

Court File No. CV-14-10518-00CL

**THE CASH STORE FINANCIAL SERVICES INC.
AND RELATED APPLICANTS**

**TENTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

September 25, 2014

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF THE CASH STORE FINANCIAL
SERVICES INC., THE CASH STORE INC., TCS CASH STORE
INC., INSTALOANS INC., 7252331 CANADA INC., 5515433
MANITOBA INC., AND 1693926 ALBERTA LTD DOING
BUSINESS AS "THE TITLE STORE"

APPLICANTS

**TENTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS MONITOR**

INTRODUCTION

1. On April 14, 2014, Regional Senior Justice Morawetz granted an Initial Order pursuant to the *Companies' Creditors Arrangement Act* (Canada), as amended (the "CCAA") to The Cash Store Financial Services Inc. ("CSF"), The Cash Store Inc., TCS Cash Store Inc., Instaloans Inc., 7252331 Canada Inc., 5515433 Manitoba Inc. and 1693926 Alberta Ltd. doing business as "The Title Store" (collectively, the "**Applicants**" or "**Cash Store**") providing protections to the Applicants under the CCAA, including a stay of proceedings until May 14, 2014 (as extended from time to time, the "**Stay**"), and appointing FTI Consulting Canada Inc. (the "**Monitor**") as CCAA monitor.
2. On April 15, 2014, the Court granted an Amended and Restated Initial Order, which, among other things, approved an interim CCAA credit facility (the "**Initial**

DIP") by Coliseum Capital LP, Coliseum Capital Partners II LP and Blackwell Partners LLC (collectively "**Coliseum**") and appointed Blue Tree Advisors Inc. as Chief Restructuring Officer of the Applicants (the "**CRO**"). The proceedings commenced by the Applicants under the CCAA are referred to herein as the "**CCAA Proceedings**".

3. The following are among the orders obtained and motions that have proceeded to date in these CCAA Proceedings:
 - (a) On April 30, 2014, Regional Senior Justice Morawetz granted an order (the "**Additional TPL Protection Order**") providing additional protections for third party lenders ("**TPLs**"), specifically relating to repayments of loans bearing the name of, attributable to, or assigned to 0678786 B.C. Ltd. ("**McCann**") and Trimor Annuity Focus Limited Partnership #5 ("**Trimor**").
 - (b) On May 13, 2014, Regional Senior Justice Morawetz granted an order, among other things, extending the Stay to May 16, 2014, approving the cessation of the Applicants' brokered loan business (the "**Broker Business**") in all jurisdictions in which it was then carried out and authorizing the CRO, in consultation with the Monitor, to conduct an orderly cessation of such business.
 - (c) On May 17, 2014, Regional Senior Justice Morawetz granted an order, among other things, extending the Stay to June 17, 2014 and approving an Amended and Restated Term Sheet providing for a DIP facility (the "**Amended Joint DIP Facility**") by the following lenders (together, the "**DIP Lenders**"): Coliseum, Alta Fundamental Advisers, LLC and certain members of the *ad hoc* committee of the Applicants' 11 1/2% senior secured notes.

- (d) On June 11, 2014, motions brought by McCann and Trimor and a cross-motion of the DIP Lenders (the “**TPL Motions**”) were heard but not completed.
- (e) On June 16, 2014, the continued TPL Motions were heard, together with a motion for appointment of representative counsel.
- (f) Also on June 16, 2014, Regional Senior Justice Morawetz granted an order extending the Stay to August 15, 2014 and approving a Sale Process (attached as Schedule “A” thereto, the “**Sale Process**”). The Sale Process provided a bid deadline of July 11, 2014 at 5:00 p.m., which was later extended to July 21, 2014 (the “**Bid Deadline**”).
- (g) On July 22, 2014, Regional Senior Justice Morawetz granted an order providing authorization (in some cases, *nunc pro tunc*) to the Applicants to take steps to make demand on certain Cash Stores UK subsidiaries and in relation to the administration or liquidation of the UK business of Cash Store (the “**UK Business**”).
- (h) On August 5, 2014, Regional Senior Justice Morawetz released his decision on the TPL Motions (the “**TPL Decision**”), dismissing the cross-motion of the DIP Lenders without prejudice for the DIP Lenders to renew their motion at a future date; dismissing the TPL’s motions and declaring the TPLs to be creditors of Cash Store; and declaring the Applicants beneficial owners of funds described as the Disputed Post-Filing Receipts in the TPL Motions. Trimor and McCann sought leave to appeal the TPL Decision and a stay pending leave to appeal or, if leave is granted, pending the appeal. As discussed below, leave to appeal was granted by the Court of Appeal and a schedule has been put in place with respect to the appeal.
- (i) On August 7, 2014, Regional Senior Justice Morawetz granted an order extending the Stay to and including September 30, 2014 and approving an amending agreement to the Amended Joint DIP Facility (the “**Amending**”).

