
GENERAL**1. What did KServicing announce?**

KServicing¹ has announced that it has voluntarily filed for chapter 11. After exploring various strategic alternatives to pursue its wind down, KServicing has determined that chapter 11 provides the Company with beneficial flexibility and protections to consummate the winding down of its operations in an efficient and effective manner and will provide a framework for resolution with key stakeholders and a possible global settlement of outstanding disputes.

2. What is chapter 11?

A chapter 11 filing is a voluntary action a company takes to implement a financial and/or operational restructuring while it continues to operate its business in the normal course without interruption.

3. What happens during chapter 11?

Under a chapter 11 proceeding, a company maintains its normal business operations and continues to provide employees with salaries and benefits. It is also able to continue doing business with vendors, borrowers, and business partners. For KServicing, chapter 11 provides unique tools that will help the Company efficiently and effectively wind down and possibly achieve a global resolution of outstanding disputes pursuant to a court-approved process.

4. Why did the Company have to file for chapter 11? Why now?

Prior to commencing the chapter 11 cases, KServicing was already in wind down and considering various strategic options through which the wind down of the Paycheck Protection Program and legacy loan portfolios could be effectively and efficiently implemented. After considering various strategic alternatives, the Company decided to utilize a chapter 11 proceeding to effectuate a wind down, given chapter 11's flexibility and ability to bind all stakeholders. The Company is confident that it will be able to use a chapter 11 proceeding to achieve a court-approved chapter 11 plan.

5. Does this mean KServicing is going out of business?

No. The Company remains open for business and will operate in the ordinary course. The Company remains committed to providing high-quality services to borrowers and to continue servicing loans without interruption throughout the chapter 11 cases.

6. Does submission of a "plan of liquidation" mean KServicing is going out of business?

No. A plan of liquidation allows the Company to:

- ✓ wind down operations efficiently and economically while distributing proceeds to creditors;
- ✓ continue operations and retain an active role in structuring the wind down; and
- ✓ manage its day-to-day affairs and continue business in the ordinary course.

7. What are the goals of this restructuring?

The goal of this restructuring is a global settlement of various sizeable claims and efficient wind down of the Company. To accomplish this goal, KServicing is actively engaging with its stakeholders.

KServicing intends to continue its loan servicing operations on an uninterrupted basis while seeking a potential global settlement and consensus in connection with the Company's wind down.

¹ Kabbage is a trademark of American Express used under license; Kabbage, Inc. d/b/a KServicing is not affiliated with American Express.

8. When do you expect the Company to emerge from chapter 11?

It is difficult to project a time frame for when this process will be completed, but the Company anticipates that the chapter 11 cases may take approximately 4-6 months.

9. Does KServicing have enough cash to operate its business?

Yes. The Company expects to have sufficient liquidity throughout the chapter 11 cases.

10. Where did the Company file?

KServicing has filed voluntary chapter 11 petitions in the U.S. Bankruptcy Court for the District of Delaware.

11. Where can I get a copy of the petition?

Chapter 11 petitions, Court filings, claims information, and other case information is available on the case website at <https://omniagentsolutions.com/KServicing>.

12. Can I Receive Email Notification in These Cases?

Yes. To receive electronic/email notification in these chapter 11 cases, including notices relating to the claims bar date and plan, please make sure you register your information on the “Electronic Notice Registration” page under the Dockets tab on the case website.

13. Where can I get more information about the Chapter 11 Cases?

Additional information about KServicing’s restructuring, Court filings, and other documents related to the chapter 11 cases, is available on the case website at <https://omniagentsolutions.com/KServicing>.

EMPLOYEES

1. Will employees continue to be paid and receive benefits?

Yes. The Company sought relief to continue paying all active employees in the ordinary course. This relief includes all wages, compensation, and other benefits, including healthcare. The Court entered an interim order granting this relief [[Docket No. 80](#)]. Therefore, employees will continue receiving their pay and benefits (if eligible) as normal throughout the chapter 11 cases.

2. Will there be layoffs because of the filing?

No. There are no current plans for changes in workforce associated with this process and the Company is continuing to operate in the ordinary course. The Company is counting on employees to remain focused on their daily responsibilities so that KServicing can continue to serve its borrowers.

3. Will the chapter 11 process affect my day-to-day responsibilities?

No. The chapter 11 cases should have no impact on your current day-to-day responsibilities. If you hold a supervisor position or other management position, please contact your supervisor with any questions or concerns.

4. What can I do to assist with the chapter 11 cases?

The most important way our employees can help during this process is by continuing to focus on your day-to-day responsibilities. We value our relationship and plan to work closely with you throughout this process.

