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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

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**FORM 8-K**

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

Date of report (Date of earliest event reported): **June 8, 2011**

**SquareTwo Financial Corporation**  
(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**333-170734**  
(Commission  
File Number)

**84-1261849**  
(IRS Employer  
Identification No.)

**4340 South Monaco Street, Denver, Colorado 80237**  
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **303-296-3345**

**N/A**  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01. Regulation FD Disclosure.**

A copy of a slide presentation to be given by Paul A. Larkins, President and Chief Executive Officer of SquareTwo Financial Corporation and L. Heath Sampson, Chief Financial Officer of SquareTwo Financial Corporation at an investor presentation on June 8, 2011 is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein solely for purposes of this Item 7.01.

The information in this Current Report on Form 8-K, including the information contained in Exhibit 99.1, is being furnished to the Securities and Exchange Commission pursuant to Item 7.01, and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by a specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits**

**(d) Exhibits.**

<b>Exhibit Number</b>	<b>Description</b>
99.1	Investor Slide Presentation of SquareTwo Financial Corporation dated June 8, 2011

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SQUARETWO FINANCIAL CORPORATION


Date: June 8, 2011

By: /s/ Thomas G. Good  
Name: Thomas G. Good  
Title: General Counsel



June 8, 2011

Keefe, Bruyette & Woods, Inc.

A photograph of a man in profile, wearing glasses and a dark shirt, resting his chin on his hand in a thoughtful pose. The background is dark with various numbers and percentages in a light, semi-transparent font, suggesting a financial or data-driven context.

**Accelerating Assets Back  
to Black**

Paul A. Larkins, President and CEO

L. Heath Sampson, Chief Financial Officer

# Forward-Looking Statements

The following information contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations and beliefs of SquareTwo Financial Corporation and its subsidiaries (collectively, "SquareTwo" or the "Company"), as well as on a number of assumptions concerning future events. These statements are subject to risks, uncertainties, assumptions and other important factors, many of which are outside SquareTwo's control, that could cause actual results to differ materially from the results discussed in the forward-looking statements. You are cautioned not to rely on such forward-looking statements because actual results may vary materially from those expressed or implied. All forward-looking statements are based on information available to SquareTwo on this date and SquareTwo does not assume any obligation to, and expressly disclaims any obligation to, update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

# SquareTwo Financial: Who are we?

- Leader in \$100 billion asset recovery industry
- Assist companies and consumers resolve debt commitments
- Award-winning proprietary technology
- Unique Partners Network
- Experienced management team
- KRG Holding – Private equity
- Based in Denver, Colorado



# SquareTwo Overview

- SquareTwo is one of the largest receivable management firms that operates through a unique attorney-based franchise model
- Since our inception in 1994 we have:
  - Purchased **\$27.2 billion** of receivables deploying **\$1.7 billion** of capital
  - Collected over **\$2.9 billion** on purchased receivables
  - Historical cash-on-cash returns of **2.1x gross ROI** and **1.4x net ROI**
- SquareTwo maximizes returns on its current receivables base of **\$8.6 billion** through the following:
  - Best-in-class, real-time, inventory management
  - Advanced analytics driving disciplined yet stringent underwriting
  - A national and Canadian footprint of Partners that work collaboratively with SquareTwo and are incentivized based on our return hurdles

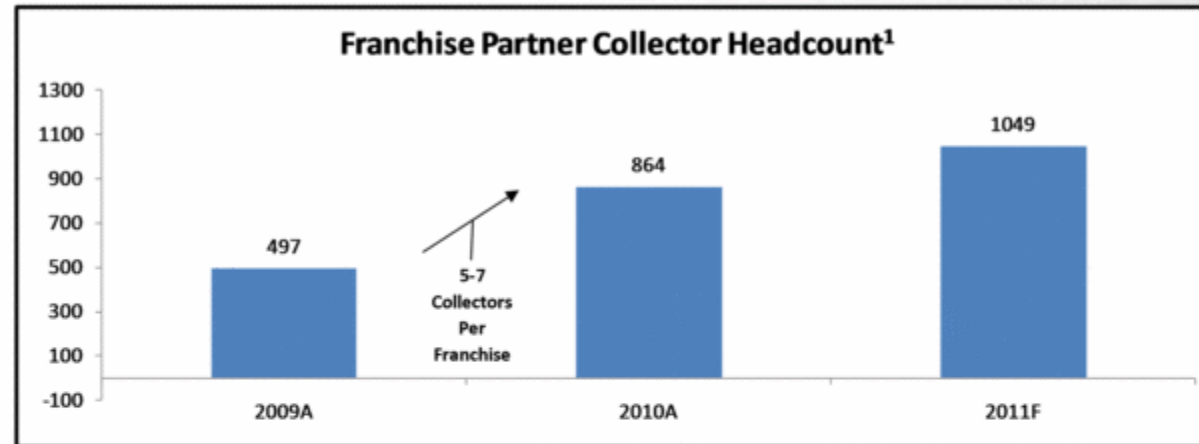
## SquareTwo Overview (cont'd)