Agreement”) and additional funding of \$5 million (the “**Further Amended Joint DIP Facility**”) pursuant thereto.

- (j) On August 26, 2014 Regional Senior Justice Morawetz released his decision appointing Timothy Yeoman as representative of the class members in the *Timothy Yeoman v. The Cash Store Financial Services Inc.* proposed class action and appointing Harrison Pensa LLP as representative counsel and Koskie Minsky LLP as agent to Harrison Pensa.
4. The purpose of this Tenth Report is to provide the Court with information regarding the following:
- (a) an update on receipts on the TPL Brokered Loans and the appeal of the TPL Decision;
 - (b) service of a notice of motion alleging certain transactions were transfers at undervalue;
 - (c) an update on the Sale Process;
 - (d) the requested approval of an additional DIP Facility (as defined below, the “**Second Further Amended Joint DIP Facility**”), including a summary of the key terms and the Monitor’s recommendations regarding the Second Further Amended Joint DIP Facility; and
 - (e) the requested extension of the Stay to November 28, 2014 (the “**Stay Extension Period**”).

TERMS OF REFERENCE

5. In preparing this report, the Monitor has relied upon unaudited financial information of the Applicants, the Applicants’ books and records, certain financial information prepared by the Applicants and discussions with the Applicants’ management and advisers. The Monitor has not audited, reviewed or otherwise

attempted to verify the accuracy or completeness of the information.

Accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in this report or relied on in its preparation. Future oriented financial information reported or relied on in preparing this report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.

6. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
7. Capitalized terms not otherwise defined herein have the meanings set out in previous reports of the Monitor filed in these CCAA proceedings.

TPL RECEIPTS AND APPEAL

8. As previously reported, after the Additional TPL Protection Order was issued, segregated accounts were opened to maintain: a) the receipts and disbursements received in connection with TPL Brokered Loans after the effective time of the Initial Order (the "**TPL Post-Filing Receipts**") relating to McCann; b) TPL Post-Filing Receipts relating to Trimor loans in Ontario (after cessation of the Broker Business, the TPL Post-Filing Receipts relating to Trimor loans outside Ontario were also deposited into the Trimor account) and, c) TPL Post-Filing Receipts relating to the other TPL lenders (collectively the "**TPL Segregated Funds**").
9. Ownership of and entitlement to the TPL Segregated Funds was at issue in the TPL Motions.

10. Subsequent to the issuance of the TPL Decision, the parties thereto discussed the terms of the Court Order evidencing that decision and agreed upon a form of Order that was approved by the Court (the “**TPL Order**”). Among other things, the parties agreed to include a provision that nothing in that order “shall affect the declaration made in Section 4(c)(i) of the TPL Protection Order”, which remains in full force and effect, subject to further Order of the Court.¹
11. Subsequent to issuance of the TPL Order, Trimor and McCann sought leave to appeal the TPL Order (the “**TPL Appeal**”) and a stay pending appeal.
12. On August 15, 2014, Van Rensburg J.A. of the Court of Appeal granted a stay of the TPL Order pending appeal except in relation to the provision in paragraph 3 of the TPL Order that “neither Trimor nor McCann shall take any steps to collect any advances or loans made to [Cash Store’s] customers”, which remains in effect.
13. On September 12, 2014, leave to appeal the TPL Order was granted by the Court of Appeal. The Court of Appeal invited the parties to agree on an expedited schedule for the hearing of the appeal. Subject to the Court of Appeal’s approval, the parties agreed on the following schedule for the appeal materials:
 - (a) service of appellant materials by September 24, 2014;
 - (b) service of respondent materials by October 1, 2014.
14. To date, no date for the hearing of the TPL Appeal has been set. The parties have advised the Court of Appeal that they are agreeable to scheduling an appeal at the Court’s earliest convenience, but suggested a scheduling call or attendance to fix the date of the appeal hearing.

