owner Pledgor or its Affiliates, as applicable, shall cause the Lender Portion of Additional Claims to be deposited in the Borrower Lockbox Account, to be applied in accordance with Section 2.11.

Section 2.9 Accounts and Amounts.

(a) Borrower Lockbox Account. The Credit Parties shall cause to be established and maintained a deposit account at the Account Bank in the name of the Borrower designated as the Borrower Lockbox Account and the Borrower shall provide the account number of the Borrower Lockbox Account to the Administrative Agent as to which the Administrative Agent shall have control within the meaning of Section 9-104(a)(2) of the UCC pursuant to the Borrower Lockbox Account Control Agreement. The taxpayer identification number associated with the Borrower Lockbox Account shall be that of the Borrower and the Borrower will report for federal, state and local income taxes, the income, if any, represented by the Borrower Lockbox Account. No checks shall be issued, printed or honored with respect to the Borrower Lockbox Account. In the event that any initial or any successor Account Bank ceases to be a Qualified Institution, the Borrower shall, within thirty (30) days thereof, establish new Accounts at a Qualified Institution, and if the related Account is a Controlled Account, prior to establishing any such new Account, the Borrower shall cause each Qualified Institution with which it seeks to establish such Account to enter into a control agreement similar to the Borrower Lockbox Account Control Agreement with respect thereto in form and substance reasonably satisfactory to the Administrative Agent.

(b) Borrower Operating Account. The Credit Parties shall cause to be established and maintained a deposit account at the Account Bank in the name of the Borrower designated as the Borrower Operating Account and the Borrower shall provide the account number of the Borrower Operating Account to the Administrative Agent as to which the Administrative Agent shall have control within the meaning of Section 9-104(a)(2) of the UCC pursuant to the Borrower Operating Account Control Agreement. The taxpayer identification number associated with the Borrower Operating Account shall be that of the Borrower and the Borrower will report for federal, state and local income taxes, the income, if any, represented by the Borrower Operating Account. No checks shall be issued, printed or honored with respect to the Borrower Operating Account. In the event that any initial or any successor Account Bank ceases to be a Qualified Institution, the Borrower shall, within thirty (30) days thereof, establish new Accounts at a Qualified Institution, and if the related Account is a Controlled Account, prior to establishing any such new Account, the Borrower shall cause each Qualified Institution with which it seeks to establish such Account to enter into a control agreement similar to the Borrower Operating Account Control Agreement with respect thereto in form and substance reasonably satisfactory to the Administrative Agent.

(c) Additional Controlled Accounts. The Borrower may from time to time open a new deposit account with the Account Bank, or designate an existing Borrower Account, in each case for the purpose of receiving HC Case Proceeds (any such account, an "Additional Controlled Account"); provided, that, prior to opening any such deposit account or so designating any Borrower Account as an Additional Controlled Account, (a) the Administrative Agent shall have, in its sole and absolute discretion, consented thereto in writing, and (b) the Borrower shall have caused the Account Bank to enter into a control agreement similar to the Borrower Lockbox Account Control Agreement with respect thereto in form and substance satisfactory to the Administrative Agent in its sole and absolute discretion (an "Additional Control Agreement"), (c) the parties to the MSP Instruction Letters shall have amended or supplemented the terms thereof to apply to such accounts in form and substance satisfactory to the Administrative Agent in its sole and absolute discretion (where the Administrative Agent determines in its sole and absolute

discretion that any such amendment or supplement is necessary), and (d) the Borrower provided the Administrative Agent an updated Schedule 1.1(a) including all information relating to such Additional Controlled Account. Each Additional Control Agreement shall provide that all funds deposited into the Additional Controlled Account will be swept daily into the Borrower Lockbox Account.

Section 2.10 Application of Prepayments. Within each Loan, prepayments will be applied to Loans in direct order of Interest Period maturities. In addition:

(a) Voluntary Prepayments. Voluntary prepayments pursuant to Section 2.8(a) will be applied as specified by the Borrower; provided, that, in the case of prepayments on the Term Loans, (i) the prepayment will be applied ratably to the Term Loans then outstanding and (ii) with respect to each Term Loan then outstanding, the prepayments will be applied to the remaining principal installments thereunder on a pro rata basis.

(b) Mandatory Prepayments. Mandatory prepayments pursuant to Section 2.8(b) will be applied as follows:

(i) Mandatory prepayments with respect to each of the Term Loans will be applied to remaining principal installments thereunder on a pro rata basis.

(c) Prepayments on the Obligations will be paid by the Administrative Agent to the Lenders ratably in accordance with their respective interests therein (except for Defaulting Lenders where their share will be applied as provided in Section 2.14(a)(ii) hereof).

Section 2.11 Application of Available Funds. Prior to the Maturity Date, and upon satisfactory receipt by the Administrative Agent of the applicable Settlement Report and other supporting documents from the Borrower which the Administrative Agent may reasonably request to appropriately identify pertinent information of all Collections on deposit in the Borrower Lockbox Account as of such date, the Administrative Agent (or, pursuant to an Account Administration Agreement, the Account Administrator on the Lender's behalf) shall instruct the Account Bank, on each Settlement Date in accordance with the Settlement Report delivered by the Borrower to the Administrative Agent in connection with such Settlement Date (as such report may be adjusted by the Administrative Agent in its good faith discretion), to apply all Available Funds in the following priority (unless otherwise agreed by the Administrative Agent and the Borrower in writing):

(a) *First*, to the parties entitled thereto upon presentation of written invoice(s) (through the Credit Parties) for the same, such amount of such invoices constituting "Expenses" as defined in Appendix F of the CRSA and "Client Costs" under the Healthcare Legal Services Agreement;

(b) *Second*, such amount of Available Funds that are Collections from HC Claims (after giving effect to clause *First*), to the following parties, pro-rata in accordance with their percentage share of the Available Funds as set forth below:

(i) 50% of such Available Funds that are Collections from HC Claims to Assignor;

(ii) 20% of such Available Funds that are Collections from HC Claims to MSP Law Firm;

(iii) 30% of such Available Funds that are Collections from HC Claims (after giving effect to subclauses (i) and (ii) of clause *Second*) plus Available Funds that are

Collections from Additional Claims shall be applied by the Administrative Agent for the benefit of the Lender(s) in accordance with clauses ***Third*** through to ***Ninth*** below;

(c) *Third*, to the Lenders and the Administrative Agent, pari passu, to pay all due and unpaid Permitted Lender Expenses;

(d) *[reserved]*;

(e) *Fifth*, of the next one hundred million dollars ($100,000,000.00) of the Available Funds (after giving effect to clauses ***First*** through ***Third*** above), 35% to be deposited and funded into the Operational Collection Escrow and the other 65% to be paid according to below priority;

(f) *Sixth*, to the Lender to pay all accrued and unpaid interest on the Loan that has not been paid or capitalized prior to the applicable Settlement Date;

(g) *Seventh*, to the Lender to repay the Unpaid Principal Balance (including, for the avoidance of doubt, any interest that has been added to principal in accordance with Section 2.5(d)) until paid in full;

(h) *Eighth*, to the Lender for the payment of all other Obligations (other than un-asserted contingent or reimbursement obligations) until paid in full;

(i) *Ninth*, to the HHI Lender, to be applied in accordance with the terms of the HHI Loan Documents until paid in full of the obligations under the HHI Loan Documents (other than any un-asserted contingent or reimbursement obligations);

(j) *Tenth*, to Owner Pledgor, all remaining amounts and proceeds.

All payments made hereunder to the Lender shall be made to the account designated by the Lender in writing from time to time.

Section 2.12 General Provisions Regarding Payments.

(a) All payments by the Credit Parties of principal, interest, fees and other Obligations hereunder or under any other Credit Document shall be made in Dollars in immediately available funds, without defense, recoupment, setoff or counterclaim, free of any restriction or condition. The Administrative Agent shall, and the Credit Parties hereby authorize the Administrative Agent to, debit a deposit account of the Borrower or any of its Subsidiaries held with the Administrative Agent or any of its Affiliates and designated for such purpose by the Borrower or such Subsidiary in order to cause timely payment to be made to the Administrative Agent of all principal, interest and fees due hereunder or under any other Credit Document (subject to sufficient funds being available in its accounts for that purpose).

(b) In the event that the Administrative Agent is unable to debit a deposit account of the Borrower or any of its Subsidiaries held with the Administrative Agent or any of its Affiliates in order to cause timely payment to be made to the Administrative Agent of all principal, interest and fees due hereunder or any other Credit Document (including because insufficient funds are available in its accounts for that purpose), payments hereunder and under any other Credit Document shall be delivered to the Administrative Agent, for the account of the Lenders, not later than 2:00 p.m. on the date due at the Principal Office of the Administrative Agent or via wire transfer of immediately available funds to an account designated by the Administrative Agent (or

at such other location as may be designated in writing by the Administrative Agent from time to time); for purposes of computing interest and fees, funds received by the Administrative Agent after that time on such due date shall be deemed to have been paid by the applicable Credit Party on the next Business Day.

(c) All payments in respect of the principal amount of any Loan shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid, and all such payments (and, in any event, any payments in respect of any Loan on a date when interest is due and payable with respect to such Loan) shall be applied to the payment of interest then due and payable before application to principal.

(d) The Administrative Agent shall promptly distribute to each Lender at such address as such Lender shall indicate in writing, such Lender's applicable pro rata share of all payments and prepayments of principal and interest due to such Lender hereunder, together with all other amounts due with respect thereto, including all fees payable with respect thereto, to the extent received by the Administrative Agent.

(e) Subject to the provisions set forth in the definition of "Interest Period," whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of the payment of interest hereunder, but such payment shall be deemed to have been made on the date therefor for all other purposes hereunder.

(f) The Administrative Agent may, but shall not be obligated to, deem any payment by or on behalf of any Credit Party hereunder that is not made in same day funds prior to 2:00 p.m.] to be a non-conforming payment. Any such payment shall not be deemed to have been received by the Administrative Agent until the later of (i) the time such funds become available funds, and (ii) the applicable next Business Day. The Administrative Agent shall give prompt telephonic notice to the Borrower and each applicable Lender (confirmed in writing) if any payment is non-conforming. Any non-conforming payment may constitute or become a Default or Event of Default in accordance with the terms of Section 10.1(a). Interest shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) at the Default Rate (unless otherwise provided by the Required Lenders) from the date such amount was due and payable until the date such amount is paid in full.

Section 2.13 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of such Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided, that:

(a) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this Section shall not be construed to apply to (A) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (B) any payment obtained by a Lender as consideration for the assignment of any of its Loans or other obligations hereunder to any assignee or participant, other than to the Borrower or any Subsidiary (as to which the provisions of this Section shall apply).

Each of the Credit Parties consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Credit Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Credit Party in the amount of such participation.

Section 2.14 Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 12.4(a)(iii).

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts (other than fees which any Defaulting Lender is not entitled to receive pursuant to Section 2.14(a)(iii)) received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 9 or otherwise, and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 12.3), shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; second, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; third, if so determined by the Administrative Agent and the Borrower, to be held in a non-interest bearing deposit account and released in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; fifth, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and sixth, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided, that, if (x) such payment is a payment of the principal amount of any Loans in respect of which that Defaulting Lender has not fully funded its appropriate share and (y) such Loans were made at a time when the conditions set forth in Section 4.1 and Section 4.2 were satisfied or waived, such payment shall be applied solely to the pay the Loans of, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans and funded. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a

Defaulting Lender shall be deemed paid to (and the underlying obligations satisfied to the extent of such payment) and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

Section 2.15 Removal or Replacement of Lenders. If (a) any Lender requests compensation under Section 3.2, (b) any Credit Party is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.3, (c) any Lender gives notice of an inability to fund SOFR Loans under Section 3.1(b)(i), (d) any Lender is a Defaulting Lender, or (e) any Lender (a "Non-Consenting Lender") does not consent (including by way of a failure to respond in writing to a proposed amendment, consent or waiver by the date and time specified by the Administrative Agent) to a proposed amendment, consent, change, waiver, discharge or termination hereunder or with respect to any Credit Document that has been approved by the Required Lenders or implemented pursuant to Section 3.1(b)(ii), then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 12.5), all of its interests, rights (other than its rights under Section 3.2, Section 3.3 and Section 12.2) and obligations under this Agreement and the related Credit Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided, that:

(a) the Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 12.5(b)(iv);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Credit Documents (including any amounts under Section 3.1(c)) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.2 or payments required to be made pursuant to Section 3.3, such assignment is reasonably expected to result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with Applicable Law; and

(e) in the case of any such assignment resulting from a Non-Consenting Lender's failure to consent to a proposed amendment, consent, change, waiver, discharge or termination, the successor replacement Lender shall have consented to the proposed amendment, consent, change, waiver, discharge or termination.

Each Lender agrees that in the event it, or its interests in the Loans and obligations hereunder, shall become subject to the replacement and removal provisions of this Section, it will cooperate with the Borrower and the Administrative Agent to give effect to the provisions hereof, including execution and delivery of an Assignment Agreement in connection therewith, but the replacement and removal provisions of this Section shall be effective regardless of whether an Assignment Agreement shall have been given.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 3
YIELD PROTECTION

Section 3.1 Making or Maintaining Interest Rates.

(a) Inability to Determine Applicable Interest Rate. Notwithstanding anything to the contrary in this Agreement or any Credit Document, in the event that the Administrative Agent shall have determined (which determination shall be final and conclusive and binding upon all parties hereto), on any Interest Rate Determination Date with respect to any SOFR Loans, that reasonable and adequate means do not exist for ascertaining the interest rate applicable to such SOFR Loans on the basis provided for in the definition of SOFR or Term SOFR, the Administrative Agent shall give notice (by telefacsimile or by telephone confirmed in writing) to the Borrower and each Lender of such determination, whereupon (i) no Loans may be made as, or converted to, SOFR Loans until such time as the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist and (ii) with respect to any Loans bearing interest determined in relation to SOFR for any affected Interest Period, such Loans shall automatically continue as, or convert to, Base Rate Loans on the last day of the then current Interest Period applicable thereto, unless the Borrower prepays such Loans in accordance with this Agreement. If the circumstances described in this Section 3.1(a) occur but only with respect to limited, but not all, tenors of the then applicable term rate Benchmark (including Term SOFR), then (x) the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such illegal or impracticable tenor and (y) if a tenor that was removed pursuant to clause (x) of this sentence is subsequently displayed on a screen or information service for a Benchmark, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(b) Illegality or Impracticability of the Benchmark.

(i) Subject to Section 3.1(b)(ii), in the event that on any date any Lender shall have determined (which determination shall be final and conclusive and binding upon all parties hereto but shall be made only after notice to and consultation with the Borrower and the Administrative Agent) that a Benchmark Illegality/Impracticability Event has occurred with respect to such Lender, such Lender shall be an "Affected Lender" and it shall on that day give notice (by telefacsimile or by telephone confirmed in writing) to the Borrower and the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each other Lender). Thereafter (1) the obligation of the Affected Lender to make Loans as SOFR Loans shall be suspended until such notice shall be withdrawn by the Affected Lender, (2) to the extent such determination by the Affected Lender relates to a SOFR Loan then being requested by the Borrower pursuant to a Funding Notice, the Affected Lender shall make such Loan as a Base Rate Loan, (3) the Affected Lender's obligation to maintain its outstanding SOFR Loans (the "Affected Loans") shall be terminated at the earlier to occur of the expiration of the Interest Period then in effect with respect to the Affected Loans or when required by law, and (4) the Affected Loans shall automatically convert into Base Rate Loans on the date of such termination. Notwithstanding the foregoing, to the extent a determination by an Affected Lender as described above relates to a SOFR Loan then being requested by the Borrower pursuant to a Funding Notice, the Borrower shall have the option, subject to the provisions of Section 3.1(a), to rescind such Funding Notice as to all Lenders by giving notice (by telefacsimile

or by telephone confirmed in writing) to the Administrative Agent of such rescission on the date on which the Affected Lender gives notice of its determination as described above (which notice of rescission the Administrative Agent shall promptly transmit to each other Lender). Except as provided in the immediately preceding sentence, nothing in this Section 3.1(b)(i) shall affect the obligation of any Lender other than an Affected Lender to make or maintain Loans as, or to convert Loans to, SOFR Loans in accordance with the terms hereof. If a Benchmark Illegality/Impracticability Event occurs but only with respect to limited, but not all, tenors of the then applicable term rate Benchmark (including Term SOFR), then (x) the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such illegal or impracticable tenor and (y) if a tenor that was removed pursuant to clause (x) of this sentence is not, or is no longer, subject to a Benchmark Illegality/Impracticability Event, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(ii) Notwithstanding anything to the contrary in this Agreement or any other Credit Document, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Required Lenders (individually or jointly) notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Borrower) that the Required Lenders (as applicable) have determined, that a Benchmark Illegality/Impracticability Event has occurred, then, on a date and time determined by the Administrative Agent (any such date, the "Benchmark Replacement Date"), which date shall be at the end of an Interest Period or on the relevant Interest Payment Date, as applicable, for interest calculated, the then current Benchmark will be replaced hereunder and under any other Credit Document with the Benchmark Replacement.

Notwithstanding anything to the contrary in this Agreement or any other Credit Document, (x) if the Administrative Agent determines that the non-Term SOFR alternatives set forth in the definition of Benchmark Replacement is available on or prior to the Benchmark Replacement Date or (y) a Benchmark Illegality/Impracticability Event has occurred with respect to the non-Term SOFR Benchmark Replacement then in effect, then in each case, the Administrative Agent and the Borrower may amend this Agreement solely for the purpose of replacing Term SOFR or any then current Benchmark Replacement in accordance with this Section 3.1 at the end of any Interest Period, relevant Interest Payment Date or payment period for interest calculated, as applicable, with another alternate benchmark rate giving due consideration to any evolving or then existing convention for similar Dollar denominated syndicated credit facilities for such alternative benchmarks and, in each case, including Benchmark Replacement Adjustment giving due consideration to any evolving or then existing convention for similar Dollar denominated syndicated credit facilities for such benchmarks, which adjustment or method for calculating such Benchmark Replacement Adjustment shall be published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion and may be periodically updated. For the avoidance of doubt, any such proposed rate and Benchmark Replacement Adjustment shall constitute a Benchmark Replacement. Any such amendment shall become effective at 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrower without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

The Administrative Agent will notify (in one or more notices) the Borrower and each Lender of the implementation of any Benchmark Replacement.

Any Benchmark Replacement shall be applied in a manner consistent with market practice; provided, that, to the extent such market practice is not administratively feasible for the Administrative Agent, such Benchmark Replacement shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

Notwithstanding anything else to the contrary in this Agreement or any other Credit Document, if at any time any Benchmark Replacement as so determined would otherwise be less than zero percent (0%), the Benchmark Replacement will be deemed to be zero percent (0%) for the purposes of this Agreement and the other Credit Documents.

In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Benchmark Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided, that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Benchmark Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 3.1(b)(ii), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non- occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Credit Document, except, in each case, as expressly required pursuant to this Section 3.1(b)(ii).

(c) [Reserved].

(d) Booking of SOFR Loans. Any Lender may make, carry or transfer SOFR Loans at, to, or for the account of any of its branch offices or the office of an Affiliate of such Lender.

(e) Certificates for Reimbursement. A certificate of a Lender setting forth in reasonable detail the amount or amounts necessary to compensate such Lender, as specified in Section 3.1(c) and the circumstances giving rise thereto shall be delivered to the Borrower and shall be conclusive absent manifest error. In the absence of any such manifest error, the Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof.

(f) Delay in Requests. The Borrower shall not be required to compensate a Lender pursuant to this Section for any such amounts incurred more than six (6) months prior to the date that such Lender delivers to the Borrower the certificate referenced in Section 3.1(e).

Section 3.2 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital and Liquidity Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity ratios or requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the commitments of such Lender hereunder or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and the circumstances giving rise thereto shall be delivered to the Borrower and shall be conclusive absent manifest error. In the absence of any such manifest error, the Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided, that, the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than six (6) months prior to the date that such Lender delivers to the Borrower the certificate referenced in Section 3.2(c) and notifies the Borrower of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 3.3 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes. Any and all payments by or on account of any obligation of any Credit Party hereunder or under any other Credit Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Credit Parties. The Credit Parties shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnification. (1) The Credit Parties shall jointly and severally indemnify each Recipient and shall make payment in respect thereof within ten (10) Business Days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(i) Each Lender shall severally indemnify the Administrative Agent within ten (10) Business Days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Credit Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 12.5(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Credit Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Credit Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section, such Credit Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of a return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders; Tax Documentation. (2) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in clauses (ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(i) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(ii) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Credit Document, executed originals of IRS Form W-8BEN-E (or W-8BEN as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Credit Document, IRS Form W-8BEN-E (or W-8BEN as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(iii) executed originals of IRS Form W-8ECI;

(iv) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit 3.3-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a "controlled foreign corporation" described in Section

881(c)(3)(C) of the Internal Revenue Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN-E (or W-8BEN as applicable); or

(v) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN- E (or W-8BEN as applicable), a U.S. Tax Compliance Certificate substantially in the form of Exhibit 3.3-2 or Exhibit 3.3-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided, that, if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit 3.3-4 on behalf of each such direct and indirect partner;

(A) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(B) if a payment made to a Lender under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by Applicable Law, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender, or have any obligation to pay to any Lender, any refund of Taxes withheld or deducted from funds paid for the account of such Lender. If any indemnified party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to

this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of the indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 3.3(g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 3.3(g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 3.3(g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(g) Survival. Each party's obligations under this Section 3.3 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

Section 3.4 Mitigation Obligations; Designation of a Different Lending Office. If any Lender requests compensation under Section 3.2, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.3, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.2 or Section 3.3, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

SECTION 4
GUARANTY

Section 4.1 The Guaranty.

Each of the Guarantors hereby jointly and severally guarantees to the Administrative Agent, any Issuing Bank, the Lenders, the Qualifying Swap Providers, the Qualifying Treasury Management Banks, and the other holders of the Obligations as hereinafter provided, as primary obligor and not as surety, the prompt payment of the Obligations (the "Guaranteed Obligations") in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) strictly in accordance with the terms thereof. The Guarantors hereby further agree that if any of the Obligations are not paid in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise), the Guarantors will, jointly and severally, promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Obligations, the same will be promptly paid in full when due

(whether at extended maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) in accordance with the terms of such extension or renewal.

Notwithstanding any provision to the contrary contained herein, in any other of the Credit Documents, Swap Agreements, Treasury Management Agreements, or other documents relating to the Obligations, (a) the obligations of each Guarantor under this Agreement and the other Credit Documents shall be limited to an aggregate amount equal to the largest amount that would not render such obligations subject to avoidance under the Debtor Relief Laws or any comparable provisions of any applicable state law and (b) the Guaranteed Obligations of a Guarantor shall exclude any Excluded Swap Obligations with respect to such Guarantor.

Section 4.2 Obligations Unconditional.

The obligations of the Guarantors under Section 4.1 are joint and several, absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Credit Documents, Swap Agreements, or Treasury Management Agreements, or any other agreement or instrument referred to therein, or any substitution, release, impairment or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by Applicable Law, irrespective of any law or regulation or other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 4.2 that the obligations of the Guarantors hereunder shall be absolute and unconditional under any and all circumstances. Each Guarantor agrees that such Guarantor shall have no right of subrogation, indemnity, reimbursement or contribution against the Borrower or any other Guarantor for amounts paid under this SECTION 4 until such time as the Obligations have been paid in full (other than contingent indemnification obligations for which no claim has been asserted) and the Commitments have expired or terminated. Without limiting the generality of the foregoing, it is agreed that, to the fullest extent permitted by law, the occurrence of any one or more of the following shall not alter or impair the liability of any Guarantor hereunder, which shall remain absolute and unconditional as described above:

(a) at any time or from time to time, without notice to any Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of any of the Credit Documents, any Secured Swap Agreement between any Credit Party or any Subsidiary and any Qualifying Swap Provider, or any Secured Treasury Management Agreement between any Credit Party or any Subsidiary and any Qualifying Treasury Management Bank, or any other agreement or instrument referred to in the Credit Documents, such Secured Swap Agreements, or such Secured Treasury Management Agreements shall be done or omitted;

(c) the maturity of any of the Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right under any of the Credit Documents, any Secured Swap Agreement between any Credit Party or any Subsidiary and any Qualifying Swap Provider or any Secured Treasury Management Agreement between any Credit Party or any Subsidiary and any Qualifying Treasury Management Bank, or any other agreement or instrument referred to in the Credit Documents, such Secured Swap Agreements, or such Secured Treasury Management Agreements shall be waived or any other guarantee of any of the Obligations or any security therefor shall be released, impaired or exchanged in whole or in part or otherwise dealt with;

(d) any Lien granted to, or in favor of, the Administrative Agent or any Lender or Lenders as security for any of the Obligations shall fail to attach or be perfected; or

(e) any of the Obligations shall be determined to be void or voidable (including, without limitation, for the benefit of any creditor of any Guarantor) or shall be subordinated to the claims of any Person (including, without limitation, any creditor of any Guarantor).

