CITATION: The Cash Store Financial Services Inc. (Re), 2015 ONSC 7253
COURT FILE NO.: CV-14-10518-00CL
DATE: 2015-11-20

SUPERIOR COURT OF JUSTICE - ONTARIO

RE: 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 1511419 ONTARIO INC., FORMERLY KNOWN AS THE CASH STORE FINANCIAL SERVICES, 1545688 ALBERTA INC., FORMERLY KNOWN AS THE CASH STORE INC., 986301 ALBERTA INC., FORMERLY KNOWN AS TCS CASH STORE INC., 1152919 ALBERTA INC., FORMERLY KNOWN AS INSTALOANS INC., 7252331 CANADA INC., 5515433 MANITOBA INC., 1693926 ALBERTA LTD. doing business as "THE TITLE STORE"

BEFORE: Regional Senior Justice G. B. Morawetz

COUNSEL: *Jonathan Foreman and Lindsay Merrifield*, for the Ontario Consumers Class Action

James Harnum, Agent to Harrison Pensa

David Mann and Robert Kennedy, for DirectCash in CCAA Proceedings

Peter Griffin and Matthew Lerner, for Gordon Reykdal

Jeff Galway, for N. Bland

Mark Polley and Eric Brousseau, for National Money Mart Company

Andrew Faith and Jeff Haylock, for 1573568 Alberta Ltd.

Geoff R. Hall and *Stephen Fulton*, for the Monitor (FTI Consulting Canada Inc.)

Eric R. Hoaken, for DirectCash in Class Action Proceedings

Patrick Riesterer, for the Chief Restructuring Officer of the Applicants

Michael Byers, for Craig Warnock

Serge Khallughlian and Charles Wright, for the Ad Hoc Committee of Purchasers of Applicants' Securities, including the Plaintiff in the Ontario Securities Class Action ("Securities Plaintiffs")

Mary Margaret Fox, for ACE Insurance Company

Doug McInnis, for Axis Reinsurance Company

Brendan O'Neill and Carolyn Descours, for the Ad Hoc Committee of Noteholders

Rebecca Wise, for Albert Mondor, Michael Shaw, Ron Chicoyne, William Dunn and Robert Gibson

Ilan Ishai, for the McCann Entities

David Hoffner, U.S. Counsel for the Monitor in Chapter 14 Proceedings

Mark Mounteer

HEARD: November 19, 2015

ENDORSEMENT

[1] 1511419 Ontario Inc., formerly known as The Cash Store Financial Services Inc., and its affiliated companies, 1545688 Alberta Inc., formerly known as The Cash Store Inc., 986301 Alberta Inc., formerly known as TCS Cash Store Inc., 1152919 Alberta Inc., formerly known as Instaloans Inc., 7252331 Canada Inc., 5515433 Manitoba Inc., and 1693926 Alberta Ltd. doing business as "The Title Store" (collectively, the "Applicants" or "Cash Store") moved for an order (the "Plan Sanction Order") approving the plan of compromise or arrangement (including all Schedules thereto) dated October 6, 2015, concerning, affecting and involving the Applicants (the "Plan") pursuant to section 6 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as Amended (the "CCAA") and granting ancillary relief as set out in the proposed Sanction Order.

[2] After hearing oral submissions, I released the following endorsement:

"Dated: November 19, 2015

I am satisfied, having reviewed the record and hearing submissions that

(a) There has been compliance with all statutory requirements;

(b) Nothing has been done which has not been authorized by the CCAA; and

(c) The Plan is fair and reasonable.

The motion is granted and the Plan Sanction Order has been signed. Detailed reasons will follow. Confidential Appendix to Twenty-First Report to be sealed.

Geoff Morawetz, RSJ"

[3] These are the reasons.

[4] Counsel to the Chief Restructuring Officer filed a comprehensive factum. By way of introduction, counsel submits the Plan represents a fair and reasonable compromise with the Applicants secured creditors as evidenced by the overwhelming approval of the Plan by the Affected Creditors: The Senior Secured Lenders have voted unanimously in favour of the Plan and 102 Secured Noteholders with voting claims representing 88% in number and 93% in value of voting claims, have voted in favour of the Plan.

