

**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., 1693926
ALBERTA LTD DOING BUSINESS AS "THE TITLE STORE"

APPLICANTS

MOTION RECORD OF THE APPLICANTS

May 9, 2014

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TAB 1

**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., 1693926
ALBERTA LTD. DOING BUSINESS AS "THE TITLE STORE"

APPLICANTS

NOTICE OF MOTION

THE APPLICANTS, Cash Store Financial and its affiliated companies 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 "Cash Store" or the "Applicants") , will make a motion to the Court, on May 13, 2014, at 10:00 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, 8th floor, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

- 1. An Order:
 - (a) Abridging the time for service of this notice of motion and dispensing with service on any person other than those served;

- (b) Extending the Stay Period until June 17, 2014;
- (c) authorizing the Applicants to implement a key employee retention plan (the “KERP”) for certain critical staff and granting a related charge;
- (d) Approving the cessation of Cash Store’s brokered loan business in all jurisdictions in which it is currently carried on, and authorizing the CRO, in consultation with the Monitor, to take all steps to conduct an orderly cessation of such business;
- (e) Authorizing Cash Store to take all reasonable steps to effect the repayment of outstanding brokered loan receivables;
- (f) Directing that all amounts received by the Applicants with respect to outstanding brokered loans be held in one or more separate bank accounts, separate and apart from the Applicants’ operating or other accounts until further Order of this Court; and
- (g) Such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. Cash Store is facing immediate and multiple challenges to its continued operations, including regulatory issues that affect its core business strategy, multiple class actions requiring defence across Canada and in the U.S., and the resulting deterioration of its liquidity position;

2. The Amended and Restated Initial Order of Justice Morawetz dated April 15, 2014 (the “Initial Order”) declared that the Applicants are companies to which the CCAA applies;
3. The Initial Order approved and authorized a Debtor-in-Possession (“DIP”) loan facility in the amount of \$8.5 million;
4. The Applicants require further DIP financing and are evaluating two potential DIP facilities with certain lenders to provide cash flow during the CCAA proceedings;
5. Should one of the potential DIP Facilities be agreed to by the Applicants and ultimately approved by the Court, it is forecasted that the Applicants will have sufficient liquidity to continue operations during the proposed extension of the Stay Period;
6. The Applicants have been proceeding with good faith and due diligence to complete a restructuring under the CCAA;
7. Without the extension of the Stay Period, Cash Store will be unable to continue going concern operations and attempt to complete a restructuring, and in particular a going concern sale transaction, as part of these proceedings to the benefit of its stakeholders;
8. It is necessary and in the best interests of the Applicants and their stakeholders that the Stay Period be extended and the Applicants afforded the “breathing space” provided by the CCAA as they attempt to restructure their affairs;
9. Cash Store is seeking Court approval of a KERP and a related charge to ensure the continued participation of Cash Store’s key employees in the business and the restructuring;

10. The anticipated participants in the KERP either possess specialized expertise with respect to Cash Store's business operations or are critical for a successful restructuring of Cash Store's business, including initiatives taken to date;
11. The KERP provides appropriate incentives for Cash Store's key employees to remain in their current positions and ensures that they are properly compensated for their assistance in the restructuring process;
12. Cash Store currently operates under two major business models: the direct lending business and the brokered lending business;
13. Cash Store's Chief Restructuring Officer, in consultation with the Monitor, has determined that it is necessary and appropriate to implement an orderly cessation of the brokered loan business and cease brokering new loans;
14. Cash Store intends to continue to receive payments from customers on the outstanding brokered loans;
15. Different parties are asserting legal entitlements to the outstanding brokered loans and any amounts received as payments thereof;
16. It is proposed that Cash Store will deposit all funds received from brokered loan receivables in one or more segregated Cash Store bank accounts and will not use those funds for any purpose;
17. The provisions of the CCAA, including section 11.2 thereof, and the inherent and equitable jurisdiction of this Honourable Court;

18. Rules 2.03, 3.02, 14.05(2) and 16 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended and section 106 of the Ontario *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended; and

19. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. Second Affidavit of William E. Aziz dated May 9, 2014 and attached exhibits;
2. The Third Report of the Monitor; and
3. Such further and other materials as counsel may advise and this Honourable Court may permit.

May 9, 2014

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TO: SERVICE LIST

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

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

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., 1693926 Alberta Ltd. doing business as "The Title Store"

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

NOTICE OF MOTION

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TAB 2

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

**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., 1693926
ALBERTA LTD. DOING BUSINESS AS "THE TITLE STORE"

APPLICANTS

SECOND AFFIDAVIT OF WILLIAM E. AZIZ

(Sworn May 9, 2014)

I, William E. Aziz, of the Town of Oakville, in the Province of Ontario, MAKE
OATH AND SAY:

Introduction

1. This Affidavit is made in support of a motion by The Cash Store Financial Services, Inc. ("Cash Store Financial") and its affiliated companies 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 "Cash Store" or the "Applicants") for an Order (i) extending the stay of proceedings until June 17, 2014; (ii) authorizing the Applicants to implement a Key Employee Retention Plan (the "KERP") for certain critical staff

and granting a related charge; (iii) approving the cessation of Cash Store's brokered loan business in all jurisdictions in which it is currently carried on, and authorizing the CRO, in consultation with the Monitor, to take all steps to conduct an orderly cessation of such business; (iv) authorizing Cash Store to take all reasonable steps to effect the repayment of outstanding brokered loan receivables; and (v) directing that all amounts received with respect to outstanding brokered loans be held in a segregated account until further Order of this Court, after a determination of the rights of interested parties to such amounts.

2. I am the President of BlueTree Advisors Inc. ("BlueTree"), which has been retained by Cash Store Financial to provide my services as Chief Restructuring Officer ("CRO") to Cash Store. I was retained pursuant to an Engagement Letter dated April 14, 2014.