With respect to its obligations hereunder, each Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that the Administrative Agent or any Lender exhaust any right, power or remedy or proceed against any Person under any of the Credit Documents, any Secured Swap Agreement between any Credit Party or any Subsidiary and any Qualifying Swap Provider or any Secured Treasury Management Agreement between any Credit Party or any Subsidiary and any Qualifying Treasury Management Bank, or any other agreement or instrument referred to in the Credit Documents, such Secured Swap Agreements, or such Secured Treasury Management Agreements, or against any other Person under any other guarantee of, or security for, any of the Obligations.

Section 4.3 Reinstatement.

The obligations of the Guarantors under this SECTION 4 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and each Guarantor agrees that it will indemnify the Administrative Agent and each Lender on demand for all reasonable costs and expenses (including the fees, charges and disbursements of counsel) incurred by the Administrative Agent or such Lender in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

Section 4.4 Certain Additional Waivers.

Each Guarantor agrees that such Guarantor shall have no right of recourse to security for the Obligations, except through the exercise of rights of subrogation pursuant to Section 4.2 and through the exercise of rights of contribution pursuant to Section 4.6.

Section 4.5 Remedies.

The Guarantors agree that, to the fullest extent permitted by law, as between the Guarantors, on the one hand, and the Administrative Agent and the Lenders, on the other hand, the Obligations may be declared to be forthwith due and payable as provided in Section 10.2 (and shall be deemed to have become automatically due and payable in the circumstances provided in said Section 10.2) for purposes of Section 4.1 notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing the Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or the Obligations being deemed to have become automatically due and payable), the Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by the Guarantors for purposes of Section 4.1. The Guarantors acknowledge and agree that their obligations hereunder are secured in accordance with the terms of the Collateral Documents and that the Lenders may exercise their remedies thereunder in accordance with the terms thereof.

Section 4.6 Rights of Contribution.

The Guarantors agree among themselves that, in connection with payments made hereunder, each Guarantor shall have contribution rights against the other Guarantors as permitted under Applicable Law. Such contribution rights shall be subordinate and subject in right of payment to the obligations of such Guarantors under the Credit Documents and no Guarantor shall exercise such rights of contribution until all Obligations have been paid in full (other than contingent indemnification obligations for which no claim has been asserted) and the Commitments have terminated.

Section 4.7 Guarantee of Payment; Continuing Guarantee.

The guarantee in this SECTION 4 is a guaranty of payment and not of collection, is a continuing guarantee, and shall apply to all Obligations whenever arising.

Section 4.8 Keepwell.

Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each Specified Credit Party to honor all of such Specified Credit Party's obligations under the Guaranty and the Collateral Documents in respect of Swap Obligations (provided, that, each Qualified ECP Guarantor shall only be liable under this Section 4.8 for the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this SECTION 4, voidable under applicable Debtor Relief Laws, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section 4.8 shall remain in full force and effect until the Guaranteed Obligations have been indefeasibly paid in full and the commitments relating thereto have expired or terminated, or, with respect to any Guarantor, if earlier, such Guarantor is released from its Guaranteed Obligations in accordance with Section 10.10(a). Each Qualified ECP Guarantor intends that this Section 4.8 constitute, and this Section 4.8 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each Specified Credit Party for all purposes of section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

SECTION 5
CONDITIONS PRECEDENT

Section 5.1 Conditions Precedent to Initial Credit Extensions. This Agreement shall become effective as of the date hereof upon the execution of this Agreement by each of the parties signatory hereto. Other than with respect to the Initial Advance, the obligation of each Lender to make a Credit Extension on the Closing Date is subject to the satisfaction of the following conditions on or before the Closing Date:

(a) Executed Credit Documents. Receipt by the Administrative Agent of executed counterparts of this Agreement and the other Credit Documents (including the IP License Agreement) and the equivalent counterpart documents for the loan transaction between the HHI Lender and the Owner Pledgor, in each case, in form and substance reasonably satisfactory to the Administrative Agent and the Lenders and duly executed by the appropriate parties thereto.

(b) Organizational Documents. Receipt by the Administrative Agent of the following:

(i) Charter Documents. Copies of articles of incorporation, certificate of organization or formation, or other like document for each of the Credit Parties certified as of a recent date by the appropriate Governmental Authority.

(ii) Organizational Documents Certificate. (A) Copies of bylaws, operating agreement, partnership agreement or like document, (B) copies of resolutions approving the transactions contemplated in connection with the financing and authorizing execution and delivery of the Credit Documents, and (C) incumbency certificates, in each case, for each of the Credit Parties, and certified by an Authorized Officer thereof, in form and substance reasonably satisfactory to the Administrative Agent.

(iii) Good Standing Certificate. Copies of certificates of good standing, existence or the like of a recent date for each of the Credit Parties from the appropriate Governmental Authority of its jurisdiction of formation or organization.

(c) Closing Certificate. Receipt by the Administrative Agent of a certificate from an Authorized Officer of the Credit Parties, in form and substance reasonably satisfactory to the Administrative Agent and the Required Lenders, confirming, among other things, (A) all consents, approvals, authorizations, registrations, or filings required to be made or obtained by the Credit Parties, if any, in connection with this Agreement and the other Credit Documents and the transactions contemplated herein and therein have been obtained and are in full force and effect, (B) no investigation or inquiry by any Governmental Authority regarding this Agreement and the other Credit Documents and the transactions contemplated herein and therein is ongoing, (C) since the date of the most-recent annual audited financial statements for the Credit Parties, there has been no event or circumstance which could be reasonably expected, either individually or in the aggregate, to have a Material Adverse Effect, (D) the most-recent annual audited financial statements were prepared in accordance with GAAP consistently applied, except as noted therein, and fairly presents in all material respects the financial condition and results from operations of the Credit Parties and their Subsidiaries, (E) each Credit Party, individually, and each Credit Party and their Subsidiaries, taken as a whole, are Solvent after giving effect to the transactions contemplated hereby and the incurrence of Indebtedness related thereto and (F) the conditions set forth in Section 4.2(c) and (d) have been met as of the Closing Date.

(d) Opinions of Counsel. Receipt by the Administrative Agent of customary opinions of counsel for each of the Credit Parties, including, among other things, opinions regarding the due authorization, execution and delivery of the Credit Documents and any other document entered into by a Credit Party evidencing an obligation of such Credit Party, the enforceability thereof and the creation and perfection of security interests created thereby.

(e) Collateral. In order to create in favor of the Administrative Agent (for the benefit of the Lenders) a valid, perfected first priority Lien in the Collateral, the Administrative Agent shall have received:

(i) evidence satisfactory to the Administrative Agent of the compliance by each Credit Party with its obligations under each Credit Document to which it is a party (including, without limitation, their obligations to authorize or execute, as the case may be, and deliver UCC financing statements, originals of securities, instruments and chattel paper, and any agreements governing deposit accounts as provided therein);

(ii) the results of a recent search of all effective UCC financing statements (or equivalent filings), federal, state and local judgment liens, Federal, State and local tax liens and Federal and State litigation made with respect to or affecting any personal or mixed property of the Credit Parties in their respective jurisdictions of organization and jurisdiction of their respective principal place of business, together with copies of all such filings disclosed by such search, which shall be provided by each such Credit Party;

(iii) UCC termination statements (or similar documents) duly approved by all applicable Persons for filing in all applicable jurisdictions as may be necessary to terminate any effective UCC financing statements (or equivalent filings) disclosed in such search with respect to the Collateral;

(iv) evidence that each Credit Party shall have taken or caused to be taken any other action, executed and delivered or caused to be executed and delivered any other agreement, document and instrument and made or caused to be made any other filing and recording (other than as set forth herein) reasonably required by the Administrative Agent;

(v) evidence that the Borrower has no existing indebtedness for borrowed money secured by the Collateral other than indebtedness pursuant to the HHI Loan Documents;

(vi) any other Indebtedness secured by the Collateral (other than the Obligations and the indebtedness pursuant to the HHI Loan Documents) has been indefeasibly paid in full, and any and all Collateral is delivered free and clear of any Lien other than Permitted Liens; and

(vii) such patent, trademark and copyright notices, filings and recordations as are necessary or appropriate to perfect the security interests in intellectual property and intellectual property rights constituting Collateral, as determined by the Administrative Agent.

(f) Management Team Meetings. The Administrative Agent shall have completed such meeting with the management team of the Credit Parties as deemed reasonably necessary.

(g) Financial Statements. The Administrative Agent shall have received copies of: (i) the most recent audited consolidated financial statements of the public parent of the Owner Pledgor, and (ii) the most recent unaudited consolidated financial statements of the Owner Pledgor.

(h) Bankruptcy Matters. There shall not be any order of any court of competent jurisdiction, or any action, suit, investigation or proceeding pending or, to the knowledge of the Borrower, threatened in any court or before any arbitrator or Governmental Authority that could reasonably be expected to have a Material Adverse Effect or to prevent or restrain the consummation of this Agreement or the transactions contemplated hereby.

(i) Operating Budget. The Administrative Agent shall have received, the Operating Budget from the Borrower and the other Credit Parties prepared by the Credit Parties in accordance with terms and provisions hereof.

(j) No Litigation. There shall not exist any action, suit, investigation, litigation or proceeding or other legal or regulatory developments, pending or to the knowledge of the Credit Parties, threatened, in any court or before any arbitrator or Governmental Authority with respect to any of the Credit Parties, any of the Key Persons or the transactions contemplated by the Credit Documents, except as set forth on Schedule 5.1(k) or otherwise disclosed to the Administrative Agent and acceptable to the Lender in its sole and absolute discretion.

(k) No New Information. The Administrative Agent shall not have become aware of any new information or other matters not previously disclosed to the Administrative Agent relating to the Credit Parties or their respective Affiliates, or the transactions contemplated herein that the Administrative Agent, in its reasonable judgment, deems inconsistent in a material and adverse

manner with the information or other matters previously disclosed to the Administrative Agent relating the Credit Parties or their respective Affiliates, or the transactions contemplated herein.

(l) Diligence.

(i) The Administrative Agent shall have completed its diligence, including, but not limited to, legal diligence, regulatory review and due diligence on the Credit Parties and the results of such diligence, including the composition of the Client Portfolio and level of diversification thereof, are satisfactory to the Administrative Agent in its sole and absolute discretion, and the Lender shall have received final investment committee approval;

(ii) The Administrative Agent shall be satisfied, in its sole and absolute discretion, with the results of background investigations, if any, performed on any Key Person and any other principals and employees of any Credit Parties;

(iii) The Administrative Agent shall be satisfied, in its sole and absolute discretion, with the Credit Parties' cash management systems and other general operating procedures and systems;

(iv) The Administrative Agent shall have received and reviewed Lender Authorization Letters (and any QSF Instruction Letters as the Administrative Agent may request), in accordance with procedures satisfactory to the Administrative Agent, and in each case executed by the Credit Parties ;

(v) The Administrative Agent shall have received and reviewed copies of the Heathcare Legal Services Agreement (and any amendments, supplements or modification thereof).

(m) Flow of Funds. The Administrative Agent shall have received (a) a duly executed Funding Notice with respect to the Credit Extensions to occur on the Closing Date, (b) duly executed disbursement instructions (with wiring instructions and account information) for all disbursements to be made on the Closing Date.

(n) Amendment to Existing Legal Services Agreement. The Administrative Agent shall have received an executed amendment to the Existing Legal Services Agreement, the terms and conditions of which shall be satisfactory to Administration Agent in its sole discretion.

(o) [Reserved].

(p) Termination of Existing Indebtedness. Receipt by the Administrative Agent of evidence that all existing Indebtedness of the Borrower and its Subsidiaries (other than Indebtedness permitted under Section 9.1), concurrently with the Closing Date, is being terminated and all Liens securing obligations thereunder concurrently with the Closing Date are being released other than Permitted Liens.

(q) [Reserved].

(r) Patriot Act; Anti-Money Laundering Laws. The Administrative Agent and the Lenders shall have received all documentation and other information that the Administrative Agent or any Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and

including without limitation the certification regarding beneficial ownership of legal entity customers (the "Beneficial Ownership Certification").

(s) [Reserved].

(t) Completion of Corporate Reorganization. The Administrative Agent shall have received all documentation and other information satisfactory to the Administrative Agent to evidence the completion of the corporate restructuring resulting in the Owner Pledgor owning 100% of the membership interests in the Borrower and the Borrower owning 100% of the series equity interests in the Assignee.

(u) Registered Series. The Administrative Agent shall have received all documentation and other information satisfactory to the Administrative Agent in order to evidence the conversion of the Assignee to a registered series of Borrower and the transfer of 100% of its series equity interests to Borrower.

(v) Exhibits, Appendices and Schedules. The Administrative Agent shall have received all Exhibits, Appendices and Schedules to be attached to this Agreement in form and substance satisfactory to the Administrative Agent.

(w) Amended and Restated Owner Security Agreement and Borrower Security Agreement. The Administrative Agent shall have received the Security Agreements in form and substance satisfactory to the Administrative Agent.

(x) [Reserved].

For purposes of determining compliance with the conditions specified in this Section 6.1, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

The funding of the initial Loans hereunder shall evidence the satisfaction of the foregoing conditions except to the extent the Credit Parties have agreed to fulfill conditions following the Closing Date pursuant to Section 7.20.

Section 5.2 Conditions to Each Credit Installment. The obligation of each Lender to fund its Term Loan Commitment Percentage of any Credit Extension on any Credit Date, including the Closing Date, is subject to the satisfaction, or waiver in accordance with Section 12.4, of the following conditions precedent:

(a) the Administrative Agent shall have received a fully executed and delivered Funding Notice, together with the documentation and certifications required therein with respect to each Credit Extension;

(b) after making the Credit Extension requested on such Credit Date the aggregate amount of the applicable Term Loan funded by the Lenders shall not exceed the applicable Term Loan Commitments then in effect;

(c) the representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects (and in all respects if any such

representation or warranty is already qualified by materiality or reference to Material Adverse Effect) on and as of the Credit Date (after giving effect to the applicable Credit Extension) except to the extent any such representation and warranty expressly relates to an earlier date, in which case it shall be true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality or reference to Material Adverse Effect) as of such earlier date and except that for purposes of this clause (c), the representations and warranties contained in Section 7.7 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b) of Section 8.1;

(d) as of such Credit Date, no event shall have occurred and be continuing or would result from the consummation of the applicable Credit Extension that would constitute an Event of Default or a Default;

(e) if a Claim Filing Milestone, First Milestone or Second Milestone is due to have been met by such Credit Date, the Administrative Agent shall have received evidence of satisfaction of the Claim Filing Milestone, First Milestone or Second Milestone, as applicable. If such evidence is not available or not to the satisfaction of the Administrative Agent, the Lenders obligation to fund, assuming all other conditions under this Section 5.2 are satisfied as of such Credit Date, is limited to the extent set forth in Section 2.1(a)(iii), Section 2.1(b)(iii) and Section 2.1(c), as applicable; and

(f) as of such Credit Date, no Material Adverse Effect has occurred.

If any condition set forth in Section 5.1 or Section 5.2 is not satisfied on any Credit Date or on any date an Operational Collection Payment is due, no Lender shall be under any obligation to fund all or any portion of the Loan and/or Operational Collection Payment until the Borrower has satisfied each condition.

The Administrative Agent or the Required Lenders shall be entitled, but not obligated to, request and receive, prior to the making of any Credit Extension, additional information reasonably satisfactory to the requesting party confirming the satisfaction of any of the foregoing if, in the reasonable good faith judgment of the Administrative Agent or Required Lenders, such request is warranted under the circumstances.

SECTION 6
REPRESENTATIONS AND WARRANTIES

In order to induce the Administrative Agent and the Lenders to enter into this Agreement and to make each Credit Extension to be made thereby, the Borrower and each other Credit Party represents and warrants to the Administrative Agent and Lender as follows on the Effective Date and the date of applicable Credit Extension:

Section 6.1 Organization; Requisite Power and Authority; Qualification. Each Credit Party and its Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization as identified on Schedule 6.1, (b) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Credit Documents to which it is a party and to carry out the transactions contemplated thereby, and (c) is qualified to do business and in good standing in every jurisdiction where necessary to carry out its business and operations, except in jurisdictions where the failure to be so qualified or in good standing has not had, and could not be reasonably expected to have, a Material Adverse Effect.

Section 6.2 Equity Interests and Ownership.

(a) Schedule 6.2 correctly sets forth the ownership interest of each Credit Party and its Subsidiaries as of the Closing Date. The Equity Interests of each Credit Party and its Subsidiaries have been duly authorized and validly issued and are fully paid and non-assessable. Except as set forth on Schedule 6.2, as of the Closing Date, there is no existing option, warrant, call, right, commitment, buy-sell, voting trust or other shareholder agreement or other agreement to which any Subsidiary is a party requiring, and there is no membership interest or other Equity Interests of any Subsidiary outstanding which upon conversion or exchange would require, the issuance by any Subsidiary of any additional membership interests or other Equity Interests of any Subsidiary or other Securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, a membership interest or other Equity Interests of any Subsidiary.

(b) Borrower owns 100% of the membership interests in Assignee, free and clear of any Liens, other than the Liens in favor of the Administrative Agent and the Lenders pursuant to the Credit Documents and Liens in favor of the HHI Agent and the HHI Lender pursuant to the HHI Loan Documents, and Borrower is the sole member and manager of Assignee.

Section 6.3 Due Authorization. The execution, delivery and performance of the Credit Documents have been duly authorized by all necessary corporate or similar action on the part of each Credit Party that is a party thereto.

Section 6.4 No Conflict. The execution, delivery and performance by Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and will not (a) violate in any material respect any provision of any Applicable Laws relating to any Credit Party, any of the Organizational Documents of any Credit Party, or any order, judgment or decree of any court or other agency of government binding on any Credit Party; (b) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any other Contractual Obligations of any Credit Party; (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of any Credit Party (other than any Liens created under any of the Credit Documents in favor of the Administrative Agent for the benefit of the holders of the Obligations) whether now owned or hereafter acquired; or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any Contractual Obligation of any Credit Party that shall not have been obtained.

Section 6.5 Governmental Consents. The execution, delivery and performance by the Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and will not require, as a condition to the effectiveness thereof, any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority except for filings and recordings with respect to the Collateral to be made, or otherwise delivered to the Administrative Agent for filing and/or recordation, as of the Closing Date and other filings, recordings or consents which have been obtained or made, as applicable.

Section 6.6 Binding Obligation. Each Credit Document has been duly executed and delivered by each Credit Party that is a party thereto and is the legally valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its respective terms, except as may be limited by Debtor Relief Laws or by equitable principles relating to enforceability.

Section 6.7 Independent Evaluation. Each Credit Party is sophisticated, experienced in borrowing funds to finance litigation and other business expenses, and has sufficient resources and legal knowledge to review and interpret this Agreement and the other Credit Documents or seek qualified counsel to do so. In making its decision to enter into this financing transaction, each Credit Party has relied or shall rely solely on its own independent investigation and evaluation of applicable law and the advice of its own

counsel and not on any comments, statements or other materials made or given by or on behalf of the Lender, the Agents or any of their Affiliates.

Section 6.8 Financial Statements.

(a) The audited consolidated balance sheet of the public parent of the Owner Pledgor for the most recent Calendar Year ended, and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for such Calendar Year, including the notes thereto (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, (ii) fairly present, in all material respects, the financial condition of the public parent of the Owner Pledgor as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein and (iii) show all material indebtedness and other liabilities, direct or contingent, of the public parent of the Owner Pledgor as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited financial statements of the Owner Pledgor and the Borrower for the most recent Calendar Year ended, and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for such Calendar Year, including the notes thereto (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, (ii) fairly present, in all material respects, the financial condition of operations the Owner Pledgor and the Borrower as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments, and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Owner Pledgor and the Borrower as of the date of such financial statements, including liabilities for taxes, material commitments and Indebtedness.

(c) The unaudited financial statements of the Owner Pledgor and the Borrower for the most recent Calendar Quarter ended, and the related consolidated and consolidating statements of income or, shareholders' equity and cash flows for such Calendar Quarter (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, (ii) fairly present, in all material respects, the financial condition of operations the Owner Pledgor and the Borrower as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments, and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Owner Pledgor and the Borrower as of the date of such financial statements, including liabilities for taxes, material commitments and Indebtedness.

Section 6.9 No Material Adverse Effect; No Default.

(a) No Material Adverse Effect. Since the date of this Agreement, no event, circumstance or change has occurred that has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) No Default. No Default has occurred and is continuing.

Section 6.10 Tax Matters. Each Credit Party and its Subsidiaries have filed all federal, state and other material tax returns and reports required to be filed, and have paid all federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their respective

properties, assets, income, businesses and franchises otherwise due and payable, except those being actively contested in good faith by appropriate proceedings for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against any Credit Party or any of its Subsidiaries that would, if made, have a Material Adverse Effect.

Section 6.11 Properties.

(a) Title. Each of the Borrower and its Subsidiaries has (i) good, sufficient and legal title to (in the case of fee interests in real property), (ii) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (iii) good title to (in the case of all other personal property), all of their respective properties and assets reflected in their financial statements and other information referred to in Section 7.7 and in the most recent financial statements delivered pursuant to Section 7.2, in each case except for assets disposed of since the date of such financial statements as permitted under Section 8.11. All such properties and assets the Borrower and its Subsidiaries are free and clear of Liens other than Permitted Liens.

(b) Intellectual Property. Each Borrower and its Subsidiaries owns or is validly licensed to use all Intellectual Property that is necessary for the present conduct of its business, free and clear of Liens (other than Permitted Liens), without conflict with the rights of any other Person unless the failure to own or benefit from such valid license could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. To the knowledge of each Credit Party, the Borrower nor any of its Subsidiaries is infringing, misappropriating, diluting, or otherwise violating the Intellectual Property rights of any other Person unless such infringement, misappropriation, dilution or violation could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Without limiting the foregoing, Borrower’s immediate subsidiary, Assignee, a registered series of MSP Recovery Claims, Series LLC and a wholly owned Subsidiary of the Borrower is entitled to all of the Claims assigned to it under the CAA, free and clear of all Liens (other than Liens in favor of the Administrative Agent and the Lender pursuant to the Credit Documents and Liens in favor of the HHI Agent and the HHI Lender pursuant to the HHI Loan Documents), and the Borrower has taken all actions necessary, including delivery of the MSP Instruction Letters, pursuant to the requirements under this Agreement, to cause all of the HC Case Proceeds to be deposited by the Payors directly into the Borrower Lockbox Account; provided that, on and from the Closing Date, the reference to "designated Series" shall be substituted with "registered Series".

Section 6.12 [Reserved].

Section 6.13 No Indebtedness. No Credit Party has any Indebtedness for borrowed money, other than (a) the existing Indebtedness as permitted under Section 8.1, (b) Indebtedness incurred under the terms of this Agreement or the other Credit Documents, and (c) in the case of Owner Pledgor, as set forth on Schedule 6.13 (as may be updated or supplemented from time to time as of any date of applicable Credit Extension).

Section 6.14 No Defaults. No Credit Party nor any of its Subsidiaries is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its Contractual Obligations, except in each case where the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 6.15 No Litigation or other Adverse Proceedings. There are no Adverse Proceedings that (a) purport to affect or pertain to this Agreement or any other Credit Document, or any of the transactions contemplated hereby or (b) could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. No Credit Party nor any of its Subsidiaries is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any Governmental Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Other than as set forth on Schedule 5.1(k), as of the date hereof, there are no suits, proceedings, Disciplinary Actions or internal review or investigations, whether existing, pending or threatened, relating to allegations of employee discrimination or sexual harassment against any Credit Party or Key Person.

Section 6.16 Information Regarding the Credit Parties and their Subsidiaries. Set forth on Schedule 6.16, is the jurisdiction of organization, the exact legal name (and for the prior five (5) years or since the date of its formation has been) and the true and correct U.S. taxpayer identification number (or foreign equivalent, if any) of each Credit Party and each of its Subsidiaries as of the Closing Date.

Section 6.17 [Reserved].

Section 6.18 Governmental Regulation.