[5] In addition, counsel advises that the Plan is supported by the Monitor, the CRO, the Ad Hoc Committee, the Ontario Consumer Class Action Plaintiffs, the Western Canada Consumer Class Action Plaintiffs, the Ontario Securities Class Action Plaintiffs, DirectCash, the Directors and Officers represented by counsel in these CCAA proceedings (the "D & Os") and the Insurers, who are party to the series of global settlements that may be implemented in connection with the Plan, if approved by the CCAA court and the Class Action courts, and that will bring about significant additional recoveries for a broad range of stakeholders of the Applicants.

[6] Pursuant to the court-to-court protocol, the Consumer Class Action Plaintiffs and the Securities Class Action Plaintiffs simultaneously sought approval of the Settlements by the Class Action Court supervising each of the Class Actions involved in the Settlements. These Settlements were approved and will be the subject of separate endorsements.

[7] Counsel to the CRO also advises that the Monitor considered possible alternatives to the Plan, including liquidation or bankruptcy, and concluded that the Plan is the preferred alternative. The views of the Monitor are set out in the Twenty-First Report dated November 16, 2015. The evidence of the CRO is put forward in the Affidavit of William E. Aziz, sworn November 12, 2015.

[8] The Applicants were engaged in the alternative financial products and services business, providing alternative financial products and services to individuals across Canada, including Payday Loans in applicable jurisdictions, primarily through retail branches under the banners "Cash Store Financial", "Instaloans" and "The Title Store". The Applicants operated 509 retail branches across Canada.

[9] Mr. Aziz stated that Cash Store purported to operate primarily on a third party lender model, serving as a broker of Payday Loans from third party lenders to Payday Loans consumers. On January 31, 2012, Cash Store completed a note offering issuing $132.5 million in Senior Secured Notes, and used the proceeds of the note offering (as to $116.3 million) to purchase the loan book held by its lenders. After the note offering and the loan book acquisition were completed, Cash Store disclosed that the fair value of the loan portfolio acquired was much lower than the purchase price. Cash Store incurred $132.5 million plus interest in liabilities in order to acquire an asset subsequently valued at only $50 million. Mr. Aziz states that this was a financially devastating transaction for Cash Store, which materially contributed to its insolvency.

[10] Prior to applying for relief under the CCAA, the Applicants faced considerable regulatory challenges. On February 12, 2014, this court concluded that the Applicants' basic line of credit

product offered in Ontario (the "Ontario LOC Product") was subject to the *Payday Loans Act*, 2008, S.0 2008, Ch.9 ("The Payday Loans Act") and ordered that the Applicants were prohibited from acting as a loan broker in respect of the Ontario LOC Product without a broker's licence under The Payday Loans Act. On February 12, 2014, the Applicants ceased offering the Ontario LOC Product at all of their Ontario branches.

[11] On April 14, 2014, the Applicants sought and obtained protection from their creditors under the CCAA pursuant to an order of this court (the "Court" or the "CCAA Court") that was amended and restated on April 15, 2015 (the "Initial Order"). The Applicants sought CCAA protection due to immediate challenges to their continued operations based primarily upon regulatory issues affecting their core business, multiple class actions that had been filed against the Applicants requiring defence across Canada and the United States, and cash flow issues, all of which resulted in a significant deterioration of the Applicants' liquidity position and the need to file for creditor protection under the CCAA.

[12] Pursuant to the Initial Order, FTI Consulting Canada Inc. was appointed as Monitor (the "Monitor") of the Applicants in the CCAA proceedings (the "CCAA Proceedings") and William E. Aziz of Blue Tree Advisors Inc. was appointed as Chief Restructuring Officer ("CRO") of the Applicants in the CCAA Proceedings.

[13] At the commencement of the CCAA Proceedings, the Applicants were capitalized mainly by (i) a $12 million Senior Secured Credit Facility (the "Senior Secured Debt"); and (ii) $132.5 million of Second Lien Secured Notes (the "Secured Notes").

[14] Prior to the commencement of the CCAA Proceedings, Rothchild Inc. was retained by the Applicants to act as financial advisor and commenced a mergers and acquisitions process (the "Sale Process") to seek a sale of, or significant investment in the Applicants. The Sale Process continued during the CCAA Proceedings and resulted in a series of asset sale transactions with National Money Mart Company ("NMM"), easyfinancial Services Inc. ("easyfinancial") and CSF Asset Management Ltd. ("CSF Asset Management") pursuant to which the Applicants sold substantially all of their assets (the "Asset Sales"). The three Assets Sales were approved by orders of the CCAA Court on October 15, 2014, January 26, 2015 and April 15, 2015.