3. BlueTree was appointed as CRO of the Applicants pursuant to paragraph 23 of the Amended and Restated Initial Order of Justice Morawetz dated April 15, 2014 (the "Initial Order").

4. As Cash Store's CRO, and in accordance with the Initial Order, I have the authority to direct the operations and management of Cash Store and its restructuring, and Cash Store's officers (including its executive management team) report to me. As such, I have personal knowledge of the matters deposed to herein, except where otherwise stated. I have spoken with certain of the directors, officers, advisors and/or employees of Cash Store, as necessary, and where I have relied on information from such discussions, I believe such information to be true.

DIP Facility

5. As detailed in my affidavit sworn on April 28, 2014 (the "First Aziz Affidavit"),

upon my appointment as CRO, I consulted with FTI Consulting Canada, Inc. (the “Monitor”) and Rothschild Inc. (“Rothschild”) to become fully apprised of the current state of Cash Store’s affairs and to plan the immediate steps necessary to stabilize Cash Store’s liquidity position while it pursues a going concern sale transaction. I promptly engaged with Rothschild and the Monitor to develop a process to solicit bids for a new Debtor-in-Possession loan facility. A copy of the First Aziz Affidavit without Exhibits is attached as Exhibit “A”.

6. On April 24, 2014, an agreement in principle was reached with Coliseum Capital Partners, LP, Coliseum Capital Partners II, LP and Blackwell Partners, LLC (collectively, “Coliseum”), Alta Fundamental Advisers, LLC, (collectively with Coliseum, the “Initial DIP Lenders”) and the *Ad Hoc* Committee of Noteholders (the “Ad Hoc Committee”) to provide jointly funded and governed debtor-in-possession financing (the “Amended DIP Facility”) to the Applicants. Each of these parties had previously provided DIP financing proposals and are two of the Applicants’ most significant stakeholders.

7. On April 25, 2014, Cash Store received a tax refund of approximately \$2.6 million. On May 2, 2014, Cash Store received a further tax refund of approximately \$5.9 million. Pursuant to the mandatory prepayment provisions of the initial Debtor-in-Possession loan facility (the “Initial DIP Facility”) entered into with the Initial DIP Lenders, the \$5.9 million tax refund has been paid to the Initial DIP Lenders as a partial repayment of the Initial DIP Facility. The \$2.6 million tax refund is currently being held in a segregated Cash Store account, subject to only my signature to withdraw funds. This amount will be transferred to the Initial DIP Lenders on May 9, 2014.

8. The Initial DIP Facility provided for borrowings of \$8.5 million. The cash flow projections attached to the affidavit of Steven Carlstrom, sworn April 14, 2014 (the “Carlstrom

Affidavit”), forecasted that Cash Store would need more liquidity than was available under the Initial DIP Facility by May 2, 2014. After the agreement in principle between the Initial DIP Lenders and the Ad Hoc Committee was reached on April 24, 2014 and, in light of the receipt of tax refunds and cash previously being held back by DC Bank, the Applicants, in consultation with the Monitor, determined that they could manage their cash to allow the parties to document the Amended DIP Facility and seek court-approval of same on May 13, 2014. The term sheet for the Amended DIP Facility continued to be negotiated and documented.

9. In the afternoon of May 8, 2014, the President and CEO of DirectCash Payments Inc. (“DCPI”) sent a proposed debtor-in-possession (the “New DIP Facility”) term sheet to me and the Monitor. As stated in the Carlstrom Affidavit, DCPI is a third party service provider to Cash Store with respect to prepaid debit and credit cards. I understand that DCPI is related to DC Bank, which offers bank accounts to Cash Store’s customers and receives and processes the repayment of loans from certain of Cash Store’s customers. In consultation with my legal and financial advisors and the Monitor, I am evaluating the New DIP Facility.

10. The Amended DIP Facility and the New DIP Facility both provide liquidity in an amount that should be sufficient to allow Cash Store to operate during the proposed extended Stay Period. Cash Store will require further DIP financing in order to run a sale process in an effort to maximize enterprise value for stakeholders. Based on current cash flow projections, Cash Store does not require additional DIP financing until at least May 16, 2014. Absent an injection of cash, Cash Store will be forced to shut down its operations, with a significant loss of employment and disruption to those who rely on its services. Cash Store intends to seek approval of additional DIP financing in the near term.

Key Employee Retention Plan

11. In an effort to preserve enterprise value and ensure the continued participation of certain of Cash Store's key employees in the business and the restructuring, Cash Store is developing a KERP in consultation with the Monitor. The purpose of the KERP is to provide the participants thereunder (the "KERP Participants") with payments as incentives to continue their employment with Cash Store during the CCAA proceeding.

12. The terms and details of the KERP are still being finalized; however, the intention is that Cash Store's key employees in Finance, Human Resources, Marketing, and other aspects of Cash Store's business which require unique skill sets will be KERP Participants. All of the KERP Participants which are being considered either possess specialized expertise with respect to Cash Store's business operations or are critical for a successful restructuring of Cash Store's business, including initiatives taken to date.

13. In light of the insolvency filing made by Cash Store, it is likely that the anticipated KERP Participants will consider other employment options if the proposed KERP is not granted and secured by the KERP Charge (discussed below). Doing so will undoubtedly distract from the restructuring process that is underway. It would be extremely difficult at this stage of the restructuring process to find adequate replacements for these employees.

14. KERP payments for all KERP Participants would be payable upon the completion of a Plan of Arrangement, 30 days after the sale of Cash Store's business, or in respect of an assignment in bankruptcy or the appointment of a receiver by Cash Store. The

maximum amount of the KERP would not exceed \$400,000. Cash Store is seeking a charge over Cash Store's Property (the "KERP Charge") to secure the amounts that will be payable under the KERP. Such charge would have priority over all other security interests, charges and liens other than the Administration Charge, up to a maximum of \$1.25 million of the Director's Charge, the DIP Priority Charge and the TPL Charge (as defined in the Initial Order).