(a) No Credit Party or any of its Subsidiaries is subject to regulation under the Investment Company Act of 1940. No Credit Party or any of its Subsidiaries is an "investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

(b) No Credit Party nor any of its Subsidiaries is an "enemy" or an "ally of the enemy" within the meaning of Section 2 of the Trading with the Enemy Act of the United States of America (50 U.S.C. App. §§ 1 *et seq.*), as amended. To its knowledge, no Credit Party or any of its Subsidiaries is in violation of (x) the Trading with the Enemy Act, as amended, (y) any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto or (z) the Patriot Act. No Credit Party or any of its Subsidiaries (i) is a blocked person described in Section 1 of the Anti-Terrorism Order or (ii) to the best of its knowledge, engages in any dealings or transactions, or is otherwise associated, with any such blocked person.

(c) Each Credit Party and its Subsidiaries has implemented and maintains in effect policies and procedures designed to ensure compliance by such Credit Party, its Subsidiaries and their respective directors, officers, employees and agents with applicable Sanctions, and such Credit Party, its Subsidiaries and their respective officers and employees and, to the knowledge of such Credit Party, its directors and agents, are in compliance with applicable Sanctions and are not engaged in any activity that would reasonably be expected to result in any Credit Party being designated as a Sanctioned Person. None of the Credit Parties, their Subsidiaries and their respective Affiliates is in violation of any of the country or list based economic and trade sanctions administered and enforced by OFAC that are described or referenced at or as otherwise published from time to time.

(d) None of the Credit Parties and their Subsidiaries or, to the knowledge of each Credit Party or its Subsidiaries, any of their respective directors, officers, employees or Affiliates (i) is a Sanctioned Person, (ii) has any of its assets located in a Sanctioned Country (unless approved by the Lenders), or (iii) derives any of its operating income from investments in, or transactions with Sanctioned Persons (unless approved by the Lenders). The proceeds of any Credit Extension or

other transaction contemplated by this Agreement or any other Credit Document have not been used (x) in violation of any Sanctions, (y) to fund any operations in, finance any investments or activities in or make any payments to, a Sanctioned Person or a Sanctioned Country or (z) in any other manner that would result in a violation of Sanctions by any Person (including the Administrative Agent, the Administrative Agent, the Lenders or any other Person participating in the Credit Extensions, whether as an underwriter, advisor, investor or otherwise).

(e) Each of the Credit Parties and their Subsidiaries and, to the knowledge of each Credit Party and its Subsidiaries, each of their respective directors, officers, employees and Affiliates, is in compliance with Anti-Corruption Laws. Each Credit Party and its Subsidiaries has implemented and maintains in effect policies and procedures designed to ensure compliance by such Credit Party, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws. None of the Credit Parties or their respective Subsidiaries has made a payment, offering, or promise to pay, or authorized the payment of, money or anything of value (a) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (b) to a foreign official, foreign political party or party official or any candidate for foreign political office, or (c) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to such Credit Party or any of its Subsidiaries or to any other Person, in violation of any Anti-Corruption Law. No part of the proceeds of any Credit Extension or other transactions contemplated by this Agreement or any other Credit Document will violate Anti-Corruption Laws.

(f) To the extent applicable, each Credit Party and its Subsidiaries are in compliance with Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001) (as amended from time to time, the "Patriot Act").

(g) No Credit Party or any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of any Credit Extension made to such Credit Party will be used (i) to purchase or carry any such Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates, or is inconsistent with, the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System as in effect from time to time or (ii) to finance or refinance any (A) commercial paper issued by such Credit Party or (B) any other Indebtedness, except for Indebtedness that such Credit Party incurred for general corporate or working capital purposes.

(h) No Credit Party is an Affected Financial Institution.

Section 6.19 Employee Matters. No Credit Party or any of its Subsidiaries is engaged in any unfair labor practice that could reasonably be expected to have a Material Adverse Effect. There is (a) no unfair labor practice complaint pending against any Credit Party or any of its Subsidiaries, or to the best knowledge of each Credit Party, threatened against any of them before the National Labor Relations Board and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement that is so pending against any Credit Party or any of its Subsidiaries or to the best knowledge of each Credit Party, threatened against any of them, (b) no strike or work stoppage in existence or to the knowledge of each Credit Party, threatened that involves any Credit Party or any of its Subsidiaries, and (c) to the best knowledge of each Credit Party, no union representation question existing with respect to the employees of any Credit Party or any of its Subsidiaries and, to the best knowledge of each Credit Party, no union organization activity that is taking place, except (with respect to any matter specified in clause (a), (b) or (c) above, either individually or in the aggregate) such as could not reasonably be expected to have a Material Adverse Effect.

Section 6.20 No Employee Benefit Plans. None of the Credit Parties or any of their Subsidiaries have any Pension Plans, "employee benefit plan" as defined in Section 3(2) of ERISA, or any Multiemployer Plan subject to Section 412 of the Internal Revenue Code or Section 302 of ERISA which is sponsored, maintained or contributed to by, or required to be contributed to by, any Credit Party or any of its ERISA Affiliates or with respect to which any Credit Party or any of its ERISA Affiliates previously sponsored, maintained or contributed to, or was required to contribute to, and still has liability, except for what could not reasonably be expected to result in a Material Adverse Effect.

Section 6.21 Solvency and Fraudulent Conveyance. As of the Effective Date, each Credit Party and its Subsidiaries taken as a whole on a consolidated basis are and, upon the incurrence of any Credit Extension on any date on which this representation and warranty is made, will be, Solvent. No Credit Party is transferring or pledging any Collateral with any intent to hinder, delay or defraud any of its creditors or equity holders. No Credit Party shall use the proceeds from the transactions contemplated by this Agreement to give preference to any class of creditors.

Section 6.22 Compliance with Laws, Statutes, Disciplinary Rules, etc. Each Credit Party and its Subsidiaries is in compliance with (a) the Patriot Act and OFAC rules and regulations as provided in Section 7.15 and (b) except such non-compliance with such other Applicable Laws that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, all other Applicable Laws. Each Credit Party and its Subsidiaries possesses all certificates, authorities or permits issued by appropriate Governmental Authorities necessary to conduct the business now operated by them and the failure of which to have could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit the failure of which to have or retain could reasonably be expected to have a Material Adverse Effect. Each Credit Party has complied with all applicable laws, including applicable federal, state and local attorney ethics rules and regulations (including those relating to attorney financing) except for failure to do so could not reasonably be expected to have a Material Adverse Effect. No Credit Party has solicited or procured any HC Claim or advertised in any manner which constitutes a violation of any applicable law or Disciplinary Rule. Each Credit Party has independently reviewed all applicable professional ethics rules and standards that govern the practice of law. The provisions of this Agreement, and all of the Credit Documents, comply with all Disciplinary Rules. No Lender has solicited any HC Claim on behalf of the Credit Parties or recommended any client to the Credit Parties. All decisions of the clients have and will be voluntary and of each client's own free will, and no Credit Party did nor will try to force, coerce, trick, mislead, harass, deceive or intimidate any client into any settlement decision.

Section 6.23 Disclosure.

(a) No representation or warranty of any Credit Party contained in any Credit Document or in any other documents, certificates or written statements furnished to the Administrative Agent or Lender by or on behalf of any Credit Party or any of its Subsidiaries for use in connection with the transactions contemplated hereby (other than projections and pro forma financial information contained in such materials) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in any material manner in light of the circumstances in which the same were made; provided, that, any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions believed by the Credit Parties to be reasonable at the time made, it being recognized by the Administrative Agent and the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results and that such differences may be material. There are no facts known to any Credit Party (other than matters of a general

economic nature) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect and that have not been disclosed herein or in such other documents, certificates and statements furnished to the Administrative Agent and the Lenders..

(b) The information included in the Beneficial Ownership Certification is true and correct in all respects at the time of issuance.

Section 6.24 Insurance. The properties of the Credit Parties and their Subsidiaries are insured with financially sound and licensed insurance companies not Affiliates of such Persons, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the applicable Credit Party or the applicable Subsidiary operates. The insurance coverage of the Credit Parties and their Subsidiaries as in effect on the Closing Date is outlined as to carrier, policy number, expiration date, type, amount and deductibles on Schedule 6.24.

Section 6.25 Use of Proceeds. The Credit Parties will use the proceeds of the Loans:

(a) subject to the Administrative Agent receiving evidence satisfactory to it, the Initial Advance may be used to reimburse the 2022 Borrower for any amounts that it has contributed since January 1, 2023 to Owner Pledgor for its operating expenses, in an amount not to exceed $5,000,000, plus any amount required to be funded by the 2022 Borrower to the Owner Pledgor subsequent to March 3, 2023, for operating expenses of the Owner Pledgor;

(b) for business operations directly related to servicing the HC Claims; and

(c) in addition to clauses (a) and (b) above, for general corporate purposes and working capital needs of the Credit Parties including accounts payable for obligations incurred prior to entering into this Agreement (and the Borrower shall be permitted to distribute proceeds of the Loans to the Owner Pledgor for such purpose), unless any of the Claim Filing Milestone, First Milestone or Second Milestone shall have not occurred by the date for satisfaction of such milestone, then the Credit Parties shall only use the proceeds for the purpose of payment to recovery service providers (as described in the Healthcare Legal Services Agreement) as shall be necessary to enable the Borrower to service the HC Claims, as determined by the Operating Committee, according to an agreed budget as set out in the Healthcare Legal Services Agreement;

provided, that, with respect to each of the foregoing clauses (a), (b) and (c), in each case not in contravention of Applicable Laws or of any Credit Document.

Section 6.26 Agreements Relating to the Claims and Related Agreements.

(a) Agreements Generally.

(i) As of the date of this Agreement, none of the Credit Parties have an agreement with any third party in respect of HC Claims that could result in the obligation to pay any third party other than as set forth on Schedule 6.26(a) hereto. Schedule 6.26(b) hereto sets forth a complete and accurate list of the HC Claims to which the Borrower or another Credit Party is entitled as of the date of this Agreement.

(ii) The HC Agreements are the sole agreements relating to the assignment of the HC Claims to the Assignee and the recovery services provided to the Assignor in connection therewith. All of the HC Claims have been irrevocably assigned to the Assignee

pursuant to the CAA and Assignee has made no assignment of any of its rights, titles, interests, remedies and privileges under the CAA or the CRSA, nor made any assignment of the HC Claims or the HC Case Proceeds, other than pursuant to this Agreement and the other Credit Documents, the HHI Credit Agreement and HHI Loan Documents. Owner Pledgor and its Affiliates are in full compliance with all of the terms and provision of the CRSA, and the Assignor has not alleged any breach or potential breach of the CRSA. Without limiting the foregoing, neither Owner Pledgor nor any of its Affiliates has suffered a "Security Incident" (as such term is defined in the CRSA) since the date of the CRSA.

(iii) Assignee has made, when due, full payment of any and all amounts required to have been paid to the Assignor under the applicable HC Agreement and (b) otherwise with respect to the HC Claims, in each case, as of the Effective Date and as of the Closing Date. No HC Agreement has been restricted, terminated or revoked by any party thereto or any successors or assigns. No party to any HC Agreement is in breach of any contractual obligations under such HC Agreement, including without limitation, any contractual requirement to provide Claims Data or claims information as required pursuant to the HC Agreements, or to take certain actions related to data accessibility, data privacy and security. Assignee has made any and all such requests for Claims Data and claims information necessary to file and prosecute the HC Claims. Assignee has received the requested Claims Data and claims information from Assignor, and such Claims Data and claims information resides on servers owned or controlled by MSP or Assignee and access to which is neither controlled by nor could be terminated by Assignor. Assignor has not failed to provide Claims Data or claims information in respect of the HC Claims or requested Owner Pledgor or Assignee to return any such Claims Data or claims information that would materially impair the Owner Pledgor or Assignee from pleading and prosecuting causes of actions in respect of the HC Claims with necessary completeness or particularity in accordance with the terms of the CRSA. The Owner Pledgor and Assignee has obtained all consents, approvals and permits, and has provided all notices, required to transfer the HC Claims Proceeds and the recovery proceeds in respect of the HC Claims to repay any amounts under the Loans including any consents required under any HC Agreement, if applicable, and to perform any and all obligations under the HC Agreements, and otherwise in connection with the consummation of the transactions contemplated hereby.

(iv) Each of Owner Pledgor and Assignee is, and to its actual knowledge, for the past six (6) years preceding the date of this Agreement has been, in compliance in all material respects with applicable law with respect to the conduct of the claims analysis and claims recovery business, and neither of Owner Pledgor nor Assignee has received any notice or communication of any material non-compliance with any such applicable law that has not been cured. Neither the Owner Pledgor nor Assignee, to its actual knowledge, within the past six (6) years preceding the date of this Agreement, has entered into or been subject to any judgment, consent decree, compliance order or administrative order with respect to any aspect of such business, and the related affairs, properties or assets of such Person or received any request for information, notice, demand letter, administrative inquiry or formal or informal complaint or claim from any regulatory agency with respect to any aspect of such business, affairs, properties or assets of such Person other than ordinary course inquiries and correspondence from governmental agencies and judgments, decrees and orders entered in by the court in actions relating to the recovery of proceeds from the HC Claims.

(v) The Credit Parties possess full legal right, title, standing, and interest in the HC Case Proceeds. The Credit Parties hold and possess (a) all rights, authorizations, title,

interest in, and ownership of the HC Case Proceeds, free and clear of all Encumbrances (other than as permitted under Section 8.2, and (b) licenses, authorizations and clearances necessary to access Claims Data and other claims information directly from United States' Department of Health and Human Services Centers for Medicare & Medicaid Services Medicare Data Communications Network (MDCN) portal and other similar or analogous portals and platforms. To Credit Parties' knowledge (i) Assignor has borne the cost of, either by making payment on, or assuming full risk, obligation, and responsibility for the payment of, claims for healthcare services provided, to, for, or on behalf of the members that are the subject of the HC Claims, or otherwise, (ii) Assignor has not received reimbursement, in whole or in part, for any such payment from any source, and (iii) Credit Parties have no knowledge of any attempted recovery of any such HC Claim where there was a finding of waiver or any other barrier to recovery by the Credit Parties.

(vi) The Owner Pledgor provides recovery services in respect of the HC Claims to the Assignee and no other agreement exists between any of the Credit Parties and any other Person in respect of the HC Claims and none of the Credit Parties provide any services in respect of the HC Claims to any Person other than the Borrower and its Subsidiaries. All information that the Credit Parties have provided to the Lender with respect to the HC Claims, as supplemented by the Credit Parties from time to time in writing prior to the date of this Agreement, is true and accurate in all material respects representation.

(b) CAA. The CAA has been executed by the Assignor and the Assignee, and identifies each HC Claim that has been assigned to the Assignee.

(c) Agreements. True, complete and correct copies of the HC Agreements (including all related amendments and modifications of such agreements as of the Closing Date), in each case that are related to the HC Claims, have been provided by the Borrower or its Affiliates to the Administrative Agent and are listed on Schedule 6.26(b) hereto. Other than the agreements identified in the immediately preceding sentence and the Credit Documents, there are no other agreements relating to the assignment of the HC Claims to the Assignee, the recovery services being provided to the Assignor in respect of the HC Claims, the holding and management of the HC Claims by the Assignee and its Affiliates.

Section 6.27 Controlled Accounts; etc. Within ten (10) Business Days after the Closing Date, the Borrower has instructed all Payors with respect to each HC Claim to pay all Collections directly into the Collection System. Each Controlled Account is maintained solely in the name of the Borrower. No Credit Party has granted any Person, other than the Administrative Agent as contemplated by the Credit Documents and the Account Administrator to the limited extent provided by an Account Administration Agreement, dominion and control of any Controlled Account, as applicable, or the right to take dominion and control of any Account of the Borrower or its Subsidiaries at a future time or upon the occurrence of a future event, other than in connection with the HHI Loan Documents.

Section 6.28 Case Management System. All HC Claims have been boarded on the Owner Pledgor's case management system for the benefit of the Borrower.

Section 6.29 Security Agreements. Each of the Security Agreements is effective to create in favor of the Administrative Agent, for the ratable benefit of the holders of the Obligations, a legal, valid and enforceable security interest in the Collateral identified therein, except to the extent the enforceability thereof may be limited by applicable Debtor Relief Laws affecting creditors' rights generally and by equitable principles of law (regardless of whether enforcement is sought in equity or at law), and each

Security Agreement creates a fully perfected Lien on, and security interest in, all right, title and interest of the obligors thereunder in such Collateral, in each case prior and superior in right to any other Lien (other than Permitted Liens, including Liens in favor of the HHI Agent) (i) with respect to any such Collateral that is a "security" (as such term is defined in the UCC) and is evidenced by a certificate, when such Collateral is delivered to the Administrative Agent with duly executed stock powers with respect thereto, (ii) with respect to any such Collateral that is a "security" (as such term is defined in the UCC) but is not evidenced by a certificate, when UCC financing statements in appropriate form are filed in the appropriate filing offices in the jurisdiction of organization of the pledgor or when "control" (as such term is defined in the UCC) is established by the Administrative Agent over such interests in accordance with the provision of Section 8-106 of the UCC, or any successor provision, and (iii) with respect to any such Collateral that is not a "security" (as such term is defined in the UCC), when UCC financing statements in appropriate form are filed in the appropriate filing offices in the jurisdiction of organization of the pledgor (to the extent such security interest can be perfected by filing under the UCC).

SECTION 7
AFFIRMATIVE COVENANTS

Each Credit Party covenants and agrees that until the Obligations shall have been paid in full (other than contingent indemnification obligations for which no claim has been asserted) and the Commitments hereunder shall have expired or been terminated, such Credit Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this SECTION 7.

Section 7.1 Reports.

(a) [Reserved].

(b) Settlement Reports; Account Statements.

(i) Settlement Reports. On or prior to each Settlement Date, the Borrower shall prepare and deliver to the Administrative Agent, the Servicer and the Account Administrator a written report substantially in the form attached as Exhibit 7.1, detailing (A) all Collections received since the immediately preceding Settlement Date and until the most recently ended quarter preceding such Settlement Date, (B) the Borrower's calculations of the amounts payable to the applicable Persons on such Settlement Date pursuant to Section 2.11 (as applicable) and (C) all information which was necessary for preparation by the Borrower of such report (each such written report, statement or document, a "Settlement Report"). Each Settlement Report shall be delivered no later than three (3) Business Days prior to the applicable Settlement Date.

(ii) Account Statements. No later than five (5) Business Days after receipt by or on behalf of the Borrower of each bank statement in respect of the Borrower Lockbox Account, any other account into which proceeds from the HC Claims are received and the Borrower Operating Account, the Borrower shall deliver to the Administrative Agent, the Servicer and the Account Administrator true, correct and complete copies of the same.

(c) Ongoing Case Reporting Requirements. The Borrower agrees to keep the Administrative Agent and the Servicer fully informed about the progress of the cases in which HC Claims are being pursued and the collection of HC Case Proceeds, as hereinafter provided, unless such information has been provided to the Operating Committee. The Borrower shall deliver to the Administrative Agent and the Servicer together with the delivery of the quarterly Compliance

Certificate as required pursuant to Section 7.2(d), a reporting detailing the occurrence of any of the items specified below, in each case specifically excluding any privileged information under applicable Disciplinary Rules, provided, if the occurrence of any such specified event could result in a Material Adverse Effect then the Borrower shall promptly (and in any event within ten (10) Business Days) notify the Administrative Agent and the Servicer in writing; provided further, if any of the items specified below has been notified to the Operating Committee as required, the Borrower shall be deemed to have satisfied its corresponding obligations hereunder to report such:

(i) any equity partner, shareholder or member of the Borrower leaves the Borrower, whether voluntarily or involuntarily, by resignation, dismissal, retirement or otherwise;

(ii) any Credit Party learns of any information with respect to any HC Claim (or the participation therein of any Credit Party's or Co-Counsel Law Firm (as defined in the 2022 Credit Agreement)) that could reasonably be expected to have a Material Adverse Effect;

(iii) any Credit Party learns of any change in the status of any HC Claim or the recovery or potential recovery related thereto that could reasonably be expected to result in a Material Adverse Effect;

(iv) any Credit Party learns of any information indicating that any HC Case Proceeds that shall have become due and owing may not be timely paid in full to the extent failure to pay in full when due could reasonably be expected to result in a Material Adverse Effect;

(v) [reserved]; or

(vi) any Credit Party learns of any malpractice claim, ethics complaint or inquiries or any other Disciplinary Action pending or threatened in writing against a Credit Party.

(d) Notice of Default; Material Adverse Effect. Promptly upon any Authorized Officer of any Credit Party obtaining knowledge (i) of any condition or event that constitutes a Default or an Event of Default, (ii) of any condition or event that constitutes a default or event of default under the CRSA or any condition or event that would otherwise give the Assignor the right to terminate the CRSA or notice from any Person or action taken by any such Person with respect thereto, (iii) the occurrence of a Security Incident (as such term is defined in the CRSA), or (iv) of the occurrence of any Material Adverse Effect, including as a result of a lost HC Claim, to the extent such lost HC Claim could reasonably be expected to have a Material Adverse Effect on the business, operations, assets, condition (financial or otherwise) or liabilities of a Credit Party, the Credit Parties shall deliver, or cause to be delivered, to the Administrative Agent a certificate of one of its Authorized Officers specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, default, event or condition, and what action the applicable Credit Party has taken, is taking and proposes to take with respect thereto.

(e) Notice of Litigation. Promptly upon any Authorized Officer of any Credit Party obtaining actual knowledge of (i) the institution of, or threat of, any material Adverse Proceeding against any Credit Party, (ii) any material development in any Adverse Proceeding, or any proceeding seeking to enjoin or otherwise prevent the consummation of, or to recover any damages

or obtain relief as a result of, the transactions contemplated hereby, or (iii) the institution, or threat of, any suit, proceedings, Disciplinary Action or internal review or investigation relating to allegations of employee discrimination or sexual harassment against any Credit Party or Key Person, then, in each case, the Borrower shall deliver, or cause to be delivered, to the Administrative Agent, written notice thereof together with such other information as may be reasonably available to such Credit Party to enable the Administrative Agent and its counsel to evaluate such matters.

(f) Breach of Representations and Warranties. Promptly upon any Credit Party becoming aware of a material breach with respect to any representation or warranty made or deemed made by such Credit Party in any Credit Document to which it is a party or in any certificate at any time given by such Credit Party in writing pursuant hereto or thereto or in connection herewith or therewith, the Borrower shall deliver, or cause to be delivered, to the Administrative Agent, a certificate of its Authorized Officers specifying the nature and period of existence of such breach and what action such Credit Party has taken, is taking and proposes to take with respect thereto.

(g) Information Regarding Collateral. The Borrower shall furnish to the Administrative Agent no less than five (5) Business Days' prior written notice of any change in such Credit Party's (i) corporate name, (ii) address, including the address of its chief executive office or principal place of business, (iii) identity, organizational structure or jurisdiction of organization, (iv) federal taxpayer identification number or (v) conducting business under any assumed, trade, fictitious or "d/b/a" names, except for the names set forth on Appendix B hereto. Each of the Credit Parties agrees not to effect or permit any change referred to in the preceding sentences unless all filings have been made under the UCC or otherwise that are required in order for the Administrative Agent to continue at all times following such change to have a valid, legal and perfected security interest in all of the Collateral and such Credit Party and its Affiliates have delivered all other documents and opinions requested by the Administrative Agent as determined in its sole and absolute discretion. Each of the Credit Parties also agrees promptly to notify the Administrative Agent if any material portion of the Collateral is damaged or destroyed.

(h) Tax Returns. As soon as practicable and in any event within 15 days following the filing thereof, the Borrower shall provide to the Administrative Agent copies of each U.S. federal income Tax return or information return or report filed by or on behalf of the Borrower and its Subsidiary.

(i) Other Information. The Credit Parties shall deliver such additional reports, documents, notices or information in its possession or held on its behalf or readily available or preparable by the Credit Parties as the Administrative Agent may reasonably request from time to time.