[15] The Asset Sales resulted in sales of substantially all of the Applicants' realizable assets and brought approximately $54.3 million into the estate. The proceeds of the Asset Sales (the "Asset Sale Proceeds") are currently held by the Monitor and the remaining Asset Sale Proceeds will be sufficient to pay (i) the remaining amounts outstanding under the DIP Credit Facility; and (ii) the First Lien Lenders in respect of the Senior Secured Debt (the "Senior Secured Lenders") but will not be sufficient to repay (iii) the holders of the Applicants' Second Lien Secured Notes (the "Secured Noteholders").

[16] Mr. Aziz advises that since the completion of the Asset Sales, the Applicants have been engaged in minimal ongoing operational activities with the focus of their efforts being on the orderly wind-down of the remaining business assets and the resolution of outstanding claims asserted (i) against the Applicants by various Stakeholders; and (ii) by the Applicants against certain third party defendants.

[17] Mr. Aziz also advises that during the course of the Applicants CCAA Proceedings, it became clear that the Applicants may have claims against certain of their former directors, officers, advisors and other third parties (the "Estate Claims").

[18] Mr. Aziz further advises that in order to pursue these claims, the Applicants retained litigation counsel, which retainer was approved by court order dated December 1, 2014. The Applicants have commenced a number of Estate Claims against the numbered third party defendants, certain of which have been resolved and certain of which have not been resolved and remain outstanding (the "Remaining Estate Claims"). Pursuant to the Plan, a litigation trustee with authority to instruct litigation counsel will be appointed in order to proceed with the prosecution of the Remaining Estate Claims.

[19] Mr. Aziz further advisees that at the time of the meetings order, certain of the remaining defendants in the Remaining Estate Claims (the "Remaining Defendants") raised certain concerns regarding the Plan and in particular the operation of the Pierringer Provisions under the Plan. These issues were resolved in the context of the amended form of the Plan that was submitted and approved under the Plan Filing Order granted by the Court on October 6, 2015, with the consent of the Remaining Defendants.

[20] Mr. Aziz describes in detail a number of settlement agreements. He advises that, together with the Ad Hoc Committee of Secured Noteholders (the "Ad Hoc Committee") and the Monitor, the Applicants were engaged in ongoing negotiations with various litigation claimants and other interested parties. These negotiations resulted in the following settlement agreements, details of which are set out in his Affidavit:

(a) The Priority Motion Settlement Agreement;

(b) The DirectCash Global Settlement Agreement; and

(c) The D & O/Insurer Global Settlement Agreement

(collectively, the "Settlement Agreements" and the "Settlements").

[21] Mr. Aziz further advises that the Settlement Agreements are supported by the Monitor and that the Settlement Agreements will increase the recoveries available to the Applicants' Stakeholders.

[22] Pursuant to the Settlement Agreements, the following additional recoveries became available:

(a) Under the Priority Motion Settlement – approximately $3.4 million;

(b) Under the DirectCash Global Settlement Agreement – approximately $14.5 million; and

(c) Under the D & O/Insurer Global Settlement Agreement – approximately $19 million.

[23] Mr. Aziz points out that it is a condition precedent to each of the Settlements that the Plan be approved and the sanction order be entered and, without the approval of the CCAA Court and the third party releases contemplated in exchange for the significant settlement payments and other consideration to be provided by the released parties, none of the Settlements can be implemented and the Estate cannot distribute the Asset Sales Proceeds or any other recoveries the Estate may have realized in the Settlements.

[24] If approved by the CCAA Court and the Class Action Courts, the Settlements will resolve 22 proceedings listed on Exhibit "D" of the Aziz Affidavit.

[25] The purpose of the Plan is to, among other things:

(a) Distribute the remaining proceeds of the Asset Sales (after giving effect to the Priority Motion Settlement) and any other available proceeds of the Applicants to the Applicants' Secured Creditors according to their priorities;

(b) Provide a central forum for the distribution of the Settlement Proceeds;

(c) Give effect to the third party releases contemplated for the released parties under the Settlement Agreements, in exchange for the settlement payments and other consideration to be provided by those parties under the Plan and the Settlement Agreements;

(d) Give effect to the full and final release and discharge of the affected creditor claims; and

(e) Position the CCAA Estate of the Applicants to continue to pursue the remaining Estate Claims.

[26] Mr. Aziz is of the view that the Plan provides for an orderly and timely distribution of the Applicants remaining assets.