- SquareTwo's Partners Network (Franchise) provides the Company with an Industry-wide advantage due to our collaborative relationships with our Partners
- SquareTwo provides its Partners:
  - Consistent placements in volume, credit quality, and asset class
  - Transparent incentives that are linked to SquareTwo's returns
  - Best-in-class proprietary collection platform, including a loopback from our Partners resulting in constant development to maximize collections
  - Industry leading training and best practices communication via our Partner-wide intranet referred to as the *Partner's Corner*
- Our Partners:
  - Are independent entrepreneurs running efficient, collection floors in law firms resulting in a higher threshold of ethics and professionalism
  - Are exclusive to SquareTwo through franchise agreements
  - Collaborate amongst themselves to improve liquidation performance
  - Carry the general and administrative costs for collectors

# Illustrative Liquidation Example

Acquisition: \$10,000 face value purchased at 5% = \$500 (\$000's) Approximately 100 – 120 purchases made annually		
NON-LEGAL COLLECTIONS:	\$608	<ul style="list-style-type: none"> <li>• 1 – 2 years</li> <li>• 50 – 60%</li> <li>• Cash proceeds collected by the Partners Network via letters or phone calls using firm name</li> </ul>
LEGAL COLLECTIONS:	\$388	<ul style="list-style-type: none"> <li>• 2 – 6 years (majority after 3 years)</li> <li>• 30 – 40%</li> <li>• Cash proceeds collected by the Partners Network and Local Counsel Network by suit filing</li> </ul>
SALES:	\$96	<ul style="list-style-type: none"> <li>• Throughout the cycle</li> <li>• 5 – 10%</li> <li>• Proceeds received for sale of an account</li> <li>• Every account is for sale the day it is acquired</li> </ul>
<b>TOTAL GROSS PROCEEDS:</b>	<b>\$1,100</b>	<b>2.2x gross ROI or 84% annual IRR</b>
<b>COSTS:</b>	<b>(\$350)</b>	Including payments to Partners, G&A, court costs, & other expenses
<b>NET PROCEEDS:</b>	<b>\$750</b>	<b>1.5x net ROI or 28% annual IRR</b>

# Scalable & Flexible Model



- Our 38 Franchise's are Highly Scalable
  - Easier for each franchise to hire and train one quality collector than for a call center to recruit and retain 38 quality collectors
  - Creates an operation that can be fluid and dynamic based on volatile market movements
- Expense to grow for SquareTwo is variable as opposed to the largely fixed cost model of other debt buyers
- SquareTwo continues to expand through its top performing Partners, and geographically expands to new growing markets
- SquareTwo has developed a sophisticated hub-and-spoke "Major Markets" model increasing efficiencies

# Business Strategy

- **GROW AND DIVERSIFY**
  - Disciplined purchasing while building our base of enterprise relationships
  - Significant emphasis on diversification while maintaining stringent underwriting on all purchases
  - Balance between enterprise and R&D capital deployment to manage dynamic markets
- **PURSUE SYSTEMATIC OPERATIONAL EXCELLENCE**
  - Leverage our sophisticated proprietary technology and analytical models to drive execution
  - Evaluate every account, every day, to maximize returns
  - Develop new liquidation channels to maximize returns on specific accounts
  - Provide transparent incentives to our Partners that are driven by our return hurdles
- **CREATE AN OUTSTANDING NETWORK OF PARTNERS**
  - Collaborate with our Partners using 360° communication to develop our strategies and maximize returns
  - Support an environment of competition amongst our Partners through real-time performance updates
  - Opportunistically expand our network where capacity dictates
  - Continue to develop our proprietary collection system to deliver a best-in-class platform
- **STRIVE TO BECOME A WORLD CLASS EMPLOYER OF CHOICE**
  - Hire focused, intelligent employees with a Company-wide attitude of continuous improvement
  - Once hired, invest in training and professional development for all employees to maintain excellence
- **DELIVER SOLID FINANCIAL RESULTS**
  - Using our core strategies (above) deliver sustainable growth to our key stakeholders and lenders