BORROWERS**1. Will the chapter 11 process impact borrowers?**

No. The chapter 11 cases should have no impact on borrowers or otherwise impact their loans. KServicing will maintain business operations in the ordinary course, which includes servicing loans and maintaining its relationships and communications with borrowers.

The Company has sought specific relief to continue servicing all loans and undertake any ancillary or related actions with respect to this servicing, including the loan forgiveness process. This relief has been granted on a final basis [[Docket No. 140](#)]. All other customer services and systems will continue as normal.

2. Do I have to continue to make payments on my loan?

Yes. You should continue to make payments in accordance with the terms of your loan documents. KServicing will maintain business operations in the ordinary course, which includes servicing all loans and maintaining its relationships and communications with borrowers.

3. Does this mean KServicing is going out of business?

No. KServicing will maintain business operations in the ordinary course, which includes servicing loans and maintaining its relationships and communications with borrowers.

4. Who will service my loan after the chapter 11 cases end?

The servicing of loans outstanding at the conclusion of the chapter 11 cases will be determined according to the terms of the chapter 11 plan approved by the Court. More information will be available in coming months.

5. Where can I get more information about my loan?

Additional information is available on the Company's website: <https://www.kservicing.com/>

- Existing Kabbage Loans: (855) 747-5135
- PPP Loans: (855) 669-1549
- Loan Repayments: (855) 747-2513
- Loan Servicing: support@kservicing.com
- Forgiveness Applications: pppforgiveness@kservicing.com
- Change of Ownership (business sale/merger inquiries only): changeofownership@kservicecorp.com

VENDORS**1. How does the filing impact vendors?**

KServicing will continue to operate the business as usual and will pay suppliers in the ordinary course for all authorized goods received and services rendered after the filing date.

2. Does KServicing have the liquidity to continue to meet obligations to vendors?

Yes. KServicing will pay vendors and suppliers on normal terms for goods and services provided on or after the chapter 11 filing date. The Company expects to have sufficient liquidity throughout the chapter 11 cases.

3. What do “prepetition” and “postpetition” mean? What determines whether an invoice is “prepetition” or “postpetition”?

“Prepetition” means before the filing of the petitions commencing the chapter 11 cases. Here, amounts owed for goods received or services rendered before October 3, 2022, are considered “prepetition” amounts.

“Postpetition” means after the filing of the petitions, or after October 3, 2022. The amounts owed for goods received or services rendered after October 3, 2022, are considered “postpetition” amounts.

4. Will vendors be paid for amounts due to them from goods or services provided prior to the filing date?

Under U.S. bankruptcy law, unpaid debts for goods and services provided to KServicing prior to the filing date, also known as prepetition claims, generally cannot be paid without specific U.S. Bankruptcy Court approval. Except in limited circumstances, vendors must file a proof of claim if owed for goods received or services rendered prior to the filing date. The claims filing process will be established in coming weeks and you will receive an additional notice.

5. When will I receive payment for an invoice I submitted prior to the chapter 11 filing?

KServicing expects that prepetition claims will be paid at the conclusion of the chapter 11 cases according to the terms of the plan. We regret the impact this may have on some of our vendors.

6. How much am I going to be paid for what I am owed for goods provided pre-petition?

KServicing expects that prepetition claims will be paid at the conclusion of the chapter 11 cases, according to the terms of the plan. We regret the impact this may have on some of our vendors.

7. Can I renegotiate our payment terms now that KServicing has filed for chapter 11?

If you have a contract with KServicing, U.S. bankruptcy law requires that you continue to perform services or provide goods under that agreement and in accordance with its terms unless the U.S. Bankruptcy Court permits you to stop. The Company is continuing to work with you as it always has. This means it is honoring contracts and paying in full on currently negotiated terms for goods and services received on or after the chapter 11 filing date.

8. Will you continue to order goods and services from me?

KServicing will continue doing business with its vendors in the ordinary course throughout this process.

9. Will I have the same contact person going forward?

Yes. KServicing is continuing to operate as usual, and your point of contact will not change.

CLAIMS

1. What is a Proof of Claim form?

The Proof of Claim form is the document that must be completed by a creditor to assert a claim against the Company. A copy will be available on the case website in coming weeks.

2. What is a “Claim”?

A claim is a right to a payment from the Company. A claim includes rights that are liquidated or unliquidated, contingent or fixed, matured or unmatured, disputed or undisputed, secured or unsecured. A claim may also be a right to an equitable remedy for breach of performance by the Company if such breach gives rise to a right to payment.

3. I received a Notice of Chapter 11 Bankruptcy Case. Does this mean that I have a Claim?

Not necessarily. The Company is required to provide the notice of the chapter 11 filing to all potential creditors, so receipt of the notice does not necessarily mean that you have a claim against the Company or any of its subsidiaries. We recommend you consult with an attorney to determine whether you have a claim and for advice on how to file such a claim.

