

## UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF TEXAS

HOUSTON DIVISION

In Re. Curo Management, LLC

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Case No. 24-90190

Debtor(s)

Lead Case No. 24-90165

☒ Jointly Administered**Monthly Operating Report**

Chapter 11

Reporting Period Ended: 05/31/2024

Petition Date: 03/25/2024

Months Pending: 2

Industry Classification: 

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Reporting Method:

Accrual Basis ☒Cash Basis ☐

Debtor's Full-Time Employees (current):

2,686

Debtor's Full-Time Employees (as of date of order for relief):

2,836

**Supporting Documentation** (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☒ Accounts receivable aging
- ☒ Postpetition liabilities aging
- ☒ Statement of capital assets
- ☒ Schedule of payments to professionals
- ☒ Schedule of payments to insiders
- ☒ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Sarah Link Schultz

Signature of Responsible Party

06/20/2024

Date

Sarah Link Schultz

Printed Name of Responsible Party

2300 N. Field Street

Suite 1800

Dallas, TX 75201

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

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Part 1: Cash Receipts and Disbursements	Current Month	Cumulative
a. Cash balance beginning of month	\$23,865,859	
b. Total receipts (net of transfers between accounts)	\$349,203	\$36,489,134
c. Total disbursements (net of transfers between accounts)	\$24,400,145	\$42,254,547
d. Cash balance end of month (a+b-c)	\$-185,083	
e. Disbursements made by third party for the benefit of the estate	\$0	\$0
f. Total disbursements for quarterly fee calculation (c+e)	\$24,400,145	\$42,254,547

Part 2: Asset and Liability Status (Not generally applicable to Individual Debtors. See Instructions.)	Current Month
a. Accounts receivable (total net of allowance)	\$1,062,213,000
b. Accounts receivable over 90 days outstanding (net of allowance)	\$42,310,068
c. Inventory (Book <input checked="" type="radio"/> Market <input type="radio"/> Other <input type="radio"/> (attach explanation))	\$0
d. Total current assets	\$0
e. Total assets	\$1,724,535,000
f. Postpetition payables (excluding taxes)	\$29,672,534
g. Postpetition payables past due (excluding taxes)	\$0
h. Postpetition taxes payable	\$0
i. Postpetition taxes past due	\$0
j. Total postpetition debt (f+h)	\$29,672,534
k. Prepetition secured debt	\$2,056,813,000
l. Prepetition priority debt	\$0
m. Prepetition unsecured debt	\$39,238,466
n. Total liabilities (debt) (j+k+l+m)	\$2,125,724,000
o. Ending equity/net worth (e-n)	\$-401,189,000

Part 3: Assets Sold or Transferred	Current Month	Cumulative
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$0	\$0
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$0	\$0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$0	\$0

Part 4: Income Statement (Statement of Operations) (Not generally applicable to Individual Debtors. See Instructions.)	Current Month	Cumulative
a. Gross income/sales (net of returns and allowances)	\$37,692,000	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$0	
c. Gross profit (a-b)	\$37,692,000	
d. Selling expenses	\$26,628,000	
e. General and administrative expenses	\$0	
f. Other expenses	\$0	
g. Depreciation and/or amortization (not included in 4b)	\$0	
h. Interest	\$15,196,000	
i. Taxes (local, state, and federal)	\$1,408,000	
j. Reorganization items	\$0	
k. Profit (loss)	\$-5,540,000	\$-25,101,982

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**Part 5: Professional Fees and Expenses**

a.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>		\$425,476	\$540,469	\$425,476	\$540,469
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i	Akin Gump Strauss Hauer & F	Lead Counsel	\$0	\$0	\$0	\$0
ii	Openheimer & Co.	Financial Professional	\$0	\$0	\$0	\$0
iii	Deloitte	Financial Professional	\$0	\$0	\$0	\$0
iv	KPMG	Financial Professional	\$0	\$0	\$0	\$0
v	Cassels Brock & Blackwell LLP	Local Counsel	\$425,476	\$540,469	\$425,476	\$540,469
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b.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>		\$75,723	\$89,671	\$75,723	\$89,671
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i	King & Spalding LLP	Special Counsel	\$0	\$0	\$0	\$0
ii	RSM US LLP	Financial Professional	\$0	\$0	\$0	\$0
iii	Troutman Pepper Hamilton San	Co-Counsel	\$70,692	\$70,692	\$70,692	\$70,692
iv	Alvarez & Marsal	Other	\$0	\$0	\$0	\$0
v	The Cook Law Office	Co-Counsel	\$0	\$0	\$0	\$0
vi	Bleeker Brody & Andrews	Co-Counsel	\$0	\$0	\$0	\$0
vii	Law Office of Michelle Reynol	Co-Counsel	\$0	\$0	\$0	\$0
viii	Markoff Law, LLC	Co-Counsel	\$0	\$0	\$0	\$0
ix	Parente, Borean LLP	Co-Counsel	\$0	\$0	\$0	\$0
x	Pollack & Rosen	Co-Counsel	\$0	\$0	\$0	\$0
xi	Wilkinson Law Firm	Co-Counsel	\$0	\$0	\$0	\$0
xii	Deloitte Tax LLP	Financial Professional	\$0	\$0	\$0	\$0
xiii	Baldwin Sennecke Halman, LLP	Co-Counsel	\$0	\$0	\$0	\$0
xiv	Bishop & McKenzie LLP	Co-Counsel	\$0	\$0	\$0	\$0