¹ Section 4(c)(i) of the TPL Protection Order provided that the Applicants were only entitled to use “Post-Filing Trimor Non-Ontario Receipts” for the purpose of brokering new TPL Brokered Loans in the name of Trimor provided that “with effect upon any such new TPL Brokered Loan being made, it is hereby declared that Trimor shall be the owner of such new TPL Brokered Loan and all proceeds therefrom and such TPL Brokered Loan and all proceeds therefrom shall not form part of the Property and shall not be subject to the Charges...”

15. While the leave to appeal motion was pending and, subsequently, in light of the order granting a stay pending appeal, Cash Store has continued to maintain the TPL Segregated Funds and such funds are not available to Cash Store to fund operations.
16. On August 13, 2014, the Monitor reported to the service list in these proceedings that, the TPL Segregated Funds amounted to the following as of the end of Day August 9, 2014:

Trimor 5	(5,727,028.96)
McCann	(1,969,843.79)
Lgen	(92,003.23)
Bruce Hull	(76,548.68)
Omni	(240,819.79)
Total	(8,106,244.45)

17. The Monitor further reported that the book value of loans made after the date of the Additional TPL Protection Order (April 30, 2014) in the name of Trimor outside Ontario and before the Broker Business ceased (the **“Trimor Post-April 30 Loans”**) totalled \$2,520,540 and that receipts on such Trimor Post-April 30 Loans (outside Ontario) were approximately \$971,000 as at August 9, 2014.
18. On September 19, 2014, the Monitor provided a further update to the service list, advising as follows:

“[T]he Monitor has reviewed with Cash Store management the value of collections on loans made in the name of Trimor outside Ontario after the date of the Additional TPL Protection Order (April 30th). This amount was previously reported to be approximately \$971,000 as at August 9, 2014 and was approximately \$1.0 million as at August 31, 2014. Please be advised that these figures do not include amounts in relation to non-Ontario line of credit loans.

Collections on such line of credit loans are not specifically tracked in relation to specific draws on the line of credit such that there is no clear delineation of which collections are in relation to amounts advanced after April 30, 2014. To provide the parties with additional information regarding collections on such line of credit

loans, please be advised that, to the extent collections are applied to the oldest draws first, as at August 31, 2014, approximately \$750,000 was collected in relation to post-April 30 loans made in the name of Trimor. To the extent collections are applied to the newest draws first, as at August 31, 2014, approximately \$980,000 was collected in relation to such loans. Using a weighted average approach, as at August 31, 2014, approximately \$820,000 was collected in relation to such loans.”

19. Accordingly, as at August 31, 2014, the value of the receipts on Trimor Post-April 30 Loans (outside Ontario), inclusive of draws on lines of credit made after April 30, 2014 in the name of Trimor, was approximately \$1.75 million to \$1.98 million. This figure is relevant to the declaration made in Section 4(c)(i) of the TPL Protection Order, which was carved out of the TPL Order.
20. With respect to the value of the TPL Segregated Funds as at August 31, 2014, those total approximately as follows:

Trimor 5	\$6,411,311
McCann	\$2,157,480
Lgen	\$97,541
Bruce Hull	\$81,258
Omni	\$251,914
Total	\$8,999,504

21. The approximate face value of the loans in the names of the TPLs that remain on the Cash Store books as at August 31, 2014 is set out below. The Monitor notes, however, that given the aging profile of many of these loans, among other things, the face value does not reflect the anticipated receipts on such loans:

Trimor 5	\$8,170,266.14
McCann	\$3,154,174.16
Lgen	\$68,607.00
Bruce Hull	\$56,783.45
Omni	\$188,750.00
Total	\$11,638,580.75