[27] Pursuant to the Plan, each Senior Secured Lender with an allowed Senior Secured Credit Agreement Claim, being Coliseum and 8028702, shall receive payment in full of the outstanding principal owed to them plus interest, less certain amounts to be paid as part of the Settlements (the "Senior Lender Plan Payment").

[28] Each Secured Noteholder shall be entitled to its *pro rata* share of the Applicants cash on hand following the Secured Lender Plan Payment. Each Secured Noteholder shall also be entitled to its *pro rata* share of any proceeds recovered by the Applicants following the implementation of the Plan.

[29] On September 30, 2015, the court granted the Meetings Order (the "Meetings Order") which, among other things, approved the calling of meetings of the Applicants affected creditors (the "Meetings") for the purpose of voting on the Plan.

[30] The filing of the Plan was approved by court order dated October 6, 2015.

[31] At the Meetings held on November 10, 2015, the Senior Secured Lenders voted unanimously in favour of the Plan and 102 Secured Noteholders with voting claims representing 88% in number and 93% in value voted in favour of the Plan.

[32] Mr. Aziz states that it is the view of the Applicants and the Monitor that the Plan is fair and reasonable and ought to be approved in order to allow the Applicants to make the various distributions contemplated by the Plan and the Settlement Agreements to their Stakeholders as soon as possible. The Ad Hoc Committee and each of the Senior Secured Lenders support this position, as do each of the Ontario Consumer Class Action Plaintiffs, the Western Canada Consumer Class Action Plaintiffs and the Ontario Securities Class Action Plaintiffs.

[33] Pursuant to section 6(1) of the CCAA, the court has the discretion to sanction a plan of compromise or arrangement where the requisite double-majority of creditors has approved the Plan.

[34] The general requirements for court approval of a CCAA plan are well-established:

(a) There must be strict compliance with all statutory requirements;

(b) All materials filed and procedures carried out must be examined to determine if anything has been done or purported to have been done which is not authorized by the CCAA; and

(c) The plan must be fair and reasonable.

(See: *Canadian Airlines Corp. (Re)* (2000), 20 C.B.R. (4th) 1 ALTA Q.B. ("Canadian Airlines), leave to appeal refused 2000 ABCA 238, leave to appeal refused (2001) S.C.C.A. No. 60, and *Sino-Forest Corp. (Re),* 2012 ONSC 7050).

[35] Having reviewed the evidence of Mr. Aziz and the Twenty-First Report of the Monitor, I am satisfied that there has been strict compliance with the statutory requirements.

[36] I am also satisfied that nothing has been done or purported to be done that is not authorized by the CCAA.

[37] With respect to the third part of the test, namely a consideration as to whether the plan is fair and reasonable, it is necessary to keep in mind that the court does not require perfection. Rather, the court will measure the fairness and reasonableness of a plan against the available commercial alternatives, weigh the equities and balance the relative degree of prejudice that would flow from granting or refusing to grant the relief being sought under the CCAA.

[38] Factors considered by courts in considering whether a plan is fair and reasonable have included:

(a) Classification of creditors and creditor approval;

(b) What creditors would receive on liquidation or bankruptcy compared to the plan;

(c) Alternatives to the plan and bankruptcy;

(d) Oppression;

(e) Unfairness to shareholders; and

(f) The public interest.

(See: *Canadian Airlines, supra* and *Sino-Forest, supra*)

[39] I am satisfied that in this case, all of the creditors are treated equally under the Plan, except that, in accordance with the D & O/Insurer Global Settlement Agreement, 424187 Alberta Ltd. will receive no distributions in respect of its Senior Secured Credit Agreement Claim. In accordance with its obligations under the D & O/Insurer Global Settlement Agreement, 424187 Alberta Ltd. voted for the Plan.

