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May 30, 2014

Via Email

Regional Senior Justice Morawetz
Ontario Superior Court of Justice
Court House
361 University Avenue
Toronto ON M5G 1T3

Your Honour,

Re: The Cash Store Financial Services Inc.; Court File No. CV-14-10518-00CL

Further to the case conference call held this morning in this matter, we are writing to provide the Court with an update regarding the urgent supplier issue (including advising that the parties have agreed that a hearing on June 2, 2014 is not required), and to summarize the schedules for the other motions discussed.

Supplier Issue: June 2 Hearing Not Required

Following the case conference, counsel to DirectCash Payments Inc. and affiliates (“DCPI”), the Chief Restructuring Officer and the Monitor discussed a possible interim resolution of the urgent issues arising from the dispute between the Applicants and DCPI. The parties have now reached a temporary resolution pending a hearing of this matter within three weeks if a more fulsome resolution cannot be reached in the interim. Accordingly, the parties do not require the Court time on Monday, June 2, 2014 at 11:30 a.m. as scheduled and we expect to be in touch with Your Honour next week with respect to the scheduling of any necessary further hearing.

June 5, 2014 Motion: Computershare Motion

At this time, the only motion scheduled for June 5, 2014 is the motion of Computershare Trust Company, N.A. in its capacity as Indenture Trustee and Computershare Trust Company of Canada in its capacity as Collateral Trustee and Indenture Trustee (“**Computershare**”). As advised this morning, Computershare and the *ad hoc* committee of the Applicants’ 11 1/2% senior secured notes (the “**Ad Hoc Committee**”) have been in discussions with a view to resolving this matter and the parties have indicated that they are hopeful that a resolution will be reached in advance of the June 5, 2014 hearing. We understand that 1 hour has been reserved for the hearing of this matter.

The material filed on this matter is as follows: Motion Record of Computershare dated May 16, 2014 and Responding Record of the Ad Hoc Committee. The Monitor expects to deliver a

report in relation to this motion and, further to the case conference this morning, understand the date for delivering that report is now June 2, 2014.

June 11 Motion: Third Party Lender Motion and Representative Counsel Motion

i) TPL Motions

The motions advanced by the third party lenders (0678786 B.C. Ltd. (formerly McCann Family Holding Corporation) and Trimor Annuity Focus Limited Partnership #5), any remaining portion of the Applicants' May 9, 2014 Notice of Motion, and the cross-motion by the DIP Lenders are scheduled to be heard June 11, 2014. A half day has been reserved for these motions.

The schedule previously set for these motions is as follows:

- May 1 - McCann and Trimor to file additional evidence
- As soon as possible prior to May 21 -Additional Productions from the Applicants on a best efforts basis
- May 21 (1 day) - Cross-examination of Trimor and McCann affiants
- May 23 (1/2 day) - Cross-examination of Bill Aziz
- Answers to undertakings/further productions arising from cross, if any
 - May 23 end of day - McCann/Trimor
 - May 27 end of day -CRO
- By May 27 - Follow-up cross-examination of Trimor/McCann affiants, if any
- Delivery of additional facts, if any
 - May 30 - McCann and Trimor
 - June 3 -Coliseum, Ad Hoc Committee, Applicants
- June 5 - Monitor's Report, if any and Monitor to deliver complete USB key
- NO FILINGS OF NEW MATERIALS WILL BE ACCEPTED AFTER JUNE 5, 2014
- June 11 -Hearing (1/2 day)

As a result of the delivery of the cross-motion of the DIP Lenders, the responding parties asked to deliver responding material on June 5 or 6, 2014. The Monitor has proposed that responding materials be delivered on June 5, 2014 with a Monitor's Report on June 6, 2014 and no filings of new material to be accepted after June 6, 2014.

The Monitor will provide the Court with a summary of the material filed and a usb key containing the filings together with its report on June 6, 2014.

ii) Representative Counsel Motion

The motion brought by Timothy Yeoman, the plaintiff in *Timothy Yeoman v. The Cash Store Financial Services Inc. et al.* Court File No. 7908/12 CP (the "Action"), seeking, among other things, an order appointing him as representative of all class members (as defined in the Action) and ordering that Harrison Pensa LLP be appointed representative counsel and Koskie Minsky LLP be appointed agent to Harrison Pensa, was scheduled for June 5, 2014 (without the fee request, which has been adjourned at this time). At the request of the parties involved, this motion was adjourned and is now scheduled for June 11, 2014 for 1 hour.

The schedule for this motion is as follows:

- Cross-examination - May 29, 2014;

- Moving Factum - May 30, 2014;
- Responding Factum - June 3, 2014;

On the case conference call this morning, Mr. Hatnay requested an opportunity to deliver a reply, if necessary, on June 5 or 6, 2014. Mr. Hatnay has agreed to deliver that reply on June 5, 2014. As discussed, the Monitor's report, if any, will be delivered on June 6, 2014.

Again, the Monitor will provide the Court with a summary of the material filed and a usb key containing the filings together with its report on June 6, 2014.

June 16, 2014 Motion

Two hours have now been reserved on June 16, 2014 for a possible stay extension motion and sale process motion by the Applicants.

If there is any further information that the Court requires at this time, please let us know. The parties continue to appreciate Your Honour's assistance with the administration of this complex matter.

Yours truly,

McCarthy Tétrault LLP

Per:



Heather L. Meredith
Partner

HLM/sty

c. (by email): Service List