15. It is my belief that the KERP will provide appropriate incentives for the KERP Participants to remain in their current positions and will also ensure that they are properly compensated for their assistance in the restructuring process.

Stay Extension

16. The Applicants were granted protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), pursuant to the Initial Order. The Initial Order granted, *inter alia*, a stay of proceedings (the "Stay Period") until May 14, 2014, or such later date as this Honourable Court may order.

17. The Applicants have been proceeding in good faith and with due diligence to effect a restructuring under the CCAA, and in particular a going concern sale transaction. In addition to the steps outlined in the First Aziz Affidavit, I have:

- (a) Participated in further negotiations with the Ad Hoc Committee and the Initial DIP Lenders regarding the Amended DIP Facility, including meeting with representatives of these groups to provide an overview of my initial review of the business;
- (b) Attended additional management meetings in Edmonton;

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- (c) Participated in comprehensive discussions regarding Cash Store's business and its cash flows with members of senior management and its financial advisors;
- (d) Worked with Rothschild to develop a sales process for the business;
- (e) Met with the Manitoba regulator to discuss Cash Store's business in Manitoba;
- (f) Instructed the Chief Compliance and Regulatory Officer to contact regulators in Ontario, Nova Scotia, British Columbia, Saskatchewan and Alberta to arrange meetings as soon as possible to discuss the business of the Cash Store in each jurisdiction;
- (g) Participated in in-depth discussions regarding the legal and economic viability of Cash Store's brokered loan business in unregulated jurisdictions with the Chief Compliance and Regulatory Officer, the Monitor, its counsel and my counsel; and
- (h) Consulted with the Monitor to plan the future path of Cash Store's business.

18. On April 29, 2014, Rothschild sent a letter to interested parties requesting non-binding offers for the sale of Cash Store by May 23, 2014. Pursuant to paragraph 11(d) of the Initial Order, the Monitor consented to the extension of the date to receive initial offers from May 15, 2014 to May 23, 2014. The initial sales process letter is attached as Exhibit "B".

19. It is my belief that it is appropriate to extend the stay period to June 17, 2014 and that the Applicants have acted and continue to act in good faith and with due diligence in these CCAA Proceedings. Should one of the potential DIP Facilities be agreed to by the Applicants and ultimately approved by the Court, it is forecast that the Applicants will have sufficient liquidity to continue operations during the proposed stay extension period. To the extent that

one of the DIP Facilities has not been finalized prior to the return date of this motion, the Applicants anticipate seeking a shorter extension of the Stay Period at that time.

20. Extending the Stay Period will allow the Applicants to continue to work toward the sale of the business. An extension of the Stay Period will also allow the Applicants to continue to deal with other matters inherent in the proposed restructuring, all in consultation with the Monitor, with the objective of obtaining the best possible result for a restructuring for the benefit of all stakeholders. It is my understanding that the extension of the Stay Period to June 17, 2014 is supported by the Ad Hoc Committee, the Initial DIP Lenders, and the Monitor.

The Cessation of Cash Store's Brokered Loan Business

(a) Cash Store's Direct and Brokered Lending Business

21. As is explained in greater detail in the Carlstrom Affidavit, Cash Store currently operates under two major business models: the direct lending business and the brokered lending business.

22. Cash Store acts as a direct payday lender (as opposed to a broker) in Alberta, British Columbia, Nova Scotia, and Saskatchewan (the "Direct Lending Provinces"). These provinces have payday loan legislation which allows for licensed payday lenders to make loans to customers without being subject to criminal interest rate legislation.

23. In New Brunswick, Newfoundland, Northwest Territories, Prince Edward Island and the Yukon Territory (the "Unregulated Provinces"), where payday loan legislation has not yet been enacted, Cash Store acts as a broker or intermediary on behalf of its customers, with third party lenders ("TPLs") acting as lenders. If a customer's eligibility for a loan is established,

the customer completes the TPL loan documentation and Cash Store makes the advance. Cash Store earns fees on brokered loan transactions.

24. Cash Store previously operated under the brokered loan model in Ontario and currently operates under the brokered loan model in Manitoba. Both of these provinces have enacted payday loan legislation. TPLs provided funds to Cash Store to support the brokered line of credit products offered in these provinces, which are then arranged by Cash Store in exchange for fees. Cash Store has previously taken the position that the brokered line of credit product offered in these provinces was not subject to provincial payday loan regulations.

25. As set out in the Carlstrom Affidavit, on February 12, 2014, the Ontario Superior Court of Justice concluded that Cash Store's basic line of credit product is subject to the *Payday Loans Act (Ontario)* and ordered that Cash Store be prohibited from acting as a loan broker in respect of such products without a broker's licence. Cash Store subsequently appealed this decision. After consultation with Cash Store's Chief Regulatory and Compliance Officer and Cash Store's litigation counsel, I instructed counsel to abandon the appeal of the decision.

26. As of February 12, 2014, the brokered line of credit product was discontinued in Ontario and no lending activity is currently occurring in Ontario due to issues regarding compliance with regulatory requirements (as discussed in detail in the Carlstrom Affidavit). I am advised by the Chief Compliance and Regulatory Officer and believe that the Ontario regulator has taken the position that Cash Store may not actively take steps to request, require or suggest that customers pay amounts owing under the brokered line of credit products until the maturity date of the line of credit. I am advised by the Chief Compliance and Regulatory Officer and believe that the Ontario regulator's statements would apply equally to a TPL or third party collection agency seeking to collect amounts owing under the brokered line of credit

products. As such, Cash Store's locations in Ontario remain open to receive brokered loan receivables but its ability to collect on Ontario brokered loans has been curtailed.

27. Additionally, new legislation in Manitoba will take effect in late 2014 or early 2015 that will prevent Cash Store from operating its current form of brokered loan business in Manitoba.

28. The chart below sets out the approximate percentage of Cash Store's (i) total revenue in Canada in FY 2013 and (ii) current number of branches in Canada, for Ontario, Manitoba, the Unregulated Provinces, and the Direct Lending Provinces.