# Technology Overview

- **Proprietary platform**
  - Debt Acquisition
  - Portfolio Management
  - Collections
- **Benefits of eAGLE:**
  - Services Oriented Architecture provides stability & code reuse
  - Highly flexible and scalable
  - Ability to centrally manage, but dynamically move accounts among Partners
  - Extensive operational knowledge capture capabilities
  - Full asset life cycle

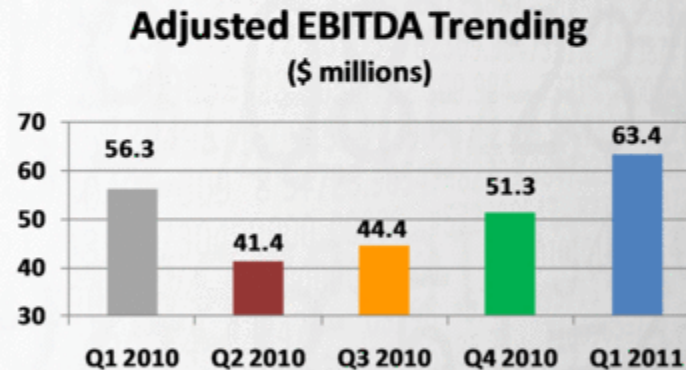
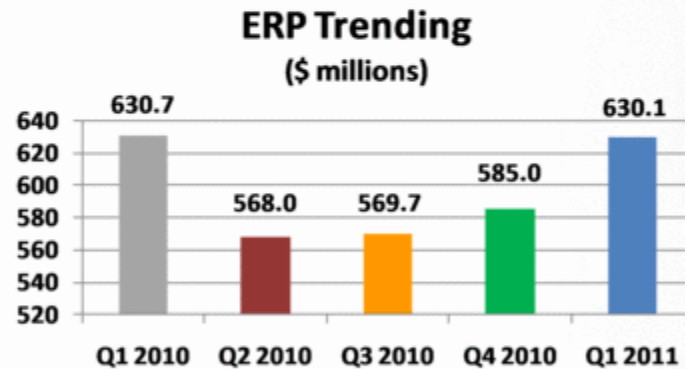


# ERP and Adjusted EBITDA

- ERP
  - Estimated Remaining Proceeds, referred to as our ERP, represents our expected **gross future cash proceeds** over the next nine years for our portfolio of owned debt as of a certain point in time.
- Adjusted EBITDA
  - Adjusted EBITDA reflects our ability to generate cash proceeds by liquidating our current active portfolio base. **Adjusted EBITDA represents cash flow generation** that can be used to, for example, acquire additional charged-off receivables, pay down or service debt, or pay income taxes.

# ERP and Adjusted EBITDA – Q1 2011

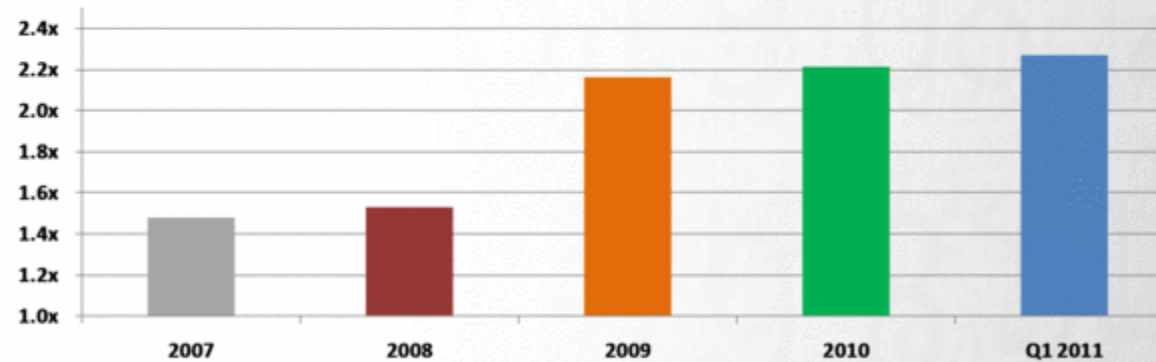
- ERP continues growth to \$630 million from \$585 million at Q4 2010, and \$570 million at Q3 2010
- Adjusted EBITDA grows to over \$63 million, growing 23% from Q4 2010 and more than 40% from Q3 2010