Section 7.2 Financial Statements and Other Reports. The Borrower will deliver, or will cause to be delivered, to the Administrative Agent:

(a) [Reserved];

(b) Quarterly Financial Statements for the Borrower and its Subsidiaries. Within sixty (60) days after the end of each Calendar Quarter of each Calendar Year (other than the fourth quarter thereof), the consolidated balance sheets of the public parent of the Owner Pledgor as of the end of such Calendar Quarter and the related consolidated and consolidating statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for such Calendar Quarter and for the period from the beginning of the then current Calendar Year to the end of such

Calendar Quarter, setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Calendar Year, all in reasonable detail and consistent in all material respects with the manner of presentation as of the Closing Date and prepared in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes, together with a Financial Officer Certification with respect thereto and a summary narrative discussion and analysis (which may be by conference call confirmed in writing by the Administrative Agent) providing an update on the financial condition and results of operations of the Borrower and its Subsidiaries for such Calendar Quarter, as compared to the portion of the budget covering such periods and to the comparable periods of the previous year;

(c) Audited Annual Financial Statements for the Borrower and its Subsidiaries. Upon the earlier of the date that is one hundred eighty (180) days after the end of each Calendar Year of the Borrower, (i) the consolidated balance sheets of the public parent of the Owner Pledgor as of the end of such Calendar Year and the related consolidated and consolidating statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for such Calendar Year, setting forth in each case in comparative form the corresponding figures for the previous Calendar Year, all in reasonable detail, consistent in all material respects with the manner of presentation as of the Closing Date and prepared in accordance with GAAP, together with a Financial Officer Certification with respect thereto and (ii) with respect to such consolidated financial statements a report thereon of Deloitte or independent certified public accountants selected by the Credit Parties and reasonably acceptable to the Administrative Agent, which report shall be unqualified as to going concern and scope of audit, and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of the Borrower and its Subsidiaries as of the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as otherwise disclosed in such financial statements) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards;

(d) Compliance Certificate. Together with each delivery of the financial statements pursuant to Section 7.2(b) and Section 7.2(c) a duly completed Compliance Certificate (including affirmation that the each Credit Party is Solvent at such time);

(e) Operating Budget. Within sixty (60) days following the end of each Calendar Year of the Borrower, forecasts prepared by management of the Borrower, in form reasonably satisfactory to the Administrative Agent and the Required Lenders, of consolidated balance sheets and statements of income or operations and cash flows of the Borrower and its Subsidiaries on a quarterly basis for the then current Calendar Year (including the Calendar Year(s) in which the Maturity Date, the maturity date of any additional Term Loan established after the Closing Date);

(f) Information Regarding Collateral. Each Credit Party will furnish to the Administrative Agent (a) prior written notice of any change to (i) any Credit Party's legal name, (ii) any Credit Party's corporate structure, (iii) any Credit Party's Federal Taxpayer Identification Number or (iv) any Credit Party's jurisdiction of incorporation, formation or organization, as applicable and (b) upon request any filing of a Schedule 13D or Schedule 13G with the SEC;

(g) [Reserved];

(h) Notice of Default and Material Adverse Effect. Promptly upon any Authorized Officer of any Credit Party obtaining knowledge (i) of any condition or event that constitutes, or the occurrence of, a Default or an Event of Default or that notice has been given to any Credit Party

with respect thereto, (ii) that any Person has given any notice to any Credit Party or any of its Subsidiaries or taken any other action with respect to any event or condition set forth in Section 10.1(b), or (iii) of the occurrence of any Material Adverse Effect, a certificate of its Authorized Officers specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, event or condition or change, and what action the Credit Parties have taken, are taking and propose to take with respect thereto;

(i) [Reserved];

(j) Securities and Exchange Commission Investigations. Promptly (and in any event within five (5) Business Days) after receipt thereof by any Credit Party or any Subsidiary, copies of each notice or other correspondence received from the Securities and Exchange Commission (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of any Credit Party or any Subsidiary;

(k) Other Information. Such other information and data with respect to the Owner Pledgor, the public parent of the Owner Pledgor, Borrower or any of its Subsidiaries as from time to time may be reasonably requested by the Administrative Agent or the Required Lenders.

Each notice, certificate or other correspondence pursuant to clauses (h) and (j) of this Section 7.2 shall be accompanied by a statement of an Authorized Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower and/or the other applicable Credit Party has taken and proposes to take with respect thereto. Each notice, certificate or other correspondence pursuant to Section 7.2(h) shall describe with particularity any and all provisions of this Agreement and any other Credit Document that have been breached.

Section 7.3 Existence. Each Credit Party will, and will cause the Borrower's Subsidiaries to, at all times preserve and keep in full force and effect its existence and all rights and franchises, licenses and permits material to its business, except to the extent (a) permitted by Section 8.11 or (b) not constituting an Asset Sale.

Section 7.4 Payment of Taxes and Claims. Each Credit Party will, and will cause the Borrower's Subsidiaries to, pay (a) all federal, state and other material taxes imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty or fine accrues thereon and (b) all claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided, no such tax or claim need be paid if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as (i) adequate reserve or other appropriate provision, as shall be required in conformity with GAAP shall have been made therefor, and (ii) in the case of a tax or claim which has or may become a Lien against any of the Collateral, such contest proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such tax or claim. The Borrower will not, nor will it permit any of its Subsidiaries to, file or consent to the filing of any consolidated income tax return with any Person (other than the Owner Pledgor, its direct or indirect parent, the Borrower or any Subsidiary).

Section 7.5 Lenders Meetings. The Borrower will, upon the request of the Administrative Agent or the Required Lenders, participate in a meeting of the Administrative Agent and the Lenders once during each Calendar Year to be held at the Borrower's corporate offices (or at such other location, which may be

remotely, as may be agreed to by the Borrower and the Administrative Agent) at such time as may be agreed to by the Borrower and the Administrative Agent.

Section 7.6 Compliance with Laws and Material Contracts. Each Credit Party will comply, and will cause each of its Subsidiaries and all other Persons, if any, on or occupying any Facility to comply, with (a) the Patriot Act and OFAC rules and regulations, (b) all other Applicable Laws and (c) all Material Contracts, noncompliance with which, with respect to clauses (b) and (c), could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 7.7 Further Assurances. At any time or from time to time upon the request of the Administrative Agent, each Credit Party will, at its expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as the Administrative Agent may reasonably request in order to effect fully the purposes of the Credit Documents, including providing the Administrative Agent with any information reasonably requested pursuant to Section 7.1, and executing such new or revised QSF Instruction Letters, MSP Instruction Letters or Lender Authorization Letters.

Section 7.8 General Corporate Obligations. Each Credit Party, respectively, agrees that it has not and shall not:

(a) fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its formation, or without the prior written consent of the Administrative Agent, amend, modify, change, repeal, terminate or fail to comply with the provisions of such Credit Party's Organizational Documents, as the case may be;

(b) commingle its assets with the assets of any of its general partners, members, Affiliates, principals or any other Person or entity;

(c) [Reserved];

(d) fail to maintain its records, books of account and bank accounts, separate and apart from those of the general partners, members, principals and Affiliates of the Borrower or the Affiliates of a general partner or member of the Borrower or any other Person, which records shall reasonably identify its assets, including by specific listing, category, type, quantity, computational or allocational formula or procedure (including a percentage or share of any asset or assets) or by any other method where the identity of such assets is objectively determinable;

(e) except (i) for the Credit Documents, or permitted by the Credit Documents or (ii) the HHI Loan Documents, or permitted by the HHI Loan Documents, enter into any contract or agreement with any general partner, member, principal or Affiliate of the Borrower, or any general partner, member, principal or Affiliate of any Credit Party, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any general partner, member, principal or affiliate of the Borrower, or any general partner, member, principal or Affiliate of any Credit Party, or fail to maintain separate financial statements from those of its general partners, members, principles and Affiliates;

(f) seek the dissolution or winding up, in whole or in part, of the Borrower or take any action that would cause the Borrower to become insolvent;

(g) with respect to the Borrower and the SPV, after giving effect to any contributions and indemnifications, and on a consolidated basis, fail to maintain adequate capital for the normal

obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(h) fail to observe all requisite organizational formalities required under applicable law; and

(i) fail to use commercially reasonable efforts to cause its members, managers, directors, officers, agents and other representatives to act at all times with respect to the Borrower consistently and in furtherance of the foregoing and in the best interests of the Borrower.

In the event of any inconsistency between the covenants set forth in this Section 7.8 or the other covenants set forth in this Agreement, or in the event that any covenant set forth in this Section 7.8 poses a greater restriction or obligation than is set forth elsewhere in this Agreement, the covenants set forth in this Section 7.8 shall control.

Section 7.9 Cash Management Systems. The Credit Parties shall establish and maintain cash management systems as set forth below.

(a) Collection System.

(i) (A) The Credit Parties shall maintain the Borrower Lockbox Account in accordance with the terms hereof and the other Credit Documents, into which all Collections shall be deposited, and (B) the Credit Parties shall have established, for the benefit of the Lender, if applicable, one or more Additional Controlled Accounts pursuant to one or more Additional Control Agreements, as described in Section 2.9(c), providing for all amounts deposited in such Additional Controlled Account to be transferred daily into the Borrower Lockbox Account (collectively, the "Collection System").

(ii) No Credit Party shall modify the Collection System or establish any new Collection System without the prior written consent of the Administrative Agent in its sole and absolute discretion, and prior to establishing any such new Collection System, the Borrower shall cause each bank or financial institution (as may be consented to by the Administrative Agent in its sole and absolute discretion) with which it seeks to establish such a Collection System to enter into a control agreement in form and substance satisfactory to the Administrative Agent in its sole and absolute discretion in respect of each account receiving any Collections, and the parties to the Account Administration Agreement, if any, shall have amended or supplemented the terms thereof to apply to each account receiving any Collections.

(iii) Without the prior written consent of the Administrative Agent, no Credit Party shall, in a manner adverse to the Administrative Agent, change any instructions given to any Payor which in any manner redirects Collections to any account which is not the Borrower Lockbox Account or a Controlled Account.

(iv) The Borrower acknowledges and agrees that the funds on deposit in the Collection System shall continue to be collateral security for the Obligations secured thereby.

(v) The Borrower shall timely pay in full all Account Bank Fees and all Account Administrator Fees.

(vi) If the Servicer's on-line daily access to the Accounts is terminated or interrupted or the Servicer otherwise requests, no later than five (5) Business Days after receipt by or on behalf of the Borrower of each bank statement in respect of the Controlled Accounts, the Borrower shall deliver to the Administrative Agent, the Servicer and the Account Administrator, if any, true, correct and complete copies of the same.

(b) Receivables Payment; Collection.

(i) Instructions to Payors. The Credit Parties shall (i) instruct each Payor (with a copy to the Administrative Agent), to make all payments with respect to any amount due to the Borrower or Assignee directly to the Collection System by wire (and/or by check), and such instructions shall not be amended, terminated or revoked without the prior written consent of the Administrative Agent, and may, as directed by the Administrative Agent, be issued directly by the Administrative Agent or its representatives, pursuant to authority granted in a Lender Authorization Letter and (ii) promptly (and in no event any later than five (5) Business Day) deposit, or cause to be deposited, all Collections received by any Credit Party, whether in the form of cash, checks, notes, drafts, bills of exchange, money orders or otherwise, into the Collection System in precisely the form in which they are received (but with any endorsements of such Credit Party, as applicable, necessary for deposit or collection), and until they are so deposited to hold such payments in trust for and as the property of the Administrative Agent. In connection with any HC Claim in respect of which a QSF is established, the Credit Parties shall promptly, and in any event before any amounts are paid to or for the benefit of any Credit Party in respect of any such HC Claim, execute a QSF Instruction Letter.

(ii) Collections Received Outside of Collection System. In the event any Credit Party receives any Collections other than by such amounts being deposited by the applicable payor directly to the Collection System, the Borrower shall (and shall cause any other Credit Party that receives such Collections to) promptly (and in any event no later than five (5) Business Days following receipt) notify the Administrative Agent, the Servicer and the Account Administrator in writing, and deposit all such Collections, whether in the form of cash, checks, notes, drafts, bills of exchange, money orders or otherwise into the Collection System in accordance with Section 7.9(a) in precisely the form in which they are received (but with any endorsements of such Credit Party, as applicable, necessary for deposit or collection), and until they are so deposited to hold such payments in trust for and as the property of the Administrative Agent.

(c) Duties of Borrower.

(i) The Credit Parties shall at all times have electronic access to data, concerning the payment status of each HC Claim and the related Payors' names and addresses. In the event any HC Case Proceeds become payable by a new Payor during the term hereof, the Borrower shall promptly (and in any event, within five (5) Business Days) notify the Administrative Agent in writing of such new Payor, which notice shall include the name, address and other contact information of such Payor and a schedule of HC Claims subject to such new Payor.

(ii) The Credit Parties shall hold (in physical or electronic form) in trust for the Administrative Agent all Records that evidence or relate to the Collateral or that are otherwise necessary or desirable to collect HC Case Proceeds, and shall, as soon as reasonably practicable upon demand of the Administrative Agent, deliver or make

available to the Administrative Agent all such Records at a place selected by the Administrative Agent; provided, that, the Credit Parties have not and shall not be required to disclose to the Administrative Agent any information relating to any HC Claim that is privileged and/or confidential under applicable Disciplinary Rules or pursuant to the CAA and/or the CRSA. Unless and until such Records are delivered to the Administrative Agent, the Credit Parties agree that it will, respectively, maintain possession of such Records as agent for the Administrative Agent for purposes of perfecting the Administrative Agent's security interest therein. All such Records shall be conspicuously marked with a notice stating that a security interest in such Records has been granted to the Administrative Agent hereunder.

(iii) The Credit Parties agree that HC Case Proceeds includes any HC Case Proceeds that are due to the Borrower or Assignee and paid to a Credit Party or any Affiliate of a Credit Party (in error) and the Owner Pledgor and Borrower shall (and shall cause any of their Affiliates that receives such HC Case Proceeds to) promptly notify the Administrative Agent, the Servicer and the Account Administrator in writing, and deposit all such HC Case Proceeds, whether in the form of cash, checks, notes, drafts, bills of exchange, money orders or otherwise into the Collection System in accordance with Section 7.9(a) in precisely the form in which they are received (but with any endorsements of such Credit Party or Affiliate, as applicable, necessary for deposit or collection), and until they are so deposited to hold such payments in trust for and as the property of the Administrative Agent.

Section 7.10 Maintenance of Properties. Each Credit Party will, and will cause the Borrower's Subsidiaries to, maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear and casualty and condemnation excepted, all property reasonably necessary to the normal conduct of business of such Credit Party and Subsidiaries and from time to time will make or cause to be made all appropriate repairs, renewals and replacements thereof, in each case, except where the failure to maintain such properties or make such repairs or renewals could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect.

Section 7.11 Insurance. The Credit Parties will, and will cause each of their Subsidiaries and the Key Persons, as applicable, to, maintain or cause to be maintained, with financially sound and licensed insurers, property insurance, cyber insurance and a professional liability insurance policy in sufficient coverage as required by the HC Agreements (against which amount no claims are made), in each case in such amounts, with such deductibles, covering such risks and otherwise substantially consistent with the existing insurance the Credit Parties and Subsidiaries maintain as of the Closing Date and as scheduled on Schedule 7.11 (or is otherwise reasonably acceptable to the Administrative Agent).

Section 7.12 Due Diligence; Access to Certain Documentation.

(a) The Administrative Agent, and its agents or professional advisors, shall have the right under this Agreement, from time to time, at its discretion and upon reasonable prior written notice to the relevant party, to examine, audit, copy, run comparative analysis on and take extracts from, during business hours or at such other times as might be reasonable under applicable circumstances, any and all of the books, records, financial statements, credit and collection policies, legal and regulatory compliance, operating and reporting procedures and information systems, its directors, officers and employees, or other information and information systems (including without limitation customer service and/or whistleblower hotlines) of the Borrower, or held by another for any Credit Party or on its behalf, concerning or otherwise affecting the Collateral or this Agreement, as applicable, in each case, subject to applicable Disciplinary Rules relating to attorney-client

privilege; provided, however, that prior to the occurrence of an Event of Default that is then continuing, the Administrative Agent shall exercise such right no more than once in any Calendar Year. The Administrative Agent, and its agents and professional advisors, shall treat as confidential any information obtained during the aforementioned examinations which is not already publicly known or available; provided, however, that the Administrative Agent, and its agents or professional advisors, may disclose such information (i) if required to do so by law or by any regulatory authority or (ii) if otherwise permitted to do so pursuant to Section 12.15.

(b) Upon reasonable prior written notice and during regular business hours, each Credit Party agrees to promptly provide the Administrative Agent, and its respective agents or professional advisors, with access to, copies of and extracts from any and all documents, records, agreements, instruments or information (including, without limitation, any of the foregoing in computer data banks and computer software systems) which the Administrative Agent, or its respective agents or professional advisors, may reasonably require in order to conduct periodic due diligence relating to such Credit Party in connection with any Credit Document or any Collateral, in each case, subject to applicable Disciplinary Rules relating to attorney-client privilege.

(c) [Reserved].

(d) All reasonable costs and expenses incurred by the Administrative Agent and the Lender, and its respective agents or professional advisors, in connection with the due diligence and other matters outlined in this Section 7.12 shall, if an Event of Default shall have occurred and be continuing, be Permitted Lender Expenses, subject to Section 7.12(a), which the Borrower shall reimburse to the Administrative Agent and the Lender, or shall pay or cause to be paid.

(e) Without limiting the generality of the foregoing, the Borrower acknowledges that the Lender shall make the Credit Extensions to the Borrower based solely upon the information provided by the Credit Parties to the Administrative Agent and the representations, warranties and covenants contained herein, and that the Administrative Agent and the Lender shall have the right at any time and from time to time to conduct a partial or complete due diligence review, at its option and, to the extent that the expense of such review is not a Permitted Lender Expense, at its expense, on some or all of the Cases or other Collateral.

Section 7.13 Use of Proceeds. The Credit Parties will use the proceeds of the Loans in accordance with the provisions of Section 6.25.

Section 7.14 Claims Data. Owner Pledgor and the Borrower hereby agree to, and shall use commercially reasonable efforts to cause Assignee to, exercise and enforce its rights under the HC Agreements to cause the Assignor or its Affiliates to continue to make available the Claims Data to Assignee, and attorneys and law firms engaged in prosecuting or otherwise pursuing recoveries through the conclusion of all recovery efforts, in each case, pursuant to the terms of the CRSA and any formal or informal processes or pattern or practice Owner Pledgor and its Affiliates have established to maximize the information flow in respect of the HC Claims, including the accessing of the patient and other claims data in respect of the HC Claims directly from the United States' Department of Health and Human Services Centers for Medicare & Medicaid Services Medicare Data Communications Network (MDCN) portal and other similar or analogous portals and platforms and any other data collection processes that MSP has utilized or may utilize in the future to prosecute HC Claims and maximize recoveries thereunder. In furtherance and not by way of limitation of the foregoing, Owner Pledgor and its Affiliates agrees to and acknowledges Borrower's rights to exercise or enforce any of the remedies pursuant to agreements between Affiliates of Assignee and Owner Pledgor and its Affiliates in respect of the HC Claims. To help avoid or resolve any dispute or disagreement concerning the availability of Claims Data in respect of the HC Claims,

Owner Pledgor hereby agrees to, and shall use commercially reasonable efforts to cause Assignee to, exercise and enforce their respective rights under the HC Agreements to pursue by formal action or informal arrangements to cause Assignor to make available to Assignee, and attorneys and law firms engaged in prosecuting or otherwise pursuing recoveries from or under the HC Claims any underlying claims files or other data relating to such Claims Data, for any HC Claims, including in the event of the expiration or termination of the HC Agreements, and/or any agreement in furtherance of such arrangements, in order to allow such attorneys or law firms to use such Claims Data and related data to pursue recovery of the HC Claims.

Section 7.15 Equity Interests. Each Credit Party shall cause (i) one hundred percent (100%) of the issued and outstanding Equity Interests in the Borrower to be owned by the Owner Pledgor and one hundred percent (100%) of the issued and outstanding Equity Interests in the Assignee to be owned by the Borrower, and (ii) pursuant to the terms and conditions of the Collateral Documents, together with opinions of counsel and any filings and deliveries or other items reasonably requested by the Administrative Agent necessary in connection therewith (to the extent not delivered on the Closing Date) perfection of the security interests granted in such Collateral Documents, all in form and substance reasonably satisfactory to the Administrative Agent.

Section 7.16 Books and Records. Each Credit Party will keep, and will cause each of the Borrower's Subsidiaries to keep, proper books of record and account in which full, true and correct entries sufficient to enable the preparation of financial statements in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of such Credit Party or such Subsidiary, as the case may be.

Section 7.17 Legal Counsels. Pursuant to the terms of the Healthcare Legal Services Agreement and the Collateral Administration Agreement,

(a) The Credit Parties shall ensure that at all times, one or more legal counsel(s) are engaged to provide high quality legal work and service in connection with, and use best efforts to prevail on behalf of, the Credit Parties in the related HC Claim(a) and the collection of HC Case Proceeds, including by pursuing any and all available enforcement strategies necessary to confirm and collect upon any award in favor of the Credit Parties in connection with each HC Claim; provided, however, that any such legal counsel may cease such representation (with respect to any single HC Claim) and withdraw as counsel, if the Credit Parties reasonably and in good faith determine that (x) the applicable HC Claim no longer has merit and (y) such withdrawal would not have a Material Adverse Effect; provided further, however, such withdrawal may only be made with the consent of the Administrative Agent or the Servicer (on behalf of the Lender). The fact that such HC Claim is no longer being handled by the Borrower will then be expressly noted on the next applicable monthly report delivered by the Credit Parties to the Administrative Agent and the Servicer pursuant to the Credit Documents.

(b) The Credit Parties hereby irrevocably authorize the Administrative Agent and the Servicer, upon the occurrence of an Event of Default, to the extent not prohibited by the Disciplinary Rules or any other applicable law, to communicate directly with the legal counsel(s) retained to pursue an HC Claim or any other third party regarding the status of the Collateral, to enforce the rights and remedies of the Credit Parties under any retainer agreements with such legal counsel(s), and to deliver to the applicable payor a QSF Instruction Letter and, if applicable, direct instructions to a court. To that end, the Credit Parties shall comply with all directions made by the Administrative Agent and/or the Servicer regarding the preparation, execution and delivery of such QSF Instruction Letters and direct instructions to a court and/or Responsible Party.

Section 7.18 Anti-Terrorism; OFAC; Anti-Corruption. Each of the representations and warranties set out in Section 6.18 shall be deemed here restated and, *mutatis mutandis*, construed as covenants made and given under this Section 8.16.

Section 7.19 Other HC Claims Transactions. Any Credit Party may only finance or otherwise transact in the HC Claims with the prior written consent of the Administrative Agent, such consent not to be unreasonably withheld, provided, that, all Obligations have been paid in full (or will be repaid in full as a result of such transaction).

Section 7.20 Post-Closing Covenants.

(a) MSP Instruction Letters. Within ten (10) Business Days after the Closing Date, the Credit Parties shall execute, (or the Credit Parties shall cause to be executed), MSP Instruction Letters (in a form acceptable to the Administrative Agent (in its sole and absolute discretion)).

(b) Account Control Agreement(s). Within three (3) Business Days after the Closing Date, the Credit Parties shall execute, (or the Credit Parties shall cause to be executed), Control Agreement(s) (in a form reasonably acceptable to the Administrative Agent), including an executed deposit account control agreement in form and substance satisfactory to Administrative Agent which shall give the Administrative Agent "control" (for purposes of Articles 8 and 9 of the Uniform Commercial Code) over the Borrower Lockbox Account which account is to receive all recovery proceeds from the HC Claims and appoint a depository agent to distribute funds in the Borrower Lockbox Account in accordance with Section 2.11 hereto.

SECTION 8
NEGATIVE COVENANTS

Each Credit Party covenants and agrees that until the Obligations shall have been paid in full or (other than contingent indemnification obligations for which no claims has been asserted), and the Commitments hereunder shall have expired or been terminated, such Credit Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this SECTION 8.

Section 8.1 Indebtedness. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, other than:

(a) the Obligations;

(b) Guarantees with respect to Indebtedness permitted under this Section 8.1;

(c) Indebtedness existing on the Closing Date and described in Schedule 8.1; and

(d) The Indebtedness in connection with the HHI Loan Documents.

Provided, that, the Owner Pledgor may incur any Indebtedness so long as such Indebtedness is not secured by the Collateral (including any rights, proceeds, security interests, remedies or privileges thereof).