TRANSFER AT UNDERVALUE MOTION

22. As previously reported, the Monitor has undertaken a process to review material transfers and other transactions made in the five year period prior to commencement of the CCAA Proceedings that involved the Applicants. The purpose of the review is to determine whether there are grounds to challenge any such transactions as preferences or transfers at undervalue pursuant to the CCAA or provincial legislation.
23. Among other transactions that have been subject to review by the Monitor are the series of transactions (the “**Portfolio Repurchase Transactions**”) completed by CSF on January 31, 2012, in which CSF acquired certain portfolios of consumer loans (the “**Consumer Loan Portfolio**”) in exchange for payments in cash and issued notes totalling \$116.3 million to the following third party lenders (collectively, the “**TPL Counterparties**”): Assistive Financial Corp. (“**Assistive**”); McCann; 367463 Alberta Ltd.; Trimor Annuity Focus Limited Partnership, Trimor Annuity Focus Limited Partnership 2, Trimor Annuity Focus Limited Partnership 3, Trimor Annuity Focus Limited Partnership 4, Trimor Annuity Focus Limited Partnership 6 (collectively, “**Trimor Annuity Focus Limited Partnerships**”), Bridgeview Financial Corp.; Inter-Pro Property Corporation; Omni Ventures Ltd.; FSC Abel Financial Inc.; and L-Gen Management Inc.
24. As the Monitor as previously reported, facts relating to the Portfolio Repurchase Transaction include that: i) CSF disclosed in its interim financial statements for the three and six months ended March 31, 2012 that it acquired the Consumer Loan Portfolio from the TPL Counterparties for a total consideration of \$116.3 million; and ii) on December 10, 2012, CSF announced that it would be issuing restated financial statements and noted that CSF had determined that the consideration paid to acquire the Consumer Loan Portfolio had included an approximately \$36.8 million premium paid.

25. On September 18, 2014, the Monitor served a Notice of Motion on the Service List and TPL Counterparties seeking an order, among other things, declaring the Portfolio Repurchase Transactions to be transfers at undervalue, within the meaning of section 96 of the *Bankruptcy and Insolvency Act* as incorporated by section 36.1 of the CCAA, and directing each TPL Counterparty except Assistive (which is bankrupt and thus the Monitor seeks authority to file a proof of claim in its bankruptcy proceedings), to pay to Cash Store the difference between the value of the consideration received by Cash Store from it and the value of the consideration given to it by Cash Store.
26. The Notice of Motion explicitly notes that “Other transfers or transactions involving the TPLs continue to be reviewed by the Monitor and may be addressed at a later time.”
27. No date has been set yet for the return of this motion. The Monitor will be coordinating with the parties in that regard.

SALE PROCESS

28. As previously reported, prior to the start of the CCAA Proceedings, Rothschild Inc. (“**Rothschild**”) commenced a mergers and acquisitions process to seek a sale or significant investment in Cash Store. In the Amended & Restated Initial Order, the Court authorized Rothschild to “continue the mergers and acquisitions process as described in the Carlstrom Affidavit, in consultation with the Monitor” and on June 3, 2014, Rothschild received a number of letters of interest and several interested parties were selected to advance to the next phase of the process.
29. On June 16, 2014, the CRO obtained an order approving the Sale Process which contained, among other key terms, a bid deadline of July 11, 2014 at 5:00 p.m. As noted above, the Bid Deadline was later extended to July 21, 2014.
30. Phase 2 of the Sale Process included numerous steps including: populating the dataroom with further due diligence information and responding to requests for

- additional materials; conducting management meetings with potential bidders (attended by senior Cash Store management, the CRO and the Monitor); numerous discussions between potential bidders and Rothschild and/or the CRO; discussions between potential bidders and Cash Store's Chief Compliance and Regulatory Affairs Officer, auditor and the Ontario payday lending regulator; visits by potential bidders to the Cash Store head office; and circulating a draft form of purchase agreement.
31. On the Bid Deadline, Rothschild received a number of bids. Rothschild and the CRO, in consultation with the Monitor and Houlihan Lokey Capital, Inc., reviewed the bids received in accordance with the Sale Process.
 32. As part of the review process, Rothschild and the CRO, in consultation with the Monitor, participated in discussions with certain of the bidders to clarify aspects of the bids and to attempt to identify a Successful Bid (as defined in the Sale Process), and discussed the bids with the DIP Lenders, the Ad Hoc Committee and their advisors.
 33. Since the Monitor's last report, such discussions and negotiations have continued with certain of the bidders and the Applicants, in consultation with their advisors, the Monitor, the DIP Lenders and the Ad Hoc Committee and their advisors, have continued to negotiate and consider certain bids.
 34. The Applicants are continuing to work to develop a going concern transaction and it is presently anticipated that the Applicants will be in a position to have Successful Bid selected and seek Court approval of a proposed sale transaction within the proposed Stay Extension Period.