[40] Having considered the full record, I am satisfied that the Plan is fair and reasonable in the circumstances given:

(a) The Plan represents a compromise among the Applicants and the affected Creditors resulting from lengthy negotiations;

(b) The Plan provides a global resolution of all claims against the Applicants and numerous class action claims;

(c) The appropriate classes of affected creditor overwhelming voted to approve the Plan;

(d) The funds to be distributed pursuant to the Plan at this time are insufficient to satisfy the Secured Claims of the Secured Noteholders, and as such, unsecured creditors do not receive any distributions;

(e) The Plan provides for an ongoing Litigation Trust to pursue additional claims to the benefit of Stakeholders;

(f) Failure of the Plan would result in detrimental consequences to Stakeholders given that there is no realistic alternative to the Plan which provides for the global resolution of all claims against the Applicants and the numerous class action claims that will be resolved as part of the Plan;

(g) The Plan treats affected creditors fairly and provides for the same distribution within each class;

(h) The releases provided under the Plan are appropriate in the circumstances, as discussed below; and

(i) The Plan is supported by the Monitor, the CRO, Litigation Counsel, the Ad Hoc Committee, the Ontario Consumer Class Action Plaintiffs, the Western

Canada Consumer Class Action Plaintiffs, the Ontario Securities Class Action Plaintiffs, DirectCash, the D & Os and the Insurers.

[41] Turning now to the question of third party releases and whether they are appropriate in the circumstances. Canadian courts have, on occasion, approved plans (and settlement agreements in the context of CCAA proceedings) containing broad third party releases (see, for example: *ATV Financial* v. *Metcalfe & Mansfield Alternative Investments II Corp.* (2008), 45 C.B.R. (5th) 163 (Ont. C.A.) ("Metcalfe Appeal); leave to appeal refused (2008), 257 OAC 400 (SCC)); *AbitibbeBowater (Re)* (2010), 72 C.B.R. (5th) 80 (Que. S.C.) ("Abitibbe") and *Angiotech Pharmaceuticals Inc., (Re)* (2011), 76 C.B.R. (5th) 210 (B.C.S.C.)).

[42] Counsel to the CRO submits that CCAA Courts have approved third party releases in the context of plans of arrangement and settlement agreements where the releases are rationally related to a resolution of the debtors claims, the releases will benefit creditors generally, and the releases are not overly broad. Factors considered by courts in determining whether to approve third party releases include:

(a) Whether the parties to be released are necessary and essential to the restructuring of the debtor;

(b) Whether the claims to be released are rationally related to the purpose of the Plan and necessary for it;

(c) Whether the plan would fail without the releases;

(d) Whether the parties who are to have claims against them released are contributing in a tangible and realistic way to the plan;

(e) Whether the plan would benefit not only the debtor companies but creditors generally;

(f) Whether the creditors voting on the plan had knowledge of the nature and effect of the releases; and

(g) Whether the releases are fair and reasonable and not overly broad.

(See: *Metcalfe Appeal* and *Nortel Networks Corporation (Re)* (2010), 63 C.B.R. (5th) 44).

[43] In addition, no single factor listed above is considered determinative, and the court's analysis must take into account the circumstances of each applicable claim (see: *Kitchener Frame Limited (Re)* (2012), 86 C.B.R. (5th) 274).

[44] The third party releases provided under the Plan protect the released parties from potential claims that may be made in the future based on conduct prior to the implementation of the Plan.

[45] Having reviewed the evidence, I am satisfied that there is a reasonable connection between the releases contemplated by the Plan and the restructuring could be achieved by the Plan to warrant inclusion of such releases in the Plan.

[46] I have arrived at this conclusion based on the following:

(a) Full notice and disclosure of the releases was given to the creditors in the Plan, the information statement, the Monitor's Reports and affidavits filed in these proceedings;

(b) Full notice and disclosure of the releases was given to the consumer loan customers through the court approved notice programs in the Consumer Class Action cases;

(c) Full notice and disclosure of the releases was given to shareholders as part of the court approved notice program in the Securities Class Action cases;

(d) The success of the Plan, and each of the Settlement Agreements related thereto, is contingent on the releases being granted;

(e) The releases are sufficiently broad to accomplish their purpose of facilitating the implementation of the Plan and are not, in my view, overly broad of offensive to public policy;

(f) The releases under the Plan do not include a release of any Non-Released Claims, which is defined to include:

i. Any claims under section 5.1(2) of the CCAA;

ii. Any claims under section 19(2) of the CCAA;

iii. Any claims by any of the third party lenders against any of the D & Os; and

iv. Any claim by a person who is not a party to or bound by the D & O/Insurer Global Settlement Agreement or the DirectCash Global Settlement Agreement that is based on a final judgment that a plaintiff suffered damages as a direct result, and solely as a result, of such plaintiff's reliance on an express fraudulent misrepresentation made by the D & Os, the McCann Entities, or by any DirectCash director, officer or employee, when any such person had actual knowledge that the misrepresentation was false;

(g) The Monitor considers the releases contained in the plan to be fair and reasonable in the circumstances.

