

EXHIBIT 1

Stipulation

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

**KABBAGE, INC. d/b/a KSERVICING, et
al.,¹**

Debtors.

Chapter 11

Case No. 22-10951 (CTG)

(Jointly Administered)

**SECOND STIPULATION TO EXTEND THE UNITED STATES' DEADLINE
TO FILE A COMPLAINT TO DETERMINE DISCHARGEABILITY OF DEBT**

The above-captioned debtors (collectively, the “**Debtors**”) and the United States of America (the “**United States**” and together with the Debtors, the “**Parties**”) enter into this second stipulation (this “**Stipulation**”) to extend the deadline to file a complaint to determine dischargeability of debt under 11 U.S.C. § 523. The Parties stipulate as follows:

A. On October 3, 2022 (the “**Petition Date**”), the Debtors filed their voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”).

B. On November 10, 2022, the meeting of creditors pursuant to 11 U.S.C. § 341 was scheduled and conducted (the “**341 Meeting**”).

C. Pursuant to Rule 4007(c) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), a party in interest may file a complaint under 11 U.S.C. § 523(c) within sixty days after the first date set for the 341 Meeting.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable are: Kabbage, Inc. d/b/a KServicing (3937) (the “Company”); Kabbage Canada Holdings, LLC (N/A); Kabbage Asset Securitization LLC (N/A); Kabbage Asset Funding 2017-A LLC (4803); Kabbage Asset Funding 2019-A LLC (8973); and Kabbage Diameter, LLC (N/A). The Debtors’ mailing and service address is 925B Peachtree Street NE, Suite 383, Atlanta, GA 30309.

D. Accordingly, the deadline by which to file a complaint under 11 U.S.C. § 523(c) was January 9, 2023 (the “**Nondischargeability Deadline**”), or such later date as may be ordered by the Court.

E. On January 6, 2023, the United States filed a *Certification of Counsel Submitting Proposed Order Approving Stipulation to Extend the United States’ Deadline to File a Complaint to Determine Dischargeability of Debt* [Docket No. 426]. The Court approved the order attached thereto, which extended the Nondischargeability Deadline for the United States to May 9, 2023 [Docket No. 429]. The Nondischargeability Deadline as to the United States has not expired as of the date of this Stipulation.

F. On March 15, 2023 the Court entered the *Order Confirming Amended Joint Chapter 11 Plan of Liquidation of Kabbage, Inc. (d/b/a KServicing) and Its Affiliated Debtors* [Docket No. 680] (the “**Confirmation Order**”), thereby confirming the *Amended Joint Chapter 11 Plan of Liquidation of Kabbage, Inc. (d/b/a KServicing) and Its Affiliated Debtors* [Docket No. 627] (the “**Plan**”).

G. The Plan and the Confirmation Order provide that “[n]othing in the Plan or Confirmation Order shall . . . grant the Debtors a discharge pursuant to section 1141(d) of the Bankruptcy Code.” *See* Confirmation Order ¶ 32; Plan § 10.3(f).

H. The effective date of the Plan (the “**Effective Date**”) has yet to occur. The Debtors expect the Effective Date to occur in the near term.

I. The United States continues to investigate potential violations of the False Claims Act, 31 U.S.C. §§ 3279-3733, by Kabbage, Inc. d/b/a KServicing, a lender and loan servicer that participated in the Paycheck Protection Program.

J. To the extent that the filing of a dischargeability complaint may be necessary, the United States seeks an extension of the Nondischargeability Deadline through and including August 7, 2023.

K. Nothing in this Stipulation, or any order approving it, constitutes a determination that section 523(c) of the Bankruptcy Code or Bankruptcy Rule 4007(c) apply, or that any deadline exists to seek a determination of dischargeability under section 1141(d)(6) of the Bankruptcy Code.

L. Nevertheless, out of an abundance of caution since the Effective Date is projected to occur after the current Nondischargeability Deadline for the United States, the Parties have entered into this Stipulation extending such deadline for the United States on the terms set forth herein.

NOW, THEREFORE, the Parties hereby agree as follows:

1. The Parties agree that the Nondischargeability Deadline for the United States to file a complaint to determine the dischargeability of debt under 11 U.S.C. § 523(c) is extended through and including August 7, 2023, or such later date as may be ordered by the Court.

2. The extension of the Nondischargeability Deadline is without prejudice to the United States' rights to seek additional extensions or the Debtors' rights, objections, or defenses related thereto.

3. This Stipulation may be executed in counterparts, each of which shall be deemed an original and such counterparts shall together constitute a single agreement. Any signature, including an electronic signature, transmitted by facsimile or electronic mail shall be deemed an original signature to this Stipulation.

/s/ Zachary I. Shapiro

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Dated: May 8, 2023

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