ADDITIONAL DIP FINANCING

35. As noted above, the Amended Joint DIP Facility was approved on May 17, 2014. As previously reported, the availability under the Amended Joint DIP Facility totalled \$14.5 million with a \$2 million extension option, consisting of the initial

- tranche of \$8.5 million (which was provided under the Initial DIP, approved on April 15, 2014 and repaid on May 9, 2014) and an additional commitment of \$6 million with a \$2 million extension option.
36. The Applicants drew down all amounts under the Amended Joint DIP Facility: the Applicants made a draw of \$3 million during the week ending May 23, 2014, a draw of \$3 million during the week ending June 6, 2014, and exercised the \$2 million extension option, which was funded by the DIP Lenders during the week ending June 20, 2014.
37. The Further Amended Joint DIP Facility providing a second extension option in the maximum amount of \$5 million was approved on August 7, 2014 and the Applicants have drawn down all amounts thereunder: the Applicants made a draw request of \$2 million on August 10, 2014, \$1 million on August 24, 2014 and \$2 million on September 8, 2014. Approval of requests for advances under the Further Amended Joint DIP Facility was in the discretion of the DIP Lenders; however, all amounts were funded to the Applicants in accordance with the draw requests made by the CRO, on behalf of the Applicants, thereunder.
38. Having fully drawn all amounts under the Further Amended Joint DIP Facility, the Applicants are expected to require further funding to continue operations and meet rent and payroll obligations in the week ending October 3, 2014. Attached hereto as **Schedule “1”** is an updated cash flow projection for the period of the week ending September 19, 2014 to the week ending December 12, 2014 (the **“Cashflow”**).
39. The Cashflow reflects the amount that Cash Store received from the Tax and Revenue Administration (Alberta) on September 12, 2014 in the amount of \$1,257,334.80 (the **“September Tax Refund”**) as a receipt in the week ended October 3, 2014. The availability of the September Tax Refund to CSF is subject to the condition in the Further Amended Joint DIP Facility, which requires CSF to make a mandatory prepayment in the amount of the September Tax Refund if, after doing so, CSF will have sufficient cash and other assets remaining to satisfy

all obligations of CSF for Priority Payables (as defined therein) – unless such mandatory prepayment is waived by the DIP Lenders, as discussed below.

40. The Cashflow reflects that the Applicants are expected to require additional financing in the very near future and that a total of approximately \$5 million is projected to be required during the proposed Stay Extension Period. Given the Applicants' cash requirements and the status of the Sale Process, the CRO, on behalf of the Applicants, approached the DIP Lenders to seek further financing to enable such steps to continue.
41. Following discussions and negotiations with the DIP Lenders, they have agreed to provide additional funding (the "**Second Further Amended Joint DIP Facility**") pursuant to an amendment to the Amended Joint DIP Facility to be effected by a Second Amending Agreement to Amended and Restated Debtor-In-Possession Term Sheet (the "**Second Amending Agreement**"), which provides for:
 - (a) A waiver of the requirement that the amount of the September Tax Refund be paid as a mandatory prepayment; and
 - (b) A "Third Extension Option" of \$5 million to be made available to the Applicants in accordance with its terms.
42. The Second Amending Agreement is attached to the affidavit of William E. Aziz, sworn September 25, 2014 (the "**Aziz Affidavit**") and the key changes made to the Amended Joint DIP Facility (beyond those already made in the Further Amended Joint DIP Facility) set out therein are summarized in the table below. Terms capitalized in the table have the meaning ascribed to them in the Second Amending Agreement.

The Cash Store Financial Services Inc.	
Summary of Changes to Further Amended Joint DIP Facility in Second Amending Agreement	
Borrower	The Cash Store Financial Services Inc. (no change)
Guarantors	No change to the Guarantors: as was the case in the Further Amended DIP Facility, Cash Store Financial Limited (“ UK Holdco ”) and The Cash Store Limited (“ UK Opco ”) (entities in the UK Business) are not signatories to the Second Amending Agreement.
Third Extension Option	<p>On or after September 24, 2014, the Borrower may request and, if requested, the DIP Lenders agree to provide their share of an additional aggregate commitment of \$5.0M, which will mature with the other commitments <i>provided</i> this amount will only be made available and the Borrower is only permitted to draw from such funds as a DIP Advance in accordance with the procedures set out in the Amending Agreement, which include:</p> <ul style="list-style-type: none"> • The CRO, on behalf of the Borrower, must deliver a written request for funding (with requisite support including a cash flow forecast), which must be limited to the amount of money reasonably believed by the Borrower to be required for a two week period immediately following the draw date in order to operate in the ordinary course and maintain a requisite minimum cash balance. • A committee of DIP Lenders has sole and unfettered discretion to determine if a requested DIP Advance is appropriate. <p>This process is consistent with the process provided for draws under the Second Extension Option, with the exception that amounts are not funded into a trust account in advance.</p>
Maturity Date	The Maturity Date, which previously provided for the DIP Facility to be repayable in full on the earlier of 180 days from the date of the Initial Order and certain other dates (specifically, (i) the date on which a demand is made following the occurrence of any Event of Default which is continuing, (b) the date an Approved Transaction is consummated; and (c) The date on which the Stay Period

