

Court File No.: 4172/14

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

RONALD PAYNE and TIMOTHY YEOMAN

Plaintiffs

-and-

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 #5, TRIMOR ANNUITY FOCUS LIMITED PARTNERSHIP #6, 1396309 ALBERTA LTD., 367463 ALBERTA LTD., 0678786 B.C. LTD. (formerly c.o.b. as MCCANN FAMILY HOLDING CORPORATION) , L-GEN MANAGEMENT INC., OMNI VENTURES LTD., BRIDGEVIEW FINANCIAL CORP., INTER-PRO PROPERTY CORPORATION (U.S.A.) and FSC ABEL FINANCIAL INC.

Defendants

PROCEEDING UNDER THE *CLASS PROCEEDINGS ACT, 1992, S.O. 1992, c.6*

Court File No.: 4171/14

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

TIMOTHY YEOMAN

Plaintiff

-and-

GORDON J. REYKDAL, MICHAEL J. L. THOMPSON, HALLDOR KRISTJANSSON, and EDWARD C. MCCLELLAND

Defendants

PROCEEDING UNDER THE *CLASS PROCEEDINGS ACT, 1992, S.O. 1992, c.6*

ORDER

THIS MOTION, made by the Plaintiffs for:

- 1) an Order approving the Short- and Long-Form Notices in substantially the form attached hereto as **Schedule “A”** and **Schedule “B”**; and
- 2) an Order approving the Plan for Distributing the Notices in substantially the form attached hereto as **Schedule “C”**;

ON READING the materials filed, and on hearing the submissions of the parties;

- 1) **THIS COURT ORDERS AND DECLARES** the time for service of the Plaintiffs’ Motion Record is hereby abridged and validated so that the motion is properly returnable today and service upon any interested party other than those parties served is hereby dispensed with;
- 2) **THIS COURT ORDERS** that the Notices of Settlement Approval Hearing are hereby approved in substantially the form attached respectively hereto as **Schedule “A”** and **Schedule “B”**;
- 3) **THIS COURT ORDERS** that the Plan of Distribution of the Notices of Settlement Approval Hearing is hereby approved in substantially the form attached hereto as **Schedule “C”**; and

4) **THIS COURT ORDERS** that class members' written objections to the settlements are to be received no later than November 9, 2015.

Date:

The Hon. Justice Geoffrey B. Morawetz

Schedule "A"

**DID YOU TAKE A PAYDAY LOAN FROM
THE CASH STORE OR INSTALOANS IN
ONTARIO ON OR AFTER SEPTEMBER 1, 2011?**

If so, read this notice.

**Class Action Settlements have been Reached for
Borrowers from Ontario locations of The Cash Store
and Instaloes**

A hearing will be held on November 19, 2015 where lawyers for Borrowers will seek a court Order approving the settlements reached on behalf of Ontario borrowers ("Ontario Settlements"), the method of distributing the settlement funds to borrowers ("Settlement Distribution Plan,") and the fees and expenses to be paid to lawyers ("Counsel Fees.")

IMPORTANT DEADLINE

You have a right to object if you do not agree with the proposed Ontario Settlements, Settlement Distribution Plan, or request for Counsel Fees. If you wish to object, you must file an objection by November 9, 2015.

FOR DETAILED INFORMATION

visit www.ontariocashstoresettlement.com

OR CALL 1-800-263-0489, ext. 759

Schedule "B"

DID YOU TAKE A PAYDAY LOAN FROM THE CASH STORE OR INSTALOANS IN ONTARIO ON OR AFTER SEPTEMBER 1, 2011?

Ontario Class Action Settlements have been reached. Please read this notice.

CLASS ACTION LAWSUITS WERE FILED

Class action lawsuits were filed in connection with "payday loans" offered by The Cash Store and Instaloes (collectively "The Cash Store") in Ontario for loans made on or after September 1, 2011 (collectively "Ontario Class Actions.") These lawsuits were filed against The Cash Store, their directors and officers, parties known as third party lenders, and a group of companies owned by or affiliated with DirectCash Payments Inc. ("DirectCash") which provided a series of products and services in connection with the payday loans.

The lawsuits were filed on behalf of all Canadians who entered into payday loans in Ontario with The Cash Store from September 1, 2011 onward (the "Borrowers.")

The Ontario Class Actions claim that the defendants' payday loans had an unlawful structure and that Borrowers were charged too much money for interest on their payday loans and for other fees on credit cards, debit cards, insurance policies, bank accounts, and for other items. Among other things, the Ontario Class Actions asked the Court to order the improper fees and interest be returned to Borrowers.

CASH STORE OBTAINS CCAA PROTECTION

On April 14, 2014, The Cash Store became insolvent and obtained protection from its creditors under the *Companies' Creditors Arrangement Act* ("CCAA") by order of the Ontario Superior Court of Justice (Commercial List) in Toronto, Ontario (the "Court.") The CCAA protection extends to the directors and officers of The Cash Store. The Cash Store no longer operates and all of its assets were sold while it was under CCAA protection. Claims against it are now being managed by the Court under Canadian insolvency law.

SETTLEMENTS HAVE BEEN REACHED

Lawyers for Borrowers ("Class Counsel") in the Ontario Class Actions have created settlements with The Cash Store, and its directors and officers, within the CCAA Proceedings. Settlements have also been reached with a number of other defendants; namely, the DirectCash parties and some of the third-party lenders of The Cash Store (collectively, "the Settling Defendants.")

The Settling Defendants together have agreed to pay over \$10 million, plus a share of any future litigation recoveries by The Cash Store, to settle the Ontario Class Actions. In exchange, the litigation against them will end and they will be provided with a full release for all legal claims made against them (the "Ontario Settlements.")