## Returns by Purchase Year – Q1 2011

- Gross purchase price multiple (ROI) continued sustained improved levels
- Returns on 2009, 2010, and Q1 2011 purchase years average 2.2x compared to 1.5x for purchase years 2006 to 2008, an increase of over 35%

**Return on Investment**  
Purchase Years 2007 through Q1 2011



## Historical Purchasing & Collections Performance

(\$MM)	2006	2007	2008	2009	2010
<b>Purchases</b>					
Consumer	\$ 2,889	\$ 2,594	\$ 2,747	\$ 2,099	\$ 3,471
Price \$	242	231	224	103	155
Price %	8.4%	8.9%	8.2%	4.9%	4.5%
Other <sup>1</sup>	\$ 279	\$ 401	\$ 295	\$ 1,179	\$ 841
Price \$	10	13	8	5	17
Price %	3.6%	3.2%	2.7%	0.4%	2.0%
Total	\$ 3,168	\$ 2,995	\$ 3,042	\$ 3,278	\$ 4,313
Price \$	252	244	232	108	172
Price %	8.0%	8.1%	7.6%	3.3%	4.0%
<b>Collections - Purchased Debt</b>					
Non-legal	\$ 264	\$ 254	\$ 228	\$ 153	\$ 156
Legal	64	91	109	98	107
Other <sup>2</sup>	3	21	23	18	29
Total Collections on Purchased Debt	331	365	360	269	291
Sales & Recourse	32	82	39	26	46
<b>Total Proceeds</b>	<b>\$ 363</b>	<b>\$ 446</b>	<b>\$ 399</b>	<b>\$ 296</b>	<b>\$ 337</b>
Contingent Placements	\$ 1,094	\$ 1,771	\$ 1,059	\$ 2,073	\$ 540
Contingent Collections	72	95	80	62	42
<b>Total Collections</b>	<b>\$ 403</b>	<b>\$ 460</b>	<b>\$ 440</b>	<b>\$ 331</b>	<b>\$ 334</b>

(1) Other purchases include medical, Canada, commercial and student loan

(2) Other collections include medical, Canada, commercial and both cost recovery & level yield court cost recoveries

## Historical Purchasing & Collections Performance

(\$MM)	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11
<b>Purchases</b>					
Consumer	\$ 811	\$ 860	\$ 959	\$ 841	\$ 777
Price \$	37	31	35	51	56
Price %	4.6%	3.6%	3.6%	6.1%	7.3%
Other <sup>1</sup>	\$ 122	\$ 257	\$ 225	\$ 237	\$ 152
Price \$	2	4	6	5	7
Price %	1.7%	1.6%	2.8%	2.0%	4.7%
Total	\$ 934	\$ 1,117	\$ 1,184	\$ 1,078	\$ 928
Price \$	39	35	41	56	64
Price %	4.2%	3.2%	3.5%	5.2%	6.8%
<b>Collections - Purchased Debt</b>					
Non-legal	\$ 37	\$ 36	\$ 39	\$ 44	\$ 65
Legal	27	27	27	26	27
Other <sup>2</sup>	6	7	8	8	12
Total Collections on Purchased Debt	70	70	74	78	104
Sales & Recourse	20	6	8	11	5
<b>Total Proceeds</b>	<b>\$ 90</b>	<b>\$ 76</b>	<b>\$ 82</b>	<b>\$ 89</b>	<b>\$ 108</b>
Contingent Placements	\$ 388	\$ 133	\$ 10	\$ 9	\$ 6
Contingent Collections	15	14	8	5	4
<b>Total Collections</b>	<b>\$ 85</b>	<b>\$ 84</b>	<b>\$ 82</b>	<b>\$ 82</b>	<b>\$ 107</b>

(1) Other purchases include medical, Canada, commercial and student loan

(2) Other collections include medical, Canada, commercial and both cost recovery & level yield court cost recoveries

## Business Summary

- Growing base of assets that is becoming more diversified
- Differentiated attorney-based franchise business model of Partners
- Network incentive alignment to promote growth in returns
- Highly flexible and scalable platform
- Disciplined and diversified capital deployment
- Major emphasis on compliance, training and process support
- Consistent growth in cash flow generation with a strong ROI history
- Best-in-class technology and analytics platform
- Experienced management team