	<p>expires or on which the CCAA Proceedings are terminated) is amended to provide for maturity on the earlier of November 28, 2014 and the other dates listed.</p>
DIP Financing Fee	<p>If the Third Extension Option is exercised, the Borrowers have agreed to pay the DIP Lenders 5%, <i>pro rata</i> based on their respective prescribed portion of the Commitment for the Third Extension Amount, which shall be fully earned and payable upon the date the Third Extension Option is exercised and shall be added to the outstanding principal balance of the loan and shall be due and payable on the Maturity Date.</p>
Mandatory Prepayments and Waiver	<p>A new mandatory prepayment provision is added setting out that, at the option of the DIP Lenders and upon the issuance of an order by the Court of Appeal dismissing the TPL Appeal (of one or both of McCann or Trimor) or a similar settlement, CSF shall make a mandatory prepayment of the DIP Obligations in an amount equal to 100% of the amounts subject to the dismissed TPL Appeal(s) or settlement(s) (the “Repaid TPL Amount”).</p> <p>A waiver of the requirement to hold the September Tax Refund in trust in a segregated account for the benefit of the DIP Lenders and to make a mandatory prepayment in the amount of the September Tax Refund is provided.</p> <p>However, the Second Amending Agreement also provides that, if the TPL Appeals are dismissed by the Court of Appeal or a settlement is entered into, the DIP Lenders will have the option to require the Borrower to make a mandatory prepayment in an amount equal to the September Tax Refund, <i>provided however</i>, that if the DIP Lenders exercise their option under the new mandatory prepayment provision to require the Borrower to repay the Repaid TPL Amount and that amount is more than the September Tax Refund, the Borrower is not required to also re-pay the September Tax Refund amount. If the Repaid TPL Amount is less than the amount of the September Tax Refund, the Lenders may require the Borrower to make a mandatory prepayment to cover the difference.</p>
Amendment and Waiver Fee	<p>Borrower shall pay to the DIP Lenders a fee of \$62,500 in consideration of the amendments and waiver provided in the Second Amending Agreement. The Amendment and Waiver Fee is fully earned on the date of signing and added to the DIP Obligations.</p> <p>The Borrower is also responsible for paying all costs incurred by the DIP Lenders in preparing this Amending and Waiver</p>

	Agreement. (6.1)
Sale Approval Deadline	The Second Amending Agreement extends the deadline for a Sale Approval Order and Plan Filing and Meeting Order from September 15, 2014 to October 31, 2014.
Interest Rate	The Third Extension Option amount is included in the definition of “Additional Commitments”, which bears interest at 17.5% per annum payable monthly in arrears. All accrued and unpaid interest will be capitalised (not paid in cash), added to the outstanding principal balance of the loan and shall be due and payable on the Maturity Date

43. Other significant terms of the Second Further Amended Joint DIP Facility, including other fees and priority of the DIP Priority Charge remain the same.
44. As the Monitor noted with respect to the Further Amended Joint DIP, the DIP Lenders have significant discretion with respect to funding of the DIP Advances in the Third Extension Option and such advances are limited to funding required for a two-week period. The Monitor understands that this mechanism is required by the DIP Lenders to fund additional amounts to the Applicants at this stage of the proceedings. The Monitor notes again that, given the position of the DIP Lenders in the Applicants’ capital structure, it is expected that the Second Further Amended Joint DIP Facility will be administered in a manner that furthers the goals of this proceeding, consistent with actions of the DIP Lenders to date.
45. With respect to the fees and interest, the 17.5% interest and financing fee of 5% are equivalent to the interest and financing fee charged on the additional \$8 million advanced under the Amended Joint DIP facility and the additional \$5 million advanced pursuant to the Second Extension Option. The \$62,500 fee relates to the waiver of the mandatory prepayment of the September Tax Refund. The fee represents approximately 5% of the value of the September Tax Refund that will not need to be drawn at this time pursuant to the Third Extension Option (and therefore not subject to the applicable interest and other fees) as a result of the waiver. The amount of such fees and interest is not insignificant with respect