Province	Total Revenue as % of Total	Number of Braches as % of Total
Ontario	33%	35%
Manitoba	6%	5%
Unregulated Provinces	7%	6%
Direct Lending Provinces	54%	54%

(b) Decision to Discontinue Brokered Loan Business

29. I have determined, in consultation with the Monitor, that it is necessary and appropriate to implement an orderly cessation of the brokered loan business and cease brokering new loans. I consulted extensively with the Chief Regulatory and Compliance Officer, my legal and financial advisors, Cash Store's senior management, and the Monitor in coming to this conclusion.

30. The reasons for discontinuing the brokered loan business include the following:
- (a) Cash Store has stopped offering the brokered loan line of credit in Ontario and Cash Store cannot be compliant with the anticipated Manitoba legislation by year end based on its current operating model in brokered loans. The remaining brokered loan business in Unregulated Provinces will be small (approximately \$110,000 in profit per month before corporate overhead). It remains Cash Store's intention to take steps to attempt to obtain a payday lending license in Ontario and to transition the Manitoba operations from a brokered loan model to a payday lending model. We are discussing this with regulators.
 - (b) Certain of Cash Store's secured creditors have indicated that they do not support Cash Store continuing to make voluntary retention payments to the TPLs.
 - (c) I am advised by my counsel and believe that there is a material risk that the brokered loan model is not legally defensible under the criminal interest rate provisions of the Criminal Code.
 - (d) Continuation of the brokered loan business requires funding. The provider of the substantial majority of the funds being deployed in the provinces where this business is still being conducted, Trimor, is seeking the return of funds invested by it and appears to be unwilling to support the brokered loan business.
 - (e) Cash Store is expending, and will likely need to keep expending, a great deal of management and advisor time and incurring significant costs in dealing with its ability to use the TPL investment to make brokered loans. This time and cost is disproportionate to the future value of the brokered loan business.

31. On May 6, 2014, communications were made to the Ad Hoc Committee and the Initial DIP Lenders and their counsel that I, in consultation with the Monitor, had determined that Cash Store should immediately cease to make new brokered loans in all jurisdictions. The Ad Hoc Committee and the Initial DIP Lenders through their counsel subsequently advised that they do not oppose this decision.

32. On May 8, 2014, the Monitor and I discussed the cessation of the brokered loan business with Cash Store's CEO. I instructed the CEO to prepare plans for the immediate cessation of the brokered lending business of Cash Store in all jurisdictions where it is currently carried on by Cash Store.

33. Under my direction, and in consultation with the Monitor, Cash Store will begin to implement an orderly cessation of the brokered loan business and cease offering new brokered loans.

(c) Funds Received from Brokered Loans will be Segregated

34. As a result of discussions that I or my advisors have had with the Ad Hoc Committee, the Initial DIP Lenders, Trimor, McCann (defined below) and others or their advisors, I understand that many parties may assert legal entitlements, including proprietary entitlements, to the outstanding brokered loans and any amounts received with respect to these brokered loans. I have read Trimor's Notice of Motion dated May 5, 2014 and understand that Trimor wishes to transfer the administration of its loan portfolio to another service provider. I have also read the notice of motion of 0678786 B.C. Ltd. (formerly the McCann Family Holding Corporation) ("McCann"), dated May 7, 2014, which also seeks this relief. However,

pursuant to section 6.4(b) of Trimor and McCann's Broker Agreements (Exhibits "G" and "H" to the Carlstrom Affidavit), Cash Store is only required to effect such a transfer upon the end of the Term of the Broker Agreement.

35. Furthermore, I am advised by Rothschild and believe that the Cash Store customer list is a valuable asset of Cash Store and that allowing a TPL to transfer the administration of its loan portfolio would erode the value of Cash Store's saleable assets. As CRO, it is my belief that allowing a TPL to transfer the administration of its loan portfolio to another service provider could materially impair the potential value of a going concern transaction to Cash Store and could cause material prejudice to Cash Store and its stakeholders.

36. Given the above considerations, it is intended that Cash Store will continue to receive payments from customers of the principal and interest as outstanding brokered loans come due in Manitoba and the Unregulated Provinces. In Ontario, Cash Store's operations will continue and the company will continue to receive any payments made by customers of the principal on outstanding brokered loans. However, Cash Store will not make any active efforts to collect brokered loans in Ontario until after they mature in order to comply with the Ontario Regulator's position on this issue. In Manitoba and the Unregulated Provinces, it is proposed that Cash Store will take reasonable steps to collect all brokered loans as they come due and past due brokered loans.

37. It is proposed that Cash Store will deposit all funds received from brokered loan receivables in a segregated Cash Store bank account. Cash Store will not use these funds for any purpose, but will maintain them in this separate account until various stakeholders' legal entitlement to these funds is determined upon further Order of the Court. This process would be undertaken under the continued supervision of myself and the Monitor.

38. As Cash Store is not a registered collections agency, it was previously Cash Store's practice to purchase brokered loans (in a non-cash transaction) that were past due from TPLs in order to be able to collect outstanding amounts in Ontario and Manitoba. It is proposed that Cash Store be authorized, under my supervision and the supervision of the Monitor, to take all reasonable steps to effect the receipt of outstanding brokered loan receivables in a manner that preserves, to the extent possible, the value of the receivables and the goodwill of the business. In addition, allowing Trimor or McCann to appoint an agent to collect its receivables would pre-determine the ultimate dispute between the company's stakeholders as to who is entitled to receive the receivables generated from the brokered loans. It is my view as CRO that Cash Store must be allowed to continue to receive the brokered loans and to then segregate them pending the ultimate determination of rights by the Court. As Cash Store is in the process of implementing an orderly cessation of its brokered loan business, none of the TPL Funds will be used to broker new loans or for any other purpose.