Section 8.2 Liens. No Credit Party (other than the Owner Pledgor) shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or

accounts receivable) of any Credit Party (other than the Owner Pledgor) or any of its Subsidiaries, including any Lien on or pledge of the equity interests of Borrower and the Series, whether now owned or hereafter acquired, created or licensed or any income, profits or royalties therefrom, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income, profits or royalties under the UCC of any State or under any similar recording or notice statute or under any Applicable Laws related to intellectual property, except:

(a) Liens granted pursuant to any Credit Document, the 2022 Credit Agreement (and related collateral documents) and the HHI Loan Documents;

(b) Liens for Taxes not yet due or for Taxes if obligations with respect to such Taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted;

(c) statutory Liens of landlords, banks, carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens imposed by law that would constitute an Event of Default;

(d) any interest or title of a lessor or sublessor under any lease of real estate permitted hereunder;

(e) purported Liens evidenced by the filing of precautionary UCC financing statements relating solely to operating leases of personal property entered into in the ordinary course of business;

(f) licenses of patents, trademarks and other intellectual property rights granted by any Credit Party or any of its Subsidiaries in the ordinary course of business and not interfering in any respect with the ordinary conduct of the business of such Credit Party or such Subsidiary;

(g) Liens existing as of the Closing Date and described in Section 8.2;

(h) Liens in favor of collecting banks under Section 4-210 of the UCC;

(i) Liens (including the right of set-off) in favor of a bank or other depository institution arising as a matter of law encumbering deposits.

Section 8.3 No Further Negative Pledges. No Credit Party shall, nor shall it permit any of its Subsidiaries to, enter into any Contractual Obligation (other than this Agreement and the other Credit Documents and the HHI Loan Documents) that limits the ability of any Credit Party or any such Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person that constitutes Collateral.

Section 8.4 Subsidiaries. No Credit Party (other than the Owner Pledgor) shall form any Subsidiary, unless such Subsidiary (i) at Administrative Agent's sole discretion, expressly joins this Agreement as a borrower and becomes jointly and severally liable for the obligations of Borrower hereunder, under the Notes, and under any other agreement between Borrower and Lender, and (ii) Administrative Agent shall have received all documents, including without limitation, legal opinions and appraisals it may reasonably require to establish compliance with each of the foregoing conditions in connection therewith.

Section 8.5 Parties under 2022 Credit Agreement. Borrower may not discharge Milberg under the 2022 Credit Agreement if, and to the extent, Milberg is required to be retained to pursue the Cases in respect of the HC Claims.

Section 8.6 Existing Legal Services Agreement. Borrower may not terminate the Existing Legal Services Agreement without the Administrative Agent's prior written consent.

Section 8.7 Accounts. The Borrower shall not establish or maintain a deposit account or a securities account other than the Accounts identified on Schedule 1.1(a), as such Schedule 1.1(a) may be updated from time to time with the prior written consent of the Administrative Agent or as otherwise updated pursuant to Section 2.9. The Credit Parties shall not, and shall not direct or permit any Person to, deposit Collections in any account that is not a Controlled Account (except in accordance with Section 7.9(b)(ii)).

Section 8.8 Burdensome Agreements. The Borrower shall not, nor shall it permit any of its Subsidiaries to, enter into, or permit to exist, any Contractual Obligation that encumbers or restricts the ability of any such Person to (a) pay dividends or make any other distributions to the Borrower on its Equity Interests or with respect to any other interest or participation in, or measured by, its profits, (b) pay any Indebtedness or other obligation owed to any Credit Party (other than the Owner Pledgor), (c) make loans or advances to any Credit Party (other than the Owner Pledgor), (d) sell, lease or transfer any of its property to any Credit Party (other than the Owner Pledgor), (e) pledge its property pursuant to the Credit Documents or any renewals, refinancings, exchanges, refundings or extension thereof or (f) act as a Credit Party pursuant to the Credit Documents or any renewals, refinancings, exchanges, refundings or extensions thereof, except (in respect of any of the matters referred to in clauses (a)-(e) above) for (i) this Agreement and the other Credit Documents, (ii) any document or instrument governing Indebtedness incurred pursuant to Section 9.1(f); provided, that, any such restriction contained therein relates only to the asset or assets constructed or acquired in connection therewith, (iii) any Permitted Lien or any document or instrument governing any Permitted Lien, provided, that, any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien or (iv) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 8.11 pending the consummation of such sale.

Section 8.9 Investments. The Borrower shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly, make or own any Investment in any Person (including any joint venture), except:

(a) Investments in cash and Cash Equivalents and deposit accounts or securities accounts in connection therewith;

(b) equity Investments owned as of the Closing Date in any Subsidiary as disclosed on Schedule 6.2;

(c) guarantees to the extent permitted under Section 8.1(c).

Section 8.10 Use of Proceeds. No Credit Party shall use the proceeds of any Credit Extension except in a manner and to the extent permitted by Section 8.9. No Credit Party shall use, and each Credit Party shall not permit its Subsidiaries and its or their respective directors, officers, employees and agents to use, the proceeds of any Credit Extension (a) to refinance any commercial paper, (b) in any manner that causes or might cause such Credit Extension or the application of such proceeds to violate any applicable Sanctions, Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System as in effect from time to time or any other regulation thereof or to violate the Exchange Act, (c) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or

anything else of value, to any Person in violation of any Anti-Corruption Laws, or (d) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country.

Section 8.11 Fundamental Changes; Disposition of Assets; Acquisitions. The Borrower shall not, nor shall it permit any of its Subsidiaries to, enter into any acquisition or transaction of merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or make any Asset Sale, or acquire by purchase or otherwise the business, property or fixed assets of, or Equity Interests or other evidence of beneficial ownership of, any Person or any division or line of business or other business unit of any Person, except any Subsidiary of the Borrower may be merged with or into the Borrower or any Subsidiary, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to the Borrower; provided, in the case of such a merger if the Borrower is party to the merger, the Borrower shall be the continuing or surviving Person.

Section 8.12 Disposal of Subsidiary Interests. Except for any sale of all of its interests in the Equity Interests of any of its Subsidiaries in compliance with the provisions of Section 8.11 and except for Liens securing the Obligations, the Borrower shall not, nor shall it permit any of its Subsidiaries to, (a) directly or indirectly sell, assign, pledge or otherwise encumber or dispose of any Equity Interests of any of its Subsidiaries; or (b) permit any of its Subsidiaries directly or indirectly to sell, assign, pledge or otherwise encumber or dispose of any Equity Interests of any of its Subsidiaries, except to another Credit Party (subject to the restrictions on such disposition otherwise imposed hereunder), or to qualify directors if required by Applicable Laws.

Section 8.13 Capital Leases, Synthetic Leases, Securitization Transactions and Sale and Leaseback Transactions. The Borrower shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any Capital Lease, Synthetic Lease, Securitization Transaction or Sale and Leaseback Transaction.

Section 8.14 Transactions with Affiliates and Insiders. The Borrower shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any officer, director or Affiliate of the Borrower or any its Subsidiaries without the consent of the Administrative Agent, provided, that, the activities and transactions among the Credit Parties that are not otherwise prohibited hereunder or under any Material Contract shall be permitted.

Section 8.15 Prepayment of Other Funded Debt. The Borrower shall not, nor shall it permit any of its Subsidiaries to:

(a) after the issuance thereof, amend or modify (or permit the termination, amendment or modification of) the terms of any Funded Debt (other than the Obligations and the obligations under the HHI Loan Documents);

(b) amend or modify, or permit or acquiesce to the amendment or modification (including waivers) of, any provisions of any Subordinated Debt, including any notes or instruments evidencing any Subordinated Debt and any indenture or other governing instrument relating thereto, other than pursuant to the appliable subordination terms agreed to by the Administrative Agent;

(c) make any payment in contravention of the terms of any Subordinated Debt; or

(d) make any voluntary prepayment, redemption, defeasance or acquisition for value of (including by way of depositing money or securities with the trustee with respect thereto before due for the purpose of paying when due), or refund, refinance or exchange of, any Funded Debt (other than the Indebtedness under the Credit Documents, the Indebtedness under the HHI Loan Documents intercompany Indebtedness permitted hereunder and Indebtedness permitted under Section 9.1(c)).

Section 8.16 Conduct of Business. No Credit Party shall, nor shall it permit any of the Borrower's Subsidiaries to, engage in any business other than the businesses engaged in by such Credit Party or such Subsidiary on the Closing Date and businesses reasonably related, ancillary, or complimentary thereto or reasonable extensions or expansions thereof.

Section 8.17 Calendar Year. No Credit Party shall, nor shall it permit any of the Borrower's Subsidiaries to change its Calendar Year-end from December 31.

Section 8.18 Amendments to Organizational Agreements/Material Agreements. No Credit Party shall, nor shall it permit any of the Borrower's Subsidiaries to, amend or permit any amendments to its Organizational Documents if such amendment could reasonably be expected to be materially adverse to the Lenders or the Administrative Agent. No Credit Party shall, nor shall it permit any of the Borrower's Subsidiaries to, amend or permit any amendment to, or terminate or waive any provision of, any Material Contract unless such amendment, termination, or waiver would not have a Material Adverse Effect on the Administrative Agent or the Lenders.

Section 8.19 Assignor Agreements. No Credit Party shall, nor shall it permit any of the Borrower's Subsidiaries to, take or permit any action that could reasonably result in a default under, or the termination of, any of the HC Agreements.

Section 8.20 Settlement of Claims. No Credit Party shall, nor shall it permit any of the Borrower's Subsidiaries to, settle or compromise any HC Claim or litigation or apply the HC Case Proceeds without the prior written consent of the Operating Committee and, in connection with any such settlement, the Credit Parties shall notify the relevant Payor that all proceeds of such settlement shall be paid to the Borrower Lockbox Account.

Section 8.21 Assignments. No Credit Party shall, nor shall it permit the Borrower's Subsidiaries to, sell, convey or otherwise transfer, or grant a security interest in any of its rights, titles, interests, remedies and privileges under the CAA or the CRSA, nor make any assignment of the HC Claims or the HC Case Proceeds, other than pursuant to this Agreement, the other Credit Documents and/or the HHI Loan Documents.

Section 8.22 Owner Pledgor. Notwithstanding the foregoing, Owner Pledgor shall not take any action that the Borrower or its Subsidiary is not permitted to take under this SECTION 8 if and solely to the extent that such action could reasonably be expected to have a Material Adverse Effect on the Administrative Agent's or any Lender's rights and security interests under this Agreement.

SECTION 9
EVENTS OF DEFAULT; REMEDIES; APPLICATION OF FUNDS.

Section 9.1 Events of Default. If any one or more of the following conditions or events shall occur:

(a) Material Contracts. (i) Any termination or breach of any of the Collateral Administration Agreement (other than by approval of the Operating Committee), Healthcare Legal Services Agreement (other than by approval of the Operating Committee), IP License Agreement, or (ii) the HC Agreements are cancelled or otherwise terminated and such cancellation or termination would have a material adverse effect on the scope, timing or recoverability of the HC Claims or (iii) failure of any Credit Party to pay the Threshold Amount (as defined in Exhibit F to the CRSA) pursuant to the terms thereof (unless such failure is a direct result of the Administrative Agent's failure to comply with the provisions of Section 2.11 following receipt of an agreed Settlement Report).

(b) Failure to Make Payments When Due. Failure by any Credit Party or any Owner Pledgor to pay (i) the principal of any Loan when due, whether at stated maturity, by acceleration or otherwise; or (ii) within three (3) Business Days of when due any interest on any Loan or any fee or any other amount due hereunder; or

(c) Default in Other Agreements. (i) Failure of any Credit Party, any Subsidiary or any Owner Pledgor to pay when due any principal of or interest on or any other amount payable in respect of one or more items of Indebtedness for borrowed money (other than Indebtedness referred to in Section 8.1(a)) in an aggregate principal amount of $5,000,000 or more, in each case beyond the grace or cure period, if any, provided therefor; or (ii) breach or default by any Credit Party, any Subsidiary or any Owner Pledgor with respect to any other term of (1) one or more items of such Indebtedness in the aggregate principal amount referred to in clause (i) above, or (2) any loan agreement, mortgage, indenture or other agreement relating to such Indebtedness, in each case beyond the grace or cure period, if any, provided therefor, if the effect of such breach or default is to cause, or to permit the holder or holders of such Indebtedness (or a trustee on behalf of such holder or holders), to cause, such Indebtedness to become or be declared due and payable (or subject to a compulsory repurchase or redeemable) prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be; or

(d) Breach of Certain Covenants. (A) Failure of any Credit Party to perform or comply with any term or condition contained in Section 7.1(d)(i), Section 7.3, Section 7.8, Section 7.9, Section 7.13, or SECTION 8; or (B) failure of any Credit Party to perform or comply with any term or condition contained in Section 7.1(b), Section 7.1(c), Section 7.1(d)(ii)-(iv), Section 7.1(f), or Section 7.2 and such failure shall not have been remedied or waived within 20 Business Days (60 days, in the case of failure to deliver unqualified audit report from accountant pursuant to Section 7.2(c)(ii)) after the earlier of (i) an Authorized Officer of any Credit Party or any Owner Pledgor becoming aware of such default, and (ii) receipt by the Borrower of notice from the Administrative Agent or any Lender of such default; or

(e) Breach of Representations, etc. Any representation, warranty, certification or other statement made or deemed made by any Credit Party or any Owner Pledgor in any Credit Document or in any statement or certificate at any time given by any Credit Party, any of its Subsidiaries or any Owner Pledgor in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect as of the date made or deemed made; or

(f) Other Defaults Under Credit Documents. Any Credit Party or any Owner Pledgor shall default in the performance of or compliance with any term contained herein or any of the other Credit Documents, other than any such term referred to in any other Section of this Section 10.1, and such default shall not have been remedied or waived within thirty (30) days after the earlier of (i) an Authorized Officer of any Credit Party or any Owner Pledgor becoming aware of such

default, and (ii) receipt by the Borrower of notice from the Administrative Agent or any Lender of such default; or

(g) Involuntary Bankruptcy; Appointment of Receiver, etc. (i) A court of competent jurisdiction shall enter a decree or order for relief in respect of any Credit Party, any Subsidiary or any Owner Pledgor in an involuntary case under the Bankruptcy Code or Debtor Relief Laws now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law; or (ii) an involuntary case shall be commenced against any Credit Party, any Subsidiary or any Owner Pledgor under the Bankruptcy Code or other Debtor Relief Laws now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over any Credit Party, any Subsidiary or any Owner Pledgor, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of any Credit Party, any Subsidiary or any Owner Pledgor for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of any Credit Party, any Subsidiary or any Owner Pledgor, and any such event described in this clause (ii) shall continue for sixty (60) days without having been dismissed, stayed, bonded or discharged; or

(h) Voluntary Bankruptcy; Appointment of Receiver, etc. (i) Any Credit Party, any Subsidiary or any Owner Pledgor shall have an order for relief entered with respect to it or shall commence a voluntary case under the Bankruptcy Code or other Debtor Relief Laws now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or any Credit Party, any Subsidiary or any Owner Pledgor shall make any general assignment for the benefit of creditors or (ii) any Credit Party, any Subsidiary or any Owner Pledgor shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the board of directors (or similar governing body) of any Credit Party or any Subsidiary or any committee thereof shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in Section 9.1(f); or

(i) Judgments and Attachments. (i) Any one or more money judgments, writs or warrants of attachment or similar process involving an aggregate amount at any time in excess of $500,000 (to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has acknowledged coverage) shall be entered or filed against any Credit Party, any Subsidiary or any Owner Pledgor or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days; or (ii) any non- monetary judgment or order shall be rendered against any Credit Party, any Subsidiary or any Owner Pledgor that could reasonably be expected to have a Material Adverse Effect, and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days; or

(j) Dissolution. Any order, judgment or decree shall be entered against any Credit Party, any Subsidiary or any Owner Pledgor decreeing the dissolution or split up of such Credit Party, such Subsidiary or such Owner Pledgor (other than into another Credit Party) and such order shall remain undischarged or unstayed for a period in excess of thirty (30) days; or

(k) Termination of Series. MSP Recovery Claims, Series LLC liquidates, winds-up or dissolves itself (or suffers any liquidation or dissolution);

(l) Change of Control. A Change of Control shall occur; or

(m) Invalidity of Credit Documents and Other Documents. At any time after the execution and delivery thereof, (i) this Agreement or any other Credit Document ceases to be in full force and effect (other than by reason of a release of Collateral in accordance with the terms hereof or thereof or the satisfaction in full of the Obligations (other than contingent indemnification obligations for which no claim has been asserted) in accordance with the terms hereof) or shall be declared null and void, or the Administrative Agent shall not have or shall cease to have a valid and perfected (to the extent perfection is required by this Agreement or the Collateral Documents) Lien in any material portion of the Collateral purported to be covered by the Collateral Documents with the priority required by the relevant Collateral Document (except as a result of the Administrative Agent's failure to (x) maintain possession of any stock certificates, promissory notes or other instruments delivered to it under the Collateral Documents, or (y) make any filing of UCC continuation statements), (ii) any Credit Party or any Owner Pledgor shall contest the validity or enforceability of any Credit Document in writing or deny in writing that it has any further liability, including with respect to future advances by the Lenders, under any Credit Document to which it is a party, or (iii) any litigation challenging, enjoining or otherwise having a material adverse impact on the rights and obligations of the Parties hereunder is commenced or threatened in writing; or

(n) Subordination Agreement. Any subordination agreement for the benefit of the Lenders in respect of the Indebtedness of the Credit Parties shall cease to be in full force and effect, or the Credit Parties, any holder of any Subordinated Debt, or any other party shall contest in any manner the validity, binding nature or enforceability of any such subordination agreement.

Section 9.2 Remedies. (1) Upon the occurrence of any Event of Default described in Section 9.1(g), Section 9.1(h), Section 9.1(k) or Section 9.1(l), automatically, and (2) upon the occurrence and during the continuance of any other Event of Default, at the request of (or with the consent of) the Required Lenders, upon notice to the Borrower by the Administrative Agent, (A) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by each of the Credit Parties: (I) the unpaid principal amount of and accrued interest on the Loans, and (II) all other Obligations, and (B) the Administrative Agent may cause the Administrative Agent to enforce any and all Liens and security interests created pursuant to Collateral Documents. Notwithstanding anything herein or otherwise to the contrary, any Event of Default occurring hereunder shall continue to exist (and shall be deemed to be continuing) until such time as such Event of Default has been cured to the satisfaction of the Required Lenders or waived in writing in accordance with the terms of Section 12.4.

Section 9.3 Application of Funds. After the exercise of remedies provided for in Section 10.2 (or after the Loans have automatically become immediately due and payable), any amounts received on account of the Obligations shall be applied by the Administrative Agent pursuant to the waterfall specified in Section 2.11.

SECTION 10
AGENCY

Section 10.1 Appointment and Authority.

(a) Each of the Lenders hereby irrevocably appoints Hazel Partners Holdings LLC to act on its behalf as the Administrative Agent hereunder and under the other Credit Documents and

authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section are solely for the benefit of the Administrative Agent and the Lenders, and no Credit Party nor any of its Subsidiaries shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Credit Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) Each of the Lenders hereby irrevocably appoints, designates and authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each Collateral Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any Collateral Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere herein or in any Collateral Document, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein or therein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender or participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any Collateral Document or otherwise exist against the Administrative Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" herein and in the Collateral Documents with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. The Administrative Agent shall act on behalf of the Lenders with respect to any Collateral and the Collateral Documents, and the Administrative Agent shall have all of the benefits and immunities (i) provided to the Administrative Agent under the Credit Documents with respect to any acts taken or omissions suffered by the Administrative Agent in connection with any Collateral or the Collateral Documents as fully as if the term "Administrative Agent" as used in such Credit Documents included the Administrative Agent with respect to such acts or omissions, and (ii) as additionally provided herein or in the Collateral Documents with respect to the Administrative Agent.

Section 10.2 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary of the Borrower or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 10.3 Exculpatory Provisions.

(a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Credit Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Documents); provided, that, the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Credit Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 12.4 and 10.2) or (ii) in the absence of its own gross negligence or willful misconduct, as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent in writing by the Borrower or a Lender.

(c) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Credit Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth Section 5 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 10.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative

Agent may consult with legal counsel (who may be counsel for the Credit Parties and their Subsidiaries), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 10.5 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence, bad faith or willful misconduct in the selection of such sub-agents.

Section 10.6 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as the Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by Applicable Law by notice in writing to such Person remove such Person as the Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the Required Lenders (the "Removal Effective Date")), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Credit Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or

removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Credit Documents, the provisions of this SECTION 10 and Section 12.2 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

Section 10.7 Non-Reliance on Administrative Agent and Other Lenders. Each of the Lenders acknowledge that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each of the Lenders also acknowledge that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder.

Section 10.8 No Other Duties, etc. Anything herein to the contrary notwithstanding, none of the Joint Bookrunners, Joint Lead Arrangers, Co-Documentation Agents or Co-Syndication Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Credit Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

Section 10.9 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Section 2.7 and Section 12.2) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation,

expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 2.7 and Section 12.2).

Section 10.10 Collateral Matters.

(a) The Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion,

(i) to release any Lien on any property granted to or held under any Credit Document securing the Obligations (x) upon termination of the commitments under this Agreement and payment in full of all Obligations, (y) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted under the Credit Documents or consented to in accordance with the terms of this Agreement, or (z) subject to Section 12.4, if approved, authorized or ratified in writing by the Required Lenders; and

(ii) to subordinate any Lien on any property granted to or held under any Credit Document securing the Obligations to the holder of such Lien.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property.

(b) The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

(c) Anything contained in any of the Credit Documents to the contrary notwithstanding, each of the Credit Parties, the Administrative Agent and each holder of the Obligations hereby agree that (i) no holder of the Obligations shall have any right individually to realize upon any of the Collateral or to enforce this Agreement, the Notes or any other Credit Document, it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the holders of the Obligations in accordance with the terms hereof and all powers, rights and remedies under the Collateral Documents may be exercised solely by the Administrative Agent, and (ii) in the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Administrative Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale or other disposition and the Administrative Agent, as agent for and representative of the holders of the Obligations (but not any Lender or Lenders in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Administrative Agent at such sale or other disposition.

Section 10.11 Erroneous Payments.

(a) If the Administrative Agent notifies a Lender, other holder of the Obligations or any Person who has received funds on behalf of a Lender or other holder of the Obligations (any such

Lender, other holder of the Obligations or other recipient, (and each of their respective successors and assigns), a "Payment Recipient") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under the immediately succeeding clause (b)) that any funds (as set forth in such notice from the Administrative Agent) received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, other holder of the Obligations or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and (y) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent pending its return or repayment as contemplated below in this Section 12.11 and held in trust for the benefit of the Administrative Agent and such Lender or other holder of the Obligations shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two (2) Business Days thereafter, (or such later date as the Administrative Agent may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender, other holder of the Obligations or any Person who has received funds on behalf of a Lender or other holder of the Obligations (and each of their respective successors and assigns) hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender, other holder of the Obligations or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(i) it acknowledges and agrees that (A) in the case of immediately preceding clauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) in the case of immediately preceding clause (z), an error and mistake has been made, in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender or other holder of the Obligations shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one (1) Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in

reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 10.11(b).

For the avoidance of doubt, the failure to deliver a notice to the Administrative Agent pursuant to this Section 10.11(b) shall not have any effect on a Payment Recipient's obligations pursuant to Section 10.11(a) or on whether or not an Erroneous Payment has been made.

(c) Each Lender or other holder of the Obligations hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender or other holder of the Obligations under any Credit Document, or otherwise payable or distributable by the Administrative Agent to such Lender or other holder of the Obligations under any Credit Document with respect to any payment of principal, interest, fees or other amounts, against any amount that the Administrative Agent has demanded to be returned under immediately preceding clause (a).

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor in accordance with immediately preceding clause (a), from any Lender or other holder of the Obligations that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon the Administrative Agent's notice to such Lender or other holder of the Obligations at any time, then effective immediately (with the consideration therefor being acknowledged by the parties hereto), (A) such Lender or other holder of the Obligations shall be deemed to have assigned its Loans (but not its Commitments) of the relevant class with respect to which such Erroneous Payment was made (the "Erroneous Payment Impacted Class") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "Erroneous Payment Deficiency Assignment") (on a cashless basis and such amount calculated at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance)), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment Agreement (or, to the extent applicable, an agreement incorporating an Assignment Agreement by reference pursuant to a Platform as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender or other holder of the Obligations shall deliver any Notes evidencing such Loans to the Borrower or the Administrative Agent (but the failure of such Person to deliver any such Notes shall not affect the effectiveness of the foregoing assignment), (B) the Administrative Agent as the assignee Lender shall be deemed to have acquired the Erroneous Payment Deficiency Assignment, (C) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender or other holder of the Obligations, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender or other holder of the Obligations shall cease to be a Lender or other holder of the Obligations, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender or other holder of the Obligations, (D) the Administrative Agent and the Borrower shall each be deemed to have waived any consents required under this Agreement to any such Erroneous Payment Deficiency Assignment, and (E) the Administrative Agent shall reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement.