- to the Third Extension Option. When considered as part of the Joint DIP Facility (including the various extension options exercised pursuant thereto) the total fees and interest are within acceptable limits.
46. Provided the Third Extension Option is exercised and all amounts are funded by the DIP Lenders pursuant thereto, the Second Further Amended Joint DIP Facility is projected to provide sufficient funding to the Applicants through to the end of the proposed Stay Extension Period, enabling the Applicants to continue operations during that time while they seek to complete negotiations with potential bidders in the Sale Process, select a Successful Bid, paper the transaction and bring such a transaction forward to the Court for approval.
 47. As noted above and reflected in the attached Cashflow, additional financing is required urgently by the Applicants. Without additional financing now the Applicants will likely be forced to cease operations without completing the Sale Process, with the resulting impact on its employees, creditors, customers and other stakeholders. Accordingly, while the Second Further Amended Joint DIP Facility provides significant discretion to the DIP Lenders and the costs are not insignificant, the Monitor supports the proposed request for approval of the Second Further Amended Joint DIP Facility.
 48. The Monitor also notes that the continued involvement of the Joint DIP Lenders and the support they are showing for the Business through additional funding in the Second Further Amended Joint DIP Facility appears to reflect a level of confidence of those parties in the CRO and the restructuring process, which the Monitor expects to be valuable in moving towards the completion of a sale transaction.
 49. For the foregoing reasons, the Monitor recommends that the Second Amending Agreement and Second Further Amended Joint DIP Facility be approved as requested.

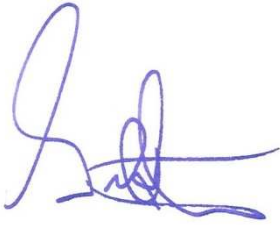
STAY EXTENSION

50. The Applicants have requested an extension of the Stay to November 28, 2014.
51. Provided that the Second Further Amended Joint DIP Facility is approved and funded in full, the Cashflow attached hereto demonstrates that the Applicants are projected to have sufficient liquidity to continue operations without further financing until at least during the week ended November 28, 2014.
52. The Applicants, under the supervision and direction of the CRO, have been working with due diligence and in good faith to address numerous issues in these CCAA Proceedings, including in relation to the ongoing Sale Process and the various steps set out in the Aziz Affidavit.
53. The proposed extension of the Stay throughout the Stay Extension period would enable to the Applicants to continue negotiations in the Sale Process and to take steps to select a Successful Bid, paper the transaction and bring such a transaction forward to the Court for approval. Provided the Second Further Amended Joint DIP Facility is approved and funded in full, the Monitor believes that this timing is appropriate and sensible. The Monitor will be monitoring the Applicants' cashflows and each DIP Advance request and will report to the Court if a necessary DIP Advance is not funded as requested.
54. Accordingly, subject to approval of the Second Further Amended Joint DIP Facility, the Monitor recommends that this Court grant the Stay extension to November 28, 2014 as requested by the Applicants.

The Monitor respectfully submits to the Court this Tenth Report.

Dated this 25th day of September, 2014.

FTI Consulting Canada Inc.
The Monitor of
The Cash Store Financial Services Inc.
and Related Applicants

A handwritten signature in blue ink, appearing to read 'Greg Watson', with a stylized flourish at the end.

Greg Watson
Senior Managing Director

Schedule "1" – Cashflow Forecast

The Cash Store Financial Services, Inc.
 Weekly Cash Forecast - 13 Weeks
 (CAD 000's)