(d) **Cost of Collection**

39. Cash Store continues to incur costs to run branches in Ontario for the sole purpose of receiving amounts in respect of outstanding brokered loans. It will also incur similar costs in Manitoba (during the anticipated transition period to a payday lending business) and in the Unregulated Provinces without the benefit of obtaining revenue from additional brokered loans.

40. I am advised by Cash Store's financial advisor and I believe that the below chart sets out the total branch expenses for the brokered loan provinces (Ontario, Manitoba, and the Unregulated Provinces) for the months of March and April 2014.

- 15 -

	March 2014	April 2014
Salaries & Benefits	\$ 1,794,492	\$ 1,165,779
Selling, General & Administrative	\$ 784,914	\$ 784,914
Rent	\$ 634,123	\$ 634,123
Depreciation of Assets	\$ 252,437	\$ 252,437
Total Branch Expenses	\$ 3,465,965	\$ 2,837,252

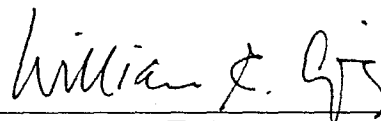
41. The decrease in branch expenses from March to April is due to the temporary layoff of approximately 250 Ontario employees. The above branch expenses do not include any indirect costs such as salary or overhead costs for regional managers. They also do not include regional selling, general, and administrative ("SG&A") costs as well as any corporate overhead costs.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario this 9th day of May, 2014.



COMMISSIONER FOR TAKING AFFIDAVITS

Kevin Sachar



WILLIAM E. AZIZ

**THIS IS EXHIBIT "A" TO THE AFFIDAVIT
OF WILLIAM E. AZIZ SWORN BEFORE ME
ON THIS DAY OF MAY, 2014.**



A commissioner for taking Affidavits

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

**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., 1693926
ALBERTA LTD. DOING BUSINESS AS "THE TITLE STORE"

APPLICANTS

AFFIDAVIT OF WILLIAM E. AZIZ

(Sworn April ²⁸~~27~~, 2014)

I, William E. Aziz, of the Town of Oakville, in the Province of Ontario, MAKE
OATH AND SAY:

Introduction

1. This Affidavit is made to inform the Court of certain of my activities since my appointment as Chief Restructuring Officer ("CRO") of The Cash Store Financial Services, Inc. ("Cash Store Financial") and its affiliated companies 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 "Cash Store" or the "Applicants"). It is also made in support of the proposed adjournment of the comeback hearing from April 28, 2014 to May 5, 2014.

- 2 -

2. I am the President of Blue Tree Advisors Inc. (“Blue Tree”), which has been retained by Cash Store Financial to provide my services as CRO to Cash Store. I was retained pursuant to an Engagement Letter dated April 14, 2014.

3. Blue Tree was appointed as CRO of the Applicants pursuant to paragraph 23 of the Amended and Restated Initial Order of Justice Morawetz dated April 15, 2014 (the “Initial Order”).

4. Subsequent to the date of the Initial Order, the special committee of the board of directors of Cash Store Financial (the “Special Committee”) disbanded, and the members of the Special Committee resigned from the board of directors. A copy of the press release announcing the resignation of the members of the Special Committee and my appointment as CRO is attached as Exhibit “A”.

5. As Cash Store’s CRO, and in accordance with the Initial Order, I have the authority to direct the operations and management of Cash Store and its restructuring, and Cash Store’s officers (including its executive management team) report to me. As such, I have personal knowledge of the matters deposed to herein, except where otherwise stated. I have spoken with certain of the directors, officers, advisors and/or employees of Cash Store, as necessary, and where I have relied on information from such discussions, I believe such information to be true.

Efforts to Negotiate Consensual DIP Financing

6. Upon my appointment as CRO, I consulted with FTI Consulting Canada, Inc. (the “Monitor”) and Rothschild Inc. (“Rothschild”), Cash Store’s financial advisor, to become

- 3 -

apprised of the current state of Cash Store's affairs and to begin planning the immediate steps necessary to stabilize Cash Store's liquidity position as part of these proceedings. I promptly engaged with Rothschild and the Monitor to develop a process to solicit further interim financing proposals and seek court approval for a new Debtor-in-Possession loan (the "New DIP Facility"). These actions were necessary as (i) the Initial Order established the date for the comeback hearing as April 28, 2014; (ii) Cash Store's cash flow projections demonstrated an additional cash need during the week ending May 2, 2014; and (iii) the DIP facility approved in the Initial Order (the "Initial DIP Facility") matured on the date of the comeback hearing.

7. Since my appointment as CRO, I have worked with the Monitor and engaged with counsel to both of the Initial DIP Facility lenders and to the *Ad Hoc* Committee of Noteholders (the "Noteholders") with a view to reaching a consensual and cooperative agreement with respect to additional and/or replacement DIP financing from the two stakeholder groups that had originally offered to provide DIP financing to the Applicants.

8. On April 22, 2014, the Monitor and I met with counsel for the Noteholders, and on April 23, 2014, the Monitor and I met with counsel for Coliseum Capital Management ("Coliseum" or the "Initial DIP Facility Lender") to discuss a potential resolution of Cash Store's financing needs whereby the parties would work together rather than at odds. I have had further conversations with both parties subsequent to these initial meetings.

9. On April 23, 2014, Rothschild sent emails to the Noteholders and Coliseum reminding them that, while the parties were seeking a consensual resolution, in the event that a consensual resolution was not achieved, Cash Store would need to receive the "best and final" proposals from interested parties by no later than noon on Thursday, April 24, 2014. Attached to

- 4 -

both emails was a copy of the Cash Store's cash flow projections. A copy of the April 23, 2014 emails to the Noteholders and Coliseum are attached as Exhibits "B" and "C".

10. On April 24, 2014, on my direction, my counsel sent a letter to the Service List explaining that the parties were in discussions regarding Cash Store's financing needs and that Cash Store anticipated seeking approval for a DIP financing proposal at the comeback hearing on Monday, April 28, 2014. The letter specified that Cash Store anticipated that it would be seeking a priming charge in respect of the New DIP Facility with priority equal to the current DIP Priority Charge (as defined in the Initial Order). A copy of the April 24, 2014 letter is attached as Exhibit "D".