The Ontario Settlements will be presented to the creditors of The Cash Store in its CCAA proceedings at a creditors' meeting on [date]. If the creditors approve the Ontario Settlements, they will be built into a CCAA Plan of Compromise and Arrangement to be put before the Court for approval. A plan to distribute the Ontario Settlements to Ontario Borrowers will also be brought before the Court for approval (the "Settlement Distribution Plan.") The objective of the Settlement Distribution Plan is to distribute the monetary recoveries in the Ontario Settlements to Borrowers for the costs of borrowing charged to them. To see a copy of the

proposed Settlement Distribution Plan, visit:
www.ontariocashstoresettlement.com.

The Court must also approve the fees of the Class Counsel. The actions have been underway since 2012. These lawyers act on a contingent fee basis: this means that they have taken the risk that they would not be paid for their legal work or reimbursed for the out-of-pocket expenses they have paid in connection with the case if the Ontario Class Actions were unsuccessful. As such, the lawyers will request that legal fees of 25% of the Ontario Settlements, plus out-of-pocket expenses and applicable taxes, be paid.

COURT APPROVALS

Motions will be brought before the Court for: a) approval of the Plan of Compromise and Arrangement containing the Ontario Settlements, including approval of the releases; b) approval of the Settlement Distribution Plan; and c) approval of Class Counsel fees, out-of-pocket expenses, and applicable taxes.

If the Court approvals are granted, Ontario Borrowers who took a loan at an Ontario location of The Cash Store, Instaloes, or one of their affiliated companies any time on or after September 1, 2011 will automatically be eligible to make a claim for compensation under the Settlement Distribution Plan.

If you wish to object to the approvals to be sought in the Ontario Class Actions, please send your written objection to Class Counsel at the contact particulars below by November 9, 2015. The lawyers will make your objection known at the creditors' meeting and at the settlement approval motion scheduled for November 19, 2015 at 3:30pm at 361 University Ave, Toronto. **Please do not contact the Courts with an objection —they cannot process it.**

If you do not wish to object, you do not need to take any action at this time.

IF THE COURT APPROVALS ARE GRANTED

Public notices to Borrowers will be made to announce the opening of the claims process under the Settlement Distribution Plan in the near future so that Borrowers can claim settlement money.

All Borrowers are encouraged to find and keep any documents they may have relating to any loan from The Cash Store in Ontario on or after September 1, 2011. Those documents will help Borrowers to claim their settlement money.

CLASS COUNSEL

If you have an objection or have any questions, contact Class Counsel or visit the settlement website:

Harrison Pensa LLP, Attn: Jonathan J. Foreman
450 Talbot Street
London, ON N6A 4K3
Tel: 1.800.263.0489 ext. 759
Fax: 1.519.667.3362
cashstore@harrisonpensa.com
www.ontariocashstoresettlement.com

Schedule "C"

The Cash Store Class Action Notice Plan

The Short- and Long-Form Notices of Settlement Approval Hearing will be distributed to Class Members as follows:

- 1) by distribution to major news and broadcast outlets across Canada, in English and French, through a Press Release on Canada Newswire which includes a social media feed to facilitate recirculation of the Press Release;
- 2) through a social media campaign utilizing Facebook and Twitter, which will specifically target special-interest groups who are likely to be interested in the matter such as those who have accessed payday loan and credit counselling agency websites online;
- 3) by direct mail, fax, and/or e-mail to:
 - a) all persons who have contacted plaintiffs' counsel about the litigation
 - b) all persons or organizations who request a copy of the Notice, and
 - c) any other potentially interested parties identified by plaintiffs' counsel; and
- 4) by posting the notice on a dedicated settlement website at www.ontariocashstoresettlement.com and www.ontariocashstoresettlement.ca, as well as on the website of plaintiffs' counsel at www.harrisonpensa.com.

Short-Form Notice

The Short-Form Notice of Settlement Approval Hearing will be distributed to Class Members as follows:

- 5) by publication (one time) in a weekday edition of the following newspapers:
 - a) in the "Life" section of The National Post; and
 - b) in the "Life" section of The Toronto Star;
- 6) by publication (one time) in the Metroland family of newspapers, distributed in the geographical areas in Ontario where The Cash Store and Instalozans branches were formally located;

Long-Form Notice

The Long-Form Notice Settlement Approval Hearing will be distributed to Class Members as follows:

- 7) the Consumers' Council of Canada by
 - a) posting a website link to the Notice on the Council's Homepage of its website,
 - b) posting the Notice under the "Class Action Notices" section of the "Council News" page of their website,
 - c) posting a website link to the Notice on the Council's Facebook page, and
 - d) posting a link to the Notice on the Council's Twitter feed;

- 8) to ACORN (Association of Community Organizations for Reform Now), an independent, national organization of low- and moderate-income families comprised of approximately 70,000 members, by:
 - a) posting the Notice under the "Campaigns – Fair Fees" section of their website, and
 - b) posting the Notice on its Facebook page.

TIMOTHY YEOMAN
RONALD PAYNE and TIMOTHY YEOMAN
TIMOTHY YEOMAN
IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C-36 AS AMENDED

v. THE CASH STORE FINANCIAL SERVICES INC., et al.
v. TRIMOR ANNUITY FOCUS LIMITED PARTNERSHIP et al.
v. GORDON J. REYKDAL, MICHAEL J. L. THOMPSON et al.

Court File No. 7908/12 CP
Court File No. 4172/14
Court File No. 4171/14
Court File No. CV-14-10518-00CL

Plaintiffs

Defendants

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDINGS COMMENCED AT LONDON

**ORDER
(Notice of Settlement Approval Hearing)**

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