Week of Cash Flow Week Ended	1 9/19/2014	2 9/26/2014	3 10/3/2014	4 10/10/2014	5 10/17/2014	6 10/24/2014	7 10/31/2014	8 11/7/2014	9 11/14/2014	10 11/21/2014	11 11/28/2014	12 12/5/2014	13 12/12/2014	Total
Cash Receipts	\$ 6,137	\$ 9,043	\$ 7,401	\$ 5,086	\$ 5,646	\$ 5,204	\$ 6,419	\$ 5,480	\$ 6,946	\$ 7,431	\$ 9,041	\$ 5,861	\$ 5,093	\$ 84,789
Operating Disbursements:														
Loan Disbursements	4,473	7,296	5,355	4,129	3,958	4,423	5,416	4,759	5,711	6,187	7,139	5,057	4,077	67,979
Operating Expenses	433	2,048	1,291	1,740	872	1,740	1,197	480	2,286	291	2,359	458	2,320	17,515
Total Operating Disbursements	4,906	9,343	6,646	5,869	4,829	6,164	6,613	5,239	7,997	6,478	9,498	5,515	6,397	85,494
Operating Cash Flow	\$ 1,231	\$ (300)	\$ 755	\$ (783)	\$ 816	\$ (960)	\$ (195)	\$ 241	\$ (1,051)	\$ 953	\$ (456)	\$ 346	\$ (1,303)	\$ (705)
Non-Operating Disbursements:														
Post Petition Non Operating Expenses	130	290	617	411	411	411	216	336	656	336	992	336	336	5,477
Credit Facility Interest	-	125	-	-	-	-	125	-	-	-	125	-	-	375
DIP Interest and Related Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capex	-	-	5	5	5	5	5	6	6	6	6	5	5	60
Total Non-Operating Disbursements	130	415	622	416	416	416	346	342	662	342	1,123	341	341	5,912
BoP Cash	\$ 12,282	\$ 13,383	\$ 12,668	\$ 12,801	\$ 12,852	\$ 13,253	\$ 13,127	\$ 12,586	\$ 12,485	\$ 12,272	\$ 12,884	\$ 12,304	\$ 12,309	\$ 12,282
Total Cash Flow	1,101	(715)	134	(1,199)	400	(1,376)	(540)	(101)	(1,713)	611	(1,579)	5	(1,644)	(6,617)
EoP Cash Before New Borrowing	\$ 13,383	\$ 12,668	\$ 12,801	\$ 11,602	\$ 13,253	\$ 11,877	\$ 12,586	\$ 12,485	\$ 10,772	\$ 12,884	\$ 11,304	\$ 12,309	\$ 10,665	\$ 5,665
BoP DIP Loan	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 14,250	\$ 14,250	\$ 15,500	\$ 15,500	\$ 15,500	\$ 17,000	\$ 17,000	\$ 18,000	\$ 18,000	\$ 13,000
DIP Draw	-	-	-	1,250	-	1,250	-	-	1,500	-	1,000	-	-	5,000
DIP Paydown	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EoP DIP Loan	\$ 13,000	\$ 13,000	\$ 13,000	\$ 14,250	\$ 14,250	\$ 15,500	\$ 15,500	\$ 15,500	\$ 17,000	\$ 17,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000
BoP Senior Credit Facility	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Draw	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paydown	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EoP Senior Credit Facility	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
EoP Cash After New Borrowing	\$ 13,383	\$ 12,668	\$ 12,801	\$ 12,852	\$ 13,253	\$ 13,127	\$ 12,586	\$ 12,485	\$ 12,272	\$ 12,884	\$ 12,304	\$ 12,309	\$ 10,665	\$ 10,665
Less: Non-Ontario Restricted Cash	(4,944)	(4,977)	(4,979)	(5,000)	(5,027)	(5,048)	(5,073)	(5,074)	(5,076)	(5,077)	(5,078)	(5,057)	(5,060)	(5,060)
Less: Ontario Restricted Cash	(4,074)	(4,115)	(4,145)	(4,150)	(4,153)	(4,158)	(4,165)	(4,174)	(4,186)	(4,199)	(4,215)	(4,245)	(4,250)	(4,250)
Less: Cash Minimum	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Less: Tax Refund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EoP Cash After Restricted Cash	\$ 1,365	\$ 576	\$ 677	\$ 702	\$ 1,073	\$ 921	\$ 348	\$ 237	\$ 11	\$ 607	\$ 11	\$ 7	\$ (1,646)	\$ (1,646)

Notes:

- [1] The purpose of this cash flow forecast is to determine the liquidity requirements of the Applicants during the forecast period.
- [2] Receipts from operations are forecast based on existing Consumer Loan Receivables and Accounts Receivable, forecast lending volumes and other revenues, and customer payment terms.
- [3] Forecast disbursements from operations are forecast based on existing Accounts Payable, forecast loan volumes and operating expenses, and payment terms.
- [4] Post-petition non operating expenses include professional fees associated with the Applicants restructuring and payments made to Third Party Lenders.
- [5] Forecast professional fee disbursements are based on advisor level estimates of fees that may be incurred during the forecast period.
- [6] Credit Facility Interest includes interest associated with the \$12 million in secured loans provided by the Senior Lenders.
- [7] DIP Interest and Related Fees includes interest and transaction fees associated with the DIP financing.
- [8] DIP Proceeds include anticipated draws from the DIP facility.