11. Later in the day on April 24, 2014, an agreement in principle was reached with the Noteholders and Coliseum to provide jointly funded and governed debtor-in-possession financing to the Applicants.

12. The Noteholders, Coliseum, and Cash Store have determined that it would be best to seek approval of the consensual New DIP Facility on May 5, 2014 rather than on April 28, 2014 in order to provide the parties with sufficient time to document the agreement in principle. This determination was supported by the fact that the Applicants could manage their cash to allow for a week's delay in approving the New DIP Facility. The Initial DIP Facility Lender also agreed to extend the maturity date of the Initial DIP Facility to May 5, 2014.

13. The Monitor subsequently sent a letter on April 25, 2014 to the Service List stating that the motion for approval of the New DIP Facility would be heard on May 5, 2014 and that any other relief sought in relation to the Initial Order comeback hearing should be sought on May 5, 2014 as well. A copy of the Monitor's letter of April 25, 2014 is attached as Exhibit "E".

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Third Party Lender Issues

14. Since my appointment as CRO, I have also taken steps to inform myself with respect to the business of Cash Store and its relationship with its Third Party Lenders (“TPLs”).

15. On April 15, 2014, I participated in discussions with counsel for Trimor Annuity Focus LP #5 (“Trimor”), one of the TPLs, which included negotiations regarding the TPL protections provided in the Initial Order.

16. On April 16, 2014 I met with Cash Store’s Chief Compliance and Regulatory Officer to begin familiarizing myself with the regulatory issues facing Cash Store.

17. Further, I attended the cross-examination of Steve Carlstrom by counsel for 0678786 B.C. Ltd. (formerly the McCann Family Holding Corporation) (“067”) held on April 22, 2014.

18. On April 24 and 25, 2014, I attended meetings with Cash Store’s senior management and Chief Executive Officer in Edmonton

19. In the afternoon on Friday, April 25, 2014, I received a copy a factum delivered by 067 and a draft report of PricewaterhouseCoopers Inc. entitled “Review of Funds owing to Trimor and 0678786” delivered by counsel for Trimor which was provided to be used as evidence at a hearing. I am advised by counsel that the factum provided for the first time the nature of the relief sought by 067. The relief being sought is wide-ranging and the factum contains serious allegations against Cash Store. Counsel for 067 also informed the Service List that 067 intended to seek the relief set out in its factum at the Monday comeback hearing and that it did not consent to an adjournment to May 5, 2014.

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20. I am of the view that there was not sufficient time for me in my capacity as a Court Officer to properly consider the matters set out in the factum and to provide a proper response before the comeback hearing scheduled for the morning of April 28, 2014. I agree with the Monitor's view that any relief sought in relation to the Initial Order comeback hearing should be dealt with on May 5, 2014 (or such other date that the Court deems appropriate after that date), given the need to provide sufficient notice to the Court, and in order to allow Cash Store and its stakeholders the opportunity to consider and properly respond to matters. I instructed my counsel to send an email in response to the late served materials, outlining my position on these matters. A copy of the email sent to the Service List is attached as Exhibit "F".

21. It is my intention to sit down with the TPLs as soon as possible, and I am aware that the Monitor is attempting to arrange a meeting with certain TPLs, other stakeholders, and me for early this week to discuss issues relating to the TPLs. If we are unable to resolve the TPL issues, it is my intention to seek a reasonable court ordered timetable to resolve the issues in a timely manner.

Other Matters

22. On April 24, 2014, Cash Store Financial announced that its common shares will be delisted from the Toronto Stock Exchange ("TSX") effective May 23, 2014 for failure by Cash Store Financial to meet the continued listing requirements of the TSX and, specifically, as a result of the company seeking and obtaining the Initial Order granting creditor protection under the *Companies' Creditors Arrangement Act*. A copy of the press release announcing the delisting is attached as Exhibit "G".

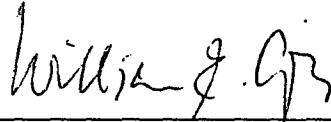
SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario this

26th day of April, 2014.



COMMISSIONER FOR TAKING AFFIDAVITS

Kevin Secker



WILLIAM E. AZIZ

**THIS IS EXHIBIT "B" TO THE AFFIDAVIT
OF WILLIAM E. AZIZ SWORN BEFORE ME
ON THIS DAY OF MAY, 2014.**



A commissioner for taking Affidavits

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PERSONAL AND CONFIDENTIAL

April 29, 2014



Dear 

On behalf of The Cash Store Financial Services Inc. and its subsidiaries ("The Cash Store" or the "Company"), we would like to thank you for the interest you have expressed in connection with the possible acquisition of all or part of the Company or its business and assets (the "Transaction"). Rothschild Inc. ("Rothschild") has been engaged by The Cash Store to act as investment banker in connection with the Transaction. Given the Company's recent filing for protection under the Companies' Creditors Arrangement Act ("CCAA"), the sale process will be conducted by Rothschild in consultation with FTI Consulting Canada Inc. (the "Monitor") and Mr. Bill Aziz, the chief restructuring officer, and subject to any applicable orders in the CCAA proceedings. On behalf of the Company, we are writing to confirm certain details regarding the process, as outlined below.

Based on the business plan and other diligence information contained in the Company's virtual dataroom as well as certain supplemental information that may be provided by the Company or Rothschild at their sole discretion, prospective interested parties are requested to submit written preliminary indications of interest to Rothschild no later than 5:00 p.m. Eastern Standard Time on May 23, 2014 (the "Proposal"). It should be noted that the Company and Rothschild do not anticipate providing access to management until Phase II of the process.