4. What is Omni Agent Solutions and why are they contacting me?

Omni is a noticing and claims agent, which is a professional services firm hired by the Company and approved by the Court to assist with the chapter 11 cases. Omni’s responsibilities include answering stakeholder questions, providing information about the chapter 11 process, collecting proofs of claims, distributing notices and other documents, and other administrative duties. Omni will only contact you by mail or email. If you are concerned about the authenticity of any communication you have received, please call or email the Company’s restructuring hotline at (866) 956-2138 (toll free U.S./Canada) or (747) 226-5953 (International) or KServicingInquiries@OmniAgnt.com.

5. Has KServicing hired a claims agent?

Yes, the Company has hired Omni Agent Solutions to serve as the noticing and claims agent. You will receive materials from Omni with instructions on how to submit a claim in due course. Information about the chapter 11 cases, including legal documents that are filed with the Court, is available on the case website, and information about the proof of claim process will be available on the case website in coming weeks once approved by the Court, at <https://omniagentsolutions.com/KServicing>.

6. How do I file a Proof of Claim?

You can submit your Proof of Claim online or by mail/overnight/courier service.

To file a Proof of Claim and supporting documentation online:

- Go to the [claims page](#) on the case website
- You will need to register for an online account
- Check your email for a confirmation email and confirm your account
- Once your account has been verified, you can log on and file your claim and upload the supporting documentation (PDF ONLY) by following the online instructions
- Once you file your claim, you will receive confirmation email and a claim number

To submit a proof of claim by **courier service, hand delivery or mail:**

- Please send originally executed Proof of Claim to:

Kabbage, Inc. d/b/a KServicing
Claims Processing Center
c/o Omni Agent Solutions
5955 De Soto Ave., Suite 100
Woodland Hills, CA 91367

- Do not send original supporting documentation
- If you would like a copy of your claim returned to you as proof of receipt, please enclose an additional copy and a self-addressed postage-paid envelope.

****Your Proof of Claim must actually be received by Omni before 5:00 pm ET on November 30, 2022****

7. Can I e-mail or fax the Proof of Claim Form?

No. Proof of Claim forms must be sent by courier service, hand delivery or mail. E-mails and faxes will not be accepted.

8. Can I send the Proof of Claim Form to the Company?

No. The Company cannot accept Proof of Claim forms. All Proof of Claim forms must be sent to the Company's claims agent, Omni Agent Solutions, at the address listed below:

Kabbage, Inc. d/b/a KServicing
Claims Processing Center
c/o Omni Agent Solutions
5955 De Soto Ave., Suite 100
Woodland Hills, CA 91367

9. How do I know under which classification my claim falls?

Please review the instructions in the Proof of Claim form.

10. Should I attach copies of supporting documents to the Proof of Claim form?

Yes. Supporting documents such as purchase orders, invoices, itemized account statements, contracts, court judgments, or promissory notes should be attached. Do not send original documents.

11. I need help completing the Proof of Claim form. Can you help?

Omni is not authorized to provide you with legal advice. If you require further assistance in filling out the Proof of Claim form, you may wish to contact legal counsel.

12. What is the process once my proof of claim is filed?

Once the proofs of claim are filed, the Company will review them to confirm if it agrees with each claim. Distribution on claims that the Company agrees with will be paid pursuant to a plan of liquidation that is filed with the Court. This process normally takes several months but can last longer. For more information on claims, visit the [claims page](#) on the case website.

13. I already filed a proof of claim and now I need to amend it or make changes to it, how do I do that?

If you submitted your original Proof of Claim by mail, Hand Delivery or Overnight Mail, you will need to submit a new Proof of Claim Form:

- Download a proof of claim form on the [Claims page](#) on the case website
- Complete the form and be sure to check “Yes” to Question 4 that reads “Does this claim amend one already filed”
- Please include the date the previous claim was filed and the claim number, if known
- Submit the completed amended Proof of Claim form by mail, Hand Delivery or Overnight Mail to:

Kabbage, Inc. d/b/a KServicing
Claims Processing Center
c/o Omni Agent Solutions
5955 De Soto Ave., Suite 100
Woodland Hills, CA 91367

If you submitted your original Proof of Claim form online:

- Log on to your online account on the [Claims page](#) on the case website
- Under “Filed Claims” select your claim by clicking the green + button
- That will pull up your claim where you can then make any changes
- Resubmit your claim following the online instructions (this will generate a new claim number)

14. Can I file a 503(b)(9) claim?

- You may have the right to file a 503(b)(9) claim. We recommend you consult with an attorney to determine that and for advice on how to file such a claim.