xv	Blake, Cassels & Graydon LLP	Co-Counsel	\$5,031	\$5,031	\$5,031	\$5,031
xvi	Burr Forman	Co-Counsel	\$0	\$0	\$0	\$0
xvii	Burke Costanza & Carberry LL	Co-Counsel	\$0	\$0	\$0	\$0
xviii	Carr Allison	Co-Counsel	\$0	\$0	\$0	\$0
xix	Cechova & Partners S.R.O.	Co-Counsel	\$0	\$0	\$0	\$0
xx	Conner & Winters, LLP	Co-Counsel	\$0	\$0	\$0	\$0
xxi	DMG Advocates LLP	Co-Counsel	\$0	\$0	\$0	\$0
xxii	Donnelley Financial, LLC	Co-Counsel	\$0	\$0	\$0	\$0
xxiii	Fellow Labriola, LLP	Co-Counsel	\$0	\$0	\$0	\$0
xxiv	The Guidry Law Group	Co-Counsel	\$0	\$0	\$0	\$0
xxv	Hudson Cook, LLP	Co-Counsel	\$0	\$0	\$0	\$0
xxvi	Jackson Lewis P.C.	Co-Counsel	\$0	\$0	\$0	\$0
xxvii	Jeffrey A. Hahn - Attorney at L	Co-Counsel	\$0	\$0	\$0	\$0
xxviii	Kizer Bonds Hughes & Bowen	Co-Counsel	\$0	\$0	\$0	\$0
xxix	Lindsay Kenny, LLP	Co-Counsel	\$0	\$0	\$0	\$0
xxx	Massie R&D Tax Credits, LLC	Financial Professional	\$0	\$0		\$0
xxxi	Mayer Brown LLP	Co-Counsel	\$0	\$0	\$0	\$0
xxxii	McDougall Gauley LLP	Co-Counsel	\$0	\$168	\$0	\$168
xxxiii	Morris, Nichols, Arsht & Tunne	Co-Counsel	\$0	\$0	\$0	\$0
xxxiv	Norton Rose Fulbright Canada L	Co-Counsel	\$0	\$0	\$0	\$0
xxxv	Ogletree Deakins Nash Smoak & C	Co-Counsel	\$0	\$0	\$0	\$0
xxxvi	O'Shaughnessy & Carter, PLLC	Co-Counsel	\$0	\$0	\$0	\$0
xxxvii	Ridout & Maybee LLP	Co-Counsel	\$0	\$0	\$0	\$0
xxxviii	Scale Firm, LLP	Co-Counsel	\$0	\$3,700	\$0	\$3,700
xxxix	Stewart McKelvey	Co-Counsel	\$0	\$2,284	\$0	\$2,284
xl	Taylor English Duma, LLP	Co-Counsel	\$0	\$0	\$0	\$0
xli	TMF Canada, Inc.	Co-Counsel	\$0	\$7,797	\$0	\$7,797
xlii	Toppan Merrill, LLC	Co-Counsel	\$0	\$0	\$0	\$0
xliii	Tweedy Law Office	Co-Counsel	\$0	\$0	\$0	\$0
xliv	Warner Norcross & Judd LLP	Co-Counsel	\$0	\$0	\$0	\$0
xlv	Wyche Attorneys at Law	Co-Counsel	\$0	\$0	\$0	\$0
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c.	All professional fees and expenses (debtor & committees)			\$501,199	\$630,140	\$501,199	\$630,140

**Part 6: Postpetition Taxes****Current Month****Cumulative**

a.	Postpetition income taxes accrued (local, state, and federal)	\$0	\$0
b.	Postpetition income taxes paid (local, state, and federal)	\$160,400	\$292,305
c.	Postpetition employer payroll taxes accrued	\$981,231	\$2,991,209
d.	Postpetition employer payroll taxes paid	\$4,706,418	\$8,362,080
e.	Postpetition property taxes paid	\$266,009	\$547,150
f.	Postpetition other taxes accrued (local, state, and federal)	\$0	\$0
g.	Postpetition other taxes paid (local, state, and federal)	\$147,494	\$168,364

**Part 7: Questionnaire - During this reporting period:**

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☒ No ☐
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☒ No ☐
- d. Are you current on postpetition tax return filings? Yes ☒ No ☐
- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☒ No ☐
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☒ No ☐ N/A ☐
- i. Do you have:
- Worker's compensation insurance? Yes ☒ No ☐
  - If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
  - Casualty/property insurance? Yes ☒ No ☐
  - If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
  - General liability insurance? Yes ☒ No ☐
  - If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☒ No ☐
- k. Has a disclosure statement been filed with the court? Yes ☒ No ☐
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐



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**Part 8: Individual Chapter 11 Debtors (Only)**

- |  |       |     |
|--|-------|-----|
| a. Gross income (receipts) from salary and wages                     | _____ | \$0 |
| b. Gross income (receipts) from self-employment                      | _____ | \$0 |
| c. Gross income from all other sources                               | _____ | \$0 |
| d. Total income in the reporting period (a+b+c)                      | _____ | \$0 |
| e. Payroll deductions  | _____ | \$0 |
| f. Self-employment related expenses                                  | _____ | \$0 |
| g. Living expenses   | _____ | \$0 |
| h. All other expenses  | _____ | \$0 |
| i. Total expenses in the reporting period (e+f+g+h)                  | _____ | \$0 |
| j. Difference between total income and total expenses (d-i)          | _____ | \$0 |
| k. List the total amount of all postpetition debts that are past due | _____ | \$0 |
- l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)? Yes ☐ No ☒
- m. If yes, have you made all Domestic Support Obligation payments? Yes ☐ No ☐ N/A ☒

**Privacy Act Statement**

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: [http://www.justice.gov/ust/eo/rules\\_regulations/index.htm](http://www.justice.gov/ust/eo/rules_regulations/index.htm). Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

**I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.**

/s/ Doug Clark

Signature of Responsible Party

Chief Executive Officer

Title

Douglas Clark

Printed Name of Responsible Party

06/20/2024

Date

**Balance sheet****May 31, 2024****(unaudited)****ASSETS**

Cash and cash equivalents	81,796,000
Restricted cash	67,210,000
Gross loans receivable	1,264,038,000
Less: Allowance for credit losses	(201,825,000)
Loans receivable, net	1,062,213,000
Income taxes receivable	40,202,000
Prepaid expenses and other	37,863,000
Property and equipment, net	19,468,000
Investment in Katapult	7,339,000
Right of use asset - operating leases	38,324,000
Net deferred tax assets	11,186,000
Goodwill	276,093,000
Intangibles, net	74,287,000
Other assets	8,554,000
Total Assets	<u>1,724,535,000</u>

**LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY****Liabilities**

Accounts payable and accrued liabilities	42,810,000
Deferred revenue	2,232,000
Lease liability - operating leases	38,578,000
Income taxes payable	7,278,000
Accrued interest	64,894,000
Debt	2,082,913,000
Other long-term liabilities	6,110,000
Total Liabilities Not Subject to Compromise	
Liabilities Subject to Compromise	
Total Liabilities	2,244,815,000

**Commitments and contingencies****Stockholders' (Deficit) Equity**

Preferred stock - \$0.001 par value, 25,000,000 shares authorized; no shares were issued	-
Common stock - \$0.001 par value; 225,000,000 shares authorized;	23,000
Treasury stock, at cost -	(136,831,000)
Paid-in capital	129,436,000
(Accumulated deficit)/retained earnings	(416,860,000)
Accumulated other comprehensive loss	(96,048,000)
Total Stockholders' (Deficit) Equity	<u>(520,280,000)</u>
Total Liabilities and Stockholders' (Deficit) Equity	<u>1,724,535,000</u>

**AR Aging****As of May 31, 2024**

Current loans receivable	1,093,519,274
1-30 days past-due	5,640,736
Delinquent:	
31-60 days past-due	28,112,205
61-90 days past-due	18,808,885
91 + days past-due	50,182,309
Total delinquent loans receivable	97,103,399
Total loans receivable	1,264,038,000
Less: allowance for credit losses	(201,825,000)
Loans receivable, net	1,062,213,000

**Statement of Operations**

	<b><u>May 31, 2024 MTD</u></b>	<b><u>March 25, 2025 to April 30, 2024</u></b>	
<b>Revenue</b>			
Interest and fees revenue	46,050,000	56,354,839	
Insurance and other income	7,840,000	9,135,893	
Total revenue	53,890,000	65,490,732	
Provision for losses	16,198,000	20,636,878	
Net revenue	37,692,000	44,853,854	
<b>Operating expenses</b>			
Salaries and benefits	14,609,000	18,061,637	
Occupancy	2,927,000	4,306,226	
Advertising	482,000	520,944	
Direct operations	3,402,000	4,409,342	
Depreciation and amortization	1,701,000	5,745,190	
Other operating expense	3,507,000	4,721,343	
Total operating expenses	26,628,000	37,764,681	
<b>Other expense (income)</b>			
Interest expense	15,196,000	18,796,454	
Loss from equity method investment	-	6,265,767.70	
Reorganizations items, net	-	-	
Total other expense (income)	15,196,000	25,062,222	
Loss before income taxes	(4,132,000)	(17,973,050)	
Provision for income taxes	1,408,000	1,588,932	
Net loss from continuing operations	(5,540,000)	(19,561,982)	<u>Cumulative Net loss</u>
			(25,101,982)