PHASE I: FIRST ROUND NON BINDING OFFER

Your Proposal must contain the following information:

- 1) **Identity of the Purchaser and its Affiliates:** Your Proposal should specify the identity of the purchaser, including the legal entity that would acquire the Company, the ultimate holding company, the identity of all key shareholders and any relevant history / experience in the business. Please confirm in the Proposal that you are acting as a principal and not as an agent or broker for any other party. Your Proposal should also disclose whether you or any of your representatives has, or within the last 24 months has had, any commercial relationship or dealings with the Company or any of its affiliated or associated entities and their respective directors and officers
- 2) **Proposed Transaction:** The summary terms of the Transaction, including, but not limited to:
 - a. Total purchase price and form of consideration for the proposed Transaction for the Company or selected assets of the Company on a cash and debt free basis (Enterprise Value). Please elaborate in detail on any deductions and additions you have considered for the evaluation of the purchase price for the equity of the Company (Equity Value).
 - b. Other financial implications of the Transaction to The Cash Store. The Proposal should describe in detail the assumptions that form the basis of the financial implications to The Cash Store, such as expense savings from future lease obligations and future employee costs
 - c. Structure, terms and conditions of the Transaction

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- d. Evidence of financial wherewithal to close the transaction, including your cash balances as of the most recent month end as well as availability under existing credit facilities
 - e. Other economic matters to the extent relevant
- 3) **Due Diligence:** A description of the due diligence you need to conduct including a list of any due diligence items you need to review or confirm in order for you to enter into a definitive agreement and the timeframe you require to close such proposed Transaction
 - 4) **Material Conditions:** A list of any other material conditions, if any, to which the consummation of the proposed Transaction would be subject
 - 5) **Key Assumptions:** A description of any significant assumptions on which your Proposal has been based
 - 6) **Sources of Financing:** Your Proposal must include an indication (with as much specificity as possible) of your expected sources of funds (including the amounts of debt and equity financing necessary to fund the Transaction together with the indications from any third party sources of their commitment to provide such funds) and the steps required (and anticipated timing) to obtain definitive funding commitments. If the purchaser will be a newly formed entity, please identify the entity or entities that will provide backstops in the form of a guarantee and/or equity commitment letter and describe the nature of such arrangement(s)
 - 7) **Required Approvals & Timing:** The level of review, authorization and approval within your organization that the potential Transaction has received to date and an indication of any anticipated need (and associated timing) for further corporate, shareholder, or regulatory authorization, approvals and waivers and any other material conditions or time constraints related to closing. Please provide an estimate of the aggregate timing you would require to secure any necessary financing, complete your due diligence, obtain any necessary approvals and close a Transaction
 - 8) **Prior Investments / Acquisitions:** Speed and certainty of closing are very important to the Company. Your Proposal should include a description of material investments / acquisitions you have completed over the last five years as further evidence of your capability to close the Transaction in a timely fashion. If you intend to use external financing sources for this Transaction, please indicate if you used external financing sources on the earlier transactions, what your sources were and the timing required to secure such financing
 - 9) **Advisors:** A list of all financial, legal and other advisors you have retained or plan to retain in connection with this opportunity
 - 10) **Information Requested by the Monitor:** Any additional information as may be reasonably requested by the Monitor, in consultation with Rothschild, Mr. Aziz and the Company
 - 11) **Contacts:** A list of contacts (including mailing and e-mail addresses and phone and fax numbers) who would be involved in further due diligence and with whom we may discuss your Proposal, including individuals employed by you and any financial and legal advisors

Proposals should be addressed to The Cash Store, in care of:

<p>Neil Augustine Executive Vice Chairman Tel: +1 (212) 403-5411 neil.augustine@rothschild.com</p>	<p>Bernard Douton Managing Director Tel: +1 (212) 403-5254 bernard.douton@rothschild.com</p>	<p>Alexander Svoyskiy Vice President Tel: +1 (212) 403-3577 alexander.svoyskiy@rothschild.com</p>
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PHASE II: SELECTION OF FINAL INTERESTED PARTIES, DUE DILIGENCE AND DELIVERY OF PURCHASE AND SALE AGREEMENT

Based upon a review of the Proposals and discussions with interested parties, the Company may select a party or parties to move forward into Phase II of the process. Potential interested parties who are invited to participate in Phase II of the process will be provided with the opportunity to conduct detailed due diligence, including access to The Cash Store facilities, access to the Company's senior management as well as access to additional information as needed to complete an evaluation of a Transaction. Additionally, potential interested parties will be provided with a form of the Sale and Purchase Agreement. Upon completion of due diligence, potential interested parties will be asked to submit a final binding offer ("Final Offer") for the proposed Transaction including a markup of the form of Sale and Purchase Agreement along with a deposit.

Key dates for Phase II will be set out in an additional letter but are currently anticipated to be on or about:

- May 29, 2014: Selection of interested parties advancing to Phase II
- May 30, 2014 – July 11, 2014: Phase II due diligence
- June 2, 2014 – June 13, 2014: Management presentations
- July 11, 2014: Binding proposals due

Although the foregoing reflects the Company's current intentions concerning the Transaction, the Company and Rothschild reserve the right to consider any and all factors in determining which potential interested party is invited to participate in any stage of the process, to alter the process (including the timeline) at any time and in any manner, to terminate, modify or suspend discussions with any or all potential interested parties, to negotiate with any potential interested party with respect to any potential Transaction involving the Company, and to consummate any such Transaction without prior notice to you or the other potential parties to a Transaction. The sale process will also be subject to any applicable court orders made in the CCAA proceedings, including court approval of the Transaction.

All discussions regarding a formal offer should be directed through Rothschild. Under no circumstances should the management or any stakeholder of the Company be contacted directly. Any unauthorized contact could result in exclusion from this process.

This letter does not constitute or form part of any offer for all or any part of the sale of the Company or its assets and no such offer shall exist unless and until definitive agreements have been executed and delivered by the Company and its selected interested party.