(i) Subject to Section 12.5 (but excluding, in all events, any assignment consent or approval requirements (whether from the Borrower or otherwise)), the Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender or other holder of the Obligations shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender or other holder of the Obligations (and/or against any recipient that receives funds on its respective behalf). In addition, an Erroneous Payment Return Deficiency owing by the applicable Lender (x) shall be reduced by the proceeds of prepayments or repayments of principal and interest, or other distribution in respect of principal and interest, received by the Administrative Agent on or with respect to any such Loans acquired from such Lender pursuant to an Erroneous Payment Deficiency Assignment (to the extent that any such Loans are then owned by the Administrative Agent), and (y) may in the sole discretion of the Administrative Agent be reduced by an amount specified by the Administrative Agent in writing to the applicable Lender from time to time.

(e) The parties hereto agree that (x) irrespective of whether the Administrative Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Lender or Secured Party, to the rights and interests of such Lender or Secured Party, as the case may be) under the Credit Documents with respect to such amount (the "Erroneous Payment Subrogation Rights") (provided, that, the Obligations under the Credit Documents in respect of the Erroneous Payment Subrogation Rights shall not be duplicative of such Obligations in respect of Loans that have been assigned to the Administrative Agent under an Erroneous Payment Deficiency Assignment) and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by any Credit Party; provided, that, this Section 10.11(e) shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Obligations relative to the amount (and/or timing for payment) of the Obligations that would have been payable had such Erroneous Payment not been made by the Administrative Agent; provided, further, that, for the avoidance of doubt, the immediately preceding clauses (x) and (y) shall not apply except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower for the purpose of making such Erroneous Payment.

(f) To the extent permitted by Applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation, any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this Section 12.11 shall survive the resignation or replacement of the Administrative Agent any transfer of rights or obligations by, or the replacement of, a Lender or other holder of the Obligations, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Credit Document.

SECTION 11
INTERCREDITOR RELATED PROVISIONS

Section 11.1 Subordination of HHI Loan and HHI Loan Documents.

(a) HHI Agent and Administrative Agent each agree and acknowledge that both parties have liens and security interests on the Collateral. HHI Agent hereby subordinates and makes junior the HHI Loan, the HHI Loan Documents and the liens and security interests created thereby, and all rights, remedies, terms and covenants contained therein to (i) the Loan (ii) the liens and security interests created by the Credit Documents and (iii) all of the terms, covenants, conditions, rights and remedies contained in the Credit Documents, and no amendments or modifications to the Credit Documents or waivers of any provisions thereof shall affect the subordination thereof as set forth in this Section 11.1(a).

(b) Every document and instrument included within the HHI Loan Documents shall be subject and subordinate to each and every document and instrument included within the Credit Documents and all extensions, modifications, consolidations, supplements, amendments, replacements and restatements of and/or to the Credit Documents.

Section 11.2 Payment Subordination.

(a) Except as otherwise expressly provided in this Agreement, all of HHI Agent's rights to payment of the HHI Loan and the obligations evidenced by the HHI Loan Documents are hereby subordinated to all of Administrative Agent's rights to payment by Borrower of the Loan and the obligations secured by the Credit Documents, and during an Event of Default, any payments (including, without limitation, whether in cash or other property and whether received directly, indirectly or by set-off, counterclaim or otherwise) received by HHI Agent from any Credit Party and/or from the Collateral prior to the date that all Obligations are paid, shall be received and held in trust by the HHI Agent for the benefit of Administrative Agent and shall be paid over to the Administrative Agent in the same form as so received (with any necessary endorsement) to be applied (in the case of cash) to, or held as collateral (in the case of non-cash property or securities) for, the payment or performance of the Obligations in accordance with the terms of the Credit Documents. If a Proceeding shall have occurred or an Event of Default shall have occurred and be continuing, Administrative Agent shall be entitled to receive payment and performance in full of all amounts due or to become due to Administrative Agent before HHI Agent is entitled to receive any payment on account of the HHI Loan.

(b) Notwithstanding anything to the contrary contained in this Agreement, including, without limitation, Section 11.2(a), provided that no Event of Default shall then exist under the Credit Documents, HHI Agent may accept payments of any amounts due and payable from time to time in accordance with Section 2.11 and the terms and conditions of the HHI Loan Documents and HHI Agent shall have no obligation to pay over to Administrative Agent any such amounts.

Section 11.3 Rights of Subrogation; Bankruptcy.

(a) Each of HHI Agent and Administrative Agent hereby waives any requirement for marshaling of assets thereby in connection with any foreclosure of any security interest or any other realization upon collateral in respect of the Credit Documents or the HHI Loan Documents, as applicable, or any exercise of any rights of set-off or otherwise. Each of HHI Agent and Administrative Agent assumes all responsibility for keeping itself informed as to the condition

(financial or otherwise) of the Credit Parties and the condition of the collateral and other circumstances and, except for notices expressly required by this Agreement, neither Administrative Agent nor HHI Agent shall have any duty whatsoever to obtain, advise or deliver information or documents to the other relative to such condition, business, assets and/or operations. HHI Agent agrees that Administrative Agent owes no fiduciary duty to HHI Agent in connection with the administration of the Loan and the Credit Documents and HHI Agent agrees not to assert any such claim. Administrative Agent agrees that HHI Agent owes no fiduciary duty to Administrative Agent in connection with the administration of the HHI Loan and the HHI Loan Documents and Administrative Agent agrees not to assert any such claim.

(b) No payment or distribution to Administrative Agent pursuant to the provisions of this Agreement shall entitle HHI Agent to exercise any right of subrogation in respect thereof prior to the payment in full of the Obligations, and HHI Agent agrees that, except with respect to the enforcement of its remedies under the HHI Loan Documents permitted hereunder, prior to the satisfaction of all Obligations it shall not acquire, by subrogation or otherwise, any lien, estate, right or other interest in the Collateral or the proceeds therefrom that is or may be prior to, or of equal priority to, any of the Credit Documents or the liens, rights, estates and interests created thereby.

(c) Subject to Section 12.10 of this Agreement, the provisions of this Agreement shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action against any Credit Party under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors (a "Proceeding"). For as long as the Loan shall remain outstanding, HHI Agent shall not, and shall not solicit any person or entity to, and shall not direct or cause any Credit Party to: (i) commence any Proceeding; (ii) institute proceedings to have any Credit Party adjudicated as bankrupt or insolvent; (iii) consent to, or acquiesce in, the institution of bankruptcy or insolvency proceedings against any Credit Party; (iv) file a petition or consent to the filing of a petition seeking reorganization, arrangement, adjustment, winding-up, dissolution, composition, liquidation or other relief by or on behalf of any Credit Party; (v) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for any Credit Party, or any Collateral (or any portion thereof); (vi) make an assignment for the benefit of any creditor of any Credit Party; (vii) seek to consolidate any assets of any Credit Party with the assets of any Credit Party or any of their Affiliates in any proceeding relating to bankruptcy, insolvency, reorganization or relief of debtors; or (viii) take any action in furtherance of any of the foregoing.

(d) In any Proceeding (i) HHI Agent hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action in any Proceeding by or against any Credit Party without the prior consent of Administrative Agent, except to the extent necessary to preserve or realize upon HHI Agent's interest in the Collateral, (ii) Administrative Agent may vote in any such Proceeding any and all claims of HHI Agent, and HHI Agent hereby appoints the Administrative Agent as its agent, and grants to the Administrative Agent an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the HHI Agent in connection with any case by or against the Borrower or any other Credit Party in any Proceeding, including without limitation, the right to file and/or prosecute any claims, to vote to accept or reject a plan, to make any election under Section 1111(b) of the Bankruptcy Code; *provided*, *however*, that with respect to any proposed plan of reorganization in respect of which creditors are voting, Administrative Agent may vote on behalf of HHI Agent only if the proposed plan would result in Administrative Agent being "impaired" (as such term is defined in the United States Bankruptcy Code) and (iii) HHI Agent shall not challenge the validity or amount of any claim submitted in such Proceeding by Administrative Agent in good faith or any valuations of the

Collateral submitted by Administrative Agent in good faith, in such Proceeding or take any other action in such Proceeding, which is adverse to Administrative Agent's enforcement of its claim or receipt of adequate protection (as that term is defined in the Bankruptcy Code).

Section 11.4 Rights of Cure. Prior to Administrative Agent commencing any Enforcement Action under the Credit Documents, Administrative Agent shall provide written notice of the default which would permit the Administrative Agent to commence such Enforcement Action to HHI Agent, whether or not Administrative Agent is obligated to give notice thereof to Borrower (each, a "Loan Default Notice") and shall permit HHI Agent an opportunity to cure such default in accordance with the provisions of this Section 11.4. If the default is a monetary default relating to a liquidated sum of money, HHI Agent shall have until five (5) Business Days after the later of (i) the giving by Administrative Agent of the Loan Default Notice and (ii) the expiration of Borrower's cure provision, if any, (a "Monetary Cure Period") to cure such monetary default; *provided*, *however*, in the event it elects to cure any such Monetary default, HHI Agent shall defend and hold harmless Administrative Agent for all cost, expenses, losses, liabilities, obligations, damages, penalties, costs, and disbursements imposed on, incurred by or asserted against Administrative Agent due to or arising from such Monetary Cure Period. If the default is of a non-monetary nature, HHI Agent shall have the same period of time as the Borrower under the Credit Documents to cure such non-monetary default; *provided*, *however*, if such non-monetary default is susceptible of cure but cannot reasonably be cured within such period and if curative action was promptly commenced and is being continuously and diligently pursued by HHI Agent, HHI Agent shall be given an additional period of time as is reasonably necessary for HHI Agent in the exercise of due diligence to cure such nonmonetary default for so long as (i) HHI Agent makes or causes to be made timely payment of Borrower's regularly scheduled monthly principal and/or interest payments under the Loan and any other amounts due under the Credit Documents, (ii) such additional period of time does not exceed thirty (30) days, unless such non-monetary default is of a nature that can not be cured within such thirty (30) days, in which case, HHI Agent shall have such additional time as is reasonably necessary to cure such non-monetary default, (iii) such default is not caused by a bankruptcy, insolvency or assignment for the benefit of creditors of Borrower and (iv) during such non-monetary cure period, there is no material impairment to the value, use or operation of the Collateral. Any additional cure period granted to the HHI Agent hereunder shall automatically terminate upon the bankruptcy (or similar insolvency) of the Borrower.

Section 11.5 No Actions; Restrictive Provisions. Subject to Section 11.1(a) hereof, in the event both HHI Agent under the HHI Loan Documents and Administrative Agent under the Credit Documents shall have rights to enforce its Lien and exercise remedies against the Collateral at any time, and Administrative Agent shall fail to exercise such rights, HHI Agent may exercise such rights, provided such exercise may be superseded by any subsequent exercise of such rights by Administrative Agent pursuant to the Credit Documents.

Section 11.6 Right to Purchase Loan.

(a) If (i) the Loan has been accelerated or (ii) any Enforcement Action has been commenced and is continuing under the Credit Documents (each of the foregoing, a "Purchase Option Event"), upon ten (10) Business Days prior written notice to Administrative Agent (the "Purchase Notice"), HHI Agent shall have the right to purchase, in whole but not in part, the Loan for a price equal to the outstanding principal balance thereof, together with all accrued interest and other amounts due thereon (including, without limitation, any late charges, default interest, exit fees, advances and post-petition interest) and any interest charged by Administrative Agent on any advances for monthly payments of principal and/or interest on the Loan), including all costs and expenses (including legal fees and expenses) actually incurred by Administrative Agent in enforcing the terms of the Credit Documents (the "Loan Purchase Price"). Concurrently with payment to the Administrative Agent of the Loan Purchase Price, Administrative Agent shall

deliver or cause to be delivered HHI Agent all Credit Documents held by or on behalf of Administrative Agent and will execute in favor of HHI Agent or its designee assignment documentation, in form and substance reasonably acceptable to HHI Agent, at the sole cost and expense of HHI Agent to assign the Loan and its rights under the Credit Documents (without recourse, representations or warranties, except for representations as to the outstanding balance of the Loan and as to Administrative Agent's not having assigned or encumbered its rights in the Loan). The right of HHI Agent to purchase the Loan shall automatically terminate if a Purchase Option Event ceases to exist.

(b) HHI Agent covenants not to enter any agreement with the Borrower or any Affiliate thereof to purchase the Loan pursuant to subsection (a) above or in connection with any refinancing of the Loan in any manner designed to avoid or circumvent the provisions of the Credit Documents which require the payment of a prepayment fee or yield maintenance charge in connection with a prepayment of the Loan by the Borrower.

Section 11.7 Notices of Transfer; Consent. For as long as the HHI Loan remains outstanding, Administrative Agent promptly shall notify HHI Agent if Borrower seeks or requests a release of the Lien of the Loan or seeks or requests Administrative Agent's consent to, or take any action in connection with or in furtherance of, a sale or transfer of all or any material portion of the Collateral, the granting of a further Lien against the Collateral or a prepayment or refinancing of the Loan. In the event of a request by the Borrower for Administrative Agent's consent to either (i) the sale or transfer of all or any material portion of the Collateral or (ii) the granting of a further Lien against the Collateral, Administrative Agent shall, if Administrative Agent has the right to consent, obtain the prior written consent of HHI Agent prior to Administrative Agent's granting of its consent or agreement thereto.

Section 11.8 Obligations Hereunder Not Affected.

(a) All rights, interests, agreements and obligations of Administrative Agent and HHI Agent under this Agreement shall remain in full force and effect irrespective of:

(i) any lack of validity or enforceability of the Credit Documents or the HHI Loan Documents or any other agreement or instrument relating thereto;

(ii) any taking, exchange, release or non-perfection of any other collateral, or any taking, release or amendment or waiver of or consent to or departure from any guaranty, for all or any portion of the Loan or the HHI Loan;

(iii) any manner of application of collateral, or proceeds thereof, to all or any portion of the Loan or the HHI Loan, or any manner of sale or other disposition of any collateral for all or any portion of the Loan or the HHI Loan or any other assets of Borrower or any other Affiliates of Borrower;

(iv) any change, restructuring or termination of the corporate structure or existence of Borrower or any other Affiliates of Borrower; or

(v) any other circumstance which might otherwise constitute a defense available to, or a discharge of, Borrower, or a subordinated creditor or a Administrative Agent subject to the terms hereof.

(b) This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment of all or any portion of the Loan is rescinded or must otherwise be returned

by Administrative Agent or HHI Agent upon the insolvency, bankruptcy or reorganization of Borrower or otherwise, all as though such payment had not been made.

(c) Notwithstanding anything to the contrary contained in this Agreement, including, without limitation, Section 11.8(a), provided that no Event of Default shall then exist under the Credit Documents, HHI Agent may accept payments of any amounts due and payable from time to time which Borrower is obligated to pay HHI Agent in accordance with the terms and conditions of the HHI Loan Documents and HHI Agent shall have no obligation to pay over to Administrative Agent any such amounts.

Section 11.9 Modifications, Amendments, Etc.

(a) Administrative Agent shall have the right without the consent of HHI Agent in each instance to enter into any amendment, deferral, extension, modification, increase, renewal, replacement, consolidation, supplement or waiver (collectively, a "Loan Modification") of the Loan or the Credit Documents provided that no such Loan Modification shall (i) increase the interest rate or principal amount of the Loan, (ii) increase in any other material respect any monetary obligations of Borrower under the Credit Documents, (iii) extend or shorten the scheduled maturity date of the Loan (except that Administrative Agent may permit Borrower to exercise any extension options in accordance with the terms and provisions of the Credit Documents), (iv) convert or exchange the Loan into or for any other indebtedness or subordinate any of the Loan to any indebtedness of Borrower, (v) amend or modify the provisions limiting transfers of interests in the Credit Parties, (vi) modify or amend the terms and provisions of Section 2.11 with respect to the manner, timing and method of the application of payments under the Credit Documents, (vii) extend the period during which voluntary prepayments are prohibited or during which prepayments require the payment of a prepayment fee or premium or yield maintenance charge or increase the amount of any such prepayment fee, make-whole, premium or yield maintenance charge; provided, however, in no event shall Administrative Agent be obligated to obtain HHI Agent's consent to a Loan Modification in the case of a work-out or other surrender, compromise, release, renewal, or indulgence relating to the Loan during the existence of a an Event of Default, except that under no conditions shall clause (i) (with respect to increase principal amount only), or clause (vii) be modified without the written consent of HHI Agent. In addition and notwithstanding the foregoing provisions of this Section 11.9, any amounts funded by the Administrative Agent under the Credit Documents as a result of (A) Administrative Agent making advances or incurring expenses in accordance with the Senior Credit Agreement, or (B) interest accruals or accretions and any compounding thereof (including default interest), shall not be deemed to contravene this Section 11.9(a).

(b) HHI Agent shall have the right without the consent of Administrative Agent in each instance to enter into any amendment, deferral, extension, modification, increase, renewal, replacement, consolidation, supplement or waiver (collectively, a "HHI Loan Modification") of the HHI Loan or the HHI Loan Documents provided that no such HHI Loan Modification shall (i) increase the interest rate or principal amount of the HHI Loan, (ii) increase in any other material respect any monetary obligations of Borrower under the HHI Loan Documents, (iii) extend or shorten the scheduled maturity date of the HHI Loan (except that HHI Agent may permit Borrower to exercise any extension options in accordance with the terms and provisions of the HHI Loan Documents), (iv) convert or exchange the HHI Loan into or for any other indebtedness or subordinate any of the HHI Loan to any indebtedness of Borrower, or (v) cross default the HHI Loan with any other indebtedness other than the Loan. Notwithstanding anything to the contrary contained herein, if an Event of Default exists under the HHI Loan Documents, HHI Agent shall be permitted to modify or amend the HHI Loan Documents in connection with a work-out or other

surrender, compromise, release, renewal or modification of the HHI Loan except that under no conditions shall clause (i), with respect to increases in principal amounts only, clause (ii), clause (iii) (with respect to shortening the maturity only), clause (iv) be modified without the written consent of the Administrative Agent. In addition and notwithstanding the foregoing provisions of this Section 11.9(b), any amounts funded by the HHI Agent under the HHI Loan Documents as a result of (A) HHI Agent making advances or incurring expenses in accordance with the HHI Credit Agreement, or (B) interest accruals or accretions and any compounding thereof (including default interest), shall not be deemed to contravene this Section 11.9(b).

(c) Administrative Agent shall deliver to HHI Agent copies of any and all modifications, amendments, extensions, consolidations, spreaders, restatements, alterations, changes or revisions to any one or more of the Credit Documents (including, without limitation, any side letters, waivers or consents entered into, executed or delivered by Administrative Agent) within a reasonable time after any of such applicable instruments have been executed by Administrative Agent.

(d) HHI Agent shall deliver to Administrative Agent copies of any and all modifications, amendments, extensions, consolidations, spreaders, restatements, alterations, changes or revisions to any one or more of the HHI Loan Documents (including, without limitation, any side letters, waivers or consents entered into, executed or delivered by HHI Agent) within a reasonable time after any of such applicable instruments have been executed by HHI Agent.

Section 11.10 Conflicts. In the event of any conflict, ambiguity or inconsistency between the terms and conditions of this Section 11 and the terms and conditions of any of the Credit Documents or the HHI Loan Documents, the terms and conditions of this Section 11 shall control.

Section 11.11 Continuing Agreement. The agreement set forth in this Section 11 is a continuing agreement and shall remain in full force and effect until the earliest of (a) payment in full of the Loan and Obligations, (b) [reserved], or (c) payment in full of the HHI Loan and the "Obligations" as defined in the HHI Credit Agreement; *provided, however*, that any rights or remedies of either party hereto arising out of any breach of any provision hereof occurring prior to such date of termination shall survive such termination.

Section 11.12 Expenses.

(a) To the extent not paid by the Credit Parties or out of or from any collateral securing the Loan which is realized by Administrative Agent, HHI Agent agrees upon demand to pay to Administrative Agent the amount of any and all reasonable expenses, including, without limitation, the reasonable fees and expenses of its counsel and of any experts or agents, which Administrative Agent may incur in connection with the (i) exercise or enforcement of any of the rights of Administrative Agent against HHI Agent hereunder to the extent that Administrative Agent is the prevailing party in any dispute with respect thereto or (ii) failure by HHI Agent to perform or observe any of the provisions hereof.

(b) To the extent not paid by the Credit Parties or out of or from any collateral securing the HHI Loan which is realized by HHI Agent, Administrative Agent agrees upon demand to pay to HHI Agent the amount of any and all reasonable expenses, including, without limitation, the reasonable fees and expenses of its counsel and of any experts or agents, which HHI Agent may incur in connection with the (i) exercise or enforcement of any of the rights of HHI Agent against Administrative Agent hereunder to the extent that HHI Agent is the prevailing party in any dispute with respect thereto or (ii) failure by Administrative Agent to perform or observe any of the provisions hereof.

Section 11.13 Injunction. Administrative Agent and HHI Agent each acknowledge (and waive any defense based on a claim) that monetary damages are not an adequate remedy to redress a breach by the other hereunder and that a breach by either Administrative Agent or HHI Agent hereunder would cause irreparable harm to the other. Accordingly, Administrative Agent and HHI Agent agree that upon a breach of this Agreement by the other, the remedies of injunction, declaratory judgment and specific performance shall be available to such nonbreaching party.

Section 11.14 Mutual Disclaimer.

(a) Each of Administrative Agent and HHI Agent are sophisticated lenders and their respective decision to enter into the Loan and the HHI Loan is based upon their own independent expert evaluation of the terms, covenants, conditions and provisions of, respectively, the Credit Documents and the HHI Loan Documents and such other matters, materials and market conditions and criteria which each of Administrative Agent and HHI Agent deem relevant. Each of Administrative Agent and HHI Agent has not relied in entering into this Agreement, and respectively, the Loan, the Credit Documents, the HHI Loan or the HHI Loan Documents, upon any oral or written information, representation, warranty or covenant from the other, or any of the other's representatives, employees, Affiliates or agents other than the representations and warranties of the other contained herein. Each of Administrative Agent and HHI Agent further acknowledges that no employee, agent or representative of the other has been authorized to make, and that each of Administrative Agent and HHI Agent have not relied upon, any statements, representations, warranties or covenants other than those specifically contained in this Agreement. Without limiting the foregoing, each of Administrative Agent and HHI Agent acknowledges that the other has made no representations or warranties as to the Loan or the HHI Loan or the Collateral (including, without limitation, the sufficiency of the cash flow of the HC Proceeds or the HC Claims, the value, marketability, condition or future performance thereof, or the existence, status, adequacy or sufficiency of the Collateral, to pay all amounts which may become due from time to time pursuant to the Loan or the HHI Loan).

(b) Each of Administrative Agent and HHI Agent acknowledges that the Loan and the HHI Loan are distinct, separate transactions and loans, separate and apart from each other.

Section 11.15 Notices. Notices under this Section 11 shall be provided pursuant to the terms of Section 12.1. Notices to HHI Agent shall be made to the address, telecopier number, electronic mail address or telephone number specified below:

Hazel Holdings I LLC
251 Little Falls Drive
Wilmington, DE 19808
Attn: Ops

Tel: +44 20 7074 9610
Fax/Telecopier: +44 20 7074 9611
Email: msprecovery@hazelholdingsllc.com

Section 11.16 HHI Agent Collateral. Administrative Agent agrees to provide HHI Agent with prior notice of termination of the commitments under this Agreement and payment in full of all Obligations to the extent reasonably practical. Upon termination of the commitments and payment of the Obligations in full, Administrative Agent agrees to assist HHI Agent by taking such action or delivering such documents as may be reasonably requested by HHI Agent to obtain control over the Collateral (as defined in the HHI Credit Agreement).

SECTION 12
MISCELLANEOUS

Section 12.1 Notices; Effectiveness; Electronic Communications.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier or electronic mail as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Administrative Agent or any Credit Party, to the address, telecopier number, electronic mail address or telephone number specified in Appendix B:

(ii) if to any Lender, to the address, telecopier number, electronic mail address or telephone number in its Administrative Questionnaire on file with the Administrative Agent.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided, that, the foregoing shall not apply to notices to any Lender pursuant to SECTION 2 if such Lender has notified the Administrative Agent and the Borrower that it is incapable of receiving notices under such Section by electronic communication. The Administrative Agent or any Credit Party may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided, that, approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor, provided, that, with respect to clauses (i) and (ii) above, if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient

(c) Change of Address, Etc. Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

(d) Platform.