[47] I accept the evidence of Mr. Aziz that the Settlements are central to the resolution of these CCAA Proceedings and are highly inter-connected.

[48] I am satisfied that the released parties are making significant settlement payments and providing other significant consideration in exchange for the releases and the Plan and the Settlement Agreements cannot be implemented without the releases.

[49] The Applicants request that the Confidential Appendix to the Monitor's Twenty-First Report be sealed on the basis that it contains information about the terms of the Litigation Trustee Retainer which are commercially sensitive and subject to litigation privilege. Having considered the two-part test set forth by the Supreme Court of Canada in *Sierra Club of Canada* v. *Canada (Minister of Finance)*, [2002] 2 S.C.R. 522, I am satisfied that it is appropriate to grant the sealing order.

[50] The Settlements include the proposed resolution of certain claims that have been asserted by Litigation Counsel, on behalf of the Applicants, against certain third party defendants.

[51] First, as part of the D & O Insurers/Global Settlement, the Applicants propose to settle their Estate Claims against the D & Os for three forms of consideration:

(a) A settlement payment of $2,750,000;

(b) The cancellation of the Senior Secured Credit Agreement held by 424187 Alberta Ltd., a company controlled by a family member of Gordon Reykdal (which claim is equal to $2 million); and

(c) The cooperation of the D & Os in the prosecution of the Applicants Remaining Estate Actions.

[52] Second, as part of the DirectCash Global Settlement Agreement, the Applicants propose to settle their Estate Claim against DirectCash for a settlement payment to the Estate of $4,500,000.

[53] Counsel to the CRO submits that, while these settlements form an integral part of the Plan to be approved, they are also reasonable CCAA Settlements in and of themselves.

[54] When approving a settlement under the CCAA the court must be satisfied that:

i. The transaction is fair and reasonable;

ii. The transaction will be beneficial to the debtor and its stakeholders generally; and

iii. The settlement is consistent with the purpose and spirit of the CCAA.

(See: *Robertson* v. *Proquest Information and Learning Co.*, 2011 ONSC 1647)

[55] Counsel to the CRO submits that the Settlements emerged from hard-fought negotiations and mediations, and are supported by the Monitor and the Ad Hoc Committee.

[56] I accept these submissions and I am of the view that the Settlements should be approved.

[57] The Applicants also request an extension of the Stay Period to and including May 20, 2016. It is clear that although there has been substantial progress in the CCAA Proceedings to date, that much work remains to be done.

[58] I am satisfied that the Applicants have acted and are acting in good faith and with due diligence such that the request to extend the Stay Period to and including May 20, 2016 is appropriate and the request is accordingly granted.

[59] The CRO is to be discharged upon implementation of the Plan. Accordingly, the Applicants are requesting that the Monitor's powers be expanded to assist the Applicants in completing their remaining activities during the course of these proceedings. I am satisfied that it is appropriate to authorize the Monitor to take on this expanded role.

[60] In conclusion, it is my view that this Plan represents a global resolution and the myriad of inter-connected claims and litigation that, through the operation of the Plan and related Settlement Agreements, will serve to maximize available recoveries for the Applicants and various Stakeholders.

[61] The Plan was unanimously approved by the Senior Secured Lenders and overwhelmingly approved by the Secured Noteholders.

[62] The Plan has the support of the Monitor, the CRO, the Litigation Counsel, the Ad Hoc Committee, the Ontario Consumer Class Action Plaintiffs, the Western Canada Consumer Class Action Plaintiffs, the Ontario Securities Class Action Plaintiffs, DirectCash, D & Os and the Insurers.

[63] The statutory requirements under the CCAA have been complied with and I am satisfied that the Plan is fair and reasonable.

[64] Accordingly, the Plan is sanctioned and the requested ancillary relief is also granted. The Sanction Order has been signed in the revised form presented to me at the hearing.

[65] It should also be noted that the court has also granted the Class Action Settlement Approval Orders such that the parties can take the necessary steps to proceed to implement the Plan and the related Settlement Agreements.

[66] I would also like to acknowledge the cooperation and assistance of The Honourable Mr. Justice Kenneth R. Hanssen of the Court of Queen's Bench of Manitoba, during the hearing of this motion.

[67] Finally, I would also like to acknowledge the efforts of all parties who contributed to the global resolution of all matters involved in these proceedings.

Regional Senior Justice G.B. Morawetz

Date: November 20, 2015