You are responsible for all costs, expenses and liabilities incurred by you in connection with the submission of your Proposal, your due diligence activities, and any further negotiations or other actions whether or not they lead to the submission of a Final Offer for the Company or consummation of the Transaction.

The Company reserves the right to amend any confidential information, whether written material furnished or information orally transmitted to a prospective interested party.

The Company, Mr. Aziz, Rothschild, and the Monitor make no representation or warranty as to (i) the information contained in the Company's virtual dataroom, (ii) any supplemental information that may be provided by the Company or Rothschild at their sole discretion, (iii) any information provided through the due diligence process in Phase I or Phase II, or (iv) any information otherwise made available, except to the extent expressly contemplated in any definitive sale agreement with a successful bidder executed and delivered by the Company.

You are reminded that you continue to be bound by the terms of the Confidentiality Agreement you have signed, irrespective of whether a Proposal is submitted or, once submitted, is pursued to a subsequent stage of discussion. The terms of the Confidentiality Agreement which you have already signed apply to

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this letter and the information contained in it.

Rothschild is available throughout the process to assist you in your evaluation of a Transaction. If you have any questions, please feel free to contact the following Rothschild professionals:

Rothschild Inc.
1251 Avenue of the Americas,
New York, NY 10020
Telephone: (212) 403-3500
Fax: (212) 403-5213

Neil Augustine
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+1 (212) 403-5411
neil.augustine@rothschild.com

Bernard Douton
Managing Director
+1 (212) 403-5254
bernard.douton@rothschild.com

Alexander Svoyskiy
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On behalf of The Cash Store, we would like to thank you again for your interest and we look forward to discussing this opportunity further with you.

Very truly yours,

Neil Augustine
Bernard Douton
Alexander Svoyskiy

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

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

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., 1693926 Alberta Ltd. doing business as "The Title Store"

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

AFFIDAVIT OF WILLIAM E. AZIZ

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Tab 3

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE REGIONAL)	TUESDAY, THE 14 TH
)	
SENIOR JUSTICE MORAWETZ)	DAY OF MAY, 2014

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., 1693926
ALBERTA LTD. DOING BUSINESS AS "THE TITLE STORE"

APPLICANTS

ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of William E. Aziz sworn May 9, 2014 and the Exhibits thereto (the "**Second Aziz Affidavit**"), and on hearing the submissions of counsel for the Chief Restructuring Officer ("**CRO**"), the DIP Lenders, the Monitor, the Ad Hoc Committee, Trimor Annuity Focus LP #5, McCann Family Holding Corporation, and such other counsel present, no other person appearing although duly served as appears from the affidavit of service of Karin Sachar sworn May 9, 2014.

Draft

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

EXTENDING STAY

2. THIS COURT ORDERS that the Stay Period provided in the Amended and Restated Initial Order dated April 15, 2014 be extended until and including June 17, 2014, or such later date as this Court may order.

KEY EMPLOYEE RETENTION PLAN

3. THIS COURT ORDERS that the Maximum Amount (as defined below) in respect of the Key Employee Retention Plan (the “**KERP**”) described in the Second Aziz Affidavit is hereby approved and the CRO, in consultation with the Monitor, is hereby authorized to implement and finalize the terms of the KERP.

4. THIS COURT ORDERS that the KERP Participants (as defined in the Second Aziz Affidavit) shall be entitled to the benefit of and are hereby granted a charge (the “**KERP Charge**”) on the Property (as defined in the Amended and Restated Initial Order and as amended by the Order granting Additional TPL Protections dated April 30, 2014), which charge shall not exceed \$400,000, to secure amounts owing to the KERP Participants under the KERP.

AMENDMENTS TO AMENDED AND RESTATED INITIAL ORDER

5. THIS COURT ORDERS that (a) the KERP Charge shall be included in the definition of “Charges” set out in paragraph 54 of the Amended and Restated Initial Order; (b) the KERP Charge shall be included in the list of Charges contained in paragraphs 56 and 57 of the Amended and Restated Initial Order; and (c) the KERP Participants shall be included in the definition of “Chargees” set out in paragraph 57 of the Amended and Restated Initial Order and shall be entitled to all of the protection and benefits contained in the Amended and Restated Initial Order for “Charges” and “Chargees”.

Draft

6. THIS COURT ORDERS that paragraph 53 of the Amended and Restated Initial Order shall be deleted in its entirety and replaced by the following:

THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge, the DIP Priority Charge, the KERP Charge, and the TPL Charge as among them, shall be as follows:

First – Administration Charge;

Second – Directors' Charge (up to a maximum of \$1,250,000);

Third – DIP Priority Charge and the TPL Charge on a *pari passu* basis;

Fourth – KERP Charge;

Fifth – the liens securing obligations under the Credit Agreement;

Sixth – Directors' Charge (for the remaining amount of \$1,250,000) (the "Directors' Subordinated Charge").

CESSATION OF BROKERED LOAN BUSINESS

7. THIS COURT ORDERS that, notwithstanding any provision contained in the Amended and Restated Initial Order, the cessation of the Applicants' brokered loan business in all jurisdictions in which it is currently carried out is hereby approved and the CRO, in consultation with the Monitor, is hereby authorized to take all steps to conduct an orderly cessation of such business.

8. THIS COURT ORDERS that the Applicants are authorized to take all reasonable steps to effect the repayment of outstanding brokered loan receivables.

9. THIS COURT ORDERS AND DIRECTS that all amount received by the Applicants with respect to outstanding brokered loans, including the Post-Filing McCann Receipts, the Post-Filing Trimor Ontario Receipts, the Post-Filing Trimor Non-Ontario Receipts (all as defined in Additional TPL Protections Order dated April 30, 2014) be held in one or more separate bank accounts, separate and apart from the Applicants' operating or other accounts, until further Order of this Court.

GENERAL

10. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United Kingdom, or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

11. THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

Draft

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

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

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ORDER

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MOTION RECORD OF THE APPLICANTS

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