(i) Each Credit Party agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the other Lenders by posting the Communications on Debtdomain, Intralinks, Syndtrak or a substantially similar electronic transmission system (the "Platform").

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Credit Party, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Credit Party's or the Administrative Agent's transmission of communications through the Platform. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Credit Party pursuant to any Credit Document or the transactions contemplated therein which is distributed to the Administrative Agent or any Lender by means of electronic communications pursuant to this Section, including through the Platform.

Section 12.2 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Credit Parties shall pay all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent or any Lender (including the reasonable and documented out-of-pocket fees, charges and disbursements of counsel for the Administrative Agent or any Lender) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Credit Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans and all other Permitted Lender Expenses. Notwithstanding the foregoing, Administrative Agent agrees to pay certain expenses in respect of the Collateral Administration Agreement, as determined by the Administrative Agent in its sole discretion, which shall not be subject to reimbursement per this Section 12.2(a).

(b) Indemnification by the Credit Parties. The Credit Parties shall indemnify the Administrative Agent (and any sub-agent thereof) and each Lender (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable and documented out-of-pocket fees, charges and disbursements of counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Credit Party) other than such Indemnitee or its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Credit Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective

obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any of its Subsidiaries, and regardless of whether any Indemnitee is a party thereto; provided, that, that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by any Credit Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Credit Document, if such Credit Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This Section 12.2(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Credit Parties for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such Lender's pro rata share (in each case, determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided, that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent). The obligations of the Lenders under this subsection (c) are subject to the provisions of this Agreement that provide that their obligations are several in nature, and not joint and several.

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, none of the parties hereto shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable promptly, but in any event within ten (10) Business Days after written demand therefor (including delivery of copies of applicable invoices, if any).

(f) Survival. The provisions of this Section shall survive resignation or replacement of the Administrative Agent or any Lender, termination of the commitments hereunder and repayment, satisfaction and discharge of the loans and obligations hereunder.

Section 12.3 Set-Off. If an Event of Default shall have occurred and be continuing, each Lender, and each of their respective Affiliates, with the prior written consent of the Administrative Agent, is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender

or any such Affiliate to or for the credit or the account of any Credit Party against any and all of the obligations of such Credit Party now or hereafter existing under this Agreement or any other Credit Document to such Lender or their respective Affiliates, irrespective of whether or not such Lender or such Affiliate shall have made any demand under this Agreement or any other Credit Document and although such obligations of such Credit Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender different from the branch or office holding such deposit or obligated on such indebtedness; provided, that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.14 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or their respective Affiliates may have. Each of the Lenders agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided, that, the failure to give such notice shall not affect the validity of such setoff and application.

Section 12.4 Amendments and Waivers.

(a) Required Lenders' Consent. Subject to Section 12.4(b) and Section 12.4(c), no amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party therefrom, shall in any event be effective without the written concurrence of the Administrative Agent and the Required Lenders; provided, that, (i) the Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement to cure any ambiguity, omission, defect or inconsistency, so long as such amendment, modification or supplement does not adversely affect the rights of any Lender, (ii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitments and/or Loans of such Lender may not be increased or extended without the consent of such Lender, (iii) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code of the United States supersedes the unanimous consent provisions set forth herein, and (iv) the Required Lenders shall determine whether or not to allow any Credit Party to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Lenders.

(b) Affected Lenders' Consent. Without the written consent of each Lender (other than a Defaulting Lender except as provided in clause (a)(iii) above) that would be affected thereby, no amendment, modification, termination, or consent shall be effective if the effect thereof would:

(i) extend the Maturity Date;

(ii) waive, reduce or postpone any scheduled repayment (but not prepayment) of principal, interest, fees or other amounts or any scheduled or mandatory commitment reduction or alter the required application of any prepayment pursuant to Section 2.10 or the application of funds pursuant to Section 10.3;

(iii) reduce the principal amount of or the rate of interest on any Loan (other than any waiver of the imposition of the Default Rate pursuant to Section 2.6) or any fee or premium payable hereunder; provided, that, only the consent of the Required Lenders shall be necessary (A) to amend the definition of "Default Rate" or to waive any obligation

of the Borrower to pay interest at the Default Rate or (B) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or to reduce any fee payable hereunder;

(iv) extend the time for payment of any such interest or fees;

(v) reduce the principal amount of any Loan;

(vi) amend, modify, terminate or waive any provision of this Section 12.4(b) or Section 12.4(c) or any other provision of this Agreement that expressly provides that the consent of all Lenders is required;

(vii) change the percentage of the outstanding principal amount of Loans that is required for the Lenders or any of them to take any action hereunder or amend the definition of "Required Lenders";

(viii) release all or substantially all of the Collateral, except as expressly provided in the Credit Documents; or

(ix) consent to the assignment or transfer by the Borrower of any of its rights and obligations under any Credit Document (except pursuant to a transaction permitted hereunder).

(c) Other Consents. No amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party therefrom, shall amend, modify, terminate or waive any provision of this SECTION 12 as the same applies to the Administrative Agent, or any other provision hereof as the same applies to the rights or obligations of the Administrative Agent, in each case without the consent of the Administrative Agent.

Notwithstanding any of the foregoing to the contrary, (A) the consent of the Credit Parties shall not be required for any amendment, modification or waiver of the provisions of 0 (other than the provisions of Sections 12.6, 12.10 or 12.11) so long as such amendment is not adverse to the interests of the Borrower and the other Credit Parties, (B) the Credit Parties and/or the Administrative Agent, without the consent of any Lender, may enter into any amendment, modification or waiver of any Credit Document, or enter into any new agreement or instrument, to effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the holders of the Obligations, or as required by local law to give effect to, or protect any security interest for the benefit of the holders of the Obligations, in any property or so that the security interests therein comply with applicable law; (C) the Administrative Agent and the Borrower may amend, modify or supplement this Agreement or any other Credit Document to cure or correct administrative or technical errors or omissions or any ambiguity, mistake, defect, inconsistency, obvious error or to make any necessary or desirable administrative or technical change, and such amendment shall become effective without any further consent of any other party to such Credit Document so long as such amendment, modification or supplement does not adversely affect the rights of any Lender or any other holder of the Obligations in any material respect; and (D) this Agreement may be amended and restated without the consent of any Lender (but with the consent of the Borrower and the Administrative Agent) if, upon giving effect to such amendment and restatement, such Lender shall no longer be a party to this Agreement (as so amended and restated), the Commitments of such Lender shall have been terminated, such Lender shall have no other commitment or other

obligation hereunder and shall have been paid in full all principal, interest and other amounts owing to it or accrued for its account under this Agreement.

(d) Execution of Amendments, etc. The Administrative Agent may, but shall have no obligation to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on any Credit Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 12.4 shall be binding upon the Administrative Agent, each Lender at the time outstanding, each future Lender and, if signed by the Borrower, on the Borrower.

Section 12.5 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Credit Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments, Loans and obligations hereunder at the time owing to it); provided, that, any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's commitments and the loans at the time owing to it (in each case with respect to any credit facility) or contemporaneous assignments to Approved Funds that equal at least to the amounts specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the commitment (which for this purpose includes loans and obligations in respect thereof outstanding thereunder) or, if the commitment is not then in effect, the principal outstanding balance of the loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment Agreement with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment Agreement, as of the

Trade Date) shall not be less than $1,000,000, in the case of any assignment in respect of any Term Loan Commitments and/or Term Loans, unless each of the Administrative Agent and, so long as no Event of Default shall have occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Commitments and Loans assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default shall have occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided, that, the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (i) unfunded commitments under term loan facilities if such assignment is to a Person that is not a Lender with a commitment in respect of such facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender or (ii) a funded Term Loan to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund.

(iv) Assignment Agreement. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment Agreement. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to any Disqualified Person.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person.

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor

hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment Agreement, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment Agreement, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment Agreement, be released from its obligations under this Agreement (and, in the case of an Assignment Agreement covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 2.14, Section 2.15 and Section 12.2 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that, except to the extent expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. The Borrower will execute and deliver on request, at its own expense, Notes to the assignee evidencing the interests taken by way of assignment hereunder. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in the United States, a copy of each Assignment Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided, that, (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent, and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 12.2(c) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided, that, such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (b) or (c) of Section 12.4 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Section 3.1, Section 3.2 and Section 3.3 (subject to the requirements and limitations therein, including the requirements under Section 3.3(f) (it being understood that the documentation required under Section 3.3(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided, that, such Participant (A) agrees to be subject to the provisions of Sections Section 2.15 and 3.4 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 3.2 or 3.3, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.15 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.3 as though it were a Lender; provided, that, such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Credit Documents (the "Participant Register"); provided, that, no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Credit Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement, or any promissory notes evidencing its interests hereunder, to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section 12.5 shall not apply to any such pledge or assignment of a security interest; provided, that, no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 12.6 Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

Section 12.7 Survival of Representations, Warranties and Agreements. All representations, warranties and agreements made herein shall survive the execution and delivery hereof and the making of any Credit Extension. Notwithstanding anything herein or implied by law to the contrary, the agreements

of each Credit Party set forth in Section 3.1(c), Section 3.2, Section 3.3, Section 12.2, Section 12.3, and Section 12.10 and the agreements of the Lenders and the Administrative Agent set forth in Section 2.13, Section 12.3 and Section 12.2(c) shall survive the payment of the Loans and the termination hereof.

Section 12.8 No Waiver; Remedies Cumulative. No failure or delay on the part of the Administrative Agent or any Lender in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to the Administrative Agent and each Lender hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Credit Documents. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

Section 12.9 Marshalling; Payments Set Aside. Neither the Administrative Agent nor any Lender shall be under any obligation to marshal any assets in favor of any Credit Party or any other Person or against or in payment of any or all of the Obligations. To the extent that any Credit Party makes a payment or payments to the Administrative Agent or the Lenders (or to the Administrative Agent, on behalf of Lenders), or the Administrative Agent or the Lenders enforce any security interests or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any Debtor Relief Law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

Section 12.10 Severability. In case any provision in or obligation hereunder or any Note or other Credit Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 12.11 Obligations Several; Independent Nature of Lenders' Rights. The obligations of the Lenders hereunder are several and no Lender shall be responsible for the obligations of any other Lender hereunder. Nothing contained herein or in any other Credit Document, and no action taken by the Lenders pursuant hereto or thereto, shall be deemed to constitute the Lenders as a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt, and, subject to Section 10.10(c), each Lender shall be entitled to protect and enforce its rights arising under this Agreement and the other Credit Documents and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose.

Section 12.12 Headings. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

Section 12.13 Applicable Laws.

(a) Governing Law. This Agreement and the other Credit Documents (except, as to any other Credit Document, as expressly set forth therein) shall be governed by, and construed in accordance with, the law of the State of New York.

(b) Submission to Jurisdiction. Each party hereto irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the State of New York sitting in the Borough of Manhattan and of the United States District Court of the Southern District, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Credit Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Credit Document shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement or any other Credit Document against any Credit Party or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Each party hereto irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Credit Document in any court referred to in subsection (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 12.1. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

Section 12.14 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 12.15 Confidentiality. Each of the Administrative Agent, the Servicer and the Lenders agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Credit Document or any action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in (including, for purposes hereof, any new lenders invited to join hereunder on an increase in the Loans and

Commitments hereunder, whether by exercise of an accordion, by way of amendment or otherwise), any of its rights or obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower or its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided for herein, or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided for herein, (h) with the consent of the Borrower, (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, the Servicer any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than any Credit Party or (j) for purposes of establishing a "due diligence" defense.

For purposes of this Section, "Information" means all information received from the Owner Pledgor, Borrower or any of its Subsidiaries (or on behalf thereof) relating to the Credit Parties or any of their affiliates or Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Credit Parties or any of its Subsidiaries; provided, that, in the case of information received from the Borrower or any of its Subsidiaries after the Closing Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Servicer and the Lenders acknowledges that (i) the Information may include material non-public information concerning the Credit Parties or their affiliates, as the case may be, (ii) it has developed compliance procedures regarding the use of material non-public information and (iii) it will handle such material non-public information in accordance with Applicable Law, including United States federal and state securities laws.

The Credit Parties consent to the use of information related to the arrangement of the Loans by each of the Lenders and their Affiliates in connection with marketing, press releases or other transactional announcements or updates provided to investor or trade publications, including the placement of "tombstone" advertisements in publications of its choice at its own expense; provided, that, to the extent that such marketing, press releases or other transactional announcements include material information about the Credit Parties, their Subsidiaries and/or their businesses other than the names and logos of the Credit Parties and their Subsidiaries and the amount, type and closing date of the Loans established hereby, each such Lender or Affiliate of a Lender shall obtain prior written consent of the Borrower (which approval shall not be unreasonably withheld).

Section 12.16 Usury Savings Clause. Notwithstanding any other provision herein, the aggregate interest rate charged or agreed to be paid with respect to any of the Obligations under this Agreement, including all charges or fees in connection therewith deemed in the nature of interest under Applicable Laws shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the aggregate outstanding amount of the Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, the Borrower shall pay to the Administrative Agent an amount equal to the difference between the

amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of the Lenders and each of the Credit Parties to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the aggregate outstanding amount of the Loans made hereunder or be refunded to each of the applicable Credit Parties. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Highest Lawful Rate, such Person may, to the extent permitted by Applicable Laws, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest, throughout the contemplated term of the Obligations hereunder.

Section 12.17 Counterparts; Integration; Effectiveness. This Agreement 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 contract. This Agreement and the other Credit Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in SECTION 6, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means (e.g. "pdf" or "tif" format) shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 12.18 No Advisory of Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Credit Document), each of the Credit Parties acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a)(i) the arranging and other services regarding this Agreement provided by the Administrative Agent, are arm's-length commercial transactions between the Credit Parties, on the one hand, and the Administrative Agent, on the other hand, (ii) the Credit Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) each of the Credit Parties is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents, (b)(i) the Administrative Agent is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not and will not be acting as an advisor, agent or fiduciary, for any Credit Party or any of their Affiliates or any other Person and (ii) the Administrative Agent does not have any obligation to any Credit Party or any of their Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Documents; and (c) the Administrative Agent and its respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Credit Parties and their Affiliates, and the Administrative Agent does not have any obligation to disclose any of such interests to any Credit Party or its Affiliates. To the fullest extent permitted by law, each of the Credit Parties hereby waives and releases, any claims that it may have against the Administrative Agent with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 12.19 Electronic Execution of Assignments and Other Documents. The words "execution," "signed," "signature," and words of like import in any Assignment Agreement or in any amendment, waiver, modification or consent relating hereto shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or

enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, 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.

Section 12.20 USA PATRIOT Act. Each Lender subject to the Patriot Act hereby notifies each of the Credit Parties that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies each of the Credit Parties, which information includes the name and address of each of the Credit Parties and other information that will allow such Lender to identify each of the Credit Parties in accordance with the Patriot Act.

Section 12.21 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an Affected Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by (a) the application of any Write- Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an Affected Financial Institution; and (b) the effects of any Bail-in Action on any such liability, including, if applicable: (i) a reduction in full or in part or cancellation of any such liability, (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document or (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

Section 12.22 [Reserved].

Section 12.23 Acknowledgement Regarding Any Supported QFCs. To the extent that the Credit Documents provide support, through a guarantee or otherwise, for any agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Credit Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Credit Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such

Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Credit Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 12.23, the following terms have the following meanings:

"BHC Act Affiliate" means, with respect to any Person, an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. § 1841(k)) of such Person.

"Covered Entity" means any of (i) a "covered entity" (as such term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b)), (ii) a "covered bank" (as such term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b)); or (iii) a "covered FSI" (as such term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b)).

"Default Right" shall have the meaning assigned to such term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" means a "qualified financial contract" (as defined in, and interpreted in accordance with, 12 U.S.C. § 5390(c)(8)(D)).

[Signatures on Following Page(s)]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

BORROWER: SUBROGATION HOLDINGS, LLC,
a Delaware limited liability company

By:
Name:
Title:

OWNER PLEDGOR: MSP RECOVERY, LLC,
a Florida limited liability company

By:
Name:
Title:

GUARANTOR: MSP RECOVERY, LLC,
a Florida limited liability company

By:
Name:
Title:

ASSIGNEE: SERIES 15-09-321,
a registered series of MSP Recovery Claims, Series LLC and a Subsidiary of the Borrower,

By:
Name:
Title:

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ADMINISTRATIVE AGENT: HAZEL PARTNERS HOLDINGS LLC

By:
Name:
Title:

LENDERS: HAZEL PARTNERS HOLDINGS LLC,
as a Lender

By:
Name:
Title:

For purposes of Section 11 hereof:

Agreed to and acknowledged by:

HHI AGENT: HAZEL HOLDINGS I LLC

By:
Name:
Title:

HHI LENDER: HAZEL HOLDINGS I LLC,
as a Lender

By:
Name:
Title:

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ANNEX I

Domestic wires

Beneficiary Bank: **City National Bank of Florida. Miami, Florida**
Bank Address: 1450 Brickell Ave Ste. 100 Miami, FL 33131 ABA: 066004367
ACCT: 30000245008
Acct Name: MSP RECOVERY LLC VRM
Account Address: 2701 S LEJEUNE RD 10TH FLOOR
CORAL GABLES FL 33134

International wires

Beneficiary Bank: **City National Bank of Florida. Miami, Florida**
Bank Address: 1450 Brickell Ave Ste 100 Miami, FL 33131
BIC/SWIFT CODE: **CNBFUS3M**
Beneficiary Account: 30000245008
Acct Name: MSP RECOVERY LLC VRM
Account Address: 2701 S LEJEUNE RD 10TH FLOOR
CORAL GABLES FL 33134

Exhibit 10.35

Amended and Restated Collateral Administration Agreement

This Amended and Restated Collateral Administration Agreement (this "**Agreement**"), dated as of March _29, 2023, is entered into among Hazel Partners Holdings LLC a Delaware limited liability company ("**Hazel**"), Subrogation Holdings, LLC, a Delaware limited liability company (the "**Company**"), and MSP Recovery LLC, a Florida limited liability company ("**MSP**", and together with the Company and Hazel, the "**Parties**", and each, a "**Party**"). The Parties acknowledge and agree that Article 1 and Article 2 of this Agreement shall be operative and in full force and effect as of the Effective Date (defined below).

RECITALS

WHEREAS, the Parties agree that the following collateral administration structure for the Company, and any decisions with respect to the claims owned or controlled by the Company or its Subsidiaries following the reorganization of the Claims Vehicle as the sole Subsidiary of the Company ("**Claims**") shall be governed in a manner consistent with this Agreement and in furtherance of certain transactions contemplated by MSP, the Company and Hazel pursuant to the terms of that certain term sheet among Affiliates of the foregoing, dated February 7, 2023 (the "**Term Sheet**");

WHEREAS, contemporaneously with the execution of this Agreement, MSP, on behalf of itself and its Affiliates, and the Company, have entered into the Credit Agreement, dated March 6, 2023 between Hazel and the Company (as amended and restated by that certain Credit Agreement, dated as of the date hereof, by and among the parties thereto, and as amended, modified, supplemented or substituted from time to time, the "**New Money Loan Agreement**", and the loan contemplated thereby, the "**New Money Loan**") and the Credit Agreement between Hazel Holdings 1 LLC and the Company, dated as of the date hereof (as amended, modified, supplemented or substituted from time to time, the "**HHI Loan Agreement**" and together with the New Money Loan Agreement, the "**Credit Facilities**");

WHEREAS, the Parties entered into a Collateral Administration Agreement on March 6, 2023 (the "**Original Agreement**") providing for certain governance and administration matters in respect of the Company;

WHEREAS, the Parties hereby amend and restate the Original Agreement in its entirety by this Agreement, immediately effective as of the date hereof; and

WHEREAS, the rights being provided Hazel hereunder are solely for the benefit of Hazel and its Affiliates in their capacity as lenders under the Credit Facilities.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

The following terms have the meanings specified or referred to in this Agreement:

"**2022 Credit Agreement**" means such term as defined in the New Money Loan Agreement.

"**2022 Lender**" means the lender under the 2022 Credit Agreement in respect of the Existing Legal Services Agreement (as such term is defined in the New Money Loan Agreement).

"**Affiliate**" means, with respect to any Person, any other Person who, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with,

such Person. For purposes of this definition, "control," when used with respect to any specified Person, means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise; and the terms "controlling" and "controlled" have correlative meanings.

"**Assignor**" means such term as defined in the New Money Loan Agreement.

"**Claims Vehicle**" means Series 15-09-321, a registered series of MSP Recovery Claims, Series, LLC, a Delaware limited liability company, and a Subsidiary of the Company.

"**Closing**" means such term as defined in the New Money Loan Agreement.

"**Collections**" means such term as defined in the New Money Loan Agreement.

"**Effective Date**" means March 6, 2023.

"**Governmental Authority**" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"**HC**" means Assignor (as such term is defined in the new Money Loan Agreement).

"**HC Agreements**" means the HC CAA, the HC CRSA and the HC Side Agreement.

"**HC CAA**" means that certain Claims Assignment Agreement, dated December 23, 2021, pursuant to which Assignor assigned the Claims to the Claims Vehicle, as amended, modified, supplemented or substituted from time to time.

"**HC CRSA**" means that certain Claims Recovery Services Agreement, dated December 23, 2021, between Assignor and MSP, as amended, modified, supplemented or substituted from time to time.

"**HC Side Agreement**" means that certain Side Agreement, dated December 23, 2021, between Assignor and the Claims Vehicle, as amended, modified, supplemented or substituted from time to time.

"**HHI Loan**" means the loan contemplated by the HHI Loan Agreement.

"**Independent Representative**" means any individual and any successor representative thereof who (i) is independent under NASDAQ listing rules, including Nasdaq Stock Market Rule 5605(a)(2), or the requirements of any other established stock exchange on which the securities of the Company's ultimate parent are traded, as such rules or requirements may be amended from time to time and (ii) without limiting (i), (A) is not a MSP or Hazel Representative, (B) is not a current or former (x) member of the board of or management of MSP, Hazel, or either of its Affiliates (y) officer or employee of any of MSP, Hazel or either its Affiliates and (C) does not have and has not had any other substantial relationship with any of MSP, Hazel or either its Affiliates (other than the Company following the Closing).

"**Law**" means any (a) constitutions, treaties, statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, declarations or orders of any Governmental Authority; (b) any consents or approvals of any Governmental Authority; and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any

Governmental Authority; and (d) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority.

"**Legal Services Agreement**" means the Legal Services Agreement dated as of March 6, 2023 among MSP, the Company and certain third parties which shall perform legal services for the Company with respect to Claims, as amended, modified, supplemented or substituted from time to time.

"**Membership Interest**" means the membership interest, units or other ownership interest (economic or voting) in the Company and any capital stock or equity securities of the Company into which such Membership Interest may hereafter be converted, changed, reclassified or exchanged.

"**Milberg**" means Milberg Coleman Bryson Phillips Grossman, LLC.

"**MSP Recovery Law Firm**" means either or both of (i) La Ley con John H. Ruiz, d/b/a MSP Recovery Law Firm, a Florida corporation or (ii) MSP Law Firm, a Florida PLLC.

"**Operating Agreement**" means a written agreement by the member of Company, pertaining to the affairs of the limited liability company and the conduct of its business, as amended, modified, supplemented or substituted from time to time. The term includes any provision in the certificate of formation of the Company pertaining to the affairs of the Company and the conduct of its business.

"**Person**" means any individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, unincorporated organization, or other organization, whether or not a legal entity, and any governmental authority.

"**Specified Governance**" has the meaning set forth on Schedule A.

"**Subsidiary**" means, with respect to any specified Person, any other Person in which such specified Person, directly or indirectly through one or more Affiliates or otherwise, beneficially owns at least fifty percent (50%) of either the ownership interest (determined by equity or economic interests) in, or the voting control of, such other Person.

"**Transaction Documents**" means the "Credit Documents" as defined in the New Money Loan Agreement and the HHI Loan Agreement, respectively.

"**Transfer**" means (i) when used as a verb, to sell, assign, dispose of, exchange, pledge, encumber, hypothecate or otherwise transfer, whether directly or indirectly, or agree or commit to do any of the foregoing, and (ii) when used as a noun, a direct or indirect sale, assignment, disposition, exchange, pledge, encumbrance, hypothecation, or other transfer or any agreement or commitment to do any of the foregoing.

Article 1
Collateral Management

1) The Company shall be operated with the sole aim of maximizing the expected proceeds of the Claims, after taking into account costs (including a reasonable expected return on such costs given recovery risks) and achieving the majority of recoveries within three (3) years of the date hereof or as otherwise extended, and, except as otherwise agreed by the Operating Committee, shall ensure that the proceeds of the Credit Facilities are used for such purposes or otherwise in compliance with the terms of the New Money Loan Agreement and the HHI Loan Agreement.

2) The following administration and management structure and rights in respect of the Company shall be effective for the period beginning on the date hereof until the date on which the "Obligations" (as defined in the New Money Loan Agreement and the HHI Loan Agreement, as applicable) under the Credit Facilities (other than un-asserted contingent obligations) are paid in full by MSP, the Company and/or their Affiliates under each of the New Money Loan Agreement and HHI Loan Agreement (such date being referred to as the "**Credit Facilities Payoff**").

a) The Company shall be governed by the manager pursuant to, and in accordance with, the terms of the Operating Agreement, which manager shall be directed by a three (3) person operating committee (the "**Operating Committee**"). Hazel shall have the right to appoint one (1) representative to the Operating Committee. MSP shall have the right to appoint one (1) representative to the Operating Committee. The third representative of the Operating Committee shall be an Independent Representative appointed jointly by Hazel and MSP. The parties have agreed that the initial Independent Representative shall be the candidate set out in Schedule C, subject to negotiation of economic terms with the Independent Representative that are acceptable to Hazel (it being understood and agreed that any such fees and expenses of the Independent Representative shall be for the account of Hazel). Solely upon the occurrence of an Event of Default as set forth in Sections 9.1(a), 9.1(b), 9.1(g), 9.1(h) and 9.1(l) of the New Money Loan Agreement or Sections 9.1(a), 9.1(b), 9.1(g), 9.1(h) and 9.1(l) of HHI Loan Agreement, the Company shall effect the Specified Governance.

b) Each of MSP, Hazel and the Company shall cause each individual designated pursuant to Section 2(a) to be nominated to serve as a representative on the Operating Committee, and to take all other necessary actions to ensure that the composition of the Operating Committee is as set forth in Section 2(a).

c) Notwithstanding the terms of any other limited liability company agreement or other similar governance agreement or instrument of any Subsidiary of the Company (if any) to the contrary, the Operating Committee shall also direct the management of Claims Vehicle and each other Subsidiary (if any) of the Company, either directly or indirectly. In the case of the Claims Vehicle, the Company shall be the manager of the Claims Vehicle, and the Operating Committee shall direct the management of the Claims Vehicle through its direction of the manager of the Company.

3) All decisions of the Operating Committee shall require the vote or consent of a majority of the members of the Operating Committee, except for those matters set forth on Schedule A designated as requiring approval of the members of the Operating Committee appointed by each of MSP and Hazel pursuant to Section 2(a) above unless such matter results in a Credit Facility Payoff. Notwithstanding anything to the contrary contained in the Operating Agreement, subject to Section 2(a), for the period beginning on the date hereof until the Credit Facilities Payoff, the Operating Committee shall cause the Company to be operated in the ordinary course and in compliance with the obligations under the Credit Facilities.

4) The Company shall, and shall cause each of its Subsidiaries to, take any and all actions reasonably necessary to ensure continued compliance by the Company and its Subsidiaries with the provisions of the Transaction Documents to which the Company is a party and this Agreement. The Company shall notify Hazel in writing promptly after becoming aware of any act or activity taken or proposed to be taken by the Company or any of its Subsidiaries which resulted or would result in non-compliance with any such Transaction Documents, including this Agreement.

5) Until the Credit Facility Payoff, the Company shall at all times have at least one Independent Representative. To the fullest extent permitted by law, including Section 18-1101(c) of the Act, the Independent Representative shall consider only the interests of the Company, including its respective creditors, in acting or otherwise voting on Company matters. No registration or removal of an Independent Representative, and no appointment of a successor Independent Representative, shall be effective until such successor shall have accepted his or her appointment as an Independent Representative by a written instrument. In the event of a vacancy in the position of Independent Representative, a successor Independent Representative shall be appointed as soon as practicable by the joint written agreement of the remaining members of the operating Committee. All right, power and authority of the Independent Representative shall be limited to the extent necessary to exercise those rights and perform those duties specifically set forth in this Agreement. No Independent Representative shall at any time serve as trustee in bankruptcy for the Company or any Affiliate of the Company.

6) Each representative on the Operating Committee elected, designated or appointed shall hold office until a successor is elected and qualified pursuant to this Agreement or until such representative's earlier death, resignation, expulsion or removal. The Operating Committee shall establish such procedures necessary to replace any vacancies on the Operating Committee; provided that no such procedures alter the criteria for the Independent Representative.

7) In furtherance and by way of limiting the rights of Hazel in Section 2 above, the Parties agree as follows in respect to certain engagements of law firm and recovery service providers for the Company and in respect of the Claims:

   a) As set out in the Legal Service Agreement, the Company has entered into arrangements by which Milberg (the "**Lead Counsel**") and the MSP Law Firm (together, the "**Legal Servicers**") shall provide legal services to the Company in respect of the Claims.

   b) The Operating Committee shall appoint a Legal Committee, comprised of one (1) representative appointed by Hazel, one (1) representative appointed by MSP and one (1) chairman appointed by a majority of the Operating Committee (the "**Legal Committee**").

   c) In furtherance and not by way of limitation of the Legal Services Agreement, the Legal Servicers shall regularly consult with the Legal Committee on the litigation strategy and case progress , and the Legal Committee shall approve any material filings and other material decisions related to the legal strategy. The Operating Committee may delegate decision making on matters related to overall litigation strategy to the Legal Committee or Lead Counsel as agreed, and the Legal Committee or Lead Counsel shall give instructions with respect to the Company with respect to such delegated matters. The Operating Committee shall retain authority over all decision making related to settlement strategy or settlement discussions, and only the Operating Committee shall give instructions with respect to the Company unless otherwise delegated.

   d) The Operating Committee shall be able to replace or add other legal servicers, subject to the following limitations:

      i) MSP Law Firm can only be replaced with agreement of MSP;

      ii) Milberg can only be replaced with agreement of Hazel and the Parties shall work together in securing any consent of the 2022 Lender as necessary in respect thereof;

iii) Any additional costs of Legal Servicers (other than contingency fees) under the Legal Services Agreement shall be funded by Hazel on a similar structure as provided under the New Money Loan, or from available funds thereof, as agreed by Hazel.

Article 2
Agreed Settlement Principles:

The Parties acknowledge and agree that the principles set forth on Schedule B are the Agreed Settlement Principles (the "**Agreed Settlement Principles**") and Data Matching Milestones (the "**Data Matching Milestones**") which shall be used and followed by the Parties and the Operating Committee in respect of the procedures and strategy for settlement and prosecution of the Claims.

Article 3
Miscellaneous

1) **Interpretation**. For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Schedules and Exhibits mean the Articles and Sections of, and Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

2) **Severability**. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

3) **Entire Agreement**. This Agreement and the other Transaction Documents constitute the sole and entire agreement of the Parties with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

4) **Successors and Assigns**. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns. No Party may assign its rights or obligations hereunder without the prior written consent of the other Parties, which consent shall not be unreasonably withheld or delayed; provided, however, that prior to Closing, Parties may incorporates the terms hereof in other Transaction Documents. No assignment shall relieve the assigning Party of any of its obligations hereunder.

5) **No Third-party Beneficiaries**. This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

6) **Amendment and Modification; Waiver**. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

7) **Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.**

a) All issues and questions concerning the application, construction, validity, interpretation and enforcement of this Agreement will be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of New York.

b) EACH PARTY HERETO HEREBY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

c) Each Party hereby (i) irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of the State of New York and any state appellate court therefrom within the State of New York, for purposes of any actions, suits or proceedings arising out of or relating to this Agreement, (ii) agrees not to commence any proceeding except in such courts and (iii) irrevocably waives, to the fullest extent permitted by Law, any objection which such Party may now or hereafter have to the laying of the venue of any such court or that such proceeding has been brought in an inconvenient forum.

8) **Specific Performance**. The Parties agree that irreparable damage, for which monetary damages (even if available) would not be an adequate remedy, would occur if any provision of this Agreement were not performed in accordance with its specified terms or are otherwise breached by any of the Parties hereto. Accordingly, the Parties hereto acknowledge and agree that each of the Parties shall be entitled to an injunction, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, in addition to any other remedy to which they are entitled at Law or in equity. Each of the Parties hereto agrees that it shall not oppose the granting of an injunction, specific performance and/or other equitable relief on any basis, including the basis that any other party has an adequate remedy at Law or that any award of an injunction, specific performance and/or other equitable relief is not an appropriate remedy for any reason at Law or in

equity. Any Party hereto seeking: (a) an injunction or injunctions to prevent breaches of this Agreement; (b) to enforce specifically the terms and provisions of this Agreement; and/or (c) other equitable relief, shall not be required to show proof of actual damages or to provide any bond or other security in connection with any such remedy.

9) **Counterparts**. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

10) **No Partnership**. It is not the intention of the parties to create a partnership, joint venture, association, or other unincorporated organization or arrangement treated as a partnership for any purpose, including for U.S. federal income tax purposes. Further, neither this Agreement nor any Transaction Document shall be construed (i) as creating such a relationship or (ii) to treat any party to be the partner of any other party for any purpose, including for U.S. federal income tax purposes.

11) **Confidentiality**.

a) Each Party acknowledges that, in connection with the transactions contemplated by the Transaction Documents and in connection with serving on the Operating Committee (if applicable), it will have access to and become acquainted with trade secrets, proprietary information and confidential information belonging to the Company, the other Parties and their respective Affiliates that is not generally known to the public, including, but not limited to, this Agreement, the other Transaction Documents, and their respective terms and provisions, information concerning business plans, financial statements and similar information, operating practices and methods, expansion plans, strategic plans, marketing plans, contracts, customer lists or other business documents that each Party treats as confidential, in any format whatsoever (including oral, written, electronic or any other form or medium) (collectively, "**Confidential Information**"). In addition, each Party acknowledges that: (i) each other Party has invested, and continues to invest, substantial time, expense and specialized knowledge in developing its Confidential Information; (ii) the Confidential Information provides such Party with a competitive advantage over others in the marketplace; and (iii) such Party would be irreparably harmed if the Confidential Information were disclosed to competitors or made available to the public. Without limiting the applicability of any other agreement to which any Party is subject, no Party will, directly or indirectly, disclose or use, including, without limitation, use for personal, commercial or proprietary advantage or profit, any Confidential Information of which such Party is or becomes aware, provided, however, that any Party's use of the Confidential Information to fulfil its obligations under this Agreement or any other Transaction Document shall not, in and of itself, be deemed a breach of this Section 11. Each Party in possession of Confidential Information must take reasonable steps to safeguard such information and to protect it against disclosure, misuse, espionage, loss and theft. Notwithstanding the foregoing, nothing in this Section 11 shall prevent any Party from using such Confidential Information to purchase Claims.

b) Nothing contained in Section 11(a) will prevent any Party from disclosing Confidential Information: (i) upon the order of any court or administrative agency; (ii) upon the request or demand of any regulatory agency or authority having jurisdiction over such Party; (iii) to the extent compelled by legal process or required or requested pursuant to subpoena, interrogatories or other discovery requests; (iv) to the extent necessary in connection with the exercise of any remedy hereunder or under any Transaction Document; (v) to a court or other adjudicatory forum by any Party; (vi) to any other Party; (vii) to such Party's representatives who, in the reasonable judgment

of such Party, need to know such Confidential (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential or otherwise be bound by confidentiality obligations with respect to such information); or (viii) to any assignee of Hazel, or prospective assignee of Hazel, with respect to its rights or obligations under any Credit Facility. To the extent that any Party desires to challenge compelled disclosure contemplated by clauses (i), (ii), or (iii), the Party compelled to make such disclosure shall (A) provide the other Parties with prompt notice of any such request or requirement, (B) reasonably cooperate in any efforts of the challenging Party (at such challenging Party's sole expense) to seek an appropriate protective order or other remedy or otherwise challenge or narrow the scope of such request.

c) The restrictions of Section 11 will not apply to Confidential Information that: (i) is or becomes generally available to the public other than as a result of a disclosure by a Party in violation of this Agreement; (ii) is or has been independently developed or conceived by the receiving Party without use of Confidential Information; or (iii) becomes available to the receiving Party or any of its representatives on a non-confidential basis from a source other than the disclosing Party or any of its respective representatives, and such source, as far as the receiving Party is aware, has not provided such information in breach of any obligation of confidentiality.

d) The obligations of each party under this Section 11 will survive for two (2) years following the termination or expiration of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date hereof by their respective officers thereunto duly authorized.

Hazel

Hazel Partners Holdings, LLC

By: _____
Name: Christopher Guth
Its: Authorized Attorney

Company

Subrogation Holdings, LLC

By: _____
Name: _____
Its: _____

MSP

MSP Recovery LLC

By: _____
Name: _____
Its: _____

Schedule A

Reserved Matters in respect of the Company

The following matters shall require the affirmative vote of the members of the Operating Committee appointed by each of MSP and Hazel pursuant to Article 1, Section 2(a); provided that, with respect to Items (a), (k), (m) and (n), such matters shall require such affirmative vote from the Effective Date through the date of occurrence of any outstanding Event of Default set forth in Article 1, Section 2(a) giving rise to the Specified Governance:

a) enter into any settlement or other compromise of the Claims and apply the Agreed Settlement Principles below; provided that i) MSP and Hazel agree to both support any Conforming Settlement as set out in Schedule B, and ii) Hazel further has a right, in its sole discretion, to a) approve, on behalf of the Operating Committee, any settlement or compromise of the Claims to the extent failure to agree to such settlement or compromise would be reasonably expected to impair or otherwise compromise the Credit Facility Payoff, or b) deny any settlement or compromise of the Claims to the extent such settlement or compromise would be reasonably expected to impair or otherwise compromise the Credit Facility Payoff;

b) incur or guarantee any indebtedness in any single transaction or series of related transactions or provide the advancement of funds or guarantees to third parties, other than such transactions that would be reasonably de minimis in value to the outstanding principal under either Credit Facility as the Operating Committee may determine;

c) make any material change in or to the nature, strategy or operations of the business conducted by the Company and its Subsidiaries (if any) taken as a whole;

d) amend, change, modify or repeal any provision of the Operating Agreement or any provision of the organizational or constituent documents of the Company or any of the Company' Subsidiaries;

e) enter into or ratify any arrangements for the collection of proceeds from a judgment rendered or obtained in respect of any Claim;

f) enter into any negotiations or discussions with respect to, or any amendment, modification or changes to, any HC Agreement, other than as permitted under the Credit Facilities;

g) accelerate or compromise any payment in respect of, the Threshold Amount (as defined in the HC Side Agreement), other than as permitted under the Credit Facilities;

h) transfer or dissolve any Collection Account or Operating Account (as defined in the Credit Facilities) of the Company or in any manner alter any arrangement in respect of the payments directed in such Collection Account or Operating Account;

i) alter any arrangement for the allocation or disbursement of proceeds or recoveries in any Collection Account or Operating Account;

j) amend, revise or otherwise make changes to the Legal Services Agreement;

k) issue, sell, acquire, redeem or repurchase any Membership Interest or equity interest (or option, warrant, conversion or similar right with respect to any equity interest, including any non-voting interest) in or of the Company or any of its Subsidiaries;

l) permit, grant or otherwise allow any security interest or assignment in favour of a holder of any indebtedness or equity in the Membership Interests of the Company or any of its Subsidiaries

(other than liens for the benefit of the lenders under the Credit Facilities pursuant to the terms thereof);

m) enter into, effect, permit or adopt (A) any plan relating to any merger, consolidation, conversion, business combination, dissolution, liquidation, winding up or reorganization of the Company or any of its Subsidiaries, or (B) any transaction or series of related transactions that would result in a Change of Control (as defined in the New Money Loan Agreement);

n) (A) effect any recapitalization, reclassification, stock split or like change in the capitalization of the Company or any of its Subsidiaries or (B) purchase, sell, lease, exchange or otherwise dispose of or acquire any Membership Interest securities, property or other claims or assets, in any transaction or series of related transactions;

o) any changes, amendments, modifications to this Agreement other than as required by the Credit Facilities;

p) enter into any agreement for recovery services or make changes to the recovery servicers or their contracts, delegations of the operating committee, or the budget for any recovery actions including for the recovery servicers;

q) take any of the foregoing actions in respect of the Claims Vehicle or permit or allow the Claims Vehicle form taking any of the foregoing actions without the consent of the Operating Committee; or

r) make any changes, amendments or modifications to the Agreed Settlement Principles.

Upon the occurrence of any Event of Default set forth in Section 2(a), the following matters shall require a majority vote of the Operating Committee (collectively, the "**Specified Governance**"):

a) issue, sell acquire, redeem or repurchase any Membership Interest or equity interest (or option, warrant, conversion or similar right with respect to any equity interest, including any non-voting interest) in or of the Company or any of its Subsidiaries;

b) enter into, effect, permit or adopt any plan relating to (A) any merger, consolidation, conversion, business combination, dissolution, liquidation, winding up or reorganization of the Company or any of its Subsidiaries or (B) any filing for bankruptcy or consent to any involuntary filing for bankruptcy or making of any assignment for the benefit of creditors of the Company or any of its Subsidiaries, or (C) any transaction or series of related transactions that would result in a Change of Control (as defined in the New Money Loan Agreement);

c) (A) effect any recapitalization, reclassification, stock split or like change in the capitalization of the Company or any of its Subsidiaries or (B) purchase, sell, lease, exchange or otherwise dispose of or acquire any Membership Interest securities, property or other claims or assets of the Company or any of its Subsidiaries, in any transaction or series of related transactions; or

d) enter into any settlement or other compromise of the Claims and apply the Agreed Settlement Principles below; provided that i) MSP and Hazel agree to both support any Conforming Settlement as set out in Schedule B, and ii) Hazel further has a right, in its sole discretion, to a) approve any settlement or compromise of the Claims to the extent failure to agree to such settlement or compromise would be reasonably expected to impair or otherwise compromise the Credit Facility Payoff, provided that Hazel's such discretion shall be made in Hazel's reasonable commercial judgment, taking into account Hazel's assessment of recoverable value, the risks of future litigation and failure to achieve settlements or b) deny any settlement or

compromise of the Claims to the extent such settlement or compromise would be reasonably expected to impair or otherwise compromise the Credit Facility Payoff..

Notwithstanding anything in this Agreement to the contrary, (i) any filing for bankruptcy or consent to any involuntary filing for bankruptcy or making of any assignment for the benefit of creditors of the Company or its Subsidiaries (A) prior to an Event of Default set forth in Section 2(a), shall require the consent of MSP and the Independent Representative and (B) after an Event of Default set forth in Section 2(a), shall require majority approval of the Operating Committee, (ii) nothing herein shall restrict Hazel from sharing any information provided hereunder with the “Administrative Agent” or “Servicer” and any “Lender” under the Credit Facilities and (iii) any sole discretion right of any member of the Operating Committee is deemed to be exercised on behalf of the Operating Committee.

Schedule B

Agreed Settlement Principles

1) MSP and Hazel agree to follow the settlement process as currently in place in respect of the pending settlement discussions with respect to Claims for which Allstate Corporation or its affiliates is the Responsible Party (as such term is defined in the New Money Loan Agreement), including in respect of similar engagement in data matching, adjustment of other claims on a sampled basis and other extrapolations.

2) The Operating Committee shall approve any settlement or other compromise offer or acceptance of a settlement or other compromise offer, other than as delegated to the Lead Counsel for any settlement for an amount below $50,000.

3) The Operating Committee has sole authority to decide, by majority vote, to request the services of a mediator to facilitate settlement discussions.

4) MSP and Hazel agree to support any settlement in respect of Claims which meets the minimum parameters as set out below (each a "**Conforming Settlement**"), and shall give MSP Recovery Law Firm a minimum of three (3) business days' notice of such settlement to allow MSP Recovery Law Firm to comply with the terms of Section 5.16 of the 2022 Credit Agreement. If MSP or Hazel objects to proceeding with a Conforming Settlement, then the other non-objecting Party may move forward with such Conforming Settlement.

   a) Payment of all Claims (sampled, and as reasonably extrapolated) as agreed between the defendants and Claims Vehicle in respect of member match and medically related claim lines ("**Agreed Recoverable Claims**") consistent with the following parameters:

      i) set of Agreed Recoverable Claims to be approved by the Operating Committee following review; provided that in the event of a dispute between the Operating Committee representatives appointed by each of Hazel and MSP, the dispute shall be resolved in good faith by determination of the Independent Representative;

      ii) if a defendant in a Claims litigation defends on the basis of a policy limit, a discount of 50% of the benefit to defendant in respect of policy limits for any settlement within 30 days is acceptable;

      iii) Agreed Recoverable Claims to have a statute of limitations of 4 years from date of the underlying claim settlement;

      iv) interest rate for past-due Agreed Recoverable Claims of no less than 4%; and

      v) monetary benefit to defendant in respect of prior subrogation settlements made between HC or any of their contractors.

   b) Any settlement or other compromise offer or acceptance of an offer in respect of a Claim shall be at least 2.11 times the unadjusted Claims Paid Value (as defined in the New Money Loan Agreement) of the Agreed Recoverable Claims ("**Minimum Settlement Target**"); provided that:

      (1) For the initial 15% of defendants (as measured by estimated market share), the Company shall agree to support an early settlement or other compromise discount of up to 55% in respect of the Minimum Settlement Target;

(2) For the next 20% of defendants (as measured by estimated market share), the Company shall agree to support an early settlement or other compromise discount of up to 40% in respect of the Minimum Settlement Target; and

(3) In case of an adverse decision in respect of any of the above criteria, or on the issues of ‘paid versus billed’, the Company shall agree that the Minimum Settlement Target shall be adjusted to reflect such judgments.

c) All incremental costs (as agreed by the Parties) incurred by the Company with respect to the establishment and function of the Operating Committee pursuant to this Agreement shall be borne by Hazel, with no expense to MSP.

Milestones: For the administration of the Claims including the New Money Loan Agreement, the Parties agree as follows:

1) **“First Milestone”** means the occurrence (and not collection), by April 30, 2023 (or such earlier time as the milestone can no longer be reasonably expected to be met), of a binding written settlement offer in respect of the Claims, reasonably expected for the Company to be able to accept in its sole discretion and without undue conditions, (“Settlement Offer”), by Allstate Insurance Company (“Allstate”) (excluding other group companies) of no less than $100 million in cash ; or in the alternative, similar Settlement Offers in aggregate from other assignors with a similar market share to a similar aggregate amount). The market share is determined based on the data by state published by the National Association of Insurance Commissioners (NAIC).

2) **“Second Milestone”** means i) the occurrence (and not collection), by June 20, 2023 (or such earlier time as the milestone can no longer be reasonably expected to be met), of a binding written settlement offer in respect of the Claims, reasonably expected for the Company to be able to accept in its sole discretion and without undue conditions, ("Settlement Offer"), by Allstate Insurance Company ("Allstate") (excluding other group companies) of no less than $250 million in cash; or in the alternative, similar Settlement Offers in aggregate from other assignors with a similar market share to a similar aggregate amount), and ii) such Settlement Offer to have been declined by the Company, with agreement by Hazel. The market share is determined based on the data by state published by the National Association of Insurance Commissioners (NAIC).

Schedule C

Independent Member of the Operating Committee: Nader Tavakoli; EagleRock Capital Management

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-265953 on Form S-8 of our report dated July 26, 2023, relating to the financial statements of MSP Recovery, Inc. appearing in this Annual Report on Form 10-K for the year ended December 31, 2022.

/s/ Deloitte & Touche LLP

Miami, Florida
July 26, 2023

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John H. Ruiz, certify that:

1. I have reviewed this Form 10-K of MSP Recovery, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 26, 2023

By: /s/ John H. Ruiz

John H. Ruiz
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ricardo Rivera, certify that:

1. I have reviewed this Form 10-K of MSP Recovery, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 26, 2023

By: /s/ Ricardo Rivera

Ricardo Rivera
Interim Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of MSP Recovery, Inc. (the "Company") on Form 10-K for the period ending December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: July 26, 2023

By: /s/ John H. Ruiz

John H. Ruiz
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of MSP Recovery, Inc. (the "Company") on Form 10-K for the period ending December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: July 26, 2023

By: /s/ Ricardo Rivera

Ricardo Rivera
Interim Chief Financial Officer